ACT FOR TOMORROW

2022 UNIVERSAL REGISTRATION DOCUMENT
ANNUAL FINANCIAL REPORT

ALTAREA

CONTENTS

INTEGRATED STRATEGIC REPORT

Altarea presents its integrated strategic report (ISR) as the introduction to this 2022 Universal Registration Document.

For the past six years, the Group has been committed to an integrated reporting approach inspired by its CSR roadmap "*Tous engagés !* ("All committed!") developed around the three concepts of City, Clients and Talents, and the reference framework of the International Integrated Reporting Council (IIRC).

Prepared in a collaborative manner, thanks to the mobilisation of our various Group departments, it highlights the Group's vision, business model, performance and strategy, in the service of value creation for stakeholders and regions.

A detailed summary is presented at each chapter entry.

2022

UNIVERSAL REGISTRATION DOCUMENT

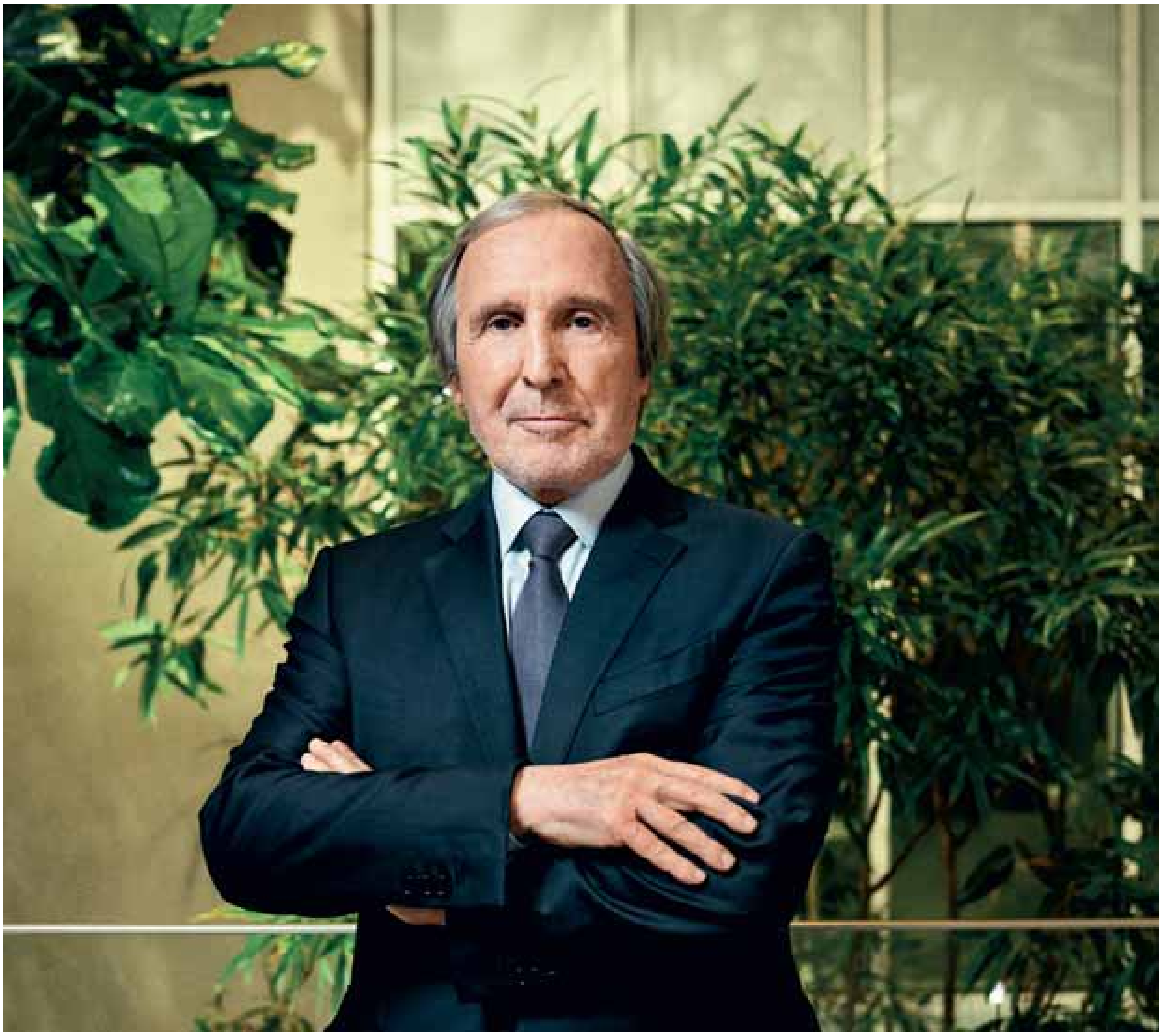
Including the annual financial report

The Universal Registration Document was filed on 24 March 2023 with the French Financial Markets Authority (AMF), as the competent authority according to EU Regulation 2017/1129, without prior approval per Article 9 of the same regulation.

The Universal Registration Document may be used for the purposes of a public offering of financial securities or the admission of financial securities to trading on a regulated market if it is supplemented by a prospectus and, where applicable, a summary and all the amendments made to the Universal Registration Document. The resulting package is approved by the AMF in accordance with Regulation (EU) 2017/1129.

This document is a translation into English of the Universal Registration Document of the Company issued in French, and it is available on the Company's website.

INTEGRATED STRATEGIC REPORT



“**MOBILISING** THE ALTAREA COLLECTIVE FOR LOW-CARBON URBAN TRANSFORMATION”

ALAIN TARAVELLA
Chairman and Founder of Altarea

"In 2022, Altarea demonstrated strong resilience in an economic environment that gradually deteriorated during the year, marked in particular by the war in Ukraine, the return of inflation and the rises in interest rates and energy prices. Despite this generally tough environment, our business was driven by positive trends in our markets. I am thinking of consumers returning to physical retail, something that is now pretty much confirmed, and the dynamism of the strategic sectors where Altarea is developing strongly: Logistics, Business property in the regions and new attractive regions for Residential.

Throughout the year, the Group's teams demonstrated remarkable commitment and agility that enabled us to stay the course and seize opportunities. We have had great achievements in all business lines. If I could only cite one, it would be the delivery of Issy Cœur de Ville, in Issy-les-Moulineaux! A true "slice of the city", this district embodies both our vision of low-carbon urban transformation and the strength of our integrated model, with complementary expertise.

In 2023, this model will be a powerful asset in meeting the many challenges that arise. In an uncertain economy, the property market is expected to slow overall. Borrowing terms and the appetite and purchasing power for property will worsen further, affecting all customers. The year promises to be difficult, as we know, and we have prepared for it in a clear and proactive manner.

In response to this environment, we decided to continue seeking new avenues of growth to enrich our skills base: urban logistics, data centres and charging infrastructure for electric vehicles. Following our initial success, we will launch other new activities in 2023, particularly in asset management and solar power development. The aim is to generate significant revenue in these new business lines and create new opportunities for mobility and development for our employees.

"In a year 2023 full of challenges, our ambition remains intact: to innovate together to meet the challenges of our customers and cities."

Other strategic priority for 2023: continue our decarbonisation trajectory. This has of course been a major commitment for Altarea for several years, with significant advances that are shaking things up in the property market. But it is also increasingly becoming a key factor in generating value from property assets. With this in mind, we are continuing to expand our expertise to accelerate the transition to low-carbon construction. The recent 100% acquisition of Woodeum, the French leader in wood and low-carbon residential – in which Altarea had already been a 50% shareholder since 2019 – confirms this ambition.

In addition, I am convinced that, despite the uncertain economic environment, needs will remain high in our markets. Our challenge and our priority will therefore be to remain more closely connected than ever to our customers, to anticipate and support their expectations as best as possible. Proximity to customers is at the very heart of our corporate culture and it is no coincidence that Cogedim has been awarded 'Customer Service of the Year' for the sixth consecutive year in its category and topped the 2023 HCG – Les Echos customer relations rankings. This is one of our strengths and we must push it relentlessly, harnessing it to serve an unchanged ambition: to be the market leader in low-carbon urban transformation."

“SOLID OPERATIONAL **PERFORMANCE** IN MIXED MARKETS”

“In a mixed environment, Altarea recorded a solid operational performance across all of its business lines in 2022. Retail in particular recovered to levels of activity last seen in 2019. While site footfall remains slightly down, the average basket of visitors has increased, with dynamic marketing and a high occupancy rate.

In Business property, we hit our growth targets by completing several value-creating transactions, such as the signature of three leases on our Landscape tower, in La Défense, the biggest high-rise building deal in the French market in 2022. Our positioning in four segments – Paris, the Paris Region, the regions, large-scale logistics – is proving to be a powerful asset given the cyclical nature of the business.

In Residential, the situation is more subdued despite stable revenue. Thanks to strong geographical diversification, 25% of our land sourcing was in geographical areas where we were not previously present. A record and an effective way to recharge the project pipeline. However, home sales slowed down in the last quarter, due in particular to the rise in interest rates, which limited the access of French people to home loans. We have also had to deal with a substantial rise in construction costs and the impact of the new RE2020 environmental regulations.

Even though residential supply remains structurally insufficient to the needs of most major cities, we expect a complicated market in 2023. The lack of visibility on key issues – such as changes in interest rates or the effects of housing policies – should contribute to reducing demand from institutional investors and individuals.
In this environment, Altarea made the strategic decision to be more selective in its commitments, to get through this complex period in the best possible financial conditions.

Regarding Retail, footfall in our shopping centres and sales should remain high in 2023. The work to diversify retail assets over the last ten years or so constitutes a real competitive advantage for the future: for example, we are now well positioned in major shopping centres, retail parks and railway stations, the asset classes that accelerated most in 2022, having been the most resilient to Covid and rebounded hardest after the crisis. Our ongoing diversification into the fast-expanding urban logistics sector is also a solid growth driver.

We are currently revamping our sourcing in Business property so we can revive production after an expected dip in 2023. In line with our strategy, we will also continue to move ahead in Business property in the regions and in large-scale Logistics, two markets that will remain buoyant.

At the heart of this strategy, the objective of increasing our ‘green’ revenue naturally remains a priority. It is with this in mind that we decided to acquire 100% of Woodeum, the leader in solid timber construction in France. This is also why we have implemented a carbon master plan in each of our shopping centres and defined a carbon trajectory by 2030 for each of our brands. At the same time, we are already developing around thirty residential pilot projects that already comply with future environmental regulations RE2020, RE2028 and RE2031. Despite the complex economic environment and even if it comes at a cost, our contribution to the climate challenge must be sustained, now more than ever, and will continue to occupy a central place in Altarea’s strategy.”

JACQUES EHRMANN
Group Chief Executive Officer, Altarea

"The 2022 results are in line with our objectives despite an uncertain economic environment: when certain markets slow down, it is the strength of our diversified model that we can activate other growth levers."

EXPERT AND AGILE **GOVERNANCE**

Overall responsibility lies with the Management, who is Alain Taravella, Chairman and Founder. Alongside him, Jacques Ehrmann is the Group's Chief Executive Officer and a member of the Executive Committee. The Supervisory Board, chaired by independent member Christian de Gournay, oversees the Company's commitments and management.

ORGANISATION

MANAGEMENT

SUPERVISORY BOARD

Control

Defining and leading the strategy

EXECUTIVE COMMITTEE

Implementing and disseminating the strategy/ mobilisation of employees

- Initiates operational solutions to achieve strategic objectives
- Enhances strategy through business vision and expertise

EXECUTIVE MANAGEMENT COMMITTEE

- Ensures operational management by brand

MANAGERS COMMITTEE

- Shares best practice
- Ensures internal synergies

CROSS-FUNCTIONAL COMMITTEES

- Bring new knowledge into the business lines
- Feed the strategy by sharing experiences (finance, HR, DSI, CSR, innovation)

14
members

33%
Independence rate

58 years
Average age

6 years
Average seniority

42%
Percentage of women

2
Representation of employees

97%
Attendance rate

EXECUTIVE COMMITTEE

Alain Taravella
Founding Chairman of Altarea, Chairman of Altafi 2 (General Partner)

Jacques Ehrmann
Group Chief Executive Officer, Altarea, Chief Executive Officer of Altafi 2 (General Partner)

Éric Dumas
Chief Financial Officer, Altarea

Rodolphe Albert
Chairman, Histoire & Patrimoine

Nathalie Bardin
Director of Strategic Marketing, CSR and Innovation, Altarea

Adrien Blanc
Chairman, Altarea Entreprise

Baptiste Borezée
Deputy CEO of Altarea, in charge of strategy, M&A and Group services

Ludovic Castillo
Chairman of the Management Board, Altarea Commerce

Rodrigo Clare
Chief Executive Officer of Altarea Commerce

Vincent Ego
Chief Executive Officer of Cogedim

Karine Marchand
Director of Human Resources, Altarea

Alexis Moreau
Chief Executive Officer of Pitch Immo

Julien Pemezec
Chief Executive Officer of Woodeum

CHRISTIAN DE GOURNAY
Chairman of the Altarea Supervisory Board

"In 2022, the Supervisory Board carried out structuring work to support Altarea's transformation. First of all, we undertook an in-depth review of the extension of our asset management activity into Business property and other property assets. This led us to express a positive view on this new strategic direction by Management. We also closely monitored the economic environment, its potential impacts on our activities and the way in which they were adapting.

In accordance with its mission, the Supervisory Board also continued to monitor the Group's greenhouse gas emissions trajectory and the related action plans, for example by analysing the financial consequences of short-term decarbonisation measures. It also oversaw the progress made with regard to the goal of increasing the number of women on the Group's management bodies.

A clear strategy and solid financial structure
The members of the Board reviewed the Group's major strategic directions for 2023: continued recovery of activity in Retail, adaptation of offers to provide resilience in Residential, development of large-scale projects without significant financial risks in Business property. They were also informed of the prospects for expanding our business lines to include data centres and solar farms. We will of course continue to monitor implementation of these strategies in an uncertain economic environment. To cope with this environment, Altarea can count on a strong financial structure, with reduced debt and real room for manoeuvre. I am convinced that this is a major asset that will help us stay the course in coming years."

MAIN SKILLS OF THE SUPERVISORY BOARD

Supervisory Board members have a wide range of skills that reflect the variety of the Group's expertise, business lines and activities and are necessary for its task of exercising permanent control over the management of the company.

8
CSR

12
Real estate, urban planning, architecture

14
Strategy and project development

12
Finance

10
Company management

12
Law and tax

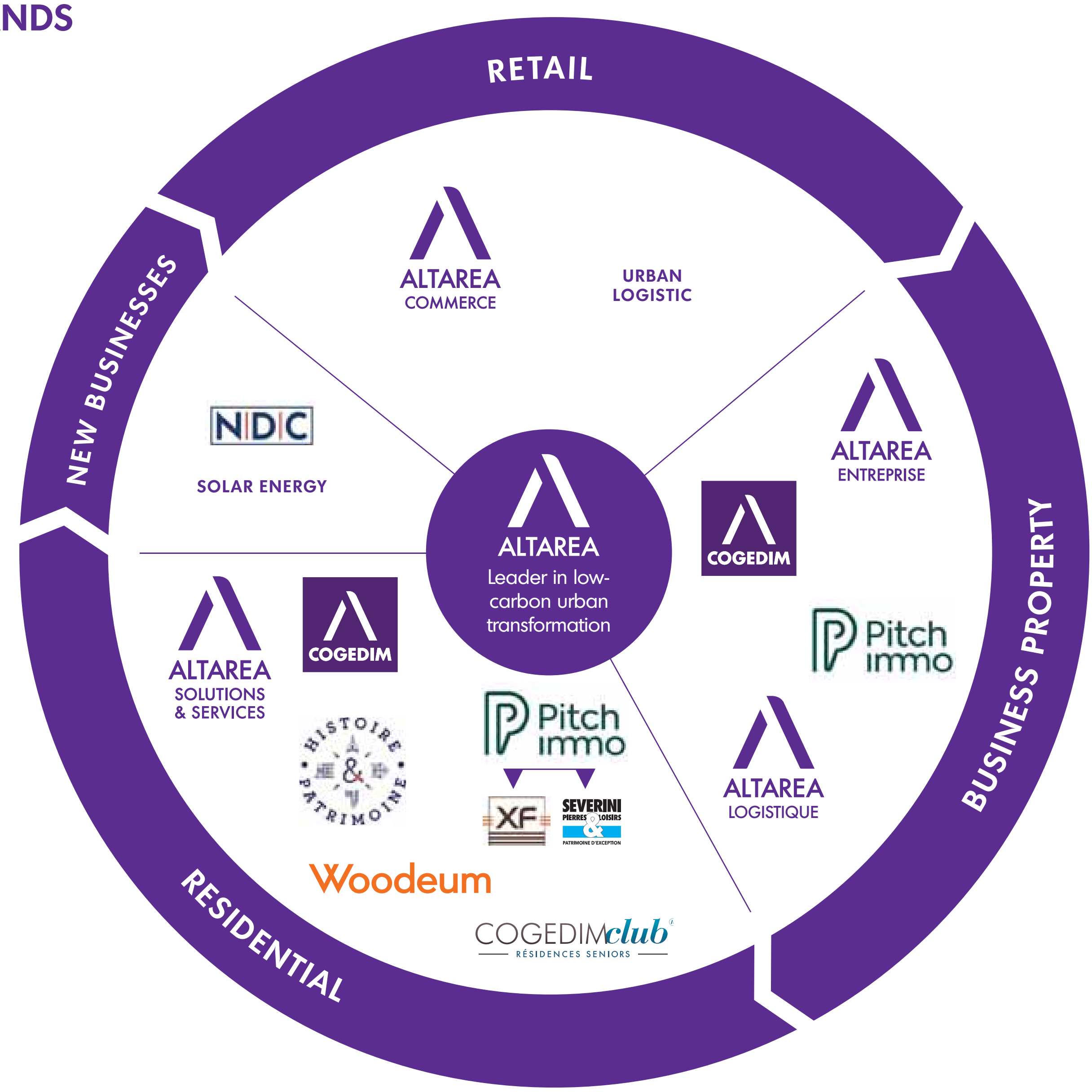
11
Audit and risks

6
Customer solutions, innovation and new technologies

ALTAREA, LEADER IN LOW-CARBON URBAN TRANSFORMATION

Today, Altarea is the leader in low-carbon urban transformation in France. Our performance is based on a unique model. A multi-business and multi-brand model, which relies on strong brands and expertise to meet all of the city's needs in an integrated manner.

ALTAREA GROUP BRANDS



€3 bn
revenue

No. 2
Residential developer

€2.7 bn
in new orders

€5.5 bn
in Retail assets under management

€2.3 bn
Group share

No. 1
Business property developer (head offices, offices, campuses, hotels, logistics)

No. 1
Developer of large mixed-use urban projects

21 large projects
under development

CUSTOMERS

Cogedim (Altarea Group)
No. 1
in the 2023 HCG – Les Echos customer relations rankings

Cogedim "Customer Service of the Year 2023"
In the Property Development category for the 6th consecutive year[1]

(1) BVA study – Viséo CI. More information at escda.fr.

EMPLOYEES

Top Employer 2023
(international certification that recognises excellence in HR practices)

2,139
employees

CLIMATE

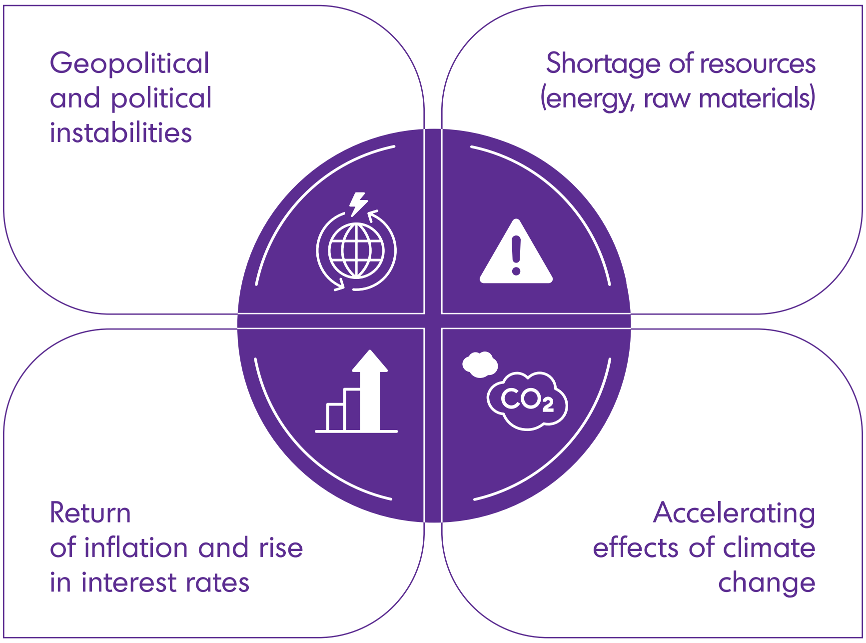
44%
Revenue aligned with European taxonomy

–86.5%
CO_2 emissions in assets under management since 2010

Green Star 5*
Green Star 5* status confirmed at GRESB for the 7th consecutive year

FACED WITH MULTIPLE CHANGES, ASSETS TO BUILD THE FUTURE

IN A RAPIDLY CHANGING MACRO-ENVIRONMENT...



... AND WITH PROPERTY MARKETS DEEPLY IMPACTED BY STRUCTURAL CHANGES...

ACCELERATING CHANGES IN USE

- **Commerce:** omni-channel and segmentation
- **Offices:** rise of remote working, decrease in surface area requirements, sense of meaning and the collective, changing expectations for collaborative spaces and workstations, etc.
- **Housing:** challenges related to the product (modularity, outdoor spaces, etc.) and location (remote working, new regions, etc.)
- **Logistics:** strong growth driven by e-commerce, expansion of the value chain between XXL platforms and last mile logistics

TRANSFORMATION OF REGIONAL DYNAMICS

- **Cities:** relative slowdown in the market but still high value added
- **Strengthening the attractiveness of regional cities and medium-sized cities:** growing real estate needs, affordable land prices, an emerging market
- **Climate disparities:** impact on the attractiveness of the regions
- **Territorial rebalancing between major cities,** medium-sized cities and rural areas

… MULTIPLE CHALLENGES AND OPPORTUNITIES FOR ALTAREA…

CHALLENGES

INCREASING COMPLEXITY

- **Political, administrative and regulatory complexities** (local, national, European)
- **Social acceptability of urban transformation** (particularly in the centre of major cities)
- **Complex economic balance, high barriers to entry**

STRENGTHENING OF ENVIRONMENTAL REGULATIONS

- **RE2020:** tightening of the energy performance and carbon impact of new housing
- **Tertiary decree:** a powerful catalyst for the restructuring of the office and retail market (obsolescence, renovation/transformation)
- **Zero net artificialisation:** regulations to accelerate land conversions, greater administrative and operational complexity

OPPORTUNITIES

URBAN TRANSFORMATION, A HUGE MARKET FOR THE COMING DECADES

- **Obsolescence of French real estate infrastructure** accelerated by changes in use
- **Consensus on the need to rethink urban planning** (despecialisation and diversity, urban and regional divides)
- **Low-carbon revolution** accelerating conversions
- **Huge needs** for capital and know-how

AN INDISPUTABLE SOCIAL CHALLENGE

- **Property at the core of all public policy issues:** purchasing power, inequality, climate change and environmental protection, reindustrialisation, regional balance, ageing population, employment, training, etc.
- **Affordable housing and access to infrastructure,** a national challenge for social and geographical cohesion
- **Long-term decisions** (a property asset is used on average for nearly a century)

… WHICH HAS THE COMPETITIVE ADVANTAGES TO POSITION ITSELF AS A LEADER IN LOW-CARBON URBAN TRANSFORMATION.

A unique skills platform

- Presence in the whole real estate chain as REIT, developer and investor
- Mixed and complementary offer in housing, offices, retail, logistics
- Global vision of BtoB and BtoC needs and challenges
- Managing complexity

A financial and commercial power

- Financial capacity to manage large-scale projects
- A land bank/complementarity of the retail, residential and business property cycles
- Structure favouring a short and agile decision-making circuit
- Quality of customer relations

An entrepreneur's DNA

- Shared ambition and values of commitment, boldness and creativity
- Sense of belonging among employees, associated with the fruits of growth
- Active innovation policy

"Tous Engagés!" (we are all involved), our CSR approach

- Positioned as a public interest partner for cities and those who live there
- A business model based on strong convictions, the core of the Group's CSR approach

AN AMBITIOUS AND RESPONSIBLE STRATEGY TO ACCELERATE URBAN TRANSFORMATION

ALL HOUSING

- **A comprehensive range and national coverage:** high-end, mid-range and entry-level in the Paris Region and other regions
- **All customers:** private sector and social housing institutional investors, individual buyers and investors
- **All types of managed property:** senior, student, tourism, business
- **All tax strategies:** Pinel, Censi-Bouvard, historical monuments, Malraux Act, real estate tax, condominium, portfolio

Areas of development

— Development in new territories, in major regional cities and medium-sized cities
— Offices can be converted into housing

ALL SHOPS

- **Major destinations (shopping centres and shopping-leisure centres):** size, depth of offer, leisure shopping, entertainment
- **Large retail parks:** the best proximity/price ratio
- **Retail infrastructure in stations:** a natural, massive, continuous footfall with revisited assets
- **Convenience stores:** as part of residential or large mixed-use projects

Areas of development

— Strengthening the asset management strategy
— Development of new activities: data centres, solar power, etc.

CLIMATE — A priority issue, fully integrated into the strategy

EMPLOYEES — A strategy of investment in human capital

CLIENTS — A relationship based on quality and personalisation

ALL OFFICES

- **A complete range of offices from 1,500 m² to 70,000 m²:** head offices, multi-occupancy buildings, high-rise, CBD
- **An offer tailored** to both the Paris Region and regional cities

Areas of development

— Development in the regions
— Educational property (campuses, schools, training centres)

ALL LOGISTICS

- **XXL platforms:** support the development of distributors and e-commerce players
- **Multi-user hub:** logistics spaces along major roads
- **Urban logistics:** solutions to manage the last mile as close as possible to the end customer

Areas of development

— Development of large-scale logistics in the western arc
— Development of urban logistics for mixed-use projects and developments

NEW NEIGHBOURHOODS

- **Exemplary urban planning:** urban diversity, conversion of brownfield land, sustainable development
- **One step ahead:** 21 major ongoing projects
- **Managing complexity:** operations and finance

Area of development

— Promote a new urban model based on mixed uses and innovation in the service of sustainable cities

- Achieve **zero net emissions** on all our Retail assets by 2030
- Reduce energy consumption of Retail assets by **50%** between 2010 and 2030
- Use **100%** electricity from guaranteed renewable sources in the managed portfolio
- Reduce greenhouse gas emissions from projects by **50%** (by surface area intensity) between 2019 and 2035

- Make Altarea the **No. 1 training school** in France for urban transformation professions
- **Increase engagement** in all possible ways as part of a war for talent
- Share value automatically, with an **incentive scheme**

- Aim for **excellence and personalisation** in customer relations
- Promote **quality of life and well-being** in all projects
- **Generalise the systems** for dialogue and measuring satisfaction

OUR BUSINESS MODEL

A leader in low-carbon urban transformation, Altarea provides solutions for happy urban life. Building on solid competitive advantages, the Group develops high-quality urban projects and solutions with positive social and environmental impacts, creating value for all of its stakeholders.

OUR STRENGTHS

Financial and commercial strength

- Equity: €4 bn
- Available cash: €3 bn

Diversified and complementary sources of revenue:

- Operating income 2022: €446 m
- Leader in Residential, Retail and Business property
- 900 projects under development

Skills platform

- 2,139 employees
- 417 new hires in 2022
- 99% of employees trained in 2022

Entrepreneurial DNA

- Alain Taravella holds 44.87% of the Group's shares directly and indirectly
- 80% employee shareholders

Responsibility and commitment

- "Tous Engagés!" (we are all involved), the Group's approach to CSR structured around 3 pillars: cities, customers and talents
- Altarea's CSR performance is regularly assessed by extra-financial rating agencies[1]. Analysis of the results obtained allows it to improve its performance on a continuous basis
- A training course on CSR and climate change for all employees
- Carbon trajectories by 2030 for all our brands

OUR VALUE CREATION

Robustness of results

- Revenue: €3 bn
- FFO: €275.4 m

Contribution to the national economy

- Salaries and expenses: €193.6 m
- Purchases: €3.3 bn
- Value of project pipeline: €21.3 bn
- 50,000 direct, indirect and induced jobs supported in France
- Youth employment: 606 work-study students and interns in 2022

Accelerating sector transformations

- Digitalisation
- Participation defining labels/certifications
- French leader in low-carbon residential real estate in solid timber

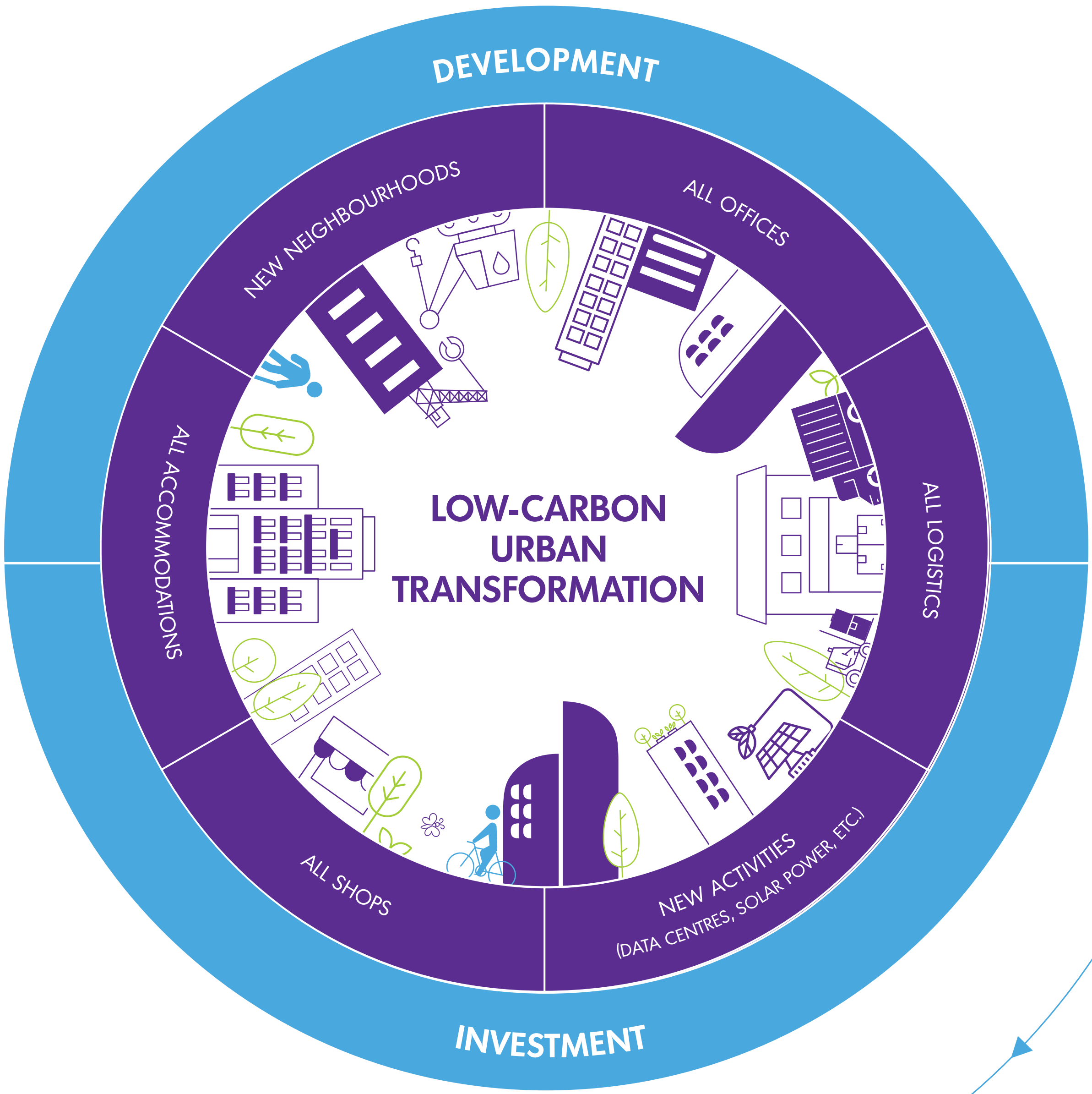
Offer quality and customer satisfaction

- Residential: 1.16 new orders per home delivered, 4 projects given Pyramides awards, Cogedim voted "Customer Service of the Year 2023[2]" for the 6th consecutive year and 1st place in the 2023 HCG – Les Echos customer relations rankings

Control of the environmental footprint

- Revenue aligned to European taxonomy: 44%
- Group carbon footprint (scopes 1, 2 and 3): 1,085 thousand tCO_2eq (−30.7% vs 2019)
- In Residential: Cogedim is one of the few national developers approved NF Habitat, HQE maturity 3
- In Business property: 100% of new projects certified at least HQE "Very Good" and/or BREEAM® "Very Good"
- 99% of surface areas under development are less than 500 metres from public transport
- In Retail: −86.5% CO_2 emissions in assets under management since 2010
- 100% of assets under management are certified BREEAM® In-Use

(1) All information relating to the analyses of non-financial rating agencies can be found in Chapter 4 of the 2022 Universal Registration Document.
(2) BVA – Viséo CI report. More information at escda.fr.


DEVELOPMENT
NEW NEIGHBOURHOODS
ALL OFFICES
ALL LOGISTICS
NEW ACTIVITIES
(DATA CENTRES, SOLAR POWER, ETC.)
ALL SHOPS
ALL ACCOMMODATIONS
LOW-CARBON
URBAN
TRANSFORMATION
INVESTMENT

FINANCIAL AND EXTRA-FINANCIAL **PERFORMANCE**

Since 2021, in addition to the usual financial criteria, Altarea's profit-sharing agreement also includes non-financial criteria aligned with the Group's strategy and based on three themes: climate, employees and customers.

44%
Revenue aligned with European taxonomy

1,085 thousand tCO_2eq
Group carbon performance (scopes 1, 2 and 3)

360 gCO_2eq
Carbon intensity
Volume of CO_2 required to generate €1 in revenue

-86.5%
emissions of CO_2 in assets under management since 2010

Green Star 5*
Green Star 5* status confirmed at GRESB for the 7th consecutive year

POWER OF THE REAL ESTATE PLATFORM MODEL

€3 bn
Revenue

€446 m
Operating income
▸ +10.2%

€275.4 m
FFO Group share
▸ +4.2%

100%
of new neighbourhood projects have an ecological diagnostic

21
large urban projects

73%
of Business property projects are multi-use

99%
of projects under development are less than 500 m from public transport

POSITIONING ON HUGE URBAN TRANSFORMATION MARKET

€21.3 bn
Project pipeline value

900
projects

21
large urban projects

A SOLID FINANCIAL MODEL

To support future growth

€3 bn
Available cash

€4 bn
Equity

24.5%
Loan to value

€1.5 bn
Net debt
Sharp decrease in debt
▶ –€91 m

100%
of Retail sites have a biodiversity action plan

Cogedim (Altarea Group)
No. 1
in the 2023 HCG – Les Echos customer relations rankings

Winner
of 2023 "Customer Service of the Year" award(1): Cogedim honoured for the 6th consecutive year

72%
of building site purchases were made from companies located less than 50 km away

50,000
direct, indirect and induced jobs supported in France

50%
of positions were filled by mobility

99%
of employees took at least one training programme in 2022

543
work-study students

(1) BVA study – Viséo CI. More information at escda.fr.

Data as of 31.12.2022 – Change vs. 31.12.2021.

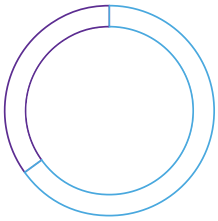
PROFILE AND OUTLOOK BY ACTIVITY

RESIDENTIAL

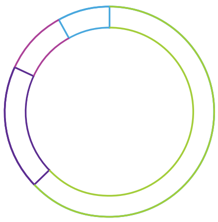
Thanks to its multi-brand and multi-product offering, Altarea is present in all the fast-growth regions of France, delivering a relevant offer to all market segments and all types of customers (primarily first-time buyers, individual investors, institutional investors, social landlords, managed residences, services, etc.).

No. 2
developer in France
(10,017 units ordered in 2022)

€2.7 bn
in new orders



SALES:
65% Individuals
35% Institutional investors



63% Entry-level and mid-range
19% High-end
10% Serviced residences
8% Renovation

€15.7 bn
pipeline value

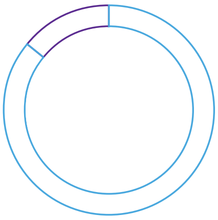
815 projects
52,920 units

BUSINESS PROPERTY

Thanks to its diversified model and limited risk (developer and/or investor), Altarea has become a major player in France, in new projects or complex restructurings. Historically active in the Grand Paris area, the Group is accelerating its development in major regional cities, both in Business property and Logistics.

No. 1
developer in France

€5 bn
Pipeline value



86% in Offices
14% in Logistics

59 projects

13 projects
in the Paris Region

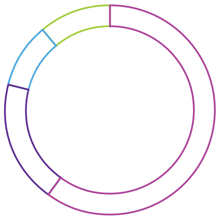
46 projects
in other regions

RETAIL

Altarea Commerce is a designer, developer, investor and asset manager, focusing its investments on five types of high-potential assets (shopping centres, travel retail in railway stations, convenience stores, retail parks, shopping-leisure centres), which match consumer aspirations (wide choice, efficient product mix, leisure and catering offer, customer services, redesigned customer experience).

€5.5 bn
assets under management,

of which
€2.3 bn
Retail assets, Group share by value



Breakdown of value of assets under management by type:
60% Large centres
19% Retail parks
10% Travel retail
11% Convenience

€193.7 m
Net rental income

2022
IN BRIEF

FEBRUARY
In Paris La Défense, inauguration of Eria, headquarters of Campus Cyber, built by Altarea Entreprise

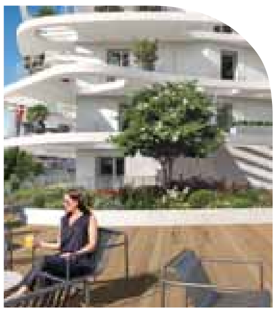
MARCH
Inauguration of Les Grands Moulins de Paris, a jewel of industrial heritage entirely rehabilitated by Histoire & Patrimoine, in Marquette-lez-Lille

MARCH
CAP3000 named "Best Shopping Center" in the world at the MIPIM Awards

MARCH
Inauguration of Bezons Cœur de Ville

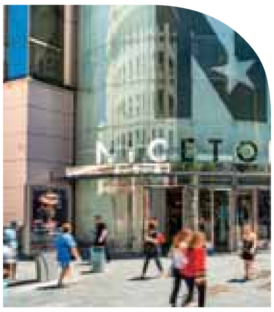
APRIL
Inauguration in Mérignac of #Community, Groupama's new regional campus, built by Cogedim

MAY
Sale of two Cogedim office buildings: Tivoli Capital in Toulouse and to Erilia in Marseille



JUNE
Start of work on JOIA Nice Méridia, an eco-district developed by Pitch Immo

JULY
Altarea Commerce includes the NicEtoile shopping centre in its asset management portfolio



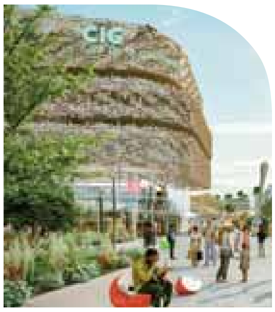
JULY
Altarea accelerates its development in logistics, both on major platforms and in urban logistics

SEPTEMBER
Inauguration of Villa Gabrielle, a new Cogedim Club serviced senior residence in Asnières-sur-Seine, developed by Pitch Immo

OCTOBER
Inauguration of Issy Cœur de Ville, in Issy-les-Moulineaux

OCTOBER
Pitch Immo launches marketing for the KI mixed-use programme in the Part-Dieu business district in Lyon

NOVEMBER
Cogedim wins "Customer Service of the Year 2023[1]" award in the Property Development category for the 6th year running



DECEMBER
Pitch Immo wins the tender for the Cité internationale de la gastronomie Paris-Rungis project

(1) BVA study – Viséo CI. More information at escda.fr.

#01

WHAT DOES IT MEAN TO WORK IN REAL ESTATE TODAY?

THE EXPERT'S VIEW

Bertrand de Feydeau
Chairman of the Palladio Foundation

The Palladio Foundation, of which Altarea is a founding member and sponsor, is a place for meetings, debates and reflections on urban issues in the 21st century, under the aegis of the Fondation de France.

"New generations are more attentive than ever to how companies respond to their desire that work should be meaningful. At a time when professional mobility is accelerating, the meaning the company gives to its actions is essential to attract and retain the best workers, to create collective unity around a shared goal. While compensation and recognition remain important motivations, many want to help drive progress through the work they do, and to align their committed vision of the world with the values and actions of their company.

Companies are expected to contribute to society. As the distinction between private and professional life becomes blurred, work must also satisfy the employee's emotional needs. For real estate and construction companies, with a strong social and environmental impact, this meaningful contribution can be based on concrete structural factors. By building the city, we are helping to create a framework that promotes respect for the Earth and its inhabitants.

We are experiencing an anthropological change that is having profound impact on real estate business lines: ten years ago, the challenges were those of the market, land and technical innovations. Today, with climate change acting as a catalyst, people are asking themselves how they will live in the future and what their needs will be. Those who choose urban professions today must understand these changes and respond to them with solutions that make sense. Construction is a central response: it creates living spaces where the individual constructs themself, where they order their existence, where they meet the other. Working in real estate today means inventing spaces that will enable a rich and renewed development of relationships in the future."

68%
of students believe that environmental issues will be decisive in their job search

Source: 6th *Panorama de l'immobilier et de la ville*, EY, February 2022.

EVERYONE HAS A ROLE TO PLAY AND **SOMETHING TO CONTRIBUTE**

Karine Marchand
Director of Human Resources
of Altarea

WHAT IS THE BEST REASON TO WORK AT ALTAREA?

Entrepreneurial DNA, i.e. the right balance between boldness and risk management that means projects and missions are implemented with conviction and responsibility. Upon their arrival, our employees, whether young or experienced, soak up this DNA from existing staff by working on projects that, large or small, must have a positive impact on society and the environment. The same entrepreneurial spirit is why everyone has the chance to be a shareholder, an opportunity taken up by 80% of our employees on open-ended contracts who hold Group shares either directly or through the Altarea FCPE (employee share fund).

AND THE SECOND BEST REASON TO JOIN THE GROUP?

The strength of the collective, based on the complementary mix of activities, professions and individual talents. Working together is a state of mind that is cultivated every day by encouraging collaboration, the sharing of experiences, working in project mode where each specialism contributes its expertise, where all talents, young or old, can express themselves. The collective is also the mix of activities that creates career development options throughout the real estate value chain, in organisations of varying sizes and with high levels of responsibility.

This provides opportunities for the maximum number of people. 50% of vacant positions were filled through internal promotion for the 3rd consecutive year.

HOW DO YOU GIVE EVERYONE THE MEANS TO CULTIVATE THIS MENTALITY AND SUCCEED?

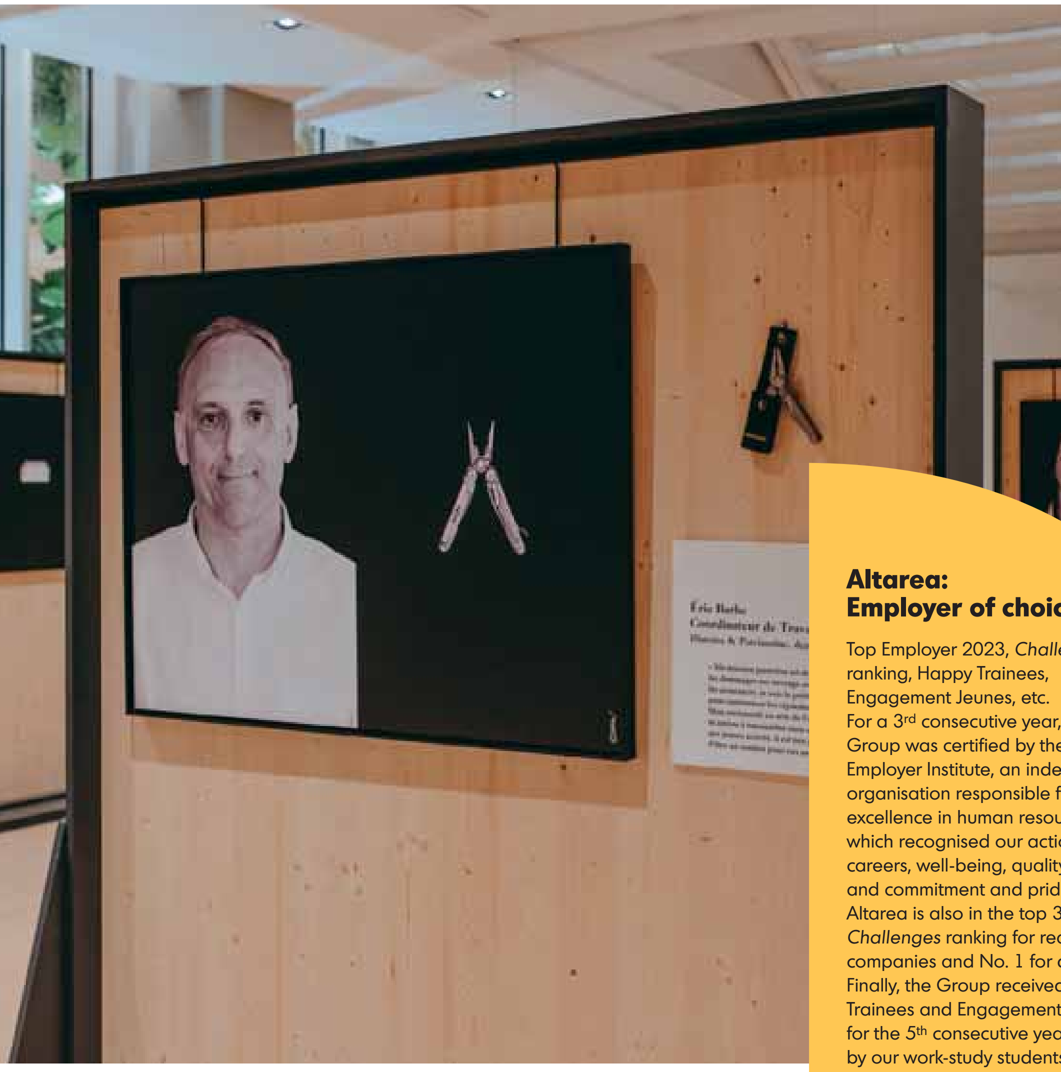
Strengthening proximity between all levels of the organisation and between business lines, while giving people time to understand how it works and share achievements, these are our principles for transmitting entrepreneurial DNA and the strength of the collective. One illustration of this is the “Ambition 2030” seminars, held ten times a year, to which new and old recruits are invited. Another is the transmission of knowledge through the Altarea Academy, which offers training programmes targeted on strategic areas of skills development. The range of courses is broad enough to meet the expectations of all and includes certified or graduate programmes. It also means making a commitment to pass on our know-how to the younger generation. Altarea welcomed more than 500 young work-study students this year and nearly a hundred interns. It also means staying tuned to employees. The company ran an engagement survey in 2021, a more targeted second survey in 2022 and the local HR organisation is always there to continually improve support.

IN 2022, NEW EMPLOYEE RECOGNITION SYSTEMS

Considering that commitment, performance and recognition are inseparable, Altarea strives to reward its employees and their initiatives. For example, the Group has launched the "Champions programme", which pays tribute to employees who, in addition to their assigned tasks, have perfectly, enthusiastically and efficiently, embodied the Group's fundamental values: boldness, excellence and the collective. In 2022, an initial group of 13 employees from all business lines was honoured. In 2022, 10 portraits of employees were posted in partnership with "Les Gueules de l'Emploi" at an exhibition open to all at our Richelieu site or accessible by immersive visit on www.gueulesdelemploi.fr. The portraits remind us that behind each of the Group's real estate projects are men and women working with passion.

▲ Awards ceremony for the 2022 Champions programme during the Managers' Committee meeting on 20 October in Issy Cœur de Ville

▼ "Les Gueules de l'Emploi" exhibition



+18 point
increase in employee engagement score compared to the previous year

Altarea: Employer of choice

Top Employer 2023, *Challenges* ranking, Happy Trainees, Engagement Jeunes, etc.
For a 3rd consecutive year, the Group was certified by the Top Employer Institute, an independent organisation responsible for certifying excellence in human resources practices, which recognised our actions to support careers, well-being, quality of workspaces and commitment and pride in belonging. Altarea is also in the top 3 in the *Challenges* ranking for real estate companies and No. 1 for developers. Finally, the Group received the Happy Trainees and Engagement Jeunes labels for the 5th consecutive year, awarded by our work-study students and interns.

YOUNG TALENTS
AT THE HEART OF ALTAREA'S STRATEGY

Facilitating the professional integration of young people is a major social responsibility for a group like Altarea. It is also key to promoting the growth of those that will drive the company's development in future years. In 2022, the Group welcomed more than 600 work-study students and interns. For the fourth consecutive year, it also obtained the Happy Trainees label, listing the best companies in which to do an internship or work-study programme. Altarea is also a partner of Engagement Jeunes, a platform where large companies and SMEs share profiles of young talent and where they can express opinions about the companies they know. In addition, by cultivating a culture of lifelong learning for all its employees, the Group offers them tailor-made training courses leading to certificates. One such is the "Influencing the future" programme developed by the emlyon business school for Altarea's high-potential managers. Another is the graduate programme that allows young talents to explore different jobs and activities over several months.

Camille Vedy
Graduate Programme
Project Manager

WHAT DOES THE GRADUATE PROGRAMME DO FOR YOU?

Thanks to this programme, I worked at Altarea Entreprise on the Eria building in La Défense, at Pitch Immo on three residential projects and currently at Altarea Commerce. It's very rewarding. It is a unique opportunity to understand the city and its challenges in all their diversity. A lot of people took time out to pass on their knowledge, which meant I picked up skills quickly. And we also have special moments of discussion with the Group's executives.

HOW DO YOU FEEL ABOUT WORKING AT ALTAREA?

First, a sense of usefulness, that I can make a real contribution and help create the city of tomorrow. Also, it is a company that instils agility. We are in contact with colleagues who have very varied jobs, in organisations teeming with ideas, initiatives, etc. We learn to adapt, to be responsive and proactive. These become valuable reflexes. Moreover, it is a company that remains friendly and caring. I am mainly thinking of the spirit of helpfulness and mutual support that you feel.

▲ 87 Richelieu, Altarea's headquarters – Renovated by Altarea Entreprise – Architect: Wilmotte & Associés – Paris (75)

PROFIT-SHARING AGREEMENT: **AMBITIOUS NEW EXTRA-FINANCIAL CRITERIA**

In 2021, for the first time, Altarea included innovative extra-financial criteria in its profit-sharing agreement, alongside the usual financial criteria. An effective way for employees to benefit individually from the collective commitment to serving customers and society as a whole. In 2022, the Group redefined these extra-financial criteria around three priorities, aligned with its strategy:

- Climate: decarbonisation targets have been set for each brand (see p. 41);
- Employees: 60% of managerial positions opened during the year had to be filled by women and 30% of all open positions in the Group had to be filled internally;
- Customers: the three brands Cogedim, Pitch Immo and Histoire & Patrimoine had to improve their Net Promoter Score by at least one point.

50%
of positions filled by mobility in 2022

#02

LOW-CARBON REAL ESTATE: UTOPIA OR THE NEW NORMAL?

23%

of greenhouse gas (GHG) emissions in France come from the construction and use of buildings

Source: French Ministry for the Ecological Transition and Regional Cohesion.

THE EXPERT'S VIEW

Christophe Rodriguez
Chief Executive Officer of the Institut Français pour la Performance du Bâtiment (IFPEB)

"With 150 million tonnes of CO_2 emitted by buildings in France each year, 80% of it by existing buildings, real estate actors obviously have a fundamental role to play in the ecological transition. They have already made significant progress on the energy side of this transition, by collectively developing a culture of energy efficiency. The next step is mass decarbonisation: we need to move far and fast.

To meet the objective of net zero emissions by 2050, with a first key deadline in 2030, we need to step hard on the accelerator. For instance: only 60,000 homes are currently renovated to BBC(1) standards each year in the residential and tertiary sectors, whereas the national low-carbon strategy envisages 500,000… This acceleration means major transformations that directly impact the business of everyone involved in real estate. To get up to speed, developers must, for example, commit much more vigorously to the renovation of buildings. In new build, they must also roll out mass scale solutions that reduce greenhouse gas emissions (materials, consumption monitoring, etc.), designed for new buildings but also applicable to renovation projects.

A stroke of luck is that we do not need a major technological breakthrough to succeed in decarbonising real estate by 2030. The technical solutions are already there. For example, the number of construction components available in low-carbon concrete has exploded over the past year. Admittedly, we have estimated the probable additional cost of a low-carbon project at 10% based on the 2030 RE2020 threshold. But the more developers apply a demanding incentive-based policy, for example by targeting the 2025 RE2020 threshold now, the more competitive the decarbonised materials developed by manufacturers will become. Low carbon will be more of a team effort than ever in coming years."

(1) Bâtiment basse consommation – low-consumption building.

LOW-CARBON REAL ESTATE, **IT IS A COMPLETE CHANGE OF PARADIGM**

Nathalie Bardin
Director of Strategic Marketing, CSR and Innovation of Altarea

For the past dozen years, Altarea has been at the forefront of low-carbon real estate. Nathalie Bardin takes stock of the challenges to be met and the approaches to be used to take this to the next stage.

IN AN UNCERTAIN ECONOMIC ENVIRONMENT, CAN REAL ESTATE MAINTAIN ITS TREND TOWARD LOW CARBON?

I am convinced that the property of tomorrow will be low carbon or not exist. The climate emergency is here, regulatory pressure is increasing, and low carbon is already a requirement for investors, and will be for customers too in the future. For our industry, this means a real paradigm shift.
It is no longer enough to use more biosourced materials or to green more projects. We have to act on all fronts, from design to construction and operation, at the same time.

HOW DO YOU ACT "ON ALL FRONTS"?

Today, there are already a multitude of solutions that allow us to emit fewer greenhouse gases: from urban heating networks to geothermal energy, including wood, low carbon concrete, bioclimatic design, cool islands for plants and the circular economy.
The important thing is to find the right combination of these solutions and make them work with the project's economics: we create an appropriate mix for each project, for example by sourcing materials or energy to suit the site's challenges and local resources. The right material, the right energy, in the right place. This regional intelligence is essential.

WHAT ARE THE KEYS TO GENERALISING LOW-CARBON REAL ESTATE?

First of all, we need to really deploy these new construction methods on a mass scale, while finding the right economic and social balance. Today, low-carbon construction involves an additional cost. However, the low-carbon city must be accessible to everyone. What is more, I deeply believe that we must make a positive case. Low carbon is 100% compatible with the concepts of well-being, pleasure and mixed uses that are at the heart of Altarea's operations!
It is up to us, the real estate players, to keep demonstrating this.

REHABILITATION, A CHOICE FOR THE FUTURE IN THE FACE OF CLIMATE CHALLENGES

▲ Les Grands Moulins de Corbeil — Cogedim and Histoire & Patrimoine — Architects: Vincent Lavergne Architecture Urbanisme, MAES Architectes Urbanistes — Corbeil-Essonnes (91)

Combining urban conversion and climate challenges

In Corbeil-Essonnes, Cogedim and Histoire & Patrimoine were chosen to carry out the redevelopment of the Grands Moulins, a historic industrial mill in the city. While the flour milling business will continue, Altarea will develop a mixed-use programme on the site including 240 housing units, services and local shops. Plans include a restaurant, a café, an auction room, a heritage space, public facilities for the city, a bicycle workshop and a third space. A central garden will contribute to the well-being of residents and help prevent heat islands. It will also improve soil permeability, limiting the risk of runoff during heavy rain.

−30% to −70%
lower carbon footprint on a rehabilitated real estate project compared to a new project

▼ PRD Montparnasse — Altarea Entreprise — Architect: Ateliers 2/3/4/ — Paris (75)

In Montparnasse, a new modernity for an emblematic building

When it was built in the 1960s, the imposing 16-storey building above Montparnasse station already embodied a promise of modernity. Today, Altarea Entreprise has undertaken a vast restructuring project that will reinterpret this modernity. Based on a bioclimatic design, i.e. a design adapted to the features of its location, the site will have a glass façade offering more light and transparency. A city farm will be installed on the converted rooftop, creating a new iconic space. Indoors, workspaces will be more flexible and open, to suit new ways of working.

FOCUS ON LESS
CARBON-INTENSIVE MATERIALS

Nabil Akl
Cogedim Technical Director

HOW HAS COGEDIM COMMITTED TO LOW-CARBON PROPERTY?

The rise of the climate issue has led us to reflect on a decarbonisation roadmap by 2030. In 2022 we were able to train our teams, become more familiar with carbon management of projects, and target environmental outperformance in 23 of them.
We made the technical, carbon and economic performance of construction techniques and energy systems more reliable and validated them. This will enable us to refine our roadmap and replicate them on a larger scale. We must also accelerate the cultural change the real estate sector needs to make as part of this change, compile carbon data, and support our teams, suppliers and partner companies in developing their skills in this area so that together we can meet the challenge of creating sustainable real estate.

▼ Noisy Horizon — Cogedim — Architect: LBBA — Noisy-le-Grand (93)

From low-carbon materials to Noisy Horizon

In the heart of Noisy-le-Grand, Cogedim is building Noisy Horizon, a new residence integrating housing of all sizes, a health centre and a green island. The innovative project gives pride of place to low-carbon materials: 100% of the floors will be made of low-carbon concrete and exterior wooden cladding will cover the façade along the balconies. The patio in the middle of the block will be planted. Rainwater will be collected for watering and all housing units will have 8 m² to 39 m² of green space.

In Lyon, one of the tallest timber-frame buildings in France

Located in the Confluence district in Lyon, the 15,000 m² Albizzia residential complex built by Woodeum will be the city's first low-carbon block and will combine housing with shops and offices. The complex already exceeds the requirements of the 2025 standards for environmental regulation and has obtained the BBCA® "Excellence" label, which covers the entire life cycle of buildings. At the heart of the site will be a 16-storey building rising more than 50 meters above the ground, a real technical achievement illustrating the full potential of timber in construction.

▲ Albizzia — Woodeum — Architects: Hardel & Le Bihan and Insolites Architectures — Lyon (69)

10%
of buildings (residential and non-residential) in France are made of timber

165,000 tonnes
The carbon saving made possible by Woodeum's completed and ongoing projects

Julien Pemezec
Chief Executive Officer of Woodeum

HOW DOES WOODEUM CONTRIBUTE TO THE DECARBONISATION OF THE REAL ESTATE SECTOR?

With more than 5,500 housing units delivered or commissioned to its credit, Woodeum has shown it is possible to build high-quality timber buildings of all types, including high-rise or buildings with curved façades. Our buildings meet strong demand for greener property with better energy performance.
Woodeum's completed and ongoing projects will deliver a carbon saving of 165,000 tonnes compared to traditional solutions.
At the same time, the development of the timber-built industry is an industrial opportunity for France, which has one of the largest forest estates in Europe. Wood production is expected to triple within two years. There are challenges; we have to massify wood construction to reduce costs. But the possibilities are immense. Thanks to R&D, which is at the heart of our DNA and our activities, our engineers specialising in timber construction, who make up 1/3 of our employees, have already halved the average carbon footprint of new buildings in eight years.
We will continue to improve, for example by working on the materials that accompany the wooden structure.

ENERGY PERFORMANCE, ENERGY SAVINGS, GREEN ENERGIES: **ALTAREA IS PICKING UP THE PACE**

◀ Qwartz — Altarea Commerce — Architect DGLA — Villeneuve-la-Garenne (92)

"TOUS ENGAGÉS!" (WE ARE ALL INVOLVED) TO ENERGY EFFICIENCY

Altarea is committed to strengthening its energy efficiency practices, this at a time when the energy market is under massive pressure. The following actions were rolled out at the head office and in the regions: heating temperature set at 19 °C maximum, automatic lowering of blinds to improve insulation of the premises in the event of a drop in temperature outside, exterior lights off at night and the head office closed on Saturdays (with heating temperature reduced to 17 °C as a result). The Group also implemented actions to promote energy efficiency in its shopping centres, in concert with retailers. Visitors were also involved through our "Small actions will save lots of watts" campaign. Target: to reduce their energy consumption by an additional 10% in the short term. Among the green practices implemented: switching off lights outside opening hours, switching off the hot water tanks in the toilets and reducing the heating temperature in common areas to 18 °C.

Our strategic objectives:

–50%
reduction in energy consumption of the managed portfolio between 2010 and 2030

100%
electricity from guaranteed renewable sources supplying all assets under management

▲ Geothermal energy in Issy Cœur de Ville — Issy-les-Moulineaux (92)

Geothermal energy, an energy of the future for sustainable neighbourhoods

Although they remain little known, district heating and cooling networks powered by renewable energies are an effective and virtuous response to climate challenges. This is the choice made by Altarea to heat and cool the 105,000 m^2 of housing, offices, shops and facilities in Issy Cœur de Ville. Drawing water from the local water table, the system does not waste any energy and uses a renewable, clean, economic and permanently available resource. With 600 tonnes of CO_2 saved per year and 73% of the district's energy needs covered by renewable energies.

▼ Electra charging stations

Electromobility: ultra-fast charging stations in the Group's shopping centres

19: the number of Altarea Commerce shopping centres that will have ultra-fast charging stations for electric vehicles by 2024. Customers of the shopping centres and passing motorists will be able to "fill up" in 30 minutes. To install these charging points, Altarea Commerce has entered into a partnership with Electra, a French start-up specialising in the rapid charging of electric vehicles.

PROMOTING THE CIRCULAR ECONOMY: **GREEN PRACTICES GAINING GROUND**

In France, the building and public works sector accounts for 70% of total waste production. Some of this waste can be recovered, particularly through reuse: a solution that reduces greenhouse gas emissions and makes economic sense in the current environment of high commodity prices. Altarea is committed to the reuse of construction materials. Upstream of its projects, for example, the Group puts in place "Clean building site" charters which lay out terms for waste recovery. In the event of demolition, it ensures that the materials are reused in situ or made available to other companies: Altarea is a founding member of the Re-use Booster, created in 2019. Bringing together 50 project owners, the Re-use Booster initiative aims to structure and consolidate the supply of and demand for reused materials in the real estate industry. More than 200 real estate projects of all sizes have successfully incorporated reused materials.

▼ The mixed-use program KI — Pitch Immo — Architect: Sou Fujimoto — Lyon (69)

80%

Objective for the recovery of waste from the demolition of the building, i.e. around 35,000 metric tonnes

In Lyon, a regeneration programme that embraces reuse

Located in the immediate vicinity of the station and the Part-Dieu shopping centre, the former head office of Caisse d'Épargne Rhône-Alpes is undergoing a major regeneration operation led by Pitch Immo. Extending over 29,400 m^2, the KI mixed-use programme consists of a demolition and reconstruction that preserves the central core of the reinforced concrete building. It includes an ambitious approach to reuse materials, run in partnership with specialist companies R-USE® and MINEKA®. The dismantled reinforced concrete is put through a recycling process; 80% of the waste will ultimately be recovered and 50% of the other resources will be reused or recycled: for example, bicycle racks will be made from old false ceilings.

▲ The Jardin des Pépinières — Cogedim — Architects: SATHY and Atelier des Deux Anges — Rouen (76)

In Rouen, the Jardin des Pépinières gives pride of place to nature

In Rouen, Cogedim is carrying out an ambitious urban renewal project to transform a former brownfield site into a garden district with landscaping and high environmental quality. The mixed-use program includes 600 housing units. A 100% pedestrianised district will be laid out around a central park of nearly one hectare, a green lung of more than 400 trees that will host multiple uses. Cogedim partnered with an ecologist to identify and conserve trees facing ecological challenges, and to plan natural environments conducive to the development of biodiversity. This natural and landscaped component meets guidelines in the plan to renature the city of Rouen.

1 hectare
and 400 trees comprise the central park

NATURE IN THE CITY: BENEFITS FOR THE CLIMATE, **BIODIVERSITY AND RESIDENTS**

In all its business lines, Altarea is working to develop a model that is more respectful of living things, incorporating measures that promote biodiversity into each project. More nature in the city helps capture CO_2 and limit heat islands linked to climate change. It is also a means of combating the massive erosion of biodiversity, which is both an effect of and a contributor to climate change. Faced with this emergency, Altarea has since 2021 been part of BIG (the Biodiversity Impulsion Group), a collective research programme on the biodiversity footprint of real estate projects. Bringing together urban and regional players, it aims to develop a common indicator framework and measurement tools.

100%
of new projects developed by Altarea Cogedim Développement Urbain have an ecological diagnostic (at the start of the project and monitoring)

#03

IN AN UNCERTAIN ECONOMIC CONTEXT, DO WE HAVE TO CHOOSE BETWEEN **PERFORMANCE AND DECARBONISATION?**

THE EXPERT'S VIEW

Philippe Depoux
Chairman of La Française Real Estate Managers

"Actually, I think this question is already no longer relevant! For environmental, regulatory or market reasons, we simply no longer have a choice. The real question is rather: how to combine performance and decarbonisation despite this complex economic environment? In new buildings, it is relatively simple, the vast majority of buildings today are designed to be green. On the other hand, it is a real challenge for the existing real estate, and it often entails heavy investment. And if you think that over 75% of the buildings there will be in 2050 have already been built, you can see the scale of the challenge.

At La Française REM, we are taking two approaches to meet these challenges, with rapid or longer-term solutions. First, we seek to mitigate the impact of our buildings on the climate by reducing their greenhouse gases emissions. To do this, for example, we offer our investors the opportunity to supply green energy for their offices or to regulate their electricity consumption, notably by installing sensors. At the same time, we are developing action plans to adapt our assets and make them resilient to the effects of climate change, such as flooding or extreme temperatures. It has become a key issue for our customers in 2022.

All this, of course, comes at a significant cost if we want to have a serious sustainable policy, especially with a portfolio as large as ours. We take care to spread out this cost: in addition to the quick wins I mentioned, we take advantage of the few times when a building becomes vacant during its life cycle to undertake major restructuring work, both for mitigation and adaptation. But above all, we see this cost as a fundamentally value-creating investment: thanks to it, our assets benefit from a 'green bonus', a premium on the market that will be increasingly evident in the future."

80%
of the buildings there will be in 2050 are already built

Source: Ipsos survey conducted for the Home Improvement Club and Qualitel, February 2022.

IT IS CRUCIAL TO VALUE EXTRA-FINANCIAL PERFORMANCE AT THE SAME **LEVEL AS FINANCIAL PERFORMANCE**

Éric Dumas
Chief Financial Officer of Altarea

Éléonore Devaud
CSR Director of Altarea

HOW HAVE YOU CHANGED THE MANAGEMENT OF ALTAREA'S DECARBONISATION PERFORMANCE IN RECENT YEARS?

E. Du. It is crucial to value extra-financial performance at the same level as financial performance. We are at a tipping point where extra-financial issues are becoming essential, including for investors. To deal with this new reality, the teams of the Finance Department are applying their specific know-how, their "digital technology", to carbon performance. This allows us to cross-reference financial and carbon emission indicators, a powerful combination.

E. De. The challenge is to measure non-financial performance on a daily basis, in all our business lines. To do this, we have integrated this carbon performance measurement into operational tools. It shows that we have succeeded, after a lot of work to change the culture, in integrating CSR into the heart of our processes. With the help of this data, the CSR Department is now focusing on sharing the tools for action, while continuing to flag up emerging issues.

ALTAREA HAS PUBLISHED THE GREEN SHARE OF ITS REVENUE BASED ON THE EUROPEAN TAXONOMY. HOW DO YOU SEE THIS INDICATOR?

E. Du. What strikes me is that we are ahead of our market environment, with a significant share of our business aligned with the taxonomy. We will continue this alignment work in 2023, particularly on extending the decarbonisation trajectory of our business. On this point, our carbon performance is an effective management tool that allows us to identify strategic priorities and concrete ways we can make progress.

WHAT ARE YOUR FUTURE PRIORITIES?

E. De. Decarbonisation will of course remain among our top priorities, but CSR also covers other environmental and societal issues on which we want to make progress. I am thinking of biodiversity, the circular economy and more generally all the actions necessary to strengthen the Group's positive impact on the ground and to develop sustainable cities people want to live in.

▲ 87 Richelieu, Altarea headquarters — Renovated by Altarea Entreprise — Architect: Wilmotte & Associés — Paris (75)

Discretionary profit-sharing agreement: a specific climate criterion for each brand

In 2021, for the first time, Altarea chose to include four extra-financial criteria in its incentive agreement in addition to the usual financial criteria. In particular, the Group has adopted a "climate" criterion, redefined in 2022: to improve its overall carbon performance, it defined specific objectives to each of its brands, according to their business lines and their specific opportunities. For Cogedim and Pitch Immo, at least 50% of new projects over 400 units and 10% of new smaller projects, for which building permits were filed in 2022, should exceed the carbon performance required by the RE2020 regulations. The same ambition applies to 50% of the surface areas of new office projects developed by Altarea Entreprise in the Paris Region. At Histoire & Patrimoine, 25% of projects for which building permits were filed in 2022 and whose tax treatment depended on meeting energy regulations should target a better carbon performance than that stipulated in the relevant regulations. Lastly, Altarea Commerce aimed to sign a green electricity supply contract for 85% of the portfolio's electricity consumption by 2022.

A SIGNIFICANT "GREEN SHARE" **IN ALTAREA'S REVENUE**

The Taxonomy Regulation (or European taxonomy) is a common classification system used throughout the European Union (EU) to identify economic activities considered as environmentally sustainable. It defines uniform criteria for each sector to assess their contribution to the EU environmental objectives. In 2021, Altarea had worked hard to identify which of its activities were eligible for the European taxonomy, a classification of economic activities having a favourable impact on the environment. 99% of the Group's activities were eligible for two of the taxonomy's objectives: mitigation and adaptation to climate change.

In 2022, Altarea has taken a new step in this approach by determining its activities effectively contributing to these two objectives: 44% of the Group's revenue is thus considered as green with regard to the taxonomy objectives.

44%
Revenue aligned with European taxonomy

Find out more: Climate Report available at www.altarea.com/rse/performance-rse

#04

CAN WE STILL BUILD **SOCIAL RELATIONSHIPS IN THE CITY?**

THE EXPERT'S VIEW

Bernard Devert
Founding Chairman
of Habitat & Humanisme

"Urban must not become synonymous with inhuman. We need to be more aware than ever of this as the urban population continues to grow. The spaces being built today must foster relationships. There are several reasons to be hopeful. All players in the city – elected officials, urban planners, architects, sociologists, developers, and others – now accept the "smart" city as the new norm. Is this not a step forward towards a more sustainable and inclusive city? Urban planning rules, such as the *Solidarité Renouvellement Urbain* (SRU) Act, play an important role.

But progress will depend less on law and official regulations than on a shared determination to build a more human world, where the quality of relationships makes living together possible. In France, programmes adapted to an ageing population are being developed so that seniors can gradually find their place in society. With intergenerational housing connected to healthcare resource centres, citizenship is no longer determined by age, culture or resources.

Spaces where we talk to each other: another essential requirement of a hospitable city. At Habitat & Humanisme, we call them 'solidarity stopovers': open spaces that welcome not only the most disadvantaged but those who suffer from isolation, the social cancer that too many of our fellow citizens experience. Lastly, relationships are forged through social diversity. I think of the mother who, after years in a tough neighbourhood, was overjoyed to find herself living in a balanced neighbourhood in a major city, knowing her children would now have a better chance in life. Diversity is a powerful force. Relationships build solidarity. They are a form of care, part of the way we 'take care' of each other, and something housing policies must never forget."

11 m
people feel alone in France

Source: Fondation de France, January 2023.

▲ La Maison Intergénérationelle — Habitat & Humanisme — Jouy-en-Josas (78)

A RENEWED PARTNERSHIP WITH HABITAT & HUMANISME

Since 2006, Altarea has been working alongside Habitat & Humanisme to combat poor housing and promote social diversity, notably through intergenerational housing. Over sixteen years, the Group has helped finance 21 property projects that have created nearly 450 housing units and helped house nearly 1,000 people in decent homes. In 2022, the partnership was renewed for three years, with four priorities:

- support major real estate projects;
- bolster Habitat & Humanisme's prospecting and management resources by helping finance three salaried posts;
- support the association in its ecological transition process;
- experiment with new solutions combining housing and care.

The involvement of Altarea employees will remain central to writing the new chapter of this long-term partnership. Since 2022, they have volunteered alongside the Habitat & Humanisme teams to welcome families of refugees fleeing the war in Ukraine. Ready-to-live-in apartments were made available to families in the Cogedim Club senior residence in Marseille.

WE CREATE SOCIAL TIES BY MAKING OUR SENIOR RESIDENCES **AS OPEN AS POSSIBLE TO THE OUTSIDE WORLD**

Jérôme Navarre
Chief Executive Officer of Cogedim Club

Cogedim Club is the Altarea Group's senior residences brand. It runs 28 residences in a "family home" spirit, throughout France.

IN WHAT WAYS DO YOUR RESIDENTS REPRESENT A NEW GENERATION OF SENIORS?

The new generation of seniors want more social interaction, simple and varied pleasures, and view their age as a new stage of life rather than fate. Within ten years, the number of people aged between 75 and 85 will increase by 50%. Faced with this challenge, we must be ready and able to meet their expectations. Our main asset is our teams: our residences are deliberately constructed on a human scale, so employees have strong individual relationships with each resident.

HOW DO YOU HELP RESIDENTS CONNECT WITH PEOPLE OTHER THAN YOUR EMPLOYEES?

By opening up our residences to the outside world. Our city centre locations mean residents can interact every day with retailers and associations, and forge intergenerational ties. We also invite neighbourhood seniors to take part in our events, we bring in school children, or residents go to the local daycare centre, as in Issy Cœur de Ville. We are also developing a pilot scheme where we put up a student who, in return, donates his or her time to residents during activities, conferences, outings. There are lots of solutions to invent.

▼ Villa Gabrielle, Cogedim Club — Pitch Immo — Architect: Archibuild — Asnières-sur-Seine (92)

Senior residences designed to promote social ties

At Asnières-sur-Seine, the new Cogedim Club serviced senior residence "Villa Gabrielle" built by Pitch Immo has 121 housing units. Located near a busy shopping street, it allows residents to interact with their local tradespeople on a daily basis. Like all Cogedim Club residences, it conveys this "family home" spirit through attentive teams that can be contacted 24 hours a day and numerous common areas. Each day, residents can take part in a variety of events including tea-time, relaxation therapy, soft gym, conferences, cultural outings or book club.

Maxime Lanquetuit
Innovation Director of Altarea

WHAT ARE ALTAREA'S STRENGTHS FOR CREATING NEW FORMS OF SOCIAL RELATIONSHIPS IN THE CITY?

Our first asset is a detailed understanding of the expectations of citizens so we can offer mixed urban solutions that are closely tailored to their local environments. The mixed-use and mixed-public approach encourages urban interactions and helps build social ties within lively neighbourhoods. In Issy Cœur de Ville, for example, we have designed a third space dedicated to responsible innovation, the NIDA, for use by professionals and individuals, young and old. On a single day, it might host digital art classes for teens, a seminar on social entrepreneurship and a strategic meeting for a large company.

DO YOU USE PARTNERS TO HELP YOU INNOVATE?

For us, innovation is born from the creativity of the teams and the ability to collaborate with an ecosystem of partners who evolve in the real estate world but who come to enrich the urban experience we want to offer. For example, we set up local social media networks to "connect" the residents of a building, residence or a neighbourhood enabling the creation of a community of interest. We also work with a digital concierge service that is supporting us in a pilot scheme, so residents of the same building can have spaces and a shared apartment where they can host friends or family as an extension of their home.

▼ Millenium Campus — Pitch Immo — Architect: Serrado Architecture — Montpellier (34)

Millenium Campus, a new cutting-edge student residence

In Montpellier, Pitch Immo is developing a new residence with 126 furnished student housing units in the Millénaire-Grammont district, very close to the city centre and university grounds. A wide range of services will be available to make life easier for students, including a community vegetable garden, a concierge service with an on-site manager, a laundromat/drying room, and a breakfast area – eat in or to take away – shared with the school on the ground floor. One of many such projects carried out by Pitch Immo is the 168-room student residence that forms part of the future JOIA Méridia eco-neighbourhood in Nice.

▲ *"Nid d'Idées d'Avenir"* or NIDA Issy Cœur de Ville — Architect: RAAM Architecture — Issy-les-Moulineaux (92)

Innovative third spaces to promote meetings and community life

While highly diverse in their aims and target audiences, third places all have one thing in common, they encourage exchanges between people from different backgrounds. This is a key benefit that encourages Altarea to develop more and more spaces of this type in its new urban neighbourhoods. In Issy Cœur de Ville, for example, the NIDA, a contraction of *"Nid d'Idées d'Avenir"* ("nest of future ideas"), is a hybrid, experiential third-place concept dedicated to responsible creation, discovery and innovation. In Toulouse, the Group plans to set up two third spaces in the new Guillaumet district, in which Cogedim is co-developer and developer: the *Halle aux Cheminées*, dedicated to eco-responsibility, will include a urban farm, charity restaurant or repair shop. The immense heritage building of *La Soufflerie* will host a nationally important programme of cultural leisure activities.

▼ Le Nouvel Art – Cogedim — Architect: NRAU Nicolas Reymond — Montreuil (93)

Coliving: a new offer in a promising market

Whether as a lifestyle choice or temporary solution, co-living offers tenants large housing units based on co-tenancy and pooled services. It provides affordable housing in areas that are sometimes highly sought after, along with modern conveniences and services. It promotes social ties and is a dynamic market where Altarea continues to build up its position. In 2020, Cogedim launched its Plan A co-living offer, and in 2022 won the Pyramide d'or for societal impact for its "Le Nouvel Art" project in Montreuil, which has several co-living housing units in a living social space with a charity reuse village, a vegetable garden and a cultural café.

#05

DENSITY OR SPRAWL, WHICH IS **THE BEST SOLUTION FOR CITIES?**

THE EXPERT'S VIEW

Carlos Moreno
Associate professor and scientific director of the ETI Chair "Entrepreneurship – Territory – Innovation" (IAE Paris – University Panthéon Sorbonne)

"For fifty years, we have accepted the unacceptable. We accepted cities where it had become normal to spend hours in your car each day to get to work. Cities where we no longer had time for social interactions. Cities where CO_2 emissions exploded due in part to transport but also to countless buildings that sat unused most of the time, such as offices that were deserted at night and on weekends. In the wake of Le Corbusier and the Athens Charter, zoning reigned supreme.

Building together a new urban and regional narrative has become an imperative: this is the concept of the quarter-hour city that we have developed. The challenge is to regenerate the city in a polycentric way, by designing mixed-use neighbourhoods with six essential social functions accessible in less than 15 minutes: housing, work, care, shopping, learning and self-development through sport and leisure. This is fundamental to cope with the climate emergency that is now clearly upon us. And it is essential if we are to make good use of our time, love the city where we live and feel good there.

A universal concept: the quarter-hour city is now inspiring projects in cities as varied as Paris, Milan, Buenos Aires, Montreal, Melbourne, Seoul, Copenhagen and Bogotá, but also in much smaller places such as Sousse in Tunisia or Łódź in Poland. The methodology associated with the quarter-hour city is independent of the size of the cities and their population density. And, since it derives from the work of researchers and scientists, it is seen as politically neutral. Just look at remarkable projects such as Issy Cœur de Ville: any city can appropriate this methodology and adapt it to its environment and its challenges. I am convinced this is the strength of this approach, it aims to deliver happy proximity."

Today,
56%
of the world's population, *i.e.* 4.4 billion people live in cities

Source: World Bank, October 2022.

OUR MIXED-USE PROJECTS SHOW THAT **URBAN DENSITY CAN ALSO BE HAPPY**

Gaëtan Wargny
Chief Executive Officer of Altarea Cogedim Urban Development, of Cogedim

Dominique Goudard
Director of transversal project development, of Altarea Entreprise

Altarea is positioning itself as a leader in low carbon urban transformation, developing new neighbourhoods that provide all the attractions of a city. Such "mini-cities" are more lively, more pleasant to live in, more inclusive and more sustainable.

THE QUARTER-HOUR CITY REQUIRES A DENSER MIX OF USES. HOW DO WE MAKE THIS DENSIFICATION WORK?

G. W. The most important thing is that the area is pleasant to live in. Combining housing, shops, leisure activities and offices in the same district keeps it alive all day and all week. No more single-use districts. And a larger population means more interactions: we develop spaces where people can meet and form social ties.

D. G. This is exactly what we did in Issy Cœur de Ville. And although the district has actually become much denser, pedestrians walking around have no perception of density at all. We provided architectural answers like tiered buildings that allow sunlight to reach the street. In consultation with local residents, we have designed infrastructures that are well-dimensioned, consistent and well-coordinated with each other.

IS A DENSER CITY COMPATIBLE WITH PRESERVING THE ENVIRONMENT?

G. W. Yes! First of all because residents and visitors travel less and this reduces greenhouse gases emissions. Also, when we densify, we release open ground that can be regreened and made permeable to rainwater. All our large urban projects provide lots of space for parks, facilities and outdoor public spaces, another use of urban space, for everyone's benefit.

D. G. At Issy Cœur de Ville, we have a wide central mall that has been heavily planted with an urban forest, which is effective against heat islands. We have also planted the roofs and terraces as much as possible, creating a "green valley". In addition, the scale of these mixed-use neighbourhoods and their multifunctional dimension enable us to deploy virtuous energy networks, such as the Issy Cœur de Ville geothermal loop. This is another major advantage of densification.

Pitch Immo, winner of the Cité internationale de la gastronomie Paris-Rungis project

Pitch Immo and its partners were selected to build and manage this new centre of excellence for French gastronomy. Extending over more than 53,000 m², this cultural, creative and convivial space will include a training centre, an immersive exhibition space, pavilions showcasing the know-how of the sector and a Lab to develop the food industry of tomorrow. Near a park designed to mimic the farmed landscape, a hotel, an apartment hotel and a student residence constitute a diversified residential offer.

The **22,000 m²** hub de la cité, a convivial shared central space

▲ Cité de la gastronomie Paris-Rungis — Pitch Immo — Architects: Makan Rafatdjou, Hubert Godet Architectes, Agence Archikubik, Agence Rio, Agence L35 — Rungis (94)

▼ Bezons Cœur de ville — Architects: MG-AU MICHEL GUTHMANN & associés, MARC MIMRAM Architecture Ingénierie and ARCHIKUBIK — Bezons (95)

733 housing units

Cœur de Ville, an eco-district to transform the centre of Bezons

In Bezons, Altarea worked hand in hand with the city to create a lively and attractive new city centre. Designed as a 65,000 m² garden city, it has more than 700 housing units, 46 shops and restaurants, a supermarket, gym, medical centre, crèche and a multi-purpose room. No need to drive every day. Contributing to the dynamism of the region, the district has high-level environmental certifications (BREEAM®, NF HQE® and BBCA®).

ISSY CŒUR DE VILLE,
A NEW URBAN MODEL

In Issy-les-Moulineaux, Issy Cœur de Ville is more than a urban renewal project, it is the incarnation of a model of the future, responding to the societal, environmental and energy challenges of our cities. Drawing on all its expertise in developing new neighbourhoods, Altarea designed it as a place of well-being, social relationships and a blueprint for the climate transition. Issy Cœur de Ville was inaugurated on 19 October 2022 in the presence of Mr Olivier Klein, French Deputy Minister for Cities and Housing.

▼ View of the promenade, Issy Cœur de Ville — Architects: Valode & Pistre Architecte — Issy-les-Moulineaux (92)

A hotbed of innovation

An energy network based on geothermal energy, positive energy buildings, a urban forest, etc., Issy Cœur de Ville is home to a multitude of innovations foreshadowing the city of tomorrow. Among them is the experiential third space NIDA *(Nid d'Idées d'Avenir)*, a space for discovery, sharing and innovation developed in partnership with the City. Over 1,500 m^2, it hosts a restaurant, large event spaces – for hackathons, conferences, seminars, etc. – as well as creative workshops. 50,000 visitors from all backgrounds are expected each year. Altarea has also rolled out "Easy Village", a range of innovative services that make local life easier. Thanks to the Alacaza app, residents have their own neighbourhood social network: messaging, classifieds, news feed, security, events, etc.

▲ An entirely pedestrianised district, Issy Cœur de Ville — Architects: Valode & Pistre Architecte — Issy-les-Moulineaux (92)

A green lung in the city centre

From the outset, Altarea has taken structural decisions that make Issy Cœur de Ville a low carbon neighbourhood that can act as a blueprint for climate transition in cities. For example, it has its own geothermal loop, which can heat or cool buildings: 73% of energy needs are covered by renewable energies. All buildings are eco-designed, and the office buildings produce as much energy as they consume, in particular thanks to photovoltaic panels on the roofs of offices, energy recovery elevators, and an optimisation of openings and ventilation. Another key advantage: the ubiquitous vegetation helps prevent heat islands, while also constituting an important reservoir of biodiversity. Rainwater is redirected to planted surfaces, helping keep plants naturally watered. The Issy Cœur de Ville's energy and environmental performance have now earned the district WELL®, BiodiverCity®, HQE® and BREEAM® certifications.

240
jobs created in shops and public facilities, constituting a new pool of employment

1
new head office, CNP Assurances

73%
of the district's energy needs covered by renewable energies

▲ View of the promenade.

Nearly
1,100
spaces for bicycles

–3 °C to –4 °C
in homes during periods of intense heat thanks to a summer comfort approach

1,500
new residents, 3,000 employees, more than 3 million visitors per year

13,000 m²
of green space, including a 7,000 m² urban forest, and nearly 20% improvement in the plot's permeability

ISSY-LES-MOULINEAUX, A NEW ART OF LIVING

Altarea has imagined Issy Cœur de Ville as a showcase for all that the "quarter-hour city" can do better. With no less than 12 types of real estate products, the district includes more than 600 housing units (one quarter of which are social), three office buildings and around thirty retailers focusing on three areas: fashion and beauty, catering and food, culture and leisure. Sephora, Mango, Courir, Starbucks, Amorino, Petrossian, Cultura and Boulanger are part of this attractive commercial offering. A UGC cinema, a school, a crèche, a multi-purpose hall and a senior residence also promote a mix of uses that limits travel and promotes inclusion, while shaping a lively and animated neighbourhood.
Altarea also wanted to make Issy Cœur de Ville a peaceful place, conducive to well-being and relaxation. It is entirely pedestrianised and right by two metro stations, with numerous bicycle parking spaces and charging stations for electric vehicles to encourage soft mobility. With 13,000 m² of green space and a urban forest around which neighbourhood life revolves, it also offers residents and visitors daily contact with nature. Quality of life is a priority inside buildings too: all homes incorporate Cogedim's 10 health and well-being commitments, which among other points cover indoor temperature, lighting, air quality, energy efficiency and outdoor spaces.

"Issy Cœur de Ville reflects our vision of urban transformation in every way. More than a neighbourhood, we create a lively and attractive place to live, conducive to the creation of social ties and driving the climate transition."

Alain Taravella
Chairman and Founder of Altarea

"I am very pleased to have inaugurated the Issy Cœur de Ville district alongside André Santini and Alain Taravella. This new district prioritises not only proximity, butalso a diversity of uses and living spaces. It is proof that we can build while reconciling the right to sustainability with the right to beautiful surroundings, improving the quality of life ofeveryone who lives here."

Olivier Klein
Minister for Cities
and Housing

"This project is, in itself, a performance: we are creating a dense real estate complex and, thanks to extensive consultation, all legal restrictions have been eliminated. Public surveys were very useful in this sense and the residents of Issy-les-Moulineaux understood that we wanted to meet their needs by creating open areas, green and breathing spaces. We were seeking to improve and upgrade our living environment, and we always try to embrace the concept of 'a city at walking distance!'"

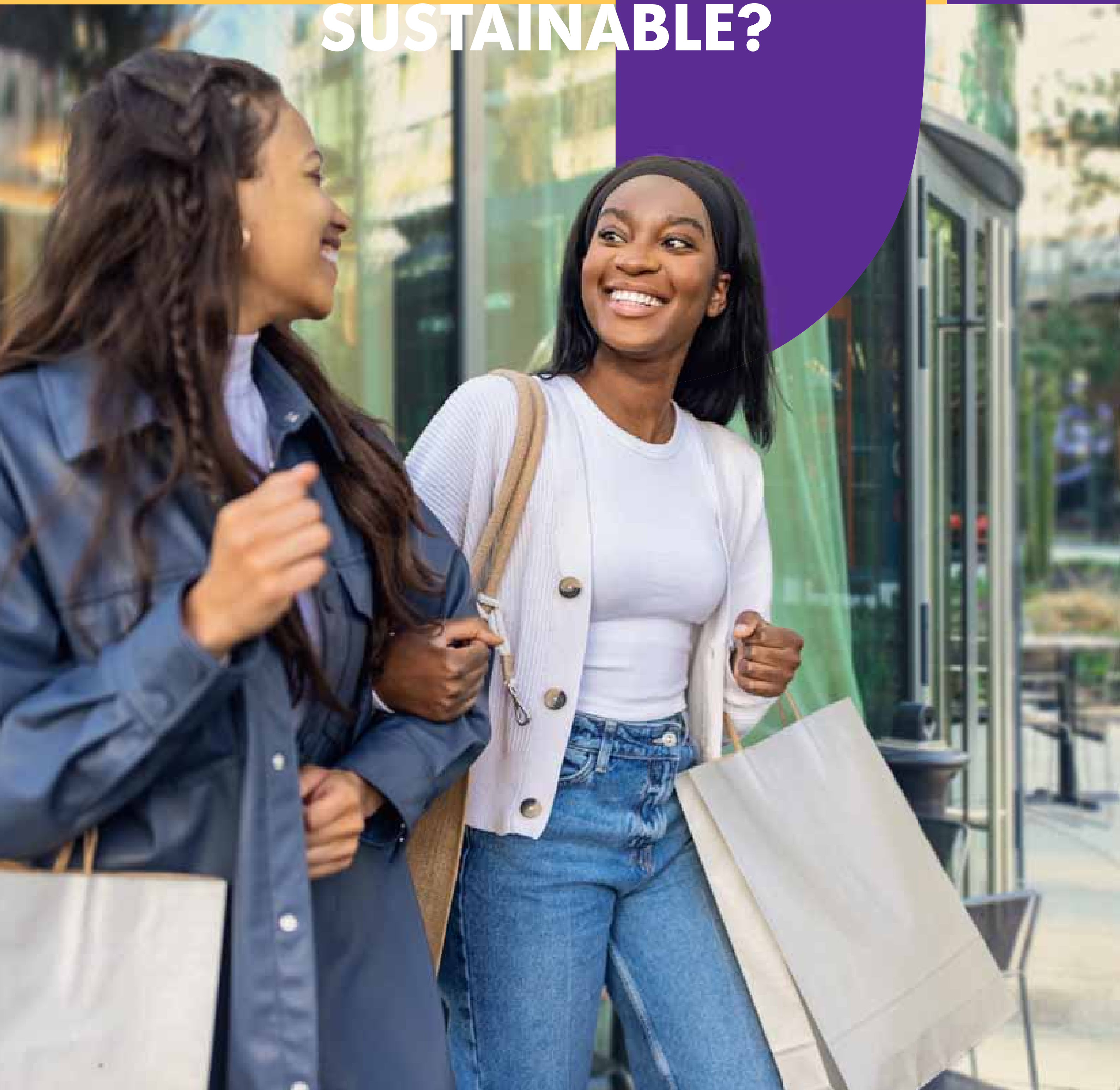
André Santini
Former Minister, Mayor of Issy-les-Moulineaux

"This project is a urban transplant that provides a real breath of life in the city. The outdoor spaces are planted and landscaped, and the buildings sited and profiled to create a city centre park with plenty of sun."

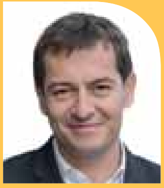
Denis Valode
Project architect

#06

RETAIL SPACE: WILL THE REBOUND BE **SUSTAINABLE?**



THE EXPERT'S VIEW



Christophe Noël
General Delegate of the Fédération des Acteurs du Commerce dans les Territoires

"After the pause caused by the pandemic, when stores were closed for months, customers clearly re-embraced the stores as soon as they could. In 2022, we have seen a strong recovery that affects all retail locations to varying degrees. For example, footfall in city centres increased by 6.8% compared to 2021. And, although still not back to 2019 levels, shopping centre footfall rose by 18.4%, with revenue up by 29%.

Shopping behaviours have of course changed a lot with lockdowns: for example, everyone has got used to accessing innumerable services from their sofa, from take-away meals and deliveries of groceries to entertainment. But in parallel with this "couch economy", consumers remain deeply attached to physical retail. Firstly, because it provides social connections, a fundamental need for all ages, but especially for young people: more than 50% of those who go to shopping centres regularly meet up with friends there. It is also reassuring: in stores, payment is secure and you know what you are buying. It is also fun. Three out of four people now enjoy shopping or browsing in stores more than before.

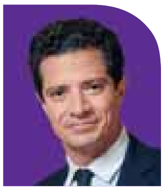
So good times are round the corner for shops! Of course, not all will belong to the same brand, and fuel costs, for example, may tend to curtail footfall at sites further away from residential areas. On the other hand, sites where visitors can shop, have fun, eat and have beauty or care treatments in a single place and a pleasant environment will hold all the cards. And this is true of both integrated retail spaces and high streets. I am convinced that players who know how to combine practicality and diversity of offers and audiences will remain attractive in the future."

+15.6%
increase in city-centre footfall in January 2023 vs January 2022

Source: lesacteursducommerce.com, February 2023.

STRATEGIC POSITIONING IN LINE WITH **NEW CONSUMPTION PATTERNS**

Ludovic Castillo
Chairman of the Management Board of Altarea Commerce



Rodrigo Clare
Chief Executive Officer of Altarea Commerce

HAS THE REBOUND YOU OBSERVED IN RETAIL OUTLETS IN 2021 BEEN CONSOLIDATED IN 2022?

L. C. Yes, the performance of our retail outlets is excellent. While there has been a relative decline in site footfall, the average visitor shopping basket has increased, and Altarea Commerce's revenue is growing.

R. C. In terms of retailers, marketing was dynamic. The vacancy rate fell sharply and is now the lowest on the market. This good performance is the result of our ability to adapt our offer to the market regularly and proactively.

WHAT ARE YOUR STRATEGIC STRENGTHS IN THIS RAPIDLY EVOLVING MARKET?

R. C. In 2017, we decided to reposition our portfolio around five asset classes: large shopping centres, retail parks, travel retail, convenience stores and shopping-leisure centres. Each of these targets has a specific customer base and consumption patterns. This diversity makes us more resilient.

(1) E.g. Les Georgettes and the Aux 2 Balais store.
(2) E.g. Le 3 bis in Bercy Village and La tête dans les nuages at CAP3000.

L. C. Another important asset: our ability to attract new and attractive emerging brands[1]. We also know how to offer visitors an exceptional experience, in particular by integrating leisure spaces into our venues[2]. And we stand out thanks to our responsible retail offering.

WHAT ARE YOUR PRIORITIES FOR THE FUTURE?

R. C. First, continue to make progress on environmental issues. Our retail venues have played a pioneering role in the Group, and it is up to us to go further to contribute to carbon neutrality in the scope of our REIT business by 2030. Continuing to grow our asset management business on behalf of large institutional investors is another priority. Note that more than half of our portfolio is held by institutional investors.

L. C. We will also continue to pursue new growth drivers. I am thinking of urban logistics, data centres and photovoltaics. These activities represent new ways in which the real estate industry can help support social change. Finally, we want to cultivate the agility and creativity that are our strength in a changing retail world.

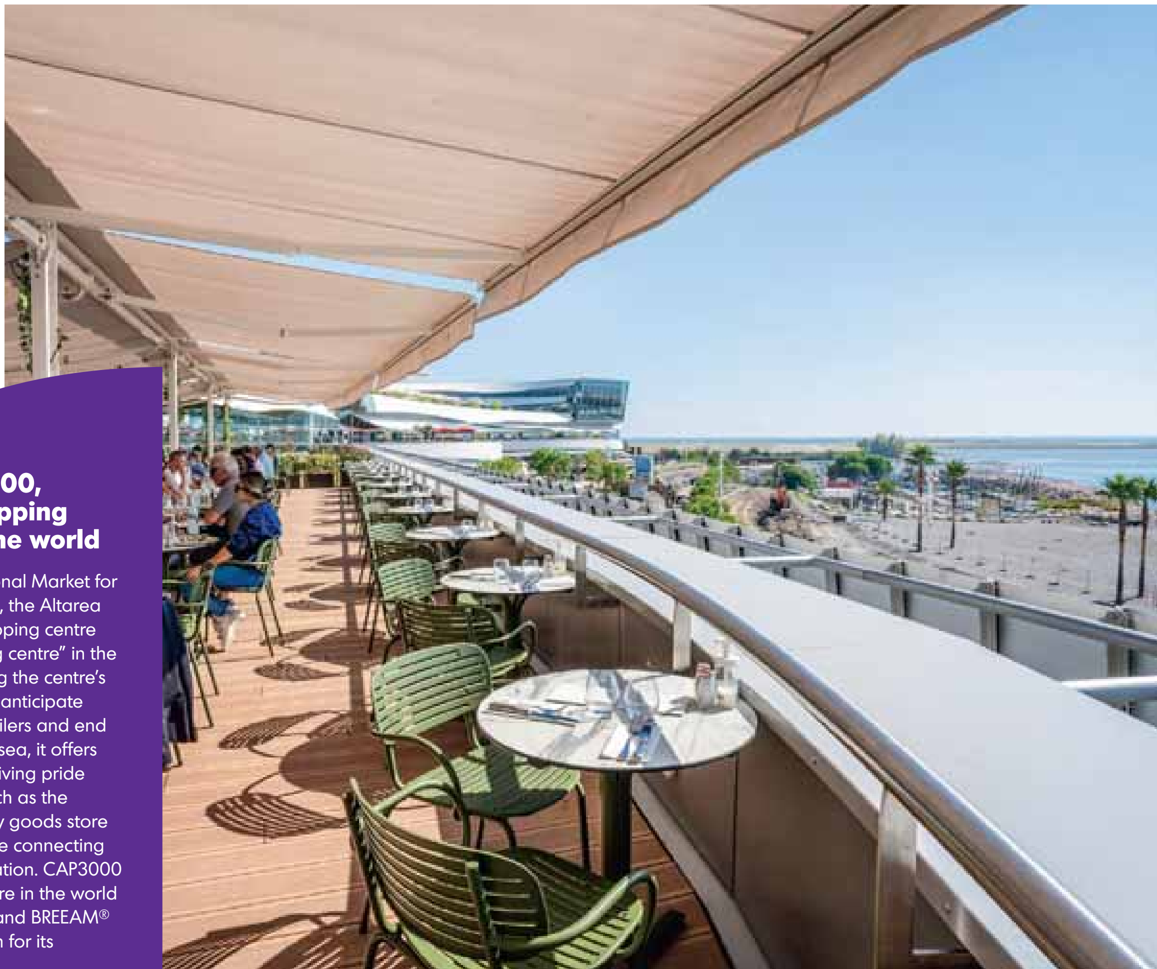
Paris Austerlitz, a new retail experience

In Paris Austerlitz, Altarea Commerce is participating in a vast project to revitalise the station and its neighbourhood, with a substantial retail element: 20,000 m² of retail spaces housing renowned brands and innovative concepts will be created in the heart of the station and at the foot of a new building complex. The mixed-use development will also include offices, housing, a hotel and services. A vast solar array and 8,700 m² of green spaces, gardens, terraces and green roofs are also planned.

▲ Paris Austerlitz station — Altarea Commerce — Architect: Ateliers 2/3/4/ — Paris (75)

1 h 12 m
Average customer visit time at CAP3000

▼ CAP3000 — Altarea Commerce — Architects: Groupe 6 and Jouin Manku — Saint-Laurent-du-Var (06)



CAP3000, "Best Shopping Centre" in the world

At the MIPIM (International Market for Real Estate Professionals), the Altarea Commerce CAP3000 shopping centre was named "Best Shopping centre" in the world. An award recognising the centre's complete metamorphosis to anticipate the new expectations of retailers and end customers. Now open to the sea, it offers 300 shops and restaurants giving pride of place to new concepts, such as the "CORSO" second-hand luxury goods store or an experiential living space connecting art, trendy brands and relaxation. CAP3000 is also the first shopping centre in the world to receive the BiodiverCity® and BREEAM® In-Use "Excellent" certification for its extension.

▲ Le Due Torri — Altarea Commerce — Province of Bergamo (Italy)

In Italy, an award for the extension of the Le Due Torri centre

Located near Bergamo, the Altarea Commerce Le Due Torri shopping centre was a winner at the CNCC Awards, given by the Italian National Council of Shopping centres. The centre has undergone major extension work, adding 8,000 m² of space, which made it possible to enrich the catering offer. A new comprehensive leisure offering has also been created, including a new generation cinema, a fitness area and an entertainment centre. Thanks to this diversification of uses, Le Due Torri is now attracting a wider customer base, with a dynamic customer experience that matches new ways of living and consuming.

▼ NicEtoile — Altarea Commerce — Architect: Charles-Jean Schmeltz — Nice (06)

More than
100
retailers on
20,000 m²

Altarea Commerce supports the revitalisation of NicEtoile

Allianz Real Estate, a partner of Altarea Commerce since 2013, has entrusted the REIT with a new shopping centre to manage, the NicEtoile shopping centre. With around one hundred brands and nearly 12 million visitors each year, NicEtoile is ideally located on the main shopping street of Nice city centre. Altarea Commerce will provide comprehensive support for the centre to strengthen its appeal and make it a must-see shopping destination.

URBAN LOGISTICS: **ALTAREA COMMERCE IS GROWING FASTER**

In a urban logistics market that will grow by 8% per year by 2030, Altarea Commerce has reiterated its ambitions. The Group relies on its integrated model and a partnership approach to design a comprehensive and sustainable range of urban real estate solutions. Positioning itself as a developer-investor, Altarea Commerce focuses its attention on two segments: firstly, the outskirts of cities – the "last mile" – where the company is restructuring warehouses and upgrading them to state-of-the-art standards for urban delivery firms. In the hypercentre – the "last metre" –, it supports cyclo-logistics players by installing urban logistics spaces within its mixed-use real estate programs.
In 2022, Altarea Commerce stepped up its drive to become France's market leader in urban logistics real estate by creating a Urban Logistics Department and taking a stake in Corsalis Logistics Real Estate, a start-up specialising in urban logistics and distribution. The Group also completed a major restructuring of the historic "Manufacture de Reuilly" warehouse in the heart of Paris's 12th arrondissement. The site was let to Belle Vie, a French home shopping leader, then sold to AEW, a world leader in investment consulting and real estate asset management.

+8%
The average annual growth rate of the urban logistics market by 2030

Source: Roland Berger, 2020.

TWO NEW STRATEGIC PILLARS FOR ALTAREA: **DATA CENTRES & RENEWABLES**

As with urban logistics, Altarea Commerce supports the development of new activities within the Group: data centres and solar power. Committing to the development of data centres means offering a green model that meets the growing digital needs of companies and regions by creating a national and more responsible infrastructure model with a limited carbon footprint. Committing to the development of data centres means meeting three challenges: designing a virtuous model to serve a digitised world, meeting the new needs of companies and proposing an infrastructure model that meets the challenges of digital sovereignty and ecological issues by optimising consumption and reusing waste heat for a controlled carbon footprint. Committing to the production of renewable energy, and in particular photovoltaic energy, means committing to the production of reliable, sovereign, non-polluting energy distributed throughout the country, which is competitive and easy to maintain. It means contributing to the reduction of CO_2 emissions and helping preserve natural resources. These new pillars therefore represent continuity. They remain faithful to the principles that have always driven us and underpinned our success: innovation, support and the hybridisation of uses.

#07

DOES THE RISE OF REMOTE WORKING MEAN **THE DECLINE OF BUSINESS PROPERTY?**

THE EXPERT'S VIEW

Ingrid Nappi
Economist and research professor
at École des Ponts ParisTech

"An extraordinary showcase: this is what the office building continues to embody today for many companies. It remains a powerful way to promote the company's know-how and culture in the eyes of employees, future recruits, customers, shareholders, suppliers and partners. This is one of the reasons why I am convinced that commercial real estate still has a bright future ahead of it, despite the development of remote working. The challenge is rather to revolutionise the office so that it regains its place as somewhere to think about innovations for the company.

Working identity too is still heavily dependent on the physical office and, while employees may appreciate remote working, it is only on the express condition that they also come into the office. For people whose home arrangements are not so comfortable, coming into the office is reassuring. It makes it possible to organise the day. And nothing replaces being there on the spot when it comes to moving a project forward or dropping by to talk through an issue… A big trend among young employees who, at the beginning of their career, particularly need to bond with their work and their team. We learn a lot from others.

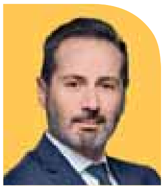
What is also changing today is that employees have more say in the layout of the offices. For a long time they were not listened to much, either when large companies used to build their own premises or when a real business property industry emerged in the late 1960s. Now, with remote working, employees need good reasons to prefer the office. And players such as Altarea are well aware that the entire building and its environment count toward this. Restaurants, relaxation areas, green spaces, links with the city, etc., we use every possible lever to attract users. It is a real change of perspective that is good for everyone."

48%
of employees say they plan to move away from their workplace to work remotely (63% of those under 35)

Source: Annual remote working & hybrid organisation survey, Malakoff Humanis & CSA study, 24 February 2022.

BUSINESS PROPERTY, NEW OPPORTUNITIES **IN A CHANGING MARKET**

Adrien Blanc
Chairman
of Altarea Entreprise



Oubay Churbaji
Managing Director,
Business Property Key
Accounts of Altarea

WHAT ARE THE CONSEQUENCES OF THE REMOTE WORKING BOOM FOR BUSINESS PROPERTY?

A. B. Remote working is leading to market changes, with new opportunities for Altarea Entreprise. For example, companies want 20% to 30% smaller surface areas for their offices, particularly in the Paris Region. They also want to be centrally located in city-centre neighbourhoods, in line with our strategic location choices. Above all, buildings must become more attractive to employees, and this is a perfect fit with our long-term conviction and practices.

O. C. Another imperative that has become central is to have highly flexible offices. Ways of working are changing so quickly that companies cannot predict with certainty what their needs will be tomorrow. Altarea therefore incorporates architectural and technical solutions from the design stage of projects to ensure maximum flexibility, with, for example, removable partitions or multifunctional and modular spaces.

WHAT ELSE IS ALTAREA DOING TO DEVELOP IN THIS CHANGING MARKET?

A. B. We innovate a lot to intensify uses of space. For example, the auditorium of Altarea's head office has been transformed into a business centre open to the outside world. We are also developing modern and more automated warehouses and business premises to meet the new challenges of distributors. And we are accelerating our activity in the higher education market, with the same quality standards as for offices.

O. C. Another important growth driver: business property in the regions, where Altarea remains France's leading national group. While we saw a somewhat wait-and-see attitude in 2022, this relatively stable market will continue to be driven by strong quality requirements for a property portfolio in need of upgrading and by the persistent appeal of major regional cities.

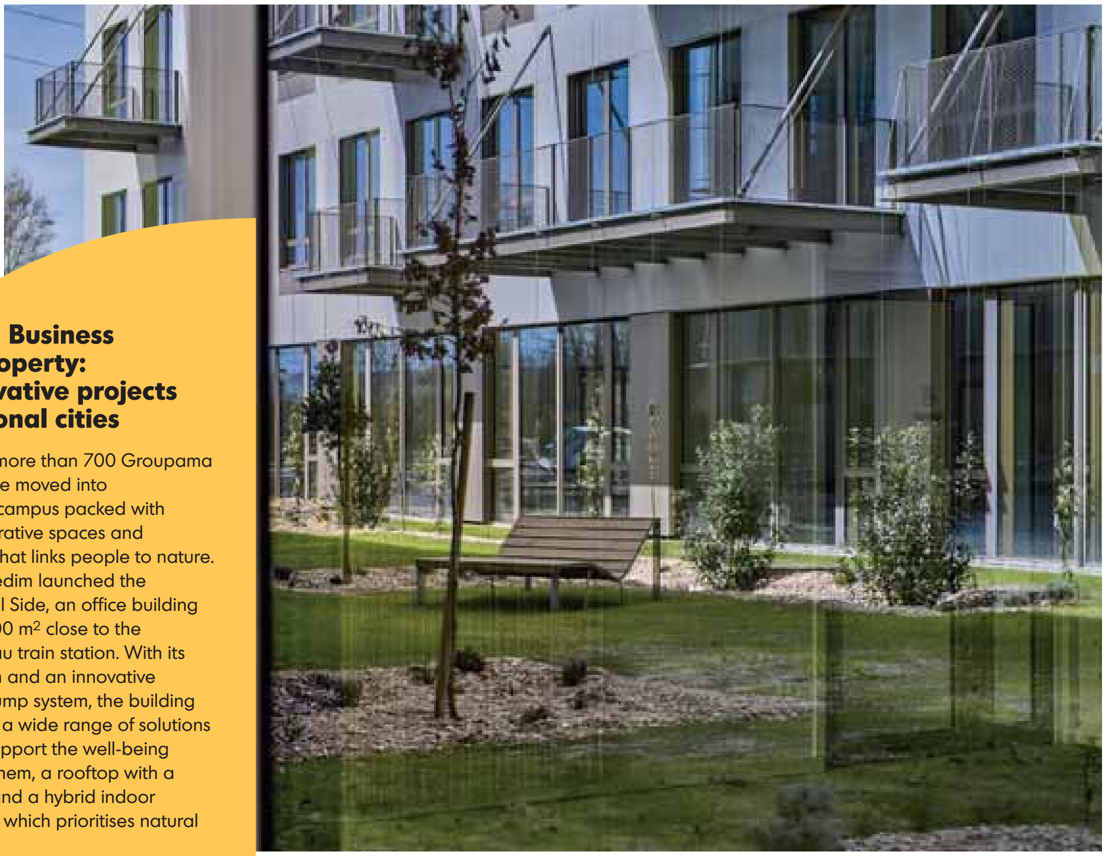
High value-added projects attracting leading players

In Paris-la Défense, La Française Real Estate Managers acquired Eria, developed by Altarea over 26,000 m² and leased to Campus Cyber. With a third of its surface area dedicated to collaborative spaces, the building offers a wide range of services including events, a modular auditorium and a television studio. Also in Paris-la Défense, Altarea Entreprise recorded the biggest high-rise office building deal in 2022: ManpowerGroup France, Vitogaz and Rubis Energie signed three nine-year leases for the Landscape tower, which also has an exceptional service offering, including Parisian restaurant brands and a hotel reception.

▲ Eria — Altarea Entreprise — Architect: Christian de Portzamparc — Paris-la Défense (92)

1
community library for employees

▼ #Community — Cogedim — Architect: Hubert Godet Architectes — Mérignac (33)



Business property: innovative projects in regional cities

In Mérignac, more than 700 Groupama employees have moved into #Community, a campus packed with services, collaborative spaces and biophilic design that links people to nature. In Toulouse, Cogedim launched the construction of Hill Side, an office building of more than 4,300 m² close to the Toulouse Matabiau train station. With its bioclimatic design and an innovative reversible heat pump system, the building also incorporates a wide range of solutions and services to support the well-being of users: among them, a rooftop with a panoramic view and a hybrid indoor ventilation system which prioritises natural air circulation.

▲ Vert Pomone — Cogedim — Architect: Tangram Architectes — Aix-en-Provence (13)

▼ emylon business school — Cogedim — Architect: PCA-STREAM — Lyon (69)

Educational spaces that meet the new expectations of students, teachers and institutions

Altarea has strong ambitions for development in the education sector and is committed to designing attractive and sustainable student campuses that are real living spaces, promoting collaborative learning and mixed uses. In 2022, for example, Cogedim built the Vert Pomone program, one kilometre from the city centre of Aix-en-Provence, which hosts the Mediterranean campus of the ESAIP engineering school. The BREEAM® Very Good certified buildings house coworking, meeting and ample living spaces including a cafeteria.
In Marseille, Cogedim is developing the Adriana building, where five IONIS group schools will be located. With a panoramic roof terrace, a winter garden and a landscaped patio, the site will be equipped with an auditorium and a gym, as well as shops and two restaurants on the ground floor. In Lyon, the Group also continued construction of the new emlyon business school campus, which will cover 30,000 m² – including 7,000 m² of collaborative and experiential spaces – in the Gerland district, in the heart of the 7th arrondissement.

XXL Logistics: an even stronger positioning

In a context of reindustrialisation, reorganisation of supply chains and e-commerce development, logistics needs are increasing sharply. Already firmly established in the XXL logistics platform market, Altarea continues to grow. As a developer, builder, investor and manager, Altarea Logistique supports its customers by meeting increasingly demanding technical, regulatory and environmental challenges. In Bollène, in the Vaucluse department, Parc Logistique Bollène is developing 260,000 m² of logistics warehouses ideally located near motorways, rail links and the waterways network, and aiming for BREEAM® Excellent certification. Near Lyon, Altarea will also deliver the "Écoparc Côtière" logistics park by 2025, developing 70,000 m² of logistics warehouses and business premises. Located at the heart of an industrial site, it will be part of an ambitious sustainable development approach: the high-performance HQE®-certified buildings will have PV arrays on their roofs to generate low-carbon energy for self-consumption.

30
large logistics platforms developed by Altarea in 20 years for logistics hauliers, supermarket chains and e-commerce players, covering more than 1 million m² in France

1 million m²
of platforms developed in France by Altarea over the past 20 years

#08

HOUSING
A NEW SOCIAL AND SOCIETAL CHALLENGE?

THE EXPERT'S VIEW

Anne-Sophie Grave
Chairwoman of the Management Board of CDC Habitat

"The health crisis has reinforced certain expectations about ways of living and uses of space: demand for scalable housing to work from home or accommodate an elderly parent, need for outdoor spaces and nature in the city, questions about the place of life, in large cities, suburbs or in medium-sized towns. Shared housing such as co-living is increasingly popular. Housing for key workers, such as hospital employees, who often live far from their workplace, has also become an issue to which we must also provide answers.

Production methods for homes are also undergoing profound transformation. With a major challenge: to produce more housing on less soil, as required by the Climate and Resilience Act with its principle of ZAN(1). To achieve this, CDC Habitat decided to accelerate the recycling of brownfield land, wasteland or buildings for housing, even if these projects are often more complex and take longer. Another strategy for the future is to make a certain density in city neighbourhoods acceptable by working to create 'happy' density, optimising urban and architectural quality and building for multifunctional uses.

In addition, the societal needs we address are not diminishing but increasing. As a general operator of public interest housing, we are more concerned than ever with offering a diverse range of housing to meet the needs of tenants and residents, and to support them through their life stages. We also strive to maintain our production level at around 20,000 housing units per year despite the current difficulties, notably related to the increase in construction costs. To achieve this, we have, for example, created with investors a land holding fund aimed at transforming commercial areas at the approaches to cities into new mixed-use neighbourhoods: we are big believers in these projects, which bring long-term benefits to local players, the city and its residents."

More than
4,1 m
people are poorly housed in France

Source: *"L'État du mal logement en France 2022"*, Fondation Abbé-Pierre, February 2023.

(1) Zero Net Artificialisation.

▲ Campus de l'enfance — Cogedim — Architects: Leclercq Associés, Palast et Base — Bourg-la-Reine (92)

▲ Oxygen — Pitch Immo — Architects: Daquin & Ferrière & Associés — Gennevilliers (92)

RESPONDING TO **NEW HOUSING EXPECTATIONS**

Development of remote working, renewed appeal of new regions, spotlight on health issues, etc., powerful societal changes are impacting and transforming what people expect from their housing. The Altarea Group is responding proactively, for example by building in sectors where it was previously absent. By designing innovative housing that evolve with time and needs. By developing a wide range of products for all customer groups and all ages. Through its different brands, Altarea also strives to safeguard the health of residents and promote their well-being in all its projects.

WE DESIGN HOUSING THAT PROMOTES **WELL-BEING AND SOCIAL AND INTERGENERATIONAL DIVERSITY**

Vincent Ego
Chief Executive Officer of Cogedim

Alexis Moreau
Chief Executive Officer of Pitch Immo

FACED WITH A PERSISTENT SHORTAGE OF HOUSING, WHAT ANSWERS DO YOU PROVIDE?

V. E. In France, there are currently 4 million poorly housed people, and it is estimated that between 400,000 and 500,000 homes would have to be built per year to meet the needs. However, there is no longer a consensus to build. To unlock the offer, operational obstacles must be removed, supporting “builder mayors” who have understood that housing is an eminently social issue.

A. M. We must also build housing that meets needs. In other words, build housing where there is demand. With this in mind, in August, we acquired the XF group, a developer of houses, construction plots and multi-family housing in a low-demand zone in the Toulouse region. At Pitch Immo, we favour an approach that is as close as possible to regional needs so we can build housing that takes into account the changes in French society, notably the shrinking size of households.

WHAT ARE YOUR SOLUTIONS TO ACCOMMODATE EVERYONE AND PROMOTE DIVERSITY?

V. E. First, we offer a wide range of housing solutions for all types of customers throughout their lives. It should be noted that building new housing means building social housing. Cogedim also sells one third of its annual production to social landlords. To promote social and intergenerational diversity, we are working increasingly at the neighbourhood level, such as in Issy Cœur de Ville, inaugurated in October, or in Bobigny Cœur de Ville and Toulouse Guillaumet, two emblematic mixed-use neighbourhoods now under construction.

A. M. We also offer housing adapted to all ages. Pitch Immo builds numerous student residences and serviced residences for seniors. The brand new Cité internationale de la gastronomie Paris-Rungis project is planned to include 400 student housing units. We are also responding to new uses by imagining new formats, such as co-living.

AND WHAT MAKES YOU STAND OUT WHEN IT COMES TO WELL-BEING?

V. E. At Cogedim, we made 10 commitments to “goods that do good”, meaning that we are committed to providing housing that takes care of people and the planet. As a study done in late 2021 with Opinion Way shows, housing has become a pressing public health issue, and we are committed to providing our customers with healthy homes, particularly in terms of air quality, temperature, summer comfort, green spaces, terraces, lighting and noise.

A. M. Quality of life is a core part of the Pitch Immo brand. People are living differently, and we give priority to how residents want to use their future homes. We pay special attention to outdoor spaces, and in particular to green spaces, so that our customers feel at home.

▲ Bobigny Cœur de Ville — Cogedim — Architects: TVK, CoBe, Lambert Lénack, Hardel Le Bihan Architectes, Barrault Pressacco et Bartolo-Contré — Bobigny (93)

Bobigny Cœur de Ville, a revitalised and attractive city centre

At the foot of a multimodal transport hub and near the future Grand Paris station, Bobigny city centre is getting a facelift and being regreened with a new mixed-use eco-district developed by Altarea. A varied commercial programme combining food shops, personal goods and services, as well as a leisure offer including a cinema and a gym will make the district a place where everyone can meet and relax.
A neighbourhood app and concierge service will also encourage community living. The housing units are designed to offer optimal comfort and will range from one-bedroom to five-bedroom units and some of them – "alcove housing" – are built to evolve through the family's life cycle.

100%
of units in the programme certified NF Habitat HQE

PROJECTS FOR **LIVING TOGETHER**

Living well together is both an imperative for the city, a force for solidarity and something younger generations strongly expect. For them, Altarea is developing a co-living offer mainly intended for young professionals.
The Group is also committed to promoting intergenerational diversity, for example, by making it easy for seniors in its serviced residences to help out in schools or nurseries.
Another key element of living together: social diversity. Social landlords and intermediaries are the main customers of Cogedim and Pitch Immo, which sell them around one third of their new housing production each year. Measures promoting home ownership, such as reduced VAT or the sale of housing to social landlords (LLS and LLI), accounted for 42% of new orders for 2022.

▼ So Cardin — Pitch Immo — Architects: Daquin & Ferrière & Associés — Saint-Ouen-sur-Seine (93)

202
studios fitted out

+10
higher education institutions near the residence

So Cardin, a new customised student residence

While the supply of student housing remains structurally insufficient in the Paris Region, Pitch Immo is developing a new residence with 202 fully fitted studios in Saint-Ouen-sur-Seine. The site housed the Pierre-Cardin museum's high fashion collections for some twenty years and combines elegance and modernity. Everything has been designed to meet the expectations of students. Thanks to the many public transport options nearby, they can reach Paris in 20 minutes and study in all the faculties, Grandes Écoles and preparatory classes in the north of the capital. They have shared spaces designed to promote conviviality, and the apartments have been carefully fitted out to meet the demands of student life.

#09

WHAT IS THE ROLE OF REAL ESTATE OPERATORS IN SAFEGUARDING FRANCE'S ARCHITECTURAL HERITAGE?

THE EXPERT'S VIEW

Franck Ferrand
Writer and historian

"When I was growing up in Poitiers, I used to pass a large building every morning on the way to school, with a decorated façade and fancy bits under the roof; I didn't know then that it was a perfect example of Renaissance architecture. 'The Deanery of Saint-Hilaire', as we called it, served more or less as a school for teachers; I guessed it must have lost its former splendour, and that under its battered roof, behind its overgrown walls, entire swathes of local history must have played out. Later, I took mathematics and philosophy courses there, as our school had become too small. I would have been astonished then to think that, four decades later, I would find this place – then so decrepit – magnificently restored to its original beauty and called 'hôtel d'Estissac'. Mullioned windows, arched passageways, lead-glazed gallery, decorated cupola with skylights: the whole historical monument is rich in fine architectural features that had eluded me in my younger days.

This is the kind of miracle that Histoire & Patrimoine is achieving everywhere in France. Whether dealing with urban mansions or country castles, civil or religious buildings, old houses or disused factories, they reawaken the heritage of the place, giving it a second life thanks to respectful architects, inspired project managers, tradesmen and craftspeople trained in fine craftsmanship.

You cannot fail to be inspired…
It's hard not to be moved by the sight of a mansion like Pontchartrain coming back to life and starting to look to the future again… I recently saw a set of comfortable apartments installed behind façades you would have thought were doomed. Strolling through the grandiose courtyard, I lingered in a series of rooms where the original woodwork was nearly intact. Clearly, the house was readying itself for a century or two of new history, but it seemed to me that the spirits of its illustrious former owners would be delighted: from the Chancellor of Pontchartrain to the Comte de Maurepas, from the terrifying courtesan La Paiva to the eccentric Marquise de Villahermosa… These were not the kind of people to hunker down in the past. Their ghosts seem less likely to complain about the disturbance than to welcome a new beginning."

4,800
sites designated as endangered in France

Source: Fondation du Patrimoine, August 2022.

OUR MISSION IS TO ALIGN THE **PUBLIC INTEREST WITH THAT OF OUR CUSTOMERS**

Rodolphe Albert
Chairman of Histoire & Patrimoine

Axelle Macardier
Director of Production and Major Projects of Histoire & Patrimoine

WHAT IS YOUR CONTRIBUTION TO SAFEGUARDING HERITAGE?

R.A. France has a rich heritage with more than 45,000 historical buildings, 860 Special Heritage Sites listed under the Malraux Act, 222 city centres prioritised by the French government and a host of buildings of historical and architectural interest. It goes without saying that safeguarding these buildings has to be a collective project. For thirty years we have worked alongside the government, on the most spectacular buildings, or through collective sponsorship to combine housing policy with the preservation of our heritage. Our mission is to align the public interest with the interests of our customers, who make a rewarding and meaningful investment.

A.M. Modes of living are at the heart of our strategy: having a housing component means we can make the site economically viable, with locations close to shops and other activities: this is the quarter-hour city.

DOES RENOVATING HERITAGE SITES HAVE ENVIRONMENTAL BENEFITS?

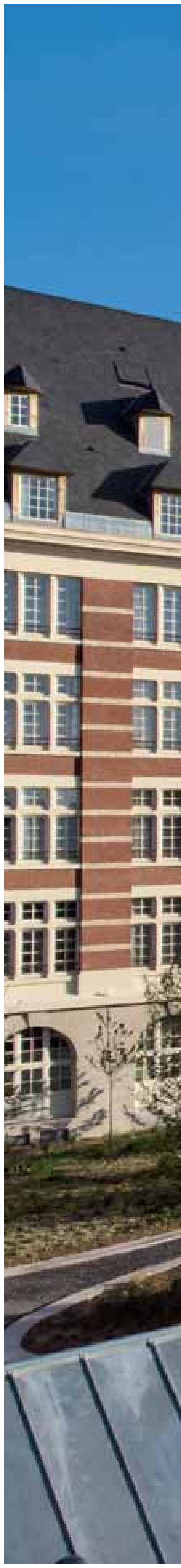
R.A. Yes, of course. The carbon footprint of a renovation project is 30% to 70% lower than that of a demolition/rebuild. We also carry out improvements to protect animals and plants living in these often abandoned sites.

A.M. A key aspect of heritage is that you work with local know-how. Our materials are inevitably tied to regional construction techniques, and therefore sourced locally. For example, for the Grands Moulins de Paris in Marquette-lez-Lille, we used sand from the Oise river to do some of the pointing.

WHAT EXPERTISE DO YOU USE?

R.A. Our renovation projects require specific expertise in sourcing, construction and marketing, expertise that we have perfected in-house over more than thirty years. We also call on a regular group of external partners, including architects, notaries or surveyors, and an extensive network of highly specialised craftspeople.

A.M. Another key expertise is the ability of our teams to build a strong relationship of trust with various partners, from urban planning departments to the Regional departments of cultural affairs (DRAC). Not to mention their talent for spotting promising technical innovations, such as solar tiles.



Les Grands Moulins de Paris, a reinvented industrial cathedral in the heart of a new district

In Marquette-lez-Lille, Histoire & Patrimoine carried out a massive project to give a second life to the Grands Moulins de Paris, a huge flour mill built in 1921. Covering a vast 30,000 m^2 brownfield site, this emblematic feature of the Lille metropolis had been abandoned for more than 25 years. With 246 housing units, it is now home to a new district including a public park, revamped riverbanks with a cycle path, shops and a co-working brewery. With excellent public transport links, it stands out for its ambitious approach to environmental impact. For example, 10,000 tonnes of materials from the site were reused, including debris from the demolition of two concrete silos used to build the roads.

▲ Les Grands Moulins de Paris — Histoire & Patrimoine — Marquette-lez-Lille (59)

An exceptional renovation to enhance the Hôtel-Dieu in Clermont-Ferrand

With its characteristic monumental façade in Volvic stone, the Hôtel-Dieu hospital, built in 1767, is a huge iconic island in the heart of Clermont-Ferrand. Abandoned since 2010, this listed historic site will be completely restored by Histoire & Patrimoine.
The project will take into account multi-layered heritage elements from five different historical periods of construction, extension or renovation. 123 apartments with numerous private outdoor spaces will be housed in this exceptional residence.

▲ Hôtel-Dieu — Histoire & Patrimoine — Clermont-Ferrand (63)

123
refurbished apartments (from studios to 4-room apartments)

40 min
from Paris

18
apartments (from studios to 3-room apartments)

FROM A RUINED CHATEAU…
… TO EXCEPTIONAL APARTMENTS

The Château du Duc d'Épernon — Histoire & Patrimoine — Fontenay-Trésigny (77)

Histoire & Patrimoine restores the Château du Duc d'Épernon to its former glory

Located in Fontenay-Trésigny, in Seine-et-Marne, the Château du Duc d'Épernon is at the heart of a dynamic region offering a privileged living environment, 40 minutes from Paris. Dating back in part to the 16th century, it is an architectural jewel that has welcomed kings and queens of France. It is listed as a historic building and has undergone a complete state-of-the-art restoration by Histoire & Patrimoine, integrating all the heritage elements still present, notably a magnificent 17th-century staircase. 18 apartments with high-quality interior fittings will be created within the listed buildings.

#10

WITH INFLATION, **IS IT A GOOD TIME TO INVEST IN REAL ESTATE?**

THE EXPERT'S VIEW

Christian De Kerangal
Chief Executive Officer of the Institut de l'Épargne Immobilière et Foncière (IEIF)

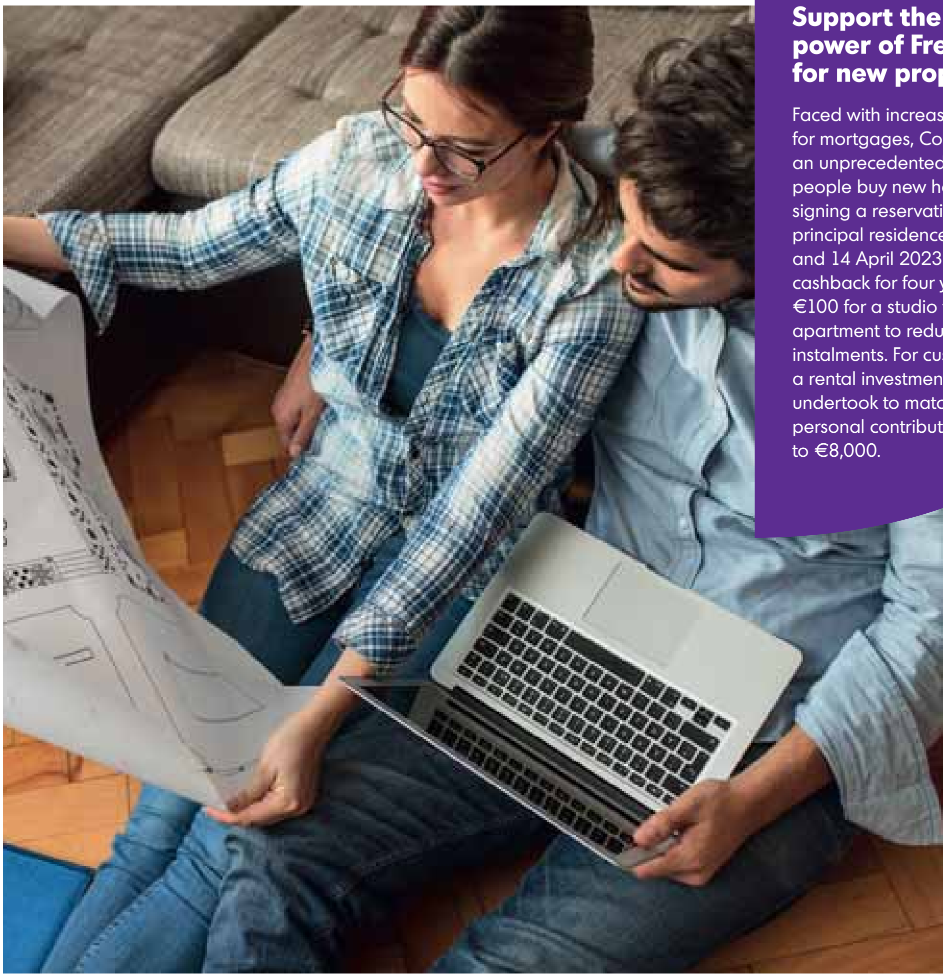
"It's two generations ago since we have experienced inflation as high as today. To understand the issue, we must first realise that we are entering a world of long-term inflation, even if it will be at lower levels than currently. This for three reasons: first, a self-perpetuating spiral between price increases and wage increases is taking hold. Second, there is a trend towards de-globalisation and the reshoring of certain industrial assets, with an increase in labour costs. Lastly, the considerable investments required to combat climate change will have an upward impact on prices for at least ten years.

For real estate, this structurally inflationary world will involve a complicated, albeit transitory, period. To combat inflation, central banks have raised their policy rates, which caused a rise in lending rates. In this context, investors are taking a wait-and-see attitude, the number of transactions is slowing, and we can expect an adjustment in values in France, as it is already the case in the United States or the United Kingdom, where the average value of assets has already fallen by 4%. This will affect all assets, but in an extremely variable manner, with assets that are best-located, most sustainable or which offer the most services being naturally less exposed.

What happens then? Once this adjustment period has passed, I am convinced that real estate assets will once again be very attractive. For a simple reason: they are one of the only asset classes to be indexed to inflation through rents. As rents rise year on year, the value of the property also increases over time. And this is particularly true in the residential market where demand is expected to remain strong."

5.2%
The inflation rate in France for 2022

Source: Insee, January 2023.



Support the purchasing power of French people for new property

Faced with increasingly difficult conditions for mortgages, Cogedim has rolled out an unprecedented system to help French people buy new homes. Any customers signing a reservation contract for their principal residence between 26 January and 14 April 2023 will receive a monthly cashback for four years ranging from €100 for a studio to €600 for a 6-room apartment to reduce their monthly instalments. For customers making a rental investment, Cogedim undertook to match their personal contribution up to €8,000.

ALTAREA SOLUTIONS & SERVICES **SECURES AND SIMPLIFIES REAL ESTATE INVESTMENT**

In-house brokerage in financing, rental management, trustee, condominium investing, etc., Altarea Solutions & Services brings together a wide range of expertise to support clients and partners of all the Group's brands in their property projects. Mortgage terms are tending to tighten. However, Altarea Solution Financement can provide all the services essential to make a property investment.

In a rapidly changing environment, Altarea Solutions & Services has placed innovation at the heart of its business. In 2022, it launched its "income solution", a new offer allowing landlords to collect their rents with no cash effect in the event of non-payment by the tenant. During a vacancy period between two tenants, the owner also receives compensation from day one. Responding to a fear of non-payment of rents often expressed by customers, this solution secures and thus promotes rental investment.

+43.5%
increase in the average deposit required of buyers at the end of 2022 compared to the end of 2019

Source: Observatoire Crédit Logement/CSA, January 2023.

IN A COMPLEX ECONOMIC AND FINANCIAL ENVIRONMENT, **OUR ADVISORY ROLE BECOMES CENTRAL**

Baptiste Borezée
Deputy CEO of Altarea, in charge of strategy, M&A and Group services

Sophie Sosamrith
Chief Executive Officer of Altarea Solutions et Services

Altarea supports its individual customers, institutional customers and retail partners in their real estate investments through a wide range of dedicated offers and services provided by Altarea Solutions & Services and the Group's development brands.

WHAT CONSEQUENCES DOES INFLATION HAVE FOR YOUR INDIVIDUAL CUSTOMERS?

B. Bo. Very mixed consequences that lead them to rethink their savings. Assets sitting in bank accounts may lose value unless they are invested, while equity and bond portfolios have been highly volatile over the last twelve months. Real estate therefore offers the investor stability and a long-term investment outlook. In addition, with interest rates below inflation, borrowing to buy property generates a gain in value over time, provided it is in the right areas and at the right price.

S. So. There is one very obvious consequence, for an individual customer, which is an increase in the price of the asset they want to acquire. In times of inflation, everything increases in value except money. With inflation, the value of an asset rises as the currency loses value, so you need to pay more to acquire the same asset. However, if the individual customer wishes to borrow to buy, provided that interest rates remain below inflation, the real interest rate becomes negative: it is the borrower who is being remunerated, as they will repay less than they borrowed. Inflation has on advantage: it reduces the cost of borrowing over time.

WHAT IS THE IMPACT ON INDIVIDUAL OR INSTITUTIONAL CUSTOMERS WISHING TO MAKE A RENTAL INVESTMENT?

B. Bo. Real estate remains a safe haven for investors, particularly when rents are automatically indexed to inflation. Investors focus on assets that can best pass inflation on to tenants, and they are increasingly looking at the sustainability of assets from the point of view of latest technical and environmental regulations and societal issues. As such, new or restructured assets and those providing the best level of services to their users are likely to be popular.

S. So. In the case of investment property, rents are indexed to inflation, so rental income increases. True, with the rise in rates, the cost of borrowing is higher, but if you are an investor, the interest can be charged against tax. Rental investment remains the only way to build up capital with little in the way of a deposit, and rents indexed to inflation.

ARE YOU WORKING ON NEW SOLUTIONS TO SUPPORT YOUR CUSTOMERS IN THIS COMPLEX ENVIRONMENT?

S. So. In the current environment, it is better to reduce the sensitivity of savings and invest in assets decorrelated with the economy and countercyclical securities known as safe-haven securities. We are working on new property portfolio solutions that offer highly resilient investment opportunities.

B. Bo. We are also considering new, more affordable property financial products for individual investors, in order to expand the range of services that we offer to our customers.

1

BUSINESS REVIEW

1.1 Altarea: an unrivalled platform of skills to support low carbon urban transformation

1.1.1 A huge market

The urban transformation market, in which Altarea holds a leading position, is more than ever an immense market.

The successive crises of recent years (health, environmental, social) have highlighted the need to thoroughly rethink the organisation and functioning of our cities. A large number of real estate infrastructures have become obsolete and must be transformed to adapt to both the changes in use that now affect almost all real estate products and climate change (energy efficiency).

Altarea's know-how lies in developing low-carbon real estate products that integrate all these issues into a complex economic equation. The complementary nature of the Group's[1] operating brands covers all the real estate portfolio solutions that enable cities to play a key role in their transformation, either through successive touches or on the scale of entire neighbourhoods.

1.1.2 Leading property developer in France

With nearly 900 projects secured at the end of 2022, Altarea is developing the largest portfolio of real estate projects in France representing potential value[2] of €21.3 billion across all product types.

Secured pipeline *(by product)*	**Surface area** *(m^2)[(a)]*	**Potential value** *(€ millions)[(b)]*
Residential	2,963,500	15,725
Business Property	1,397,500	5,006
Retail	112,400	567
TOTAL	**4,473,400**	**21,298**

(a) Retail: GLA m^2 created. Residential: SHAB offer for sale and portfolio. Business Property: floor space or surface area.

(b) Market value at delivery date. Retail: potential market value including transfer duties of projects on delivery (net rental income capitalised at a market rate) at 100%, and revenue excl. tax for development projects. Residential: offer for sale + portfolio incl. VAT. Business property: potential market value excl. transfer duties on the date of disposal for investment projects (at 100%), amount excl. tax of off-plan sales/PDC for the other development programmes (at 100%, or Group share for jointly owned projects), and capitalised delegated project management fees.

These pipeline projects are carried out mostly in a "developer" model (development for sale). Almost all projects are managed under options that the Group can exercise based on prudential criteria adapted to each situation.

French leader in large urban projects

The Group is managing 21 major urban renewal projects with a cumulative potential value of nearly €5.1 billion and a surface area of 1,270,000 m^2, including 15,800 residential units (including hotels and serviced residences).

These new neighborhoods, which are microcosms of the city in all its components, help counter the artificialisation of the soil through densification and the conversion of existing land.

Deliveries in 2022

After inaugurating the *Bezons Cœur de Ville*[3] eco-district at the beginning of the year and delivering the last phase of *Aerospace* in Toulouse, Altarea inaugurated in mid-October *Issy Cœur de Ville*, the largest private project in the Paris region of the last three years. This project is a wonderful illustration of the Group's expertise in urban transformation, with:

- an exemplary urban conversion of an old 3-hectare industrial wasteland into a fully pedestrianised mixed-use district open to the city and connected to public transport;
- a mixed-use neighbourhood comprising 12 real estate[4] properties spanning 105,000 m^2;
- a new hub that will ultimately welcome 1,500 residents, 3,000 employees and over 3 million visitors each year;
- a low-carbon district with 73% of its energy needs met through renewable sources (geothermal heating and cooling of buildings, and photovoltaic panels on the roof) and 13,000 m^2 of green spaces, including a 7,000 m^2 urban forest, to combat urban heat islands;
- a neighbourhood certified to the highest standards (BiodiverCity, HQE, BREEAM) and a pilot project for WELL Community Standard certification in France.

(1) Cogedim, Pitch Immo, Histoire & Patrimoine, Severini, Woodeum, Altarea Commerce, Altarea Entreprise, Cogedim Club, Altarea Solutions et Services.

(2) Potential value = market value on delivery date (see details of the calculation in note (b) of the "Secured pipeline" table above).

(3) 67,000 m^2 comprising 730 residential units, 10,000 m^2 of office space and 46 retail outlets and restaurants, delivered at the end of 2021.

(4) 607 residential units including 156 intended for low-cost housing and 83 apartments as senior residences for Cogedim Club, 3 office buildings including the future headquarters of CNP Assurances, 17,000 m^2 of retail outlets and services (30 shops and restaurants, 1 UGC cinema, 1 school with 10 classrooms, 1 nursery equipped with 60 cots, 1 multi-purpose hall) and an innovative third place known as NIDA ("Nid d'idées d'avenir" meaning "Nest of ideas for the future"), offering spaces and a programme of creative and cultural activities and other events, designed for individuals and companies and open to all.

New projects and upcoming deliveries

The Group started construction on *Bobigny Cœur de Ville*(1) in 2022, a 105,000 m² mixed-use pedestrian area that will be delivered in 2023. 2023 will also see the inauguration of three other projects (*Strasbourg-Fisher, Cœur Mougins* and *EuroNantes*) that are currently under construction.

Finally, in 2022, the pipeline was significantly enhanced (8 new projects for a potential value of €2.2 billion, 500,000 m² et 6,500 residential units), with deals including:

- the implementation of the partnership signed with Carrefour on two first urban development projects located in Nantes and Sartrouville which involve the transformation of existing commercial assets into complete living spaces;
- the tender won by Cogedim and Histoire & Patrimoine for the conversion of *Grands Moulins de Corbeil-Essonnes*, flagship for the local industrial heritage and owned by the Soufflet Group (acquired by InVivo). The project consists of 240 housing units, including 150 renovated housing units and 90 new housing units that will raise the height of the building. This residential program will offer an activities zone on the ground floor, with services and local shops: a restaurant, a café, an auction room, a heritage centre, public facilities for the City, a bicycle workshop and a third-place (business incubator/microbrewery) operated by the O'Sullivans Group;
- the development of three new projects in the Paris region illustrating the diversity and complexity of the projects developed by the Group, including:
  - the conversion of an unoccupied office campus belonging to the investment fund Federa Limited and managed by STAM Europe in Marly-le-Roi, near Versailles, in a mixed-use neighbourhood of 45,000 m² which includes 570 residential units (vacant housing, social housing and senior residences), local services and training and co-working facilities,
  - the conversion of a sports field into a new residential area of more than 400 units in Châtenay-Malabry;
- in December, winning the *Cité Internationale de la Gastronomie Paris-Rungis* call for projects, which will open in 2027. Pitch Immo will be in charge of the construction and management of this new 53,000 m² district, including more than 12,650 m² of buildings under a public service delegation that will host training workshops, museum and event spaces, which will showcase the excellence of French gastronomy.

Primonial

On 2 March 2022, Altarea informed the public that the acquisition of the Primonial Group could not be completed under the agreed conditions. Altarea considers that the Sellers did not comply with the provisions of the acquisition agreement entered into in July 2021, which has lapsed.

Following the non-completion of the acquisition of Primonial, the Sellers (various groups of shareholders of Primonial (investment funds and Managers)) summoned the Company and its indirect subsidiary, Alta Percier, before the Commercial Court of Paris, in order to obtain compensation for the damage they allegedly suffered. Altarea and Alta Percier challenge such claims, which they believe are groundless. On the contrary, Altarea and Alta Percier consider that the Sellers are responsible for the failure to complete the transaction. Altarea thus requests that the Sellers be ordered to pay damages (dommages et intérêts) for the damages suffered by the Group. To this end, Altarea and Alta Percier filed a brief in response (conclusions en réponse) and in voluntary intervention (intervention volontaire) before the Commercial Court of Paris on 20 June 2022.

In their brief in response (conclusions en réplique) dated 21 November 2022 and 16 January 2023, the various groups of shareholders maintained and developed their argumentation. As it stands, the seller Managers allege a damage of €118,988,650 and the investment funds allege a damage of €588,082,058.50.

Based on the Sellers' claims, Altarea maintains its position that it has no liability in this respect, as the failure to complete the transaction was, in its view, caused by the Sellers, so that they cannot claim damages that are groundless and unjustified in view of the factual and legal elements. Altarea will develop its argumentation in its next brief in response.

As of the date of disclosure of the Group's financial statements, the proceedings are ongoing.

In agreement with the Group's advisors, the Group did not record any provision.

1.1.3 Outlooks and guidances

Altarea, a powerful and revolutionary model

The strength of Altarea's model sits fundamentally on the immense market of urban transformation, its depth has been continuously growing since decades (change in usage, fundamental housing needs, new locations, urban design recast, low carbon evolution, etc.).

To address this huge market, the Group has developed an operating system that is unique in France, enabling it to be the leader with the most comprehensive real estate offering, the expertise in highly specialized stills and recognised brands.

Above all, Altarea can count on the commitment of its 2,000 employees who embrace the Altarea's values of high standards, innovation and performance. The Company's business plan is based on a strong corporate commitment around the content of work, the sense of common social benefits as well as the value creation and sharing.

A strategic roadmap fitting into a new cycle of real estate

Since more than 10 years, the continuous rise in price has been driven by falling interest rates. The rapid rise in interest rates throughout 2022 will put an end to this mechanism and, in the absence of any external event not yet identified, year 2023 (and very likely 2024 as well) should mark the bottom of the cycle for the real estate market (decline in volumes and values).

Given the immensity of the needs, Altarea is firmly convinced that this situation will only be temporary and that this change of cycle will allow the best capitalised players to make the most of it.

(1) 1,100 residential units, 10,000 m² of office space, 30 retail outlets and public facilities (nursery, car park, green spaces) to be delivered by the end of 2023.

Low carbon urban transformation, the foundation of the growth

In Residential, Altarea estimates its potential at around 18,000 units depending on the cycle and will rely on a policy of expansion that is both territorial and multi-brand to increase its market share. Altarea is already working to create affordable, low carbon and innovative offers, which will require the adjustment of land prices.

In Retail, the Group intends to carry on its asset management strategy on existing assets, those to be created and those to be acquired in partnership according to opportunities.

In Business property, Altarea counts on an offer covering full range of products (office buildings, logistics, hotels) and all territories (the Paris region and other Regions). Le Groupe is currently building the financial and legal tools that will enable it to take advantage of a cycle that will be marked by the adjustment of market position and low carbon transformation of assets.

New businesses, growth surplus at limited risk

Real estate asset management, a strong belief

Altarea's strategic decision to develop real estate asset management through organic growth remains unchanged. A team has already been set up and will soon be significantly strengthened. In early February 2023, the AMF granted approval, with conditions precedent, for the creation of an asset management company, aiming to launch shortly a public fund business (asset conversion, real estate of new generation). The asset management activity to institutions will also follow, in keeping with the achievements and track record of Altarea.

New products around digital and renewable energy infrastructures

In 2022, Altarea has laid the foundations for two new product lines: small-scale data centres and the generation and distribution of low carbon electricity. These two products share the same challenges of land management and administrative uncertainties, areas in which Altarea has proven expertise. A team is being built with a combination of external hires and internal resources (mainly from Commerce team) in order to take control of all the operational expertise and to build a pipeline. The first contributions are expected in the next four to five years within the framework of a "developer/ asset Manager" model.

In the long-term, these new businesses should contribute 10 to 15% of recurring operating income.

Guidances

Calendar and FFO potential

In 2023, le FFO would decline due to the lack of mega projects in Business property and to the anticipated slowdown of the sales in Residential.

2023 et 2024 will be dedicated to adapting to the new cycle, to carrying on the low carbon transition and to investing in the new businesses.

In the medium-term, the organic growth potential is expected to bring the FFO to €325-375 million, or up by 20% to 35% (compared to 2022) taking into consideration the higher corporate taxes, the low carbon transition and the contribution of new businesses, assuming there is no geopolitical, health or macroeconomic crisis.

Low carbon transition

European taxonomy: more than half of the revenue aligned[(1)] and reduction in carbon intensity.

Financial profile

Limited financial risk, a fully intact ability to seize additional opportunities.

Dividend policy

2023 dividend (for fiscal year 2022)

A dividend of €10.00/share (+2.6% *vs* 2021) will be proposed at the General Shareholders' Meeting of 8 June 2023, for the fiscal year 2022. Shareholders will also be proposed the partial conversion option. They will be free to choose between:

- a full payment in cash;
- 50% payment in share[(2)], and 50% in cash.

For the subsequent years[(3)]

A pay-out ratio of 75% of FFO with a minimum dividend of €10/share will be proposed, with the option of the partial conversion of the dividend into shares. Shareholders will be able to opt for:

- full payment in cash;
- 50% payment in share27, and 50% in cash.

(1) At constant regulation.

(2) With a 10% discount to the average opening share price of the 20 trading days preceding the General Meeting and after the deduction of the dividend value.

(3) Subjected to the approval of shareholders during the General Meeting and assuming there is no geopolitical, health or macroeconomic crisis.

1.2 Operational performance

1.2.1 Retail

1.2.1.1 An Asset Management Strategy

The Group's strategy is to increase the volume of assets under management (€5.5 billion at end-2022) while holding stakes in certain assets (€2.3 billion in Group share). This strategy allows it to maximize the value of its operational expertise on the volumes under management, while optimising return on capital employed.

Value of managed assets

At 31/12/2022	%	Values *(€ millions)*[(a)]	Change vs. 31/12/2021
ASSETS UNDER MANAGEMENT	**100%**	**5,483**	**+3.9%**
o/w Third-party share	*57%*	*3,137*	*+8.5%*
o/w Group share	*43%*	*2,346*	*-1.5%*

(a) Appraisal value including transfer duties.

The value of assets under management (AUM) increased by +3.9% compared to 2021. New shopping centre and local asset management contracts offset asset outflows (MRM partnership[(1)] and loss of contracts). The year 2022 was marked by numerous new contracts, in particular for:

- the NicEtoile shopping centre, which consolidates the long-term partnership forged with Allianz Real Estate by extending it to a seventh asset;
- the convenience stores of large urban projects that came on stream this year (*Bezons Cœur de Ville*, *Issy Cœur de Ville*, *Toulouse Aerospace* and *Massy Place du Grand Ouest*), whose gain more than offset the loss of deux contracts (in Brest and Reims).

MRM/SCOR partnership

In July, SCOR, MRM and Altarea announced a partnership to accelerate the strategic development of MRM. In December, Altarea sold the Flins and Ollioules shopping centres to MRM for €90.4 million, paid partly in cash and partly in MRM shares. Following this transaction, Altarea holds nearly 16% of MRM's share capital.

Breakdown of AuM by type

At 100% *(€ millions)*	31/12/2022		31/12/2021	
Regional shopping centres	3,281	60%	3,079	58%
Travel retail	545	10%	554	11%
Retail parks	1,027	19%	964	18%
Convenience stores	630	11%	678	13%
TOTAL AUM	**5,483**	**100%**	**5,275**	**100%**

Centre valuations

In 2022, real estate experts factored a slight increase in rental values, which was offset by the increase in property exit rates[(2)].

At 100%	31/12/2022	31/12/2021
Regional shopping centres	5.17%	5.01%
Retail parks	5.80%	5.70%
Convenience stores	5.90%	5.95%
WEIGHTED AVERAGE	**5.36%**	**5.24%**

In total, the value of the portfolio of shopping centres (at 100%) increased slightly on a like-for-like basis (+1.5% at €4,668 m).

(1) MRM is a listed player specialising in retail real estate.

(2) The exit rate (or "capitalisation rate") is used by appraisers to capitalise rents in the terminal period of their DCF models. It reflects the fundamental quality of the asset over the medium and long term. NB: since the retail outlets are operated under concession, there is no capitalisation rate (full ownership rate equivalents are slightly below 5%).

1.2.1.2 Operations back to normal

The performance achieved over the year reflects both the continued normalisation of operations throughout the year despite the deterioration of the macroeconomic environment (inflation, energy costs, retailer failures[1]) and the appropriate market position of the portfolio, whose attractiveness has been strengthened for retailers and their customers with particularly strong performance in retail parks.

Retailers' revenue[2] and footfall[3]

2022	Chg. *vs.* 2021	Chg. *vs.* 2019
Revenue (incl. Tax)	+20%	+4.0%
Footfall	+18%	-9.0%

The habits adopted during the health crisis, combined with the rise in gasoline prices, are confirmed by a footfall that stabilised at 91% of the pre-COVID-19 levels and an average basket that has structurally increased.

Dynamic rental activity

At 100%	No. leases	New rent
France and International	300	27.1
Projects under management	67	6.4
TOTAL	**367**	**33.5**

Rental activity remained strong with 367 leases signed and more than €33 million euros of minimum guaranteed rents, in line with the trend observed in 2021, regardless the retail format. Lease renewals are on average at levels close to the previous rent.

2022 was marked by the signings of anchor tenants at the Group's emblematic sites. Thus, in the coming months, CAP3000 will welcome the Pull&Bear and Bershka brands, in their new formats. Zara and Stradivarius will arrive at the *Toulon La Valette* site, replacing C&A.

Sports brands, which enjoyed strong momentum since the health crisis, are opening new stores or renewing their leases. For example, the arrivals of JD Sports at Qwartz and Espace Gramont, Decathlon at Le Parks with a brand-new format, and sportdirect.com at the Ruaudin site.

Finally, Altarea programmed *Issy Cœur de Ville*, which was fully leased at opening with an unprecedented offering of 30 local and national retailers across three areas: fashion and beauty, culture and leisure, catering, and food outlets. The neighborhood intends to attract local residents from Issy and customers from the nearby areas, with an estimated annual footfall of 3 million visitors.

Return to normative financial vacancy

At 100%	31/12/2022	31/12/2021	31/12/2020
Financial vacancy	2.7%	2.9%	4.2%

Collection

The collection rate[4] has normalised and stands at 94.6% for the year to date of publication (compared to 94% in 2021). Note, however, that it is taking longer to achieve a normal recovery rate than before the health crisis.

Consolidated net rental income

France and International	*(€ millions)*	Chge
NET RENTAL INCOME AT 31 DECEMBER 2021	**162.5**	
Change in scope of consolidation	2.4	+1.5%
Normalisation of operations	24.3	+15.0%
Like-for-like change	4.5	+2.8%
NET RENTAL INCOME AT 31 DECEMBER 2022	**193.7**	**+19.2%**

(1) *The brands that have recently gone into judicial liquidation (GoSport, Kookai, etc.) are not significant in the rental base (1.4% at 100% and 1.3% in group share).*

(2) *Cumulative change in retailers' revenue incl. VAT on a like-for-like basis from January to December in France and Spain, at constant surface area.*

(3) *Cumulative change in the number of visitors, measured by Quantaflow for equipped shopping centres, and by counting cars for retail parks (excluding travel retail) from January to December, in France and Spain.*

(4) *Rents and charges collected compared to rents and charges invoiced (incl. Tax) to date.*

Net rental income at end-2022 increased by +19.2% to €193.7 million and includes the following impacts:

- +€2.4 million full-year effect of 2021 deliveries, net of disposals;
- +€24.3 million related to the decrease in reliefs and provisions for bad debts (normalization of operations);
- +€4.5 million on a like-for-like basis, *i.e.* +2.8%, mainly due to the effect of indexation.

Lease expiration schedule

Lease end date	At 100% *(€ millions)*	% of total	3-year termination option	% of total
Past due	11.0	4.3%	11.0	4.3%
2022	3.9	1.5%	4.1	1.6%
2023	9.7	3.8%	34.0	13.3%
2024	15.7	6.1%	39.6	15.5%
2025	22.7	8.9%	40.6	15.9%
2026	31.3	12.2%	39.2	15.3%
2027	22.7	8.9%	24.0	9.4%
2028	19.5	7.6%	16.4	6.4%
2029	28.6	11.2%	7.8	3.0%
2030	24.7	9.7%	13.9	5.4%
2031	31.2	12.2%	6.4	2.5%
> 2031	34.9	13.6%	18.8	7.3%
TOTAL	**255.9**	**100%**	**255.9**	**100%**

Environmental performance

Altarea has long been committed to a process of energy sobrity and transition for all of its commercial centers. In 2022, the Group announced the following:

- a reduction of -42.8% in primary energy consumption per m² compared to 2010, exceeding its reduction target of -40% between 2010 and 2030;
- 99% of the electricity supply for all owned sites is now from renewable energy sources.

In addition, Altarea is increasing initiatives to develop a business of renewable energy production/distribution;

- deployment of photovoltaic panels on operational centers (mainly car park shelters). The Group aims to develop 20 MW within 2 years. To date, 7 building permits have already been obtained (for 14 MW);
- deployment of charging stations with the signature in April 2022 of a partnership with Electra, a French specialist in ultra-fast (150-300 kW) charging of electric vehicles. This partnership, taking the form of a joint venture, consists of equipping 19 commercial sites managed by the Group by 2024. In February 2023, the first charging stations were installed in the parking lot of Family Village in Aubergenville. Thanks to Electra's expertise in terms of installation, maintenance, and supervision of the charging network, these devices can then be deployed on all of the Group's real estate projects.

1.2.1.3 Development

Paris-Austerlitz station

Following the successful transformation of the Paris-Montparnasse train station, Altarea is leading a major project to restructure the retail spaces at the Paris-Austerlitz train station, which will eventually include nearly 20,000 m² of shops directly connected to the station.

With the building permit now cleared of all appeals, Altarea and SNCF Gares & Connexions have signed the final agreements at the end of the year, allowing work to start in 2023.

Convenience stores in large urban projects

Altarea develops local retail assets as part of its large urban projects intended to be sold and managed on behalf of third parties.

Altarea is actively working to market the units of the major urban projects that will be delivered in 2023, in particular Bordeaux Belvédère and Mougins, as well as on projects that started construction in 2022 (Bobigny Cœur de Ville).

Assets under management at end-December 2022

Asset and type	No.	GLA *(in m²)*	Gross rents *(€ millions)*	Values *(€ millions)*	Group share	Value GS *(€ millions)*
CAP3000 (Nice)		105,600			33%	
Espace Gramont (Toulouse)		56,700			51%	
Avenue 83 (Toulon-La Valette)		53,500			51%	
Qwartz (Villeneuve-la-Garenne)		43,300			100%	
Sant Cugat (Barcelona, Spain)		43,000			100%	
Bercy Village (Paris)		23,500			51%	
Le Due Torri (Bergamo – Stezzano, Italy)		30,900			25%	
La Corte Lombarda (Bellinzago, Italy)		21,200			25%	
NicEtoile (Nice)		17,300			0%	
Espace St Quentin (St Quentin en Yvelines)		28,000			0%	
Regional shopping centres	**10**	**423,000**	**165**	**3,281**		**1,470**
Paris-Montparnasse station		18,200			51%	
Gare de l'Est (Paris)		6,800			51%	
Italian railway stations (5 assets)		8,600			51%	
Oxygen (Belvédère 92)		2,900			100%	
Travel retail	**8**	**36,500**	**48**	**545**		**281**
Family Village (Le Mans-Ruaudin)		30,500			51%	
Family Village (Limoges)		29,000			51%	
Family Village (Nîmes)		28,800			51%	
Les Portes de Brest Guipavas (Brest)		28,600			51%	
Family Village (Aubergenville)		27,800			51%	
Espace Chanteraines (Gennevilliers)		23,700			51%	
Thiais Village (Thiais)		22,800			51%	
Les Portes d'Ambresis (Villeparisis)		20,300			51%	
La Vigie (Strasbourg)		18,200			100%	
Marques Avenue (Aubergenville)		12,900			51%	
Pierrelaye		10,000			51%	
Carré de Soie (Lyon) – RP		51,000			50%	
Chambourcy		34,900			0%	
Retail parks	**13**	**338,500**	**55**	**1,027**		**487**
-X% Massy		18,400			100%	
Les Essarts-Le-Roi		11,000			100%	
Grand Place (Lille)		8,300			100%	
Le Parks (Paris)		33,300			25%	
Reflets Compans (Toulouse)		14,000			25%	
Jas de Bouffan (Aix-en-Provence)		9,800			18%	
Grand'Tour (Bordeaux)		25,000			0%	
Issy Cœur de Ville		24,200			0%	
Bezons Cœur de Ville		14,500			0%	
Toulouse Aérospace		15,100			0%	
Place du Grand Ouest (Massy)		13,600			0%	
Toulon Grand Ciel		3,000			0%	
Convenience stores	**12**	**190,200**	**36**	**630**		**108**
TOTAL ASSETS UNDER MANAGEMENT	**43**	**988,200**	**305**	**5,483**		**2,346**

1.2.2 Residential

1.2.2.1 Strategy

Altarea is the second-largest residential developer in France[1]. The Group has structured itself to achieve potential sale of approximatly 18,000 units per year in the medium term depending on market conditions.

National geographic coverage

The Group has a national geographical coverage with particularly strong positions in major cities where it is a leader or co-leader. In recent years, it also develops its activity at a sustained pace in medium-sized cities, which offer new growth opportunities. These particularly dynamic territories are generally located along transportation axes connecting major cities or in coastal or border areas.

Almost all of the offer for sale and in the land portfolio are located in high-growth areas and are collective buildings with a very high level of certification (quality and/or environmental).

A multi-brand strategy

Complementary brands to cover the entire market

Cogedim ("healthy homes for healthy people") is the Group's leading brand in terms of geographic coverage, product range and brand awareness (Cogedim was awarded "Best customer service of the year" for the sixth consecutive year in early 2023). Cogedim's offer is built around ten commitments that prioritize health, well-being and the environment, with particular attention paid to air quality, neutral materials, reducing CO_2 emissions, energy savings, brightness, thermal and acoustic comfort. This offer is particularly in line with the new expectations of French people in terms of high-quality housing[2]. Cogedim is structured to reach potential annual sales of 10,000 to 11,000 units in the future.

Pitch Immo ("closer to go further") has a market position around four values: people at the heart (strengthening territorial coverage for greater proximity), local integration (tailor-made programs developed with local stakeholders), quality of life and CSR (outdoor spaces and green spaces, air quality, NF Habitat, HQE and Energy+Carbon- certifications). The brands Severini (specializing in the Aquitaine region), and Groupe XF (Toulouse-based developer acquired in July 2022) in Occitanie, are operationally attached to it. In total, Pitch Immo has potential sales of 4,000 units per year.

Histoire & Patrimoine ("Historical places for your stories") is the Group's brand specialising in urban renovation and rehabilitation. The expertise of Histoire & Patrimoine focuses on historical buildings, exceptional architectures and historical urban sites to give them a second life. Histoire & Patrimoine has future potential sales of around 1,500 to 2,000 units per year.

Woodeum ("100% committed to the planet and your well-being") is a brand specialising in the construction of CLT solid wood and low-carbon housing. The construction technologies developed by Woodeum contribute to reduce the carbon footprint and construction nuisance of buildings, while offering exceptional comfort of use. Woodeum, a wholly owned subsidiary of Altarea since early 2023, is structured to reach potential sales of approximatly 2,000 annual units in the future.

Cogedim Club ("Family home spirit") is a brand specialising in the development of managed residences for active seniors, offering apartments for rent, with personalised services and activities, for the comfort and well-being of their residents.

The Group's various brands operate independently (own customers and products) while benefiting from the power of the Group embodied by the Altarea umbrella brand (strategy, finance, support).

A multi-product strategy

The Group provides adequate answer to requirements from all market segments and all customer types:

- **high-end:** products defined by high requirements in terms of location, architecture and quality;
- **middle and entry-level:** programs designed to address the need of affordable housing for first-time buyers and investment, as well as meeting the needs of social landlords and institutional investors;
- **Serviced Residences:** Altarea designs residences for active seniors (without daily medical monitoring), tourist residences as well as student residences combining a central location and a range of à la carte services;
- **heritage rehabilitation products:** under the Histoire & Patrimoine brand, the Group offers a range of products in Historical Monuments, Malraux Law properties and Real Estate Tax schemes;
- **sales in dismemberment of ownership:** the Group is developing programs under a French Government policy known as social rental usufruct. They offer an alternative investment product for private investors, whilst meeting the needs of social housing in high-demand areas and thus provide alternative solutions to local communities;
- **timber housing development under the Woodeum brand**, a reference player in carbon-free development in France.

The Group has also developed Altarea Solutions & Services, an internal platform of value-added services to support its customers and partners throughout their real estate projects (commercial support, financing brokerage, rental management, property management, etc.). At the end of 2022, the Group was already managing, as part of its property management activity, nearly 16,100 units in 382 buildings, and more than 6,650 units as part of its rental management offering.

(1) Source: Ranking of Developers 2022 carried out by Innovapresse which analyses and compares the volumes of activity, the number of housing units or square meters produced, or the equity and debt of the main property developers. It provides detailed figures, developer by developer, and outlines their projects and strategies.

(2) In 2021, Cogedim conducted a study with the OpinionWay institute entitled "The French, housing and health", the results of which are available on the altarea.com website, under the Newsroom section.

1.2.2.2 2022 environment

Adaptation of commercial policy and land commitments management to the context

Although the new residential market remains structurally under-supplied compared to needs in most large cities, it has been constrained since the beginning of 2022 by many unfavourable factors, both at the macroeconomic level (rise in interest rates, usury rate, maximum effort rate of 35% of income, inflation and purchasing power) and geopolitical level (war in Ukraine and energy shortages/tensions).

Access to financing, desire and purchasing power for real estate have eroded throughout the year, leading to a decline in sales in the last quarter, affecting all customer segments: private individuals in main residences, individual investors and institutional buyers.

As a result, Altarea, whose sales were still growing in the third quarter of 2022, has implemented greater selectivity in its projects to prioritize the sale of ongoing programs and the development of the most profitable projects. This policy has led to the postponement of certain commercial launches and land acquisitions initially planned for the end of 2022.

1.2.2.3 Activity of the year

Sourcing(1)

	2022	2021	Chge
In €m incl. VAT	6,381	5,502	+16%
In units	22,983	21,471	+7%

Procurements have increased by +16% in value (+7% in volume) compared to 2021, notably following the inclusion in the medium-term pipeline of several large urban projects (*Cité de la gastronomie* in Rungis, *Grands Moulins* in Corbeil-Essonnes, Marly-Le-Roy, etc.).

Building permits and land acquisitions

In units	2022	2021	Chge
Building permit applications	17,086	17,981	-5%
Building permits granted	14,052	12,057	+17%
Land acquisitions	12,487	11,523	+8%

Commercial launches (retail sales)

Launches	2022	2021	Chge
Units	7,864	7,241	+9%
No. projects	182	166	+10%

Deliveries and projects under construction

In 2022, more than 9,170 units were delivered under 152 programs (compared to 12,175 in 2021 under 155 programs).

At the end of 2022, 344 projects were under construction in France, for nearly 32,000 units.

New orders(2)

New orders	2022	%	2021	%	Chge
Individuals - Residential buyers	707	27%	667	22%	+6%
Individuals - Investment	1,015	38%	1,031	34%	-2%
Block sales	945	35%	1,340	44%	-29%
TOTAL IN VALUE (€M INCL. VAT)	**2,666**		**3,038**		**-12%**
Individuals - Residential buyers	2,000	20%	1,945	16%	+3%
Individuals - Investment	3,590	36%	3,866	34%	-7%
Block sales	4,428	44%	5,710	50%	-22%
TOTAL IN VOLUME (UNITS)	**10,017**		**11,521**		**-13%**

(1) *Preliminary sale agreements for land, valued as residential new orders (incl. tax) or units.*

(2) *New orders net of withdrawals, in euros, including VAT when expressed in value. Data at 100%, with the exception of operations under joint control which are reported in Group share (including Woodeum).*

New orders, which were still increasing at the end of September 2022, are now down by 12% in value over the year, with strong disparities depending on the customer base:

- sales to Individuals have shown a very slight increase (+1.4% over the year), driven by first-time buyers;
- block sales recorded a decline of 29% in 2022, mainly due to the postponed land acquisitions at the endof theyear, which traditionally involve a high proportion of block sales.

New orders by product range

In units	2022	%	2021	%	Chge
Entry-level/mid-range	6,286	63%	7,072	61%	-11%
High-end	1,946	19%	2,280	20%	-15%
Serviced Residences	1,031	10%	1,397	12%	-26%
Renovation/Rehabilitation	754	8%	772	7%	-2%
TOTAL	**10,017**		**11,521**		**-13%**

Notarised sales

(€ millions incl. VAT)	2022	%	2021	%	Chge
Individuals	1,943	62%	1,609	55%	+21%
Block sales	1,182	38%	1,298	45%	-9%
TOTAL	**3,125**		**2,907**		**+7%**

Notarised sales have experienced a strong increase among Individuals (+21%), particularly those who had their financing in place and who wanted to take advantage of the last year of the Pinel tax reduction in its current form.

Stability in revenue by % of completion(1)

(€ millions excl. VAT)	2022	%	2021	%	Chge
Entry-level/mid-range	1,578	64%	1,595	64%	-1%
High-end	649	26%	667	27%	-3%
Serviced Residences	88	4%	95	4%	-7%
Renovation	143	6%	128	5%	+12%
TOTAL	**2,459**		**2,485**		**-1%**

Revenue in % of completion is stable overall at €2,459 million (-1%). Histoire & Patrimoine, a brand specialized in historical buildings, achieved an excellent performance (+12%) in a more difficult context for residential development.

1.2.2.4 Outlook

Project pipeline

The pipeline of projects under development is composed of:

- properties for sale(2) (units available for sale);
- the land portfolio, which includes projects secured under a preliminary sale agreement (most of which are unilateral) and not yet launched. They become properties for sale when commercial launches take place.

Potential revenue (€m incl. VAT)	31/12/2022	No. of months	31/12/2021	Chge
Properties for sale	2,234	10	1,742	+28%
Future offering	13,491	61	11,536	+17%
PIPELINE	**15,725**	**71**	**13,278**	**+18%**
In no. of transactions	*815*		*715*	*+14%*
In no. of units	*52,920*		*48,200*	*+10%*
In m²	*2,963,500*		*2,699,200*	*+10%*

(1) *Revenue by percentage-of-completion is calculated based on both percentage of sales realised (notarised sales) and the technical completion of the programmes (progress of construction sites).*

(2) *Value of units available for new orders.*

Backlog

Backlog is an advanced indicator of potential revenue, which includes:

- notarised sales, not yet recognised: units sale that have been regularised at the notary's office, to be recognised as revenue according to technical progress;
- new orders (units sold) that are not yet regularised.

(€ millions excl. VAT)	31/12/2022	31/12/2021	Chge
Notarised revenue not recognised	1,937	1,987	-3%
Revenues reserved but not notarised	1,555	1,733	-10%
BACKLOG	**3,491**	**3,720**	**-6%**
o/w equity-method (Group share)	*216*	*270*	*-20%*
Number of months	**17**	**18**	

Management of real estate commitments

Risks related to land commitments are assessed during Commitment Committees, which evaluate in particular the financial, legal, administrative, technical and commercial risks.

Each operation is subject to at least three committee reviews, which can be supplemented by update reviews, ensuring constant and regular monitoring of the life of the operations.

These procedures are applied across all subsidiaries and Property Development brands of the Group

End of 2022:

- 36% of units for sale relate to programs in which the land has not yet been acquired and for which the amounts committed mainly correspond to studies, advertising, and reservation fees (or guarantees) paid within the purchase agreement on the land;
- 64% of the offer is linked to programs for which the land is already acquired. The amount of finished products inventory is not significant (less than 1% of total offer).

In the current context, the Group has strengthened its prudential criteria *via*:

- the choice to prioritise unilateral preliminary sale agreements rather than bilateral sale and purchase agreements;
- an agreement required from the Commitments Committee at each stage of the operation;
- a high level of pre-commercialization required prior to the acquisition of the land, and whose level has been strengthened in 2022;
- the securing of work contracts as early as possible;
- the abandon or renegotiation of projects having generated inadequate pre-commercialization rates.

1.2.3 Business property

1.2.3.1 Strategy

A developer/investor/asset Manager model

Altarea has significant operations in the Business property market with limited capital risk:

- mainly as a **developer**[1] in off-plan sales, off-plan leases and property development contracts (PDC), with a particularly strong position in the turnkey user market, or as a service provider under DPM contracts;
- as a **co-investor, either directly or through AltaFund**[2], for high-potential assets (prime location) in view of their sale once redevelopment has been completed[3].

The Group is systematically the developer of projects in which it is also co-investor and Manager[4].

Altarea can operate throughout the value creation chain, with a diversified revenue model: PDC margins, rent, capital gains and fees.

Regional strategy

The Group is structured to address two complementary markets:

- **Grand Paris**: in a context of land scarcity, Altarea works on capital-intensive projects (generally under partnership), or alternatively as a service provider to support large investors and users;
- **Large regional cities**: Altarea is involved in development projects (off-plan sales or PDCs), generally sourced *via* its regional Residential network which now extends to new regions (medium-sized cities generally located along transport axes connecting cities to each other).

A wide range of products

Altarea has an offer covering all commercial property products:

- **offices**: headquarters, multi-occupancy buildings, high-rise buildings, covering all sizes (from 1,500 m² to 70,000 m²), all ranges (from prime to opportunistic) and all regions;

(1) This development activity does not present any commercial risk: Altarea carries only a measured amount of technical risk.

(2) AltaFund is a discretionary investment fund of which Altarea is one of the contributors alongside leading institutional investors.

(3) Resold rented or not.

(4) Through marketing, sale, asset and fund management contracts.

- **hotels**: all categories (from 1 to 4 stars), up to 700 rooms, in city centres or near transport hubs, independently or as part of large mixed-use projects;
- **campus and schools**: on behalf of higher education institutions (Grandes Écoles) or vocational schools (private and public);
- **logistics**: XXL platforms for distributors or e-commerce players, urban logistics for the last mile.

All of the Group's operations incorporate the highest level of environmental requirements and low-carbon performance, as well as a modular approach that allows the conversion of use.

1.2.3.2 Pipeline

As the leading business property developer in France[1], Altarea manages a portfolio of 59 projects with a potential value estimated at close to €5.0 billion at the end of 2022 (at 100%).

At 31/12/2022	No.	Surface area at 100% *(m²)*	Revenue excl. VAT *(€m)*	Potential value at 100% *(€m excl. VAT)*
Investments[a]	4	158,200	712	2,180
Off-plan sales/PDCs[b]	52	1,182,800	2,632	2,632
DPM[c]	3	56,500	194	194
TOTAL	**59**	**1,397,500**	**3,538**	**5,006**
o/w Offices	50	666,500	2,807	4,275
o/w Logistics	9	731,000	731	731
o/w Regions	46	1,069,300	2,218	2,218
o/w Paris Region	13	328,200	1,320	2,788

(a) Potential value: market value excluding transfer duties at the date of sale, held directly or via AltaFund, at 100%.
(b) Projects intended for "100% external" customers only. Potential value: revenue (excl. VAT) from signed or estimated property development or off-plan sale contracts, at 100%.
(c) Revenue excl. VAT = Potential value: capitalised fees for delegated projects.

The investment operations consist of four projects with a potential value of nearly €2,180 million at 100% (€665 million Group share) and for a cost price of approximately €1,900 million at 100% (€567 million, Group share).

1.2.3.3 Activity of the year

Activity was intense for all product categories throughout the country.

Grand Paris

The Group has made significant progress, particularly in large investment projects:

- in July, the sale to La Française REM of the Campus Cyber in Paris-la Défense, a 26,500 m² office building designed for new professional uses and developed according to the highest environmental standards[2]. This rare asset offers a secure and indexed return (a 10-year lease was signed with a consortium bringing together public authorities and large private groups specialising in cybersecurity);
- the delivery of the three office buildings within the large mixed-use project Issy-Cœur de Ville, certified BEPOS (positive energy building) and intended to house the headquarters of the Caisse Nationale de Prévoyance (CNP) as from early 2023. This frees up the CNP's historic headquarters located above the Montparnasse station, owned by Altarea and Caisse des Dépôts, which will undergo a complete restructuring over the coming years;
- the sale to Crédit Agricole Assurances of the remaining 10% stake in Bridge, Orange's global headquarters in Issy-les-Moulineaux;
- the partial commercialisation of *Landscape* in La Défense to ManpowerGroup France, Vitogaz and Rubis Energie, thereby completing the largest transaction for a high-rise office building of the year;
- the start of the demolition work on the building located on the plot that will accommodate Bellini, the future headquarters of Swiss Life France in La Défense, acquired by Swiss Life Asset Managers at the end of 2021;
- the management of several new development projects, including the refurbishment of the former CACEIS headquarters in the immediate vicinity of the Paris-Austerlitz station for Crédit Agricole Assurances and *Le Central*, an office complex in the École polytechnique neighborhood in Palaiseau.

Regional cities

As the leading business property developer in the regions, Altarea has been able to capitalise on its know-how to meet the expectations of this fast-growing market. The year 2022 confirms this trend, with, in particular:

- the signing of numerous off-plan sales and PDCs:
  - *KI* in Lyon (CPI), a mixed-use program of 29,400 m² combining retail, offices and residential units. Demolition work of the former CERA headquarters has started,
  - *Hill Side* in Toulouse with Tivoli Capital, which will set up a Newton Offices coworking space in this building targeting a double NF HQE™ Bâtiments Tertiaires and BREEAM certification,
  - *Porte Est* in Marseille with Erilia, a social enterprise for housing (ESH) and with SCPI Atlantique Mur Régions for a building intended to host INSEE,
  - a mixed-use building in Aix-en-Provence with Groupama Immobilier which will house offices, R&D laboratories and industrial workshops for Alstom;

(1) According to the Promoteurs 2022 ranking by Innovapresse (34th edition published in July 2022).
(2) NF HQE Exceptional, Effinergie+, Wiredscore Platinium, BREEAM "Excellent", Well Silver.

- the management of seven new projects (170,000 m²), including the new *ESSCA campus* in Aix-en-Provence and several office projects in the Grand-Ouest region totaling 36,000 m². One of thses projects is *Feel Good* in Nantes, which was already the subject of an off-plan deal with SMABTP at the end of the year, a mixed program in Angers *(Amytis)*, consisting of 150 housing units and 5,800 m² of offices or in Rennes (8,000 m² of offices and 150 housing units);
- the delivery of several office buildings, including:
  - *#Community* Groupama's new campus in Mérignac near Bordeaux, sold to Atream,
  - *La Tannerie* in the Gerland district in Lyon, sold to the interim group LIP at the end of 2020,
  - as well as the first two buildings of the Vert Pomone project, a tertiary complex sold to SCPI Mur Régions, which will house the Esaip training centre and to the Nahema agency, a NATO subsidiary specialised in the development of military helicopter programs.

Logistics

In a context of reindustrialisation, supply chain reorganisation, and e-commerce development, the French logistics real estate market is experiencing unprecedented growth. The Group, active in this segment for nearly 20 years, is now strengthening its historical position in large logistics platforms on the one hand, and structuring its offer on the promising segment of urban logistics on the other hand with:

- the launch of a new project at the gates of Lyon, Ecoparc Cotière, combining XXL logistics (50,000 m²) and business premises (20,000 m²) and continuing development of the 8 other projects under development on the north-south axis and the Atlantic arc;
- the success of a first urban logistics project[1] "La Manufacture de Reuilly" carried out in partnership with Corsalis Logistics Real Estate, involving the restructuring of a building in the heart of Paris that was leased to La Belle Vie (French leader in home shopping) and then sold to a fund managed by AEW.

Building on this success, in early July Altarea took a stake in start-up Corsalis, as a way to build up the expertise of its in-house teams and accelerate the development of the pipeline, which to date comprises around ten projects located either within the Group's mixed-use projects or identified throught the development prospecting teams in Paris and other major cities.

Backlog

Backlog is composed of notarised sales, excl. VAT, yet to be recorded per the percentage-of-completion method, new orders excl. VAT, not yet notarised (signed property development contracts), and fees to be received from third parties on signed contracts.

(€ millions)	31/12/2022	31/12/2021	Chge
Off-plan, PDC	338	415	-19%
Fees (DPM)	11	10	+10%
TOTAL	**349**	**425**	**-18%**

The backlog grew by €264 million of investments signed during the year, following the delivery of major investment projects in the Paris region (Issy Cœur de Ville, Bridge, Campus Cyber).

Commitments

(€ millions) Group share	Investment	Property Development	Total
Already paid out	105	113	218
To be paid out	351	-	351
TOTAL COMMITMENTS	**456**	**113**	**569**

For investment projects, the Group's commitments correspond to the obligations of equity contributions in operations.

The vast majority of the remaining commitments still to be disbursed relate to the historic headquarters of CNP Assurances located above Paris-Montparnasse station (PRD project), held in a 50/50 partnership by Altarea and Caisse des Dépôts et Consignations.

This building will undergo a major restructuring in coming years. The corresponding investments will only be disbursed once all the administrative authorisations are obtained.

As for new developments, commitments are limited to the amount of studies for projects being arranged. Regarding projects under construction, financial commitments are covered by calls for funds (except for "en blanc" operations).

(1) Product operationally managed by the Altarea Retail teams, according to a developer-type model.

1

Pipeline under development at the end of December 2022

	Surface area (m²)	Property Development Type	Property Development Revenue (€ millions excl. VAT)[a]	Potential value at 100% (€ millions excl. VAT)[b]	Progress[c]
Landscape (La Défense)	70,100	Invest			Partially delivered/Let
Bellini (La Défense)	18,100	Invest			Under construction/Sold
PRD-Montparnasse (Paris)	56,200	Invest			Secured
Louis le Grand	13,800	Invest			Secured
Investments (4 projects)	**158,200**		**712**	**2,180**	
Belvédère (Bordeaux)	50,100	off-plan sale			Under construction
EM Lyon Business School (Lyon)	29,400	PDC			Under construction
Amazing Amazones - EuroNantes (Nantes)	19,700	off-plan sale			Under construction
Villeurbanne	13,000	off-plan sale			Under construction
Unedic (Marseille)	11,900	off-plan sale			Under construction
Haute Borne (Villeneuve d'Ascq)	11,900	off-plan sale			Under construction
Bobigny-La Place	9,800	off-plan sale			Under construction
Adriana (Marseille)	9,700	off-plan sale			Under construction
Jolimont (Toulouse)	4,300	off-plan sale			Under construction
Les Milles (Aix-en-Provence)	20,000	off-plan sale			Secured
Other Office projects (33 projects)	*272,000*	*PDC/Off-plan*			*Secured*
Sub-total Offices	**451,800**		**1,901**		
Technoparc (Collegien - Greater Paris)	8,600	off-plan sale			Under construction
Hexahub Occitanie (Beziers)	50,400	PDC			Under construction
Ecoparc Cotière (Lyon)	70,000	off-plan sale			Secured
Hexahub Paris Region (Seine et Marne)	68,200	PDC			Secured
Puceul (Nantes)	37,600	off-plan lease			Under construction
Other Logistics projects (4 projects)	*496,200*	*PDC/Off-plan*			*Secured*
Logistics sub-total	**731,000**		**731**		
"100% external" Property Development (52 projects)	**1,182,800**		**2,632**	**2,632**	
DPM (3 projects)	**56,500**	**DPM**	**194**	**194**	
TOTAL PROPERTY DEVELOPMENT PORTFOLIO (59 PROJECTS)	**1,397,500**		**3,538**	**5,006**	

(a) PDC/Off-plan: amount excluding tax of contracts signed or estimated at 100%. DPM: capitalised fees.
(b) Potential value: market value excluding project rights. Investments: potential value at disposal date for investment projects (at 100%). Projects intended for "100% external" customers (off- plan/PDC): amount excluding VAT of contracts signed or estimated (at 100%, or in proportion for projects under joint control). DPM: capitalised fees.
(c) Secured projects: projects either fully or partly authorised, where the land has been acquired or for which contracts have been exchanged, but on which construction has not yet begun.

1.3 Environmental performance: european taxonomy and carbon performance

1.3.1 Taxonomy: new standard for environmental performance reporting

1.3.1.1 General principles

The Taxonomy Regulation[(1)] (or european taxonomy) is a common classification system in the European Union (EU) to identify economic activities considered as environmentally sustainable. It defines uniform criteria for each sector to assess their contribution to the EU's environmental objectives.

In 2022, non-financial companies must publish indicators taken directly from their accounts (revenue, Capex and Opex), indicating for each the proportion of eligible under the taxonomy (eligibility rate) as well as the proportion that meets the European environmental criteria (alignment rate).

From 2024, financial companies will in turn have to publish the share of their investments that finance sustainable economic activities aligned with the taxonomy, the Green Asset Ratio (GAR). Financial institutions with a high GAR should eventually benefit from a more favourable framework for their activities, as the goal pursued by the European Union is to accelerate the financing of the ecological transition.

1.3.1.2 Application to Altarea

Given its business activities, revenue is the most relevant accounting indicator for Altarea[(2)].

Eligibility of consolidated revenue

In 2022, more than 98% of Altarea's consolidated revenue[(3)] related to the following activities which are european taxonomy eligible:

- "Construction of new buildings" at Property Development;
- "Renovation of existing buildings", notably at Histoire & Patrimoine;
- "Acquisition and ownership of buildings", notably in Retail REIT.

Alignment calculation

To be considered sustainable ("aligned"), each project or asset contributing to Altarea's revenue must be screened for six environmental criteria[(4)]. For each criterion, high performance thresholds have been set, in particular for the "Energy" criterion, which is considered the area where the Group can make a "substantial contribution":

- energy (mitigation of climate change), composed of four sub-criteria: primary energy consumption, airtightness and thermal integrity, life cycle analysis of a building (design, construction, operation) and energy management;
- climate (adaptation to climate change): study of physical climate risks in the area of implementation and adaptation plan;
- water: building water consumption/flow rate, water resource management on construction sites;
- circular economy: reuse of materials, waste recovery, and building design and construction techniques promoting circularity;
- pollution prevention: no use of polluting/hazardous/carcinogenic products, soil pollution, noise pollution, emissions of polluting particles and gases;
- biodiversity: assessment of the impact on the environment and non-buildable areas.

A specific approach has been implemented for certain criteria to take into account particular situations (operational relevance, materiality thresholds, etc.). Significant work has also been done to document certain criteria as comprehensively as possible (life cycle assessment reports, construction site charter, etc.).

Alignment rate

The alignment rate reaches 44% of consolidated revenue in 2022.

(€ millions)	Construction	Renovation	Ownership	Group
Aligned activities	**1,158**	**23**	**151**	**1,331**
% of consolidated revenue	*45%*	*12%*	*70%*	*44%*

(1) Taxonomy Regulation (EU) 2020/852, Delegated Regulation (EU) 2021/2139 ("Climate") of 4 June 2021 specifying the classification of sustainable activities, Regulation (EU) 2021/2178 ("Article 8") of 6 July 2021, specifying the reporting obligations of companies to comply with the taxonomy and the complementary delegated regulation (EU) 2022/1214 ("Climate and Article 8") of 9 March 2022.

(2) All performance indicators and full methodology will be presented in the DPEF chapter of the Universal Registration Document.

(3) In 2022, consolidated revenue was €3,013 million, of which €45 million (2%) was taxonomy ineligible (e.g. trustee activities) and €2,968 million was eligible (98%).

(4) One criterion of "substantial contribution" and five criteria of "do no significant harm" ("DNHS"). The number and nature of the criteria vary according to each activity, with a minimum number of two (a substantial contribution criterion and a DNSH criterion).

Performance by criterion

The alignment rate obtained for each criterion taken individually is high. It even reached 64% at Group level for the substantial criterion of Energy.

% of consolidated revenue	Construction	Renovation	Ownership	Group
Alignment rate	**45%**	**12%**	**70%**	**44%**
Energy	64%	77%	70%	64%
Climate	100%	77%	91%	97%
Water	88%	100%		88%
Circular economy	78%	21%		74%
Pollution prevention	90%	77%		90%
Biodiversity	100%			100%

The overall alignment rate is, however, reduced by the cumulative nature of the criteria: the failure to meet a single criterion invalidates the alignment of the analysed project.

An exemplary environmental approach

This performance reflects the exemplary approach by the Group, which is often a pioneer in environmental matters across all its activities:

Property Development

- anticipating and adopting more stringent energy and environmental regulations: project developments prior to 2022 were already targeting energy consumption 10% lower than the regulatory requirements in Residential and at least 30% lower in Business property in the Paris Region;
- systematic application for labels and certifications: NF Habitat HQE, HQE « Very Good » and/or BREEAM® « Very Good » at least for office buildings;
- generalisation of ambitious construction charters (low nuisance, waste recovery, etc.);
- development of the quality of buildings built (modularity, multi-use, comfort, health, etc.) or managed: for example, Cogedim has defined 10 commitments taking into account well-being, air quality, material neutrality, reduction of CO_2 emissions, energy savings, brightness, thermal and acoustic comfort in its residential programs.

Retail REIT

- Generalisation of BREEAM In-Use certification since 2015, deployment of biodiversity plans in 100% of managed shopping centres;
- Systematic installation of building automation and control systems (BAS/BMS) in shopping centres;
- Use of renewable electricity supply for 99% of shopping centres managed and owned in 2022;
- Drive for energy savings at the REIT (as well as the Group headquarters): continuous decrease in energy consumption since 2010. This was achieved through the implementation of an energy master plan and an environmental management system for operations (EMS).

1.3.1.3 Action plans

Action plans and monitoring systems have been rolled out at each level of management, and the compensation system for employees and executives now includes the taxonomy in its objectives.

1.3.2 Carbon performance

In 2022, Altarea reviewed its carbon performance measurement methodology(1) in order to build an efficient management tool, particularly in Property Development. The Group now has a set of relevant indicators that enable it to set ambitious decarbonisation targets and measure them reliably over time.

1.3.2.1 Altarea methodology(2)

Scope (Scopes 1 & 2 & 3)

To comply with the GHG Protocol(3) greenhouse gas (GHG) emissions(4), expressed in kilograms of CO_2 equivalent ($kgCO_2e$), are classified into three categories (scopes):

- direct emissions (scope 1) cover all emissions that the Company is directly responsible for (burning of fossil fuels, refilling of refrigerants fluids, etc.);
- indirect emissions associated with energy (scope 2) represent emissions related to electricity consumption or heating and cooling networks;
- other indirect emissions (scope 3) represent all the other emissions from activities on which the overall company's activities depend (purchases of goods & services, travel, freight, fixed assets, etc.).

For Altarea, the GHG emissions measured are determined by the Group's different business lines:

- in **Property Development**(5), they are related to the *construction* of the building and its *use* over a period of 50 years:
  - *construction*: materials (including their transport), construction site and equipment, as well as maintenance and recycling,
  - *use*: energy consumed by the occupants of the built asset, over a period of 50 years,
- in **Retail REIT** they correspond to the energy consumed (common and private areas);
- in the **Corporate division**, they relate to carbon emitted by the Group's employees in the course of their work (premises and travel).

Property Development

Carbon performance by percentage of completion

Altarea has developed a methodology for calculating its carbon performance "on a percentage-of-completion" based on the same principles used to determine its accounting revenue.

A carbon footprint was calculated for each project contributing to revenue (541 projects in the year 2022) by taking the SHAB area and by applying an emission factor in $kgCO_2e/m^2$. This emission factor breaks down into one factor linked to the construction of the asset and another linked to its use over a period of 50 years.

Carbon emissions are booked at the same rate used to determine accounting revenue:

- construction-related emissions are recognised on a pro rata basis according to technical progress (excluding land);
- emissions related to the use of the asset are recognised on a pro rata basis according to commercial progress.

Emission factors

For projects for which the building permit was filed prior to 2022, the emission factors used (construction and use) depend on the nature of the asset (office, housing, retail, logistics, etc.) and the date the building permit was issued(6). These emission factors were based on the ADEME and Carbone4 standards(7).

For projects for which the building permit was filed in 2022, the emission factors used (ICc for construction, ICe for use) are taken directly from the Life Cycle Assessments (LCA) performed building by building. These have been mandatory since 1 January 2022 for residential (RE2020) and since 1 July 2022 for the tertiary sector.

By way of illustration, the maximum emission factors applicable under the RE2020 (new housing) regulations are presented below.

New housing *(in $kgCO_2e/m^2$)*	**Construction** *(ICc)*	**Use** *(ICe)*	**Total** *(ICg)*
Applicable from 2022	740	560	1,300
Applicable from 2025	650	260	910
Applicable from 2028	580	260	840
Applicable from 2031	490	260	750

The application of the RE2020 regulation should result in a long-term reduction in carbon emissions of -42% by 2031, with a rapid improvement in performance in use and more gradual improvement in construction, reflecting the greater complexity of implementation (availability of technical solutions, industrialisation of processes, absorption of additional costs, etc.) in the construction field.

(1) *Integration of the measurement principles of the new environmental regulations (mainly RE2020). Scope, comparability of financial years, audit trail.*
(2) *See the Extra-Financial Performance Statement (DPEF) section of the 2022 Universal Registration Document.*
(3) *International protocol proposing a framework for measuring, accounting 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).*
(4) *GHGs are gases in the atmosphere (carbon dioxide, nitrous oxide, methane, ozone, etc.) that absorb infrared radiation and redistribute it in the form of radiation that helps to retain solar heat (greenhouse effect).*
(5) *On behalf of third parties.*
(6) *Assimilated at the date of acquisition of the land.*
(7) *By way of illustration, the emission factors used for Residential range from 942 $kgCO_2e/m^2$ in 2019 to 915 $kgCO_2e/m^2$ in 2021 (construction) and 637 $kgCO_2e/m^2$ in 2019 to 598 $kgCO_2e/m^2$ in 2021 (use).*

REIT

The scope used covers all assets under management (whether wholly owned, proportionally owned or managed on behalf of third parties).

The Retail REIT's carbon performance is determined based on the energy consumption of the common areas (actual measurements) and private areas (actual and estimated measurements). This consumption is then converted into carbon emission equivalent using a factor whose level fluctuates according to the carbon intensity of the energy consumed.

Corporate

Using the same principle as the REIT, Altarea records "Corporate" emissions, which mainly come from the energy consumption of the Group's head offices and the fuel consumption during business travel by its employees.

1.3.2.2 Results and analyses

Carbon performance

In 2022, the Group's emissions (scopes 1, 2 & 3) represented 1,085 thousand tonnes of CO_2 equivalent (tCO_2e), down by 3.4% compared to 2021 and by 30.6% compared to 2019. Figures in the table below are expressed on a Group share basis (economic carbon[(1)]).

In thousands of tCO_2e	2019	2020	2021	2022
Property Development				
Residential	1,041	982	907	**914**
Business Property	315	203	139	**102**
Retail	195	100	71	**60**
REIT and Head office	**12**	**7**	**7**	**9**
GROUP IN Q/P	**1,563**	**1,292**	**1,124**	**1,085**
o/w Construction	*822*	*757*	*765*	***720***
o/w Use	*729*	*528*	*352*	***356***
o/w REIT and Corporate	*12*	*7*	*7*	***9***

Out of a total emission of 1,085 thousand tCO_2e, 356 thousand tCO_2e (*i.e.* 33%) correspond to emissions that have not yet occured (share related to the future use of the buildings over a period of 50 years).

Analysis

The overall reduction in emissions between 2019 and 2022 is due to both a "volume effect" (deliveries of major office projects in the Paris region[(2)] and retail projects[(3)]) and a "rate effect" (reduction in the average emission factor of around 8% over the period).

Property Development accounts for almost all of the Group's emissions, particularly Residential Development, which alone accounts for 84% of the total. In 2022, emissions from this activity increased slightly (+0.8%), especially due to the growth of Histoire & Patrimoine and Pitch Immo with particularly dynamic activities.

REIT Retail has a low level of emissions. The decarbonisation of this activity was initiated in 2010 with a reduction of emissions by half over the period. This business line is now nearly carbon-neutral within this perimeter.

Carbon intensity

Carbon intensity can be defined as the amount of CO_2e required to generate one euro of revenue. As Altarea's carbon performance is based on the same data reference as its revenue, this indicator can be used to measure the decoupling between economic value creation and GHG emissions, which is a fundamental principle of low carbon growth.

(in gCO_2e/€)	2019	2020	2021	2022
Carbon intensity	503	424	372	**360**

Since 2019, Altarea has reduced its carbon intensity by 28.4% and by 3.2% in 2022, illustrating the ongoing decarbonisation of the Group's activities.

(1) Emissions at 100% (managed carbon) represented 1,163 tCO_2e in 2022.

(2) PDC Richelieu, Kosmo, Bridge, Issy Coeur de Ville, Landscape...

(3) Development (CAP3000, Paris-Montparnasse train station, etc.) and on behalf of third parties (Issy Coeur de Ville, etc.).

1.4 Financial performance

1.4.1 2022 consolidated results

In 2022, Altarea recorded a good financial performance despite the deterioration of the macroeconomic environment which impacted residential development. Operating income reached €446.3 million (up by 10.2%), driven by the growth of Retail (up by 26.6%) and Business property (up by 47.1%), which more than offset the decline of Residential (down by 15.6%).

Funds from operations (FFO[1]) increased by 4.2% to €275.4 million in line with the Group's guidance.

In total, FFO Group share amounted to €13.34/share (down by 7.1% year-on-year), with the FFO growth being more than offset by the dilution linked to the 12.0% increase in the average number of diluted shares[2].

(€ millions)	Retail	Residential	Business Property	New businesses	Other	Funds from operations (FFO)	Changes in value, estimated expenses and transaction costs	Total
Revenue	**241.5**	**2,469.7**	**301.9**	**-**	**0.1**	**3,013.2**	**-**	**3,013.2**
Change vs. 31/12/2021	*+11.4%*	*-1.1%*	*-4.1%*		*-*	*-0.5%*		*-0.5%*
Net rental income	193.7	-	-	-	-	193.7	-	193.7
Net property income	-	155.7	37.2	-	(0.0)	192.9	(2.8)	190.1
External services	31.3	11.1	11.9	-	0.1	54.4	-	54.4
Net income	**224.9**	**166.8**	**49.1**	**-**	**0.1**	**440.9**	**(2.8)**	**438.1**
Change vs. 31/12/2021	*+21.4%*	*-23.2%*	*+11.5%*			*-1.3%*		*-1.9%*
Own work capitalised and production held in inventory	5.7	221.0	15.4	-	-	242.1	-	242.1
Operating expenses	(43.6)	(245.4)	(32.0)	(1.5)	(6.9)	(329.5)	(26.6)	(356.1)
Net overhead expenses	**(38.0)**	**(24.4)**	**(16.6)**	**(1.5)**	**(6.9)**	**(87.4)**	**(26.6)**	**(114.0)**
Share of equity-method affiliates	5.6	9.2	77.9	-		92.7	7.0	99.7
Income/loss on sale of assets Retail							2.3	2.3
Change in value, estimated expenses and transaction costs – Retail							27.6	27.6
Estimated expenses and transaction costs - Residential							(19.6)	(19.6)
Estimated expenses and transaction costs - Business Property							(1.3)	(1.3)
Other provisions Corporate							(14.6)	(14.6)
Operating income	**192.6**	**151.6**	**110.4**	**(1.5)**	**(6.8)**	**446.3**	**(36.1)**	**410.1**
Change vs. 31/12/2021	*+26.6%*	*-15.6%*	*+47.1%*	*-*	*-*	*+10.2%*	*(0.0)*	*+18.6%*
Net borrowing costs	(17.2)	(8.6)	(8.5)	-	-	(34.3)	10.5	(23.8)
Other financial results	(16.1)	(5.5)	(4.4)	-	-	(26.1)	(0.2)	(26.3)
Gains/losses in the value of financial instruments	-	-	-	-	-	-	123.0	123.0
Gains or losses on disposals of equity interests	-	-	-	-	-	-	9.8	9.8
Corporate income tax	(0.9)	(16.1)	(18.2)	-	-	(35.2)	(33.1)	(68.3)
Net result	**158.3**	**121.4**	**79.3**	**(1.5)**	**(6.8)**	**350.6**	**73.9**	**424.5**
Non-controlling interests	(60.7)	(14.5)	0.0	-	-	(75.2)	(22.5)	(97.7)
NET INCOME, GROUP SHARE	**97.5**	**106.9**	**79.3**	**(1.5)**	**(6.8)**	**275.4**	**51.4**	**326.8**
Change vs. 31/12/2021	*+25.3%*	*-17.6%*	*+35.3%*	*-*	*-*	*+4.2%*		
Diluted average number of shares						*20,649,592*		
NET INCOME, GROUP SHARE PER SHARE						13.34		
Change vs. 31/12/2021						*-7.1%*		

(1) Funds from operations (FFO): net income excluding changes in value, estimated expenses, transaction costs and changes in deferred tax. Group share.

(2) Creation of 3,017,432 shares in 2021 (capital increase, scrip dividend, Reuilly and FCPE).

Retail

(€ millions)	2022	2021	Variation
Rental income	210.2	186.7	
Expenses (including bad debt)	(16.6)	(24.2)	
Net rental income	**193.7**	**162.5**	**+19.2%**
% of rental income	92.1%	87.0%	
External services	31.3	23.8	
Own work capitalised & production	5.7	8.6	
Operating expenses	(43.6)	(45.6)	
Contribution of EM associates	5.6	3.8	
Net property income	-	(1.0)	
Operating income – Retail	**192.6**	**152.1**	**+26.6%**
Net borrowing costs	(17.2)	(26.2)	
Other financial results	(16.1)	(13.0)	
Corporate income taxes	(0.9)	(1.5)	
Non-controlling interests	(60.7)	(33.5)	
FFO RETAIL	**97.5**	**77.9**	**+25.3%**

After three years of sanitary crisis, the normalization of operations is confirmed: net rental income are up by 19.2% mainly due to the reduction in reliefs and in provisions for bad debts, and the full-year effect of Paris-Montparnasse station delivery. Overall, the FFO Retail Group share increased by 25.3% to €97.5 million despite the nearly doubling of minorityg interests related to partnerships.

Residential

(€ millions)	2022	2021	Variation
Revenue by % of completion	2,458.5	2,484.7	-1.1%
Cost of sales and other expenses	(2,302.8)	(2,280.7)	
Net property income	**155.7**	**204.0**	**-23.7%**
% of revenue	6.3%	8.2%	
External services	11.1	13.3	
Production held in inventory	221.0	177.7	
Operating expenses	(245.4)	(227.3)	
Contribution of EM associates	9.2	12.0	
Operating income – Residential	**151.6**	**179.6**	**-15.6%**
% of revenue	*6.2%*	*7.2%*	
Net borrowing costs	(8.6)	(13.4)	
Other financial results	(5.5)	(5.0)	
Corporate income taxes	(16.1)	(13.6)	
Non-controlling interests	(14.5)	(17.9)	
FFO RESIDENTIAL	**106.9**	**129.7**	**-17.6%**

The decrease in Residential operating income is due to the decline in the profitability of projects that contributed to 2022 revenue (almost stable at €2,458.5 million). This decrease is attributable to a deterioration in the business context at the end of the year, which led to an increase in the cost of operations (construction cost, labor cost, sales incentives). In total, FFO Residential fell by 17.6% to €106.9 million after taking into account the increase in taxes.

Business property (BP)

The revenue model of the Business Property division is particularly diversified:

- net property income generated by development projects (PDC and off-plan sales);
- external services: DPM, asset management, leasing and performance fees; and
- contribution from equity-method affiliates: profits made on investment projects in partnership.

(€ millions)	2022	2021	Variation
Revenue by % of completion	290.0	305.2	-5.0%
Cost of sales and other expenses	(252.9)	(271.0)	-6.7%
Net property income BP	**37.2**	**34.2**	**+8.7%**
% of revenue	*12.8%*	*11.2%*	
External services	11.9	9.8	
Production held in inventory	15.4	10.3	
Operating expenses	(32.0)	(26.2)	
Contribution of EM associates	77.9	46.9	
Operating income – BP	**110.4**	**75.0**	**+47.2%**
% of revenue +ext. serv.	*36.6%*	*23.8%*	
Net borrowing costs	(8.5)	(9.5)	
Other financial results	(4.4)	(2.2)	
Corporate income taxes	(18.2)	(4.9)	
Non-controlling interests	0.0	0.2	
FFO BUSINESS PROPERTY	**79.3**	**58.6**	**+35.3%**

2022 was marked by a high level of activity, both in the Paris Region (disposal of 10% of Bridge, sale of Campus Cyber and the Manufacture de Reuilly in urban logistics) and in the regions. Operating income from Business Property was a record €110.4 million (up by 47.2%), and FFO was €79.3 million (up by 35.3%) after tax.

2022 Dividend

A dividend of €10.0/share will be proposed at the General Meeting of 8 June 2023, for the financial year 2022, up by 2.6% compared to 2021. A partial conversion option of the dividend into shares will also be offered to shareholders. They will be able to choose between:

- a 100% payment in cash;
- a 50% payment in shares and 50% in cash.

1.4.2 Net asset value (NAV)

Going concern NAV (fully diluted[(1)]) at €157.1/share (-0.3%)

	31/12/2022				31/12/2021	
NAV – Group	*(€ millions)*	**Chge**	*€/share*	**Chge**	*(€ millions)*	*€/share*
Consolidated equity, Group share	**2,375.2**	**+6.2%**	**116.6**	**+5.8%**	**2,236.2**	**110.2**
Other unrealised capital gains	459.5				874.3	
Deferred tax on the balance sheet for non-SIIC assets[(a)]	22.5				19.4	
Fixed-rate market value of debt	239.2				(34.7)	
Effective tax for unrealised capital gains on non-SIIC assets	(14.7)				(26.6)	
Optimisation of transfer duties[(b)]	70.7				83.1	
Partners' share[(c)]	(18.5)				(18.5)	
NNNAV (NAV liquidation)	**3,133.8**	**+0.0%**	**153.8**	**-0.4%**	**3,133.2**	**154.4**
Estimated transfer duties and selling fees	66.6				62.4	
Partners' share[(c)]	(0.4)				(0.4)	
GOING CONCERN NAV (FULLY DILUTED)	**3,200.0**	**+0.2%**	**157.1**	**-0.3%**	**3,195.2**	**157.4**
Number of diluted shares:	*20,375,804*				*20,293,271*	

(a) International assets.
(b) Depending on disposal structuring (asset deal or securities deal).
(c) Maximum dilution of 120,000 shares.

At 31 December 2022, Altarea has lowered the value of the Property Development division in its NAV to align with the lower end of the valuation range to reflect the new context.

Change in NAV

Going concern NAV (fully diluted)	*(€m)*	*€/share*
NAV 31 December 2021	**3,195.2**	**157.4**
Dividend	(199.8)	(9.75)
FFO Group share 2022	275.4	13.34
Property Development	(368.2)	(18.1)
Retail	16.2	0.8
Financial instruments and fixed-rate debt	391.5	19.2
IFRS 16	(14.6)	(0.7)
Deferred tax	(26.6)	(1.3)
Unrealised capital gains and losses recognised in profit or loss[(a)]	(22.9)	(1.1)
Other and transaction costs[(b)]	(46.2)	(2.8)
NAV 31 DECEMBER 2022	**3,200.0**	**157.1**
vs. 31 December 2021	*+0.2%*	*-0.3%*

(a) Unrealised capital gains on Bridge and Issy Cœur de Ville.
(b) Of which "Primonial" costs incurred to date, AGM expenses, depreciation and amortisation and general partners' share.

(1) Market value of equity view of maintaining the Group's activity and considering the potential dilutive effect resulting from the partnership limited by shares (SCA) status.

Calculation basis

Asset valuation

Investment properties

Property assets are represented at their appraised value in the Group's IFRS statements (Investment properties).

Retail assets are assessed by Cushman & Wakefield and Jones Lang LaSalle. The breakdown of the valuation of the assets by experts is detailed below:

Appraiser	Portfolio	% of value, incl. transfer duties
Jones Lang LaSalle	France	44%
Cushman & Wakefield	France & International	54%
Other	France & International	2%

The appraisers use two methods:

- discounting cash flows (DCF method), including resale value at the end of the period;
- capitalisation of net rental income, based on a yield rate that takes into account the site's characteristics and rental income (including variable rent and market rent of vacant premises, adjusted for all charges borne by the owner).

These valuations are conducted in line with the criteria set out in the Red Book – Appraisal and Valuation Standards, published by the Royal Institution of Chartered Surveyors. The surveyors' assignments were all carried out in accordance with the recommendations of the COB/AMF Barthès de Ruyter Report and fully comply with the instructions of the Appraisal Charter of Real Estate Valuation (Charte de l'Expertise en Évaluation Immobilière) updated in 2017. Experts are paid based on a fixed fee based on the size and complexity of the appraised properties. Fee is therefore totally independent of the results of the appraisal.

Other assets

The unrealised capital gains on other assets consist of:

- the Residential and Business Property Development divisions (Cogedim, Pitch Immo, Histoire & Patrimoine, Severini and Woodeum);
- the Retail Asset Management (Altarea France) and Business Property (Altarea Entreprise Management) divisions.

These assets are appraised once per year by external appraisers on annual closing: Retail Asset Management (Altarea France) is valued by Accuracy, the Property Development division (Residential and Business property) and the Business Property Investment division & Asset Management division are valued by appraisers Accuracy and 8Advisory.

The method used by Accuracy uses the discounted cash flow method (DCF) in conjunction with a terminal value based on normalised cash flow. Accuracy provides a range of values calculated using different scenarios. In addition to its DCF valuation, Accuracy also provides a valuation based on listed peer group comparables.

8Advisory uses a multi-criteria DCF-based approach, an approach using multiples from listed peer Group and multiples from comparable transactions when these can be based on relevant transactions.

Tax

Because of its SIIC status, most of Altarea's assets are not subject to capital gains tax, with the exception of a limited number of assets which are not SIIC-eligible due to their ownership structure, and of assets owned outside France. For these assets, capital gains taxes on disposals are deducted directly from the consolidated financial statements at the standard tax rate in the host country, based on the difference between the market value and taxes value of the property assets.

Altarea took into account the ownership structure of non-SIIC assets to determine Going Concern NAV after tax, since the tax considered in Going Concern NAV reflects the tax that would effectively be paid if the shares of the Company were sold or if the assets were sold building by building.

Transfer taxes

In the IFRS consolidated financial statements, investment properties are recognised at fair value excluding transfer taxes. To calculate Going Concern NAV, however, transfer duties were added back in the same amount. In Altarea's NNNAV, duties are deducted either based on a transfer of shares or on a building by building basis depending on the legal structure that holds the asset.

General partners' share

The share of general partners represents the maximum dilution provided for under the Group's Articles of Association in the event of liquidation of the limited partnership (where the General Partner would be granted 120,000 shares).

1.4.3 Financial resources

Financing strategy

Altarea had a very solid financial structure at the end of 2022, with significant liquidity (€3 billion in available resources), and a strong balance sheet, with shareholders' equity of nearly €4 billion (up by €416 million over the year), and net debt of €1,555 million (down by €91 million).

The rise in interest rates, which began in January 2022, accelerated starting in August. During this period, Altarea deployed a strategy of anticipation and adaptation to this new environment through a dynamic management of interest rate hedges and optimisation of its financial resources.

The Group's abundant liquidity at the end of 2021 (€3,429 million, including €499 million in cash at Corporate level) helped with the implementation of this strategy.

Gross debt was thus reduced by €763 million, mainly through the following operations:

- the successful launch of two public partial buyback offers on three outstanding senior bonds (Altarea July 2024, Altareit July 2025 and Altarea January 2028), paying a total of €306.7 to redeem a total nominal value of €331.5 million (respectively €120.3 million, €161.2 million and €50 million), plus buybacks over the course of the year of a total nominal amount of another €10.8 million;
- the early redemption of a €80 million term loan maturing in March 2023;
- a gradual reduction of the outstanding balance of negotiable commercial papers from €759 million at 31 December 2021 to €372 million at 31 December 2022.

In parallel, Altarea has strengthened its short-term and long-term resources:

- arrangement of five RCFs[1] for a total amount of €275 million and a five-year term loan of €10 million;
- improvement of the internal cash pool to optimise available cash at both corporate and property development levels, generating financial income whose full-year effect will only be felt in 2023.

With these operations, the Group was able to optimise its liquidity by proactively managing its liabilities on capital markets and so enhance its available cash as well as the volume and cost of its financial debt.

In addition, the Group strengthened consolidated equity by €9.3 million through an employee mutual fund (FCPE) which subscribed to a reserved capital increase (resulting in the creation of 82,533 new shares), thus demonstrating the commitment and confidence of employees.

Available cash

At 31 December 2022, Altarea had available cash of €2,971 million (€3,429 million at 31 December 2021).

At end-2022 available cash breaks down as follows:

Available *(€ millions)*	**Cash**	**Unused credit facilities**	**Total**
At Corporate level	446	1,449	1,895
At project level	720	356	1,076
TOTAL	**1,166**	**1,805**	**2,971**

Unused credit lines at corporate level consist of €1,448.5 million in RCFs with an average maturity of two years and seven months, and two maturities totalling €175 million within the next 12 months.

As of the end of 2022, given the Group's liquidity position, no RCF has been drawn. The Group does not intend to draw on corporate RCFs in the short term.

Short and medium-term financing

The Group has two NEU CP programs[2] (maturity less than or equal to one year) and two NEU MTN programs[3] (maturity greater than one year) for Altarea and Altareit companies.

At the end of December 2022, given the increase in interest rates resulting in more expensive market borrowing costs, the total outstanding amount of these programs was reduced to €372 million, down €387 million from 31 December 2021, with an average maturity of four months, as follows:

(€ millions)	**Neu CP**	**Neu MTN**	**Total**
Altarea	80	70	150
Altareit	170	52	222
TOTAL	**250**	**122**	**372**

(1) Revolving credit facilities.

(2) NEU CP (Negotiable European Commercial Paper).

(3) NEU MTN (Negotiable European Medium Term Note).

Net debt[(1)]

Change in net debt in 2022

Net debt was down €-91 million to €1,555 million, a historically low level.

(€ millions)	
Net debt at 31 December 2021	**1,646**
Dividend	191
FFO 2022	(275)
Capex	43
Disposals & partnerships (railway stations, Bridge, etc.)	(330)
WCR Property Development	158
Acquisition of treasury shares	26
Compensation and financial instruments	93
Other	4
NET DEBT AT 31 DECEMBER 2022	**1,555**

The decrease in debt is mainly due to disinvestments and partnerships which have more than offset the increase in the Property Development WCR and other financial needs.

Net debt structure

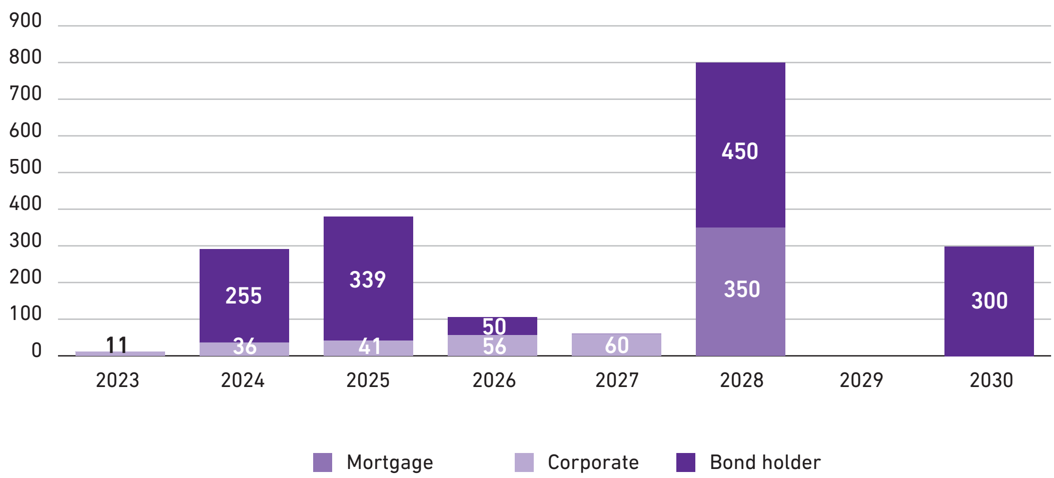
(€ millions)	31/12/2022	31/12/2021
Corporate and bank debt	213	276
Credit markets[(a)]	1,778	2,508
Mortgage debt	348	348
Debt on property development	168	138
Total gross debt	**2,507**	**3,270**
Cash and cash equivalents	(952)	(1,625)
TOTAL NET DEBT	**1,555**	**1,646**

(a) This amount includes bond debt and €372 million of NEU CP and NEU MTN as of 31 December 2022.

Average gross duration[(2)] is four years and three months, compared to four years and six months at 31 December 2021.

Long-term debt by maturity[(3)]

The chart below (in €m) presents the Group's long-term debt by maturity.



(1) Net bank and bond debt.

(2) Excluding NEU CP, Property Development debt.

(3) Excluding NEU CP, NEU MTN, Property Development debt.

Following the bond buybacks and repayment in 2022 of an €80 million bank loan maturing in March 2023, there are no significant long-term debt maturities before 2024, and the bond maturities for 2024, 2025 and 2028 have been reduced.

The €350 million mortgage debt due in June 2026 is associated with CAP3000. With the exception of CAP3000, all of the Group's other consolidated assets are free of mortgage debt.

Cash available at the end of 2022 (€2,971 million) is more than sufficient to meet the Group's short-term needs (€53 million due in the first quarter 2023) and long-term needs, in particular its bond debt maturities.

Hedging: nominal amount and average rate

Between December 2021 and April 2022, Altarea strengthened its outstanding interest rate hedges by executing three interest rate swap programs (fixed-rate payer) expiring between June 2028 and December 2032 for a cumulative amount of €825 million.

It also cancelled, in 2022, €700 million in floating-rate swaps (floating-rate payer), expiring between July 2024 and January 2026.

This restructuring of the interest rate hedging portfolio gives the Group a fixed-rate hedged debt position of around €2 billion on average over a five-year horizon, and gradually decreasing over time, thereby securing a particularly competitive financing cost over this period.

At 31 December 2022, the interest rate hedging profile was as follows:

In progress at end	Fixed-rate debt	Floating-rate debt	Fixed rate hedges[a]	Fixed-rate position (€m)[b]	Average hedge ratio[c]
2023	1,393	193	763	2,156	0.42%
2024	1,139	157	1,288	2,427	0.39%
2025	800	116	1,288	2,088	0.39%
2026	750	60	1,088	1,838	0.39%
2027	750	-	1,088	1,838	0.34%
2028	300	-	1,088	1,388	0.58%

(a) Interest rate swaps and caps.
(b) After hedging, prorata consolidation.
(c) Average hedging rate and average swap rate on fixed-rate debt (mid-swap rate at the pricing date of each bond, excluding credit spreads).

Altarea intends to continue this dynamic management in 2023 and seize any market opportunity to extend the average duration of its hedges.

Average cost of debt: 1.82%[1] (+2 bps)

The stability of the average cost of debt (*vs.* 1.80% at 31 December 2021), in the context of a sharp rise in interest rates, is the result of the dynamic management of the Group's debt, liquidity and swap portfolio.

Given the structure of its debt and its portfolio of financial instruments, Altarea expects to maintain its average cost of debt at levels close to the current level over a period of five years.

Credit rating and covenants

On March 2022, the rating agency S&P Global confirmed Altarea's Investment Grade with a rating of BBB- and negative outlook. On 20 March 2023 the rating agency upgraded the outlook for Altarea and Altareit, its specialist property development subsidiary, from "negative" to "stable".

Loan to Value (LTV)

The LTV ratio compares consolidated net bond and bank debt to the consolidated market value of Group assets.

As of 31 December 2022, it stands at 24.5% (24.1% as of 31 December 2021).

(€ millions)	31/12/2022	31/12/2021
Gross debt	2,507	3,271
Cash and cash equivalents	(952)	(1,626)
Consolidated net debt	**1,555**	**1,646**
Retail at value (FC)[a]	4,040	4,064
Retail at value (EM securities), other[b]	207	193
Investment properties valued at cost[c]	105	205
Business Property investments[d]	71	220
Enterprise value of Property Development	1,934	2,135
Market value of assets	**6,358**	**6,816**
LTV RATIO	**24.5%**	**24.1%**

(a) Market value (including transfer taxes) of shopping centres in operation recognised according to the fully consolidated method.
(b) Market value (including transfer taxes) of shares of equity-method affiliates carrying shopping centres and other retail assets.
(c) Net book value of investment properties in development valued at cost.
(d) Market value (including transfer taxes) of shares in equity method affiliates holding investments and other Office Property assets.

(1) Including related fees (commitment fees, non-use fees, etc.).

Net Debt to EBITDA ratio[1]

At 31 December 2022, the Net Debt to EBITDA ratio stood at 3.5x, compared with 4.1x at 31 December 2021.

Covenants

	Covenant	31/12/2022	31/12/2021	Delta
LTV[a]	≤ 60%	24.5%	24.1%	+0.4 pt
ICR[b]	≥ 2.0 x	13.0x	8.2x	+4.8x

(a) LTV (Loan to Value) = Net bond and bank debt/Restated value of assets including transfer duties.
(b) ICR (Interest Coverage Ratio) = Operating income restated/Net borrowing costs (column "funds from operations").

At end-2022, the financial position of the Group fully satisfied all of the covenants of its various credit contracts.

(1) Trailing Operating income (FFO) over twelve months compared to net bond and bank debt.

CONSOLIDATED FINANCIAL STATEMENTS 2022

2

2.1 Financial statements

Consolidated balance sheet

(€ millions)	Note	31/12/2022	31/12/2021
Non-current assets		**5,100.0**	**5,170.8**
Intangible assets	7.2	344.3	332.5
o/w Goodwill		*214.7*	*209.4*
o/w Brands		*105.4*	*105.4*
of which Customer relationships		*6.7*	-
o/w Other intangible assets		*17.4*	*17.7*
Property plant and equipment		25.2	27.8
Right-of-use on tangible and intangible fixed assets	7.3	123.1	128.4
Investment properties	7.1	4,087.4	4,176.8
o/w Investment properties in operation at fair value		*3,793.3*	*3,814.5*
o/w Investment properties under development and under construction at cost		*95.5*	*192.8*
o/w Right-of use on Investment properties		*198.6*	*169.6*
Securities and investments in equity affiliates	4.5	491.7	459.4
Non-current financial assets	4.6	20.3	22.0
Deferred taxes assets	5.3	8.0	24.1
Current assets		**3,987.7**	**4,188.5**
Net inventories and work in progress	7.4	1,159.3	922.6
Contract assets	7.4	723.1	714.1
Trade and other receivables	7.4	900.1	858.2
Income credit		3.2	19.5
Current financial assets	4.6	81.4	28.3
Derivative financial instruments	8	160.6	12.0
Cash and cash equivalents	6.2	952.3	1,625.5
Assets held for sale	7.1	7.8	8.3
TOTAL ASSETS		**9,087.7**	**9,359.4**

(€ millions)	Note	31/12/2022	31/12/2021
Equity		**3,959.5**	**3,543.6**
Equity attributable to Altarea SCA shareholders		**2,375.2**	**2,236.2**
Share capital	6.1	311.4	310.1
Other paid-in capital		395.0	513.9
Reserves		1,342.0	1,200.5
Income associated with Altarea SCA shareholders		326.8	211.6
Equity attributable to non-controlling interests in subsidiaries		**1,584.4**	**1,307.4**
Reserves associated with non-controlling interests in subsidiaries		1,263.2	1,033.4
Other equity components, Subordinated Perpetual Notes		223.5	223.5
Income associated with non-controlling interests in subsidiaries		97.7	50.5
Non-current liabilities		**2,612.0**	**3,036.5**
Non-current borrowings and financial liabilities	6.2	2,454.8	2,891.7
o/w Participating loans and advances from associates		*58.2*	*59.3*
o/w Bond issues		*1,385.2*	*1,723.2*
o/w Borrowings from credit establishments		*612.8*	*681.7*
o/w Negotiable European Medium-Term Note		*70.0*	*122.0*
o/w Lease liabilities		*132.2*	*138.2*
o/w Contractual fees on investment properties		*196.4*	*167.2*
Long-term provisions	6.3	35.5	36.8
Deposits and security interests received		39.3	38.7
Deferred tax liability	5.3	82.4	69.4
Current liabilities		**2,516.1**	**2,779.2**
Current borrowings and financial liabilities	6.2	547.4	838.5
o/w Bond issues		*22.0*	*26.2*
o/w Borrowings from credit establishments		*90.9*	*67.4*
o/w Negotiable European Commercial Paper		*302.0*	*637.0*
o/w Bank overdrafts		*24.2*	*13.6*
o/w Advances from Group shareholders and partners		*89.1*	*75.6*
o/w Lease liabilities		*16.6*	*16.1*
o/w Contractual fees on investment properties		*2.6*	*2.6*
Derivative financial instruments	8	0.0	16.7
Contract liabilities	7.4	351.4	168.1
Trade and other payables	7.4	1,611.1	1,740.6
Tax due		6.2	15.2
TOTAL LIABILITIES		**9,087.7**	**9,359.4**

Statement of consolidated comprehensive income

(€ millions)	Note	31/12/2022	31/12/2021
Rental income		210.2	186.7
Property expenses		(3.6)	(1.9)
Unrecoverable rental expenses		(10.4)	(8.9)
Expenses re-invoiced to tenants		*58.8*	*55.1*
Rental expenses		*(69.3)*	*(64.0)*
Other expenses		(0.3)	(1.6)
Net charge to provisions for current assets		(2.3)	(11.8)
Net rental income	**5.1**	**193.7**	**162.5**
Revenue		2,748.6	2,796.2
Cost of sales		(2,418.6)	(2,446.5)
Other income		(104.2)	(102.4)
Net charge to provisions for current assets		(34.2)	(10.1)
Amortisation of customer relationships		(1.5)	-
Net property income	**5.1**	**190.1**	**237.2**
External services		54.4	46.9
Own work capitalised and production held in inventory		242.1	196.6
Personnel costs		(271.1)	(253.6)
Other overhead expenses		(78.3)	(68.1)
Depreciation expenses on operating assets		(29.0)	(29.5)
Net overhead expenses		**(81.9)**	**(107.6)**
Other income and expenses		(6.7)	(9.8)
Depreciation expenses		(0.1)	(0.2)
Transaction costs		(14.5)	(14.9)
Other		**(21.3)**	**(24.9)**
Proceeds from disposal of investment assets		76.5	8.9
Carrying amount of assets sold		(74.2)	(10.2)
Net gain/(loss) on disposal of investment assets		**2.3**	**(1.3)**
Change in value of investment properties	7.1	45.8	39.9
Net impairment losses on investment properties measured at cost		(18.7)	(4.8)
Net impairment losses on other non-current assets		0.2	(1.2)
Net charge to provisions for risks and contingencies		0.3	(11.5)
OPERATING INCOME BEFORE THE SHARE OF NET INCOME OF EQUITY-METHOD AFFILIATES		**310.4**	**288.3**
Share in earnings of equity-method affiliates	4.5	71.0	19.1
OPERATING INCOME AFTER THE SHARE OF NET INCOME OF EQUITY-METHOD AFFILIATES		**381.4**	**307.4**
Net borrowing costs	5.2	(23.8)	(54.6)
Financial expenses		*(41.4)*	*(68.5)*
Financial income		*17.5*	*13.9*
Other financial results	5.2	(26.3)	(28.7)
Change in value and income from disposal of financial instruments	5.2	123.0	5.7
Net gain/(loss) on disposal of investments		38.5	46.2
Profit before tax		**492.8**	**276.1**
Corporate income tax	5.3	(68.3)	(13.9)
NET INCOME		**424.5**	**262.1**
o/w Attributable to shareholders of Altarea SCA		**326.8**	**211.6**
o/w Attributable to non-controlling interests in subsidiaries		97.7	50.5
Average number of non-diluted shares		20,158,331	18,024,260
NET EARNING PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF ALTAREA SCA *(€)*	**5.4**	**16.21**	**11.74**
Diluted average number of shares		20,649,592	18,424,086
DILUTED NET EARNING PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF ALTAREA SCA *(€)*	**5.4**	**15.83**	**11.49**

Other comprehensive income

(€ millions)	31/12/2022	31/12/2021
NET INCOME	**424.5**	**262.1**
Actuarial differences on defined-benefit pension plans	3.0	3.2
o/w Taxes	*(0.8)*	*(0.7)*
Subtotal of comprehensive income items that may not be reclassified to profit	**3.0**	**3.2**
OTHER COMPREHENSIVE INCOME	**3.0**	**3.2**
CONSOLIDATED COMPREHENSIVE INCOME	**427.5**	**265.3**
o/w Net comprehensive income attributable to Altarea SCA shareholders	329.8	214.8
o/w Net comprehensive income attributable to non-controlling interests in subsidiaries	97.7	50.5

Consolidated cash flows statement

(€ millions)	Note	31/12/2022	31/12/2021
Cash flow from operating activities			
Total consolidated net income		**424.5**	**262.1**
Elimination of income tax expense (income)	5.3	68.3	13.9
Elimination of net interest expense (income) and dividends	5.2	50.0	83.1
Net income before tax and before net interest expense (income)		**542.8**	**359.2**
Elimination of share in earnings of equity-method affiliates	4.5	(71.0)	(19.1)
Elimination of depreciation and impairment		31.4	47.6
Elimination of value adjustments	7.1/5.2	(150.2)	(40.8)
Elimination of net gains/(losses) on disposals[1]		(40.3)	(45.1)
Estimated income and expenses associated with share-based payments	6.1	25.1	23.4
Net cash flow		**337.7**	**325.2**
Tax paid		(34.6)	(34.7)
Impact of change in operational working capital requirement (WCR)	7.4	(106.3)	(76.5)
CASH FLOW FROM OPERATIONS		**196.7**	**214.0**
Cash flow from investment activities			
Net acquisitions of assets and capitalised expenditures	7.1	(42.9)	(106.6)
Gross investments in equity affiliates	4.5	(97.9)	(59.3)
Acquisitions of consolidated companies, net of cash acquired	4.3	(3.7)	(17.7)
Other changes in Group structure		6.1	0.2
Increase in loans and advances		(13.8)	(35.9)
Sale of non-current assets and reimbursement of advances and down payments[a]		58.7	12.0
Disposals of equity affiliates	4.5	80.5	67.1
Disposals of consolidated companies, net of cash transferred	4.3	113.3	134.2
Reduction in loans and other financial investments		64.4	21.4
Net change in investments and derivative financial instruments	5.2	(92.7)	(18.2)
Dividends received		34.7	125.3
Interest income on loans		23.4	8.8
CASH FLOW FROM INVESTMENT ACTIVITIES		**130.0**	**131.3**
Cash flow from financing activities			
Capital increase[b]		9.3	357.9
Subordinated Perpetual Notes[c]		-	28.4
Share of non-controlling interests in the capital increase of subsidiaries[d]		140.2	211.3
Dividends paid to Altarea SCA shareholders	6.1	(199.8)	(91.0)
Dividends paid to minority shareholders of subsidiaries		(23.2)	(25.5)
Issuance of borrowings and other financial liabilities	6.2	430.3	1,564.2
Repayment of borrowings and other financial liabilities	6.2	(1,254.3)	(1,914.8)
Repayment of lease liabilities	6.2	(19.9)	(17.8)
Net sales (purchases) of treasury shares	6.1	(26.3)	(31.3)
Net change in security deposits and guarantees received		0.9	2.0
Interest paid on financial debts		(67.7)	(90.4)
CASH FLOW FROM FINANCING ACTIVITIES		**(1,010.6)**	**(6.9)**
CHANGE IN CASH BALANCE		**(683.9)**	**338.4**
Cash balance at the beginning of the year	**6.2**	**1,612.0**	**1,273.6**
Cash and cash equivalents		1,625.5	1,277.5
Bank overdrafts		(13.6)	(3.9)
Cash balance at period-end	**6.2**	**928.1**	**1,612.0**
Cash and cash equivalents		952.3	1,625.5
Bank overdrafts		(24.2)	(13.6)

(a) Proceeds on disposals included in the calculation of net cash flow are presented net of transaction costs. Likewise, disposals of property assets are presented net of transaction costs in the cash flow from investment activities.
(b) See Changes in consolidated equity.
(c) This is the additional subscription of Subordinated Perpetual Notes subscribed by a non-controlling shareholder of a subsidiary.
(d) In 2021, this relates to the minority shareholders' subscriptions to the capital increase of subsidiary Alta Blue, which owns the CAP3000 shopping centre via its subsidiary Aldeta, and Crédit Agricole Assurance Group's investment in several centres, via a reserved capital increase and sale of shares. In 2022, the Crédit Agricole Assurance group also bought into several stations via a reserved capital increase and sale of shares.

Changes in consolidated equity

(€ millions)	Share capital	Other paid-in capital	Elimination of treasury shares	Reserves and retained earnings	Equity attributable to Altarea SCA shareholders	Equity attributable to non-controlling interests in subsidiaries	Equity
AS OF 1 JANUARY 2021	**264.0**	**233.8**	**(23.9)**	**1,284.7**	**1,758.5**	**958.2**	**2,716.7**
Net Income	-	-	-	*211.6*	*211.6*	*50.5*	*262.1*
Actuarial difference relating to pension obligations	-	-	-	*3.2*	*3.2*	*0.0*	*3.2*
Comprehensive income	**-**	**-**	**-**	**214.8**	**214.8**	**50.5**	**265.3**
Dividend distribution	-	*(106.7)*	-	*(59.4)*	*(166.1)*	*(25.4)*	*(191.5)*
Capital increase	*46.1*	*386.8*	-	*0.0*	*432.9*	*38.3*	*471.2*
Subordinated Perpetual Notes	-	-	-	-	-	*28.4*	*28.4*
Measurement of share-based payments	-	-	-	*17.4*	*17.4*	*0.0*	*17.4*
Elimination of treasury shares	-	-	*(9.8)*	*(15.9)*	*(25.7)*	-	*(25.7)*
Transactions with shareholders	**46.1**	**280.1**	**(9.8)**	**(57.9)**	**258.5**	**41.3**	**299.8**
Changes in ownership interests without taking or losing control of subsidiaries	-	-	-	2.6	2.6	257.1	259.6
Changes in ownership interests associated with taking or losing control of subsidiaries	-	-	-	-	-	-	-
Other	0.0	-	-	1.8	1.8	0.4	2.2
AS OF 31 DECEMBER 2021	**310.1**	**513.9**	**(33.8)**	**1,446.0**	**2,236.2**	**1,307.4**	**3,543.6**
Net Income	-	-	-	*326.8*	*326.8*	*97.7*	*424.5*
Actuarial difference relating to pension obligations	-	-	-	*3.0*	*3.0*	*0.0*	*3.0*
Comprehensive income	**-**	**-**	**-**	**329.8**	**329.8**	**97.7**	**427.5**
Dividend distribution	-	*(126.9)*	-	*(72.9)*	*(199.8)*	*(33.0)*	*(232.8)*
Capital increase	*1.3*	*8.0*	-	*(0.0)*	*9.3*	*0.1*	*9.4*
Subordinated Perpetual Notes	-	-	-	-	-	-	-
Measurement of share-based payments	-	-	-	*18.8*	*18.8*	*(0.0)*	*18.8*
Elimination of treasury shares	-	-	*3.3*	*(22.0)*	*(18.7)*	-	*(18.7)*
Transactions with shareholders	**1.3**	**(118.9)**	**3.3**	**(76.0)**	**(190.4)**	**(32.9)**	**(223.3)**
Changes in ownership interests without taking or losing control of subsidiaries	-	-	-	(0.8)	(0.8)	212.4[a]	211.6
Changes in ownership interests associated with taking or losing control of subsidiaries	-	-	-	-	-	-	(0.0)
Other	(0.0)	-	-	0.4	0.4	(0.3)	0.1
AS OF 31 DECEMBER 2022	**311.4**	**395.0**	**(30.5)**	**1,699.3**	**2,375.2**	**1,584.4**	**3,959.5**

(a) Impact of the Crédit Agricole Assurance's buying into Montparnasse stations and several Italian stations, which resulted in an increase in the share of non-controlling interests of €212.2 million, including the capital increase reserved to non-controlling shareholders for €140.1 million.

The notes constitute an integral part of the consolidated financial statements.

2.2 Notes – Consolidated income statement by segment

(€ millions)	31/12/2022 Financial resources funds from operations (FFO)	31/12/2022 Changes in value. estimated expenses and transaction costs	31/12/2022 Total	31/12/2021 Financial resources funds from operations (FFO)	31/12/2021 Changes in value. estimated expenses and transaction costs	31/12/2021 Total
Rental income	210.2	-	210.2	186.7	-	186.7
Other expenses	(16.6)	-	(16.6)	(24.2)	-	(24.2)
Net rental income	**193.7**	**-**	**193.7**	**162.5**	**-**	**162.5**
External services	31.3	-	31.3	23.8	-	23.8
Own work capitalised and production held in inventory	5.7	-	5.7	8.6	-	8.6
Operating expenses	(43.6)	(5.3)	(49.0)	(45.6)	(6.7)	(52.4)
Net overhead expenses	**(6.7)**	**(5.3)**	**(12.0)**	**(13.2)**	**(6.7)**	**(20.0)**
Share of equity-method affiliates	**5.6**	**0.3**	**5.9**	**3.8**	**(3.0)**	**0.8**
Net depreciation, amortisation and provision	**-**	**(0.5)**	**(0.5)**	**-**	**(12.8)**	**(12.8)**
Income/loss on sale of assets	**-**	**1.0**	**1.0**	**(1.0)**	**(1.2)**	**(2.2)**
Income/loss in the value of investment property	**-**	**27.5**	**27.5**	**-**	**33.1**	**33.1**
Transaction costs	**-**	**0.6**	**0.6**	**-**	**(3.0)**	**(3.0)**
Operating income - retail	**192.6**	**23.5**	**216.1**	**152.1**	**6.4**	**158.4**
Revenue	2,458.5	-	2,458.5	2,484.7	-	2,484.7
Cost of sales and other expenses	(2,302.8)	(1.5)	(2,304.3)	(2,280.7)	-	(2,280.7)
Net property income	**155.7**	**(1.5)**	**154.2**	**204.0**	**-**	**204.0**
External services	11.1	-	11.1	13.3	-	13.3
Production held in inventory	221.0	-	221.0	177.7	-	177.7
Operating expenses	(245.4)	(19.9)	(265.3)	(227.3)	(20.9)	(248.1)
Net overhead expenses	**(13.3)**	**(19.9)**	**(33.1)**	**(36.3)**	**(20.9)**	**(57.2)**
Share of equity-method affiliates	**9.2**	**(1.0)**	**8.2**	**12.0**	**(0.6)**	**11.4**
Net depreciation, amortisation and provision	**-**	**(19.1)**	**(19.1)**	**-**	**(20.5)**	**(20.5)**
Transaction costs	**-**	**(0.5)**	**(0.5)**	**-**	**-**	**-**
Operating income - residential	**151.6**	**(42.0)**	**109.7**	**179.6**	**(42.0)**	**137.7**
Revenue	290.0	-	290.0	305.2	-	305.2
Cost of sales and other expenses	(252.9)	-	(252.9)	(271.0)	-	(271.0)
Net property income	**37.2**	**-**	**37.2**	**34.2**	**-**	**34.2**
External services	11.9	-	11.9	9.8	-	9.8
Production held in inventory	15.4	-	15.4	10.3	-	10.3
Operating expenses	(32.0)	(5.2)	(37.2)	(26.2)	(5.2)	(31.3)
Net overhead expenses	**(4.7)**	**(5.2)**	**(9.9)**	**(6.1)**	**(5.2)**	**(11.2)**
Share of equity-method affiliates	**77.9**	**7.7**	**85.6**	**46.9**	**(1.5)**	**45.3**
Net depreciation, amortisation and provision	**-**	**(1.0)**	**(1.0)**	**-**	**(1.0)**	**(1.0)**
Income/loss in the value of investment property	**-**	**(0.3)**	**(0.3)**	**-**	**2.0**	**2.0**
Operating income - business property	**110.4**	**1.2**	**111.6**	**75.0**	**(5.7)**	**69.3**
New businesses	**(1.5)**	**(0.2)**	**(1.7)**	**-**	**-**	**-**
Others (Corporate)	**(6.8)**	**(18.7)**	**(25.5)**	**(1.8)**	**(17.9)**	**(19.7)**
OPERATING INCOME	**446.3**	**(36.1)**	**410.1**	**404.9**	**(59.2)**	**345.8**
Net borrowing costs	**(34.3)**	**10.5**	**(23.8)**	**(49.2)**	**(5.4)**	**(54.6)**
Other financial results	**(26.1)**	**(0.2)**	**(26.3)**	**(20.1)**	**(8.6)**	**(28.7)**
Change in value and income from disposal of financial instruments	**-**	**123.0**	**123.0**	**-**	**5.7**	**5.7**
Net gain/(loss) on disposal of investments	**-**	**9.8**	**9.8**	**-**	**7.9**	**7.9**
PROFIT BEFORE TAX	**385.8**	**107.0**	**492.8**	**335.7**	**(59.6)**	**276.1**
Corporate income tax	**(35.2)**	**(33.1)**	**(68.3)**	**(20.1)**	**6.2**	**(13.9)**
NET INCOME	**350.6**	**73.9**	**424.5**	**315.6**	**(53.4)**	**262.1**
Non-controlling interests	**(75.2)**	**(22.5)**	**(97.7)**	**(51.2)**	**0.7**	**(50.5)**
NET INCOME, GROUP SHARE	**275.4**	**51.4**	**326.8**	**264.4**	**(52.7)**	**211.6**
Diluted average number of shares	*20,649,592*	*20,649,592*	*20,649,592*	*18,424,086*	*18,424,086*	*18,424,086*
NET EARNING PER SHARE (€/SHARE) GROUP SHARE	**13.34**	**2.49**	**15.83**	**14.35**	**(2.86)**	**11.49**

2.3 Other information attached to the consolidated financial statements

DETAILED SUMMARY OF THE NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 COMPANY INFORMATION

Altarea is a *Société en Commandite par Actions* (a French partnership limited by shares), the shares of which are traded on the Euronext Paris regulated market, Compartment A. The registered office is located at 87 rue de Richelieu in Paris (France).

Altarea chose the SIIC corporate form (*Société d'Investissement Immobilier Cotée*) as of 1 January 2005.

As both a developer and investor, the Group is present in the three main real estate markets (Retail, Residential and Business property), making it the leader in major mixed-use urban renewal projects in France. The Group has the required expertise in each sector to design, develop, market, manage and exploit made-to-measure property products.

Altarea controls the company Altareit, whose shares are admitted to trading on the regulated market Euronext Paris, Compartment A.

Altarea controls the company NR21, whose shares are admitted to trading on the regulated market Euronext Paris, Compartment C.

The consolidated financial statements for the year ended 31 December 2022 were approved by the Management on 28 February 2023 having been examined by the Audit Committee and the Supervisory Board.

The Altarea Group operates mainly in France, Italy and Spain.

The publication unit is: millions of euros, with a decimal point.

NOTE 2 ACCOUNTING PRINCIPLES AND METHODS

2.1 The Company's accounting framework and presentation of the financial statements

2.1.1 Accounting standards

The accounting principles used in the preparation of the consolidated financial statements for the year are compliant with the IASB's (International Accounting Standards Board) IFRS standards and interpretations as adopted by the European Union as at 31 December 2022 and available on the website of the European Commission.

The accounting principles adopted on 31 December 2022 are the same as those used for the consolidated financial statements at 31 December 2021, with the exception of changes to the standards and interpretations adopted by the European Union applicable at 1 January 2022.

The information relating to the financial year ended 31 December 2021, presented in the Universal Registration Document filed with the AMF on 29 April 2022 under number D.22-0403 is incorporated by reference.

Accounting standards, interpretations and amendments applicable as from the financial year beginning on 1 January 2022:

- amendments to IFRS 3 – Change in the conceptual framework;
- amendments to IAS 16 – Proceeds before intended use;
- amendments to IAS 37 – Costs to be taken into account to recognise a provision for onerous contracts;
- annual improvements to IFRS – 2018-2020 cycle (IFRS 1, IFRS 9, IAS 41, IFRS 16).

These amendments have no significative impact for the Group.

Accounting standards and interpretations adopted early at 31 December 2022, whose application is mandatory for periods starting on or after 1 January 2023 or later:

None.

Accounting standards and interpretations published and mandatory after 31 December 2022:

- amendments to IAS 8 – Definition of accounting estimates;
- amendments to IAS 1 – Disclosure of material accounting policy information;
- IFRS 9 and IFRS 16 – Accounting for lease waivers in an operating lease by lessors (September 2022);
- amendments to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;
- IFRS 15 – Role of a software distributor: agent of principal;
- IAS 7 – Presentation of a demand deposit with restrictions on use;
- IFRS 9 and IAS 20 – TLTRO III;
- IAS 37 – Negative low emission vehicle credits;
- IFRS 17 – Insurance contracts (replacing IFRS 4), IFRS 17 and IFRS 9 – First-time adoption, comparative information; IFRS 17 – Accounting for the margin on a portfolio of life annuity contracts; IFRS 17 and IAS 21 – Multi-currency groups of insurance contracts - IFRS 17 is not applicable to the Group;
- classification of shares issued by a SPAC at the time of the listing (IAS 32), Classification of new warrants issued upon acquisition of a SPAC – This interpretation is not applicable to the Group.

Other essential standards and interpretations adopted by the IASB approved in 2022 or not yet approved by the European Union:

- amendment to IAS 1 – Classification of liabilities as current or non-current;
- amendments to IFRS 16 – Lease liability in a sale and leasebacks.

2.1.2 Other principles for presenting the financial statements

Altarea presents its financial statements and accompanying notes in millions of euros, to one decimal point.

Transactions eliminated in the consolidated financial statements

Balance sheet balances and income and expenses arising from intragroup transactions are eliminated when the consolidated financial statements are prepared.

Balance sheet classification

In accordance with IAS 1, the Company presents its assets and liabilities by distinguishing between current and non-current items.

Assets which must be realised, consumed or disposed of within the scope of the normal operating cycle or within 12 months following closure, are classed as "current assets", as well as the assets held with a view to disposal and cash or cash equivalents. All other assets are classified as "non-current assets".

Liabilities which have to be paid within the scope of the normal operating cycle or within 12 months following closure are classified as "current liabilities", as well as the share of provisions arising from the normal operating cycle of the activity concerned due in less than one year.

Deferred taxes are always shown as non-current assets or liabilities.

2.2 Main estimations and judgements

The preparation of the consolidated financial statements requires the use of estimates and assumptions by the Group's management to determine the value of certain assets and liabilities, and of certain income and expenses, as well as concerning the information given in the notes to the financial statements.

Management reviews its estimates and assumptions on a regular basis using its past experience and various other factors deemed reasonable in the circumstances.

The actual results may differ significantly from these estimates depending on changes in the various assumptions and performance conditions.

The main estimates made by the Group concerned the following measurements:

- measurement of investment properties (see Notes 2.3.5 "Investment properties" and 7.1 "Investment properties").

  The methodologies used by the appraisers are identical to those used for the previous financial year and take into account changes in market data in the context of the health, economic and financial crisis. At the date of the appraisals, the appraisers consider that the market data are sufficient and relevant enough to provide a basis for their value assessments for the real estate assets appraised;
- measurement of trade receivables (see Notes 2.3.10 "Financial assets and liabilities" and 7.4.2 "Trade and other operating receivables");
- measurement of net property income and services using the percentage-of-completion method (see Note 2.3.17 "Revenue and revenue-related expenses");
- measurement of goodwill and brands (please see Note 2.3.7 "Monitoring the value of non-current assets (excluding financial assets and investment property) and losses of value" and 7.2 "Intangible assets and goodwill").

And less significantly:

- measurement of share-based payments (see Notes 2.3.12 "Share-based payments" and 6.1 "Equity");
- measurement of financial instruments (see Note 8 "Financial risk management").

The accounting estimates made by the Group were made in the context of the economic and financial conditions (inflation, rising interest rates, war in Ukraine, etc.). The Group has taken into account the reliable information available to it at the date of preparation of the consolidated financial statements regarding the impacts of these situations.

In addition to the use of estimates, the Group's management has applied its judgement in the following cases:

- measurement of rights of use, lease liabilities and contractual fees on investment property (see notes 2.3.18 "Leases", 7.3 "Right-of-use on tangible and intangible fixed assets" and 7.1 "Investment properties");
- measurement of deferred tax assets (see Notes 2.3.16 "Taxes" and 5.3 "Corporate income Tax");
- measurement of provisions (see Note 2.3.15 "Provisions and contingent liabilities" and see Note 6.3 "Provisions");
- whether or not the criteria to identify an asset or group of assets as held for sale or whether an operation is intended to be discontinued in accordance with IFRS 5 (see Note 2.3.6 "Non-current assets held for sale and discontinued operations" and 7.1 "Investment properties").

The Group's financial statements also take into account, based on current knowledge and practices, **the issues of climate change and sustainable development.**

In the Retail business, the analysis of key indicators, through data collected on all our assets, is used to manage CSR performance and to define action plans aimed at achieving ambitious energy targets. These actions have been translated into precise operational measures integrated, at portfolio level, in the centres' work and renovation budgets. Since 2011, investments in sites in the portfolio take account of issues related to climate change, with energy consumption targets that meet the requirements of the tertiary decree.

In the Property development business, the budgets used to determine the percentage-of-completion revenue systematically include the costs related to the improvement of their energy performance in accordance with the regulations in force at the time of filing of the building permits (in particular RE2020).

The Group's exemplary approach, which is often a forerunner in environmental matters in all its activities, is reflected in the following:

Property Development :

- anticipating and adopting more stringent energy and environmental regulations: project developments prior to 2022 were already targeting energy consumption 10% lower than the regulatory requirements in Residential and at least 30% lower in Business property in the Paris Region;
- systematic application for labels and certifications: NF Habitat HQE, HQE "Very Good" and/or BREEAM® "Very Good" at least for office buildings;
- generalisation of ambitious construction charters (low nuisance, waste recovery, etc.);
- development of the quality of buildings built (modularity, multi-use, comfort, health, etc.) or managed.

Retail REIT :

- generalisation of BREEAM In-Use certification since 2015, deployment of biodiversity plans in 100% of managed shopping centres;
- systematic installation of building automation and control systems (BAS/BMS) in shopping centres;

- use of renewable electricity supply for 99% of shopping centres managed and owned in 2022;
- drive for energy savings at the REIT (as well as the Group headquarters): continuous decrease in energy consumption since 2010. This was achieved through the implementation of an energy master plan and an environmental management system for operations (EMS).

The Group's current exposure to the short-term consequences of regulation and climate change is therefore well managed and has no significant impact on the financial statements.

2.3 Accounting principles and methods of the Company

2.3.1 Equity investments of the Company and consolidation methods

For consolidation, the following standards apply:

- IFRS 10 – Consolidated financial statements;
- IFRS 11 – Joint arrangements;
- IFRS 12 – Disclosure of interests in other entities;
- IAS 28 – Investments in associates and joint ventures.

IFRS 10 defines control as follows: "An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee". The Company has power over an investee when it has existing substantive rights that give it the current ability to direct the relevant activities, defined as activities that significantly affect the investee's returns.

As the assessment of control in accordance with IFRS 10 requires a significant amount of judgement, the Company has developed a framework for analysing the governance of entities related to the Company, particularly when there are partnership situations governed by broad contractual arrangements including, where applicable, the shareholding structure, Articles of Association, shareholder pacts, purchase and sale agreements, the regulatory governance framework, etc. The facts and circumstances of each entity are also taken into account to assess the Company's ability to direct the relevant activities of these entities.

In this regard, within the limit of the protective rights granted to the JV partners:

- Altablue and Aldeta, jointly held along with two other institutional partners, are considered to be controlled by the Group. These companies hold the CAP3000 shopping centre located near Nice;
- Alta Crp Gennevilliers, Alta Crp La Valette, Alta Gramont, Toulouse Gramont, Bercy Village and Société d'Aménagement de la Gare de l'Est, jointly held with another institutional partner, are considered to be controlled by the Group;
- the companies Alta Crp Aubergenville, Alta Crp Guipavas, Limoges Invest, Retail Park les Vignobles, Alta Crp Ruaudin, Centre Commercial de Thiais, TECI et Compagnie, Alta Pierrelaye, have been jointly held with an institutional partner and are still considered to be controlled by the Group;
- the companies Alta Montparnasse, and Altagares (holding companies for the shops in Paris-Montparnasse station and five stations in Italy, respectively) have been owned since the 1st quarter 2022 with an institutional partner and are still considered to be controlled by the Group.

In accordance with IFRS 10, *ad hoc* entities are consolidated when, in substance, the relation between the Company and the entity is such that the Company is considered to exercise control over the latter.

Controlled entities

Controlled subsidiaries are fully consolidated. All intragroup balances and transactions as well as income and expense from internal transactions and dividends are eliminated.

Any modification in the Company's interest in a subsidiary not resulting in a loss of control is recognised in equity. If the Company loses the control over a subsidiary, the assets and liabilities and equity of this former subsidiary are derecognised. Any gain or loss resulting from this loss of control is recognised in profit or loss. Any Interest retained in the former subsidiary is recognised at fair value on the date of loss of control according to the recognition method required under IFRS 11, IAS 28 or IFRS 9.

Entities subject to joint control

According to IFRS 11, companies are subject to joint control when important decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint control may be exercised through joint operation or a joint venture. According to IFRS 11, the joint operation is distinguished by the existence of directly held rights to certain assets and direct obligations for certain liabilities of the entity, whereas the joint venture confers a right to the entity's net assets. For joint operations, the Company records, in its accounts, the assets, liabilities, income and expenses relating to its interests in the joint operation. For joint ventures, the Company's interest in the entity's net assets is recognised according to the equity method described in IAS 28.

Investments in joint operations or joint ventures are presented in accordance with IFRS 12.

Entities subject to significant influence

In accordance with IAS 28, the equity method also applies to all associates in which the Company exercises a significant influence without possessing control, which is considered to exist when the percentage of voting rights held is greater than or equal to 20%. Each investment is analysed, regardless of the percentage of interest held, taking into account the facts and circumstances in order to determine if the Company has a significant influence, including, when appropriate, Articles of Association, shareholder pacts, commitments to buy and to sell, and other relevant matters.

According to the equity method, the Company's interest in the associate is initially recognised at the acquisition cost of its proportionate share of the investee's net assets, which is then increased or decreased to reflect changes subsequent to the acquisition. Goodwill arising on an associate, if unimpaired, is included in the carrying amount of the investment. The Group's proportionate share of the entity's profit or loss for the period is shown under the "Share in earnings of equity-method affiliates" line item in the income statement. These investments are presented in the balance sheet under "Securities and investments in equity-method affiliates and non-consolidated interests" with the corresponding investment-related receivables.

The financial statements of associates are prepared for the same accounting period as those for the parent company. If necessary, corrections are made to achieve consistency with the Group's accounting policies.

Investments in associates are presented in accordance with IFRS 12.

2.3.2 Business combinations and goodwill

Business combinations are accounted for in accordance with the acquisition method of IFRS 3 as amended: upon initial consolidation of an entity of which the Group has acquired control, the assets and liabilities as well as identifiable contingent liabilities are recognised at their fair value at the acquisition date. Intangible assets are specifically identified whenever they are separable from the acquired entity or result from legal or contractual rights. Therefore, when control of an entity is acquired, the difference between the acquisition cost and the acquirer's proportionate interest in the fair value of the entity's identifiable assets, liabilities and contingent liabilities at the acquisition date is classified as goodwill representing future economic benefits resulting from assets that are not individually identified and separately recognised. The acquisition cost is the amount of the consideration transferred including, where applicable, any price supplements at their fair value. Costs directly related to the acquisition are recorded as an expense for the period they were incurred.

Goodwill:

- goodwill is recognised on the balance sheet and must be tested for impairment at least once a year;
- negative goodwill is recognised directly in income.

The standard allows a period of 12 months from the acquisition date for final measurement of the acquisition; any adjustments and measurements made must reflect facts and circumstances that existed as of the acquisition date. As such, after the measurement period, any contingent consideration is recognised in net income for the year unless it is in the form of an equity instrument.

Acquisitions or disposals of securities in an entity that remains controlled before and after these transactions are now considered as transactions between shareholders recognised directly in equity: they have no effect on either goodwill or income. In the event of loss of control, the residual interest is measured at fair value and the gain or loss on disposal is recognised in the income statement.

On an exceptional basis, acquisitions of isolated assets carried out through the purchase of shares in a company, the sole purpose of which is to hold assets are recognised in accordance with IAS 40 – Investment Property, or IAS 2 – Inventories.

2.3.3 Intangible assets

The Group's intangible assets consist essentially of software, brands and customer relationships.

In accordance with IAS 38:

- acquired or created software is recognised at cost and amortised over its useful life, which is generally between 1 and 5 years;
- brands that meet the definition of intangible assets and were acquired separately or as a result of business combination are valued and their useful life estimated. Once they reach the end of this life they are amortised over its duration. If the useful life cannot be determined, they are tested for impairment where evidence of such impairment exists.

  The Cogedim, Pitch Immo, Histoire & Patrimoine and Severini brands, which have an indefinite useful life, are thus not amortised;
- customer relationship assets, which result from the identification of intangible assets acquired from property developers, are subject to amortisation at the rate at which the acquired order backlog is filled or, for the portion relating to acquired purchase options or those that can be amortised on a straight-line basis (*i.e.* duraiton relative to the normative operating cycle of the realization of a real estate program), at the rate at which development programmes are launched.

Other customer relationships (customer relationships on regular contracts, contractual relationships) can also be identified during business combinations and their value and estimated life are analysed on a case-by-case basis.

2.3.4 Property plant and equipment

Property, plant and equipment correspond primarily to general plant, transport equipment, office equipment and IT equipment. In accordance with IAS 16, these items are recognised at cost and depreciated over their useful life, estimated to be between 5 and 10 years. No other significant component of these assets has been identified.

2.3.5 Investment properties

According to IAS 40, investment properties are held to earn rentals or for capital appreciation or both.

The investment properties held by the Group are primarily shopping centres and, to a lesser extent, offices.

The Group's investment properties portfolio consists of properties in operation and properties under development or construction on a proprietary basis.

In accordance with IAS 40, the Group has opted for the fair value model. On that basis, investment properties are measured at fair value in accordance with IFRS 13 "Fair value measurement" whenever this can be reliably determined. Otherwise, they are recorded at cost and are tested for impairment at least once per year and where evidence of impairment exists.

The fair value of investment properties used by Management is based on the facts and circumstances taking into account their purpose. With this objective, Management uses external appraisals giving values inclusive of duties less the amount of duties corresponding to transfer taxes and expenses. These duties have been estimated at 6.9% in France (except in the Paris Region where they are set at 7.5%), 3.0% in Spain.

Since 30 June 2015, external measurement of Altarea Group assets is assigned to Cushman & Wakefield, CBRE and Jones Lang Lasalle (in France and Spain) and Kroll (In Italy since 2022).

All sites are visited by the appraisers first when assets enter the portfolio and subsequently every few years in rotation or when a specific event affecting an asset requires it.

The appraisers use two methods:

- a method based on discounting projected cash flows over ten years, taking into account the resale value at the end of the period determined by capitalising net rental income. The appraisers have often preferred results obtained using this method;
- a method based on capitalising net rental income: the appraiser applies a yield rate reflecting the characteristics of the site (area, competition, rental potential, etc.) to the rental income (comprising the guaranteed minimum rental, the variable rental and the market rental of the vacant units) restated for all the charges borne by the owner. The second method is used to validate the results obtained from the first method.

Rental income takes into account:

- the changes in rentals that should be applied on renewals (lease expiries, change of tenants, etc.);
- the normative vacancy rate;
- the impact of future rental gains resulting from the letting of vacant units;
- the increase in rental income from stepped rents;
- a delinquency rate.

The valuation of investment properties at fair value is in line with the COB/AMF "Barthès de Ruyter working group" and complies fully with the instructions of the Appraisal Charter of Real Estate Valuation (*Charte de l'Expertise en Évaluation Immobilière*) updated in 2017. In addition, appraisers refer to the RICS Appraisal and Valuation Standards published by the Royal Institute of Chartered Surveyors Red Book.

Investment properties at fair value

Investment properties in operation are systematically measured at fair value.

At 31 December 2022, an external appraisal was performed on all assets in operation.

Each time an exchange value exists for one of the Group's buildings, set in connection with a potential transaction between knowledgeable and willing parties in an arm's length transaction, the Company will use its own judgement to choose between this value and that of the appraiser.

Investment properties under construction (IPUC) have been included within the scope of IAS 40. They are measured at fair value in accordance with the IFRS 13 guide when the criteria predefined by the Company are met.

The Company believes that a property under construction can be reliably measured at fair value if most of the uncertainties affecting the determination of fair value have been lifted or if the project completion date is in the near future.

All three of the following conditions must be met to ensure a reliable estimate of the fair value of a property under construction:

- all administrative authorisations needed to carry out the development project have been obtained;
- construction contracts have been signed and work has begun;
- the letting rate is high and allows for a reasonable assessment of the value creation attached to the property under construction.

Accordingly, investment properties under development and construction are measured either at cost or at fair value:

- properties under development before land is purchased are measured at cost;
- land not yet built is measured at cost;
- properties under construction are measured at cost or at fair value in accordance with the above criteria; if the delivery date for a property is close to the closing date, the property is measured at fair value, unless otherwise estimated.

The fair value of properties under construction measured at fair value is determined on the basis of independent appraisals. The appraiser values the asset as if it were fully complete, taking account of market conditions at the date of valuation and the specific characteristics of the property. Expenses not yet incurred at the account closing date are deducted from this value.

The difference between the fair value of investment properties measured at fair value from one period to the next is recognised in the income statement under the heading "Change in value of investment properties".

Investment properties valued at cost

In addition to the acquisition price of the land, the costs incurred for the development and construction of properties are capitalised from the start of the programme, as of the development phase (prospecting, preparation: replying to tenders and pre-letting prior to the signing of preliminary property sales agreements; administrative phase: obtaining authorisations, if necessary with the signing of preliminary property purchase agreements), once there is reasonable assurance that administrative authorisations will be obtained.

These relate to capitalizable expenses, including initial marketing fees, internal Group fees, early termination fees, financial vacancy and interest expenses.

In accordance with IAS 23, interest expenses are treated by including borrowing costs directly attributable to the construction of qualifying assets in the cost of these assets. Interest expenses remain attributable to buildings under development and construction during the construction period of the asset if they meet the definition of "qualifying assets". Note that if there is a delay in starting construction or an unusually long construction period, management assesses whether to pause the capitalisation of interest expenses on a case-by-case basis.

For the investment properties recorded at cost, an impairment test is carried out at least once a year or as soon as there are signs of impairment.

Their projected value is determined on the basis of internal five-year business plans that are reviewed by management at regular intervals. The methods used are rental income capitalisation or discounted cash flow.

The recoverable amount of these assets, which are still recognised at cost, is assessed by comparison with the cost price on completion and with the calculate value of expected future cash flows for the Company. If the recoverable amount is lower than the cost price on completion, an impairment loss in the form of a provision for impairment is recognised in the income statement under "Impairment losses on investment properties measured at cost" and in the consolidated income statement by segment under "Income/loss on the value of investment property".

2.3.6 Non-current assets held for sale and discontinued operations

In accordance with IFRS 5, a non-current asset is classified as "held for sale" if its carrying amount is to be recovered primarily through a sale transaction rather than through ongoing use.

This is the case if the asset is available for immediate sale in its current state, subject only to the usual and customary conditions for the sale of such an asset, and if its sale is highly probable.

Indications of a high probability of sale include the existence of a plan by Group management to sell the asset and an active programme to find a buyer and close a sale within the following 12 months. The management assesses the situations. When at the closing date there is a preliminary sales agreement or a firm commitment, the property is systematically included in assets held for sale.

The asset is measured at the lower of their net carrying amount and their fair value. The agreed amount is reduced by the costs of disposal.

For an operation to be considered discontinued, the Company determines, according to the facts and circumstances, whether or not there exists a single and coordinated plan to dispose of a major line of business or geographical area of operations.

2.3.7 Remeasurement of non-current assets (other than financial assets and investment properties) and impairment losses

In accordance with IAS 36, depreciable property, plant and equipment and amortisable intangible assets are tested for impairment whenever an internal or external indication of impairment is detected.

Goodwill and other intangible assets with an indeterminate life (such as brands) are tested for impairment at least once a year or more frequently if internal or external events or circumstances indicate that their value may have declined.

Goodwill impairment testing is performed at the level of cash-generating units (CGUs) or, where applicable, groups of CGUs. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

To perform this test, the net carrying amount of assets directly related to or assignable to the CGUs or groups of CGUs, including intangible assets and goodwill, is compared with the recoverable amount of these same CGUs or groups of CGUs, defined as the higher of the fair value (the sale price net of costs likely to be incurred to make the sale) and their value in use.

The value in use of the CGU or the grouping of several CGUs is determined using a multi-criteria method (which uses the higher of value in use and fair value) which is mainly based on the discounted cash flow method (DCF) supported by stock-market comparison and transaction multiple methods.

The basic principles of the DCF method are:

- estimated cash flow (before tax) are derived from business plans generally covering five-year periods drawn up by Group management;
- the discount rate determined on the basis of a weighted average cost of capital;
- terminal value is calculated as the sum to infinity of the discounted cash flows, which are determined on the basis of a normalised cash flow and a growth rate for the business line concerned. This assumed growth rate must be consistent with the growth potential of the markets in which the activity is conducted, as well as with the entity's competitive position in those markets.

The multiples approach *via* market comparables is based on determining a sample of comparable listed companies, for which a multiple is calculated and reapplied to those aggregates considered relevant.

The multiples approach *via* comparable transactions is based on selecting a panel of transactions in comparable companies and reapplying these to the aggregates considered relevant.

An impairment loss is recognised, if applicable, if the net carrying amount of the assets directly related to or attributable to the CGUs or groups of CGUs is higher than the recoverable amount of the CGU or group of CGUs and is written off in priority against goodwill (irreversible loss), then against other intangible assets and property, plant and equipment on a pro rata basis for their carrying amount (reversible loss).

Brands are tested individually. Their recoverable amount is determined using the royalty method. An impairment loss is recognised, if applicable, if the net book value of the brand is greater than its recoverable amount (reversible).

Sensitivity tables are created for all impairment tests carried out.

2.3.8 Inventories

Inventories relate to:

- programmes for third-party property development and the portion of shopping centre developments not intended to be held in Altarea's portfolio (hypermarket building shells, parking facilities, etc.);
- programmes where their nature or specific administrative situation prompts a decision to classify them as inventory (dealer's stock) or where a final decision to hold them in the portfolio has not been made.

In accordance with the clarification of IAS 23 (in 2019) for the financial year, the interest expenses which can be allocated to programmes are no longer incorporated into inventories connected with off-plan sales (VEFA) transactions or with property development contract (PDC) transactions. These inventories are in a position to be sold quickly and therefore no time is necessary for its development; the stored asset is therefore in saleable condition. Allocated interest expenses are recognised directly as expenses.

Inventories are carried at cost price, less the portion of the cost price recognised on a percentage-of-completion basis for off-plan sales or property development contract transactions. The cost price includes:

- the acquisition cost of land;
- construction costs (including VRD);
- all technical and programme management fees, whether internal or external to the Group;
- related expenses associated directly with the construction programme.

Generally speaking, whenever the net realisable value of inventories and work in progress is less than the cost price, impairment losses are recognised.

2.3.9 Contract assets or liabilities

Further to the application of IFRS 15, the Group records a contract asset or liability in the statement of financial position in the context of the recording of contracts in the accounts on the percentage-of-completion method. The asset or liability corresponds to the amount generated by the ordinary activities based on off-plan sales or property development contracts, aggregated to date, for which the obligation to provide a service is fulfilled on a progressive basis, net of any client payments received to date. These are to a certain extent receivables not yet due, corresponding to any advances between collected calls for funds and the actual percentage of completion at the closing date. Within the statement of the financial position, the service is as follows:

- "Contract assets", if the receivables calculated on percentage of completion are greater than collected calls for funds;
- "Contract liabilities", if the receivables calculated on percentage of completion are less than collected calls for funds.

2.3.10 Financial assets and liabilities

The Group has chosen not to apply hedge accounting: the provisions of IAS 39 therefore apply in accordance with the transitional provisions of IFRS 9.

Application principles for IAS 32, IFRS 9 and IFRS 7 are as follows:

Measurement and recognition of financial assets and liabilities

- Trade and other receivables are measured at face value less any allowances for impairment. In accordance with IFRS 9, with regard to impairment, the Group applies a model based on expected losses, (expected credit losses based on the useful life of the receivables, itself based on the experience of the Group's historic credit losses) to its trade receivables (mainly Retail business).

- Receivables relating to participating interests in equity-method affiliates are classified in the balance sheet under "Securities and receivables on equity-method affiliates". For the Property Development transactions, receivables from companies accounted for by the equity method have a short collection period (in relation to the operating cycle of the Development). For Retail transactions, these receivables have a longer maturity in relation to the holding period of the underlying asset.
- Current financial assets mainly concern current account advances to minority shareholders of consolidated companies or deconsolidated companies. They are recognised at amortised cost. Non-current financial assets mainly concern securities not consolidated. They are recognised at fair value through profit or loss.
- Equity instruments mainly comprise equity securities of non-consolidated companies. For the shares of listed companies, their fair value is determined on the basis of estimation including, where necessary, the market indicators on the closing date. They are recognised as at fair value through profit or loss if they are held for trading; optionally, they may also be recognised at fair value in non-recyclable other comprehensive income (changes in fair value are registered in a separate equity line item under "other comprehensive income"). For unlisted securities, if the fair value cannot be reliably determined at each closing, they remain in the balance sheet at their initial fair value, *i.e.* at purchase price increased by transaction costs, adjusted by any gains or losses of value determined by an analysis of the proportionate share of the equity held.

  At each acquisition of equity securities, a similar analysis will be carried out to determine the Group's management intention.
- Deposits and securities paid concern deposits paid on projects. They are the offsetting amount of security deposits paid into escrow accounts by shopping centre tenants (deposits and securities not discounted) and/or, guarantee deposits paid for buildings occupied by the Group.
- Derivative financial instruments (assets and liabilities) are considered as being held for trading. They are measured at fair value. The change in fair value of derivatives is recognised in the income statement (Line "Change in value and income from disposal of financial instruments").
- Cash as defined in IAS 7 includes liquid assets in bank current accounts and holdings in deposit accounts that are redeemable or tradable in the very short term (*i.e.* initial maturity of less than three months) and carry no significant risk of loss of value through fluctuations in interest rates. These deposits accounts are carried on the balance sheet at fair value. Their changes in the fair value are recognised in income, with a corresponding adjustment to cash. Cash must be available immediately for the needs of the Group or its subsidiaries.
- All borrowings and interest-bearing liabilities are initially recognised at fair value, less directly attributable transaction costs. Thereafter, they are carried at amortised cost using the effective interest rate method (presented in the income statements, line "Net borrowing costs"). Initial effective interest rates are measured by an actuary. In the event of renegotiation of financial liability contracts recognised at amortised cost; a study is carried out on a case-by-case basis to determine whether the renegotiation leads to a substantial change in the financial liability and therefore its derecognition or, alternatively, the maintenance of the financial liability on the balance sheet and the adjustment of its amortised cost through profit or loss.

Determination of the fair value of financial instruments (other than interest-bearing debt)

Financial assets and liabilities are initially recognised at the fair value of the price paid, including acquisition-related costs. After initial recognition, assets and liabilities are measured at fair value, estimated from the observable and unobservable inputs available.

For financial assets and liabilities such as OTC derivatives, swaps, caps, etc. that are traded on active markets (market composed of numerous transactions, continuously displayed and traded prices), fair value is estimated by an actuary using commonly accepted models and in compliance with guidance from IFRS 13 "Fair value measurement." A mathematical model is used to bring together calculation methods based on recognised financial theories. This takes into account the measurement of credit risk (or risk of default) of Altarea vis-à-vis its bank counterparties and the risk of its counterparties vis-à-vis Altarea (Credit Value Adjustment/ Debit Value Adjustment). The Group applies the default probability calculation method used by the secondary market (according to estimated bond spreads of its counterparties).

Financial liabilities related to business combinations are measured at fair value at each reporting date based on the best estimate of the amounts to be paid discounted at the market rate.

The realisable value of financial instruments may differ from the fair value calculated at the closing date of each financial year.

2.3.11 Equity

Equity represents the residual value of assets, after liabilities have been deducted.

Issuance costs for equity securities including merger-related costs are deducted from the proceeds of the issue.

An instrument is an equity instrument if the instrument includes no contractual obligation to deliver cash or another financial asset, or to exchange assets or liabilities with another entity under conditions unfavourable to the issuer. On that basis, the Subordinated Perpetual Notes (TSDI) issued by Altarea SCA are equity instruments.

Own equity instruments that have been bought back (treasury shares) are deducted from equity. No gain or loss is recognised in income when own equity instruments of the Company are purchased, sold, issued or cancelled.

2.3.12 Share-based payments

Share-based payments are transactions based on the value of the securities of the issuing company: stock options, free share allocation rights and company savings plans (PEE).

These rights may be settled in equity instruments or cash: in the Group, all plans concerning Altarea shares must be settled in equity instruments.

In accordance with the provisions of IFRS 2, share-based payments to corporate officers or employees of Altarea (in compensation for their roles as corporate officers or employees of Altarea) or Group companies are accounted for in the financial statements as follows: the fair value of the equity instrument awarded is recognised in the income statement as a personnel cost, with a corresponding increase in equity if the plan is to be settled in equity instruments, or in a liability if the plan is to be settled in cash.

This personnel cost representing the benefit granted (corresponding to the fair value of the services rendered by the employees in their role as employees) is valued by an actuary at the award date using the binomial Cox-Ross-Rubinstein mathematical model and the

Monte Carlo method calculated on the basis of a turnover determined over the last three years. This model is adapted to suit plans that provide for a vesting period and a lock-up period. The expense is spread over the vesting period. Share grant plans and employee investment plans are measured on the basis of market value.

2.3.13 Earnings per share

Undiluted net income per share (in €)

Undiluted net income per share is calculated by dividing net income (Group share) by the weighted average number of ordinary shares in issue during the period.

Diluted net income per share (in €)

Diluted net income per share is calculated by dividing net income (Group share) by the weighted average number of ordinary shares in issue adjusted for the dilutive effects of the options during the period.

The dilutive effect is calculated according to the "share buyback" method. Under this method, the funds received from the exercise of options are assumed to be applied first to repurchasing own shares at the market price. The market price is taken to be the volume-weighted average of average monthly prices of Altarea shares. The theoretical number of shares repurchased at this market price is subtracted from the total number of shares produced by the exercise of options. The number calculated using this method is then added to the average number of shares in issue to produce the denominator.

Potential ordinary shares shall be treated as dilutive if the conversion in ordinary share implies a reduction in the result per share.

2.3.14 Employee benefits

In accordance with IAS 19 and amendments, employee benefits are recognised under "Personnel costs" in the income statement, with the exception of liability (or asset) revaluations recognised directly in equity and recorded in "Other comprehensive income".

Post-employment benefits

Benefits payable at retirement are paid to employees at the time of retirement based on length of service (capped according to the scales defined in the agreements applied by the Group) and their salary at retirement age. These benefits are part of the defined benefits plan, a plan to which the employer is formally or implicitly committed in an amount or a level of benefits and therefore bears the risk in the medium or long term.

A provision is recorded in the liabilities to cover all these pension commitments. It is regularly valued by independent actuaries according to the projected credit unit method and represents the probable present value of the vested rights taking into account salary increases until retirement, collective and Company agreements, the probability of retirement and the probability of survival.

The formula for the past service obligation can be broken down as follows:

Past service cost = (benefit rights acquired by the employee) X (probability that the entity will pay the benefits) X (discounting to present value) X (payroll tax coefficient) X (length of service to date/ length of service at retirement).

The provision is recognised and spread over the last few years of service of the employee until they reach the cap, taking into account any intermediate levels that apply.

The main assumptions used for estimating the pension obligation are as follows:

- discount rate: Rate of return on AA-rated corporate bonds (euro zone) with maturities of more than 10 years. The Group uses the Iboxx rate which stands at 3.10%;
- mortality table: Women's Table (TF) and Men's Table (TH) 2000-2002;
- reason for departure: depending on local laws and for France, voluntary retirement on the date of eligibility for full pension benefits;
- turnover: annual average turnover observed over the last 3 years, standing at between 4% and 8.30% depending on branch and age group;
- long-term salary adjustment rate (including inflation): 2.7%.

Actuarial gains and losses and valuation adjustments are recorded directly in equity under "other comprehensive income".

The amount of the obligation determined using this method is then reduced by the value of any assets held to cover it (not applicable in this case).

Other post-employment benefits

These benefits are offered under defined-contribution pension plans. As such, the Group has no obligation except to pay its share of contributions. The expense corresponding to contributions paid is recognised in the income statement as incurred.

Severance pay

Where applicable, payments for termination of an employment contract are provisioned on the basis of the collective agreement.

Short-term benefits

Short-term benefits include in particular an incentive agreement for employees to share in the profit recorded by their economic and social unit, signed by the service companies of the Group that are members of the economic and social unit, and the works council. Benefits also include an employee profit-sharing plan applicable to the profit of the economic and social unit as required under French common law.

Short-term employee benefits including those arising from these profit-sharing plans are expensed as incurred.

2.3.15 Provisions and contingent liabilities

In accordance with IAS 37, a provision is recognised when an obligation to a third party will result in a likely outflow of resources without any equivalent benefits being received in consideration, and when the amount required to settle the obligation can be reliably estimated. The provision is maintained as long as the timing and amount of the outflow of resources are not known with precision.

In general, these provisions are not linked to the Group's normal operating cycle. Provisions are discounted when appropriate using a pre-tax rate of return that reflects the risks specific to the liability.

Non-current provisions consist mainly of provisions arising from litigation between the Group and third parties or from rent guarantees.

Contingent liabilities correspond to:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or, because the amount of the obligation cannot be measured with sufficient reliability.

These contingent liabilities are not recognised on the balance sheet. A disclosure is made in the notes unless the amounts at stake can reasonably be expected to be small.

2.3.16 Corporate income tax

Following its decision to adopt the retail REIT tax status, the Group is subject to a specific tax regime:

- a retail REIT sector comprising the Group companies that have elected to adopt retail REIT tax status and are therefore exempt from income tax on their ordinary profits and gains on disposal;
- a taxable sector comprising those companies that cannot elect to adopt SIIC status.

Income taxes are recognised in accordance with IAS 12.

From the time that SIIC (retail REIT) tax status was adopted, deferred taxes are calculated for companies without such status and on the taxable profits of companies in the REIT sector. They are recognised on all timing differences between the carrying amounts of assets and liabilities and their values for tax purposes, and on tax loss carry forwards, using the liability method.

Deferred tax assets and liabilities are measured using the liability method at the tax rates expected to apply when the asset will be realised or the liability settled, on the basis of known tax rates at the closing date.

Since 31 December 2016, the Group has applied the gradual and programmed reduction in the rate in its consolidated financial statements in accordance with the Finance Act in force.

Deferred tax assets are reassessed at each closing date and are recognised where it is likely that future taxable profits will allow their recovery based on a business plan for tax purposes prepared by management for a reasonable period.

Deferred taxes in the balance sheet are presented in a net position at the level of each tax consolidation group, as either an asset or a liability in the consolidated balance sheet.

Taxes on items recognised directly in equity are also recognised in equity, not in the income statement.

2.3.17 Revenue and revenue-related expenses

Net rental income comprises: rental income and other net rental income less land expenses, non-recovered service charges, other charges and net allowances to provisions for impairment for bad debts.

Rental income includes gross rental income, including the effects of spreading stepped rents over the non-cancellable lease term, rent holidays and other benefits granted by contract to the lessee by the lessor, and notably reductions granted during the lease term.

In accordance with IFRS 16:

- this rental income is recognised on a straight-line basis for the entire term of the lease. The Group therefore retains substantially all the risks and rewards incidental to ownership of its investment properties;
- contingent rent amounts (stepped rents, rent holidays and other benefits granted to lessees) are recognised on a straight-line basis over the firm lease term, which is understood as the period during which the lessee has no right to cancel. These amounts therefore increase or reduce rental income for the period;
- initial lease payments received as a lump sum by the lessor are analysed as additional rent. As such, entry fees are spread on a straight-line basis over the fixed term of the lease;
- termination fees are charged to tenants when they terminate the lease before the end of the contract term. These fees are accounted for as part of the lease agreement that was terminated and are taken to income in the year they are recognised.

  When the lessor terminates a lease before its term, the lessor pays a termination fee to the tenant in place.

  If payment of an early termination fee enables performance of the asset to be enhanced (such as by replacing a tenant, increasing the rent and thereby the value of the asset), this expenditure may be capitalised. If not, this expenditure is expensed as incurred.

  If an early termination fee is paid as part of major renovation or reconstruction work on a building that requires tenants to leave, this expenditure is capitalised and included in the cost price of the asset under development or redevelopment;
- the reductions granted are of two types:
  - assistance granted in the context of renegotiations, without any consideration, is recognised as an exceptional rent reduction in rental income, and
  - assistance granted in the context of renegotiations, with modification of the contract (usually extensions of the lease term, etc.) are spread on a straight-line basis in accordance with IFRS 16 and deducted from rental income.

Land expenses correspond to the variable amounts of fees for temporary occupancy permits and construction leases. These variable amounts do not fall within the scope of IFRS 16.

Non-recovered rental expenses are expenses normally passed on to tenants (rental expenses, local taxes, etc.), but for which the owner is still liable due to their ceiling or the vacancy of rental floor areas.

Other expenses include the lessor's contributions to the centres' marketing, non-capitalised construction work not passed on to the tenants, rental management fees on certain leases.

Net property income is the difference between revenues and cost of sales, selling expenses and net allowances for impairment on bad debt and inventories.

It corresponds primarily to the net property income on the Residential and Business property sectors, plus the net property income on sales of projects related to the development business in the Retail sector.

For property development activities, the net property income is recognised in the Group's financial statements using the percentage-of-completion method.

All property development/off-plan sales and property development contract transactions are concerned by this method.

For these programmes, revenue from notarised sales is recognised, in accordance with IFRS 15 "Revenue from contracts with customers", in proportion to the percentage of completion of the programmes, measured by the total percentage of costs directly related to construction (including the cost of land) incurred in comparison to the total forecast budget (updated at each closing date) combined with the percentage of sales realised determined relative to budget total sales.

The event giving rise to recognition of percentage-of-completion revenue is thus the purchase of the land combined with the signature of deeds of sale (notarised sales).

Net property income on property development projects is measured according to the percentage-of-completion method based on the following criteria:

- project recorded by the other party to the contract;
- existence of documented projections reliable enough to provide a sound estimate of the overall economics of the transaction (selling price, stage of completion of construction work, no risk of noncompletion).

Losses on "new projects" are included in net property income.

Net overhead expenses correspond to income and expense items inherent in the business of the Group's service companies.

For each operating segment, income includes payments for services provided to third parties, such as delegated project management fees related to Property Development activities, rental management fees (syndicate agent, co-ownership management), and fees for marketing and other services, internal management fees (after elimination of intercompany profit margins – see note on investment properties or inventories).

Expenses includes personnel costs, overhead costs (miscellaneous fees, operating expenses, etc. excluding fixed rent paid which has now been restated in accordance with IFRS 16), as well as depreciation of operating assets. Capitalised production and production held in inventory is deducted from this amount.

Other income and expenses relate to Group companies that are not service providers. They mainly correspond to overhead costs and miscellaneous management fee income. Amortisation of intangible assets and depreciation of property, plant and equipment other than assets in operation are included in this line item.

2.3.18 Leases

Since the 1 January 2019, the Group applies IFRS 16 – Leases.

Leases in the financial statements with the Company as lessor

For landlords, IFRS 16 maintains the distinction between finance and operating leases. Accordingly, in the consolidated financial statements where the Group acts as lessor:

- rental income generated by operating leases concerns rent paid on properties/centres in operation; and
- going forward, all expenses re-invoiced to tenants, excluded from the revenue, are presented as a specific item in the income statement.

Leases in the financial statements with the Company as lessee

Under IFRS 16, lessees will no longer distinguish between finance lease contracts and operating lease contracts.

For all leases defined as "rental contracts", this standard requires to recognise a right-of-use asset in the balance sheet statement of the tenants (as non-current assets) and a corresponding lease liability (as financial liabilities).

Leases entered into by the Group lying within the field of application of the standard mainly concern two types of leases which are financially fundamentally different:

- property leases (the Group leases its offices in the majority of cities where it operates) and vehicle leases;
- temporary Occupation Authorisations for stations and Construction Leases for some of its Retail assets.

Temporary Occupation Authorisations are covered by IFRS 16. The Group is the occupying party and, therefore, the agreement grants the Group certain rights regarding the work, constructions and real estate facilities. Under IFRS 16, fixed fees are restated over the term of the contracts.

The key assumptions used to calculate the debt and therefore the right of use are the term of the contracts and the rate:

- terms correspond to the fixed period of the commitment, taking into account any optional periods for which there is a reasonable expectation of these being exercised;
- discount rates applied when a contract comes into effect are based on the incremental debt ratio of each company carrying a contract. These rates are determined on the effective date of new contract.

The Group applies one of the exemptions proposed by the standard, on short-term leases (less than 12 months) which are not restated.

The presentation in the Group's financial statements is as follows:

- on the balance sheet, an asset is recorded in the form of a right-of-use asset in exchange for a liability corresponding to the rent. The Group therefore acknowledges a right-of-use on tangible and intangible fixed assets (connected to its property and vehicle lease agreements) as consideration for its lease liabilities; and a right-of-use for investment property (notably in relation to Temporary Occupation Authorisations) in exchange on the contractual fees on investment properties;
- in the income statement, rents from office and vehicle leases (previously recorded under operating expenses) are replaced by charges for depreciation of the right-of-use assets and by interest charges; land charges (AOT, BAC royalties), are replaced by changes in the value of investment properties and interest charges. Leases and rental fees entered at 31 December correspond mainly to variable rent due under certain lease agreements and to rental expenses (which, in accordance with the application of the standard, are not restated);
- on the cash flow statement, cash flows related to financing activities are impacted by the repayment of lease obligations and contractual fees on investment properties (within a single item "Repayment of lease liabilities") and interest expenses.

The change in amounts reflects new contracts or the end of contracts during the period. Moreover, during the lifetime of the agreement, lease liability and right-of-use asset may vary based on changes in the rent index defined in the leases. The main indexes are: the French national construction costs index, the French office rent index, the French commercial rent index and the French benchmark rent index.

2.3.19 Adjustment to value of investment properties

Adjustments to the value of each property measured at fair value are recognised in the income statement under "Change in value of investment properties" and are determined as follows:

Market value excluding transfer duties at the end of the period (taking into account the impact of stepped rents and rent holidays as measured by the appraiser) minus [Market value at the end of the previous period if the property was measured at fair value or cost of the property is marked to market for the first time + amount of construction work and expenses eligible for capitalisation during the year + effect of deferral period for stepped rents and rent holidays net of the deferral of initial lease payments].

Moreover, impairment losses on each property measured at cost are recognised in the income statement under "Net impairment of investment properties measured at cost".

2.3.20 Borrowing costs or costs of interest-bearing liabilities

The cost of net financial debt includes interest incurred on borrowings including the amortisation of issuance expenses, and other financial liabilities, income from loans and advances to participating interests, gains on sale of marketable securities and the impact of interest-rate swaps used as interest-rate hedges.

Other financial results include expenses related to rental obligations and contractual fees on investment properties.

2.3.21 Cash flow statement

The cash flow statement is presented using the indirect method permitted under IAS 7. Tax expense is shown as a single item in cash flows from operating activities. Interest paid is shown in cash flows from financing activities, and interest received is shown in cash flows from investing activities. Dividends paid are classified as cash flows from financing activities.

2.3.22 Operating segments

IFRS 8 "Operating segments" requires the presentation of operating segments to reflect the Company's organisation and internal reporting system, which is presented in compliance with IFRS recognition and measurement principles. An operating segment represents an activity of the Company that incurs income and expenses and whose operating income is regularly reviewed by the Company's Management on the one hand and its operational Managers on the other. Each segment compiles its own individual financial information.

The Company's internal reporting is based on an analysis of the period's results in accordance with:

- funds from operations (FFO);
- changes in value (unrealised or realised), estimated expenses, and transaction costs.

According to these analytical criteria, operating income, including earnings from equity affiliates, is monitored on an operating segment basis.

In addition to operating income, asset book values (and certain related liabilities) are monitored by operating segment when they are directly related or can be allocated to a sector. They are considered economic assets of the sector in question.

The Company has the following operating segments:

- retail: shopping centres completed or under development;
- residential: residential property development;
- business property: the property development, services and investment business;
- new businesses: real estate asset management (public funds and institutional club deals), small data centers and real estate infrastructures for the production and distribution of renewable energy in the framework of a "developer/asset Manager model",
- items under "Others (Corporate)" allow reconciliation of various reporting indicators with accounting indicators.

Borrowing costs, changes in the value of financial instruments and gains and losses from their disposal, taxes, and earnings from non-controlling interests are not allocated directly by sector. Balance-sheet items such as financial assets and liabilities cannot be allocated, nor can deferred-tax assets corresponding to the recognition of tax losses.

As part of the Group's current operations:

1. Funds from operations (FFO)

FFO measures the creation of wealth available for distribution through net income (Group share of FFO). Funds from operations are defined as net income, Group share (*i.e.* attributable to equity holders of the parent company), exclusive of changes in value, estimated expenses, and transaction costs.

The main aggregates of the **funds from operations** monitored by the Group for internal reporting purposes are:

- net income of the segment, including impairment of current assets:
  - retail: net rental income,
  - residential and Business property: net property income;
- net overhead expenses, which bring together all services that absorb part of the overheads and operating costs, including personnel costs, other operating expenses, other segment income and expenses and expenses covered by reversals of used provisions (including the restatement of fixed rents following application of IFRS 16 – Leases);
- share of funds from joint ventures or associates' operations.

Net borrowing costs are the net borrowing costs excluding estimated expenses which correspond in particular to the spreading of bond issue costs (shown in changes in value, estimated expenses and transaction fees).

Other financial results mainly correspond to expenses related to rental obligations and contractual fees on investment properties.

Tax (FFO) is the tax due for the period excluding deferred taxes and excluding tax due relating to changes in value (exit tax, etc.).

2. Changes in value, estimated expenses, and transaction costs

These changes in value measure the value created or realised by the Company during the period.

The relevant indicator for monitoring value is the change in going concern net asset value, to which funds from operations contribute. This management indicator is presented in detail in the business review.

The main aggregates of the **funds from operations** monitored by the Group in internal reports are:

- **changes in value which** concern gains and losses from the Retail sector:
  - from asset disposals, and where applicable, extraordinary payments received and equivalent in economic terms to the value of the asset sold,
  - from the value of investment properties, including value adjustments for properties measured at fair value (including right-of-use assets) or held for sale as well as impairment losses of properties measured at cost;
- **estimated expenses** include:
  - expenses or net allowances for the period related to share-based payments or other benefits granted to employees,
  - allowances for depreciation and amortisation net of reversals for non-current assets other than investment properties, including allowances relating to intangible assets or goodwill identified during business combinations, and right-of-use relating to tangible and intangible assets,
  - allowances for non-current provisions net of used or unused reversals;
- **transaction costs** include fees and other nonrecurring expenses incurred from corporate development projects that are ineligible for capitalisation (*e.g.* expenses incurred from business combinations or equity investments, whether completed or not) or that are ineligible for inclusion under issuance costs (*e.g.* certain commissions incurred from capital management). Income and expenses outside the Company's going concerns are also included.

Also presented are **changes in value and income from disposal of financial instruments** representing adjustments in the value of financial instruments measured at fair value as well as the effect of discounting debt and receivables. Results from the disposal of financial instruments represent the balance for amounts incurred in the period from restructuring or cancelling financial instruments.

3. Non-controlling interests

The line relating to non-controlling interests corresponds to the share of net income attributable to minority shareholders of subsidiaries divided between the share of the funds from operations (FFO) and the share attributable to minority shareholders of subsidiaries of changes in value, estimated expenses, transaction costs and deferred tax.

In the case of exceptional transactions, the contracts are specifically analysed, and the indicators presented above may in some cases be adjusted, *i.e.* reclassified to match their internal reporting presentation for greater clarity.

NOTE 3 INFORMATION ON OPERATING SEGMENTS

3.1 Balance sheet items by operating segment

As of 31 December 2022

(€ millions)	Retail	Residential	Business Property	New businesses	Other	Total
Operating assets and liabilities						
Intangible assets	17.7	290.2	21.5	2.2	12.7	344.3
Property plant and equipment	0.7	22.4	0.0	0.0	2.2	25.2
Right-of-use on tangible and intangible fixed assets	0.2	122.8	0.1	-	0.1	123.1
Investment properties	4,074.8	0.1	12.5	-	-	4,087.4
Securities and investments in equity affiliates	158.2	179.2	154.3	(0.0)	-	491.7
Operational working capital requirement	49.8	865.0	24.4	0.1	(19.1)	920.2
TOTAL OPERATING ASSETS AND LIABILITIES	**4,301.5**	**1,479.5**	**212.8**	**2.2**	**(4.1)**	**5,991.9**

As of 31 December 2021

(€ millions)	Retail	Residential	Business Property	Other	Total
Operating assets and liabilities					
Intangible assets	18.0	282.3	21.5	10.6	332.5
Property plant and equipment	0.7	24.7	-	2.3	27.8
Right-of-use on tangible and intangible fixed assets	0.3	127.9	0.1	0.1	128.4
Investment properties	4,140.6	0.2	36.0	-	4,176.8
Securities and investments in equity affiliates	121.9	170.7	166.8	-	459.4
Operational working capital requirement	58.7	682.0	13.1	(23.2)	730.6
TOTAL OPERATING ASSETS AND LIABILITIES	**4,340.2**	**1,288.0**	**237.5**	**(10.2)**	**5,855.5**

3.2 Consolidated income statement by operating segment

See consolidated income statement by segment in the notes to the financial statements.

3.3 Reconciliation of the statement of consolidated comprehensive income and of the consolidated income statement by segment

3.3.1 Statement of comprehensive income with the same breakdown as the income statement by segment

(€ millions)	31/12/2022 Funds from operations (FFO)	31/12/2022 Changes in value, estimated expenses and transaction costs (chg. val.)	31/12/2022 Total	31/12/2021 Funds from operations (FFO)	31/12/2021 Changes in value, estimated expenses and transaction costs (chg. val.)	31/12/2021 Total
Rental income	210.2	-	210.2	186.7	-	186.7
Property expenses	(3.6)	-	(3.6)	(1.9)	-	(1.9)
Unrecoverable rental expenses	(10.4)	-	(10.4)	(8.9)	-	(8.9)
Expenses re-invoiced to tenants	*58.8*	-	*58.8*	*55.1*	-	*55.1*
Rental expenses	*(69.2)*	-	*(69.2)*	*(64.0)*	-	*(64.0)*
Other expenses	(0.3)	-	(0.3)	(1.6)	-	(1.6)
Net charge to provisions for current assets	(2.3)	-	(2.3)	(11.8)	-	(11.8)
Net rental income	**193.7**	**-**	**193.7**	**162.5**	**-**	**162.5**
Revenue	2,748.6	-	2,748.6	2,796.2	0.0	2,796.2
Cost of sales	(2,417.9)	(0.6)	(2,418.6)	(2,446.4)	(0.1)	(2,446.5)
Other income	(104.2)	-	(104.2)	(102.4)	(0.0)	(102.4)
Net charge to provisions for current assets	(33.6)	(0.6)	(34.2)	(10.3)	0.2	(10.1)
Amortisation of customer relationships	-	(1.5)	(1.5)	-	-	-
Net property income	**192.9**	**(2.8)**	**190.1**	**237.1**	**0.1**	**237.2**
External services	54.4	-	54.4	46.9	-	46.9
Own work capitalised and production held in inventory	242.1	-	242.1	196.6	-	196.6
Personnel costs	(244.4)	(26.7)	(271.1)	(223.9)	(29.7)	(253.6)
Other overhead expenses	(78.5)	0.1	(78.3)	(68.0)	(0.0)	(68.1)
Depreciation expenses on operating assets	-	(29.0)	(29.0)	-	(29.5)	(29.5)
Net overhead expenses	**(26.3)**	**(55.6)**	**(81.9)**	**(48.4)**	**(59.3)**	**(107.6)**
Other income and expenses	(6.7)	(0.0)	(6.7)	(9.0)	(0.9)	(9.8)
Depreciation expenses	-	(0.1)	(0.1)	-	(0.2)	(0.2)
Transaction costs	-	(14.5)	(14.5)	-	(14.9)	(14.9)
Other	**(6.7)**	**(14.6)**	**(21.3)**	**(9.0)**	**(15.9)**	**(24.9)**
Proceeds from disposal of investment assets	-	76.5	76.5	-	8.9	8.9
Carrying amount of assets sold	-	(74.2)	(74.2)	-	(10.2)	(10.2)
Net gain/(loss) on disposal of investment assets	**-**	**2.3**	**2.3**	**-**	**(1.3)**	**(1.3)**
Change in value of investment properties	-	45.8	45.8	-	39.9	39.9
Net impairment losses on investment properties measured at cost	-	(18.7)	(18.7)	-	(4.8)	(4.8)
Net impairment losses on other non-current assets	-	0.2	0.2	-	(1.2)	(1.2)
Net charge to provisions for risks and contingencies	-	0.3	0.3	-	(11.5)	(11.5)
OPERATING INCOME BEFORE THE SHARE OF NET INCOME OF EQUITY-METHOD AFFILIATES	**353.5**	**(43.1)**	**310.4**	**342.3**	**(54.0)**	**288.3**
Share in earnings of equity-method affiliates	64.0	7.0	71.0	24.3	(5.2)	19.1
OPERATING INCOME AFTER THE SHARE OF NET INCOME OF EQUITY-METHOD AFFILIATES	**417.5**	**(36.1)**	**381.4**	**366.6**	**(59.2)**	**307.4**
Net borrowing costs	(34.3)	10.5	(23.8)	(49.2)	(5.4)	(54.6)
Financial expenses	*(51.9)*	*10.5*	*(41.4)*	*(63.1)*	*(5.4)*	*(68.5)*
Financial income	*17.5*	-	*17.5*	*13.9*	-	*13.9*
Other financial results	(26.1)	(0.2)	(26.3)	(20.1)	(8.6)	(28.7)
Change in value and income from disposal of financial instruments	-	123.0	123.0	-	5.7	5.7
Gains or losses on disposals of equity interests[(a)]	28.7	9.8	38.5	38.3	7.9	46.2
Profit before tax	**385.8**	**107.0**	**492.8**	**335.7**	**(59.6)**	**276.1**
Corporate income tax	(35.2)	(33.1)	(68.3)	(20.1)	6.2	(13.9)
NET INCOME	**350.6**	**73.9**	**424.5**	**315.6**	**(53.4)**	**262.1**
o/w Attributable to Altarea SCA shareholders	**275.4**	**51.4**	**326.8**	**264.4**	**(52.7)**	**211.6**
o/w Attributable to non-controlling interests in subsidiaries	(75.2)	(22.5)	(97.7)	(51.2)	0.7	(50.5)
Average number of non-diluted shares	20,158,331	20,158,331	20,158,331	18,024,260	18,024,260	18,024,260
NET EARNING PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF ALTAREA SCA *(€)*	**13.66**	**2.55**	**16.21**	**14.67**	**(2.93)**	**11.74**
Diluted average number of shares	20,649,592	20,649,592	20,649,592	18,424,086	18,424,086	18,424,086
DILUTED NET EARNING PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF ALTAREA SCA *(€)*	**13.34**	**2.49**	**15.83**	**14.35**	**(2.86)**	**11.49**

(a) Gains or losses on disposals of equity interests have been reallocated to each of the activities concerned by the gains or losses when it relates to an investment previously fully consolidated or a share of the equity-method affiliates when the equity disposed of was previously in an equity-method company.

3.3.2 Reconciliation of operating income between the two income statements

	31/12/2022						31/12/2021				
(€ millions)	Retail	Residential	BP[a]	New businesses	Other	Total	Retail	Residential	BP[a]	Other	Total
Net rental income	193.7	-	-	-	-	193.7	162.5	-	-	-	162.5
Net property income	(1.3)	154.2	37.2	-	(0.0)	190.1	(0.9)	204.0	34.2	(0.1)	237.2
Net overhead expenses	(10.2)	(50.3)	(10.9)	(1.6)	(8.9)	(81.9)	(15.6)	(72.3)	(13.4)	(6.3)	(107.6)
Other	(3.1)	(1.7)	0.4	(0.1)	(16.7)	(21.3)	(9.5)	(5.4)	1.4	(11.3)	(24.9)
Net gain/(loss) on disposal of investment assets	2.3	-	-	-	-	2.3	(1.3)	-	-	-	(1.3)
Value adjustments	27.5	0.1	(0.3)	-	-	27.3	33.1	(1.2)	2.0	-	33.9
Net charge to provisions for risks and contingencies	1.3	(0.8)	(0.4)	(0.0)	0.2	0.3	(10.6)	(1.1)	(0.2)	0.3	(11.5)
Share in earnings of equity-method affiliates	5.9	8.2	56.9	(0.0)	-	71.0	0.8	11.4	7.0	-	19.1
OPERATING INCOME (STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME)	**216.1**	**109.7**	**82.8**	**(1.7)**	**(25.5)**	**381.4**	**158.4**	**135.4**	**31.0**	**(17.4)**	**307.4**
Reclassification of net gain/(loss) on disposal of investments			28.7			28.7			38.3		38.3
OPERATING INCOME (CONSOLIDATED INCOME STATEMENT BY SEGMENT)	**216.1**	**109.7**	**111.6**	**(1.7)**	**(25.5)**	**410.1**	**158.4**	**137.7**	**69.3**	**(19.7)**	**345.8**

(a) BP: Business property.

3.4 Revenue by geographical region and operating segment

By geographical region

	31/12/2022					31/12/2021				
(€ millions)	France	Italy	Spain	Other	Total	France	Italy	Spain	Other	Total
Rental income	191.4	6.2	12.6	-	210.2	170.8	6.3	9.5	-	186.7
External services	29.4	1.5	0.3	-	31.3	22.2	1.3	0.3	-	23.8
Property development	-	-	-	-	-	-	6.4	-	-	6.4
Retail	**220.8**	**7.7**	**12.9**	**-**	**241.5**	**193.0**	**14.0**	**9.8**	**-**	**216.8**
Revenue	2,458.5	-	-	-	2,458.5	2,484.7	-	-	-	2,484.7
External services	11.1	-	-	-	11.1	13.3	-	-	-	13.3
Residential	**2,469.7**	**-**	**-**	**-**	**2,469.7**	**2,498.0**	**-**	**-**	**-**	**2,498.0**
Revenue	290.0	-	-	-	290.0	305.2	-	-	-	305.2
External services	11.4	-	-	0.5	11.9	9.3	-	-	0.4	9.8
Business Property	**301.4**	**-**	**-**	**0.5**	**301.9**	**314.5**	**-**	**-**	**0.4**	**314.9**
Others (Corporate)	0.1	-	-	-	0.1	0.1	-	-	-	0.1
TOTAL	**2,992.0**	**7.7**	**12.9**	**0.5**	**3,013.2**	**3,005.6**	**14.0**	**9.8**	**0.4**	**3,029.8**

The Altarea Group operates mainly in France, Italy and Spain in 2022, as in 2021.

One client accounted for more than 10% of the group's revenue in the residential sector, *i.e.*, €414.1 million in 2022 and €489.5 million in 2021.

NOTE 4 MAJOR EVENTS AND CHANGES IN THE SCOPE OF CONSOLIDATION

4.1 Major events

Retail

In accordance with the partnership agreements announced in June 2021, Altarea and Crédit Agricole Assurances finalised their partnership on the creation of the Alta Infrastructures fund, specialised in European stations retails.

Thus, in the first quarter of 2022, Altarea sold 49% of its stake in stations under concessions, which are the Paris-Montparnasse station and five stations in Italy (Milan, Turin, Rome, Padua and Naples).

In July, SCOR, MRM and Altarea announced a partnership to accelerate MRM's strategic development. In December, Altarea completed the transfer of the Flins and Ollioules shopping centres to MRM, for €90.4 million, remunerated partly in cash and partly in MRM shares. Following this transaction, Altarea holds 15.9% of MRM's share capital.

After the successful transformation of the Paris-Montparnasse station, Altarea is leading a major project to restructure the retail spaces at the Paris-Austerlitz station, which will eventually include nearly 20,000 m^2 of shops directly connected to the station.

As no further appeals can now be made against the building permit, Altarea and SNCF Gares & Connexions signed the final agreements at the end of the year allowing work to start in 2023.

Residential

Although the new residential market remains structurally under-supplied in relation to needs in most major cities, since the beginning of 2022, it has been constrained by numerous unfavourable factors both at the macroeconomic level (higher interest rates, usury rate, maximum occupancy cost ratio of 35% of income, inflation and purchasing power) and in geopolitics (war in Ukraine and energy shortages/pressures).

The conditions for accessing finance, demand and purchasing power for property eroded throughout the year, leading to a decline in sales in the last quarter, and affecting all customers: private individuals in main residences, individual investors and institutional buyers.

As a result, Altarea, whose sales were still growing in the third quarter of 2022, became more selective in its projects to prioritize the sale of ongoing projects and the development of the most profitable projects with the fastest disposal rates. This policy has led to the postponement of certain commercial launches and land acquisitions initially planned for the end of 2022.

Business Property

Grand Paris

The Group has made significant progress, particularly in major investment projects, with:

- sale in July to La Française REM of the Cyber Campus in Paris-la Défense, a 26,500 m^2 office building;
- the delivery of the three office buildings within the large mixed-use project Issy-Cœur de Ville, certified BEPOS (positive energy building) and intended to house the head office of the Caisse Nationale de Prévoyance (CNP) as from early 2023;
- the sale to Crédit Agricole Assurances of the last 10% held in Bridge, Orange's global headquarters in Issy-les-Moulineaux (58,000 m^2);
- the partial letting of Landscape in La Défense to ManpowerGroup France, Vitogaz and Rubis Energie, thus completing the largest transaction for a high-rise office building of the year;
- the start of the demolition work on the building located on the plot that will house Bellini, the future headquarters of Swiss Life France in La Défense acquired by Swiss Life Asset Managers at the end of 2021;
- management of several new development projects, including the renovation of the former CACEIS head office near Paris-Austerlitz station on behalf of Crédit Agricole Assurances.

Regional cities

As the leading business property developer in the regions, Altarea has been able to capitalise on its know-how to meet the expectations of this fast-growing market. The year 2022 confirms this trend, with in particular:

- the signing of numerous off-plan sales and PDCs, including KI in Lyon (PDC), the renovation of the former headquarters of CERA, and Hill Side in the Jolimont district of Toulouse with Tivoli Capital;
- management of seven new projects (170,000 m^2), including the new ESSCA campus in Aix-en-Provence, and several office projects in the Grand-Ouest region.

Logistics

The Group, active in this segment for nearly 20 years, has now strengthening its historical position in large logistics platforms on the one hand, and structuring its offer on the promising segment of urban logistics on the other hand with:

- the launch of a new project at the gates of Lyon, Ecoparc Cotière, combining XXL logistics (50,000 m^2) and business premises (20,000 m^2) and continuing development of the 8 other projects under development on the north-south axis and the Atlantic arc;
- the success of a first urban logistics project "La Manufacture de Reuilly" carried out in partnership with Corsalis Logistics Real Estate, involving the restructuring of a building in the heart of Paris that was leased to La Belle Vie (French leader in home shopping) and then sold to a fund managed by AEW.

Buyback of three bond issues

Altarea successful launch of two public partial buyback offer for three existing senior bonds (Altarea July 2024, Altareit July 2025 and Altarea January 2028), for a total amount of €331.5 million (respectively, €120.3 million, €161.2 million and €50.0 million) plus buybacks over the course of the year of a total nominal amount of another €10.8 million.

With this transaction, the Group was able to optimise its liquidity through proactive management of its liabilities on capital markets and so optimise its available cash and the volume and cost of its financial debt.

Equity increase

The Group strengthened consolidated equity by €9.3 million as part of the employee FCPE, which subscribed to a reserved capital increase (resulting in the creation of 82,533 new shares), thus demonstrating the commitment and confidence of employees in the Company.

Modification of the dividend payment terms

Following the Supervisory Board meeting held on 25 April, it was decided to change the terms of payment of the annual dividend as follows:

- the dividend proposed in respect of financial year 2021 is unchanged at €9.75/share (vs €9.50 last year);
- the payment date is now set at 31 May 2022 (vs 28 June initially) with an ex-dividend date on 27 May;
- the dividend was paid in full in cash (removal of the option of partial payment in shares), in an amount of €199.8 million.

Primonial

On 2 March 2022, Altarea informed the public that the acquisition of the Primonial Group could not be completed under the agreed conditions. Altarea considers that the Sellers did not comply with the provisions of the acquisition agreement entered into in July 2021, which has lapsed.

Following the non-completion of the acquisition of Primonial, the Sellers (various groups of shareholders of Primonial (investment funds and Managers)) summoned the Company and its indirect subsidiary, Alta Percier, before the Commercial Court of Paris, in order to obtain compensation for the damage they allegedly suffered. Altarea and Alta Percier challenge such claims, which they believe are groundless. On the contrary, Altarea and Alta Percier consider that the Sellers are responsible for the failure to complete the transaction. Altarea thus requests that the Sellers be ordered to pay damages (dommages et intérêts) for the damages suffered by the Group. To this end, Altarea and Alta Percier filed a brief in response (conclusions en réponse) and in voluntary intervention (intervention volontaire) before the Commercial Court of Paris on 20 June 2022.

In their brief in response (conclusions en réplique) dated 21 November 2022 and 16 January 2023, the various groups of shareholders maintained and developed their argumentation. As it stands, the seller Managers allege a damage of €118,988,650 and the investment funds allege a damage of €588,082,058.50.

Based on the Sellers' claims, Altarea maintains its position that it has no liability in this respect, as the failure to complete the transaction was, in its view, caused by the Sellers, so that they cannot claim damages that are groundless and unjustified in view of the factual and legal elements. Altarea will develop its argumentation in its next brief in response.

As of the date of disclosure of the Group's financial statements, the proceedings are ongoing.

4.2 Consolidation scope

The main companies within the scope of consolidation, selected by revenue and total assets criteria, are as follows:

Company	Legal form	SIREN		31/12/2022			31/12/2021		
				Method	Interest	Integration	Method	Interest	Integration
ALTAREA	SCA	335480877	Parent company	FC	100.0%	100.0%	FC	100.0%	100.0%
Retail France									
ALTAREA FRANCE	SCA	324814219		FC	100.0%	100.0%	FC	100.0%	100.0%
NR 21	SCA	335480877		FC	96.8%	100.0%	FC	96.8%	100.0%
FONDS PROXIMITÉ	SNC	348024050	affiliate	EM	25.0%	25.0%	EM	25.0%	25.0%
MRM	SCA	311765762	joint venture	EM	15.9%	15.9%	IN	0.0%	0.0%
ALDETA	SASU	311765762		FC	33.3%	100.0%	FC	33.3%	100.0%
ALTA BLUE	SAS	522193796		FC	33.3%	100.0%	FC	33.3%	100.0%
ALTAREA PROMOTION COMMERCE	SNC	420490948		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA CRP AUBERGENVILLE	SNC	451226328		FC	51.0%	100.0%	FC	51.0%	100.0%
ALTA AUSTERLITZ	SNC	812196616		FC	100.0%	100.0%	FC	100.0%	100.0%
BERCY VILLAGE	SCI	384987517		FC	51.0%	100.0%	FC	51.0%	100.0%
ALTA CARRÉ DE SOIE	SCI	449231463	joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
FONCIERE CEZANNE MATIGNON	SNC	348024050		FC	100.0%	100.0%	FC	100.0%	100.0%
FONCIERE ALTAREA	SASU	353900699		FC	100.0%	100.0%	FC	100.0%	100.0%
SOCIETE D'AMENAGEMENT DE LA GARE DE L'EST	SNC	481104420		FC	51.0%	100.0%	FC	51.0%	100.0%
ALTA CRP GENNEVILLIERS	SNC	488541228		FC	51.0%	100.0%	FC	51.0%	100.0%
ALTA GRAMONT	SAS	795254952		FC	51.0%	100.0%	FC	51.0%	100.0%
ALTA CRP GUIPAVAS	SNC	451282628		FC	51.0%	100.0%	FC	51.0%	100.0%
LIMOGES INVEST	SCI	488237546		FC	50.9%	100.0%	FC	50.9%	100.0%
SNC MACDONALD COMMERCES	SNC	524049244	affiliate	EM	25.0%	25.0%	EM	25.0%	25.0%
ALTAREA MANAGEMENT	SNC	509105375		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA-MONTPARNASSE	SNC	524049244		FC	51.0%	100.0%	FC	100.0%	100.0%
LES VIGNOLES RETAIL PARK	SNC	512086117		FC	51.0%	100.0%	FC	51.0%	100.0%
OPCI ALTA COMMERCE EUROPE	SPPICAV		joint venture	EM	29.9%	29.9%	EM	29.9%	29.9%
ALTA QWARTZ	SNC	433806726		FC	100.0%	100.0%	FC	100.0%	100.0%
THIAIS SHOPPING CENTRE	SNC	479873234		FC	51.0%	100.0%	FC	51.0%	100.0%
ALTA CRP LA VALETTE	SNC	494539687		FC	51.0%	100.0%	FC	51.0%	100.0%

Company	Legal form	SIREN		31/12/2022 Method	Interest	Integration	31/12/2021 Method	Interest	Integration
Retail Italy									
ALTAGARES	SRL	N/A		FC	51.0%	100.0%	FC	100.0%	100.0%
ALTAREA ITALIA	SRL	N/A		FC	100.0%	100.0%	FC	100.0%	100.0%
Retail Spain									
ALTAREA ESPANA	SRL	N/A		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAREA PATRIMAE	SRL	N/A		FC	100.0%	100.0%	FC	100.0%	100.0%
Residential									
ALTAREIT	SCA	552091050		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM RESIDENCES SERVICES	SNC	394648455	joint venture	EM	64.9%	65.0%	EM	64.9%	65.0%
ALTAREA COGEDIM IDF GRANDE METROPOLE	SNC	810928135		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTAREA COGEDIM GRANDS PROJETS	SNC	810926519		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTAREA COGEDIM REGIONS	SNC	810847905		FC	99.9%	100.0%	FC	99.9%	100.0%
SEVERINI	SNC	848899977		FC	99.9%	100.0%	FC	99.9%	100.0%
XF Investment	SAS	507488815		FC	99.9%	100.0%	IN	0.0%	0.0%
ALTA FAUBOURG	SASU	444560874		FC	99.9%	100.0%	FC	99.9%	100.0%
Pitch Promotion	SAS	450042338		FC	99.9%	100.0%	FC	99.9%	100.0%
MARSEILLE MICHELET	SNC	792774382		FC	99.9%	100.0%	FC	99.9%	100.0%
CŒUR MOUGINS	SNC	453830663		FC	99.9%	100.0%	FC	99.9%	100.0%
ISSY CŒUR DE VILLE	SNC	830181079		FC	99.9%	100.0%	FC	99.9%	100.0%
ISSY CŒUR DE VILLE COMMERCES	SNC	828184028		FC	99.9%	100.0%	FC	99.9%	100.0%
HP	SAS	480309731		FC	99.9%	100.0%	FC	99.9%	100.0%
HISTOIRE ET PATRIMOINE DEVELOPPEMENT	SAS	480110931		FC	99.9%	100.0%	FC	99.9%	100.0%
MERIMEE	SNC	849367016		FC	99.9%	100.0%	FC	99.9%	100.0%
HISTOIRE ET PATRIMOINE PROMOTION	SASU	792751992		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTAREA COGEDIM ZAC VLS	SNC	811910447		FC	99.9%	100.0%	FC	99.9%	100.0%
SAS VILLECRESNES D'ATTILY	SAS	843230483		FC	69.9%	100.0%	FC	69.9%	100.0%
BEZONS CŒUR DE VILLE A1 & A2-LOGEMENTS	SCCV	819929845		FC	99.9%	100.0%	FC	99.9%	100.0%
GIF MOULON A4	SCCV	830886115		FC	25.0%	100.0%	FC	25.0%	100.0%
BOBIGNY CŒUR DE VILLE	SNC	838941011		FC	99.9%	100.0%	FC	99.9%	100.0%
TOULOUSE GUILLAUMET	SNC	841374390		FC	64.9%	100.0%	FC	64.9%	100.0%
MEUDON – PAUL DEMANGE	SCCV	853608511	joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
ALBIZZIA LYON CONFLUENCE	SCCV	882282056	joint venture	EM	30.0%	30.0%	EM	30.0%	30.0%
GARENNE FERRY FAUVELLES	SCCV	894504083	joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
PITCH IMMO	SASU	422989715		FC	99.9%	100.0%	FC	99.9%	100.0%

Company	Legal form	SIREN		31/12/2022			31/12/2021		
				Method	Interest	Integration	Method	Interest	Integration
MAISONS ALFORT 2011	SNC	530224419	affiliate	EM	49.9%	50.0%	EM	49.9%	50.0%
LACASSAGNE BRICKS	SCCV	817783749	affiliate	EM	50.9%	51.0%	EM	50.9%	51.0%
PIN BALMA CHATEAU CAMAS	SCCV	821556230	joint venture	EM	54.9%	55.0%	EM	54.9%	55.0%
ARTCHIPEL	SCCV	841150071		FC	99.9%	100.0%	FC	99.9%	100.0%
RUEIL COLMAR	SCCV	851750968		FC	69.9%	100.0%	FC	69.9%	100.0%
CLICHY ROGUET	SCCV	880090212		FC	50.9%	100.0%	FC	50.9%	100.0%
L'ISLE D'ABEAU SAINT HUBERT	SCCV	851793596	joint venture	EM	47.4%	47.5%	EM	47.4%	47.5%
RUEIL HIGH GARDEN	SCCV	887670115		FC	99.9%	100.0%	FC	59.9%	100.0%
BONDOUFLE ZAC DU GRAND PARC FC	SCCV	889279592		FC	50.9%	100.0%	IN	0.0%	0.0%
LE CLOS DES VIGNES	SCCV	884097114		FC	50.9%	100.0%	FC	50.9%	100.0%
TOULOUSE ARÈNES ILOT 3.1 T1 and T2	SAS	814795779	affiliate	EM	39.9%	40.0%	EM	39.9%	40.0%
COGEDIM HAUTS DE FRANCE	SNC	420810475		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM GESTION	SNC	380375097		FC	99.9%	100.0%	FC	99.9%	100.0%
COVALENS	SNC	309021277		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM PARIS METROPOLE	SNC	319293916		FC	99.9%	100.0%	FC	99.9%	100.0%
ASNIERES AULAGNIER	SARL	487631996	joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
COGEDIM GRAND LYON	SNC	300795358		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM MEDITERRANEE	SNC	312347784		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM PROVENCE	SNC	442739413		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM MIDI-PYRÉNÉES	SNC	447553207		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM GRENOBLE	SNC	418868584		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM SAVOIES-LEMAN	SNC	348145541		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM AQUITAINE	SNC	388620015		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM ATLANTIQUE	SNC	501734669		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM LANGUEDOC ROUSSILLON	SNC	532818085		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM EST	SNC	419461546		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM	SASU	54500814		FC	99.9%	100.0%	FC	99.9%	100.0%
SAS SURESNES VENDOME	SAS	837535053		FC	50.0%	100.0%	FC	50.0%	100.0%
SAS CLICHY BOREALES	SAS	879035939	affiliate	EM	30.0%	30.0%	EM	30.0%	30.0%
CLICHY 33 LANDY	SAS	898926308		FC	50.0%	100.0%	FC	50.0%	100.0%
MEYLAN PLM 1	SCCV	879562213		FC	54.9%	100.0%	FC	54.9%	100.0%
ANNEMASSE VALLEES	SCCV	844058289		FC	71.9%	100.0%	FC	71.9%	100.0%
LYON LES MOTEURS	SNC	824866388		FC	99.9%	100.0%	FC	99.9%	100.0%
COGIMO	SAS	962502068		FC	99.9%	100.0%	FC	99.9%	100.0%
MENTON HAUT CAREI	SCCV	829544303		FC	59.9%	100.0%	FC	59.9%	100.0%
CALCADE DE MOUGINS	SNC	833132426		FC	50.9%	100.0%	FC	50.9%	100.0%
HORLOGE GASTON ROUSSEL	SCCV	832294664		FC	50.9%	100.0%	FC	50.9%	100.0%

Company	Legal form	SIREN		31/12/2022 Method	Interest	Integration	31/12/2021 Method	Interest	Integration
61-75 PARIS AVENUE DE FRANCE	SCCV	830917100	joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SURESNES BMV	SCCV	834261497		FC	50.0%	100.0%	FC	50.0%	100.0%
NEUILLY GALLIENI	SCCV	839954377		FC	69.9%	100.0%	FC	69.9%	100.0%
LES PANTINOISES LOT 6	SCCV	840317309		FC	50.0%	100.0%	FC	50.0%	100.0%
MONTREUIL D'ALEMBERT	SCCV	841085210		FC	99.9%	100.0%	FC	99.9%	100.0%
ASNIÈRES 94 GRÉSILLONS	SCCV	849115258		FC	50.9%	100.0%	FC	50.9%	100.0%
ROMAINVILLE ROUSSEAU	SCCV	852604909		FC	50.9%	100.0%	FC	50.9%	100.0%
ISSY GUYNEMER	SNC	891166209		FC	50.9%	100.0%	FC	50.9%	100.0%
BONDY TASSIGNY	SNC	892127432		FC	99.9%	100.0%	FC	69.9%	100.0%
CLICHY 132 BD JEAN JAURES	SCCV	890252513		FC	50.0%	100.0%	FC	50.9%	100.0%
SAINT MAUR CONDE	SCCV	897792156		FC	69.9%	100.0%	FC	69.9%	100.0%
MAISONS ALFORT MARTIGNY 18	SCCV	901641621		FC	69.9%	100.0%	FC	69.9%	100.0%
CLICHY RUE DU 19 MARS 1962	SNC	903468148		FC	50.0%	100.0%	FC	50.0%	100.0%
SCCV ASNIERES -77 RUE DES BAS	SCCV	910066919		FC	50.9%	100.0%	IN	0.0%	0.0%
Business Property									
ALTAREA COGEDIM ENTREPRISE PROMOTION	SNC	535056378		FC	99.9%	100.0%	FC	99.9%	100.0%
PRD MONTPARNASSE 2	SCI	852712439	joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
PRD MONTPARNASSE 3	SCI	852712587	joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
80-98 RUE DE REUILLY	SCI	420762775		IN	0.0%	0.0%	FC	100.0%	100.0%
AF INVESTCO ARAGO	SNC	494382351	affiliate	EM	30.1%	30.1%	EM	30.1%	30.1%
AF INVESTCO 5	SNC	798601936	affiliate	EM	30.1%	30.1%	EM	30.1%	30.1%
AF INVESTCO 7	SNC	798601936	affiliate	EM	30.1%	30.1%	EM	30.1%	30.1%
B1	SCCV	853715829	joint venture	EM	33.3%	33.3%	EM	33.3%	33.3%
B2 B3	SCCV	852921899	joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
ALTA VAI HOLDCO A	SAS	424007425		FC	99.9%	100.0%	FC	99.9%	100.0%
FONCIERE ALTAREA MONTPARNASSE	SNC	847726650		FC	100.0%	100.0%	FC	100.0%	100.0%
PASCALHOLDCO	SPPICAV	809845951	affiliate	EM	15.0%	15.1%	EM	15.0%	15.1%
PASCALPROPCO	SASU	437929813	affiliate	EM	15.0%	15.1%	EM	15.0%	15.1%
PRD MONTPARNASSE	SCI	844634758	joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
ISSY CŒUR DE VILLE PROMOTION BUREAUX	SNC	829845536		FC	99.9%	100.0%	FC	99.9%	100.0%

The complete list of companies in the scope is available on request from the Investor Relations Department: investors@altarea.com.

4.3 Changes in consolidation scope

(In number of companies)	31/12/2021	Acquisition	Creation	Sale	Absorption, dissolution, deconsolidation	Change in consolidation method	31/12/2022
Fully consolidated subsidiaries	441	43	39		(45)	4	482
Joint ventures[a]	142	2	12		(10)	(4)	142
Affiliates[a]	71	1	5		(1)	-	76
TOTAL	**654**	**46**	**56**	**-**	**(56)**	**-**	**700**

(a) Companies accounted for using the equity method.

4.3.1 Detail of net acquisitions of consolidated companies, net of cash

(€ millions)	31/12/2022	31/12/2021
Investments in consolidated securities	(15.2)	(17.6)
Liabilities on acquisition of consolidated participating interests	-	-
Cash of acquired companies	11.4	(0.1)
TOTAL	**(3.7)**	**(17.7)**

During the year, the Group notably:

- acquired 100% of Toulouse developer XF;
- acquired new companies as part of the development of new activities, or as part of the development of Property Development operations.

4.3.2 Detail of disposals of consolidated companies, net of cash disposed of

During the year:

- the Group completed the sale to Crédit Agricole Assurances of the last 10% held in Bridge, Orange's global head office in Issy-les-Moulineaux;
- at the beginning of the year, the Group signed a partnership with Crédit Agricole Assurances covering the shops at the Paris-Montparnasse station and those of five Italian stations. The joint ventures are now 51% owned by the Group. The partner acquired a stake in the companies through a reserved capital increase in each of them, and the acquisition of shares (hence sale of shares by the Group). In accordance with the shareholders' agreement, the relevant activities stay controlled by the Group, who maintains control (within the meaning of IFRS 10) of each of these companies (fully consolidated companies).

4.4 Business combinations

End of July 2022, the Group, *via* its subsidiary Alta Penthièvre, acquired 100% of Toulouse developer XF. As from this date, all subsidiaries are fully consolidated and its commercial performance is reported in the Residential business segment.

The acquisition price of this company was €11.5 million.

In accordance with IFRS 3 "Business combinations", the Company's assets acquired and liabilities assumed were measured at fair value. When these amounts were recognised in the statement of financial position at the acquisition date, €11.4 million in intangible assets and goodwill was recognised.

Goodwill is definitive and has been allocated to the Group's Residential business segment.

The consolidated Group contributes €12.5 million in Group revenue as of 31 December 2022.

4.5 Securities and investments in equity affiliates

In application of IFRS 10, 11 and 12, the following are recognised under securities and receivables on equity affiliates, investments in joint ventures and associated companies, including receivables from these holdings.

4.5.1 Equity-accounting value of joint ventures and affiliates and related receivables

(€ millions)	31/12/2022	31/12/2021
Equity-accounting value of joint ventures	134.5	104.8
Equity-accounting value of affiliated companies	69.7	44.0
Value of stake in equity-method affiliates	**204.2**	**148.8**
Receivables from joint ventures	176.3	191.7
Receivables from affiliated companies	111.2	118.9
Receivables from equity-method subsidiaries	**287.5**	**310.6**
TOTAL SECURITIES AND RECEIVABLES IN EQUITY AFFILIATES	**491.7**	**459.4**

At 31 December 2022, the increase in the equity method value of joint ventures is mainly due to the acquisition of a 15.9% stake in MRM.

Receivables from joint ventures and receivables from affiliates relating to Property Development come to €256.8 million.

4.5.2 Main balance sheet and income statement items of joint ventures and affiliates

(€ millions)	Joint ventures	Affiliates	31/12/2022	Joint ventures	Affiliates	31/12/2021
Balance sheet items, Group share:						
Non-current assets	416.9	193.8	610.7	397.2	226.7	623.9
Current assets	468.8	224.8	693.7	453.4	250.0	703.5
Total Assets	**885.8**	**418.7**	**1,304.4**	**850.6**	**476.7**	**1,327.3**
Non-current liabilities	147.1	160.5	307.5	178.9	201.9	380.8
Current liabilities	604.2	188.5	792.7	566.9	230.9	797.8
Total Liabilities	**751.2**	**349.0**	**1,100.2**	**745.8**	**432.7**	**1,178.5**
Net assets (equity-accounting basis)	**134.5**	**69.7**	**204.2**	**104.8**	**44.0**	**148.8**
Share of income statement items, Group share:						
Operating income	**22.3**	**40.9**	**63.2**	**26.2**	**3.6**	**29.7**
Net borrowing costs	(4.0)	(4.5)	(8.5)	(3.7)	(4.2)	(7.9)
Other financial results	(2.3)	(0.2)	(2.5)	(0.9)	(0.5)	(1.3)
Change in value of hedging instruments	1.8	2.0	3.7	0.5	0.2	0.7
Proceeds from the disposal of investments	0.0	(0.0)	0.0	-	-	-
Net income before tax	**17.8**	**38.2**	**56.0**	**22.1**	**(0.9)**	**21.2**
Corporate income tax	15.3	(0.3)	15.0	(1.8)	(0.2)	(2.0)
Net income by equity method (after tax)	**33.1**	**37.9**	**71.0**	**20.3**	**(1.1)**	**19.1**
Non-Group net income	-	-	(0.0)	(0.0)	0.0	(0.0)
Net income, Group share	33.1	37.9	71.0	20.3	(1.1)	19.1

Joint ventures and associates are not individually significant for the purposes of presenting the financial information on an aggregate basis.

Group revenue from joint ventures amounted to €5.2 million for the year to 31 December 2022, compared with €21.2 million for 2021.

Group revenue from affiliates amounted to €9.6 million for the year to 31 December 2022, and €7.8 million for 2021.

4.5.3 Commitments given or received in connection with joint ventures (in Group share)

Commitments given

Cogedim Résidences Services undertook to pay rent in connection with the leasing of the Résidences Services Cogedim Club®. In the context of the application of IFRS 16, these contracts have been restated in the financial statements of the companies.

In exchange, Cogedim Résidences Services receives the lease payments of the sub-lessees, these continuing to be commitments.

Financial guarantees for the completion of works were given as part of the property development activity, and amounted to a share of €63.3 million at 31 December 2022.

Commitments received

As of 31 December 2022, the main commitments received by the joint ventures relate to security deposits received from tenants in the amount of €2.6 million.

4.6 Current and non-current financial assets

At 31 December 2022, current and non-current financial assets amounted to €101.7 million, compared with €50.3 million at 31 December 2021, and consist mainly of:

- non-consolidated securities (mainly "current"): €49.9 million;
- deposits and guarantees paid on projects: €14.6 million, compared with €14.9 million for 2021;
- loans and receivables, recognised at amortised cost: €20.6 million, compared with €30.9 million for 2021.

NOTE 5 NET INCOME

5.1 Operating income

5.1.1 Net rental income

Net rental income amounted to €193.7 million in 2022, compared to €162.5 million in 2021, *i.e.* an increase of +19.2%.

5.1.2 Net property income

The Group's net property income stood at €190.1 million in 2022 compared to €237.2 million in 2021.

The Residential Backlog of the fully-consolidated companies was €3,275 million at 31 December 2022.

The Business Property Development Backlog of the fully-consolidated companies was €349 million at 31 December 2022.

5.2 Cost of net financial debt and other financial items

5.2.1 Cost of net financial debt

(€ millions)	31/12/2022	31/12/2021
Bond and bank interest expenses	(47.4)	(55.6)
Interest on partners' advances	4.5	3.9
Interest rate on hedging instruments	6.1	2.6
Other financial income and expenses	2.5	(0.0)
FFO financial income and expenses	**(34.3)**	**(49.2)**
Spreading of bond issue costs and other estimated expenses[a]	10.5	(5.4)
NET BORROWING COSTS	**(23.8)**	**(54.6)**

(a) Relates mainly to the deferral in accordance with the amortised cost method of the issue costs of borrowings and bond issue premiums in accordance with IFRS 9 for €-6.9 million, and the gain on the bond buyback (amount lower than par value).

The average cost of debt is the ratio of the total financial costs of short- and long-term financial instruments including related fees (commitment fees, non-use fees, etc.) to the average debt for the period. The Group's average cost of debt (excluding the impact of IFRS 16) was 1.82% at 31 December 2022, compared with 1.80% at 31 December 2021.

5.2.2 Other financial results

Other financial results correspond in particular to interest expenses on rental obligations or royalties on investment properties.

5.2.3 Impact of result of financial instruments

This item consists of net income of €123.0 million, mainly related to:

- €-45.8 million on balances (paid or pending) on financial instruments, compared to €-12.7 million at 31 December 2021; and
- +€166.9 million in changes in the value of interest rate hedging instruments, compared to €18.4 million at 31 December 2021.

5.3 Corporate income tax

Analysis of tax expense

Tax expense is analysed as follows:

(€ millions)	31/12/2022	31/12/2021
Tax due	**(35.2)**	**(20.1)**
Tax loss carry forwards and/or use of deferred losses	(24.5)	(16.7)
Valuation differences	0.4	0.0
Fair value of investment properties	(5.3)	0.7
Fair value of hedging instruments	(0.2)	0.0
Income by percentage of completion	(6.3)	13.7
Other timing differences	2.8	8.4
Deferred tax	**(33.1)**	**6.2**
TOTAL TAX INCOME (EXPENSE)	**(68.3)**	**(13.9)**

Effective tax rate

(€ millions)	31/12/2022	31/12/2021
Pre-tax profit of consolidated companies	**421.8**	**256.9**
Group tax savings (expense)	**(68.3)**	**(13.9)**
EFFECTIVE TAX RATE	**-16.19%**	**-5.42%**
Tax rate in France	25.83%	27.37%
Theoretical tax charge	**(108.9)**	**(70.3)**
Difference between theoretical and effective tax charge	**40.7**	**56.4**
Differences related to entities' SIIC status	51.5	27.0
Differences related to treatment of losses	0.7	3.5
Other permanent differences and rate differences	(11.6)	25.8

Deferred tax assets and liabilities

(€ millions)	31/12/2022	31/12/2021
Tax loss carry forwards	37.8	62.3
Valuation differences	(29.0)	(27.2)
Fair value of investment properties	(24.3)	(19.4)
Fair value of financial instruments	(0.4)	(0.2)
Income by percentage of completion	(69.2)	(61.9)
Other timing differences	10.5	1.1
NET DEFERRED TAX ON THE BALANCE SHEET	**(74.5)**	**(45.4)**

As at 31 December 2022, the Group had unrecognised tax loss carry-forwards of €399 million (basis), as compared with €403.2 million for the year ending 31 December 2021.

Deferred taxes relating to valuation differences correspond primarily to the brands held by the Group.

Deferred taxes relating to the activation of tax losses mainly relate to losses recognised in the tax consolidation group Altareit and losses partially activated in the taxable sector of some SIIC companies.

Deferred taxes are calculated (for French companies, which make up most of the Group's scope) at the rate of 25.83%, the rate set by the French Finance Act for 2022.

5.4 Earnings per share

Undiluted net income per share and diluted net income per share are defined in Note 2.3.13 “Earnings per share”.

In 2022, as in 2021, the dilution arose only from the granting of rights to free shares in Altarea SCA to Group employees.

(€ millions)	31/12/2022	31/12/2021
Numerator		
Net income, Group share	326.8	211.6
Denominator		
Weighted average number of shares before dilution	20,158,331	18,024,260
Effect of potentially dilutive shares		
Stock options	0	0
Rights to free share grants	491,261	399,825
Total potential dilutive effect	491,261	399,825
Weighted diluted average number of shares	20,649,592	18,424,086
NET INCOME, GROUP SHARE, UNDILUTED PER SHARE *(€)*	**16.21**	**11.74**
NET INCOME, GROUP SHARE, DILUTED PER SHARE *(€)*	**15.83**	**11.49**

NOTE 6 LIABILITIES

6.1 Equity

6.1.1 Share capital, share-based payments and treasury shares

Capital

Altarea SCA share capital (in euros)

In number of shares and in €	Number of shares	Nominal	Share Capital
Number of shares outstanding at 31 December 2020	**17,275,839**	**15.28**	**263,982,998**
Share capital increase reserved for SCI VDE Reuilly shareholders	39,277	15.28	600,153
Share capital increase via the part-conversion of dividends into shares	60,580	15.28	925,662
Share capital increase reserved for Mutual Funds	482,385	15.28	7,370,843
Share capital increase of 10 December 2021	2,435,190	15.28	37,209,703
Number of shares outstanding at 31 December 2021	**20,293,271**	**15.28**	**310,089,359**
Share capital increase reserved for Mutual Funds	82,533	15.28	1,261,104
NUMBER OF SHARES OUTSTANDING AT 31 DECEMBER 2022	**20,375,804**	**15.28**	**311,350,463**

Capital management

The aim of the Group’s capital management is to ensure liquidity and optimise its capital structure.

Share-based payments

The gross expense recorded on the income statement for share-based payments was €25.1 million in 2022 compared to €23.4 million in 2021.

No stock option plans were in force at 31 December 2022.

Free share grants

Award date	Number of rights awarded	Vesting date	Rights in circulation as at 31/12/2021	Awarded	Deliveries	Amendments to rights[(a)]	Rights in circulation as at 31/12/2022
Share grant plans on Altarea shares							
19 March 2019	41,531	19 March 2022	34,364		(33,305)	(1,059)	
6 June 2019	1,355	20 March 2022	1,140		(940)	(200)	
21 October 2019	20,000[(b)]	30 March 2022	20,000			(20,000)	
21 April 2020	18,479	21 April 2022	17,963		(17,340)	(623)	
22 April 2020	45,325	22 April 2023	40,874			(3,298)	37,576
24 April 2020	2,000	24 April 2022	2,000		(2,000)	-	
31 March 2021	121,080	1 April 2022	118,662		(115,360)	(3,302)	
31 March 2021	10,000	1 April 2022	10,000		(10,000)	-	
30 April 2021	73,050[(b)]	31 March 2024	71,045			(5,556)	65,489
4 June 2021	32,000[(b)]	31 March 2025	32,000			-	32,000
4 June 2021	27,500[(b)]	31 March 2025	27,500			(6,378)	21,122
4 June 2021	45,500[(b)]	31 March 2025	45,500			(32,450)	13,050
4 June 2021	14,000[(b)]	31 March 2025	14,000			(1,250)	12,750
4 June 2021	23,700[(b)]	31 March 2025	23,700			(16,973)	6,727
4 June 2021	30,000[(b)]	31 March 2025	30,000			(14,346)	15,654
1 September 2021	600	1 September 2024	600			-	600
1 October 2021	2,000	30 March 2023	2,000			-	2,000
1 February 2022	275[(b)]	1 March 2023		275		-	275
1 March 2022	14,000	31 March 2025		14,000		-	14,000
31 March 2022	99,947	1 April 2023		99,947		(1,415)	98,532
31 March 2022	31,872	1 April 2024		31,872		(307)	31,565
31 March 2022	73,725[(b)]	1 April 2024		73,725		(2,200)	71,525
30 April 2022	3,250[(b)]	31 March 2025		3,250		(2,275)	975
30 April 2022	1,250[(b)]	31 March 2025		1,250		-	1,250
1 June 2022	300	1 June 2023		300		-	300
25 July 2022	250	24 July 2023		250		-	250
25 July 2022	150	24 July 2024		150		-	150
12 September 2022	6,000[(b)]	31 March 2027		6,000		-	6,000
12 September 2022	40,000[(b)]	31 March 2029		40,000		-	40,000
1 October 2022	1,500[(b)]	31 March 2025		1,500		-	1,500
2 November 2022	1,300	2 November 2023		1,300		-	1,300
TOTAL	**781,212**		**491,348**	**273,819**	**(178,945)**	**(111,632)**	**474,590**

(a) Rights cancelled for reasons of departure, transfer, lack of certainty that performance criteria have been met or changes in plan terms.
(b) Plans subject to performance criteria.

Valuation parameters for new free share grants

	31/12/2022
Dividend rate	6.0%
Risk-free interest rate	0.15% to 2.3%

Treasury shares

The acquisition cost of treasury shares was €30.5 million at 31 December 2022 for 214,091 shares (including 211,729 shares intended for allotment to employees under free share grant or stock option plans and 2,362 shares allocated to a liquidity contract), compared with €33.8 million at 31 December 2021 for 205,406 shares (including 204,799 shares intended for allotment to employees under free share grant or stock option plans and 607 shares allocated to a liquidity contract). Treasury shares are eliminated and offset directly in equity.

In addition, a net loss on disposal and/or free share grants of treasury shares to Company employees was recognised directly in equity in the amount of €-29.1 million before tax at 31 December 2022 (€-22.0 million after tax) compared with €-21.5 million at 31 December 2021 (€-15.9 million before tax).

The negative impact on cash flow from purchases and disposals over the period came to €-26.3 million at 31 December 2022 compared to €-31.3 million at 31 December 2021.

6.1.2 Dividends proposed and paid

Dividends paid

(€ millions)	31/12/2022	31/12/2021
Paid in current year in respect of previous year:		
Dividend per share (€)	9.75	9.50
Payment to shareholders of the Altarea Group	196.9	163.6
Proportional payment to the general partner (1.5%)	3.0	2.5
TOTAL	**199.8**	**166.1**
Offer to convert dividends into shares:		
Subscription price (€)		*155.51*
Total amount of conversion into shares		**88.6**
Rate of conversion of dividends into shares on the 50% option		*91.59%*

Modification of the dividend payment terms:

Following the Supervisory Board meeting held on 24 April, it was decided to change the terms of payment of the annual dividend as follows:

- the dividend proposed in respect of the 2021 financial year is unchanged at €9.75/share (vs €9.50 last year), in the amount of €199.8 million;
- the payment date is now set at 31 May 2022 (vs 28 June initially) with an ex-dividend date on 27 May;
- the dividend was paid in full in cash (removal of the option of partial payment in shares).

Proposed payment in respect of 2022:

For the 2022 financial year, a dividend of €10.00 per share will be proposed to the Annual General Meeting called to approve the financial statements for the year ending 31 December 2022.

Shareholders will also be offered the option to partially convert the dividend into shares. They will be free to choose between:

- a full payment in cash;
- a payment of 50% in shares, and 50% in cash.

6.2 Net financial debt and guarantees

Current and non-current borrowings and financial liabilities, and net cash

			"Non-cash" change					
(€ millions)	31/12/2021	Cash flow	Spreading of issue costs	Change in scope of consolidation	Discounting	Change in method	Reclassification	31/12/2022
Bond issues (excluding accrued interest)	1,723.2	(341.5)	2.2	1.6	(0.2)	-	(0.2)	1,385.2
Short- and medium-term negotiable securities	759.0	(387.0)	-	-	-	-	-	372.0
Bank borrowings, excluding accrued interest and overdrafts	746.4	(68.9)	4.7	17.0	0.0	-	0.2	699.5
Net bond and bank debt, excluding accrued interest and overdrafts	**3,228.6**	**(797.4)**	**6.9**	**18.7**	**(0.1)**	**-**	**0.0**	**2,456.7**
Accrued interest on bond and bank borrowings	29.0	(2.9)	-	0.0	-	-	-	26.1
BOND AND BANK DEBT, EXCLUDING OVERDRAFTS	**3,257.6**	**(800.3)**	**6.9**	**18.7**	**(0.1)**	**-**	**0.0**	**2,482.8**
Cash and cash equivalents	(1,625.5)	673.3	-	-	-	-	-	(952.3)
Bank overdrafts	13.6	10.6	-	-	-	-	-	24.2
Net cash	**(1,612.0)**	**683.9**	**-**	**-**	**-**	**-**	**-**	**(928.1)**
NET BOND AND BANK DEBT	**1,645.6**	**(116.4)**	**6.9**	**18.7**	**(0.1)**	**-**	**0.0**	**1,554.7**
Equity loans and Group and partners' advances*	134.2	(16.8)	-	29.2	-	-	-	146.6
Accrued interest on shareholders' advances	0.7	0.1	-	(0.0)	-	-	-	0.8
Lease liabilities	154.3	(17.4)	-	0.2	-	-	11.7	148.8
Contractual fees on investment properties	169.9	(2.4)	-	-	-	-	31.6	199.0
NET FINANCIAL DEBT	**2,104.7**	**(153.0)**	**6.9**	**48.1**	**(0.1)**	**-**	**43.3**	**2,049.9**

* *Of which allocation of income to related current accounts for €9.8 million.*

6.2.1 Net financial bond and bank debt

Group net financial bond and bank debt amounted to €1,554.7 million at 31 December 2022 compared to €1,645.6 million at 31 December 2021.

During the financial year, the Group notably:

- repaid a €80 million term loan early;
- bought back through a public offering in June 2022:
  - €120.3 million in Altarea bonds due in July 2024 with a coupon of 2.25%,
  - €50.0 million in Altarea bonds maturing in January 2028 with a coupon of 1.875%,
  - €99.6 million of Altareit bonds due in July 2025 with a coupon of 2.875%;
- bought back through a public offering in December 2022:
  - €61.6 million of Altareit bonds due in July 2025 with a coupon of 2.875%;
- bought over time for €10.8 million in bond issues;
- increased its issue of medium-term and short-term negotiable securities (over €387 million). The Group continued to make use of short- and medium-term resources *via* NEU-CP (issues up to one year) and NEU-MTN (issues in excess of one year) programmes.

Changes in the scope of consolidation are mainly due to changes in the consolidation method of certain companies and the acquisition of the developer XF.

At 31 December 2022, no revolving loan had been drawn down.

Borrowing costs are analysed in the note on earnings.

Net cash

Net cash amounted to €928.1 million, including cash equivalents (mainly term accounts – for €98.3 million) which are recorded at their fair value at each reporting date.

Breakdown of bank and bond debt by maturity

(€ millions)	31/12/2022	31/12/2021
< 3 months	400.8	366.3
3 to 6 months	3.3	170.2
6 to 9 months	27.9	114.2
9 to 12 months	7.0	93.8
At less than 1 year	**439.0**	**744.6**
At 2 years	414.0	209.1
At 3 years	402.9	541.8
At 4 years	106.5	540.2
At 5 years	60.0	106.1
1 to 5 years	**983.4**	**1,397.3**
More than five years	**1,096.7**	**1,144.9**
Issuance cost to be amortised	(12.1)	(15.6)
TOTAL GROSS BOND AND BANK DEBT	**2,507.0**	**3,271.1**

The decrease in the portion of bond and bank debt at less than one year is mainly due to the decrease in negotiable securities and their maturity schedule. The portion between one and five years also declined, mainly following the buyback of 2024 and 2025 bonds; the portion at more than five years has been reduced by the repurchase of the 2028 bond issue.

Schedule of future interest expenses

(€ millions)	31/12/2022	31/12/2021
< 3 months	4.2	3.9
3 to 6 months	3.6	4.9
6 to 9 months	15.9	17.5
9 to 12 months	(0.8)	6.0
At less than 1 year	**23.0**	**32.3**
At 2 years	22.1	52.9
At 3 years	14.7	52.1
At 4 years	7.2	41.5
At 5 years	10.4	19.7
1 to 5 years	**54.5**	**166.2**

These future interest expenses concern borrowings and financial instruments and are presented exclusive of accrued interest not payable.

Breakdown of bank and bond debt by guarantee

(€ millions)	31/12/2022	31/12/2021
Mortgages	350.0	350.0
Mortgage commitments	131.8	114.4
Moneylender lien	9.9	10.8
Altarea SCA security deposit	204.0	200.0
Not guaranteed	1,823.4	2,611.6
TOTAL	**2,519.1**	**3,286.8**
Issuance cost to be amortised	(12.1)	(15.6)
TOTAL GROSS BOND AND BANK DEBT	**2,507.0**	**3,271.1**

Mortgages are given as collateral for the financing or refinancing of investment properties. Mortgage commitments and the lender's lien mainly concern Property Development activities.

Breakdown of bank and bond debt by interest rate

	Gross bond and bank debt		
(€ millions)	Variable rate	Fixed rate	Total
As of 31 December 2022	1,093.8	1,413.2	2,507.0
As of 31 December 2021	1,521.9	1,749.3	3,271.1

The market value of fixed rate debt stood at €1,168.1 million at 31 December 2022 compared to €1,789.4 million at 31 December 2021.

6.2.2 Lease liabilities

Lease liabilities are debts mainly relating to real estate leases and vehicle leases (respectively for the premises occupied and the vehicles used by Group employees).

These liabilities amounted to €148.8 million at 31 December 2022 compared to €154.3 million at 31 December 2021. They are to be seen in light of the right-of-use assets on tangible and intangible assets.

6.2.3 Contractual fees on Investment properties

Contractual fees on investment properties, which are economically different in nature from rental obligations, concern debts relating to temporary occupancy authorisations and construction leases on retail assets (mainly stations).

They amounted to €199.0 million at 31 December 2022 compared to €169.9 million at 31 December 2021 and are to be seen in light of the right-of-use assets on investment properties (assets that generate income). The increase is mainly due to the taking effect of the Temporary Occupation Authorisation for Paris-Austerlitz station.

6.2.4 Breakdown by due date for lease liabilities and contractual fees on investment properties

(€ millions)	31/12/2022	31/12/2021
< 3 months	4.8	4.6
3 to 6 months	4.8	4.6
6 to 9 months	4.7	4.6
9 to 12 months	5.0	4.9
At less than 1 year	**19.3**	**18.7**
At 2 years	18.9	17.2
At 3 years	18.5	17.0
At 4 years	19.0	16.9
At 5 years	17.2	18.0
1 to 5 years	**73.6**	**69.1**
More than five years	**255.0**	**236.4**
TOTAL LEASE LIABILITIES AND CONTRACTUAL FEES ON INVESTMENT PROPERTIES	**347.9**	**324.2**

6.2.5 Elements of net debt set out in the cash flow table

(€ millions)	Cash flow
Issuance of borrowings and other financial liabilities	430.3
Repayment of borrowings and other financial liabilities	(1,254.3)
Change in borrowing and other financial liabilities	**(824.0)**
Repayment of lease liabilities	(19.9)
Change in cash balance	(683.9)
TOTAL CHANGE IN NET FINANCIAL DEBT (CFT)	**(1,527.8)**
Net bond and bank debt, excluding accrued interest and overdrafts	(797.4)
Net cash	(683.9)
Equity loans and Group and partners' advances	(16.8)
Lease liabilities	(17.4)
Contractual fees on investment properties	(2.4)
Allocation of income to shareholder current accounts	(9.8)
TOTAL CHANGE IN NET FINANCIAL DEBT	**(1,527.8)**

6.3 Provisions

(€ millions)	31/12/2022	31/12/2021
Provision for benefits payable at retirement	14.0	16.2
Other provisions	21.5	20.6
TOTAL PROVISIONS	**35.5**	**36.8**

The provision for post-employment benefits was valued by an external actuary. The valuation and accounting principles are detailed in the Company's accounting principles and methods. The main assumptions used to assess the commitment are the staff turnover rate, the discount rate and the salary increase rate: a variation of +/-0.25% of these last two criteria would not result in no significant impact.

Other provisions primarily cover:

- repayment risk on rental guarantees granted upon the disposal (in part or in whole) of non-current assets;
- the risk of disputes arising from construction operations;
- the risk of the failure of certain co-developer;
- as well as estimates of residual risks involving completed programmes (litigation, ten-year guarantee, definitive general statement, etc.).

NOTE 7 ASSETS AND IMPAIRMENT TESTS

7.1 Investment properties

(€ millions)	Investment properties measured at fair value	Investment properties measured at cost	Investment properties right-of-use	Assets held for sale	Total Investment properties
As of 31 December 2021	**3,814.5**	**192.8**	**169.6**	**8.3**	**4,185.1**
Subsequent investments and expenditures	15.4	(24.7)	-	-	(9.3)
Change in spread of incentives to buyers	(0.7)	-	-	-	(0.7)
Disposals/repayment of down payments made	(73.7)	-	-	(0.5)	(74.2)
Net impairment/project discontinuation	-	(18.7)	-	-	(18.7)
Transfers to assets held for sale or to or from other categories	-	(53.8)	-	-	(53.8)
New right-of-use assets and indexation	-	-	31.6	-	31.6
Change in fair value	48.4	-	(2.6)	-	45.8
Change in scope of consolidation	(10.6)	-	-	-	(10.6)
AS OF 31 DECEMBER 2022	**3,793.3**	**95.5**	**198.6**	**7.8**	**4,095.1**

As of 31 December 2022, no interest expenses have been capitalised for projects under development and construction.

Investment properties at fair value

The main movements concern:

- the sale of the Flins and Ollioules shopping centres as part of the final agreement signed in December with MRM;
- the transfer to inventory of three buildings previously measured at cost as a result of changes in the nature of the projects;
- changes in the fair value of shopping centres in operation.

Investment properties valued at cost

The assets under development and under construction recognised at cost mainly concern the development and redevelopment projects of shopping centres in France.

The Group reviewed all of its ongoing projects, which led to the recording of write-downs or abandonment of certain projects.

Rights of use on Investment properties

The right-of-use assets on investment properties correspond to the valuation under IFRS 16 of the temporary occupancy authorisation contracts for investment properties. They meet the definition of investment properties and are measured using the fair value model. Subsequently, they are valued at the amount equal to the debt presented on the line of the balance-sheet "Contractual fees on investment properties".

The New right-of-use assets and indexation line includes the signing of the Temporary Occupation Authorisation on Paris-Austerlitz station, as well as the indexation of existing contracts.

Value Measurement – IFRS 13

In accordance with IFRS 13 "Fair Value Measurement" and the EPRA's recommendation on IFRS 13 "EPRA Position Paper on IFRS 13 – Fair Value Measurement and Illustrative Disclosures, February 2013", the Group chose to present additional parameters used to determine the fair value of its property portfolio.

The Altarea Cogedim Group considered that classifying its assets in level 3 was most appropriate. This treatment reflects the primarily unobservable nature of the data used in the assessments, such as rents from rental statements, capitalisation rates and average annual growth rate of rents. The tables below thus present a number of quantitative parameters used to determine the fair value of the property portfolio. These parameters apply only to shopping centres controlled exclusively by the Group (and therefore do not include assets accounted for under the equity method) and which are measured at fair value by the expert appraisers.

		Initial capitalisation rate[a]	Rent *(in € per m²)*[b]	Discount rate[c]	Capitalisation rate at exit[d]	AAGR of net rental income[e]
France	Maximum	8.0%	570	8.3%	7.1%	9.7%
	Minimum	4.1%	33	5.6%	4.0%	1.2%
	Weighted average	**5.1%**	**407**	**6.6%**	**5.1%**	**3.2%**

(a) The initial capitalisation rate is the net rental income relative to the appraisal value excluding transfer duties.
(b) Annual average rent (minimum guaranteed rent plus variable rent) per asset and m².
(c) Rate used to discount the future cash flows.
(d) Rate used to capitalise the revenue in the exit year in order to calculate the asset's exit value.
(e) Average Annual Growth Rate of net rental income.

Based on a Group weighted average capitalisation rate, a +0.25% increase in capitalisation rates would lead to a reduction of €-130.8 million in the value of investment properties (-4.34%), while a -0.25% decrease in capitalisation rates would increase the value of investment properties by €180.9 million (+6.00%).

Breakdown of the portfolio measured at fair value by asset type

(€ millions)	31/12/2022	31/12/2021
Regional shopping centres	2,522.2	2,480.8
Travel retail	512.5	520.9
Retail parks	704.2	677.2
Other	54.4	135.5
TOTAL	**3,793.3**	**3,814.5**

Investment working capital requirement

(€ millions)	Receivables on fixed assets	Amounts due on non-current assets	Investment WCR
As of 31 December 2021	**0.2**	**(144.7)**	**(144.5)**
Variations	0.6	43.6	44.3
Present value adjustment	-	-	-
Transfers	0.0	-	0.0
Change in scope of consolidation	-	(0.0)	(0.0)
As of 31 December 2022	**0.8**	**(101.0)**	**(100.2)**
Change in WCR at 31 December 2022	**0.6**	**43.6**	**44.3**

Net acquisitions of assets and capitalised expenditures

(€ millions)	31/12/2022	31/12/2021
Type of non-current assets acquired:		
Intangible assets	(6.8)	(9.6)
Property plant and equipment	(2.5)	(7.6)
Investment properties	(33.6)	(89.4)
TOTAL	**(42.9)**	**(106.6)**

7.2 Goodwill and other intangible assets

(€ millions)	Gross values	Amortisation and/or impairment	31/12/2022	31/12/2021
Goodwill	**455.3**	**(240.6)**	**214.7**	**209.4**
Brands	**105.4**	**-**	**105.4**	**105.4**
Customer relationships	**201.2**	**(194.4)**	**6.7**	**-**
Software applications, patents and similar rights	69.0	(52.0)	17.0	17.3
Leasehold right	0.3	-	0.3	0.3
Other	0.1	(0.0)	0.1	0.1
Other intangible assets	**69.4**	**(52.0)**	**17.4**	**17.7**
TOTAL	**831.2**	**(486.9)**	**344.3**	**332.5**

(€ millions)	31/12/2022	31/12/2021
Net values at beginning of the period	**332.5**	**330.4**
Acquisitions of intangible assets	6.8	9.6
Disposals and write-offs	(0.0)	(1.5)
Changes in scope of consolidation and other	13.6	-
Net allowances for depreciation	(8.4)	(6.1)
NET VALUES AT THE END OF THE PERIOD	**344.3**	**332.5**

Goodwill generated by the Property Development business

Goodwill relates to the various acquisitions made by the Group.

Impairment tests were carried out on the basis of assumptions for the business in light of economic forecasts; these assumptions are based on historical data on Property Development.

The main assumptions used to calculate the enterprise value are as follows:

- the discount rate is between 9.25% to 9.75%;
- free cash flow over the horizon of the business plan is based on assumptions about business volumes and operating margin that take into account the financial and market assumptions known at the date of compilation;
- the perpetual growth rate is 2.25%.

At 31 December 2022, on the basis of these assumptions, the fair value of the economic assets in the Residential and Business property segments are greater than their net book value. No impairment needs to be recorded in the financial statements.

Sensitivity of +/-1% on the discount rate and of +/-0.25% on the perpetual growth rate, would lead to valuations of the economic assets for the Residential segment and the Business property segment which remain greater than their book value as at 31 December 2022.

Brands

The Group owns several brands measured at a total value of €105.4 million. These brands have an indefinite useful life and are therefore not amortised.

The brands were tested, and no impairment was recognised as of 31 December 2022.

7.3 Right-of-use on tangible and intangible fixed assets

(€ millions)	Land and Constructions	Vehicles	Other	Gross rights to use	Amort. Land and Constructions	Amort. Vehicles	Amort. Other	Amort.	Net rights to use
As of 31 December 2021	**153.2**	**4.7**	**0.8**	**158.7**	**(27.6)**	**(2.0)**	**(0.6)**	**(30.3)**	**128.4**
New contracts/Increases	10.2	1.8	-	12.0	(15.5)	(1.4)	(0.1)	(17.0)	(5.0)
Contract terminations/Reversals	(2.6)	(1.5)	(0.6)	(4.7)	2.5	1.3	0.6	4.4	(0.3)
AS OF 31 DECEMBER 2022	**160.8**	**5.0**	**0.2**	**166.0**	**(40.5)**	**(2.2)**	**(0.2)**	**(42.8)**	**123.1**

The assets recognised in respect of right-of-use property leases mainly concern the leases of premises occupied by the Group's employees, and vehicle leases.

These assets are initially measured at cost with a corresponding lease liability (see Note 6.2). They are amortised on a straight-line basis over the reasonably certain lease term.

The lease term used for each contract corresponds to the reasonably certain lease term, *i.e.* the non-cancellable period adjusted for early termination options that the Group is reasonably certain not to exercise and extension options the Group is reasonably certain to exercise.

The changes are related to the signing of new property leases and/or the revision of contracts such as:

- changes to the rental contract;
- increase or decrease in the lease term or the amount of rents indexed to an index or rate.

7.4 Operational working capital requirement

Summary of components of operational working capital requirement

(€ millions)	31/12/2022	31/12/2021	Flows: Created by the business	Flows: Changes in consolidation scope and transfer	Flows: Change in consolidation method
Net inventories and work in progress	**1,159.3**	**922.6**	**160.1**	**76.6**	**-**
Contract assets	**723.1**	**714.1**	**(34.8)**	**43.8**	**-**
Net trade receivables	347.1	340.7	(5.0)	11.4	(0.0)
Other operating receivables net	552.2	517.4	18.4	15.9	0.0
Trade and other operating receivables net	**899.3**	**858.0**	**13.4**	**27.4**	**0.0**
Contract liabilities	**(351.4)**	**(168.1)**	**(182.8)**	**(0.5)**	**-**
Trade payables	(935.9)	(1,008.6)	93.6	(20.4)	-
Other operating payables	(574.2)	(587.3)	56.8	(43.6)	0.0
Trade payables and other operating liabilities	**(1,510.1)**	**(1,595.9)**	**150.4**	**(64.0)**	**0.0**
OPERATIONAL WCR	**920.2**	**730.6**	**106.3**	**83.2**	**0.0**

The Group's operational working capital requirement (excluding receivables and payables on the sale or acquisition of fixed assets) is essentially linked to the Property Development sector.

Changes in scope and transfers mainly reflect transfers in the Retail business (assets transferred from investment properties to inventories following changes in the nature of the projects) and changes in the scope of consolidation in the Property Development business.

7.4.1 Inventories and pipeline products

(€ millions)	Gross inventories	Impairment	Net inventories
As of 1 January 2021	**881.0**	**(21.7)**	**859.3**
Change	31.6	(0.3)	31.3
Increases	-	(4.5)	(4.5)
Reversals	-	10.0	10.0
Transfers to or from other categories	24.4	(0.1)	24.3
Change in scope of consolidation	2.2	(0.0)	2.1
As of 31 December 2021	**939.1**	**(16.5)**	**922.6**
Change	170.5	0.6	171.0
Increases	-	(18.3)	(18.3)
Reversals	-	7.4	7.4
Transfers to or from other categories	43.6	0.5	44.1
Change in scope of consolidation	32.4	-	32.4
AS OF 31 DECEMBER 2022	**1,185.7**	**(26.4)**	**1,159.3**

The change in inventories is mainly due to changes in the Group's Property Development business.

Changes in scope are mainly related to changes in scope within the Property Development business and asset transfers (investment properties to inventories) are due to changes in the nature of projects.

7.4.2 Trade and other receivables

(€ millions)	31/12/2022	31/12/2021
Gross trade receivables	**390.2**	**384.6**
Opening impairment	**(43.9)**	**(36.8)**
Increases	(15.6)	(31.5)
Change in scope of consolidation	0.4	-
Reversals	15.8	24.3
Other changes	0.3	0.0
Closing impairment	**(43.0)**	**(43.9)**
NET TRADE RECEIVABLES	**347.1**	**340.7**
Advances and down payments paid	50.1	43.1
VAT receivables	340.5	343.2
Sundry debtors	48.6	32.1
Prepaid expenses	70.7	52.9
Principal accounts in debit	43.9	47.1
Total other operating receivables gross	**553.8**	**518.3**
Opening impairment	**(1.0)**	**(1.1)**
Increases	(1.2)	(0.2)
Reclassification	-	0.0
Reversals	0.6	0.3
Closing impairment	**(1.6)**	**(1.0)**
NET OPERATING RECEIVABLES	**552.2**	**517.4**
TRADE RECEIVABLES AND OTHER OPERATING RECEIVABLES	**899.3**	**858.0**
Receivables on sale of assets	0.8	0.2
TRADE AND OTHER RECEIVABLES	**900.1**	**858.2**

Detail of trade receivables due

(€ millions)	31/12/2022
Total gross trade receivables	**390.2**
Impairment of trade receivables	(43.0)
TOTAL NET TRADE RECEIVABLES	**347.1**
Trade accounts to be invoiced	(40.9)
Non eligibles clients	(39.3)
TRADE ACCOUNTS RECEIVABLE DUE	**266.9**

(€ millions)	Total	On time	At 30 days	At 60 days	At 90 days	More than 90 days
Trade accounts receivable due	266.9	154.8	0.9	54.0	7.5	49.7

Trade receivables

The Group carries out a case-by-case analysis to assess the credit risk of its tenants in centres in operation, and to write down, if necessary, the receivables of tenants where there is evidence that the Company will not be able to collect all amounts due.

Trade receivables related to the Property Development business result from the transformation of contract assets (into receivables) as funds are called from customers under the Group's unconditional right to receive cash.

Advances and down payments paid

Advances and down payments correspond primarily to compensation for loss of use paid by the Group to the sellers of land when preliminary sales agreements are signed (for those not covered by guarantees) as part of its Property development business. They are offset against the price to be paid on completion of the purchase.

Principal accounts in debit

As part of its property management business and real estate transactions, the Group presents the cash balance it manages for third parties on its balance sheet.

7.4.3 Trade and other payables

(€ millions)	31/12/2022	31/12/2021
TRADE PAYABLES AND RELATED ACCOUNTS	**935.9**	**1,008.6**
Advances and down payments received from clients	20.2	23.4
VAT collected	302.7	321.8
Other tax and social security payables	77.9	63.6
Prepaid income	15.5	10.0
Other payables	114.1	121.4
Principal accounts in credit	43.8	47.2
OTHER OPERATING PAYABLES	**574.2**	**587.3**
Amounts due on non-current assets	101.0	144.7
TRADE AND OTHER PAYABLES	**1,611.1**	**1,740.6**

Payables on acquisition of assets

Payables on acquisition of assets correspond mainly to debts to suppliers for shopping centres just completed or under development.

NOTE 8 MANAGEMENT OF FINANCIAL RISKS

The Group is exposed to the following risks as part of its operational and financing activities: interest rate risk, liquidity risk, counterparty risk and currency risk.

As the Group does not carry out any transactions in foreign currencies, it is not subject to currency risk.

8.1 Carrying amount of financial instruments by category

As of 31 December 2022

(€ millions)	Total carrying amount	Non-financial assets	Financial assets and liabilities carried at amortised cost		Financial assets and liabilities carried at fair value				
			Loans Receivables	Liabilities at amortised cost	Equity instruments	Assets and liabilities at fair value through profit and loss	Level 1[(a)]	Level 2[(b)]	Level 3[(c)]
NON-CURRENT ASSETS	**512.0**	**204.2**	**306.0**	**-**	**1.8**	**-**	**-**	**-**	**1.8**
Securities and investments in equity affiliates	491.7	204.2	287.5	-	-	-	-	-	-
Non-current financial assets	20.3	-	18.5	-	1.8	-	-	-	1.8
CURRENT ASSETS	**2,094.4**	**-**	**1,885.6**	**-**	**-**	**208.8**	**48.1**	**160.6**	**-**
Trade and other receivables	900.1	-	900.1	-	-	-	-	-	-
Current financial assets	81.4	-	33.2	-	-	48.1	48.1	-	-
Derivative financial instruments	160.6	-	-	-	-	160.6	-	160.6	-
Cash and cash equivalents	952.3	-	952.3	-	-	-	-	-	-
NON-CURRENT LIABILITIES	**2,494.1**	**-**	**-**	**2,494.1**	**-**	**-**	**-**	**-**	**-**
Borrowings and financial liabilities	2,454.8	-	-	2,454.8	-	-	-	-	-
Deposits and security interests received	39.3	-	-	39.3	-	-	-	-	-
CURRENT LIABILITIES	**2,158.5**	**-**	**-**	**2,158.5**	**-**	**0.0**	**-**	**0.0**	**-**
Borrowings and financial liabilities	547.4	-	-	547.4	-	-	-	-	-
Trade and other payables	1,611.1	-	-	1,611.1	-	-	-	-	-

(a) Financial instruments listed on an active market.
(b) Financial instruments whose fair value is determined using valuation techniques based on observable market inputs.
(c) Financial instruments whose fair value (in whole or in part) is based on non-observable inputs.

Equity instruments mainly comprise equity securities of non-consolidated companies. At each acquisition, an analysis is carried out to determine the Group's management intention, and therefore its accounting method (change in value through income or by OCI).
Cash and cash equivalents breakdown between cash presented under receivables and marketable securities presented as financial assets within Level 1 of the fair value hierarchy.

As of 31 December 2021

(€ millions)	Total carrying amount	Non-financial assets	Financial assets and liabilities carried at amortised cost		Financial assets and liabilities carried at fair value				
			Loans Receivables	Liabilities at amortised cost	Equity instruments	Assets and liabilities at fair value through profit and loss	Level 1[(a)]	Level 2[(b)]	Level 3[(c)]
NON-CURRENT ASSETS	**481.4**	**148.8**	**328.1**	**-**	**4.5**	**-**	**-**	**-**	**4.5**
Securities and investments in equity affiliates	459.4	148.8	310.6	-	-	-	-	-	-
Non-current financial assets	22.0	-	17.5	-	4.5	-	-	-	4.5
CURRENT ASSETS	**2,524.1**	**-**	**2,461.8**	**-**	**-**	**62.3**	**50.3**	**12.0**	**-**
Trade and other receivables	858.2	-	858.2	-	-	-	-	-	-
Current financial assets	28.3	-	28.3	-	-	-	-	-	-
Derivative financial instruments	12.0	-	-	-	-	12.0	-	12.0	-
Cash and cash equivalents	1,625.5	-	1,575.3	-	-	50.3	50.3	-	-
NON-CURRENT LIABILITIES	**2,930.3**	**-**	**-**	**2,930.3**	**-**	**-**	**-**	**-**	**-**
Borrowings and financial liabilities	2,891.7	-	-	2,891.7	-	-	-	-	-
Deposits and security interests received	38.7	-	-	38.7	-	-	-	-	-
CURRENT LIABILITIES	**2,595.9**	**-**	**-**	**2,579.2**	**-**	**16.7**	**-**	**16.7**	**-**
Borrowings and financial liabilities	838.5	-	-	838.5	-	-	-	-	-
Derivative financial instruments	16.7	-	-	-	-	16.7	-	16.7	-
Trade and other payables	1,740.6	-	-	1,740.6	-	-	-	-	-

(a) Financial instruments listed on an active market.
(b) Financial instruments whose fair value is determined using valuation techniques based on observable market inputs.
(c) Financial instruments whose fair value (in whole or in part) is based on non-observable inputs.

Equity instruments mainly comprise equity securities of non-consolidated companies. At each acquisition, an analysis is carried out to determine the Group's management intention, and therefore its accounting method (change in value through income or by OCI).
Cash and cash equivalents breakdown between cash presented under receivables and marketable securities presented as financial assets within Level 1 of the fair value hierarchy.

8.2 Interest rate risk

The Group is exposed to market risk, particularly with regard to interest rate risk. The Group uses a number of financial instruments to cope with this risk. The Group holds a portfolio of swaps and caps designed to hedge against interest rate risk on its financial debts.

The objective is to reduce, where it deems appropriate, fluctuations in cash flows linked to changes in interest rates.

Derivative instruments are measured and recognised at fair value in the balance sheet based on external valuations. Changes in the fair value of derivative instruments are always recognised in income. The Group has not opted for hedge accounting.

The Group mainly uses credit markets.

Position in derivative financial instruments

(€ millions)	31/12/2022	31/12/2021
Interest-rate swaps	126.7	(16.6)
Interest-rate caps	28.4	4.9
Accrued interest not yet due	5.5	7.1
TOTAL	**160.6**	**(4.7)**

Derivatives were valued by discounting future cash flows estimated according to interest rate curves at 31 December 2022.

Maturity schedule of derivative financial instruments (notional amounts)

As of 31 December 2022

(€ millions)	31/12/2022	31/12/2023	31/12/2024	31/12/2025	31/12/2026	31/12/2027
ALTAREA – pay fixed – swap	500.0	1,025.0	1,025.0	825.0	825.0	825.0
ALTAREA – pay floating rate – swap	300.0	-	-	-	-	-
ALTAREA – cap	262.5	262.5	262.5	262.5	262.5	262.5
TOTAL	**1,062.5**	**1,287.5**	**1,287.5**	**1,087.5**	**1,087.5**	**1,087.5**
Average hedge ratio	-0.13%	0.34%	0.33%	0.37%	0.36%	0.36%

As of 31 December 2021

(€ millions)	31/12/2021	31/12/2022	31/12/2023	31/12/2024	31/12/2025	31/12/2026
ALTAREA – pay fixed – swap	500.0	500.0	1,025.0	1,025.0	525.0	525.0
ALTAREA – pay floating rate – swap	700.0	700.0	700.0	300.0	300.0	-
ALTAREA – cap	262.5	262.5	262.5	262.5	262.5	262.5
TOTAL	**1,462.5**	**1,462.5**	**1,987.5**	**1,587.5**	**1,087.5**	**787.5**
Average hedge ratio	0.19%	0.19%	0.17%	0.13%	-0.30%	0.10%

Management position

As of 31 December 2022

(€ millions)	31/12/2022	31/12/2023	31/12/2024	31/12/2025	31/12/2026	31/12/2027
Fixed-rate bond and bank loans	(1,413.2)	(1,390.6)	(1,135.3)	(796.1)	(745.6)	(745.6)
Floating-rate bank loans	(1,093.8)	(677.4)	(518.7)	(455.0)	(399.0)	(339.0)
Cash and cash equivalents (assets)	952.3	-	-	-	-	-
Net position before hedging	**(1,554.7)**	**(2,068.0)**	**(1,654.0)**	**(1,251.1)**	**(1,144.6)**	**(1,084.6)**
Swap	800.0	1,025.0	1,025.0	825.0	825.0	825.0
Cap	262.5	262.5	262.5	262.5	262.5	262.5
Total derivative financial instruments	**1,062.5**	**1,287.5**	**1,287.5**	**1,087.5**	**1,087.5**	**1,087.5**
NET POSITION AFTER HEDGING	**(492.2)**	**(780.5)**	**(366.5)**	**(163.6)**	**(57.1)**	**2.9**

As of 31 December 2021

(€ millions)	31/12/2021	31/12/2022	31/12/2023	31/12/2024	31/12/2025	31/12/2026
Fixed-rate bond and bank loans	(1,749.3)	(1,722.9)	(1,722.8)	(1,337.2)	(837.1)	(787.0)
Floating-rate bank loans	(1,521.9)	(803.6)	(594.5)	(438.4)	(398.3)	(342.3)
Cash and cash equivalents (assets)	1,625.5	-	-	-	-	-
Net position before hedging	**(1,645.6)**	**(2,526.5)**	**(2,317.4)**	**(1,775.6)**	**(1,235.4)**	**(1,129.3)**
Swap	1,200.0	1,200.0	1,725.0	1,325.0	825.0	525.0
Cap	262.5	262.5	262.5	262.5	262.5	262.5
Total derivative financial instruments	**1,462.5**	**1,462.5**	**1,987.5**	**1,587.5**	**1,087.5**	**787.5**
NET POSITION AFTER HEDGING	**(183.1)**	**(1,064.0)**	**(329.9)**	**(188.1)**	**(147.9)**	**(341.8)**

Analysis of interest-rate sensitivity

The following table shows the interest-rate sensitivity (including the effect of hedging instruments) of the entire portfolio of floating-rate borrowings from credit establishments and derivative instruments.

	Increase/decrease in interest rates	Impact of the gain (-) or loss (+) on pre-tax	Impact on the value of the portfolio of the financial instruments
31/12/2022	+50 bps -50 bps	+€0.1 million €-0.6 million	+€30.1 million €-31.2 million
31/12/2021	+50 bps -50 bps	+€2.5 million €-2.3 million	+€16.0 million €-15.9 million

8.3 Liquidity risk

Cash

The Group maintained significant access to liquidity, accompanied by good conditions.

The Group had a positive cash position of €952.3 million at 31 December 2022, compared to €1,625.5 million at 31 December 2021. This represents its main tool for management of liquidity risk (see Note 6.2.1 "Net financial bond and bank debt").

Part of this cash is available for the subsidiaries that carry it: as of 31 December 2022, this cash amounted to €434.6 million.

As of the same date, €517.7 million in cash is available at Group level.

The Group can also draw down an additional €1,427.5 million (in the form of unused confirmed corporate credit lines not allocated to development projects or operations), to use without restriction.

Financial covenants and ratios

The Group is also required to comply with a certain number of financial covenants that contribute to the monitoring and management of the Group's financial risks.

The covenants with which the Group must comply concern the listed corporate bond and banking loans, for €1,259 million.

The bond issue subscribed for by Altareit SCA (€338.5 million) is subject to leverage covenants.

They are listed below:

	Altarea Group covenants	31/12/2022	Consolidated Altareit covenants	31/12/2022
Loan To Value (LTV)				
Net bond and bank financial debt/re-assessed value of the Company's assets	< 60%	24.5%		
Interest Cover Ratio (ICR)				
Operating income (FFO column or cash flow from operations)/Company's net borrowing cost (FFO column)	> 2	13.0		
Leverage				
Gearing: Net financial debt/Equity			≤ 3.25	0.1
ICR: EBITDA/Net interest expenses			≥ 2	13.7

At 31 December 2022, the Company met all its covenants. In the highly likely event that certain debt may be required to be partially repaid at a subsequent date, the amount of these repayments would be recognised under current liabilities until the maturity date.

Counterparty risk

In the course of its business, the Group is exposed to two main categories of counterparty: financial institutions and tenants.

With regard to financial institutions, credit and/or counterparty risks relate to cash and cash equivalents, derivatives arranged to hedge interest rate risk, and the banking institutions with which these products are arranged.

To limit this risk, the Group only arranges hedging with leading financial institutions. The selected vehicles have a very limited risk profile and are monitored.

With regard to tenants, the group believes it has no significant exposure to credit risk due to its diversified portfolio of tenants. in the retail business, tenants also provide financial guarantees, mainly in the form of security deposits, on signing lease agreements.

NOTE 9 RELATED PARTY TRANSACTIONS

Ownership structure of Altarea SCA

As a percentage	31/12/2022 % share capital and theoretical voting rights	31/12/2022 % actual voting rights	31/12/2021 % share capital and theoretical voting rights	31/12/2021 % actual voting rights
Extended Concert[(a)]	45.00	45.48	44.93	45.39
Crédit Agricole Assurances Group	24.56	24.82	24.66	24.91
APG (ABP)	7.06	7.14	7.09	7.16
Opus Investment BV[(b)]	1.62	1.63	1.62	1.64
Treasury Shares	1.05	-	1.01	-
Public + employee investment mutual fund	20.71	20.93	20.69	20.90
TOTAL	**100.00**	**100.00**	**100.00**	**100.00**

(a) The controlling group of Alain Taravella (comprising the companies he controls and the members of his family), Jacques Nicolet (including the company he controls), and Jacques Ehrmann, acting in concert.
(b) Directed and controlled by Christian de Gournay, and the shares held by him.

Related party transactions

The Group's main related parties are the companies controlled by Alain Taravella, founding Chairman of the Group, which hold stakes in Altarea: AltaGroupe, AltaPatrimoine and Altager.

The Company is managed by Altafi 2 and Atlas which are controlled and chaired by Alain Taravella. Jacques Ehrmann is Chief Executive Officer of Altafi 2.

Transactions with these related parties mainly relate to services rendered by the aforementioned Management and to a lesser extent, services and rebillings by the Company to AltaGroupe and its subsidiaries.

Coordinating services provided to the Company

In order to formalise the services habitually provided to Altarea by AltaGroupe, the coordinating holding Company, and to spell out the services provided by the latter, a coordination agreement was signed in 2017, in which the previously applied conditions were unchanged. A new coordination agreement, which replaces the previous one, was signed in 2022 between AltaGroupe, on the one hand, and Altarea, inter alii, on the other.

Assistance services and rebilling by the Company and its subsidiaries

Assistance services and rebilling of rents and other items are recognised as a deduction from other company overhead costs in the amount of €0.3 million. Services invoiced to related parties by the Altarea Group are invoiced on an arm's length basis.

Assets and liabilities toward related parties

	Altafi 2 SAS	
(€ millions)	31/12/2022	31/12/2021
Trade and other receivables	0.3	0.1
TOTAL ASSETS	**0.3**	**0.1**
Trade and other payables[(a)]	0.8	1.0
TOTAL LIABILITIES	**0.8**	**1.0**

(a) Corresponds to Management's variable compensation.

In addition, new management fee agreements were set up in 2021 to remunerate the services provided by Altarea, Altareit and Altarea Management for the benefit of Group companies. The remuneration of these management fees has been defined by mutual agreement according to the cost of the services provided and is in line with the market price.

Compensations of the Management

Management compensation is received entirely by Altafi 2 in the form of fees[(1)].

No share-based compensation or other short-term or long-term or other forms of compensation were paid by Altarea or its subsidiaries to the Management.

The fixed remuneration of Management in respect of Altarea and Altareit is €1.8 million for the year.

The annual variable compensation of the Managing Partners potentially payable by Altarea is based partly on FFO, Group share, for the financial year and partly on the Company's GRESB classification. The amount paid by Altareit is based partly on the consolidated net income, Group share, for the financial year, above a pre-set threshold and partly on the achievement of non-financial objectives related to the climate and human resources.

For information purposes, it stood at €1.0 million in 2022.

The total amount of fixed and variable compensation that may be paid to the Managing Partners by Altarea and Altareit for the 2022 financial year is capped at €4 million.

Compensation of the Group's senior executives

(€ millions)	31/12/2022	31/12/2021
Gross wages[(a)]	4.1	4.0
Social security contributions	1.7	1.7
Share-based payments[(b)]	8.7	7.5
Number of shares delivered during the period	30,558	34,293
Post-employment benefits[(c)]	0.0	0.0
Other short- or long-term benefits and compensation[(d)]	0.0	0.0
Termination indemnities[(e)]	-	-
Employer contribution on free shares delivered	0.9	1.1
Post-employment benefit commitment	0.7	0.8

(a) Fixed and variable compensation.
(b) Charge calculated in accordance with IFRS 2.
(c) Pension service cost according to IAS 19, life insurance and medical care.
(d) Benefits in kind, directors' fees and other compensation vested but payable in the future (short- or long-term).
(e) Post-employment benefits, including social security costs.

In number of rights on equity in circulation	31/12/2022	31/12/2021
Rights to Altarea SCA's free shares grants	142,231	159,603

The information presented relates to the compensation and benefits granted (i) to executive corporate officers for offices held in subsidiaries and (ii) to the Group's main salaried executives.

(1) Alain Taravella, as Co-Manager in a personal capacity of Altarea until 12 December 2022 (Altafi 2 and Atlas, chaired by Alain Taravella continue to be Co-Managers of Altarea), received no compensation from Altarea or its subsidiaries during the year. He receives compensation from a holding company that he controls that holds a stake in Altarea.

NOTE 10 GROUP COMMITMENTS AND CONTINGENT LIABILITIES

10.1 Off-balance sheet commitments

The main commitments given by the Group are mortgages and mortgage commitments made to secure loans or lines of credit from credit establishments.

Pledges of securities and undertakings not to sell or assign ownership units are also made by the Company to secure certain loans.

These commitments appear in Note 6.2 "Net financial debt and guarantees".

In addition, the Company has received commitments from banks for unused credit lines, which are described in Note 8.3 "Liquidity risk".

All other material commitments are set out below:

(€ millions)	31/12/2021	31/12/2022	Less than 1 year	From one to five years	More than five years
Commitments received					
Commitments received relating to financing (excl. borrowings)	**-**	**-**	**-**	**-**	**-**
Commitments received relating to Company acquisitions	**10.6**	**11.9**	**-**	**6.4**	**5.5**
Commitments received relating to operating activities	**168.4**	**123.8**	**100.6**	**8.0**	**15.1**
Security deposits received in the context of the Hoguet Act (France)	87.9	96.7	96.7	-	-
Security deposits received from tenants	23.9	24.3	2.7	8.0	13.6
Payment guarantees received from customers	44.6	1.5	-	-	1.5
Unilateral land sale undertakings received and other commitments	0.3	-	-	-	-
Other commitments received relating to operating activities	11.8	1.3	1.3	-	-
TOTAL	**178.9**	**135.6**	**100.6**	**14.3**	**20.6**
Commitments given					
Commitments given relating to financing (excl. borrowings)	**11.0**	**11.0**	**5.0**	**6.0**	**-**
Commitments given relating to Company acquisitions	**68.7**	**48.6**	**-**	**48.6**	**-**
Commitments given relating to operating activities	**2,213.9**	**2,220.1**	**886.9**	**1,306.5**	**26.6**
Construction work completion guarantees (given)	1,928.0	1,885.3	738.9	1,146.4	-
Guarantees given on forward payments for assets	170.8	225.8	116.5	109.3	-
Guarantees for loss of use	61.1	43.5	16.6	25.4	1.5
Other sureties and guarantees granted	54.0	65.5	15.1	25.4	25.1
TOTAL	**2,293.6**	**2,279.7**	**891.9**	**1,361.1**	**26.6**

Commitments received

Commitments received relating to acquisitions/disposals

As part of its acquisition of the developer Severini, the Group received a commitment from the sellers to guarantee it until 31 January 2025 against any damage or loss up to €2 million, incurred by the Group as a result of the business activities, with a cause or origin predating 31 March 2018.

As part of its acquisition of the developer XF, the Group received a liability guarantee from the sellers in the amount of €2.3 million expiring at the end of July 2025.

The Group and Woodeum Holding arranged a potential liquidity of their securities and secured the Group's ability to buy the balance of the shares not held, should it so wish. The Group has moreover received representations and warranties in the context of this investment.

Commitments received relating to operating activities

Security deposits

Under France's "Hoguet Act", the Group holds security deposits received specialist bodies in an amount of €96.7 million as a guarantee covering its real estate management and trading activities.

The Group also receives security deposits from its tenants to guarantee that they will pay their rent.

Payment guarantees received from customers

The Group receives customer payment guarantees issued by financial institutions to guarantee sums payable by the customer. They mainly relate to Retail and Office property development projects.

Unilateral land sale undertakings received and other commitments

Other guarantees received consist mainly of commitments received from property sellers.

Other commitments received

In its Property Development business, the Group receives deposits on construction contracts from contractors to cover holdbacks (up to 5% of the amount of the contract – non-costed commitment).

Commitments given

Commitments given relating to financing activities

The Group makes representations and warranties or contingent consideration when disposing of shares in subsidiaries and affiliates. When the Group considers that it is probable that there will be a cash outlay under the terms of these guarantees, it sets aside allowances to provisions and their amount is reassessed at each closing date.

The main commitments concern:

- undertaking to subscribe for the capital of companies comprising the AltaFund investment fund in the amount of €13.6 million (firm commitment for identified projects);
- liability guarantees of €35 million given following the disposal of miscellaneous assets.

The shares of Altablue, Aldeta, Alta Crp Gennevilliers, Alta Crp La Valette, Alta Gramont, Toulouse Gramont, Bercy Village and Société d'Aménagement de la Gare de l'Est as well as assets held by these companies, are for a limited period subject to conditions for sale contingent on the agreement of each of the partners of these companies.

As part of the Crédit Agricole Assurances agreements, the Group has signed a certain number of legal undertakings that restrict the liquidity of its shareholding under certain conditions.

Commitments given relating to operating activities

Construction work completion guarantees

Completion guarantees are given to customers as part of off-plan sales and are provided on behalf of Group companies by financial institutions, mutual guarantee organisations or insurance companies. They are reported in the amount of risk borne by the financial institution that issued the guarantee.

In return, Group companies give financial institutions a promise of mortgage security and an undertaking not to sell ownership units.

Guarantees on forward payments for assets

These guarantees mainly cover purchases of land or buildings for the Property Development business.

Minimum future rents to be received

Guarantees for loss of use As part of its Property Development activities, the Group signs preliminary sales agreements with landowners, the execution of which is subject to conditions precedent, including conditions relating to obtaining administrative authorisations. In return for their undertakings, landowners receive compensation for loss of use, which takes the form of an advance (carried on the asset side of the balance sheet) or a surety (an off-balance sheet liability). The Group undertakes to pay the compensation for loss of use if it decides not to buy the land when the conditions precedent are met.

Other sureties and guarantees granted

The other sureties and guarantees given mainly relate to the Group's involvement in AltaFund, its Business property real estate investment fund, and guarantees given as part of its development activity.

Reciprocal commitments

Notably in the ordinary course of its Property Development activities, the Group enters into reciprocal commitments to ensure the REIT control of future projects. The Group signs bilateral sales agreements with landowners: the owner undertakes to sell its land and the Group commits to buy it if all conditions precedent (administrative and/or marketing) are met.

Other commitments

In the conduct of its proprietary shopping centre development business, Altarea has made commitments to invest in projects initiated and controlled by the Company.

Moreover, in the conduct of its Residential property development, the Group signs reservation contracts (or preliminary sales agreements) with its customers, the execution of which depends on whether the customers meet the conditions precedent, particularly with respect to their ability to secure financing.

As part of its Property Development business, the Group has a future offering consisting of unilateral preliminary sales agreements.

The amount of these commitments is shown in the business review.

Minimum future rents to be received

The total of minimum future rents to be received under non-cancellable rental agreements over the period amounted to:

(€ millions)	31/12/2022	31/12/2021
Less than 1 year	202.0	193.4
Between one and five years	469.4	489.4
More than five years	208.3	225.6
GUARANTEED MINIMUM RENT	**879.8**	**908.4**

Rents receivable relate mainly to shopping centres owned by the Group.

10.2 Contingent liabilities

Correction proposals concerning the registration fees related to the sale by Alta Faubourg of the Semmaris shares in 2018 and 2020 were received in 2021 and 2022.

As registration fees are guaranteed by Alta Faubourg, the risk, which amounted to €11.0 million in fees and late payment penalties, was borne by the Group.

The Company had strong arguments to contest the adjustments, which had not been provisioned.

In a letter dated 23 August 2022, the tax authorities abandoned all of the proposed adjustments.

No other new litigation or governmental, legal, or arbitration proceedings that are likely to have significant effects on the Company's financial position or profitability arose in the period, other than those for which a provision has been recognised (see Note 6.3 "Provisions") or for which the case is ongoing.

Regarding the Primonial litigation, in agreement with its advisors, no provision has been recorded by the Group (see note 4.1 "Major events").

NOTE 11 POST-CLOSING EVENTS

Having owned 50% of Woodeum's capital since July 2019, Altarea purchased the remainder from WO2 Holding on 21 February 2023, making it the sole shareholder of France's leading brand in low-carbon solid wood residential property. Against a backdrop of climate change and evolving regulations, this acquisition confirms Altarea's ambition to accelerate its transition to low-carbon housing by strengthening Woodeum's resources to pursue its growth trend.

NOTE 12 APPOINTMENT OF STATUTORY AUDITORS

	E&Y				Grant Thornton				Mazars				Other				Total			
	Amount		%		Amount		%		Amount		%		Amount		%		Amount		%	
(€ millions)	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Statutory audit, certification, examination of individual and consolidated financial statements																				
■ Altarea SCA	0.3	0.3	23%	15%	-	0.3	0%	27%	0.2	-	25%	0%	-	-	0%	0%	0.5	0.6	18%	18%
■ Fully consolidated subsidiaries	1.0	1.3	69%	56%	0.4	0.4	71%	36%	0.5	-	55%	0%	0.1	0.1	100%	100%	1.9	1.7	65%	51%
Services other than the certification of the financial statements																				
■ Altarea SCA	0.1	0.4	7%	16%	0.1	0.4	14%	37%	0.1	-	12%	0%	-	-	0%	0%	0.3	0.8	9%	22%
■ Fully consolidated subsidiaries	0.0	0.3	2%	13%	0.1	0.0	15%	0%	0.1	-	8%	0%	0.0	(0.0)	0%	0%	0.2	0.3	7%	9%
TOTAL	**1.4**	**2.3**	**100%**	**100%**	**0.6**	**1.1**	**100%**	**100%**	**0.9**	**-**	**100%**	**100%**	**0.1**	**0.1**	**100%**	**100%**	**3.0**	**3.4**	**100%**	**100%**

2.4 Statutory Auditors report on the Consolidated Financial Statements

To the General Shareholders' Meeting of the Altarea company,

Opinion

In accordance with the mission assigned to us by your General Shareholders' Meeting, we have carried out the audit of the consolidated financial statements of Altarea relating to the year ended 31 December 2022, as attached to this report.

In our opinion, the consolidated financial statements give a true and fair view of the result of operations in the elapsed year, and of the financial position and assets, at the end of the financial year of the companies and entities included in the consolidated group in accordance with IFRS standards as adopted by the European Union.

The opinion set out above is consistent with the content of our report to the Audit Committee.

Basis of the opinion

Audit guidelines

We conducted our audit in accordance with professional standards applicable in France. We believe that the information we obtained provides a reasonable basis for our opinion given below.

Our responsibilities under these standards are set out in the section entitled "Responsibilities of the Statutory Auditors as regards the audit of the consolidated financial statements" of this report.

Independence

We carried out our audit mission in compliance with the independence rules provided for by the French Commercial Code and the Code of Ethics of the Statutory Auditors on the period from 1 January 2022 at the date of issue of our report, and in particular we have not provided services prohibited by Article 5 (1) of Regulation (EU) No. 537/2014.

Basis for our assessments – Key audit matters

It is in this complex and evolving context that, pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most important for the audit of the consolidated financial statements for the year, as well as the responses we have provided to address these risks.

Our assessments in this respect were made within the context of the audit of the consolidated financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion as to the items contained in these consolidated financial statements taken in isolation.

Measurement of goodwill and brands

Risk identified	Our response
As of 31 December 2022, goodwill and brands were recorded in the balance sheet in a net carrying amount of €320 million, of which €215 million in goodwill mainly relating to the acquisitions of Cogedim, Pitch Promotion and Histoire & Patrimoine, and €105 million in goodwill mainly relating to the Cogedim, Pitch Promotion and Histoire & Patrimoine brands. Goodwill and brands are systematically tested for impairment annually, or more frequently if internal or external events or circumstances indicate a loss of value. For goodwill, as indicated in Note 2.3.7 to the consolidated financial statements, an impairment loss is recognised, if applicable, when the net carrying amount of the assets directly related or attributable to the CGU or group of CGUs is greater than the recoverable amount of the CGU. It is booked first to goodwill and then to other intangible assets and property, plant and equipment pro rata their carrying amount (as a reversible loss). The recoverable amount of the CGU or group of CGUs is defined as the highest amount between the sale price net of the costs which might be incurred in order to conduct the sale and the value in use of the CGU or group of CGUs. The determination of the recoverable amounts of each group of assets is tested using the discounted cash flow method, which requires the use of assumptions, estimates and assessments by the Group's management, backed up by peer comparisons and transaction multiples. Brands are tested individually. Their recoverable amount is determined using the royalty method. An impairment loss is recognised, if applicable, when the net carrying amount of the brand is greater than its recoverable amount. Given the amounts and sensitivity of these assets to changes in the data and assumptions on which the estimates are based, particularly the forecasts for cash flow and discount rates used, we considered the measurement of differences acquisition and brands as a key audit point.	We reviewed the process established by your Group for determining the recoverable amount of goodwill and brands, grouped into CGUs. The work also involved: ■ obtaining an understanding of the principles and method used to determine the recoverable amounts of the CGUs to which the goodwill is attached, as well as the corresponding net assets; ■ reconciling the net carrying amounts of the net assets attached to the CGUs tested with your Group's accounting data; ■ analysing, with the help of the valuation experts in our audit teams, the valuation models used as well as the long-term growth rates, discount rates and royalty rates applied in these models; ■ examining, through discussions with management, the main assumptions on which the budget estimates underlying the cash flows on which the valuation models are based. To this end, we compared the estimates of cash flow projections from previous periods to the actual results achieved; ■ verifying, on a sample basis, the arithmetical accuracy of the assessments used by your Group.

Valuation of investment properties in operation and investment properties under development or construction

Risk identified	Our response
Your Group's investment properties portfolio consists of properties in operation and properties under development or construction on a proprietary basis. As of 31 December 2022, investment properties were recorded in the balance sheet at a net carrying amount of €4,087 million, or 45% of total assets, including €3,793 million in investment properties measured at fair value, €199 million in investment properties measured at cost and €95 million of rights of use on investment properties. In accordance with IAS 40, your Group has opted for the fair value model, and accordingly values its investment properties at fair value whenever it can be determined reliably. Otherwise, they are carried at cost and are tested for impairment at least once per year and whenever there is evidence of impairment. As indicated in Note 2.3.5 to the consolidated financial statements, investment properties in operation are systematically measured at fair value. Investment properties under development and construction are measured either at cost or at fair value. For investment properties measured at fair value, the Group relies on independent external appraisers giving valuations including transfer duties less the amount of duties corresponding to transfer fees and duties. Appraisers use two valuation methods: ▪ a method based on discounting projected cash flows over ten years, taking into account the resale value at the end of the period determined by capitalising net rental income; and ▪ a method based on the capitalisation of net rental income; the appraisers apply a yield on cost based on the characteristics of the site and the rental income adjusted for all expenses borne by the owner. The valuation of an investment property is a complex estimation exercise that requires significant judgements on the part of management, based on the reports of independent appraisers. These estimates incorporate assumptions about discount rates, yields and rental data which depend on market trends and may prove different in the future. We considered the valuation of investment properties to be a key audit matter due to the amounts involved and the significant degree of judgement involved in the main assumptions used for the valuation of investment properties.	We reviewed the valuation process of the investment properties in operation and investment properties under development or construction used by the Group. The work also involved: ▪ assessing the independence of property appraisers by examining the application of the Group's rules on rotation and remuneration and their competence as attested by professional qualifications and experience; ▪ taking note of the written instructions given by the Group's management to the appraisers, detailing the nature of their work and the scope and limits of their work; ▪ examining, on a sample basis, the consistency of the information provided by the Finance Department to the appraisers for the fair-value appraisal of investment properties, with data such as rental statements, accounting data and the investment expenditure budget; ▪ analysing the valuation assumptions used by the appraisers, in particular discount rates, yields, rental data and market rental values, by comparing them with available market data; ▪ interviewing some of the property appraisers in the presence of representatives of the Finance Department, and with the help of the valuation experts in our team, assessing the consistency and relevance of the valuation method applied and significant judgements made; ▪ comparing the property appraisal values with the values recognised in the consolidated financial statements. Moreover, for investment properties under development or construction recognised at fair value, we assessed compliance with the fair value transition criteria (percentage marketed and reliability of cost price). For investment properties under development or construction recorded at cost, we analysed, on the basis of interviews with the development Managers and project Managers in your Group, the assumptions used by the management in impairment tests and preparations for the associated review.

Valuation of inventories, revenue and net property income

Risk identified	Our response
At 31 December 2022, real estate inventories were recorded in the balance sheet for an amount of €1,159 million. Net property income recognised for financial year 2022 was €190 million. As indicated in Note 2.3.17 to the consolidated financial statements, revenue and costs of sales (net property income) are recognised in the Group financial statements in accordance with the percentage-of-completion method. All property development/off-plan sales and property development contract transactions are concerned by this method. For these programmes, revenue from notarised sales is recognised, in accordance with IFRS 15 "Revenue from contracts with customers", in proportion to the percentage of completion of the programme, as measured by the costs directly related to construction, including land, in view of the total budget and progress on marketing, determined relative to total sales budgeted. As indicated in Note 2.3.8 to the consolidated financial statements, inventories are carried at cost less the portion of the cost price recognised on a percentage-of- completion basis for off-plan sale or property development contract transactions. Impairment losses are recognised when the net realisable value of inventories and work in progress is less than the cost price. In view of the material nature of inventories, revenue and net property income in the Group's consolidated financial statements and the necessary judgements made by management for the recognition of these items, we considered the assessment of these items to be a key audit matter.	Our work mainly consisted of: ■ obtaining an understanding of the process and controls implemented by management to prepare and update operating budgets; ■ examining on a sample basis the assumptions made by management in estimating the profit on property developments, and notably assumptions regarding selling prices, land acquisition costs, construction costs, service fees and internal expenses; ■ examining the most significant changes in income at completion through an interview with management; ■ comparing the technical completion rates of developments representing significant revenue and costs (net property income) with external confirmations conducted by the main contractors for construction costs and notarised deeds for land costs. We also reconciled the commercial completion rates with notarised deeds by conducting specific tests of sales of the year. We also called on team members with particular expertise in information systems to perform tests of software controls related to the marketing process; ■ review, through interviews with operational staff involved, the material projects with margins lower or higher than the average margin of the Group's property development projects. With regard to onerous contracts, we examined the assumptions used to estimate losses on completion for these contracts; ■ testing, on a sample basis, the arithmetical accuracy of revenue and the associated net property income generated during the year and recorded in the consolidated financial statements using income at completion and rates of commercial and technical completion. The measurement of inventories for projects not yet available for sale and projects delivered was the subject of special attention. For developments not yet available for sale, we examined the existence of prospective profits, based on interviews with management. For projects delivered, we analysed the estimated selling prices of the units in inventory with the selling prices of the units recorded.

Special verifications

We also carried out specific verification, as required by law, of information relating to the Group provided in the Management Board's management report, in accordance with professional standards applicable in France.

We have no comments to report with respect to the fairness of their presentation and consistency with the consolidated financial statements.

We confirm that the Consolidated Declaration on Extra-Financial Performance specified in Article L. 225-102-1 of the French Commercial Code appears in the information related to the Group set out in the management report it being specified that in accordance with the provisions of Article L. 823-10 of the Code, we have not verified the sincerity or consistency of the information contained in this Declaration with the consolidated financial statements and must be the subject of a report conducted by an independent third-party organisation.

Other verifications or information required by laws and regulations

Format of the consolidated financial statements included in the annual financial report

We have also verified, in accordance with the professional standards of the Statutory Auditors relating to the annual and consolidated financial statements presented according to the single European electronic information format, that this format defined by the European regulation is compliant with Delegate no. 2019/815 of 17 December 2018 in the presentation of the consolidated financial statements to be included in the consolidated financial report mentioned in I of Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of management. With regard to consolidated financial statements, our procedures include verifying that these financial statements comply with the format defined by the aforementioned regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements included in the annual financial report complies, in all material respects, with the single European electronic information format.

Due to the technical limitations inherent in the block tagging of consolidated financial statements using the European single electronic format, the content of certain tags in the notes to the financial statements may not be reproduced in the same way as in the consolidated financial statements attached to this report.

Appointment of Statutory Auditors

We were appointed Statutory Auditors for the company Altarea at your General Shareholders' Meeting of 24 May 2022 in the case of MAZARS and 28 May 2010 in the case of ERNST & YOUNG et Autres.

At 31 December 2022, the firm MAZARS was in the first year of its engagement and ERNST & YOUNG et Autres in its thirteenth year.

Previously, ERNST & YOUNG Audit was Statutory Auditor from 2004.

Responsibilities of management and corporate governance officers on consolidated financial statements

It is the responsibility of management to prepare consolidated financial statements that present a true and fair view in accordance with IFRS as adopted in the European Union, as well as to implement the internal controls it deems necessary for the preparation of consolidated financial statements containing no material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for evaluating the ability of the Company to continue as a going concern, to present in these financial statements, as appropriate, the necessary information relating to the continuity of operations and to apply the going concern principle unless it is intended to wind up the Company or cease trading.

It is the responsibility of the Audit Committee to monitor the process of producing financial information and the effectiveness of systems of internal control and risk management, as well as any internal audits, in respect of procedures for producing and processing accounting and financial information.

The consolidated financial statements were approved by management.

Responsibilities of the Statutory Auditors as regards the audit of the consolidated financial statements

Auditing objective and procedure

It is our responsibility to prepare 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 means a high level of assurance, without forasmuch providing the guarantee that an audit conducted in compliance with industry standards systematically affords the detection of any significant anomaly. Anomalies may be the result of fraud or errors and are considered to be significant where it can be reasonably expected that, taken individually or together, they may influence the economic decisions of the users of the statements on the basis thereof.

As specified in Article L. 823-10-1 of the French Commercial Code, our assignment as auditors is not to guarantee the viability or quality of the management of your company.

In conducting an audit in compliance with industry standards in France, Statutory Auditors exercise their professional judgement throughout the said audit. Moreover:

- they identify and assess risks that the consolidated financial statements may contain significant anomalies, whether these are the result of fraud or errors, establish and implement auditing procedures in the face of such risks, and gather any evidence they deem sufficient and appropriate on which to base their opinion. The risk of failing to detect a material misstatement attributable to fraud is greater than that of a material misstatement resulting from error, since fraud may involve collusion, forgery, deliberate omissions, misrepresentation or circumventing internal control;
- they take note of the relevant internal control for the audit in order to establish appropriate audit procedures in the circumstances, and not to express an opinion on the effectiveness of internal control;
- they assess the appropriateness of accounting methods used and the reasonableness of the management's accounting estimates and the information relating to them provided in the consolidated financial statements;
- they assess the appropriateness of management's application of the going concern principle, and, depending on the evidence gathered, the existence or otherwise of significant uncertainty related to events or circumstances liable to undermine the Company's ability to continue as a going concern. This assessment is based on the evidence gathered up until the date of their report, not overlooking the fact, however, that subsequent circumstances or events may jeopardise capacity as a going concern. If it finds that there is significant uncertainty, it draws the attention of readers of its report to the information provided in the consolidated financial statements in respect of this uncertainty or, if this information is not provided or is not relevant, it issues a qualified certification or a refusal to certify;
- they assess the overall presentation of the consolidated financial statements and assess whether the consolidated financial statements reflect the underlying operations and events so as to give a true and fair view of them;
- as regards the financial information of the persons or entities included in the consolidation, they gather the evidence it deems sufficient and appropriate to express an opinion on the consolidated financial statements. It is responsible for the management, supervision and execution of the audit of the consolidated financial statements, as well as the opinion expressed on these financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which sets out the scope of the audit work and the programme of work implemented, as well as the conclusions arising from our work. We also bring to their attention any significant weaknesses in internal controls that we have identified in terms of procedures for producing and processing accounting and financial information.

The items disclosed in the report to the Audit Committee include the risks of material misstatement that we considered to be the most significant in our 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 statement required under Article 6 of EU regulation No. 537/2014 confirming our independence, within the meaning of the rules applicable in France as they are set out in particular in Articles L. 822-10 to-L. 822-14 of the French Commercial Code and in the Industry Code of Conduct for Statutory Auditors. Where appropriate, we discuss with the Audit Committee any risks affecting our independence and any safeguard measures thus applied.

Paris-La Défense, 24 March 2023

The Statutory Auditors

MAZARS	**ERNST & YOUNG et Autres**
Gilles Magnan Johanna Darmon	Jean-Roch Varon Soraya Ghannem

3

ANNUAL FINANCIAL STATEMENTS 2022

3.1 Financial statements

Income statement (list)

Heading (*€ thousands*)	2022	2021
Sale of goods		
Sold production (goods and services)	12,983.9	13,350.7
Net revenue	**12,983.9**	**13,350.7**
Production held in inventory		
Production held in inventory	6,069.0	729.8
Operating grants	17.0	
Reversals of provisions (and depreciation/amortisation), expense reclassifications	1,734.2	1,249.5
Other income	25.6	
Operating income	**20,829.8**	**15,400.3**
Purchase of goods		
Change in inventory (goods)		
Purchase of raw materials and other supplies		
Change in inventory (raw materials and other supplies)		
Other purchases and external costs	19,624.4	17,606.1
Taxes, duties and analogous payments	3,353.7	542.2
Salaries and wages	968.2	670.8
Social security contributions	259.2	203.8
Operating allowances		
Non-current assets: depreciation and amortisation charges	2,516.8	3,343.6
Non-current assets: impairment provisions		
Current assets: impairment provisions	1,174.3	1,624.8
For risks and charges: allowances to provisions	552.5	655.8
Other expenses	700.1	515.6
Operating expenses	**29,149.1**	**25,162.8**
OPERATING INCOME/(LOSS)	**(8,319.3)**	**(9,762.5)**
Financial income		
Financial income from investments	175,843.9	95,880.6
Income from other marketable securities and receivables on non-current assets	3,120.9	3,212.2
Other interest and similar income	28,064.6	12,041.4
Reversals of provisions, impairment and expense reclassifications	481.4	
Foreign exchange gains		
Net gains on the disposal of marketable securities		
Financial income	**207,510.8**	**111,134.2**
Allowances for amortisation, impairment and provisions	3,832.7	9,057.4
Interest and similar expenses	72,569.4	52,181.0
Foreign exchange losses		
Net expenses on disposals of marketable securities		
Financial expenses	**76,402.1**	**61,238.4**
NET FINANCIAL INCOME/(EXPENSE)	**131,108.7**	**49,895.8**
PROFIT BEFORE TAX AND NON-RECURRING ITEMS	**122,789.4**	**40,133.3**

Income statement (list) cont.

Heading *(€ thousands)*	2022	2021
Exceptional income from non-capital transactions	1.3	
Exceptional income from capital transactions	147,818.3	59,947.5
Reversals of provisions, impairment and expense reclassifications	325.0	430.7
Exceptional income	**148,144.5**	**60,378.2**
Exceptional expenses on non-capital transactions		11.1
Exceptional expenses on capital transactions	59,615.8	21,690.3
Allowances for amortisation, impairment and provisions		
Exceptional expenses	**59,615.8**	**21,701.4**
NET EXCEPTIONAL INCOME/(EXPENSE)	**88,528.7**	**38,676.8**
Employee profit-sharing		
Corporate income tax	6,199.0	2,062.7
Total income	**376,485.2**	**186,912.6**
Total expenses	**171,366.1**	**110,165.2**
PROFIT/(LOSS)	**205,119.1**	**76,747.4**

Balance sheet assets

Heading *(€ thousands)*	Gross Amount	Depr./Amort Provisions	31/12/2022	31/12/2021
Uncalled subscribed capital				
Intangible assets				
Start-up costs				
Research and development expenditures				
Concessions, patents, licenses, trademarks, processes, software, rights and similar assets	1,420.0	1,420.0	0.0	0.0
Goodwill				
Intangible assets in progress				
Advances and down payments				
Property plant and equipment				
Land	5,728.5		5,728.5	18,104.5
Buildings	32,676.6	14,644.9	18,031.6	38,365.5
Technical installations, plant and industrial equipment				
Other	49.9	48.7	1.2	1.2
Property, plant and equipment in progress	9,817.6		9,817.6	3,968.1
Advances and down payments				
Financial assets				
Investments	1,465,680.4	9,389.0	1,456,291.3	1,449,165.1
Investment-related receivables	702,790.4		702,790.4	1,126,174.8
Other long-term investments				
Loans	138,455.4		138,455.4	152,807.4
Other non-current financial assets	1,942.1		1,942.1	1,451.1
NON-CURRENT ASSETS	**2,358,560.8**	**25,502.6**	**2,333,058.3**	**2,790,037.8**
Inventories and pipeline products				
Raw materials and other supplies				
Production work in progress (goods and services)				
Intermediate and finished products				
Goods and merchandise				
Advances and down payments made on orders				
Receivables				
Trade receivables and related accounts	5,923.5	3,924.2	1,999.3	3,675.7
Other	21,159.2		21,159.2	21,003.6
Called, unpaid subscribed capital				
Marketable securities				
Marketable securities (including treasury shares: 30,468,936.15)	30,468.9		30,468.9	33,771.6
Treasury instruments				
Treasury instruments	32,944.4		32,944.4	10,535.0
Cash and cash equivalents				
Cash and cash equivalents	1,068.6		1,068.6	1,996.0
Prepaid expenses	121.9		121.9	1,233.3
CURRENT ASSETS	**91,686.5**	**3,924.2**	**87,762.3**	**72,215.1**
Deferred expenses				
Redemption premiums	3,331.2		3,331.2	5,129.8
Translation differences – assets				
GENERAL TOTAL	**2,453,578.5**	**29,426.8**	**2,424,151.7**	**2,867,382.8**

Balance sheet liabilities

Heading *(€ thousands)*	2022	2021
Capital (of which paid)	311,350.5	310,089.4
Discounts, merger premiums, contribution premiums	394,981.9	513,919.0
Valuation differences	(1,499.5)	
Legal reserve	28,701.9	24,864.6
Statutory and contractual reserves		
Regulated reserves	0.0	
Other		
Retained earnings		
Net income (loss) for the year	**205,119.1**	**76,747.4**
Investment grants		
Regulated provisions		
EQUITY	**938,653.9**	**925,620.3**
Provisions for contingencies	615.7	720.5
Provisions for expenses		304.8
PROVISIONS	**615.7**	**1,025.3**
Proceeds from the issue of participating securities (titres participatifs)	223,499.8	223,499.8
Conditional advances		
OTHER EQUITY	**223,499.8**	**223,499.8**
Financial liabilities		
Convertible bond issues		
Other bond issues	1,070,953.0	1,254,448.8
Borrowings from credit establishments	340.3	81,753.1
Other borrowings and financial liabilities	181,914.6	366,935.8
Advances and down payments made for orders in progress	15.6	60.5
Operating payables		
Trade payables and related accounts	4,484.8	11,215.2
Tax and social security payables	1,056.8	1,381.0
Other payables		
Amounts due on non-current assets and related accounts	1,703.7	120.2
Other payables	796.8	1,215.5
Accruals		
Prepaid income	116.6	107.2
PAYABLES	**1,261,382.3**	**1,717,237.3**
Translation differences – liabilities		
GENERAL TOTAL	**2,424,151.7**	**2,867,382.8**

3.2 Notes to the annual Financial statements

Articles L. 123-13 to L. 123-21 and R. 123-195 to R. 123-198 of the French Commercial Code, Decree 83-1020 of 29 November 1983, ANC Regulation 2015-05 of 2 July 2015 approved by the order of 28 December 2015 and ANC Regulation 2016-07 of 4 November 2016 approved by the order of 29 December 2016.

Altarea is a *Société en Commandite par Actions* (a French partnership limited by shares), the shares of which have been traded since 2004 on the Euronext Paris S.A. Eurolist regulated market (Compartment A). The registered office is located at 87 Rue de Richelieu in Paris, 2nd arrondissement.

Altarea chose the SIIC corporate form (*Société d'Investissement Immobilier Cotée*) as of 1 January 2005. Altarea prepares the consolidated financial statements.

These notes are presented in thousands of euros. These annual financial statements were approved by Management at its meeting on 28 February 2023 following review by the Supervisory Board.

3.2.1 Major events during the financial year

The year 2022 was marked by the war in Ukraine and a deterioration in the economic outlook, particularly in the second half of the year, with the consequent emergence of inflationary pressures, rise in interest rates, increase in the price of raw materials and supply bottlenecks. All of these factors were taken into account in the judgements and estimates made by Management for the preparation of the financial statements for the year ended 31 December 2022. However, the economic environment remains uncertain in 2023 and it is hard to assess its impact on the Company's activities and results, which would, in any event, have no impact on its viability as a going concern.

Retail

In July, SCOR, MRM and Altarea announced a partnership to accelerate the strategic development of MRM. In December, Altarea finalised the contribution of the Flins and Ollioules shopping centres to MRM, for €79.2 million, partly remunerated in cash and partly in MRM shares, accounted for as exceptional income for an amount of €48.9 million. Following this transaction, Altarea holds 15.9% of MRM's share capital.

Primonial

On 2 March 2022, Altarea informed the public that the acquisition of the Primonial Group could not be completed on the terms agreed. Altarea considers that the Vendors failed to comply with the provisions of the acquisition protocol signed in July 2021, which has now lapsed.

Given the non-completion of the Primonial acquisition, the Company and its indirect subsidiary Alta Percier were cited before the Paris Commercial Court by the vendors – different shareholder groups in Primonial (investment funds and Managers) – seeking compensation for their alleged damages. Altarea and Alta Percier are contesting the claims, which they consider unfounded and, on the contrary, consider that it is the sellers who are responsible for the failure of the transaction. Altarea is asking that they be ordered to pay damages in respect of the losses suffered by the Group. To this end, on 20 June 2022, Altarea and Alta Percier filed claims in response in a voluntary intervention before the Paris Commercial Court.

In their claims in response of 21 November 2022 and 16 January 2023, the shareholder groups maintained and developed their pleadings, claiming damages of €118,988,650 for the Manager vendors and €588,082,058.50 for the investment funds.

Altarea, having studied all the counter-claims, maintains its position that it has no liability as, it argues, the failure to complete the transaction was attributable to the vendors, and that they therefore cannot claim for damages that are wholly unfounded and without merit in fact and in law. Altarea will develop its pleadings in its forthcoming claims in response.

At the publication date of the Company's annual financial statements, the case is ongoing. In agreement with its advisors, the Company did not recognise any provision.

Finance

Gross debt was reduced following the launch of partial buyback offers on senior bonds maturing in July 2024 and January 2028 for a total nominal amount of €181 million. The €80 million term loan contracted with Bank of China was repaid in full at maturity.

Equity increase

A reserved capital increase was also held for the FCPE (employee mutual fund), in the amount of €1.3 million, plus an €8 million share premium, resulting in the creation of 82,533 new shares.

3.2.2 Accounting principles, rules and methods

3.2.2.1 Compliance statement and comparability of information

The annual financial statements have been prepared and presented in accordance with the provisions of applicable French laws and regulations.

The accounting principles and methods are identical to those applied when preparing the annual financial statements for the year ended 31 December 2021.

3.2.2.2 Accounting principles and methods

Intangible assets

Intangible assets are measured on initial recognition at acquisition cost.

Intangible assets consist mainly of software acquired, which is usually amortised on a straight-line basis over three years.

Intangible assets may be written down when their carrying amount differs significantly from their value in use, as defined under French GAAP.

Property plant and equipment

Property, plant and equipment mainly consist of property assets, and more specifically shopping centres or business premises.

Gross value of buildings

Buildings are initially recognised at acquisition cost. For contributed property, this is the contribution value excluding purchase costs and for new property, it is the construction or refurbishment cost. As a general rule, purchase costs (transfer duties, expert fees, commissions, and stamp duties) are recognised as expenses.

Buildings are broken down into major components with specific uses and replacement rates. In accordance with the recommendations of the FSIF (Fédération des Sociétés Immobilières et Foncières), four property components are used: structural work, facades and weatherproofing, technical equipment and fixtures and fittings.

Building depreciation

Building components are depreciated on a straight-line basis over the following useful lives:

Components	Useful life (Shopping centres)	Useful life (Business premises)
Structural work (structures, road and utilities works)	50 years	30 years
Facades, Weatherproofing	25 years	30 years
Technical equipment	20 years	20 years
Fixtures and fittings	15 years	10 years

Building impairment

Property assets are appraised twice a year at market value by external appraisers (Cushman & Wakefield and Jones Lang LaSalle).

The Company considers that the present value of property is value in use equivalent to the appraisal value including transfer duties. If there is any near-term development potential not included in the appraisal, the appraisal value is increased by estimated unrealised capital gains. Where there is a preliminary sales agreement or a firm sale commitment for the property, its present value is the value stated in the agreement or commitment excluding transfer duties.

The Company recognises an impairment loss for the difference whenever the present value of a property asset (the higher of market value and value in use) falls significantly below its carrying amount.

Other property, plant and equipment

Other property, plant and equipment are initially recognised at acquisition cost.

Vehicles, along with office and computer equipment are depreciated over five years.

Participating interests

Participating interests are recognised at cost or transfer value.

Participating interests may be impaired where their carrying amount falls substantially below their value in use for the Company. This value in use is determined according to multiple criteria such as net asset value, profitability, profitability forecasts, long-term growth prospects and the economic environment. The market value of assets held by subsidiaries and sub-subsidiaries is taken into account.

Receivables attached to investments and loans

Investment related receivables or loans related to indirect equity holdings of the Company are carried at their contribution or nominal value.

When there is evidence that the Company will not be able to collect all amounts due, an impairment loss is recorded taking into account in particular the nature of the advance, the subsidiary's capacity to repay and its development potential.

Receivables

The Company's receivables are carried at nominal value. They consist of Group receivables and trade receivables from shopping centres.

When there is evidence that the Company will not be able to collect all amounts due, receivables are recorded in doubtful accounts. Impairment losses are calculated separately for each customer after subtracting the security deposit and accounting for the length of time that the receivable has remained outstanding, any progress made on collection efforts, and any guarantees that have been received.

Treasury shares

Treasury shares are recognised as either:

- financial assets when they are held for purposes of a capital reduction;
- marketable securities:
  - when they are allocated to the "liquidity contract" under which a service provider makes a market in the shares to ensure liquidity and quote regular prices, or
  - when they are held for delivery to employees of the Company or its subsidiaries.

They are shown in the balance sheet at acquisition cost. The FIFO method is used to determine the gross value of treasury shares sold.

An impairment loss is recognised if the value of shares held under the liquidity contract is less than their acquisition cost.

Treasury shares held for grant to the Company's employees are covered by a provision calculated over the past vesting period on *prorata* basis. Treasury shares held for grants to employees of the Company's subsidiaries are not subject to impairment insofar as the cost of such shares, which is equal to the cost of the shares plus any management fees, if applicable, will be passed on to these subsidiaries when granted. These rules comply with the provisions of ANC Regulation No. 2014-03 of 5 June 2014.

Other marketable securities

Marketable securities are stated in the balance sheet at acquisition cost. The FIFO method is used to determine the gross value of Sicav mutual fund holdings sold.

A provision is recognised on marketable securities when their realisable value falls below the net carrying amount.

Term deposits are recognised in the balance sheet at their nominal value for the duration of the placings.

Provisions

In accordance with CRC Regulation 2000-06 on liabilities, a provision is a liability considered probable or certain representing an obligation that will cause an outflow of resources to a third party without equivalent consideration being received in exchange and of uncertain timing and amount.

Post-employment benefits

No provisions are recorded for severance benefits payable on retirement. These items are presented in the notes to the financial statements under off-balance sheet commitments.

Loan arrangement costs

Loan arrangement costs are expensed. Bond redemption premiums are spread over the life of the bonds.

Rental income and expenses

Rental income comprises income from the rental of property assets. Invoice amounts are recognised over the relevant rental period.

Income is not recognised for any rent holidays granted to tenants over the period during which the rent holiday is in effect.

Initial lease payments paid by tenants or stepped rents and rent holidays granted to tenants are not spread over the lease term.

Marketing costs

Marketing fees for letting, lease renewals and reletting are recognised as expenses.

Financial instruments

The Company uses interest rate swap agreement (swaps) or interest purchase options (caps) to hedge credit lines and borrowings.

Expenses and income on forward financial instruments entered into as part of the hedging of the Company's interest rate risk (swaps/caps) are recognised in accordance with the principles set out in NCA Regulation 2015-05 of 2 July 2015 on term financial instruments and hedging operations.

If the financial instruments are collateralised hedges, the impacts are recognised symmetrically on the impacts on the hedged underlying elements. Premiums and balancing cash payments are spread over the life of the instruments. Unrealised gains and losses equal to the estimated market value of the contracts on their closing date are not recognised as income. Nominal value, maturity schedule and estimated unrealised gains or losses are presented under off-balance sheet commitments.

If these instruments are not collaterised hedges, the premiums and balancing cash payments are recognised as income for the financial year. Provision is made for unrealised losses equal to the estimated negative market value of the contracts on their closing date and do not appear in the off-balance sheet commitments.

Corporate income tax

Altarea adopted SIIC status as from 1 January 2005. Under this status, there are two separate categories with respect to tax treatment:

- a retail REIT category exempt from French corporate income tax, capital gains tax on property sales and tax on dividends received under the SIIC category;
- a taxable category comprising all the Company's other operations not eligible for SIIC treatment.

To qualify for the exemptions from French corporate income tax, Altarea must comply with three distribution conditions:

- 95% of earnings from property rentals during the financial year following the year in which the earnings were generated;

- 70% of any gains on the sale of property, participating interests in tax transparent companies with the same corporate purpose as an SIIC, or interests in subsidiaries subject to French corporate income tax which have chosen SIIC status, before the end of the second financial year after the year in which the gains were generated;
- all dividends from subsidiaries having chosen retail REIT status during the financial year following the year in which the dividends were received.

Under the provisions applicable to SIIC status, the Company must adhere to a ratio of activities eligible for the plan and no single shareholder or Group of shareholders acting in concert can own more than 60% of the Company's shares or voting rights.

3.2.3 Comments, figures and tables

3.2.3.1 Notes on balance sheet items – assets

3.2.3.1.1 Intangible assets

Table of gross intangible assets

Intangible assets *(€ thousands)*	31/12/2021	Increase	Decrease	31/12/2022
Software	1,420.0			1,420.0
TOTAL	**1,420.0**			**1,420.0**

Amortisation of intangible assets

Amort. *(€ thousands)*	31/12/2021	Increases	Reversals	31/12/2022
Software	1,420.0			1,420.0
TOTAL	**1,420.0**			**1,420.0**

3.2.3.1.2 Property plant and equipment

Table of gross property, plant and equipment

Property plant and equipment *(€ thousands)*	31/12/2021	Acquisition/ Contribution	Exit/Sale	31/12/2022
Land	**18,261.8**		**12,533.3**	**5,728.5**
Buildings	**83,238.4**	**42.9**	**50,604.8**	**32,676.6**
Structural work (structures, road and utilities works)	32,344.7	17.2	19,733.2	12,628.6
Facades, Weatherproofing	8,086.2	4.3	4,933.3	3,157.1
Technical equipment	24,258.5	12.9	14,799.9	9,471.4
Fixtures and fittings	18,549.1	8.6	11,138.3	7,419.4
Other property plant and equipment	**49.9**			**49.9**
Technical installations, plant and industrial equipment				
General installations, various fittings				
Vehicles	23.9			23.9
Office and computer equipment, furniture	26.0			26.0
Recoverable packaging and related items				
Property plant and equipment in progress	**3,968.1**	**7,590.7**	**1,715.0**	**9,817.6**
Land	1,578.5	463.7	26.1	1,990.0
Buildings	550.0	5,275.2	640.6	5,184.6
Other	1,839.5	1,851.7	1,048.3	2,643.0
TOTAL	**105,518.1**	**7,633.6**	**64,853.0**	**48,272.6**

Depreciation of property, plant and equipment

Amort. *(€ thousands)*	31/12/2021	Increases	Cessions	31/12/2022
Land	**157.2**	**11.7**	**168.9**	
Buildings	**44,872.9**	**2,505.1**	**32,733.1**	**14,644.9**
Structural work (structures, road and utilities works)	8,343.5	621.5	6,422.8	2,542.2
Facades	4,288.1	330.0	3,250.9	1,367.2
Technical equipment	16,415.1	1,295.2	12,286.4	5,423.9
Fixtures and fittings	15,826.2	258.5	10,773.0	5,311.7
Other property plant and equipment	**48.7**			**48.7**
Technical installations, plant and industrial equipment				
General installations, various fittings				
Vehicles	23.9			23.9
Office and computer equipment, furniture	24.8			24.8
Recoverable packaging and related items				
TOTAL	**45,078.8**	**2,516.8**	**32,902.0**	**14,693.6**

The decrease in Property, plant and equipment is mainly due to the sale of the shopping centres in Flins and Ollioules.

3.2.3.1.3 Financial assets

Table of gross financial assets

Financial assets *(€ thousands)*	31/12/2021	Increase	Decrease	31/12/2022
Participating interests	**1,457,001.6**	**24,991.9**	**16,313.1**	**1,465,680.4**
Financial receivables	**1,278,982.2**	**801,356.0**	**1,239,092.4**	**841,245.8**
Investment-related receivables	1,126,174.8	800,894.4	1,224,278.8	702,790.4
Loans and other fixed assets	152,807.4	461.6	14,813.6	138,455.4
TOTAL	**2,735,983.8**	**826,347.9**	**1,255,405.5**	**2,306,926.2**

The list of subsidiaries and participating interests appearing on the last page of this document shows the ownership interest in each subsidiary.

The change in the equity interests' item is mainly due to:

- the acquisition of a stake in MRM following the exchange transaction;
- the sale of Issy Pont shares;
- the universal transfer of the assets of SCI 80-98 Rue de Reuilly.

The change in financial receivables is mainly due to the increase in loans and advances granted to direct and indirect subsidiaries of Altarea SCA, particularly in relation to Business property assets.

Provisions for financial assets

		Increases during the financial year	Decreases in the financial year		
Provisions for impairment*(€ thousands)*	31/12/2021	Increases	Reversals of unused provisions	Provisions used in the period	31/12/2022
Impairment of equity securities	7,836.4	2,034.0	481.4		9,389.0
Impairment of other non-current financial assets					
TOTAL	**7,836.4**	**2,034.0**	**481.4**		**9,389.0**

The change in provisions is mainly due to the impairment of shares in the OPCI Alta Commerces Europe for €1.5 million.

3.2.3.1.4 Receivables

These items consist of Group receivables, trade receivables from shopping centres and tax receivables.

Impairment losses are recognised through provisions when there is evidence that the Company will not be able to collect all amounts due.

Receivables

Receivables *(€ thousands)*	Gross amount 2022	Provisions	Net amount 2022	Net amount 2021
Trade receivables and related accounts	**5,923.5**	**3,924.2**	**1,999.3**	**3,675.7**
Other receivables	**21,159.2**		**20,904.4**	**21,003.6**
Personnel and related accounts	2.1		2.1	0.9
Suppliers	254.8			263.7
Government, other authorities: corporate income tax	1,367.4		1,367.4	5,461.9
Government, other authorities: value added tax	2,997.7		2,997.7	3,088.5
Government, other authorities: sundry receivables	14.3		14.3	54.1
Group and partners	14,882.8		14,882.8	12,054.0
Sundry debtors	1,640.1		1,640.1	80.3
TOTAL	**27,082.7**	**3,924.2**	**22,903.7**	**24,679.1**

Breakdown of receivables by maturity date

Receivables *(€ thousands)*	Gross amount 2022	Less than 1 year	1 to 5 years	More than 5 years
Trade receivables and related accounts	5,923.5	5,923.5		
Personnel and related accounts	2.1	2.1		
Suppliers	254.8	254.8		
Government, other authorities: corporate income tax	1,367.4	1,367.4		
Government, other authorities: value added tax	2,997.7	2,997.7		
Government, other authorities: sundry receivables	14.3	14.3		
Group and partners	14,882.8	14,882.8		
Sundry debtors	1,640.1	1,640.1		
TOTAL	**27,082.7**	**27,082.7**		

Table of accrued income

Accrued income included in the balance sheet line items *(€ thousands)*	31/12/2022	31/12/2021
Loans	1,936.0	1,358.5
Government – accrued income	12.9	54.1
Trade receivables	116.5	135.5
Suppliers		
TOTAL	**2,065.4**	**1,548.1**

3.2.3.1.5 Marketable securities

Marketable securities consist of treasury shares in an amount of €30.5 million.

Marketable securities	31/12/2021	Increase	Decrease	Provisions	31/12/2022
Treasury shares	33,771.6	30,481.9	33,784.5		30,468.9
TOTAL	**33,771.6**	**30,481.9**	**33,784.5**		**30,468.9**
No. of Shares	205,406	217,179	208,494		214,091

At 31 December 2022, treasury shares consisted in part of shares intended to provide liquidity for trading in the shares and in part of shares intended for grant to employees of the Company's subsidiaries.

3.2.3.1.6 Treasury instruments

Treasury instruments	31/12/2021	Increase	Decrease	Provisions	31/12/2022
Treasury instruments	10,535.0	45,827.7	23,418.4		32,944.4
Total	10,535.0	45,827.7	23,418.4		32,944.4

In accordance with ANC regulation 2015-05 of 2 July 2015 on forward financial instruments and hedging transactions, premiums and balances are spread over the life of the instruments. The balance to be spread at end-2022 is €32.9 million on the assets side of the balance sheet.

3.2.3.1.7 Impairment

Impairment of current assets

		Increases during the financial year	Decreases in the financial year		
Provisions for impairment *(€ thousands)*	**31/12/2021**	**Increases**	**Reversals of unused provisions**	**Provisions used in the period**	**31/12/2022**
Impairment of inventory and pipeline products					
Impairment of trade receivables	3,522.1	1,174.3		772.2	3,924.2
Other impairment					
TOTAL	**3,522.1**	**1,174.3**		**772.2**	**3,924.2**

3.2.3.1.8 Prepaid expenses

Prepaid expenses	31/12/2021	Increase	Decrease	31/12/2022
	1,233.3	121.9	1,233.3	121.9

3.2.3.2 Notes on balance sheet items – liabilities

3.2.3.2.1 Equity

Statement of changes in shareholders' equity

Equity *(€ thousands)*	**31/12/2021**	**Appropriation Capital**	**Dividend**	**Capital incr. & contributions**	**Change 2022**	**31/12/2022**
Share Capital	310,089.4			1,261.1		311,350.5
Share premium/additional paid-in capital/ revaluation differences	513,919.0		(126,935.4)	7,998.3	(1,499.5)	393,482.4
Legal reserve	24,864.6	3,837.4				28,701.9
General reserve						0.0
Retained earnings						
Net income for the year	76,747.4	(3,837.4)	(72,910.0)		205,119.1	205,119.1
Investment grants						
Regulated provisions						
TOTAL	**925,620.3**		**(199,845.4)**	**9,259.4**	**203,619.6**	**938,653.9**

After appropriating 5% of net income for the year (€3.8 million) to the legal reserve, the Combined Ordinary and Extraordinary General Shareholders' Meeting of 24 May 2022 decided to pay a dividend of €9.75 per share for the financial year ended 31 December 2021, consisting of €196.9 million to the limited partners, and a priority dividend of €2.95 million to the general partner.

At 31 December 2022, the share capital stood at €311 million divided into 20,375,804 shares with a par value of €15.28 each and ten General Partner shares with a par value of €100 each.

The Company carried out a capital increase during the year in respect of the FCPE.

The amount of Subordinated Perpetual Notes outstanding was €223 million at 31 December 2022.

3.2.3.2.2 Provisions

Table of changes in provisions

Provisions for contingencies and expenses	31/12/2021	Reclassification	Increases during the financial year	Decreases in the financial year		31/12/2022
			Increases	Reversals of unused provisions	Provisions used in the period	
Reversals of unused provisions	304.8				304.8	
Other provisions for contingencies and expenses	720.5		552.5		657.3	615.7
TOTAL	**1,025.3**		**552.5**		**962.1**	**615.7**

Provisions for contingencies and expenses relate to employee bonus share rights.

3.2.3.2.3 Borrowings and other financial liabilities

Breakdown of payables by maturity

Borrowings and other financial liabilities *(€ thousands)*	31/12/2022	Less than 1 year	1 to 5 years	More than 5 years	31/12/2021
Financial liabilities	**1,253,223.6**	**127,770.8**	**825,452.8**	**300,000.0**	**1,703,198.1**
Other bond issues	1,070,953.0	16,253.0	754,700.0	300,000.0	1,254,448.8
Bank borrowings	145,982.0	75,982.0	70,000.0		425,556.0
Deposits and security interests received	752.8		752.8		1,715.3
Group and partners	35,520.2	35,520.2			21,417.6
Other payables	15.6	15.6			60.5
Accounts payable and other payables	**8,158.7**	**8,158.7**			**14,039.1**
Suppliers and related accounts	4,484.8	4,484.8			11,215.2
Employee-related and social security payables	68.2	68.2			70.8
Tax payables	988.6	988.6			1,310.3
Amounts due on non-current assets and related accounts	1,703.7	1,703.7			120.2
Other payables	796.8	796.8			1,215.5
Prepaid income	116.6	116.6			107.2
TOTAL	**1,261,382.3**	**135,929.5**	**825,452.8**	**300,000.0**	**1,717,237.3**

Bond redemption premiums

Change in amortization of premiums *(€ thousands)*	31/12/2021	Increase	Decrease	31/12/2022
Redemption premiums on bonds	5,129.8		1,798.7	3,331.2
TOTAL	**5,129.8**		**1,798.7**	**3,331.2**

Bond issue premiums are amortised over the life of the bond in the amount of €1.8 million.

Table of payables in balance sheet line items

Payables included in balance sheet line items	31/12/2022	31/12/2021
Borrowings and financial liabilities	11,381.6	13,257.3
Suppliers and related accounts	4,234.7	7,849.0
Amounts due on non-current assets and related accounts	500.6	93.9
Taxes, duties and analogous payments		
Personnel costs		
Group and partners	175.8	3,074.9
Miscellaneous	76.6	996.9
TOTAL	**16,369.3**	**25,272.0**

3.2.3.3 Notes to the income statement

3.2.3.3.1 Revenue

The Company's revenue consists of rental income, service charges and costs of works billed to tenants of portfolio shopping centres and revenue from services rendered by Altarea to its subsidiaries under the terms of agreements related to ordinary operating activities.

Revenue *(€ thousands)*	31/12/2022	31/12/2021
Rent and re-invoiced leasing costs	8,374.6	8,626.6
Transfer taxes		
Services	4,605.4	4,605.4
Other	3.9	118.7
TOTAL	**12,983.9**	**13,350.7**

3.2.3.3.2 Other operating income

Operating income *(€ thousands)*	31/12/2022	31/12/2021
Production held in inventory	6,069.0	729.8
Reversals of provisions and depreciation	1,734.2	1,249.4
Intragroup chargebacks and expense reclassifications		0.1
Other	42.6	70.3
TOTAL	**7,845.9**	**2,049.6**

Reversals of provisions mainly concern deliveries of shares under bonus share plans and reversals of provisions for impairment of customer receivables.

3.2.3.3.3 Operating expenses

Operating expenses reflect expenses incurred by Altarea in respect to its REIT business (rental costs, property taxes, allowances for depreciation and amortisation) and its services provided to subsidiaries.

Operating expenses *(€ thousands)*	31/12/2022	31/12/2021
Rental and co-ownership expenses[(a)]	(113.0)	2,431.8
Maintenance and repairs	1,111.5	168.9
Insurance premiums	239.9	110.7
Commissions and fees[(b)]	6,567.9	7,783.5
Advertising and public relations	59.9	26.5
Banking services and similar accounts[(c)]	5,484.4	6,100.9
Taxes and duties	3,353.7	542.2
Personnel costs	1,227.4	874.6
Depreciation, amortisation and provisions	4,243.5	5,624.3
Capitalised purchases[(d)]	6,072.9	848.5
Lessee termination and early termination fees		
Other expenses	901.0	651.0
TOTAL	**29,149.1**	**25,162.8**

(a) Nearly all of these rental costs are passed on to tenants.
(b) Fees include shopping centre management and marketing fees, Statutory Auditors' fees, expenses relating to certain projects and service fees, as well as compensation paid to Management.
(c) Bank service fees correspond essentially to loan fees, which are reinvoiced to refinanced companies on a case-by-case basis, as provided for in the framework agreement.
(d) In 2022, capitalised purchases related to work carried out on portfolio assets were recognised under assets with an offsetting entry in other operating income.

3.2.3.3.4 Net financial income (expense)

(€ thousands)	31/12/2022	31/12/2021
Financial income		
Dividends	162,203.5	82,538.2
Interest on loans	3,120.9	3,212.2
Income from current accounts	6,078.7	1,592.0
Other financial income/*swaps*	26,083.2	10,029.9
Commissions on Guarantees	1,947.0	1,979.2
Paid by subsidiaries	7,561.7	11,750.3
Reversals from provisions for impairment of non-current financial assets	481.4	
Reversals from provisions for impairment of marketable securities		
Other financial income	34.3	32.4
Net gains on the disposal of marketable securities		
TOTAL	**207,510.8**	**111,134.2**
Financial expenses		
Depreciation, amortisation and provisions	3,832.7	9,057.4
Net expenses on disposals of marketable securities		
Interest on external borrowings	27,558.2	31,953.9
Expenses on current account balances	464.0	237.2
Expenses on financial instruments (*Swaps, Caps*)	3,747.7	5,983.4
Bank interest	1,731.6	
Paid by subsidiaries	15,649.5	11,378.2
Other financial expenses	23,418.4	2,628.2
TOTAL	**76,402.1**	**61,238.2**
NET FINANCIAL INCOME (EXPENSE)	**131,108.7**	**49,895.9**

The “dividends” item of €162.2 million essentially comprise the distributions by Foncière Altarea.

Other financial expenses of €23.4 million in 2022 correspond to expenses on cancelled matched hedging instruments.

3.2.3.3.5 Exceptional income

(€ thousands)	31/12/2022	31/12/2021
Exceptional income		
Exceptional income from non-capital transactions	1.3	
Exceptional income from capital transactions	147,818.3	59,947.5
* Including proceeds from asset disposals	106,344.6	38,696.8
* Including rebilling of free share delivery to employees	29,045.8	21,229.6
Reversals of provisions and expense reclassifications	325.0	430.7
* Including reversal of provisions for rental guarantees		
TOTAL	**148,144.5**	**60,378.2**
Exceptional expenses		
Exceptional expenses on non-capital transactions		11.1
* Of which tenant construction		
* Including provisions for rental guarantees		
Exceptional expenses on capital transactions	59,615.8	21,690.3
Exceptional allowances for depreciation, amortisation and impairment		
* Of which provisions for rental guarantees		
TOTAL	**59,615.8**	**21,701.4**
EXCEPTIONAL INCOME	**88,528.7**	**38,676.8**

The exceptional result of €88.5 million is mainly due to the capital gain on the disposal of Issy Pont shares for €27.2 million, the gain on the disposal of the Flins and Ollioules shopping centres for €48.9 million and the exceptional proceeds from the buyback of bonds for €12 million.

3.2.3.3.6 Corporate income taxes

In 2005, Altarea opted to adopt the special tax-exempt status established for publicly traded real estate investment companies (*Sociétés d'Investissement Immobilier Cotées* or SIIC under Article 208 C of the French General Tax Code).

Breakdown of tax expenses

	Profit before tax			Tax	Net result		
Accounting results	**Tax-exempt sector**	**Taxable sector**	**Total**	**Taxable sector**	**Tax-exempt sector**	**Taxable sector**	**Total**
Operating income/(loss)	(779.3)	(8,870.0)	(9,649.3)		(779.3)	(8,870.0)	(9,649.3)
Net financial income (expense)	131,110.4	1,295.5	132,405.8	267.1	131,110.4	1,028.3	132,138.7
Exceptional income	59,794.4	28,767.2	88,561.6	5,931.9	59,794.4	22,835.3	82,629.7
TOTAL	**190,125.4**	**21,192.7**	**211,318.1**	**6,199.0**	**190,125.4**	**14,993.6**	**205,119.1**

Changes in deferred tax liabilities

	31/12/2021	Variations	31/12/2022
Reductions	+	-	
Tax deficit	(342,635.3)	26,517.0	(316,118.3)
Total base	(342,635.3)	26,517.0	(316,118.3)
TAX OR TAX SAVINGS	**(95,937.9)**	**6,629.2**	**(88,513.1)**

Tax audit

Altarea SCA was the subject of adjustment proposals for the financial years 2017, 2018 and 2019. All potential financial consequences have been recognised.

3.2.3.4 Other information

3.2.3.4.1 Related parties

Transactions made by the Company with related parties not concluded on an arm's length basis

No material transactions have been concluded by the Company with related parties that were not on an arm's-length basis.

3.2.3.4.2 Off-balance sheet commitments

Financial instruments

Altarea holds a portfolio of swaps and caps to hedge interest rate risk for a portion of its current and future floating and fixed rate debt and that of its subsidiaries.

Financial instruments *(€ thousands)*	2022	2021
Swap/Total (Notional)	800,000.0	700,000.0
TOTAL	**800,000.0**	**700,000.0**

The fair value of the hedging instruments was a positive €130.8 million in respect of swaps as at 31 December 2022.

Effect on the income statement

Effect on the income statement *(€ thousands)*	2022	2021
Interest income	3,763.4	14,427.1
Interest expense	11,473.1	2,697.1
TOTAL	**(7,709.8)**	**11,730.0**

Notional amounts hedged by swaps and caps at the end of December

Table of swap and cap maturities at end-December *(€ thousands)*	2021	2022	2023	2024	2025
Swap	800,000.0	1,025,000.0	1,025,000.0	825,000.0	825,000.0
ALTAREA PAYS FIXED RATE (TOTAL)	**800,000.0**	**1,025,000.0**	**1,025,000.0**	**825,000.0**	**825,000.0**

The benchmark rate used is three month Euribor.

Use of derivatives as hedging instruments could expose the Group to the risk of counterparty default. The Group mitigates this risk by selecting only major financial institutions as counterparties in hedging transactions.

Employee benefit obligations

Commitments to employees relating to retirement benefits are estimated at €151 thousand as of 31 December 2022.

Commitments given

Non-current assets held by Altarea SCA are subject to unregistered mortgages in guarantee of certain loans as well as the assignment of some business receivables on present or future leases. In addition, the guarantees are subject to covenants, of which the two principal criteria are an LTV ratio of below 60% and a ratio of net interest expenses cover by recurring EBITDA above 2.0.

Altarea SCA has guaranteed loans to other Group companies for an amount of €989 million. These commitments mainly comprise joint and several guarantees and demand guarantees granted by Altarea SCA on behalf of its subsidiaries.

The specific covenants on corporate loans held by Altarea SCA of up to a maximum authorised amount of €1,995 million (including €645 million in undrawn funds on the corporate debt) are as follows:

- counterparty: NATIXIS/BECM/LCL/Société Générale/HSBC/BNP Paribas/Bank of China/La Banque Postale/CACIB;
- main covenants applying to Altarea Group:
  - net debt/restated net asset value of the Company (Consolidated Altarea LTV ratio) < 60% (24.5% at 31 December 2022),
  - operating income (FFO column)/Net borrowing costs (FFO column) of the Company (Interest Cover Ratio or Altarea Consolidated ICR) >= 2 (13.0x at 31 December 2022).

The Group made commitments as part of its successful tenders for Italian stations.

Bonus share plans (for the Company and its subsidiaries)

Award date		Number of rights awarded	Vesting date	Rights in circulation as at 31/12/2021	Awarded	Deliveries	Amendments to rights [a]	Rights in circulation as at 31/12/2022
Share grant plans on Altarea shares								
19 March 2019	41,531	41,531	19 March 2022	34,364		(33,305)	(1,059)	
6 June 2019	1,355	1,355	20 March 2022	1,140		(940)	(200)	
21 October 2019	20,000	20,000[b]	30 March 2022	20,000			(20,000)	
21 April 2020	18,479	18,479	21 April 2022	17,963		(17,340)	(623)	
22 April 2020	45,325	45,325	22 April 2023	40,874			(3,298)	37,576
24 April 2020	2,000	2,000	24 April 2022	2,000		(2,000)	-	
31 March 2021	121,080	121,080	1 April 2022	118,662		(115,360)	(3,302)	
31 March 2021	10,000	10,000	1 April 2022	10,000		(10,000)	0	
30 April 2021	73,050	73,050[b]	31 March 2024	71,045			(5,556)	65,489
4 June 2021	32,000	32,000[b]	31 March 2025	32,000			0	32,000
4 June 2021	27,500	27,500[b]	31 March 2025	27,500			(6,378)	21,122
4 June 2021	45,500	45,500[b]	31 March 2025	45,500			(32,450)	13,050
4 June 2021	14,000	14,000[b]	31 March 2025	14,000			(1,250)	12,750
4 June 2021	23,700	23,700[b]	31 March 2025	23,700			(16,973)	6,727
4 June 2021	30,000	30,000[b]	31 March 2025	30,000			(14,346)	15,654
1 September 2021	600	600	1 September 2024	600			0	600
1 October 2021	2,000	2,000	30 March 2023	2,000			0	2,000
1 February 2022	275	275[b]	1 March 2023		275		0	275
1 March 2022	14,000	14,000	31 March 2025		14,000		0	14,000
31 March 2022	99,292	99,947	1 April 2023		99,947		(1,415)	98,532
31 March 2022	31,800	31,872	1 April 2024		31,872		(307)	31,565
31 March 2022	73,725	73,725[b]	1 April 2024		73,725		(2,200)	71,525
30 April 2022	3,250	3,250[b]	31 March 2025		3,250		(2,275)	975
30 April 2022	1,250	1,250[b]	31 March 2025		1,250		0	1,250
1 June 2022	300	300	1 June 2023		300		0	300
25 July 2022	250	250	24 July 2023		250		0	250
25 July 2022	150	150	24 July 2024		150		0	150
12 September 2022	6,000	6,000[b]	31 March 2027		6,000		0	6,000
12 September 2022	40,000	40,000[b]	31 March 2029		40,000		0	40,000
1 October 2022	1,500	1,500[b]	31 March 2025		1,500		0	1,500
2 November 2022	1,300	1,300	2 November 2023		1,300		0	1,300
TOTAL	**781,212**	**781,212**		**491,348**	**273,819**	**(178,945)**	**(111,632)**	**474,590**

(a) Rights cancelled for reasons of departure, transfer, lack of certainty that performance criteria have been met or changes in plan terms.
(b) Plans subject to performance criteria.

Commitments received

None.

3.2.3.4.3 Headcount

The Company's average headcount was one employee at 31 December 2022.

3.2.3.4.4 Post-closing events

None.

3.2.3.4.5 Information on mergers and similar transactions

SCI 80-98 Rue de Reuilly was the subject of a universal transfer of assets on 7 November 2022.

3.2.3.5 Table of subsidiaries and equity investments

Subsidiaries and equity investments

Companies	Share capital	Equity other than share capital	Group share	Securities, gross	Securities, net	Loans and advances granted	Net value of loans and advances	Sureties and guarantees	Earnings in the Financial year	Dividends received by the Company	Revenues excl. tax
SUBSIDIARIES (+50%)											
SAS FONCIÈRE ALTAREA -353 900 699	7,783.7	354,562.4	100.0%	779,241.9	779,241.9	498,270.7	498,270.7		59,371.0	156,996.0	
SCA ALTAREIT -553 091 050	2,627.7	375,985.3	99.6%	91,635.0	91,635.0	112,152.7	112,152.7	750.0	57,556.0		1,124.1
SNC ALTAREA MANAGEMENT -509 105 375	10.0	(10,796.8)	100.0%	10.0	10.0	443.4	443.4		(10,796.8)		69,316.5
SAS ALTA BLUE -522 193 796	406,060.2	287,341.6	61.8%	499,429.7	499,429.7				1,037.6	3,761.8	
SARL SOCOBAC -352 781 389	8.0	139.4	100.0%	0.0	0.0				(4.1)		
SARL ALTALUX SPAIN	1,100.0	796.8	100.0%	10,517.0	10,517.0	506.9	506.9		(37.3)		
ALTA MIR -833 669 666	1.0	85.9	100.0%	100.0	100.0				(1.4)		
FONCIÈRE ALTAREA MONTPARNASSE -847 726 650	10.0	4,247.5	100.0%	10.0	10.0	57,735.2	57,735.2		4,247.5		
SCA NR 21 -389 065 152	1,475.4	4,045.6	84.4%	7,209.9	7,209.9				(92.2)		
AFFILIATES (10% TO 50%)											
BERCY VILLAGE 2	1,633.6	4,451.4	15.0%	18,560.0	18,560.0	5,040.6	5,040.6		4,451.4		
SNC AF INVESTCO 4	1.0	(2,860.4)	50.0%	0.0	0.0				(2,860.4)		
SCCV B2-B3	1.0	40,809.5	50.0%	0.5	0.5	8,904.0	8,904.0		12,646.4		40,809.5
SCI LIMOGES INVEST	1.0	18,222.7	25.0%	11,432.1	11,432.1				3,105.2		5,435.1
OPCI ALTA COMMERCES EUROPE	40,754.3	2,877.0	29.9%	22,448.4	13,059.4	23,553.6	23,553.6		3,429.9	1,445.7	
MRM	64,113.9	55,176.1	15.9%	24,991.9					(369.5)		1,140.0
TOTAL INVESTMENTS > 10%				**1,456,579.2**	**1,456,190.2**	**706,607.2**	**706,607.2**				

Head office of subsidiaries and equity investments: 87 Rue de Richelieu, Paris 2nd arrondissement.

3.3 Additional information on the annual financial statements

3.3.1 Summary of the Company's payment terms

As of 31 December 2022	Article D. 441 I.-1°: Invoices received but not paid at the closing date of the financial year ended						Article D. 441 I.-2°: Invoices issued but not paid at the closing date of the financial year ended					
	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) Overdue categories												
Number of invoices included	18					51	1					362
Total amount of the invoices included (incl. VAT)	1,008,782	2,986	0	0	83,774	86,760	0	0	0	882,625	4,666,765	5,549,390
% of total amount of purchases (incl. VAT) for the period	3.51%	0.01%	0.00%	0.00%	0.29%	0.30%						
% of total amount of revenue (incl. VAT)							0.00%	0.00%	0.00%	5.66%	29.95%	35.62%
(B) Invoices excluded from (A) relating to overdue or unrecorded receivables and payables												
Number of invoices excluded						0						0
Total amount of the invoices excluded (inclusive of VAT)						0						0
(C) Benchmark payment terms used (contractual or legal terms)												
Benchmark payment terms used for to calculate overdue payments						Statutory payment terms						Statutory payment terms

3.3.2 Results of the last five financial years

Type of indications	31/12/2022	31/12/2021	31/12 /2020	31/12/2019	31/12/2018
Duration of the period (months)	12	12	12	12	12
CAPITAL AT END OF THE YEAR					
Share Capital	311,350,463	310,089,359	263,982,998	255,195,822	245,425,285
Number of shares	20,375,804	20,293,271	17,277,839	16,700,762	16,061,329
▪ ordinary	20,375,804	20,293,271	17,277,839	16,700,762	16,061,329
▪ priority dividend					
Maximum number of shares to be created					
▪ by bond conversions					
▪ by subscription rights					
OPERATIONS AND RESULTS					
Revenue excl. tax	12,983,928	13,350,683	11,095,628	16,903,831	19,910,706
Income before tax, interest, depreciation and impairment	217,178,596	92,242,323	(75,370,504)	56,119,656	26,883,494
Corporate income tax	6,199,018	2,062,662	5,826,692	1,329,307	(325,229)
Employee participation					
Allowances depr./amort. and impairment	5,860,519	13,432,275	(143,677,411)	40,885,187	6,363,033
Net result	205,119,058	76,747,386	62,480,215	13,905,162	20,845,690
Distributed income	202,686,047	72,910,016	59,356,204	13,209,904	19,803,405
EARNINGS PER SHARE					
Income after tax, interest, before depr./amort. and impairment	10.7	5.3	(4.4)	3.4	1.7
Income after tax, interest, depr./amort. and impairment	10.4	5.2	(4.7)	3.3	1.7
Dividend allocated	10.00	9.75	9.50	9.00	12.75
EMPLOYEES					
Average employee workforce	1	1	2	1	2
Payroll	407,923	407,631	436,944	615,110	1,030,126
Amounts paid in benefits (social security, social welfare, etc.)	29,865,277	21,696,593	15,223,919	21,309,803	18,530,370

3.4 Statutory Auditors' report on the annual Financial statements

(Year ended 31 December 2022)

To the General Shareholders' Meeting of the Altarea company,

Opinion

In accordance with the mission assigned to us by your General Shareholders' Meeting, we have carried out the audit of the annual financial statements of Altarea relating to the year ended 31 December 2022, as attached to this report.

In our opinion, the financial statements give a true and fair view of the Company's operations during the financial year, as well as of the Company's assets, liabilities, and financial position at the end of the financial year, in accordance with the accounting principles generally accepted in France.

The opinion set out above is consistent with the content of our report to the Audit Committee.

Basis of the opinion

Audit guidelines

We conducted our audit in accordance with professional standards applicable in France. We believe that the information we obtained provides a reasonable basis for our opinion given below.

Our responsibilities pursuant to these standards are set out under the section of this report entitled "Responsibilities of the Statutory Auditors in auditing the annual financial statements".

Independence

We carried out our audit mission in compliance with the independence rules provided for by the French Commercial Code and the ethics code of the Statutory Auditors on the period from 1 January 2022 at the date of issue of our report, and in particular we have not provided services prohibited by Article 5 (1) of Regulation (EU) No. 537/2014.

Basis for our assessments – Key points of the audit

It is in this complex and evolving context that, pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most important for the audit of the annual financial statements for the year, as well as the responses we have provided to address these risks.

The assessments thus made are based on the auditing of the annual financial statements, taken as a whole, and the opinion formed by ourselves as expressed above. We do not express an opinion on any aspects of these annual financial statements taken in isolation.

Evaluation of participating interests, investment-related receivables and loans

Risk identified	Our response
The participating interests, investment-related receivables and loans included on the balance sheet at 31 December 2022, a net total of €2,298 million, represent a significant balance sheet item (95% of assets). Participating interests are carried on the balance sheet at their acquisition cost or at their transfer value and impaired on the basis of their value in use. Investment-related receivables and loans related to indirect equity holdings are carried at their contribution or nominal value. As stated in the note 3.2.2.2 "Accounting principles and methods", under the paragraphs "Participating interests" and "Investment and loan-related receivables" of the appendix, the value in use of the participating interests is appraised by management according to multiple criteria such as net asset value, profitability, profitability forecasts, long-term growth prospects, and economic conditions. The market value of assets held by subsidiaries and sub-subsidiaries is taken into account. When there is evidence that the Company will not be able to collect all amounts due, an impairment loss is recorded taking into account in particular the nature of the advance, the subsidiary's capacity to repay and its development potential. Estimating the value in use of these participating interests requires management to exercise its judgement in choosing the information to include depending on the investments in question, information which may be historic in nature (net reassessed position), or forward-looking (long-term profitability). Given the weight of participating interests on the balance sheet, the complexity of the models used and their sensitivity to data variations as well as assumptions on which estimates are based, we have considered the valuation of the participating interests, investment-related receivables, and loans as a key audit matter.	We have observed and noted the process used to determine the value in use of participating interests. Our work also involved: ▪ obtaining an understanding of the valuation methods used and the assumptions underlying the estimation of the value in use of the participating interests; ▪ reconciling the net assets used by management in its valuations with the source data from the financial statements of the subsidiaries, whether audited or analysed as applicable, and examining any adjustments made; ▪ verifying, on a sample basis, the mathematical accuracy of the formulas used to calculate book values; ▪ recalculating, on a sample basis, the impairments recorded by your company. Over and above ascertaining the value in use of participating interests, our work also consisted in, where applicable: ▪ assessing the recoverability of investment-related receivables and loans given the analysis performed on participating interests; ▪ reviewing the need to account for a risk provision where your company is committed to bearing the losses of a subsidiary in negative equity.

Special verifications

We also carried out the specific verifications required by law and regulations, in accordance with professional standards applicable in France.

Information given in the management report and other documents addressed to shareholders, on the financial position and annual financial statements

We have no matters to report as to the true and fair nature and the consistency with the financial statements of the information provided in the management report and documents sent to shareholders concerning the Company's financial position and the annual financial statements.

We confirm the sincerity and consistency with the annual financial statements of the information related to the terms of payment referred to in Article D. 441-6 of the French Commercial Code.

Report on Corporate Governance

We attest to the existence, in the Supervisory Board Report on Corporate Governance, of the information required under Articles L. 225-37-4 and L. 22-10-10 and L. 22-10-9 of the French Commercial Code.

As regards the information provided pursuant to Article L. 22-10-9 of the French Commercial Code concerning compensation and benefits paid or awarded to corporate officers, as well as commitments made in their favour, we have verified their consistency with the financial statements or with the information used to prepare the financial statements and, if applicable, with the information collected by the Company from the companies controlled by it or in the consolidation scope. On the basis of this work, we confirm the accuracy and sincerity of this information.

As regards the information relating to items that your company deemed likely to have an impact in the event of a take-over bid or public exchange offer, provided pursuant to the provisions of Article L. 22-10-11 of the French Commercial Code, we have verified their compliance with the source documents that were forwarded to us. In light of this work, we have no comments on the said information.

Other information

Pursuant to applicable law, we have confirmed that the required information on investments and takeovers and on the identities of the Company's shareholders and voting right holders, are disclosed in the management report.

Other verifications or information required by laws and regulations

Format of the annual financial statements included in the annual financial report

We have also verified, in accordance with the professional standards of the Statutory Auditors relating to the annual and consolidated financial statements presented according to the single European electronic information format, that this format defined by the European regulation is complied with Delegate no. 2019/815 of 17 December 2018 in the presentation of the annual financial statements included in the annual financial report mentioned in I of Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of management.

On the basis of our work, we conclude that the presentation of the annual financial statements included in the annual financial report complies, in all material respects, with the European single electronic format.

Appointment of Statutory Auditors

We were appointed Statutory Auditors for the company Altarea at your General Shareholders' Meeting of 24 May 2022 in the case of MAZARS and 28 May 2010 in the case of ERNST & YOUNG et Autres.

At 31 December 2022, the firm MAZARS was in the first year of its uninterrupted engagement and ERNST & YOUNG et Autres in its thirteenth year.

Previously, ERNST & YOUNG Audit was Statutory Auditor from 2004.

Responsibilities of the management and individuals responsible for corporate governance in respect of the annual financial statements

It is the responsibility of the management to produce annual financial statements that present a true and fair view in compliance with French accounting principles as well as to implement the internal controls it deems necessary to produce annual statements that contain no significant anomalies, whether these are the result of fraud or error.

When producing annual financial statements, it is the management's responsibility to assess the Company as a going concern, to present in these statements, where appropriate, the information required for operational continuity and to apply the accounting standard of operational continuity, unless there are plans to liquidate the Company or cease its operation.

It is the responsibility of the Audit Committee to monitor the process of producing financial information and the effectiveness of systems of internal control and risk management, as well as any internal audits, in respect of procedures for producing and processing accounting and financial information.

These annual financial statements have been approved by management.

Responsibilities of the Statutory Auditors in auditing the annual financial statements

Auditing objective and procedure

It is our responsibility to produce a report on the annual financial statements. Our aim is to obtain reasonable assurance that the annual financial statements, taken as a whole, contain no significant anomalies. Reasonable assurance means a high level of assurance, without forasmuch providing the guarantee that an audit conducted in compliance with industry standards systematically affords the detection of any significant anomaly. Anomalies may be the result of fraud or errors and are considered to be significant where it can be reasonably expected that, taken individually or together, they may influence the economic decisions of the users of the statements on the basis thereof.

As specified in Article L. 823-10-1 of the French Commercial Code, our assignment as auditors is not to guarantee the viability or quality of the management of your company.

In conducting an audit in compliance with industry standards in France, Statutory Auditors exercise their professional judgement throughout the said audit. Moreover:

- they identify and assess risks that the annual financial statements may contain significant anomalies, whether these are the result of fraud or errors, establish and implement auditing procedures in the face of such risks, and gather any evidence they deem sufficient and appropriate on which to base their opinion. The risk of failing to detect a material misstatement attributable to fraud is greater than that of a material misstatement resulting from error, since fraud may involve collusion, forgery, deliberate omissions, misrepresentation or circumventing internal control;
- they take note of the relevant internal control for the audit in order to establish appropriate audit procedures in the circumstances, and not to express an opinion on the effectiveness of internal control;
- they assess the appropriateness of accounting methods used and the reasonableness of the management's accounting estimates and the information relating to them provided in the annual financial statements;
- they assess the appropriateness of management's application of the going concern principle, and, depending on the evidence gathered, the existence or otherwise of significant uncertainty related to events or circumstances liable to undermine the company's ability to continue as a going concern. This assessment is based on the evidence gathered up until the date of their report, not overlooking the fact, however, that subsequent circumstances or events may jeopardise capacity as a going concern. Should they conclude that there is significant uncertainty, they draw the attention of readers of their report to the information contained within the annual financial statements in relation to this uncertainty or, if such information is not supplied or is not relevant, certification will either be withheld or given with reservations;
- they assess the overall presentation of the annual financial statements and whether the latter reflect the operations and underlying events in such a way as to give a true and fair view of them.

Report to the Audit Committee

We submit a report to the Audit Committee which sets out the scope of the audit work and the programme of work implemented, as well as the conclusions arising from our work. We also bring to their attention any significant weaknesses in internal controls that we have identified in terms of procedures for producing and processing accounting and financial information.

The information presented in the report to the Audit Committee includes the risks of significant anomalies that we consider to have been the most important for the auditing of the annual financial statements for the financial year in question and which, as such, are the key point of the audit which it is our responsibility to describe in this report.

We also provide the Audit Committee with the statement required under Article 6 of EU regulation No. 537/2014 confirming our independence, within the meaning of the rules applicable in France as they are set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the Industry Code of Conduct for Statutory Auditors. Where appropriate, we discuss with the Audit Committee any risks affecting our independence and any safeguard measures thus applied.

Paris-La Défense, 24 March 2023

The Statutory Auditors

MAZARS	ERNST & YOUNG et Autres
Gilles Magnan Johanna Darmon	Jean-Roch Varon Soraya Ghannem

3.5 Statutory Auditors' special report on related-party agreements

Shareholders' Meeting to approve the financial statements for the year ended 31 December 2022.

To the General Shareholders' Meeting of the Altarea company,

As the Statutory Auditors of your company, we hereby present you with our report on related-party agreements.

Our responsibility is to report to you, based on the information provided to us, the characteristics, the main terms and conditions, as well as the reasons justifying the interest for the Company, of the agreements brought to our attention or of which we may have become aware or discovered in the performance of our work, without expressing an opinion on their usefulness and appropriateness or determining the existence of any other agreements. It is your responsibility, pursuant to Article R. 226-2 of the French Commercial Code, to assess the Company's interest in entering into these agreements before deciding on whether to approve them.

It is also our responsibility to report to you, as provided by Article R. 226-2 of the French Commercial Code, information pertaining to the performance of agreements previously approved by the General Shareholders' Meeting and that remained in effect during the past year.

We have taken the measures we deemed necessary in accordance with CNC professional guidelines relating to our audit. These measures consisted of verifying that the information provided to us is consistent with the documents from which it was taken.

Agreements submitted to the General Shareholders' Meeting for approval

We hereby inform you that we have not been given notice of any authorised agreement entered into during the past financial year to be submitted for approval to the General Shareholders' Meeting in accordance with the provisions of Article R. 226-2 of the French Commercial Code.

Agreements previously approved by the General Shareholders' Meeting

In accordance with Article R. 226-2 of the French Commercial Code, we have been informed that the performance of the following agreements, which were approved by General Shareholders' Meeting in prior years, remained in effect during the past financial year.

A- With AGP Strategic Real Estate Pool, represented by Mr Alain Dassas, supervisory board member

Subscription agreement for the undated subordinated notes ("TSDI")

Person concerned

APG Strategic Real Estate Pool, represented by Mr Alain Dassas, Supervisory Board member.

Type and purpose

Altarea issued TSDIs for an initial nominal amount of €109,000,000, fully subscribed by APG Strategic Real Estate Pool by the subscription agreement of 11 December 2012.

The overall value of "TSDI" was increased to:

- €195,078,390 at the expiry of an amendment agreed on 29 December 2014 (*i.e.* €130 per TSDI);
- €233,499,810.82 at the expiry of an amendment agreed on 21 May 2021 (*i.e.* €148.94 per TSDI).

Conditions

As compensation for these securities, the Company incurred financial expenses of €1,731,590 during the financial year ended on 31 December 2022.

B- With Crédit Agricole Assurances (CAA), a shareholder directly and indirectly holding over 10% of the Company's capital and voting rights

Persons concerned

- Crédit Agricole Assurances (CAA), a shareholder directly and indirectly holding more than 10% of the Company's share capital and voting rights.
- PREDICA (subsidiary of CAA), member of the Company's Supervisory Board, represented by Mrs Najat Aasqui.
- Mr Matthieu Lance, Deputy Director of Investments, responsible for real assets and equity investments of the CAA Group, member of the Company's Supervisory Board.

Creation of two partnerships with Crédit Agricole Assurances, 49% owned by CAA and 51% by ALTAREA

Type and purpose

Altarea signed two letters issued by Crédit Agricole Assurances (CAA) on 10 June 2021, after the prior authorisation by the Supervisory Board of 26 May 2021, agreeing to the creation of two partnerships 49% owned by CAA and 51% by Altarea in two types of Group assets:

- One, "Alta Retail Parks", covering nine Retail Parks owned by the Group in France (Les Portes de Brest Guipavas, Family Village Costières Sud in Nîmes, Family Village Les Hunaudières in Le Mans-Ruaudin, Les Portes d'Ambresis in Villeparisis, Castorama in Pierrelaye, Thiais Village in Thiais, Family Village in Limoges, Family Village and Le Village de Marques in Aubergenville); and
- The other, "Alta Infrastructures", covering the shops of the Paris-Montparnasse station (under concession until 2052) and a portfolio of five Italian stations (Milan-Porte Garibaldi, Rome-Ostiense, Turin-Porte Susa, Padua, Naples-Afragola, under concession until June 2041).

The partnerships relate to investments of €1.0 billion including transfer duties in the assets owned or operated by the Group. They were completed on 8 December 2021 for "Alta Retail Parks" and on 10 February 2022 for "Alta Infrastructures", the CAA Group having invested a total of approximately €486.8 million (excluding transfer taxes), notably *via* equity investments in the Group's subsidiaries holding the assets or operating the concessions, contributions in kind structured as capital increases and/or acquisitions of shares. On completion of the transaction, Altarea indirectly held around fifty-one percent (51%) of the capital and voting rights of each of these subsidiaries and CAA forty-nine percent (49%).

In this context, Altarea and the subsidiaries concerned entered into various agreements with CAA including:

Under the "Alta Retail Parks" partnership, on 8 December 2021:

- "Investment protocol", to define the terms and conditions for creating the partnership; and
- a shareholders' agreement, to organise relations between the partners in each subsidiary concerned, the governance of the subsidiaries, and their rights and obligations under the partnership.

In respect of the "Alta Infrastructures" partnership:

- as the partnerships relates to the Paris-Montparnasse station, dated 26 January 2022:
  - "Investment protocol", to define the terms and conditions for creating the partnership, and
  - a shareholders' agreement, to organise relations between the partners in each subsidiary concerned, the governance of the subsidiaries, and their rights and obligations under the partnership;
- with regard to the part of the partnership relating to Italian stations, dated 10 February 2022:
  - an agreement entitled "Investment and quota agreement", to define the terms and conditions for creating the partnership, and
  - a "Quotaholder's agreement" to organise relations between the partners in the subsidiary concerned, the governance of the subsidiary, and their rights and obligations under the partnership.

The Altarea Group will continue to control and manage these assets, which will remain fully consolidated in its financial statements.

The conclusion of these partnerships with the CAA was previously authorised by Altarea's Supervisory Board at its meeting of 26 May 2021. The partnerships were approved by the General Shareholders' Meeting of 24 May 2022.

Paris-La Défense, 24 March 2023

The Statutory Auditors

MAZARS	ERNST & YOUNG et Autres
Gilles Magnan Johanna Darmon	Jean-Roch Varon Soraya Ghannem

4

DECLARATION ON EXTRA-FINANCIAL PERFORMANCE (DPEF)

4.1 CSR at the heart of the Group's strategy

4.1.1 A long-standing commitment

Altarea has been measuring CSR issues for nearly 15 years.

2009
Creation of Altarea's CSR approach

2010
First CSR report on the Group's carbon footprint

2011
First audit of the Group's CSR performance by an independent third party

2012
First response to the GRESB

2013
First Energy Master Plan to reduce energy consumption and CO_2 emissions

2015
BREEAM® In-Use certification applied in 100% of centres under management

2016
First integrated strategic report

Creation of the Altarea materiality matrix and transition from an environmental approach to a global ESG approach (incorporating societal issues)

2017
Structuring of the Group's CSR approach: *"Tous engagés !"*

Delivery of the Massy Place du Grand Ouest district, the Group's first mixed-use district

2018
Signature of the BiodiverCity® charter

Major restructuring of CAP3000, the world's first shopping centre with BiodiverCity® certification

2019
First work on the definition of carbon trajectories, including Property Development activities

Acquisition of 50% of Woodeum, a specialist in timber construction

2020
Relocation to 87 Richelieu, a flagship for the Group's know-how in renovation

Achievement of REIT's energy consumption and CO_2 emissions targets and setting of new targets for 2030

2021
Top Employer certification

New incentive agreement incorporating CSR criteria (including climate change)

15 years of partnership with Habitat et Humanisme

2022
Publication of the first Group Climate Report and first ESG Supervisory Board

Delivery of Issy Cœur de Ville, an emblematic "quarter-hour city" project

4.1.2 Main dashboard indicators

The table below presents a summary of the Group's CSR indicators. Details and additional indicators can be found in the introduction to the Cities, Clients and Talents chapters.

Challenge	Indicator	Result	Target	Change	Comment
Taxonomy	**Revenue alignment**	**44%**	Revenue mostly aligned[(a)]	N/A	A satisfactory first year with disparities by brand that will be reduced in the future
Decarbonisation	**CO_2 emissions (scopes 1, 2 and 3)**	**Property Development: 1.4 tCO_2e/m^2 (-8% since 2019)**	-50%/m^2 on development activities in 2035[(b)]	↘	Altarea has been setting targets, which have been regularly updated, since 2017. In 2022, the Group accelerated the deployment of an organisation to manage their achievement
		REIT: 1.3 $kgCO_2e/m^2$ (-86.5% since 2010)	Net zero emissions from REIT in 2030		
Proximity and density	**Percentage of surface areas under development less than 500 metres from public transport**	**99%**	Maintenance	=	Stable since 2016, demonstrating the Group's desire to offer well-connected operations
Regional development	**Percentage of building site purchases from local suppliers (less than 50 km)**	**72%**	Maintenance	=	Altarea monitors this indicator to strengthen its contribution to the local economy.
Certifications and green value	**Percentage of portfolio sites certified at least BREEAM® In-Use[(c)]**	**100%**	100% of portfolio sites and managed sites certified	=	Performance has been stable for seven years, reflecting the Group's continuous efforts to improve the quality of its operations
	Percentage of Residential projects certified NF Habitat[(d)]	**100%**	100% of Residential projects certified NF Habitat		
Customer satisfaction	**Result in the HCG/Les Échos customer relations ranking**	**1st place in the ranking**	Maintenance	↗	The Group has spent 3 years in the top 3 and is recognised as a benchmark in customer relations
Women's representation in management	**Percentage of women on the Management Committee**	**30%**	60% of vacancies filled by women	=	The Group continues its actions to promote access for women to management positions
Internal mobility	**Percentage of positions filled internally**	**50%**	40% minimum	=	Resizing teams as part of the managerial responsibility project has been a mobility accelerator

(a) At constant regulatory conditions.
(b) In living area (SHAB) for Residential, in floor area (SDP) for Business property and Retail.
(c) Excluding Espace Saint-Quentin, in the process of being certified, brought under management in 2022.
(d) Excluding Severini, co-development, refurbishments and managed residences.

4.1.3 The Group's CSR approach: "*Tous engagés* !"

The Group's CSR approach is regularly updated. It is based in particular on:

- a materiality matrix dating from 2016 (presented on the website);
- the risk analysis conducted as part of the preparation of the DPEF dating from 2018;
- in 2020, an update of the priority issues, based on work done with the Group's senior executives. As such, twelve people were interviewed internally about their perception of macro-trends, stakeholder expectations and the Group's positioning;
- in 2022, a detailed analysis of challenges related to the european taxonomy.

The approach has been formalised since 2017 by the "*Tous engagés* !" Programme. The latter is based on three main areas:

- working as a public interest partner for cities, to preserve and develop local regions;
- placing customers at the heart of actions, working for customer satisfaction across all business lines;
- capitalising on the excellence of talents, the Company's biggest asset, to support performance.

TOUS ENGAGÉS !

Altarea's CSR approach

THE CONVICTIONS

CITIES
Developing and preserving regions

CUSTOMERS
Customer satisfaction at heart of Altarea's actions

TALENTS
Excellence as a driver for performance

THE COMMITMENTS

Cities:
Develop desirable urban projects with a positive impact
Working toward a resilient, low-carbon city
Preserve natural spaces and promote nature in the city
Promote the circular economy

Customers:
Listen customers and deliver customer satisfaction
Develop a desirable and comfortable city
Enhance green value by rolling out ambitious certifications
Be a beacon of best practice in business lines

Talents:
Support skills development
Foster well-being in the working environment
Encourage internal mobility and continue training

4.1.4 Governance and implementation of CSR

Organisation

The CSR Department is part of the Strategic Marketing, CSR and Innovation Department. It is made up of five employees and reports to an Executive Committee member. It has a cross-functional role in the Company's transformation, by monitoring CSR topics, training, and supporting operational staff on all types of projects. It also manages extra-financial communications.

The management process in place to progress and disseminate the approach is as follows:

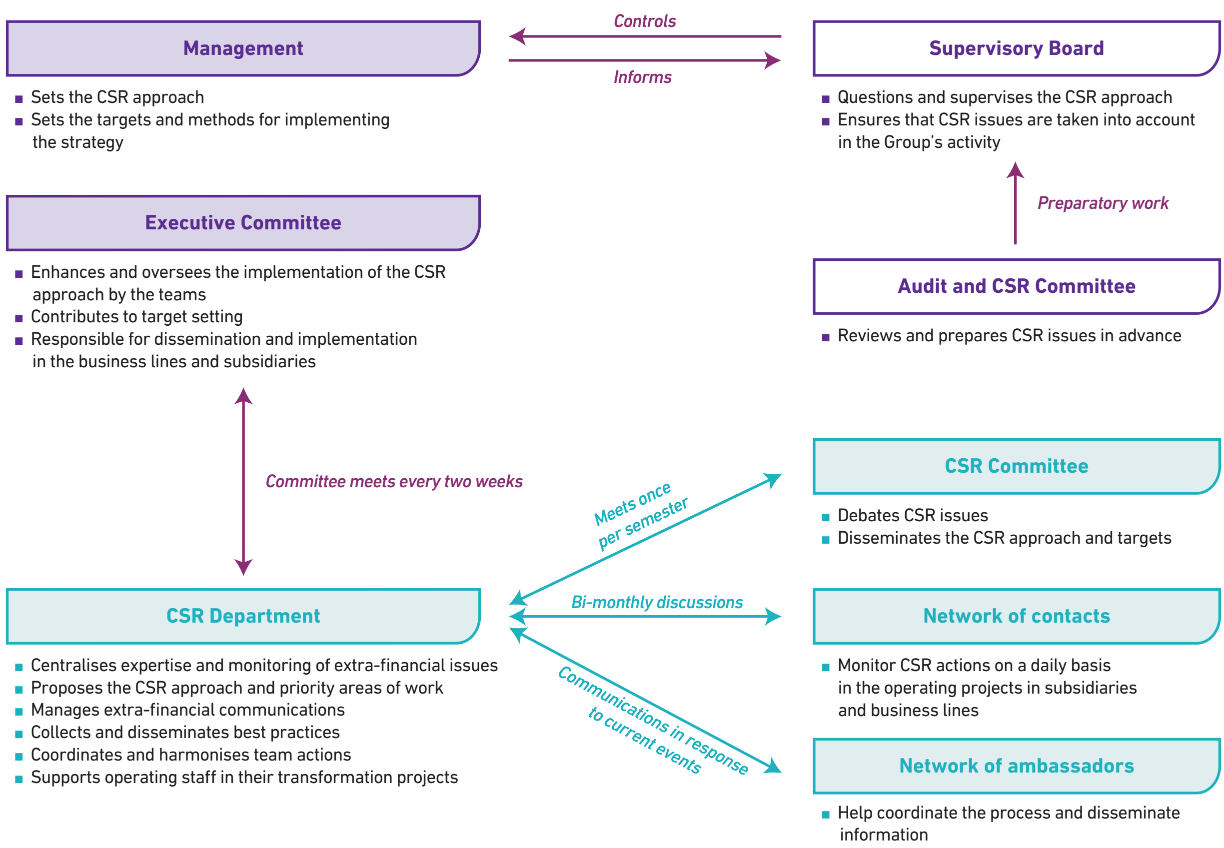
- the CSR Department proposes CSR actions to Management and the Executive Committee;
- the CSR Department relies on the CSR Committee, which meets regularly to implement these actions. This network of around thirty coordinators represents each of the Group's business lines (Residential, Business property, Retail) and cross-functional departments (Human Resources, Innovation, Finance, Internal Control, etc.);
- a network of contacts within the business lines has been set up, with regular and formalised meetings, making it possible to monitor each person's subjects, and to coordinate and harmonise practices throughout the Group;
- *ad hoc* working groups are formed to focus on targeted and operational topics with special coordinators and other participants. In 2022, working groups were set up on climate issues (in-depth work on methods of measurement and trajectory), taxonomy, and the "Responsible Retail" approach;
- lastly, to stay close to its stakeholders, in 2021 the Group set up a network of operational CSR ambassadors, open to motivated employees in all brands and business lines, one of whose missions is to relay the CSR strategy of the Group.

The involvement of the entire company in extra-financial issues is also guaranteed by a financial incentive: in 2022, part of the management's variable compensation depended on extra-financial results. In addition, for the past two years, the Group's profit-sharing agreement as well as the long-term bonuses of Managers have included extra-financial criteria related to the climate, women's representation in management, internal mobility and customer satisfaction.

Lastly, for the first time in 2022, an ESG Supervisory Board was held, focused on the topics of climate and the taxonomy, as well as extra-financial issues for the coming years.

CSR team contact: developpementdurable@altarea.com

CSR GOVERNANCE STRUCTURE



Relations with stakeholders

Due to the diversity of its activities and business lines, Altarea has connections with a wide range of stakeholders. The diagram below presents the main ones.

MAPPING OF ALTAREA'S MAIN STAKEHOLDERS

Clients	Buyers of residential units and investors	Office users key accounts	Retail brands	Shoppers
CHALLENGES	Satisfy their expectations and advise them throughout the journey	Support performance and corporate culture	Attract visitors and offer pleasant, innovative spaces	Offer an experience and services
	4.3.1	4.3.1	4.3.1	4.3.1

Partners	Government and communities	Investors and analysts	Employees and applicants	Suppliers, service providers, subcontractors
CHALLENGES	Create long-term partnerships for regional revitalisation and development	Sustain financial and extra-financial performance of the Group and its products	Offer excellent career opportunities in an attractive compagny	Make the Group's CSR challenges a major part of its business relationships
	4.2.1	4.1	4.4	4.3.4 and 4.3.6

4.1.5 Summary of the extra-financial risk analysis

In order to establish the DPEF, the Group conducted an analysis of its extra-financial risks (see methodological details in 4.5). A summary of these risks, the main actions and policies implemented by the Group and a reference to a more detailed description together with the results are set out in the table below.

CSR risks, actions and policies implemented

Risks	Actions and policies	Details	United Nations SDGs
Risks of operations losing attractiveness and value for customers and investors In a context of major transitions and an uncertain economic environment, the property expectations of customers and investors can quickly evolve. *DPEF1*	In order to anticipate the expectations of customers and stakeholders, in all its business lines the Group has introduced: ▪ improved dialogue with customers; ▪ continuous efforts on green value and environmental standards (quality, labels and certifications); ▪ a culture of innovation instilled in the Group.	Axis **Customers** 4.3.1 4.3.2 4.3.3 4.3.5	3 Good health and well-being 9 Industry, innovation and infrastructure 11 Sustainable cities and communities
Risks associated with the acceptability of projects to local councillors, neighbours, customers (licence to operate) The development of Altarea's activities depends on their acceptability for the regions in which they are to be located, citizens, buyers and the environment. *DPEF2*	The Group is developing its local presence and rolling out environmental, economic and societal regional development measures: ▪ the Group is developing harmonious, sustainable, mixed urban projects connected to transport networks; ▪ it is contributing to regional development and establishes strong links with the social economy; ▪ preserving local biodiversity is a priority.	Axis **Cities** 4.2.1 4.2.3	8 Decent work and economic growth 10 Reduced inequalities 11 Sustainable cities and communities 15 Life on land
Risks associated with climate change: transition to a low-carbon world Climate emergency, regulations (RE2020 in particular), market expectations: decarbonisation of activities is now essential and must be integrated into all of the Group's business lines. *DPEF3*	The Group has taken climate change into account in all of its activities It made a commitment to reduce greenhouse gas emissions from projects by **50% per m²** between 2019 and 2035, on scopes 1, 2 and 3, including actions on materials and energy. In the real estate sector, Altarea is aiming for carbon neutrality by 2030, with a reduction of more than 70% in emissions and actions to support GHG-reduction projects. Altarea wants to get ahead on this issue and make it an opportunity in its relations with customers and investors.	Axis **Cities** 4.2.2	7 Affordable and clean energy 11 Sustainable cities and communities 13 Climate action
Risks related to the physical impacts of climate change The aggravation of climate phenomena (heat waves, floods, etc.) affects cities and their inhabitants. Property is affected by these risks but is also a source of solutions. *DPEF4*	In all its real estate projects, the Group implements an adaptation approach aimed at guaranteeing the comfort and value of the buildings for their buyers, with particular attention paid to summer comfort.	Axis **Cities** 4.2.2	11 Sustainable cities and communities 13 Climate action
Risks associated with increasing scarcity of resources Increased pressure on access to natural resources requires long-term thinking on how we can better manage resources and waste (the circular economy), the use of alternative methods, extending the life of buildings, intensifying their use, etc. *DPEF5*	The Group addresses this issue from the project design stage (reversibility, renovation, etc.) right through to the operational phase (waste management, etc.).	Axis **Cities** 4.2.4	11 Sustainable cities and communities 12 Responsible consumption and production

Risks	Actions and policies	Details	United Nations SDGs
Societal risks in the subcontracting chain Altarea is a major buyer, making more than €3,000 million of purchases each year, and has an impact on the social and environmental practices of its suppliers and subcontractors. *DPEF6*	Altarea has an ambitious Group-wide approach to supply chain issues, including: ▪ generalised actions (creation of a Group responsible purchasing charter); ▪ risk analysis by supplier and type of purchase, with targeted actions (CSR clauses in calls for tenders and contracts, training actions, supplier assessments, audits, etc.); ▪ working to build a responsible and sustainable relationship with suppliers.	Axis **Customers** 4.3.4	6 Clean water and sanitation 8 Decent work and economic growth 10 Reduced inequalities 15 Life on land
Risks associated with skills management The excellence of human capital is the foundation on which the Group's development and agility is based. Faced with the rapid evolution of useful skills and careers, Altarea needs to ensure its employees develop and progress. *DPEF7*	Each year, the Group enhances its recruitment, integration and training policies to maintain and develop the skills of its workforce.	Axis **Talents** 4.4.4	10 Reduced inequalities
Risks associated with the Company's loss of appeal Altarea needs to attract and retain talent to continue to be the leader in urban transformation in France. If Altarea were no longer able to recruit and retain employees, it would have a negative impact on performance. *DPEF8*	The Group is developing staff retention mechanisms (pay, well-being at work, etc.) and is pursuing a strong policy to improve its employer brand.	Axis **Talents** 4.4.1 4.4.2 4.4.3	5 Gender equality 10 Reduced inequalities
Risks associated with business ethics The Group may be exposed to attempted fraud or corruption risks, the impact of which could have a negative impact on its activities, performance and image. *DPEF9*	The Ethical Charter, updated in 2022, is a framework for the practices of the Group which is also seeking to reinforce its compliance programme.	Axis **Customers** 4.3.6	N/A
Safety and security risk Risks to security and safety can affect shopping centres, head office and information systems in particular. *DPEF10*	The Security Department was set up in 2017 to manage these issues across all business lines. The Group also complies with its regulatory obligations in terms of accessibility, fire safety and personal data.	N/A	N/A
Risks of pollution and damage to the environment The Group's property activities may expose it to the risk of polluting its environment. *DPEF11*	The Group is committed to leading the way on environmental practices, *particularly* through certifications and processes to prevent pollution, both by its assets and on building sites.	Axis **Cities** 4.2.4	6 Clean water and sanitation 15 Life on land

4.1.6 European taxonomy

The Taxonomy Regulation defines a common classification system (the european taxonomy) for use throughout the European Union to identify "sustainable" economic activities and accelerate the financing of the ecological transition. It defines uniform criteria for each sector to assess their contribution to the six environmental objectives defined by the European Commission:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems.

In 2022, non-financial companies must publish indicators from the consolidated financial statements (revenue, Capex and Opex), indicating for each indicator:

- the proportion concerned by the taxonomy: the eligibility rate;
- the proportion complying with European environmental criteria: the alignment rate.

For the Altarea Group, the most significant indicator is revenue.

Activities concerned

In its various business lines, the Altarea Group is eligible for taxonomy within the meaning of the sectors "7.1 Construction of new buildings", "7.2 Renovation of existing buildings" and "7.7 Acquisition and ownership of buildings", which make a substantial contribution to the mitigation of climate change.

Breakdown of the Altarea Group's taxonomy sectors by business line

	7.1. Construction of new buildings	7.2. Renovation of existing buildings	7.7. Acquisition and ownership of buildings
Residential	√	√	
Business Property	√	√	√
Retail			√

4

Revenue

Eligibility

In 2022, activities eligible for the european taxonomy represented 98% of the Altarea Group's revenue.

Share of 2022 consolidated revenue qualifying for taxonomy

	Group	7.1) Construction of new buildings	7.2) Renovation of existing buildings	7.7) Acquisition and ownership of buildings
A) Eligible activities *(€ millions)*	2,968	2,563	188	217
ELIGIBLE ACTIVITIES *VS.* GROUP REVENUE	98%	100%	100%	100%
B) Non-eligible activities *(€ millions)*	45	-	-	-
NON-ELIGIBLE ACTIVITIES *VS.* GROUP REVENUE	2%	0%	0%	0%
C) Revenue *(€ millions)*	3,013	2,563	188	217

Revenue under sector "7.1 Construction of new buildings" comes from the Group's property development business in new buildings.

Revenue under sector "7.2 Renovation of existing buildings" comes from the renovation of old buildings (*i.e.* Histoire & Patrimoine) and the sale of the asset "SCI 80-98 RUE DE REUILLY" (urban logistics) and Group property development in Business Property renovation projects.

Revenue under sector "7.7. Acquisition and ownership of buildings" come from Retail.

Alignment

In financial year 2022, 44% of the Altarea Group's revenue was aligned with the taxonomy.

Alignment of 2022 consolidated revenue with taxonomy by sector

	Group	7.1) Construction of new buildings	7.2) Renovation of existing buildings	7.7) Acquisition and ownership of buildings
A) Eligible activities *(€ millions)*	2,968	2,563	188	217
ELIGIBLE ACTIVITIES *VS.* GROUP REVENUE	**98%**	**100%**	**100%**	**100%**
A.1) Aligned activities *(€ millions)*	1,331	1,158	23	150
ALIGNED ACTIVITIES *VS.* GROUP REVENUE	**44%**	**45%**	**12%**	**70%**
B) Non-eligible activities *(€ millions)*	45	-	-	-
NON-ELIGIBLE ACTIVITIES *VS.* GROUP REVENUE	**2%**	**0%**	**0%**	**0%**
C) Revenue *(€ millions)*	3,013	2,563	188	217

To calculate the Group's alignment rate, the Group analysed the six objectives defined by the European Commission in the Taxonomy.

In order to be qualified as "sustainable" and therefore aligned, the activity must meet the following conditions:

- substantially contribute to one or more of the six environmental objectives;
- Do No Significant Harm (DNSH) to the latter;
- respect the minimum social guarantees.

With regard to minimum social guarantees, Altarea is a signatory of the United Nations Global Compact and its principles in the areas of human rights, labour, the environment and anticorruption, and also respects the rights set by the eight fundamental Conventions in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.

In addition, as part of its responsible purchasing approach, the Altarea Group has identified its risks on its supply chain, particularly in terms of human rights, and implements action plans to mitigate and prevent these risks (see 4.3.4).

Lastly, in compliance with the Sapin II law, Altarea has set up an internal whistleblowing system so employees can report any conduct or situations contrary to the Company's ethics code (see 4.3.6).

Alignment of 2022 consolidated revenue with taxonomy by sector and criterion(1)

	Group	7.1) Construction of new buildings	7.2) Renovation of existing buildings	7.7) Acquisition and ownership of buildings
A) Eligible activities *(€ millions)*	2,968	2,563	188	217
ELIGIBLE ACTIVITIES *VS.* GROUP REVENUE	**98%**	**100%**	**100%**	**100%**
A.1) Aligned activities *(€ millions)*	1,331	1,158	23	150
ALIGNED ACTIVITIES *VS.* GROUP REVENUE	**44%**	**45%**	**12%**	**70%**
#1 Climate change mitigation	64%	64%	77%	70%
#2 Climate change adaptation	97%	100%	77%	91%
#3 Water and marine resources	88%	88%	100%	
#4 Circular economy	74%	78%	21%	
#5 Pollution	90%	90%	77%	
#6 Biodiversity and ecosystems	100%	100%		
Minimum safeguards	YES	YES	YES	YES
B) Non-eligible activities *(€ millions)*	45	-	-	-
NON-ELIGIBLE ACTIVITIES *VS.* GROUP REVENUE	**2%**	**0%**	**0%**	**0%**
C) Revenue *(€ millions)*	3,013	2,563	188	217

The alignment rate obtained for each individual criterion is high (64% at Group level 2 on the substantial criterion of climate change mitigation). The overall alignment rate is, however, reduced by the cumulative nature of the criteria: non-compliance with a single criterion invalidates the alignment of the project analysed. It is also important to remember that not all of the DNSH principles are applicable to all activities (see table "Taxonomy alignment rate of Altarea's 2022 revenue" below).

In the sector "7.1 Construction of new buildings", the alignment rate was 45%.

In the sector "7.2 Building renovation", the main business of renovation of old buildings is very efficient from an environmental point of view. Old assets in the office and urban logistics sectors are reducing the alignment rate of this activity.

In the sector "7.7 Building acquisition and ownership", the alignment rate of 70% reflects the improvement works carried out on the shopping centres.

(1) *The total percentage alignment on the substantial contribution and DNSH criteria is a weighted average of the percentage alignment of each business line as a proportion of its total revenue.*

Altarea's revenue alignment rate with taxonomy in 2022

Economic activities	Codes	Revenue in absolute value	% revenue	Substantial contribution criteria						DNSH criteria						Minimum safeguards	Percentage of revenue aligned in 2022	Percentage of Capex aligned in 2021	Enabling activities	Transitional activities
				#1 Climate change mitigation	#2 Climate change adaptation	#3 Water and marine resources	#4 Circular economy	#5 Pollution	#6 Biodiversity and ecosystems	#1 Climate change mitigation	#2 Climate change adaptation	#3 Water and marine resources	#4 Circular economy	#5 Pollution	#6 Biodiversity and ecosystems					
		€ millions		%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E/T	
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																				
A.1. Activities eligible for taxonomy and aligned																				
Construction of new buildings	7.1	1,158	38%	100%	0%	0%	0%	0%	0%	N/A	YES	YES	YES	YES	YES	YES	38%	N/A		
Renovation of existing buildings	7.2	23	1%	100%	0%	0%	0%	0%	0%	N/A	YES	YES	YES	YES	N/A	YES	1%	N/A		T
Acquisition and ownership of buildings	7.7	150	5%	100%	0%	0%	0%	0%	0%	N/A	YES	N/A	N/A	N/A	N/A	YES	5%	N/A		
Revenue aligned with taxonomy (A.1.)		1,331	44%	100%													44%	N/A		
A.2. Activities eligible for taxonomy but not aligned																				
Construction of new buildings	7.1	1,405	47%																	
Renovation of existing buildings	7.2	165	5%																	
Acquisition and ownership of buildings	7.7	66	2%																	
Revenue eligible but not aligned (A.2.)		1,636	54%																	
Total A (A.1. + A.2.)		2,968	98%																	
B. ACTIVITIES ELIGIBLE FOR TAXONOMY																				
Non-eligible revenue (B)		45	2%																	
Total A + B		3,013	100%																	

Capex

Eligibility

By their nature, the Group's capital expenditures (capex) are eligible under two sectors:

- 7.7 "Acquisition and ownership of buildings";
- 6.5 "Transport by motorcycles, passenger cars and commercial vehicles".

In financial year 2022, activities eligible under the european taxonomy represented 79% of the Group's capex.

Eligibility of Group capex by qualifying activity in 2022

	Ref. Paragraph	Group	7.7) Acquisition and ownership of buildings	6.5) Transport by motorbikes, passenger cars and light commercial vehicles
A) Eligible capex *(€ millions)*	4.1	35	33	2
ELIGIBLE CAPEX *VS.* GROUP CAPEX		**79%**	**75%**	**4%**
B) Non-eligible capex *(€ millions)*	1	9		
NON-ELIGIBLE ACTIVITIES *VS.* GROUP REVENUE		**21%**		
C) Capex *(€ millions)*	7.2.2	44		

Alignment

The Group considered capex to be aligned if it was associated with aligned assets.

In 2022, the Group's capex alignment rate was 38.5%.

Altarea capex taxonomy alignment rate in 2022

Economic activities	Codes	Capex in absolute value	% Capex	Substantial contribution criteria						DNSH criteria						Minimum safeguards	Percentage of capex aligned in 2022	Percentage of capex aligned in 2021	Enabling activities	Transitional activities
				#1 Climate change mitigation	#2 Climate change adaptation	#3 Water and marine resources	#4 Circular economy	#5 Pollution	#6 Biodiversity and ecosystems	#1 Climate change mitigation	#2 Climate change adaptation	#3 Water and marine resources	#4 Circular economy	#5 Pollution	#6 Biodiversity and ecosystems					
		€ millions		%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E/T	
A. CAPEX ELIGIBLE FOR TAXONOMY																				
A.1. Capex eligible for taxonomy and aligned																				
Transport by motorcycles, passenger cars and light commercial vehicles	6.5	0	0%	100%	0%	0%	0%	0%	0%	N/A	YES	N/A	YES	YES	N/A	YES	0%	N/A		T
Acquisition and ownership of buildings	7.7	17	39%	100%	0%	0%	0%	0%	0%	N/A	YES	N/A	N/A	N/A	N/A	YES	39%	N/A		
Capex aligned with taxonomy (A.1.)		17	39%	100%												YES	39%	N/A		
A.2. Capex eligible for taxonomy but not aligned																				
Transport by motorcycles, passenger cars and light commercial vehicles	6.5	2	4%																	
Acquisition and ownership of buildings	7.7	16	36%																	
Capex eligible but not aligned		18	40%																	
Total A (A.1. + A.2.)		35	79%																	
B. NON-ELIGIBLE CAPEX																				
Non-eligible capex (B)		9	21%																	
Total A + B		44	100%																	

Opex

In 2022, operating expenses (opex) eligible under the taxonomy amounted to €5.63 million. They are mainly composed of the following items:

- maintenance and repair costs for the Group's head offices: €2.96 million;
- maintenance and repair costs for shopping centres under management: €1.62 million;
- external R&D fees: €1.04 million.

The total amount of this increase is less than 5% of the Group's operating expenses (€333.4 million). These operating expenses were not considered to be significant for Altarea's business model. They mainly correspond to the upkeep and maintenance of our shopping centres. The Group therefore applies the principle of exemption permitted by the regulations for this KPI.

Altarea's opex taxonomy alignment rate in financial year 2022

Economic activities	Codes	Opex in absolute value	% opex	Substantial contribution criterion						DNSH criterion						Minimum safeguards	Percentage of opex aligned in 2022	Percentage of opex aligned in 2021	Enabling activities	Transitional activities
				#1 Climate change mitigation	#2 Climate change adaptation	#3 Water and marine resources	#4 Circular economy	#5 Pollution	#6 Biodiversity and ecosystems	#1 Climate change mitigation	#2 Climate change adaptation	#3 Water and marine resources	#4 Circular economy	#5 Pollution	#6 Biodiversity and ecosystems					
		€ millions		%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E/T	
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																				
A.1. Activities eligible for taxonomy and aligned																				
Opex aligned with taxonomy (A.1.)		0.0	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	YES	0%	N/A	N/A	N/A
A.2. Activities eligible for taxonomy but not aligned																				
Maintenance and repair costs for the Group's head offices		0.0	0%																	
Maintenance and repair costs for shopping centres under management		0.0	0%																	
External R&D fees		0.0	0%																	
Opex eligible but not aligned (A.2.)		0.0	0%																	
Total A (A.1. + A.2.)		0.0	0%																	
B. ACTIVITIES ELIGIBLE FOR TAXONOMY																				
Non-eligible opex (B)		5.6	100%																	
Total A + B		5.6	100%																	

An exemplary environmental approach

This performance reflects the exemplary approach of the Group, which is often a pioneer in environmental matters across all of its activities:

Property Development

- Taking into account energy and environmental regulations in advance and in a more stringent manner: development projects prior to 2022 were already targeting energy consumption levels 10% below regulatory requirements in Residential and at least 30% below in the Paris Region;
- Systematic application for labels and certifications: NF Habitat HQE, HQE™ "Very Good" and/or BREEAM® "Very Good" at least for office buildings;
- Generalisation of ambitious building site charters (low pollution, waste recovery, etc.);
- Development of the quality of buildings constructed (modularity, multi-use, comfort, health, etc.) or managed: for example, Cogedim has defined 10 commitments taking into account well-being, air quality, material neutrality, reduction of CO_2 emissions, energy savings, lighting, and thermal and acoustic comfort in its residential programmes.

Retail REIT

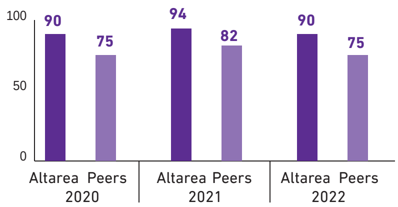
- Generalisation of BREEAM® In-Use certification since 2015, deployment of biodiversity plans in 100% of shopping centres managed;
- Systematically equipping centres with building automation and control systems (BAS/BMS);
- Use of renewable electricity for 99% of shopping centres managed and owned in 2022;
- Drive for energy savings at the REIT (and Group head offices): continuous decrease in consumption since 2010, thanks to implementation of the energy master plan and environmental management system.

4.1.7 Extra-financial ratings

Altarea's CSR performance is regularly assessed by non-financial rating agencies. Analysis of the results obtained allows it to improve its performance on a continuous basis.

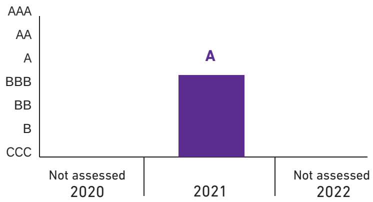
Ratings obtained by agency | **Comments**

GRESB



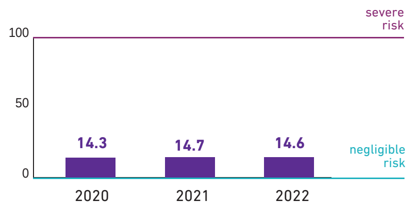
Since 2011, the Group has been voluntarily participating in the Global Real Estate Sustainability Benchmark (GRESB), the reference in the real estate sector for Sustainable development, with 1,820 companies and funds assessed around the world in 2022.
In 2022, Altarea confirmed its "Green Star 5*" status (i.e. the Group is in the first rating quintile among its peers).
Finally, Altarea has obtained an A rating for transparency, a token of quality, reliability and the exhaustive scope of its CSR reporting.

MSCI



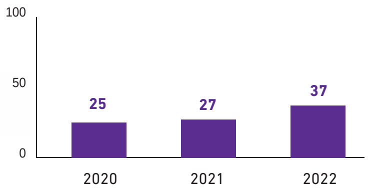
Altarea was assessed for the first time in 2021 and obtained an A rating.
In addition, on environmental issues, MSCI has positioned the Group in the "Leader" category of its market.

SUSTAINALYTICS



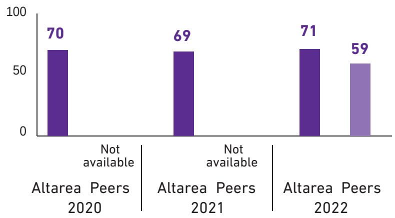
Altarea has maintained a stable rating since 2019 and Sustainalytics rates the Group's ESG risks as "low".

S&P Global Ratings



Altarea has been rated by S&P for several years, but this year it was, for the first time, able to discuss issues with the agency's analysts to refine their initial assessment of the Group's practices. This work resulted in a significant increase in the Altarea Group's rating.
It should be noted that, until now, S&P's work covered 70% of the Corporate Sustainability Assessment (CSA) questionnaire, effectively limiting its possibilities to evaluate the Group's performance. From next year, Altarea will answer the entire questionnaire.

Gaïa Rating



Altarea has maintained a stable rating since 2019 and outperformed the Gaia benchmark, composed of companies in the Real Estate sector.

4.1.8 Altarea is committed

Altarea is committed to external initiatives and actively participates in sector bodies that promote sustainable development, in particular to anticipate changes to sustainability regulations and exchange best practice.

United Nations Global Compact and Sustainable development goals	Altarea is committed to the United Nations Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anticorruption. Altarea aligns its action with the United Nations Sustainable Development Goals (SDGs). Details of the contributions are indicated in paragraph 4.1.5.	WE SUPPORT UN GLOBAL COMPACT SUSTAINABLE DEVELOPMENT GOALS
Paris Climate Action	Altarea has been a signatory to the Paris Climate Action Charter since 2015, and renewed its commitment to the City of Paris by signing the Paris Climate Action Biodiversity Pact in 2022. Through this renewal, Altarea is committed to contributing to the development of a fair and inclusive low-carbon society model and recognises the need to make its economic model compatible with the development of a low-carbon economy and the strengthening of the nature network in Paris.	ParisActionClimat
AdaptaVille	Altarea joined with the Agence Parisienne du Climat and other partners to launch Adaptaville, a platform offering practical solutions to help cities adapt to climate issues.	ADAPTAVILLE
OID	(Observatoire de l'Immobilier Durable), the sustainable property observatory is an independent general interest association which seeks to promote sustainability in construction. The Group is a founding member. Altarea contributes in particular to publications such as the Responsible Real Estate Barometer.	OID
BIG	Altarea is a founding member of the Biodiversity Impulsion Group (BIG) initiative, led by the OID, aimed at developing a common framework to improve the biodiversity footprint of real estate projects and better reconcile the urban and ecological functions of the regions.	BIG go big for nature
CIBI	The Group is a member of CIBI (Conseil International Biodiversité et Immobilier), the International Biodiversity and Real Estate Council. As such, it signed the BiodiverCity® Charter in 2018, committing to preserving the biodiversity of cities and integrating living things into all urban projects.	biodivercity
BBCA	The Group is a member of the Low-Carbon Building Association and monitors the work moving towards low-carbon construction.	BÂTIMENT BBCA BAS CARBONE
Re-use Booster	Altarea is a member of the Re-use Booster (Booster du Réemploi), an environmental transformation programme for companies that aims to structure and develop demand for reuse materials through large-scale collective action.	Booster du Réemploi
Industry bodies	The Group actively participates in discussions on CSR-related topics at the Fédération des Acteurs du Commerce dans les Territoires (formerly CNCC), the FEI (Fédération des Entreprises Immobilières) and the FPI (Fédération des Promoteurs Immobiliers).	FEI Fédération des Acteurs du Commerce dans les Territoires FPI France Fédération Promoteurs Immobiliers
Diversity Charter	The Group is committed to the fight against discrimination and has been a signatory of the Diversity Charter since December 2013.	CHARTE DE LA DIVERSITÉ

4.2 Working as a public interest partner for cities

Scope	Objective/Commitment	2022 results	Change 2021-2022	Comment
Residential	Select new land near public transport	**99% of surface areas under development are located less than 500 metres from public transport**	=	Proximity to transport links has remained fairly stable since 2016 in Residential and Retail and has improved in Business property. This demonstrates the Group's commitment to projects with good transport links, which offer convenience and low-carbon mobility
Business property		**100% of surface areas under development are located less than 500 metres from public transport**	=	
Retail	Increase access to public transport and soft mobility	**83% of portfolio sites are less than 500 metres from a transport network with services running at least every 20 minutes**	=	
Residential	Measure share of local purchases	**72% of building site purchases from local service providers (<50 km)**	=	In 2022, the calculation was refined to better reflect the Group's impacts
Retail	Contribute to local employment	**Trial of a Zero Long-Term Unemployment District in the Rosa-Parks neighbourhood**	New initiative	Altarea acts as a facilitator for Émile & Rosa, a "For Employment Business" launched in June 2022 with the aim of promoting employment, the local economy and social ties
Property Development	Reduce the carbon intensity per unit area by around 50% between 2019 and 2035[(a)]	**1.4 tCO_2e/m^2 (-8% since 2019)**	↘	The Group has created a structure to manage and achieve this objective: - full alignment of GHG reporting with financial reporting; - levers of action adapted to each business line; - Climate targets integrated into compensation, to involve all employees
REIT	Zero net emissions from the REIT in 2030	**1.3 $kgCO_2e/m^2$ (-86.5% since 2010)**	↘	Continuous reduction in emissions since 2010, thanks to reductions in consumption. The refinement of the methodology made it possible to obtain a more realistic result closer to the reality in 2022. The decrease between 2021 and 2022 is linked to greater purchases of green electricity
Neighbourhoods	Systematise ecological diagnostics on new projects	**100% of projects have an ecological diagnostic**	=	The Group systematically calls ecologist to promote useful, high quality urban biodiversity
Residential		**81% of projects have an ecological diagnostic**	↗	In 2022, the Group continued to roll out ecological diagnostics
Retail	Ensure 100% of sites have biodiversity action plan and implement initiatives for the portfolio	**100% of sites have a biodiversity action plan**	=	The target is met and maintained each year
Retail	Recover over 80% of waste from portfolio	**88% of waste recovered**	↗	Waste recovery is promoted, in particular through composting for restaurants

(a) In living area (SHAB) for Residential, in floor area (SDP) for Business property and Retail.

4.2.1 Develop desirable urban projects with a positive impact

As an urban developer, Altarea shapes the living environment of millions of users. This mission gives it a great responsibility for the future of the regions where it operates and creates the following challenges and opportunities:

- environmental issues (climate change, biodiversity, natural resources, etc.) are now taken for granted and a major concern for society;
- the phenomena of metropolisation and the transformation of family units are contributing to land pressure on certain territories: cities must become denser and more accessible to all to meet the needs of each; and
- diversity (social, intergenerational, etc.) and solidarity are essential to the cohesion of the regions.

These underlying trends have been exacerbated by the COVID-19 crisis. Responding to this is a key issue for Altarea; today, local authorities are looking for proposals that take account of these transformations and make a positive contribution to the regions. How the Group responds to these new challenges will determine its success.

Altarea is determined to be a public interest partner for cities. The Group's operations provide answers to two key challenges:

- the development of desirable urban projects: Altarea believes in a dense and diversified city, offering a mix of housing, tertiary activities (shops, offices, services, etc.), public services and leisure spaces. The resulting proximity creates conviviality and sustainability. It helps cut travel with the concept of the "quarter-hour city" and gives a more human dimension to cities; and
- support for and positive impact on the regions: Altarea's activities have a significant impact on employment and the Group supports both the local economy and social economy organisations.

The current profound social, societal and environmental changes are bringing in their wake changes to cities and buildings. Altarea is convinced that the response to these changes requires a positive transformation of cities and regions.

Desirable urban projects

The density and diversity of the city

The Group has developed a skills and development platform covering all classes of property assets. Altarea brings together all its know-how to design and build innovative large urban projects combining housing, offices, shops, leisure activities, hotels, etc. These projects are conducted in collaboration with local authorities, developers, private players, investors and individuals. They enable the Group to engage on issues around complex urban redevelopment and regional development.

The Group is involved with 21 large urban projects across France. All are large-scale, bold projects, the forerunners of the urban living environments of tomorrow.

ISSY CŒUR DE VILLE

Issy Cœur de Ville is a new 3-hectare district, close to Paris and public transport.

Built on the site of the former France Télécom research and development centre (CNET), the district is emblematic of "the quarter-hour city", where city services and amenities are within 15 minutes travel. It is also an urban lung with nearly 1,000 trees and shrubs.

Housing, offices, shops, services and public facilities are blended together to create a new focus for residents, employees and visitors. A geothermal loop, deployed by ENGIE Solutions teams, meets the energy needs of all buildings in the neighbourhood, minimising the use of fossil fuels and reducing greenhouse gas emissions (GHG) fourfold compared to a gas network.

The key figures for this project are as follows:

- 13,000 m^2 of green spaces (including 1 urban forest);
- 100,000 m^2 of housing, offices and miscellaneous equipment;
- 17,000 m^2 of shops and services (35 shops and restaurants, 1 UGC cinema, 1 nursery, 1 school, etc.);
- a third space: the Nida, providing social spaces and digital experiences;
- a service portal: Easy Village, which makes life easier for residents (reservation of shared spaces, parcel delivery, neighbourhood social network, etc.).

The other large urban projects under development by Altarea are presented in the business review (see Chapter 1 of the Universal Registration Document – Business Review 2022).

Aside from these large urban projects, the Group introduces mixed-use as early as possible in its projects. For example:

- by developing shops on the ground floor of buildings. These retail outlets help liven up the region and boost housing projects. Altarea's marketing (notably to local firms) guarantees a mix of complementary retailers to suit neighbourhood life and which are sustainable as a result of an economic model developed upstream;
- by encouraging schemes promoting access to housing for all: the use of reduced VAT and the sale of housing to social landlords accounted for 42% of new orders for 2022;
- 73% of Business property projects are multi-use;
- by creating station shopping centres (Paris-Est, Paris-Montparnasse and Paris-Austerlitz stations). The Group is devising and creating a new offering of retail, experiences and leisure in transport hubs that suits new consumer habits and mobile lifestyles.

In addition to this diversity of uses, the Group strives to promote social and intergenerational diversity: by offering housing for all budgets, student residences and senior residences *via* its Cogedim Club® brand or by participating in the development of intergenerational housing, in partnership with Habitat et Humanisme.

Proximity to transport links

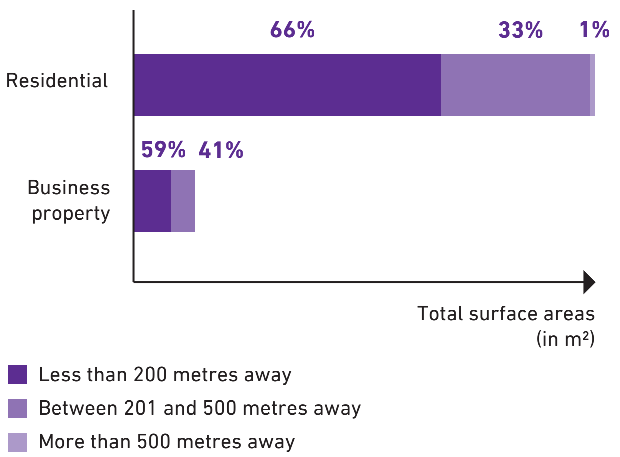
In Property Development, location and good connections to the transport network are crucial issues for the town planning of the future and the place of personal vehicles.

For Altarea, the main areas of mobility research focus on the movements of occupants of the buildings it sells and of visitors to the shopping centres. Therefore, for its new projects, in all its business lines, Altarea has been committed for several years to ensuring proximity to public transport networks, and to providing sustainable, practical and cost-effective mobility solutions (car-sharing, shared parking, etc.). The Group is also committed to fostering soft mobility throughout its portfolio, by developing car-sharing, cycling, or through the provision of electric vehicle charging stations.

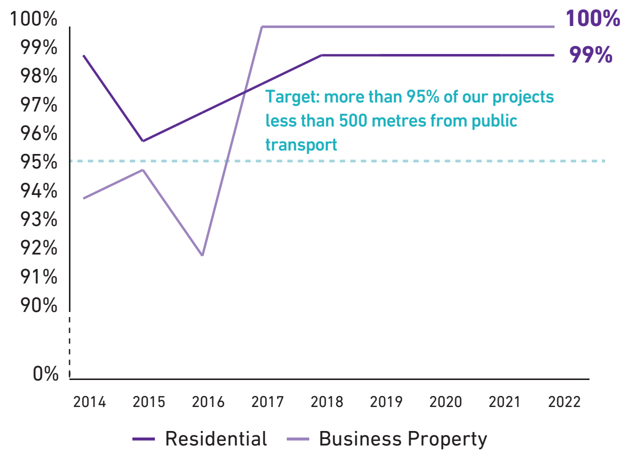
Residential and Business property

Since 2014, the Group has set itself the goal of always developing its new projects less than 500 metres from a public transport network.

PROXIMITY OF PROJECTS TO PUBLIC TRANSPORT



PERCENTAGE OF PROJECTS LESS THAN 500 METRES FROM A PUBLIC TRANSPORT LINK



Retail

In managing its portfolio, Altarea strives to prioritise the acquisition or development of shopping centres close to town centres with good public transport links. The aim is two-fold: to close the gap with consumers by offering them a local shopping experience and to propose alternatives to the car.

Since 2012, Altarea's reporting on the connectivity of the shopping centres in its portfolio to public transport and customers' modes of transportation have made it possible to calculate three indicators:

- proximity to public transport: percentage of sites with at least one route less than 200 metres away;
- availability of public transport: several public transport routes accessible less than 500 metres away on average per site;
- frequency of public transport: percentage of sites with at least one route less than 500 metres away with services running at least every 20 minutes.

Proximity, number of routes and frequency are calculated for 100% of shopping centres in the historical CSR reporting scope.

In addition, the Group assesses *in situ*, the breakdown of how visitors come to the main shopping centres. No survey was carried out in 2022 on how visitors arrived but new surveys will be conducted from 2023. For indicative purposes, in 2021, eight shopping centres were the subject of a survey on the method of arrival of their visitors by the Group, which represents 79% of the Group's historical CSR reporting scope by value.

Data on the transport links of shopping centres remain stable since the number and frequency of public transport services have themselves remained stable. However, there was a change in how visitors travelled to shopping centres last year, away from the car and towards low-carbon transport such as the underground and train: 33% of customers travelled to shopping centres in the portfolio *via* soft transport in 2021, compared with 44% in 2019. This finding, which contrasts with the trend in visitors' travel of recent years, can be explained by several reasons. First of all, the health context related to the COVID-19 pandemic had a significant impact on the propensity of visitors to use public transport. Also, the change in the scope of the centres surveyed, which includes more sites on the urban periphery, tends to show a use of more carbon-intensive mobility than in previous years.

To go further, in 2019 Altarea committed to 75% of visitors using a soft mode of transport to travel to the shopping centres by 2030.

In line with this objective, the Group is considerably developing its travel retail business in stations (Paris-Est, Paris-Austerlitz and Paris-Montparnasse stations and a number of railway stations in Italy), which are by nature high-throughput locations connected to soft mobility.

Urban projects with a positive impact

Altarea, supporting employment in France

As of 31 December 2022, the Group employed 2,139 people. It is a major customer for other firms with more than €3 billion in annual purchases (see 4.3.4) and as such has a strong impact on employment in France. This is why Altarea has for several years been quantifying its indirect economic contribution in terms of employment and local development.

The Group's activities generate a significant volume of purchases, particularly in property development (construction, design and maintenance). Each direct job with Altarea in France supports 22 additional jobs in the French economy.

In total, in 2019, more than 48,500 jobs were directly supported by the Group's activity (purchasing, salaries, taxation, etc.)[(1)]. The methodology uses actual purchasing and payroll data to simulate socio-economic impacts:

- indirect jobs: jobs directly related to purchases of goods and services by the different Group entities; and
- induced jobs: jobs created by the consumption of direct and indirect employees in France.

In addition to these jobs, over 11,000 jobs are hosted by the Group's shopping centres.

Support for employment in shopping centres

Shopping centres are important providers for local employment in the regions where they are located. Actions are taken to further encourage the hiring of local residents *via* partnerships and events in its shopping centres. For example, the Espace Gramont centre is home to the Haute Garonne local mission, which promotes the employment of young people. It supports 16 to 25-year-olds through projects that integrate them into society and the world of work.

PROMOTION OF EMPLOYMENT IN THE GROUP'S SHOPPING CENTRES

Since the beginning of 2022, the Rosa-Parks/Emile-Bollaert district in Paris in which the Le Parks centre is located, has been chosen in the *Territoire Zéro Chômeur de Longue Durée* (zero long-term unemployment district) national call for projects. This is an innovative trial aimed at combating long-term unemployment.

In this respect, Emile & Rosa, a "For Employment Business", was launched in June 2022 in front of the Le Parks centre. It hires long-term unemployed people to carry out tasks that are useful locally but considered unprofitable. Thanks to the workshops and Altarea's role as facilitator, various actions were carried out with E.Leclerc (sorting of below-grade fruit and vegetables and collection of unsold produce), Decathlon (textile laundry), or Leroy Merlin (various services). In addition to promoting employment for local residents, this initiative supports the local economy and creates social ties.

In 2022, with the end of the COVID-19 pandemic, the Group was able to restart holding employment promotion events in its shopping centres. Aubergenville Family Village and Avenue 83 in Toulon both held an employment forum, while Espace Gramont (Toulouse) hosted the local project to promote youth employment.

There were a number of other employment initiatives during the year. Among them, the Issy Cœur de Ville project will have around thirty shops, offering a new range of fashion, culture and food. To anticipate the human resources needs of these brands, Altarea held an employment forum last June in partnership with Pôle Emploi and Seine Ouest Entreprise et Emploi. There were more than 150 positions to be filled at the event.

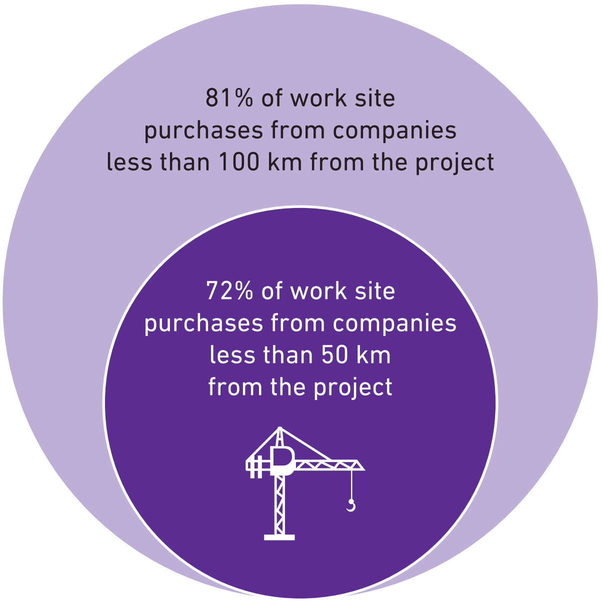
Altarea is committed to continuing to contribute to local employment by drawing up employment charters for new shopping centre projects, and organising events to support local employment at portfolio sites.

(1) Based on the 2022 headcount, an estimated 50,000 jobs are therefore supported.

Contribution to local economic development

Altarea intends to play a role in the economic development of the areas where it is established.

SHARE OF LOCAL PURCHASES IN PROJECT DEVELOPMENT



The Group also promotes professional integration on construction sites. In 2022, 28% of Business property projects launched in the past two years had a professional integration clause. This figure is 100% in the Paris region.

Partnerships with positive impact players and contribution to the social economy

Altarea wants to develop partnerships with positive impact players. Among them, the Group pays particular attention to organisations in the social economy. For example in its retail programmes: revitalisation of the ground floor of buildings, renovation of shopping centres and creation of new neighbourhoods.

In 2022, to continue its work to raise awareness among Group employees, Altarea:

- held two learning expeditions in 2022, at Cycle Up (in the Paris region) and Eco'Mat 38 (in Isère), on the theme of reuse. These learning expeditions, filmed and then broadcast to all employees, aimed at presenting solutions that can be provided by social economy organisations;
- updated a guide to transitioning to action for employees. This document sets out specific ways to work with stakeholders to create positive impacts at every stage of projects. It brings together contacts on the themes of urban agriculture, nature in the city, services for residents, transitional urban planning, soft mobility and the circular economy and the social economy.

4.2.2 Energy and climate: develop a resilient, low-carbon city

The climate emergency demands profound transformations in the way cities operate, to move towards more resource-efficient and resilient urban models. A specific responsibility weighs on buildings and construction, which are among the most energy-intensive and greenhouse gas-emitting sectors in France.

In addition, the consequences of climate change are already noticeable, with an intensification of climate phenomena: storms, heat peaks, heat waves made worse in cities by the phenomenon of heat islands. These weather events affect buildings and user comfort. They can impact the built environment, networks, construction sites and the quality of city life.

Today, Altarea has taken stock of these transformations and is enhancing its low-carbon approach every year. As early as 2017, the Group had emission reduction targets. This work was updated each year to take account of major regulatory changes and thinking within the industry on Climate issues.

Altarea has set itself a target of a 50% reduction in the carbon intensity of its Property Development operations by 2035, and has put in place an organisation to manage and achieve this objective:

- full alignment of GHG reporting with financial reporting;
- levers of action adapted to each business line (see 4.2.2.3);
- integration of Climate objectives in compensation, to include all employees (both in the profit-sharing agreement and the bonus conditions for all Managers).

In 2022, Altarea reviewed the methodology for measuring its carbon performance, particularly in terms of Property Development. Carbon emissions are now accounted for using the same data standards as its accounting revenue, with carbon accounted for on a "percentage-of-completion" basis.

The Group has carried out in-depth work to standardise and improve the reliability of the methods used to calculate its GHG emissions. The historical data has been recalculated using a uniform method, and the Group has included the life-cycle analysis (LCA) data in its calculation to be as close as possible to the actual.

This more robust method is documented in Section 4.5, and is a basis for monitoring the decarbonisation of the Group's activities. One of the major advances in the new method is full harmonisation with the financial scope, and a vision as close as possible to the reality of operations on the ground. Thus, the GHG emissions of operations are accounted for according to the progress of projects (construction emissions, the construction carbon index (ICc), are measured on the percentage completion of the works, and embedded emissions, the carbon energy index (ICe) are measured based on the progress of marketing).

Carbon intensity can be defined as the amount of CO_2e required to generate one euro of revenue. As Altarea's carbon performance is based on the same data as its revenue, this indicator is relevant for measuring the decoupling between the creation of economic value and GHG emissions, a fundamental principle of low-carbon growth.

Carbon intensity history

In gCO₂e/€	2019	2020	2021	2022
Carbon intensity	503	424	372	**360**

Since 2019, Altarea has reduced its carbon intensity by 28.4% and 3.2% in 2022, illustrating the ongoing decarbonisation of the Group's activities.

These results and the Group's performance were presented to an exceptional Supervisory Board in November 2022, dedicated to Climate and ESG issues.

Altarea participates in sector discussions on climate issues through several organisations of which it is a member, in particular the Hub for low-carbon prescribers and the Environmental Regulation (RE2020) observatory. It is also committed to the Paris Climate Action Biodiversity agreement. The Group therefore undertakes to support the vision of a carbon-neutral city and 100% renewable energy in Paris by 2050.

Finally, adaptation to the effects of climate change is at the heart of policy-making, with the implementation of concrete climate resilience action plans, particularly in Residential.

4.2.2.1 Overview of Altarea's emissions

Altarea measures its carbon footprint according to the greenhouse gas Protocol (GHG Protocol) methodology, which is compatible with the French Bilan Carbone® assessment and ISO 14064.

History of the Group's carbon footprint by activity and scope

	Property Development											
	Residential				Business Property				Retail			
tCO_2e	**2022**	**2021**	**2020**	**2019**	**2022**	**2021**	**2020**	**2019**	**2022**	**2021**	**2020**	**2019**
Scope 1												
Scope 2												
Scope 3	914,120	907,185	982,452	1,041,000	101,740	139,078	203,421	314,926	60,030	71,198	99,963	194,874
TOTAL	**914,120**	**907,185**	**982,452**	**1,041,000**	**101,740**	**139,078**	**203,421**	**314,926**	**60,030**	**71,198**	**99,963**	**194,874**

	REIT				Corporate				TOTAL			
tCO_2e	**2022**	**2021**	**2020**	**2019**	**2022**	**2021**	**2020**	**2019**	**2022**	**2021**	**2020**	**2019**
Scope 1	242	228	166	279	898	793	792	825	1,140	1,021	959	1,104
Scope 2	577	543	396	665	572	514	538	565	1,149	1,057	934	1,230
Scope 3	5,050	4,201	3,667	8,224	1,247	1,101	1,100	1,146	1,082,188	1,122,763	1,290,603	1,560,169
TOTAL	**5,869**	**4,972**	**4,229**	**9,168**	**2,718**	**2,407**	**2,431**	**2,536**	**1,084,478**	**1,124,840**	**1,292,496**	**1,562,503**

Scopes 1 and 2 include:

- for corporate activities, the energy consumed in office buildings and business travel by company car;
- the energy consumed by the Group in the common areas of its shopping centres.

They are presented using a market-based approach. The latter uses the emission factor obtained from the energy supplier, and reflects a reduced carbon footprint in the case of the use of low-carbon energies. Conversely, the location-based method is based on the national emission factor, which is itself based on the sum of the emission factors of all energy production units (nuclear, wind, gas plant, etc.). The market-based and location-based breakdowns are shown below in 4.2.2.2.

Scope 1 amounts to 1,140 tCO_2e and scope 2 to 1,149 tCO_2e. This relatively low footprint can be explained by the Group's activities (mostly office work) and the low-carbon electricity mix in France. In addition, Altarea mainly uses guaranteed origin green electricity in the shopping centres in its portfolio. At its headquarters, the Group will use green energy from 2023.

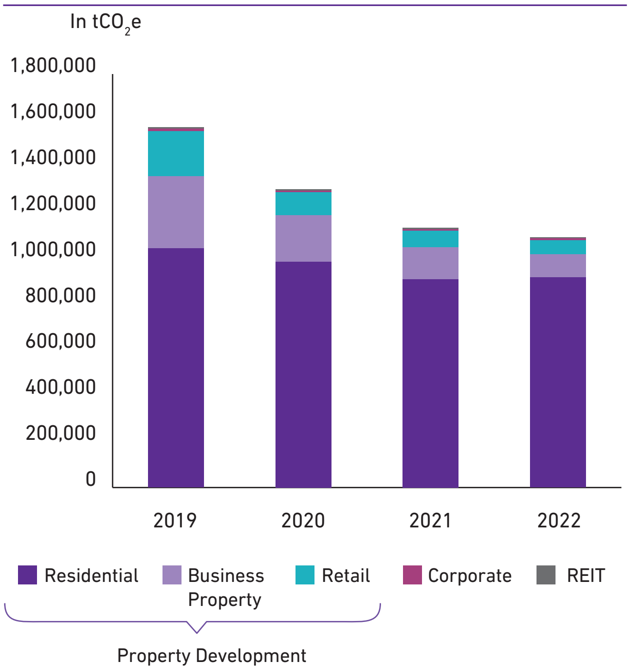
Scope 3 includes:

- for development activities, mainly the purchase of construction materials (immediate emissions) and the energy consumption of the occupants of the homes and offices sold by the Group, estimated over 50 years (embedded emissions);
- for the REIT business, the consumption of shopping centre tenants;
- for corporate, employee travel, excluding company cars (train/plane travel, mileage expenses, etc.).

The variations in total greenhouse gases emissions can be explained by two main factors:

- the Company's business activity (in particular the production of housing), because the new method for calculating GHG emissions is correlated with the progress of construction work and commercial marketing;
- the Group's efforts to decarbonise its activities (see analysis below).

CARBON FOOTPRINT HISTORY BY ACTIVITY

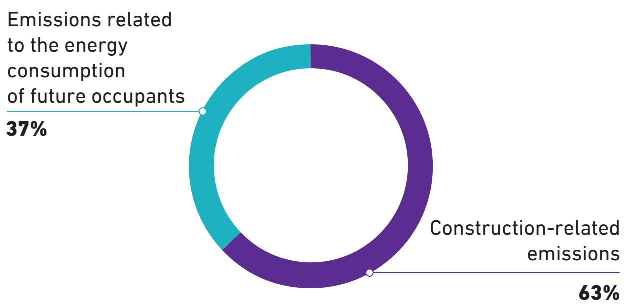


4.2.2.2 Breakdown of emissions by business

Property Development

Residential

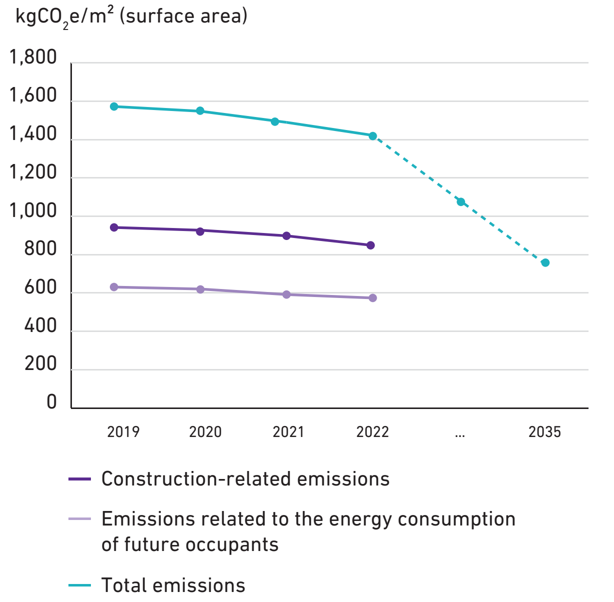
BREAKDOWN OF THE 2022 CARBON FOOTPRINT BY EMISSION CATEGORY FOR RESIDENTIAL



In 2022, approximately 63% of the Residential carbon footprint is composed of emissions relating to construction and 37% of emissions relating to the consumption of future occupants. These emissions all fall within scope 3.

It should be noted that emissions related to the consumption of future occupants included in the Residential carbon footprint have not yet occurred (share relating to the future use of the buildings over a period of 50 years).

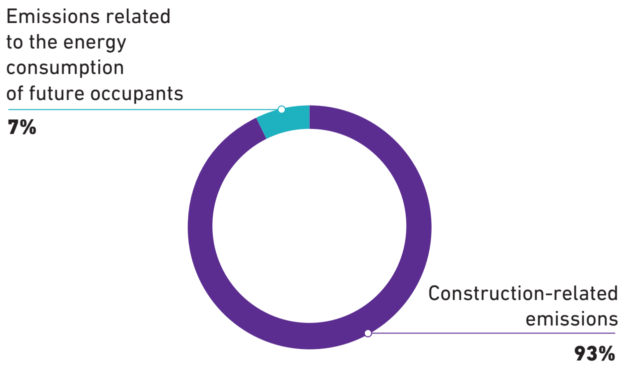
CHANGE IN RESIDENTIAL CARBON INTENSITY



Altarea committed to reducing the carbon footprint of its Residential operations, even before RE2020 came into force in January 2022. Anticipating these regulations has helped to significantly reduce the carbon intensity of projects since 2019, particularly emissions related to construction in the Residential business. The reduction will accelerate in coming years, with the implementation of numerous emissions reduction actions (see 4.2.2.3).

Business property

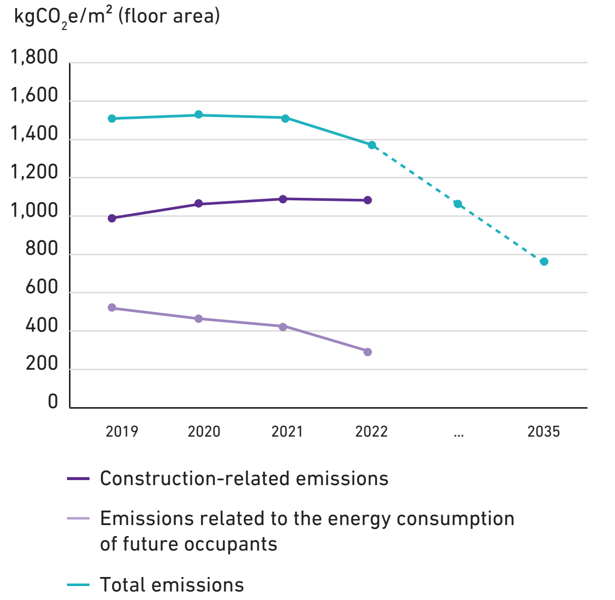
BREAKDOWN OF THE 2022 CARBON FOOTPRINT BY EMISSION CATEGORY FOR BUSINESS PROPERTY



In 2022, the carbon footprint of Business Property (entirely scope 3) is mainly composed of emissions related to project construction. This is due to the new methodology which counts the energy consumption of future occupants in proportion to the commercial completion rate.

It should be noted that emissions related to the consumption of future occupants included in the Business Property carbon footprint have not yet occurred (share relating to the future use of the buildings over a period of 50 years).

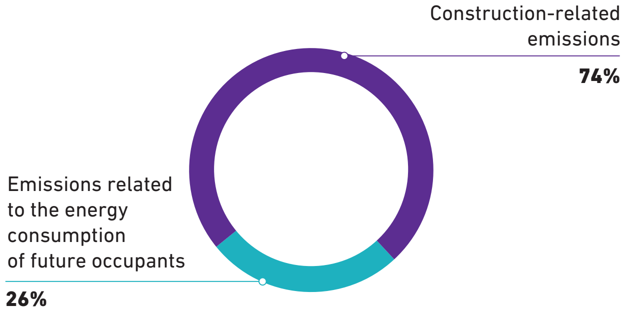
BUSINESS PROPERTY CARBON INTENSITY



Like the approach taken for Residential projects, Altarea committed to reducing the carbon footprint of its Business Property projects, even before the entry into force of RE2020. The reduction will accelerate in coming years, with the implementation of numerous emissions reduction actions (see 4.2.2.3).

Retail

BREAKDOWN OF THE 2022 CARBON FOOTPRINT BY EMISSION CATEGORY FOR THE RETAIL BUSINESS



In 2022, the Retail carbon footprint (entirely scope 3) is mainly composed of emissions related to project construction (74%), while those related to future energy consumption of private areas are 26%.

It should be noted that emissions related to the consumption of future tenants included in the Retail carbon footprint have not yet occurred (share relating to the future use of the buildings over a period of 50 years).

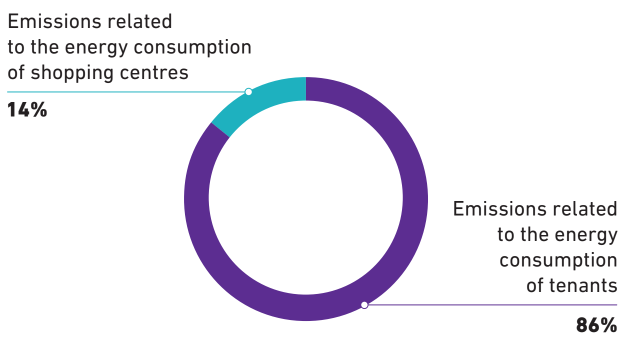
REIT

In 2022, the methodology for calculating greenhouse gases emissions was refined to better reflect the Group's impacts. Specifically, the monitoring of its carbon performance has been harmonised with the monitoring of its financial performance: greenhouse gases emissions are now comprehensively monitored across all of the Group's businesses.

As a result, REIT reporting is based on several reporting scopes, details of which are presented in 4.5.2 Reporting and calculation methodology.

The exhaustive scope of reporting makes it possible to report all emissions across Altarea's entire portfolio, covering all assets, whether managed for third parties or owned, in proportion to Group share, by location-based and market-based methods. Conversely, the historical CSR reporting scope focused only on assets both owned and managed, without taking into account the proportionate share of ownership.

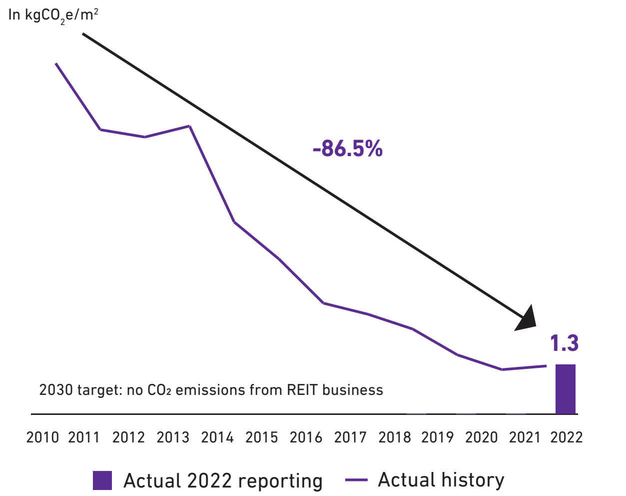
BREAKDOWN OF THE 2022 CARBON FOOTPRINT BY EMISSION CATEGORY FOR THE REIT BUSINESS



For REIT, tenants' consumption (scope 3) is the source of 86% of emissions. The rest, which is the direct responsibility of Altarea (GHG from the energy consumption of the centres), represents 14% of emissions.

Since 2010, the approach implemented for energy efficiency has led to an 86.5% reduction in greenhouse gases emissions per m² on the exhaustive scope on a market-based like-for-like basis. This fall in emissions was due to the Group's considerable efforts to promote energy efficiency and the fact that between 2016 and 2018, 50% of the energy purchased was green electricity, with this figure rising to 75% since 1 January 2019. Since 2022, 99% of sites (in value) within the historical CSR reporting scope are supplied with electricity from renewable sources. The objective is to switch to 100% renewable electricity in the medium term for all of the Group's managed and/or owned assets. These emissions avoided by the use of low-carbon energies will make it possible to reach a first milestone on the path toward net zero emissions from Retail assets under management by 2030. Various decarbonisation solutions are also being studied to deal with incompressible residual emissions.

PORTFOLIO GREENHOUSE GASES EMISSIONS



This year, the market-based measure of carbon intensity per unit area on exhaustive reporting scope was up slightly by 0.6% compared to 2021. This reduction in emissions comes in the context of an overhaul of the reporting methodology, where:

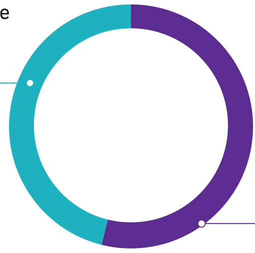
- all managed or owned sites are now consolidated (at their Group share of ownership or at the "syndic rate" for exclusively managed sites);
- consumption of common areas counted at 100%, without reallocating to tenants part of the emissions from the water loop supplying the shops (as was the case in previous years);
- the data are no longer adjusted by a climate correction tool.

In 2022, the carbon intensity per unit area reached a level similar to that of 2021. The methodological changes should automatically inflate the carbon figures (inclusion of all emissions related to hot water loops, no climate correction tool from 2022, etc.), so this stability reflects the increase in the share of green energy supplying the centres. In addition, the sites are making significant efforts to reduce their consumption. The Reflets Compans and Espace Gramont sites, both in Toulouse, as well as Qwartz at Villeneuve-la-Garenne, have significantly reduced their consumption of gas, which is more carbon-intensive than electricity. This is due in particular to a milder winter than in previous years but also to the integration of new parameters in the BMS/GTC, which enabled significant savings to be made.

GHG emissions from the REIT business (scopes 1 and 2)

	tCO_2e	$kgCO_2e/m^2$
GHG emissions on market-based measure in 2022 (exhaustive reporting scope)	819	1.3
GHG emissions on location-based measure 2022 (exhaustive reporting scope)	1,046	1.6
GHG emissions in 2021 (historical CSR reporting scope)	725	1.7

BREAKDOWN OF THE 2022 CORPORATE CARBON FOOTPRINT BY EMISSION CATEGORY



Corporate

In 2020, the Group moved into a new head office, 87 Richelieu, a showcase for the Group's expertise in renovating office buildings to high environmental performance standards. Corporate emissions include those from the Paris and regional head offices and employee travel.

The figures below show 87 Richelieu's greenhouse gases emissions for 2022. They are also used to extrapolate GHG emissions for head offices in the regions. The calculations were based on 26,493 m^2 of surface area and 1,108 average FTE employees on open-ended contracts in Richelieu.

Greenhouse gases emissions

	tCO_2e	$kgCO_2e/m^2$	$kgCO_2e/FTE$
Market-based GHG emissions 2022	299	11.3	269.8
Market-based GHG emissions 2021	275	10.4	259.6
Location-based GHG emissions 2022	264	10.0	238.6
Location-based GHG emissions 2021	251	9.5	236.5

4.2.2.3 Altarea's approach to combating climate change

Mobilisation of the entire company

The Group uses all its skills to decarbonise its activities:

- it capitalises on its existing know-how: primarily through refurbishment rather than new construction, thanks to the experience of Altarea Entreprise and Histoire & Patrimoine. Also, by leveraging synergies with specialised players such as Woodeum, an expert in CLT timber construction;
- Altarea is trialling a number of low-carbon pilot projects: at Cogedim and Pitch Immo, around 30 projects representing 145,000 m^2 are now aiming for a performance that matches or exceeds RE2025 environmental standards. The methods used and the additional costs will be studied as part of the feedback;
- in Retail, Altarea has applied a CSR approach for more than ten years, which includes a focus on reducing greenhouse gases emissions;
- in addition, the Group is organising to meet the decarbonisation challenge: in 2021, 88% of employees were trained in climate issues affecting real estate, and the Climate objectives are included in everyone's compensation policies;
- lastly, the Group is working with its partners to better understand and make progress on decarbonisation: detailed analysis of LCAs to identify areas for action, review of framework agreements with the main suppliers, etc.

Reducing scope 1 and 2 emissions: the energy performance of the Group's assets

THE GROUP'S COMMITMENT TO ITS ASSETS

Within its scope of direct responsibility (shopping centres in operation), the Group is committed to reducing scopes 1 and 2 emissions by 70% between 2010 and 2020, and then to aim for zero emissions by 2030.

In order to reduce greenhouse gases emissions, it is essential to design and operate buildings in an energy-efficient way.

Retail

In 2022, the methodology for calculating energy consumption was strengthened in order to better reflect the Group's impacts. In practical terms, the monitoring of its energy performance has been harmonised with the monitoring of financial performance, which makes it possible to comprehensively take into account the energy consumption from all of the Group's activities. These then give the figures for the Group's greenhouse gases emissions.

As a result, REIT reporting is based on several reporting scopes, details of which are presented in 4.5.2 Reporting scope and calculation methodology.

The exhaustive scope of reporting makes it possible to report all consumption across Altarea's entire portfolio, covering all assets, whether managed for third parties or owned, in proportion to Group share.

In 2022 the portfolio's total consumption on the exhaustive scope was 83.1 GWh of primary energy. On the historical CSR reporting scope including the French assets held and managed, which is identical between 2021 and 2022, consumption is 52.3 GWh (*versus* 49.1 GWh in 2021). This increase of 6.5% compared to 2021 is partly due to the return to normal activity throughout the year in 2022, whereas 2021 was still subject to health measures. This increase is also due to the 100% integration of the consumption of the common areas, even though part of the hot water loop also supplies tenants. This was previously distributed with a specific ratio for each type of site.

In addition to these changes in the reporting scope, this year Altarea continued three initiatives that enabled it to reduce its energy consumption:

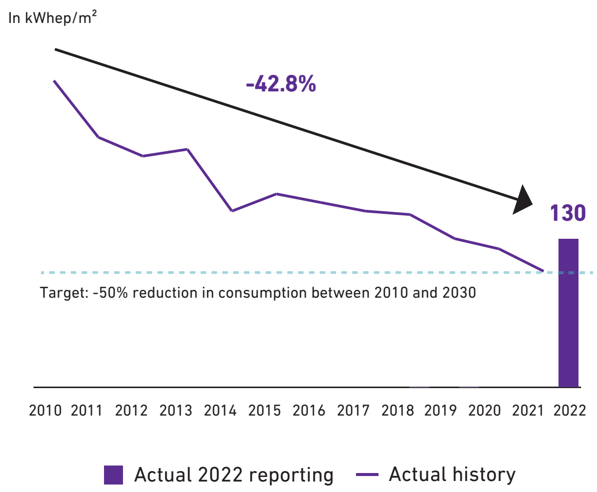
- the portfolio energy master plan: the first energy audits were conducted across the whole portfolio in 2013. The master plan was drawn up in 2017 and allowed the Group to take stock of the progress of reduction efforts. In practical terms, for each centre an action plan was drawn up with a planned milestone in 2020, incorporating structure, technical facilities and operational management in particular. Following the entry into force of the Tertiary Eco-Energy system in 2022, this plan has been reconfigured into a carbon master plan that will address all climate-related issues in its action plans. In this context, the 18 assets in the historical CSR reporting scope underwent a new energy audit this year;
- the environmental management system (EMS) across the full portfolio: 100% of technical and operational teams have received training since 2014. The EMS allows for gradual improvement of the environmental performance (and thus the energy efficiency) of shopping centres thorough implementation of best practices for operations and reporting;
- the energy efficiency approach: in accordance with the energy efficiency objectives set by the Government, the Group has defined specific shared measures to reduce energy consumption and avoid likely cuts in the event of a crisis. These include the reduction of light intensity, temperature, etc.

The aim of combining these two actions is to continually improve the environmental performance of the assets and meet the objectives revised upwards by the Group in 2019, on a like-for-like basis and under constant conditions and use:

- a target of a 40% reduction in primary energy consumption per m² from 2010 to 2020, and 50% reduction in final energy per m² between 2010 and 2030;
- seek a 70% reduction in greenhouse gases emissions per m² from 2010 to 2020, and zero emissions by 2030.

Following the change in the methodology for calculating energy consumption, the monitoring of this indicator and the achievement of these objectives now covers the entire portfolio of Altarea, whether managed or owned. This is consistent with the evolution of the Group's business model, which is increasingly expanding into asset management.

PORTFOLIO ENERGY CONSUMPTION



At the end of 2022, for the exhaustive reporting scope, this energy management approach had led to a 42.8% reduction in primary energy consumption per m² compared to 2010.

It should be noted that, between 2021 and 2022, consumption increased by 11.3% on this exhaustive reporting scope, which is explained by the full resumption of commercial activities in 2022, after a year in 2021 still hampered by lockdowns and curfews. Energy intensity per unit area is also slightly lower than in 2019, which was the last full year without COVID measures. This confirms the Group's commitment to achieving its objectives.

For example, many sites have replaced their old installations, such as lighting replaced with LED lights, or have adjusted the operating hours of their technical equipment.

93% of the energy used in the exhaustive reporting scope was electricity in 2022, and French electricity is low in carbon. The Group aims to supply its entire portfolio with green electricity in future (see 4.2.2.2).

REIT energy consumption

	GWhef	GWhpe	kWhpe/m²
Energy consumption 2022 (exhaustive reporting scope)	38.9	83.1	130
2021 energy consumption (historical CSR reporting scope)	23.1	49.1	113

Corporate

The figures below show the main consumption indicators for 87 Richelieu for 2022. The calculations were based on 26,493 m² of surface area and 1,108 average FTE employees on open-ended contracts in Richelieu.

Head office energy consumption

	GWhpe	kWhpe/m²	kWhpe/FTE
2022 energy consumption	8.1	307	7,338
2021 energy consumption	8.2	309	7,721

Reducing scope 3 emissions

THE GROUP'S COMMITMENT TO PROPERTY DEVELOPMENT

-50% by 2035 in property development

Altarea has committed to reducing the greenhouse gases emissions of its property development activities per unit area by 50% between 2019 and 2035.

This figure, which is regularly updated, is the result of a concerted approach to the business lines and has been validated by the Managers of each business unit as well as by Management. This Group target is both ambitious and economically and operationally sustainable.

Reducing the largest item: emissions from construction materials

65% of the Group's emissions come from the construction of new projects. This item is strategic and directly affects the Group's core design business. Since 2022, RE2020 has come into force and requires that construction materials do not exceed set carbon intensity ceilings. In addition, RE2020 has been accompanied by the general use of life cycle analyses (LCA), which enable Altarea to deepen feedback and improve the skills of the teams.

Reducing the footprint requires multiple solutions and involves a real transformation of design. Among them:

- energy efficient construction: refurbishment: the Histoire & Patrimoine subsidiary is dedicated to renovations, and the Business property activity has developed major expertise in creative restructuring, as evidenced by the 87 Richelieu building, the Group's new head office. Reusing superstructure and foundations reduces emissions by around half. The circular economy is another way to reduce resource consumption (see 4.2.4);
- the substitution of materials whose manufacture emits significant quantities of CO_2 with less carbon-intensive materials: wood (timber frame walls (TFW), timber frame façades (TFF), CLT, etc.), or concrete (wood-concrete, earthen concrete, "low-carbon" cement, etc.).
- innovative building design:
  - improve compactness to consume less materials, reduce infrastructure parking, etc.,
  - Increase usage intensity to build less and make better use of buildings. Business property teams incorporate flexibilities to allow for changes in use, the privatisation or the opening of certain areas to open air at certain times of year, for example (catering, auditorium, etc.). Residences for seniors are also open to business travellers, short family stays or students, maximising the use of surface area,
  - increase the lifespan by delivering high-quality projects that will last longer, and by anticipating future uses and building in reversibility. For example, the Group offers five-room apartments designed to be split into two apartments. From the design stage, the apartment incorporates the future possibility of having two independent doors, with two electrical panels and a load-bearing wall in the middle for sound insulation.

Reducing the second largest source of emissions: managing energy to reduce greenhouse gases emissions

Emissions related to the consumption of future occupants of offices and housing units sold by Altarea represent 33% of Group emissions.

This item represents a potentially significant source of avoided emissions, by applying the following approaches:

- building design is the first area of action, enabling good energy efficiency throughout the lifetime of the building and so lowering energy bills for occupants. The Group uses all available levers (bioclimatic design, envelope and insulation, high-performance equipment, consumption monitoring tools, etc.). A high energy efficiency level is a prerequisite for the projects developed by Altarea. All of the energy optimisation measures implemented are detailed under 4.2.2.3;
- the use of renewable energies when possible (geothermal energy, solar energy integrated into the building, wood-fired boiler room, etc.). In 2022, 69% of Business property projects used renewable energies and 37% generated them on-site;
- low-carbon energy supply: heat pumps, district heating;
- raising awareness among occupants and users: the final stage of the approach is that Residential teams systematically distribute the "Green Gestures" booklet to buyers, required for NF Habitat certification, which provides advice and tips on how to make the best use of your home (energy saving, summer comfort, etc.).

ISSY CŒUR DE VILLE: AN EXEMPLARY DISTRICT FOR CLIMATE TRANSITION AND ENERGY SAVING

Environmental performance is a key focus of the project, with:

- the creation of a district energy system: the entire district is supplied with heating, cooling and domestic hot water for housing by a private geothermal energy network;
- more than 70% of energy supplied by renewable energies: this high level is achieved thanks to the diversity of programmes. Centralised production makes it possible to pool needs between homes and offices and to recover waste energy;
- complementary innovative systems: cold storage as ice and use of domestic hot water production systems *via* digital boilers, recovering waste heat from remote servers;
- more than 3,000 m^2 of photovoltaic panels on the roofs of the three office complexes.

Residential

A high energy efficiency level is a prerequisite for the projects developed by Altarea. Since 1 January 2022, RE2020 has replaced the old RT2012. This new regulation sets more demanding energy standards than RT2012 and includes targets for carbon performance and summer comfort in operation. On a number of projects, the Altarea Group has exceeded the standard.

The energy efficiency has been systematically improved for refurbishment projects.

Business property

For all projects under development, the Group seeks to achieve a level of energy consumption that outperforms the applicable thermal regulations. Thus, in 2022, 97% of Business property projects exceed regulatory requirements by more than 30%.

As in Residential, RE2020 came into force in 2022 and sets demanding standards. What is more, in 2022, energy savings exceeded the applicable regulations by an average of 49% (by surface area). These figures have been stable since 2017, reflecting the Group's ongoing commitment.

Finally, a commissioning process was made standard for 100% of Business property projects under development as of 2014, to ensure the proper functioning of technical equipment, notably systems responsible for heating/cooling production and output, and the achievement of planned performance.

Retail

The energy consumption of buildings depends on their design but also on their use and management. As such, for Retail projects under development that undergo environmental certification, in order to enable its occupants to access detailed energy monitoring, Altarea goes beyond regulatory requirements for metering and makes dedicated equipment available to occupants. These systems empower occupants, giving them the tools necessary to understand their consumption in detail by use or zone and to rapidly identify sources of overconsumption.

At the level of its portfolio, Altarea is working with its stakeholders in order to gain a better overall picture of the energy used in its shopping centres, including by equipment that does not belong to it. The Group has been collecting annual energy data from its tenants since 2014 in the shopping centres in the portfolio with the highest consumption. Since 2022, this data has also been collected for all tenants of fully or part-owned assets (measured either in full or in Group share, as applicable) and managed assets.

With the entry into force of the Tertiary Eco-Energy system in 2022, the Group offered to automate the collection of their energy consumption data. The data of tenants who opted to participate in this scheme were extrapolated to give an estimate of total consumption for all tenants (the extrapolation takes into account the types of retailers in the shopping centres and their consumption profile). The total consumption of the portfolio and its tenants is thus 342.3 GWh of primary energy, and 301 kWhpe/m^2 in intensity per unit area over the exhaustive reporting scope.

These extrapolated data are used to calculate the scope 3 GHG emissions of the Retail business.

Going further: a key player in low-carbon cities

A simulation carried out in 2018 indicates that the movements of occupants of the homes and offices sold by the Group could emit 4.5 MtCO$_2$e over 50 years (not included in the Group's carbon footprint).

To contribute to reducing these emissions within its scope of responsibility, Altarea designs operations to reduce the use of high-carbon mobility:

- the choice of land is the primary action lever: in accordance with its development strategy the Group selects sites with good public transport links (see indicators under 4.2.1);
- in addition, Altarea offers complementary sustainable mobility solutions. In Residential, the Group undertakes to design and equip the bicycle sheds of its projects to high quality standards, with a location adapted for ease of use, secure closing systems, a tyre-pumping and repair station and a water point. In Business property, for example, more than 200 parking spaces pre-equipped with charging stations for electric vehicles have been developed in the Paris region, and precautionary measures are systematically taken to allow them to be installed during the first phase of operation. Similarly, throughout France, the Group's projects offer the best mobility solutions for local regions. In Retail, Altarea is aware that many of its customers still travel by car and is creating spaces specifically for hybrid and electric vehicles. In this context, Altarea Commerce has signed a partnership with Electra, a French specialist in the rapid charging of electric vehicles, with the aim of equipping the entire portfolio. At its shopping centres under development, the Group is planning to display public transport times and traffic conditions in real time as well as alternative modes of transportation (carpooling, pedestrian and cyclist infrastructure, charging stations for electric vehicles, etc.).

Internally, the main focus is on action to reduce emissions from the Company car fleet and roll out the mobility plan at the Group's new head office: a limited number of parking spaces and a mobility pack.

4.2.2.4 Adapting projects to the impacts of climate change

Over the past five years, Altarea has run in-depth analyses of the risks of the effects of climate change on its activities, with a special focus on the intensification of weather events (heatwaves, floods, drought, violent winds, etc.) and their repercussions for lifestyles and the built environment. These analyses took into account two climate change scenarios from the Intergovernmental Panel on Climate Change (IPCC): an optimistic (RCP4.5), and a pessimistic (RCP8.5) scenario.

Residential and Business property

For each of the regions where it operates, Altarea conducted a forward-looking study of local climate changes and the physical impacts of weather events on buildings, construction sites, lifestyles and the comfort of occupants.

On this basis, the Group designed and rolled out an action plan on adaptation, involving the technical, product, CSR and customer teams, among others. As a result a detailed guide to summer comfort solutions was published in 2020 for the Residential business. In 2022, this guide was completely revised to match the technical solutions with the requirements of RE2020. RE2020 came into force in 2022 and sets new requirements for summer comfort.

Lastly, the Group is also working on combating the phenomenon of urban heat islands, notably by incorporating permeable surfaces and green spaces, which have a cooling effect. For example, the KI project in Lyon includes various adaptation solutions: 2,075 m^2 of green spaces are planned, and rainwater is recovered and reused to water the plants. A cooling system has also been developed for the core of the building.

Retail

In 2018, Altarea conducted an analysis of the centres' potential exposure to physical risks related to climate change. A range of technical and governance solutions were identified and gradually rolled out across the existing portfolio and new developments.

The Group's portfolio and business model, which is increasingly seen as a benchmark for property asset management, has evolved significantly since 2018. At the end of 2022, Altarea drew up new specifications for a comprehensive audit of the state of climate change adaptation in its portfolio, including assets managed on behalf of third parties. The audit seeks to address issues related to climate risks that could directly impact our asset portfolio, but also to look at transition risks, which are of particular concern to all of the Group's stakeholders. This project includes a diagnostic of the physical risks to the portfolio and a detailed action plan to improve its climate resilience.

4.2.2.5 Awareness and training

One of Altarea's strong convictions is that the Company's transformation on climate issues will only be achieved with the contribution of all employees. Thus, prior to the deployment of carbon road maps by activity, Altarea decided to roll out, from 2021, an in-depth training course on the subject of climate and CSR. This e-learning course, both informative and fun, is composed of five modules:

- "Climate change", seeking to raise employees' awareness of climate change and the link to Group strategy;
- "RE2020, key principles", seeking to explain the relationship between the RE2020 environmental regulations which came into force from 2022 and issues relating to mitigation and adaptation to climate change;
- "The circular economy in property", seeking to promote circular economy solutions at every stage of the building's life cycle;
- "What is CSR at Altarea?", seeking to explain the strategic challenges of the Group's CSR approach and specifying the major topics; and
- "Insight to low-carbon solutions", seeking to present ways to improve greenhouse gases emissions in the property industry, both on materials and energy.

In 2022, this training course was continued and is available to all Group employees. It is also part of the on-boarding process for new recruits. A new module entitled "4 minutes on the circular economy" was created in 2022 and made available to all.

Other training sessions are planned for 2023: awareness-raising, more technical focus on specific topics, experience sharing, meetings with players offering innovative solutions, learning expeditions.

Two learning expeditions were run by the CSR Department in 2022 on the theme of the circular economy. The first was held at Cycle Up, in Saint Ouen, devoted to the opportunities for reuse of materials from demolition sites. The second, to visit and meet the stakeholders of the EcoMat38 site, a platform for the reuse of construction materials located near Grenoble.

4.2.2.6 TCFD compliance

Climate risk is a subject of particular attention within the Group. The table below shows the report according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

1. Governance

Supervision of climate issues by Management

Climate-related topics are supervised and managed by a member of the Executive Committee. Management discusses these issues with this member of the Executive Committee and the CSR team several times during the year. Four *ad hoc* meetings were held in 2021. As 2021 was marked by the updating of objectives relating to mitigation issues, five additional meetings were organised with the departments of each Group business unit.

At these meetings, management is:

- informed of key issues, new issues and new risks;
- called upon to make decisions about the transformation of the Company on climate issues;
- informed at least once a year on performance trends and the achievement of objectives.

Organisation of the assessment and management of climate-related risks

Mitigation and adaptation issues are integrated to the Group's risk mapping and the resulting strategic decision-making. For example, adaptation issues have been added to the brief of the Commitment Committees in Residential Property Development.

The CSR team, which reports to a member of the Executive Committee, is in charge of climate issues, including risk analysis:

- in 2019, an in-depth assessment of physical risks was carried out on the portfolio and the areas where development projects are located;
- also in 2019, the ESG risk analysis carried out for the DPEF included an analysis of Climate risks. It is updated every year;
- the Group's risk mapping includes climate risk. This mapping is managed by the Risk Department, presented to Management and the Executive Committee, and used to decide corrective and preventative action plans;
- in 2020, specific work was carried out on the risks related to mitigation issues: the identification of levers for reducing emissions with initial financial figures. The analysis was further developed in 2021 with short- and medium-term estimates and a detailed analysis of low-carbon sectors.

2. Strategy

Short-, medium- and long-term risks and opportunities, and impact of these risks on strategy and operations

Altarea's business, city building, is a long-term business. Every day, the Group's teams reconcile short-term issues, such as obtaining building permits, managing real estate projects or operating shopping centres, with longer-term perspectives, such as questions of the city of tomorrow, the construction methods of the future or the uses of future residents.

The Group therefore systematically considers the long-term consequences of its choices, since the "products" that it puts on the market – buildings and neighbourhoods – are intended to last at least 50 years (and possibly be modified at the end of 10 years, as it is usually within this period that the first renovation takes place). This long-term approach also applies to the consideration of climate issues.

With this in mind, Altarea has identified the climate-related risks that could have a material impact on its activities, at different times. The potential impacts can be financial, but also physical or strategic (with financial consequences as well).

Risk analysis

Climate-related risks (from the DPEF)	Potential impacts for the Group	Actions taken
Transition risks DPEF3 As the property and construction sector is responsible for around 25% of emissions in France, it is directly concerned by the requirement to reduce greenhouse gases emissions and by future regulations (including taxation and more stringent standards). In particular, identification of risks: ■ Regulatory: RE2020, carbon taxation, increasing reporting obligations; ■ Market: increasing demands from customers or elected officials; ■ Reputation: linked to the significant impact of the sector.	**Short- and medium-term:** ■ Increased design and construction costs (new materials and new techniques); ■ Increased investment in operations; ■ Access to markets and land more difficult due to increased environmental requirements. **Medium- and long-term:** ■ Decreased attractiveness of operations.	■ Programming systematic testing of new low-carbon solutions and feedback with costing; ■ Anticipation of costs in business plans; ■ Systematic certification and testing of new labels arriving on the market; ■ Regulatory watch; ■ Monitoring the expectations of stakeholders: local authorities, elected officials, individual customers, investors, etc.; ■ Culture of agility; ■ Policy of partnership with key low-carbon players (Woodeum); ■ Diversification of the offer and skills ("skills platform"), with subsidiaries specialising in low-carbon construction (such as rehabilitation).
Physical risks associated with the impact of climate change DPEF4 Climate change is causing an increase in climate phenomena (extreme weather, heat waves and peaks, etc.) that affect cities and their inhabitants. Property is affected by these risks but is also a source of solutions.	**Short- and medium-term:** ■ Damage to Group assets; ■ Loss of comfort for occupants, with a particular risk for senior residences; ■ Construction delays; ■ Additional costs related to different construction methods. **Medium- and long-term:** ■ Impairment of Property Development activities and portfolio.	■ Risk mapping of the portfolio and the areas where it operates, and targeted action plans: in-depth analyses of the risks of the effects of climate change on its activities, with a special focus on the intensification of weather events (heatwaves, floods, drought, violent winds, etc.) and their repercussions for lifestyles and the built environment (according to two IPCC scenarios: one optimistic (RCP4.5), and one pessimistic (RCP8.5); ■ Summer comfort approach in housing design; ■ Anticipation of costs in business plans; ■ Permanent monitoring by product teams to adapt the offer.
Opportunities	Since 2010, the Group has addressed climate issues by a process of measurement and target-setting. It has a wide range of expertise in the field and so stands to gain from its head start at a time when regulations are becoming stricter and customer expectations are increasingly demanding.	■ Watch: see above; ■ Maintaining a "head start" on all climate-related issues: a calculation methodology that measures Climate data in parallel with financial data, etc.

Focus on products and services

In the short term, the entry into force of RE2020 requires a general change in the design of buildings, with a low-carbon approach, even greater energy efficiency and summer comfort conditions. Another short-term risk is the uncertainty related to the revision phases of future thresholds and the associated calculation methods. Like the rest of the industry, Altarea must be agile when it comes to announcing changes.

In the long-term, the entire property sector will have to undergo an in-depth transformation by designing:

- low-carbon or even carbon-neutral neighbourhoods and buildings that produce energy, etc.;
- neighbourhoods and buildings resilient to the physical impacts of climate change.

For the existing portfolio, in the short-term the Tertiary Decree will also impose better energy performance.

Altarea's responses:

Altarea is anticipating future developments by multiplying low-carbon experiments and building up expertise in ways to reduce its footprint: low-carbon materials (wood, bio-sourced), renewable energies, district heating systems, design optimisation, innovative heating methods, etc. Building on these experiences, the Group will be able to gradually adapt to new restrictions, in particular the increasingly ambitious thresholds of RE2020.

Concerning the Tertiary Decree, since 2010 the Group has implemented a policy to reduce consumption and emissions across its portfolio, which has significantly reduced its impact.

Longer term, the Group has many strengths that allow it to carry out an in-depth transformation:

- a strong culture of experimentation and entrepreneurship that enables local teams to develop their skills;
- strong agility and adaptability, as demonstrated by its response to the pandemic in 2020;
- developing internal R&D, in conjunction with the technical, innovation and CSR teams.

Focus on the supply chain

In the short-term, in order to adapt to RE2020 in particular, Altarea will have to use new materials and new service providers capable of delivering the low-carbon buildings expected.

In the longer term, Altarea depends on the evolution and decarbonisation of the building materials sector and on technological progress in energy to be able to design and develop zero-emission buildings.

Altarea's responses:

Altarea works with its suppliers on low-carbon design. The Group has also systematically monitored the low-carbon solutions available in its supply chain, in order to monitor the rapid changes made by manufacturers.

Integration into financial planning

In the short-term, the changes related to emission reduction requirements will have a financial impact on the balance sheet of the Group's property projects. The requirements to reduce the portfolio's consumption also require investment.

In the longer term, the aim is to review the economic model, by inventing new value creation formats.

Altarea's responses:

For the short-term, the potential impacts of RE2020 are already included in the business plans *of the* Property Development business. Significant costing work based on a range of assumptions was carried out in 2019 to integrate low-carbon construction requirements into financial planning.

Regarding the existing portfolio, climate issues are part of the environmental management system and have been included in financial planning for the past ten years. The energy master plan proposes Capex and Opex, and the details are decided by the Operating Committee each year.

In the longer term, the innovation team is working on establishing new *business models*, compatible with climate issues, particularly with regard to the intensity of use and flexibility of buildings.

Link between climate and value creation

Altarea has taken stock of climate issues and the expectations of stakeholders (investors, citizens, elected officials). The Group's *license to operate* will depend heavily in years to come on its ability to produce resilient low-carbon projects. Likewise, access to capital could be easier for low-carbon operations. In fact, the value creation of the Company is already closely linked to the climate.

The Group's numerous experiments in the regions aims to prepare it to meet the new Climate requirements of the market, whether in terms of reducing its footprint or designing buildings adapted to new climate conditions.

Finally, the Group is constantly on the lookout for green financing. It is already taking climate issues into account in its acquisition and divestment policies: for example, in 2019 the Group created a strategic partnership with Woodeum, a major player in timber construction, to anticipate demand for low-carbon construction. In 2021, the Group signed a *Green Loan* € 350 million, aligned with the *Green Loan Principles*, for the CAP3000 centre.

A strategy resilient to climate scenarios

Altarea is well aware of the challenges related to the climate transition and the transformations this will entail. However, the Group has the necessary strengths to face future developments: continuous acquisition of skills on the subject of low carbon, awareness-raising among teams, excellent agility, anticipation of financial requirements. The Group's strategy therefore seems compatible with the various climate scenarios, even if this will involve business transformations in the medium-term. In any case, the Group's market is huge, whatever the climate challenges (need for housing, work, consumption, etc.). This market is not threatened by climate issues. However, the Group is doing everything it can to guarantee its access to this market by its agility and its ability to anticipate the climate shocks of tomorrow. This underpins the resilience of its corporate strategy.

3. Risk management

Process for identifying and managing climate-related risks and integration into the Group's risk management processes

Climate risks are included in the Group's risk mapping, which is revised every three years. This mapping covers all of the Group's business lines as well as corporate functions. As such, climate risks are subject to a detailed classification, and are assessed by incidence and impact (financial, legal, image, etc.). The Group's Managers are asked to assess these risks, and results are fed back to the Executive Committee and Management. Decisions to manage these risks are thus taken by the Executive Committee, which determines the policies and actions to be implemented. Details of this mapping are not public.

This mapping focuses on current risks (regulatory, physical, market, etc.). In addition, the CSR team monitors emerging risks (emission limits, related risks related to access to materials or to biodiversity, etc.). These topics are included in the DPEF, but not in the Group risk mapping as long as they are emerging.

4. Indicators and targets

The indicators monitored are detailed in this. They include a carbon assessment for scopes 1, 2 and 3 for all business lines, and specific indicators related to the Energy or Climate performance of operations, consumption and emissions of the portfolio, etc. The methodologies used are presented in Chapter 4.5.

The objectives associated with these indicators are presented next to each indicator and in the summary table at the beginning of this chapter.

The Group is committed to setting science-based targets *in order* to comply with the objective of maintaining global warming below 1.5°C.

Since 2019, Altarea's GRESB rating, which includes a significant component related to Climate indicators (in particular energy consumption and CO_2 emissions by the portfolio) has had a significant impact on management's variable compensation. Finally, in 2021, Altarea:

- defined a new greenhouse gases emissions reduction target for its scope 3;
- incorporated, with the agreement of the social partners, targets relating to climate issues in the profit-sharing agreement and the bonus conditions for Managers until 2023.

4.2.3 Preserving natural spaces and promoting nature in the city

Combatting urban sprawl and the artificialisation of the soil and protecting biodiversity, including in the urban environment, are big issues for local communities. Against a background of extinctions of species and deteriorating natural environments, local and national regulatory pressure is rising, as are public expectations.

The presence of nature in the city is also a factor of well-being for residents. The COVID-19 pandemic highlighted the vital role of the natural environment to citizens' physical and mental well-being.

Altarea structures its approach around the notion of "useful nature", which means the nature dimension of a real estate project cannot be solely aesthetic but must offer additional positive externalities: lasting biodiversity, sense of well-being, refreshing power, etc.

The Group's action is organised around the following principles:

- preserving natural spaces and avoiding artificialisation and waterproofing thanks to land use and open land;
- protecting existing biodiversity and developing high-quality, interconnected green spaces through widespread use of ecologists;
- using vegetation to prevent the effects of climate change, in particular local flooding and the effects of urban heat islands;
- promoting nature in the city for the well-being and comfort of customers and users.

In addition, the Group's activities do not release directly toxic discharge or pollution into the environment or water. On building sites, the Group has its service providers sign a low-nuisance building site charter to ensure that they control their waste, and other risks of pollution.

Lastly, Altarea participates in sector initiatives and discussions. In 2018 Altarea signed the International Biodiversity & Property Council (IBPC)'s BiodiverCity® charter under which it is required to protect biodiversity in cities and incorporate the natural world in any urban project. Since 2021, Altarea and several urban and regional players launched the applied research and collective action programme Biodiversity Impulsion Group (BIG) with the aim of developing a common framework of standards for indicators and measurement tools and improving the biodiversity footprint of real estate projects.

FOCUS ON ISSY CŒUR DE VILLE, A CERTIFIED NEIGHBOURHOOD

In 2022, the Group inaugurated the new Issy Cœur de Ville district, a mixed-use neighbourhood comprising housing, a senior citizen's residence, offices, shops, leisure areas and public facilities. This new neighbourhood is certified as WELL Community standard, BiodiverCity®, HQE™ and BREEAM®, demonstrating the Group's desire to create sustainable real estate projects, where nature finds its place in the city. It includes a 7,000 m^2 urban forest and 13,000 m^2 of green spaces.

Large urban projects, Residential and Business property

Combatting artificialisation

Altarea's activity is mainly located in areas that are already urbanised. The Group favours urban densification and urban redevelopment rather than urban sprawl and the artificialisation of soils, as evidenced by the number of projects to refurbish or redevelop neighbourhoods and development areas.

Its subsidiary Histoire & Patrimoine has specialised for more than 15 years in restoring old buildings throughout France. In addition, in 2022, 39% of the Group's Business property projects in the Paris Region were refurbishments.

Urban redevelopment allows efficient land use and represents an opportunity to reintroduce nature in the city. The Group ensures this by paying particular attention to the quality of the green spaces created, in particular open ground, and to limiting waterproofing.

Protection of biodiversity

The Group pays particular attention to maintaining or enhancing the fauna and flora present. Biodiversity is systematically taken into account in all projects thanks to the Group's ambitious certification strategy.

For large projects, already closely regulated, the Group always exceeds requirements with in-depth studies and action plans. The use of an independent ecologist is systematic in neighbourhood projects and has also been generalised for projects subject to BREEAM® certification. For each of these projects, the ecologist carries out an ecological diagnosis to identify ecologically important areas of the site or those to be reconstructed. This work makes it possible to organise the project around these areas, whilst preserving or creating links to surrounding ecological spaces. The creation of ecological corridors supports qualitative and sustainable urban biodiversity. Ecologist recommendations are subsequently included in the project management specifications for preserving the ecology of the site.

In terms of coverage, all district projects and 81% of Residential projects have an ecological diagnostic.

Finally, the BiodiverCity® requirements can be used in addition to environmental certifications such as HQE™ and BREEAM®. They impose more demanding requirements for biodiversity in a property development. In 2022, the Group received the BiodiverCity® award for Committed Client, coming 3rd in the overall ranking of 26 projects. This award recognises clients who, by integrating the BiodiverCity® approach into many projects, make the living world part of their ambitions, and commission projects that meet the biodiversity challenge.

Combatting the effects of climate change

As part of its actions to protect natural spaces and biodiversity, the Group is focusing its choices on solutions that also contribute to the fight against the effects of climate change.

With an effective rainwater management plan, planted areas, in particular open ground, make it possible to limit discharges into networks. In addition, vegetation limits urban heat islands thanks to its cooling power.

Nature in the city and well-being

Altarea is convinced that the presence of nature in the city is an important factor in the well-being of its inhabitants and users. The Group is working on the concept of biophilic design in its projects.

The balance between buildings and green spaces allows natural light to come through and offers nice views, enhancing the comfort felt by users. The COVID-19 pandemic, with its successive lockdowns, has reinforced the importance of this balance in the city. For several years, the Group has paid particular attention to its projects' links to the outside world as part of its quality approach. In 2022, 97% of housing units have access to a private outdoor space (see 4.3.2).

Finally, setting up relaxation areas and encouraging the presence of local wildlife makes it possible to reinforce the convivial and educational dimensions of a neighbourhood.

PROTECTING BIODIVERSITY IN TOULOUSE

Special importance is given to nature in the project at the former Centre d'Essais Aéronautiques de Toulouse (CEAT).

The collaborative work carried out with the ecologist will reduce the waterproofing of the site by 17% and means that half of the area is open ground. Small animal habitats and corridors will be installed to protect local fauna. They will also be preserved during the works thanks to an adapted construction schedule and the installation of alternative habitats.

Lastly, the neighbourhood greening plan will make it possible to combat heat islands in order to provide a pleasant living environment for residents and users.

Retail

Combatting artificialisation

Compliance with regulatory standards is essential when opening a shopping centre in a region. Land-use plans (*plans d'occupation des sols* – POS) and local development plans (*plans locaux d'urbanisme* – PLU) establish the conditions of land-use by setting a land-use ratio to be applied.

Beyond these standards, the Group also limits the artificialisation of greenfield land by favouring already urbanised land for its new developments, such as zones undergoing urban renewal or stations. For example, CAP3000 and Paris-Montparnasse station have not led to any artificialisation of land as they are located in urban or developed areas. The CAP3000 project has even made it possible to reduce artificialised and waterproofed surfaces and includes 2.5 times more planted areas after the works.

Protecting biodiversity and combating the effects of climate change

Altarea holds the belief that shopping centres must integrate into their environment in order to protect and reintroduce biodiversity and contribute to visitor well-being.

Ecologists are always consulted during the development phase. The Group uses certifications as tools for continuous progress. In addition to BREEAM®, obtained for all new developments, Altarea is testing new certifications: CAP3000 was the first BiodiverCity® certified shopping centre in the world. In 2019, the Group undertook to roll out this certification for all of its new Retail projects.

CAP3000: THE FIRST SHOPPING CENTRE TO RECEIVE BIODIVERCITY® CERTIFICATION

Inaugurated in 1969 in Saint-Laurent-du-Var, one of the first shopping centres in France, CAP3000 completed a major refurbishment and extension at end-2019, which is subject to very high environmental standards in terms of biodiversity. The project incorporated biodiversity in its governance from the design stage through its partnership with the French League for the Protection of Birds (Ligue de Protection des Oiseaux – LPO).

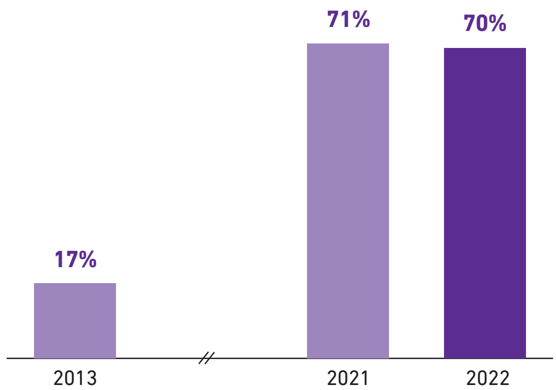
Thanks to all these efforts, CAP3000 was first rewarded with a score of 80% for its Land Use & Ecology under part II Building Management of BREEAM® In-Use in 2020. The centre then took the bronze medal at the Victoires du Landscape awards 2022. This biennial national competition aims to promote projects that have used a landscaping approach in their development.

In the operational phase, the Group took steps to involve all shopping centres in better taking into account biodiversity. Through BREEAM® In-Use certification – now applying to 100% of the Group's managed sites – respect for and conservation of biodiversity are assessed and improved on a continuous basis. In this context, for example, Altarea has a contractual obligation to ensure that its service providers who manage green spaces do not use phytosanitary products on any portfolio sites.

The Group has prepared specific biodiversity action plans for all its shopping centres within the historical CSR reporting scope. The current objective is to maintain this coverage rate, and to continue implementing these improvement plans by developing biodiversity activities across the sites.

The score for Land Use & Ecology in the BREEAM® In-Use standards – on average for the portfolio – is maintained. This year it stands at 70% compared to 17% in 2013. This testifies to the efforts of the shopping centre teams to implement actions adapted to their local environment and to contribute to reducing the effects of climate change. For example, the Costières Sud Family Village in Nîmes has implemented several biodiversity initiatives such as the installation of nesting boxes for sparrows and the planting of native Mediterranean species when renewing single-species hedges.

CHANGE IN AVERAGE BREEAM® IN-USE SCORE, LAND USE & ECOLOGY



Nature in the city and well-being

Because contact with nature promotes the well-being of visitors, Altarea is also taking care to involve them in the biodiversity initiatives of its shopping centres, particularly through awareness-raising.

This is, for example, the goal of the OCEANS project, which is the result of the partnership between Altarea, through its CAP3000 shopping centre (at Saint-Laurent-du-Var), MK2+ and the Oceanographic Institute Albert I Foundation. This 360-degree virtual aquarium enabled visitors to explore the seabed and provides a realistic and immersive virtual odyssey through these rich and fragile ecosystems.

The Group's shopping centres have also worked proactively to protect nature, by implementing various initiatives. For example, the Bercy Village centre treated the aphids infesting the centre's tulip trees with beetles. Various centres, such as the Portes de Brest Guipavas, Aubergenville Family Village and Carré de Soie in Vaulx-en-Velin have set up beehives to produce their own honey each year.

4.2.4 Promoting the circular economy and resource conservation

The construction industry (buildings and civils engineering projects) generates 70% of all waste in France[1]. In light of this, the Group launched a long-term reflection on how best to manage and use natural resources, reuse or reduce waste, and how to put eco-design principles into practice (use of alternative sources, extending building life, intensifying usage, etc.).

The circular economy, which is the opposite of the linear economy (produce, consume, destroy), is a virtuous way to make the most of resources and reduce the environmental impacts of property throughout the life cycle of a building:

- design: the most important phase as the aim is to find a solution that balances the environmental impact of resources used (refurbishment, recycling, reuse, etc.) and a building's capacity to avoid early obsolescence (energy performance, evolving and reversible architecture, ease of deconstruction, etc.);
- construction: reducing waste generated at construction sites, sorting, reusing and promoting recycled or local materials;
- operation: reducing consumption (energy, water, etc.) and waste generation in the operational phase, sorting and reusing residual waste, extending the building's useful life whilst intensifying and diversifying its uses to sustain its economic value;
- end-of-life: increase the life of the building by allowing for changes of use. Where conversion to new use is impossible, a diagnostic is conducted to decide whether the best solution is refurbishment or demolition.

Residential and Business property

Refurbishment and recycled materials

Due to its presence in urban areas, Altarea confronts the issues of density and age of the urban fabric. The Group systematically favours refurbishment, which consumes less materials and produces less waste than complete demolition-reconstruction. If the Group carries out a demolition, it ensures that the materials are reused *in situ*, wherever possible, or that they are made available to other stakeholders on material exchange platforms.

In Residential, one of the Group's brands, Histoire & Patrimoine has specialised for more than 15 years in the refurbishment and restoration of old buildings throughout France. The façades and supporting framework of buildings are always preserved, unless there is a proven structural problem.

In 2022, this activity represented nearly 220,000 m² of refurbishments in progress or completed during the year.

In Business property, the Group has developed unique expertise which means its refurbished buildings achieve energy and comfort performance levels equal to those of its new buildings. Refurbishments account for 39% of Business property projects in the Paris region (by surface area) and have accounted for over 30% since 2015.

RE-USE BOOSTER

Launched in 2019, this sector initiative brings together customers (project Managers, project Managers, contractors, etc.) with the aim of organising, structuring and massifying the supply and demand of reuse materials in the real estate sector.

Altarea joined this initiative in 2020. In 2022, the partnership with the Booster meant the Group could explore the options for reuse in a wide range of projects, including Residential, stations and Business property programmes. This commitment was reflected in the #Community project, Groupama's new regional headquarters in Mérignac. In this exemplary operation, nearly 2,800 m² of false floors, more than 500 m² of carpet and some of the tiles were reused.

As an illustration of the Group's expertise in mixed-use neighbourhoods, the "Jardin des Pépinières" project in Rouen also benefits from this support. This site, now occupied by disused "glass and steel" buildings, will be transformed into a living neighbourhood and the issue of reuse has been integrated into the project. Structured feedback makes it possible to extend new practices more widely.

Low-waste construction sites

Hazardous waste is not produced directly by the Group's activities. On construction sites, the Group's service providers may have to deal with hazardous waste, particularly in the case of demolitions/refurbishments. For example, by signing a clean site charter, this waste must be treated correctly. In 2022, 93% of projects under development were covered by their own clean site charter.

84% of waste from Business property building sites is recovered, of which 62% is material

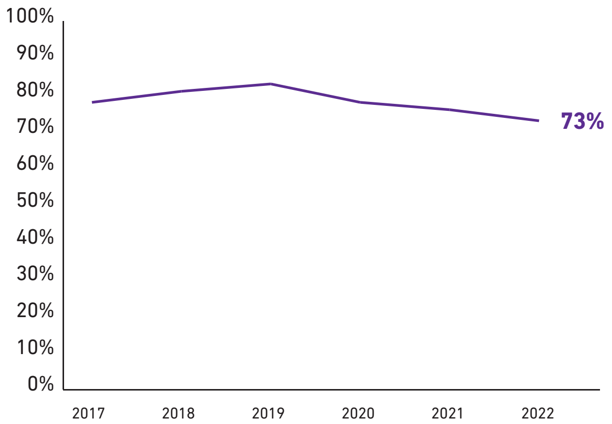
Altarea is committed to various sector initiatives by participating in working groups and through partnerships, in particular the Re-Use Booster.

(1) *"Waste, key figures" published April 2022 – Agence de l'Environnement et de la Maîtrise de l'Énergie (ADEME). France generated 342 million tonnes of waste in 2018.*

Intensification of use and reversibility

The Group's multi-business model means it can deliver mixed-use projects at neighbourhood scale. The same multi-use approach can be applied to buildings. The Group incorporates adaptable and multi-use spaces, making buildings flexible and scalable over time and reducing the risk of obsolescence.

PROPORTION OF BUSINESS PROPERTY PROJECTS THAT ARE MULTI-USE



Retail

Waste produced by the portfolio

At the Group's shopping centres, the overwhelming majority of waste is generated by tenants and there is very little that Altarea can do to control the production level. The Group focuses its actions instead on increasing sorting rates and the rate of energy recovery and managed waste.

Details of the quantities produced, and the monitoring of the share of sorted and recovered waste, are available in the tables of indicators below.

Improving sorting in shopping centres

The Group has implemented actions to increase the proportion of waste sorted: closer monitoring of sorting by merchants and more sorting *via* the inclusion of new types of sorted waste (glass, fermentables, lighting, etc.).

The breakdown of waste in the portfolio is 70% for mixed non-hazardous industrial waste, and 30% for cardboard and other sorted waste. Thanks to the initiatives implemented, the proportion of sorted waste in the current scope has increased since 2010 on the historical CSR reporting scope.

Over the last five years, the Group has been close to its target of 50% of waste sorted and continues its efforts to meet it. To this end, Altarea began work on the circular economy in 2022. With regard to waste management, various guides for centre Managers and tenants are being produced. These aim to share best practices and ways to reduce obstacles to good waste management.

Increasing recovery

The Group also looks for the best service providers to recycle, recover and ensure the traceability of waste. In 2022, 25% of the waste produced in shopping centres in the Group's historical CSR reporting scope was recycled, 58% was incinerated with energy recovery and 5% was recovered in another way (reuse or composting, for example). In all, 88% of waste is recovered, the remaining 12% is dumped or incinerated without energy recovery. The Group's goal of over 80% recovery has been overtaken since 2013.

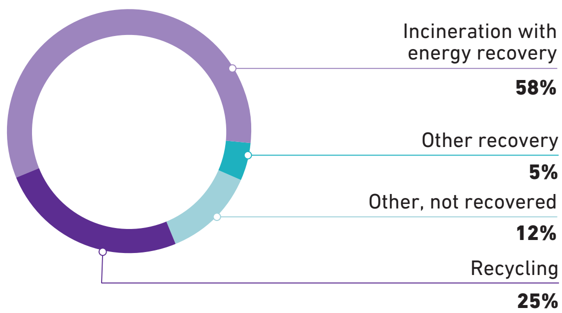
Altarea is also constantly monitoring changes in regulations governing waste treatment. For example, the law on the energy transition for green growth (LTECV) requires the generalisation of source sorting and the recovery of biowaste by means of composting or methanisation by 2025. With this in mind, the Group is currently studying an action plan for early compliance of the retailers in its centres. In 2022, three assets in the portfolio were used to pilot this approach, which will now be deployed more widely.

Waste production and management in the portfolio

	Tonnes	kg/visitor	Percentage of waste sorted	Percentage of waste recovered
2022 generated waste	7,210	0.10	**30%**	88%
Continuous targets for sorting and recovery			**50%**	>80%
2021 generated waste	10,598	0.16	18%	84%
Change 2021-2022	-32.0%	-38.7%	+67.3%	+4.5%

BREAKDOWN BY TYPE OF SORTING (2022 PORTFOLIO)

BREAKDOWN BY END-OF-LIFE (2022 PORTFOLIO)



Raising awareness among stakeholders

Since waste volumes are directly linked to the commercial activity of tenants, the Group focuses its efforts on steadily increasing the proportion of waste sorted and raising tenant awareness of improved waste management.

Tenant surveys conducted in recent years showed that sorting waste and recycling were the most-cited issues among tenants. As a result, Altarea organises meetings with retailers in its shopping centres, and in particular suggests ways to improve waste management, for example, a welcome guide for new recruits, or regular briefing notes.

RAISE STAKEHOLDER AWARENESS OF WASTE MANAGEMENT

As the production of waste is mainly linked to the activity of tenants, communication and awareness-raising among retailers is essential to maintain a high rate of sorting and recovery throughout the portfolio.

As part of this approach, some sites are developing their own awareness tools for tenants. In 2022, the Reflets Compans (Toulouse) site implemented several waste sorting measures. An awareness-raising meeting was held with the centre's retailers, and information notes were distributed. This made it possible to handle new types of waste from the centre's tenants, such as bio-waste and wooden crates.

The Limoges Family Village also pays particular attention to changing sorting practices among tenants and organises meetings with retailers. Also, the centre and its retailers have entered into a partnership with a local resource centre under which the association comes round once a month, at the request of retailers, to collect all reusable and reusable objects such as furniture, textiles, decor, hardware, etc.

Water consumption in the portfolio

Altarea monitors and analyses the water consumption of the common areas and retailers of its centres on a monthly basis. This makes it possible to prevent and respond to any anomaly.

Water consumption in the portfolio

	m^3 (common and private areas)	m^3/m^2 (common and private areas)
2022 water consumption	313,999	0.40
2021 water consumption	251,048	0.32
Change 2021-2022	+37.1%	

In 2022, the increase in water consumption is due to a methodological change as well as the implementation of a new reporting tool. Consumption is now consolidated by aggregating the consumption of common and private areas. Note that a range of actions are carried out in the centres to reduce water consumption. Also, Avenue 83 in Toulon has installed a more efficient watering system, making it possible to save water in an area particularly exposed to water shortages.

Corporate

Waste generated by the head office

In 2020, the Group moved into its new head office, 87 Richelieu. The operating contracts include ambitious CSR clauses on building management and monitoring of consumption and waste, including a zero-plastic policy.

The figures below show waste data for the head office.

Waste generated at the head office and percentage of recovery

	Tonnes	kg/m^2	kg/FTE	Percentage of waste recovered
2022 generated waste	58.57	2.21	52.86	100%
2021 generated waste	60.60	2.29	57.17	99%

4.2.5 Sponsorship and partnerships

Group sponsorship policy continues

In 2022, Altarea continued to publicise and apply its sponsorship and partnership policy, in line with its desire to make a positive impact in its regions, around three main themes which, in particular, strengthen the Group's local ties:

- contributing to economic development of the regions by strengthening links to the local social fabric (associations, social enterprises, social economy, etc.) to enhance the positive impacts of its activities on the local economy, particularly jobs (see 4.2.1);
- social initiatives: use the Group's skills to help the most disadvantaged by promoting access to housing and supporting charities that create social cohesion locally;
- support for culture and artistic creativity, bringing art to a wider public, anchoring the Group's property projects in their cultural context.

The Group's sponsorship and partnership strategy is governed by an internal procedure. This was set up as a third-party assessment procedure and implemented in collaboration with the Internal Control Department. The Group's employees received a sponsorship and partnership best practice guide outlining the Group's sponsorship strategy and procedure.

Contribution to local economic development

The Group continued its sponsorship of the Fondation Palladio, of which it is a founding member. The Fondation Palladio is a forum for thinking about building the city of tomorrow and its living spaces.

Also launched by the Palladio Foundation, the Université pour la Ville de Demain (UVD) has set up collective initiatives to accelerate the actions of real estate professionals toward climate transition. Altarea is very active and involved, participating in five working groups. In addition, as every year, an auditor from Altarea participates in the training program of the Palladio Institute.

Social actions – Long-standing partnership with Habitat et Humanisme

In 2022, Altarea renewed its commitment to Habitat et Humanisme by signing a new sponsorship contract for a period of three years. This partnership will focus on four areas:

- financial support for real estate projects, including collective housing (particularly intergenerational and inclusive housing), projects for the elderly (care/residential), or projects with exemplary sustainability;
- the financing of three salaried positions at Habitat et Humanisme;
- Altarea's participation in the global ecological transition approach promoted by Habitat et Humanisme;
- the exploration and trialling of new care and residential solutions for the elderly.

Through this initiative, the Group has affirmed its commitment to a more inclusive city and its contribution to the most disadvantaged sector.

This partnership also strengthens local ties between the Habitat et Humanisme associations and the Group's various subsidiaries.

Altarea is the leading partner of Habitat et Humanisme, working together over the long-term to find housing solutions for people on low incomes. The partnership also enables the Group to meet urgent needs as they arise. In 2020, for instance, Altarea financed temporary housing for families during the lockdown. In 2022, in the context of the war in Ukraine, the Group mobilised to provide housing in Cogedim Club® for Ukrainian families.

The involvement of the Group's employees in this partnership is an important element in bringing it to life. Thus, in 2022, during the Solidarity Hour, employees took part in a sponsored run using the app km for change which collected donations for the charity. Employees were also able to take part in a *Fresque du Logement* workshop, run in coordination with the Habitat et Humanisme teams in the Paris Region. This collaborative workshop helped participants understand the issues with access to social housing, raised awareness of the work done by Habitat et Humanisme and stimulated debate around the issue.

Finally, at the end of this event, an e-book written in 2021 on the long-standing partnership between Altarea and Habitat et Humanisme was sent out to all employees.

Supporting culture and culture for all

Altarea is committed to constantly promoting talents in all forms of artistic expression (sculpture, painting, music, etc.).

In 2022, the Group renewed its commitment to the Opéra Comique. The sponsorship programme meant Group employees could enjoy guided tours of the Opéra Comique, tickets for performances and discounted prices. This sponsorship is based on the Group's desire to promote culture for all.

"Tous engagés pour vos projets solidaires"

In 2022, the CSR Department launched the "*Tous engagés pour vos projets solidaires*" (all committed to your solidarity projects) initiative. This initiative, which is directly linked to the Group's CSR approach, aims to provide funding for employees' personal solidarity initiatives that are not part of a professional project.

The jury is made up of employees from the Group's various business lines and CSR ambassadors. A first call for projects was launched in December 2022.

Local solidarity initiatives

Committed locally, Altarea's teams carry out numerous community initiatives in the regions. This year, several centres organised blood donor, food and toy drives, or set up jobs forums to support local employment and involvement in the community.

In Bercy Village (Paris), the centre held a fund-raising event as part of the telethon in partnership with the Paris 12 fire station. Visitors to the shopping centre could climb ropes to raise donations. The same centre's summer decorations were donated to the charity Ré-enchantement to decorate centres for single mothers in the 12th arrondissement. In the Costières Sud Family Village (Nîmes) and CAP3000 (Saint-Laurent-du-Var), waste collections were organised as part of the World Clean Up Day to raise awareness. The Brest Guipavas centre, in partnership with the Relecq-Kerhuon town hall, has made its car parks available for the Odyssea shuttles, which is working for the Pink October event in support of the fight against breast cancer.

The Limoges Family Village has signed a reuse partnership with the Aleas association, a resource centre. Once a month, at the request of retailers, products that can be reused (furniture, crockery, toys, etc.) are donated to the association.

4.3 Placing the customer at the heart of actions

Scope	Objective/commitment	2022 results	Change 2021-2022	Comment
Group	Work to satisfy customers across all our business lines	**Top of the HCG/Les Échos customer relations rankings**	↗	In the top three for three years, the Group is recognised as a benchmark in customer relations, for the speed and quality of responses to customers. In 2022, it took first place in the rankings
Residential	Commit to customer satisfaction	**Customer Service of the Year Award for the 6th consecutive year[(a)]**	=	This award recognises the efforts made for several years to support customers
Retail	Continually improve and enrich the customer's visit experience	**Satisfaction index: 7.7/10[(b)]**	=	The satisfaction index of visitors to shopping centres is stable and testifies to the efforts made to keep the sites attractive and pleasant, and to increase leisure offerings
Neighbourhoods	Develop pleasant living spaces	**Development of two WELL Community Standard neighbourhoods, including Issy Cœur de Ville, the first pilot project in France**	=	As a result of these projects, the Group plans to build up its expertise when it comes to quality of life in neighbourhoods
Retail	Draw up and roll out a comfort, health and well-being strategy for shopping centres	**Creation of internal guidelines comfort, health and well-being in 2019 Evaluation of 100% of the consolidation scope**	=	Since 2017 the Group has produced its own internal standards on well-being and evaluates its portfolio each year so as to identify priorities for action
Residential	100% of new projects certified NF Habitat[(c)]	**100% of new projects certified**	=	The objectives are met. The ambitious strategy of certification is complemented by the most recent or innovative certifications in order to guarantee the building's green value
Business property	100% of new projects certified at least HQE™ "Very good" and/or BREEAM® "Very Good"	**100% of new projects certified**	↗	
Retail	100% of BREEAM® In-Use sites	**100% of sites certified**	=	The figure has been steady since 2015. Altarea is 100% BREEAM® In-Use certified for French assets under management, and targets at least the "Very Good" level
Business property	Strengthen the digital connectivity of projects	**100% of projects in the Paris region are working towards a digital connectivity label**	=	The Group continues to offer long-term performance to its customers with regard to technology

(a) Property Development category – BVA Group survey – Viseo CI – More information on escda.fr.
(b) 2021 figure; next survey in 2023.
(c) Excluding Severini, co-development, refurbishments and managed residences.

4.3.1 Dialogue in the service of customer and user relationships

The changing structure of households, new forms of work and mobility, the growth of the collaborative economy — social and technological changes are transforming customers' ways of life and habits. They are looking for custom solutions and desire a special relationship with their contact throughout the buying experience.

Altarea is committed to changing its offers so that they continue to meet customer needs and expectations. To do so, the Group is strengthening its relationships with its customers. There are formal methods for dialogue and measuring satisfaction in each business line: surveys and studies, live or digital interactions, etc. Customer satisfaction is Altarea's prime objective, which puts its excellence and creativity at their service.

WE ARE ALL INVOLVED IN PROVIDING CUSTOMER SATISFACTION

Customer satisfaction guides Altarea's action. The Group has created and deployed a wide-ranging training programme for all its employees. The aim is to raise awareness and regularly emphasise the role of each individual in customer satisfaction.

The Group's commitment is reflected in its continuous process of listening to and analysing customers' perceptions and expectations, which guide the evolution of the solutions and services offered.

To encourage the creation of new services, an internal competition was launched this year. Dozens of ideas were submitted from the field. The most promising ones will be trialled and then deployed nationwide.

The Net Promoter Score, one of the criteria for extra-financial profit-sharing

Since 2015, Cogedim has been measuring its Net Promoter Score (NPS), an international indicator that assesses customer satisfaction with a brand. This has increased by +25 points in eight years.

Since 2021, this indicator has been taken into account in the calculation of Altarea's profit-sharing agreement. In addition to financial criteria, the agreement includes extra-financial criteria aligned with the Group's strategy, in particular the trend of Cogedim's NPS. In 2022, Altarea wanted to engage all its employees in serving customers and also included Histoire & Patrimoine and Pitch Immo in this approach.

Residential

Customer Service takes care of customer satisfaction at each step of the buying experience. In-house procedures are dedicated to dialogue and monitoring satisfaction at each step.

Dialogue with customers

The customer journey is based on a human and personalised relationship at each stage of the project with several systems:

- a dedicated contact for more than ten years: the customer relationship Manager accompanies each customer from the signature at the notary to delivery. After the keys are handed over, an after-sales service Manager, also specifically designated, takes over for nearly ten years and ensures continuity of support for the customer in managing guarantees. Each customer is supported for approximately 13 years;
- a personalised online space: from the time the home is reserved until the end of the guarantees, the customer can log into their online space to monitor the progress of project stages achieved and pending, consult their detailed schedule and access their document library. A mailbox, practical sheets and FAQs (for example: personalisation, progress of building sites, visits, etc.) give the answers to their questions;
- the national network of Cogedim stores: the Cogedim store is a place dedicated to supporting customers in the personalisation of their homes. Customers can view show apartments, browse the choice of materials and equipment as well as customisation packs and enjoy an immersive digital experience. This makes it easier to imagine themselves in their future home. Since 2016, several Cogedim stores have opened in Paris, Bordeaux, Toulouse, Marseille, Lyon and Nantes.

The Group has partnered up with Sourdline, the leading call centre for the deaf and hard-of-hearing. The customer may thus interact with each contact along the customer path thanks to the presence of an interpreter, *via* webcam, chat or in-person.

Finally, future residents are given a guide on green habits just before they move in to give them tips on improving their comfort (air quality, noise, comfort in summer, planting, etc.) and reducing their environmental impact (energy and water consumption, sorting waste, etc.).

Measuring and monitoring customer satisfaction

The Group conducts an annual survey to measure the satisfaction of its customers at each stage of the journey. The goal is to better understand their expectations and any possible shortcomings encountered during the buying experience. Questions range across a large spectrum of subjects from customer trust at the time of purchase to the endorsement rate at the end of the experience.

The endorsement rate is considered as the indicator that best sums up the customer experience since it measures his or her attachment to the brand by rating the likelihood of their recommending Cogedim. The Group has set as a goal to reach a 70% recommendation rate for each of its regional offices. In 2022, the Group recorded an increase of 13 points since 2015.

In addition, the Customer Services Department monitors spontaneous comments by customers on its Immodvisor platform. This independent platform records and checks the comments submitted by customers. In 2017, over 8,000 comments were checked. They have a satisfaction rate of 90% and a recommendation rate of 97%.

Lastly, mystery investigation is also carried out across the territory, with tests at both physical sites and in sales offices, but also in exchanges by email or *via* social media.

EFFORTS REWARDED

For the sixth consecutive year, the Group was awarded "Customer Service of the Year 2023"[(1)] for the Cogedim brand, in the category of Property Development. Since 2007, this award rewards French companies that place the quality of the customer relationship at the centre of their concerns. This award assesses the quality of customer relations with mystery shoppers (telephone, email or questionnaire, internet sites and social media).

In January 2023, the Group took first place in the Les Echos 2023 customer relations ranking carried out by HCG. This multi-sector ranking sets the customer services of the 200 biggest companies in France against each other by testing all of their channels: telephone, letter, email, website and social media.

(1) Property Development category – BVA Group survey – Viseo CI – More information on escda.fr.

Cogedim Club® Residences

Altarea develops and manages Cogedim Club® senior residences, designed to meet the specific needs of seniors. To best adapt to their expectations, the Group used several means that combine market research, satisfaction surveys and field analysis.

Each of the residences has a team dedicated to listening to the needs of residents in their daily routine. Once a month, a meeting is organised between resident tenants in each of the residences in order to listen to their needs and expectations. The following subjects are addressed: life in the apartments and common areas, services and overall satisfaction. Short-stay residents are also surveyed *via* satisfaction questionnaires.

These *in situ* measures make it possible to understand the level of residents' satisfaction and their level of facility use and identify desired changes. A half-yearly meeting is organised with the management of Cogedim Club® and allows for a discussion about areas for improvement or necessary changes with the agreement of occupants of the residences. The information gathered also serves to modify specifications for future Cogedim Club® projects.

Each year, a satisfaction survey is carried out among all tenants of the open residences. Thus, in 2022, 93% of residents are satisfied with being in a Cogedim Club® residence.

In addition, Cogedim Club® conducts annual marketing studies to better understand the expectations of seniors, anticipate changes in the market and adapt the offer accordingly. The information gathered also serves to modify specifications for future Cogedim Club® projects.

Business property

In a context of rapidly changing work patterns and employee expectations in terms of their working environment, the Group listens to its partners and users.

Altarea has a customised offering, designing offices that promote team productivity and the comfort and well-being of staff.

In 2019, the Group structured its offering by creating the entity Altarea Entreprise Studio with the aim of providing a coherent and efficient response to changing uses and new ways of working so as to offer users innovative products and meet their requirements. Its remit is to design buildings that are able to evolve through time due to their architecture, technical design but also their services.

Altarea Entreprise Studio operates upstream of operations, determining requirements and uses and anticipating new ways of working and designing the office of the future with multiple uses. In particular, in its thinking it incorporates phenomena such as the fragmentation of working methods and coworking and the office building as a means of boosting the appeal of the employer's brand.

Retail

In its shopping centres, Altarea interacts with two customer groups with very distinct requirements and modes of dialogue: visitors and brands.

Measuring visitor satisfaction

The flow of visitors to the shopping centres is testimony to their success and attractiveness and the quality of their image and that of the brands present in them. The Group pays particular attention to measuring visitor satisfaction and reinforcing the attractiveness of the shopping centres. This is done notably by organising leisure activities and holding events and sales demonstrations.

In order to measure the overall satisfaction rate of visitors and better understand what they are looking for in the shopping centres, the Group conducts quantitative and qualitative customer surveys. Based on the results, the teams draw up an operational action plan designed to improve the customer satisfaction index. In 2022, no visitor satisfaction survey was conducted, the last one dating from 2021. However, new customer satisfaction surveys will be conducted from 2023.

In 2021, the satisfaction index reached **7.7/10**

This index was calculated using on-site customer surveys conducted at eight shopping centres, representing 81% of the historical CSR reporting scope by value. The satisfaction index for the shopping centres has held steady since 2015 – a sign of the teams' commitment to keeping the sites attractive and pleasant.

Attracting visitors and winning their loyalty

To maintain and reinforce the attractiveness of the shopping centres, Altarea takes care to mix retail outlets, food and drink, leisure activities, culture and services. Whether they involve sales drives, encounters with celebrities, solidarity actions, shows or activities for children, events are essential elements in the life of the shopping centres. They enable us both to attract visitors and reinforce the role of the centres in the region, as well as creating a different, enriching visitor experience.

ACTIVITIES AT THE CENTRES, A FEW EXAMPLES

Bercy Village is committed to creating regular activities and has organised three exhibitions installed in the four passages connecting the Cour Saint-Émilion and the adjacent streets. In addition to the centre's participation in the Telethon 2022 in partnership with the fire station of the 12th district, Bercy Village also organized summer concerts with young artists. As the theme of waste management is a major one for the centre, the materials for the summer decorations were donated to the Ré-enchantement Foundation, and six creative workshops with recycled materials were organized during the year.

Events entitled "World Clean Up Day" were also organized this year by the Costières Sud centre in Nîmes and the CAP3000 centre in Saint-Laurent-du-Var. On the program: collection and recycling of waste collected in the car park, in the retention basins, in green spaces or on the coast.

Lastly, a number of solidarity initiatives have been implemented, details of which can be found in Section 4.2.5 Sponsorship and partnerships.

For shopping centres under development, Altarea integrates leisure and cultural activities into its programming far upstream.

Strengthening relations with the brands

The green lease: a tool for environmental dialogue with tenants

Since 2010, Altarea has rolled out the green lease to promote the regular sharing of environmental information with its tenants: the Group applies it to all its new commercial leases as well as to its existing leases when these are renewed.

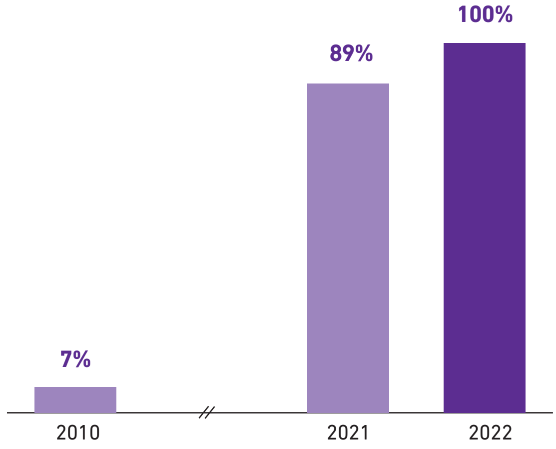
Specifically, the green lease gives Altarea a margin of environmental manoeuvre in two respects:

- the contractual exchange of environmental information allows Altarea to become familiar with tenants' fittings and installations, and also to have regular access to their energy and water consumption and waste production;
- the green lease requires the setting up of an Environmental Committee bringing together owners, tenants and all other stakeholders at each site. This committee is an opportunity to discuss the most effective ways of reducing the centre's environmental footprint.

Under a green lease on assets subject to such environmental certification, tenants undertake to comply with a set of technical, architectural and environmental guidelines that provide maximum power ceilings for any equipment they may install and recommendations regarding interior materials.

At the end of 2022, all 1,877 leases in the assets under management signed by the Group were green leases. This share of green leases has been steadily increasing since 2010.

GREEN LEASE COVERAGE RATE
(EXCLUDING CENTRES UNDER DEVELOPMENT)



CSR surveys for tenants: a tool for better understanding their expectations

In 2017 and 2018, Altarea conducted surveys of tenants at its shopping centres on issues around sustainability. In all, nearly two thirds of tenants were asked about their actions and expectations regarding CSR. Since 2019, this initiative has been incorporated in the Brands Pact, which includes questions on CSR in annual surveys.

In this context, a large survey of tenants was conducted by the Marketing Department in 2022. The aim was to assess retailers' satisfaction and better understand their expectations in order to draw up appropriate action plans. This survey was also an opportunity to question tenants about their perceptions of Sustainable Development issues, as well as the potential CSR measures deployed.

In total, more than three out of four retailers state that they have implemented at least one action to reduce their environmental impact or maximize their social footprint, with reduced energy consumption and optimized waste management accounting for half of the responses received. In connection with the social aspect, nearly half of the retailers show a marked interest in discussing the well-being of visitors and shop employees. The objective is to continue the dialogue on these subjects in the interests of improved cooperation.

4.3.2 Quality of life and well-being in operations

A project's quality of life and well-being are factors that create both social bonds for users and appeal for communities that have roots in sustainable urban development.

The interior design of buildings is also key, with increasing demands from customers in terms of comfort, health and safety, which include temperature, acoustics, air quality, lighting, uses, aesthetics, etc.

Finally, each activity has its own challenges:

- in Residential, the ease of use and quality of equipment helps ensure the heritage value of the property over the long-term for investors;
- In Business property, comfort and well-being are key factors in attracting employees, investors and users;
- in Retail, proposing a pleasant, practical customer experience and keeping it fresh, combining shops and leisure activities is now indispensable.

In all its real estate transactions, Altarea pays special attention to the quality of city life, going well beyond the applicable regulations to offer the user added value. It therefore deploys means to improve the customer experience with regard to well-being by drawing on external certifications (for example, WELL) and internal requirements.

The Group focuses on three components of comfort and well-being in each activity and for each project:

- quality of the location: the Group opts for proximity and density. Its projects are located at less than 500 metres from public transportation to promote user access and mobility;
- intrinsic quality of the building: air quality, acoustics, lighting, aesthetics, but also quality of use of the building and flexibility, so that it is adaptable to current as well as future uses;
- additional services provided by the project to complement those already offered locally. Altarea uses its skills and multi-product know-how to develop, for example, childcare, quality food stores, leisure activities, etc. The Group also pays particular attention to the place of nature in the city, recognised as a source of well-being by users by developing buildings open to the outside world and green relaxation areas.

Large mixed-use projects

Thanks to its unique multi-activity positioning, Altarea brings together all the skills and services to design large urban projects combining homes, shops, offices, etc. By working with communities, planners and other private stakeholders, the Group develops balanced neighbourhoods adapted to the needs of residents and users. The Group makes sure it offers a range of services, both diversified in the scale of the project and complementary to the offerings already present nearby.

Working on the scale of a neighbourhood also allows the Group to offer quality public spaces, mixing green spaces and recreation areas. The Group pays particular attention to the place of nature in the city (see 4.2.3).

ISSY CŒUR DE VILLE: WELL PILOT NEIGHBOURHOOD

The quality of life in the neighbourhood is recognized by the WELL Community Standard. Issy Cœur de Ville is one of the first French projects to be certified by this label.

Residential

The Group is developing healthy and comfortable residential buildings that favour social bonding and conviviality. To achieve this, it relies on the NF Habitat and HQE™ certification process and its team of interior designers. The Group also pays particular attention to natural comfort solutions and air quality.

HEALTH IN RESIDENTIAL: THE TEN COGEDIM COMMITMENTS

In 2021, Cogedim conducted an unprecedented study to analyse the close relationship that French people see between their housing and their health.

The survey also looked at possible solutions to be deployed in housing to meet expectations. The main conclusions of this study are:

- strong awareness of the impact of housing on health, strengthened by the health crisis:
  - 83% of French people believe that their home has a significant impact on their health,
  - 72% consider that the health crisis has made them aware of the importance of their housing for their health,
  - 9 out of 10 French people recognise that the quality of housing has a strong impact on the three pillars of health according to the WHO definition: physical, mental and social health;
- 1 in 2 French people have already moved or are planning to do so to improve their health;
- air quality, the presence of outdoor spaces and temperature control are the priority expectations of French people for healthy housing.

Echoing this study, the Group has made additional quality commitments for its homes developed under the Cogedim brand. Thus, since 1 July 2021, all new projects must meet 10 high quality criteria based on the following three pillars:

- health: air quality, summer comfort, natural light and acoustic comfort;
- well-being: spaces adapted to remote working, larger convertible outdoor spaces, fitting out bicycle storage facilities;
- eco-responsibility: biodiversity promoted in collective outdoor spaces, use of sustainable materials, CO_2 emissions reduced, energy and water savings.

NF Habitat and user comfort

The NF Habitat standard exceeds the regulatory requirements in matters of health and safety, and focuses particularly on making pleasant, practical and comfortable places to live, with requirements regarding acoustic quality, visual comfort, proximity to services and public transportation, etc. (see 4.3.3).

Moreover, plans for apartments are checked by the Group's team of interior designers to guarantee their practicality: easy circulation, practical amenities thanks to the appropriate position of electrical outlets and sufficient space for furniture.

Lastly, special attention is paid to links to the outside world.

97% of Cogedim homes have access to a private outdoor space and nearly 85% of the balconies have a surface area greater than or equal to 10% of the home.

Natural comfort solutions

In a context of climate change, the Group has integrated the concept of summer comfort, even before the RE2020 obligations. Today, at Cogedim, a tool has been set up to help teams choose the solutions to adopt in terms of summer comfort around several families of solutions: design (shape and orientation of the building), structural buildings (façade coverings, mobile shading systems, roofs, etc.), technical systems (ventilation, etc.), interior fittings (insulation, etc.), exterior fittings (revegetation, soil permeabilization, etc.) and user awareness.

Indoor air quality

The issue of air quality is key in residential property. Altarea approaches the problem in a global manner: by imposing health criteria in the choice of materials and the installation of equipment and by supporting buyers in a healthy and responsible occupying process. At Cogedim, 100% of products and materials are at least labelled A, or even A+ for all interior finishing materials (paint, floor coverings, etc.). In addition, the quality of ventilation systems is audited.

For example, Altarea is rolling out the IntAIRieur label on several projects, including Carré Rabelais in Tours (37). This new measure commits all businesses working on the site to respect the guidelines in order to preserve the indoor air quality of residential units under construction. Once the project is finalised, two manuals are provided to users: one to the occupants and one to the Manager. These documents will guide them in the building's daily use and during maintenance operations.

Cogedim Club® Residences

In the context of its Cogedim Club® residences for seniors, the Group adapted its offer to their specific needs by especially favouring the quality of social bonding, one of the principal selection criteria for future residents.

The range of residences combines adapted residential units, a programme of varied entertainment and a location in the city centre close to transportation, shops, health services and cultural programmes. Activities are organised with local bodies such as schools to promote intergenerational ties.

The promotion programme resumed in 2022 and became more interesting throughout the network. In order to meet the needs of residents and set up new activities, the new Cogedim Club® residence Issy Cœur de Ville in Issy-les-Moulineaux is an experimental laboratory for developing new services. For example, an engineering student is housed in the residence and dedicates time to support seniors in mastering IT tools, thus creating an intergenerational social bond and the transmission of knowledge. New services around culture and music are tested. In the Cogedim Club® in Villejuif and Boissy, well-being classes, themed dinners, tea dances and cultural conferences are organized in the residences and also offered to external retired seniors in order to promote diversity in the neighbourhood.

The Book Club, set up three years ago, is in turn open to neighbours. Every two months, residents receive books selected by a neighbourhood bookstore. The bookseller then comes into the residence to take part in discussions with residents about their reading.

As for quality, the fixtures and furniture in residential units are carefully selected with suppliers to adapt to the constraints of ageing (floorings, level of foundations and bedding, sanitary facilities). They comply with ergonomic recommendations.

Finally, the Group gradually rolled out the VISEHA label in its residences. This label attests to the quality of the services offered in the senior residences (see 4.3.3).

Business property

In a world of work increasingly marked by remote working and nomadism, the workplace must be welcoming, comfortable and conducive to conviviality. Altarea develops very high-quality workspaces by placing well-being at the heart of its projects. The Group supports each of its customers in this area with a particular focus on flexibility and biophilic design.

Systematic approach to well-being

The theme of well-being has been incorporated into Group practice for many years through BREEAM® or HQE™ certifications.

The Group may also seek an additional well-being label such as WELL or Osmoz. These standards, respectively American and French, place the user and health at the heart of real estate projects. The topics covered range from the quality of the physical environment (air, light, etc.) to conviviality and social interactions.

New ways of working

To respond to the new uses of Business property, the Group is developing interior spaces that are less isolated, more flexible, leaving more room for natural light and vegetation.

In support of the digitisation of activities and communications, the Group offers first-class digital connectivity based on the most demanding standards such as those of WiredScore and Ready2Services (see 4.3.3).

Retail

The theme of well-being is already an integral part of BREEAM® and BREEAM® In-Use certification, on which the Group bases its CSR approach for its Retail business. Altarea is going further in taking into account well-being in the design of its projects and the operation of its buildings, drawing on the most recent standards such as WELL and the concept of biophilia. In order to have a tool aggregating the various issues associated with comfort, health and well-being, the Group has defined its own dedicated in-house standards since 2017.

In its REIT business, Altarea has been implementing comfort, health and well-being actions for its visitors for several years now, notably *via* its management system based on BREEAM® In-Use.

As such, for the health and well-being part of the certification, the shopping centres within the historical CSR reporting scope achieved an average score of 57% in 2022, unchanged from 2021. This slight decrease compared to previous years is explained by the change in the BREEAM® In-Use standards, which are increasingly demanding in their version 6.0. Additional efforts are already being made to achieve or exceed previous scores.

Shopping centres are working to promote ever greater comfort. For example, the L'Avenue 83 centre in La Valette-du-Var provides a wheelchair service, package collection kiosks and a motorcycle helmet check room. Bercy Village, in Paris, holds events themed on well-being, notably artistic workshops and weekly yoga courses from March to October. It makes deckchairs, table football and table tennis tables freely available.

EVENTS TO PROMOTE HEALTH AND WELL-BEING

As they emerged from the COVID-19 pandemic, Altarea centres were again able to organise events for visitors this year. Some of these were intended to raise awareness of health and well-being issues.

"The Silent Hour": following the signing of a charter between the Fédération des Acteurs du Commerce dans les Territoires (FACT) and autism associations to institute a "Silent Hour" in shopping centres, the Reflets Compans and Espace Gramont centres, both in Toulouse, completely shut down their sound systems in common areas every day of the week.

The Aubergenville Family Village and the Les Portes de Brest Guipavas centre have both promoted sports events. They organised sports events to burn off energy, and held the sponsored race "*Les Coureurs Ont Du Cœur*" for the benefit of the Secours Populaire charity.

4.3.3 Labels and certifications, creators of green value

The increasing importance of customer demands with regard to comfort and use as well as the tightening of environmental regulations have pushed the notion of green values to the forefront in the real estate sector. It represents the ability of a building to avoid regulatory obsolescence, or of use, and is thus a guarantee of its sustainability over time. To maintain or advance a building's green value, certifications and labels have gradually become the market norms.

Altarea is committed to a strategy of ambitious, innovative and sustainable certification, specific to each of its activities. Labels and certifications are thus chosen depending on:

- the relevance of the applicable standards and assessment method. In Retail, for example, BREEAM® is the tool most used by the market;
- stakeholder expectations for each project type, whilst seeking to outperform market standards;
- the strong willingness to offer the most recent, ambitious and innovative labels and certifications on broader matters than environmental performance (WELL, BiodiverCity WiredScore®, etc.) in order to stay ahead in all of its activities.

Residential

NF Habitat Certification and its HQE™ approach

Since 2016, the Group has been committed to NF Habitat certification and its HQE™ approach. 100% of the Group's housing units are NF Habitat certified[1]. This certification is a benchmark for the essential qualities of the housing units and common areas of the building. It is reflected in concrete daily benefits: a healthy interior, safe and pleasant for living, controlled expenses, but also a respect for the environment. It covers a certain number of design criteria: size of glazed spaces, water-saving equipment, etc.

Regarding environmental and energy performance, the Group is going further by applying for NF Habitat HQE certification (more demanding than NF Habitat in environmental terms) for over half of its production, or other additional environmental certificates.

In 2022, **54%** of Residential projects are applying for NF Habitat HQE certification.

Some projects may benefit from supplemental certification efforts. The Cœur de Ville project in Bobigny, for instance, already committed to Écoquartier labelling, at the community's initiative, is a pilot project of the new HQE™ Performance standard. The Group is thus participating in defining new standards of reference in terms of sustainable urban development.

VISEHA label and Cogedim Club® residences

To improve transparency as regards the quality of services offered in serviced residences for seniors, the professionals of the sector, among them Cogedim Club® have created a label called VISEHA (*Vie Seniors & Habitat*). This certificate, awarded by the professional associations SNRA and SYNERPAS RSS in collaboration with Afnor Certification, is the first to assess and certify the quality of senior serviced residences.

To obtain this label, the residences had to meet 12 criteria relating to the quality of the property and the services offered by the residences, preconditions for the financial health and reliability of the operator, and a programme of events. The criteria are intended to provide greater clarity as to the offer, not only in terms of quality but also with a view to the sector's structure as it grows, always with the satisfaction of residents as the central concern.

With 20 certified residences at the end of 2022, Cogedim Club® is fully signed up to this quality and commitment process, continuing to offer a property and service offering that is increasingly adapted to independent seniors looking for a warm and secure living environment. In 2023, the objective is to continue certifying residences during the year until the entire network is certified.

(1) *Excluding Severini, co-development, refurbishments and managed residences.*

Obtaining this certification is a recognition of and testament to the know-how of the Cogedim Club® teams, in supporting people through the loss of autonomy and home care.

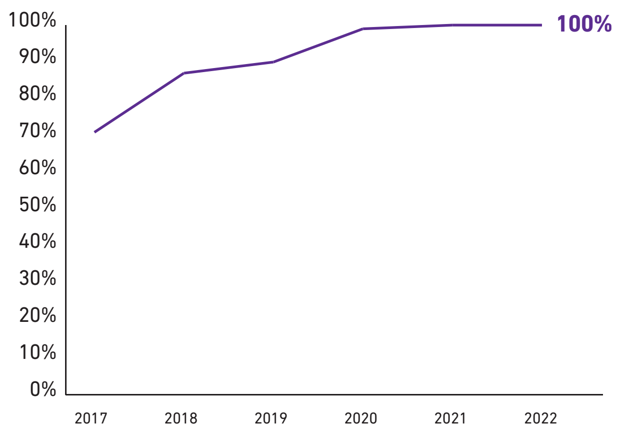
Business property

All Business property projects benefit from a systematic certification process, HQE™ and/or BREEAM®, respectively the French standard and the European standard regarding the environmental performance of buildings.

100% of new projects certified at least HQE™ "Very good" and/or BREEAM® "Very Good"

In addition, the Group seeks to guarantee long-term technological performance in its buildings

PERCENTAGE OF PROJECTS IN THE PARIS REGION TARGETING A DIGITAL CONNECTIVITY LABEL



Retail

In 2022, the process of certification continued for the assets managed in France.

100% of the assets managed in France are BREEAM® In-Use certified

Construction certification

56% of shopping centres also have HQE™ and/or BREEAM® construction certification.

Altarea chooses the certifications best suited to its customers' needs and the context of projects. Accordingly, the BREEAM® certification, massively adopted by European retail operators, has been used for 100% of Retail projects under development managed by the Group since 2016.

The Group systematically seeks the highest levels of certification for its projects (taking account of technical and economic constraints). Accordingly, 100% of shopping centre projects in development that have a BREEAM® certification obtain an "Excellent" level or higher. CAP3000 obtained a total score of 76% on its BREEAM® certification for the design of its building.

As a complement to BREEAM®, certain Retail projects seek other certifications or labels. For example, CAP3000 has obtained the BiodiverCity® label. The Qwartz site in Villeneuve-la-Garenne and the L'Avenue 83 site in La Valette-du-Var have two certifications: HQE™ and BREEAM®.

Operational certification

Since 2012, Altarea has embarked upon a process of gradual environmental certification of its operating assets, opting for BREEAM® In-Use certification.

These standards assess the environmental performance of a building in two different areas, based on nine themes:

- Part I "Asset Performance" covers eight themes: Health & Well-being, Energy, Transport, Water, Resources, Resilience, Land Use & Biodiversity and Pollution. It focuses on the intrinsic performance of the building (construction, facilities, fittings and services installed);
- Part II "Management Performance" covers seven of the topics from Part I with the exception of Transport, plus the "Management" theme. It assesses the quality of the management of the asset.

At the end of 2015 an initial objective was reached with the certification of 100% of the assets in its historical CSR reporting scope thanks to the roll out from 2014 of the operational environmental management system, which makes nonfinancial reporting more organised and reliable and applies best practices and requirements of environmental certification across the Board. Each centre management team received a series of trainings in using this tool.

The Group's new objectives are:

- to maintain the certification rate of the managed assets at 100%;
- to improve its BREEAM® In-Use scores every year. A score of "Very Good" or higher is targeted for score reassessments. All centres except one (at the "Good" level) achieved it.

In 2022, all sites present in the historical CSR reporting scope had BREEAM® In-Use certification.

These certifications apply to the Asset (intrinsic performance of the building) and Management (operation of the building) categories of the standards. Detailed scores are available below.

In 2022, the average performance of the portfolio per surface area was 66% for the "Asset" part (+18 points on 2013) and 65% on the "Management" part (+22 points on 2013). As explained in 4.3.2, this performance is slightly down compared to 2020 because the BREEAM® standards have become more demanding. Additional efforts are already being made to achieve or exceed the scores previously obtained by the centres.

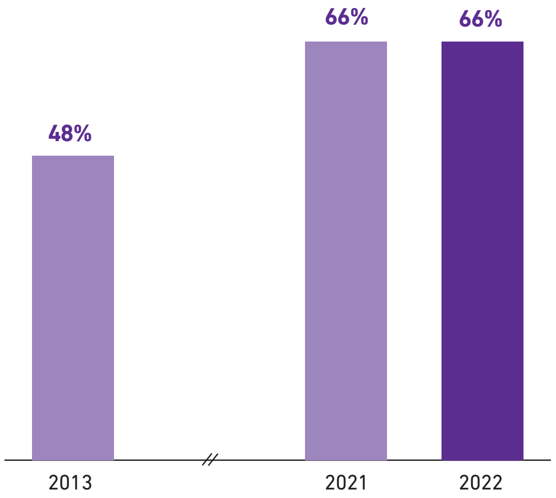
The improvement in the average performance of Altarea's standing assets in operation bears testimony to the commitment and efforts made by each shopping centre in respect of health and well-being (see 4.3.2), the soil conservation and biodiversity (see 4.2.3), waste management (see 4.2.4), etc. Certain themes such as energy and biodiversity improved notably thanks to actions carried out at Group level.

In addition, the Group has extended its environmental certification approach to sites that are not directly managed and those managed on behalf of third parties. Jas-de-Bouffan shopping centre in Aix-en-Provence was once again certified BREEAM® In-Use at "Excellent" level in 2022. Also, the NicEtoile site in Nice, managed on behalf of third parties, was certified BREEAM® In-Use "Excellent", while the Espace Saint-Quentin in Montigny-le-Bretonneux is in the process of being certified.

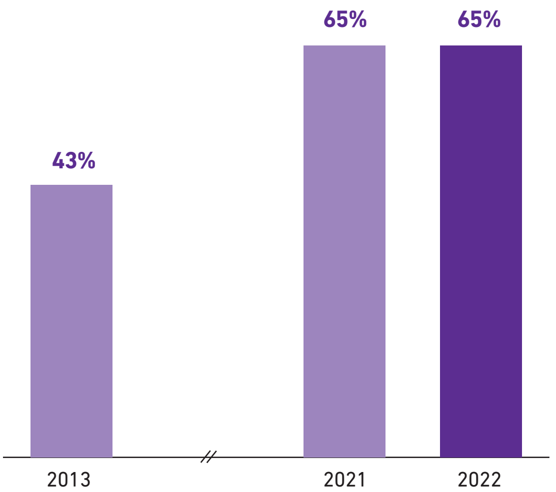
Environmental labels and certifications of the portfolio

	City	Centre	Construction certification	BREEAM® In-Use certification			
				Part 1 – Asset		Part 2 – Management	
				Level	Score	Level	Score
PORTFOLIO	Aubergenville	Aubergenville Family Village	-	Very Good	63%	Very Good	67%
	Brest Guipavas	Les Portes de Brest Guipavas	-	Excellent	77%	Outstanding	87%
	Geispolsheim	La Vigie	-	Very Good	64%	Very Good	56%
	Gennevilliers	Parc des Chanteraines	-	Very Good	60%	Very Good	56%
	Limoges	Limoges Family Village	-	Excellent	71%	Excellent	72%
	Lille	Grand'Place	-	Very Good	57%	Very Good	62%
	Nîmes	Costières Sud	HQE™ Very Good	Excellent	74%	Very Good	66%
	Paris	Bercy Village	-	Very Good	56%	Very Good	58%
	Paris	Le Parks	-	Excellent	71%	Very Good	57%
	Ruaudin	Les Hunaudières Family Village	-	Very Good	68%	Very Good	64%
	Saint-Laurent-du-Var	CAP3000	BREEAM® Excellent BiodiverCity	Very Good	64%	Excellent	71%
	Thiais	Thiais Village	-	Very Good	66%	Very Good	69%
	Toulouse	Espace Gramont	-	Very Good	64%	Very Good	67%
	Toulouse	Reflets Compans	-	Good	52%	Good	50%
	Valette-du-Var (La)	L'Avenue 83	HQE™ Very Good BREEAM® Excellent	Excellent	75%	Very Good	66%
	Vaulx-en-Velin	Carré de Soie	-	Very Good	70%	Very Good	65%
	Villeneuve-la-Garenne	Qwartz	HQE™ Excellent BREEAM® Very Good	Very Good	64%	Very Good	59%
	Villeparisis	Parc de l'Ambrésis	-	Very Good	59%	Very Good	63%
Ongoing target: 100% of the historical CSR reporting scope BREEAM® In-Use certified							

CHANGE IN AVERAGE BREEAM® IN-USE SCORE "ASSET" PART



CHANGE IN AVERAGE BREEAM® IN-USE SCORE "MANAGEMENT" PART



4.3.4 Responsible purchases and supplier relationships

Altarea is a major customer with more than €3 billion in annual purchases. Nearly 90% of the Group's purchases are linked to construction, of which more than one third is for shell structures, the remainder being spread over all the other items such as electricity, heating/ventilation/air conditioning, plumbing, etc. The other 10% consists mainly of Group's general operating expenses and the operating costs of the shopping centres.

The societal impact of these purchases is strong, due to their volume and the variety of economic sectors concerned. As a result, Altarea conducts responsible purchasing actions across all of its business lines.

A Group approach

Altarea's responsible purchasing approach aims to focus on the major CSR challenges facing the Group's different businesses (Property Development and Assets under management).

The approach, developed in conjunction with the Group's various business lines and subsidiaries, provides for:

- general actions (deployment of a Group responsible purchasing charter);
- adapted systems, by type of purchase (CSR clauses in calls for tenders and contracts, training, audits, etc.); and
- working to build a responsible and sustainable relationship with suppliers.

The responsible purchasing charter

A responsible purchasing charter covering social requirements, health and safety, the fight against corruption, respect for personal data and consideration of environmental issues was drafted in 2019 and updated in 2020. Since 2020, it has been gradually applied to all Group purchases, in particular to Property Development activities. A clause to this effect has been added to the general clauses and consultation regulations, which are systematically used for works contracts.

To accelerate its deployment, the CSR team held awareness-raising sessions on responsible purchasing and training on the objectives and use of the charter for all the Group's subsidiaries. The charter comes with a note, explaining it to suppliers and subcontractors. It helps clarify the content and objectives of the charter and to talk about it to the various stakeholders.

Finally, the charter is accessible to all on the Altarea website.

Adapted systems, by type of purchase

The implementation of adapted systems (contractual clauses, actions rolled out on building sites or in the Group's shopping centres, etc.) by type of purchase began with a detailed mapping of the Group's purchases, which was then supplemented by a review of the major risks (safety, social, environmental, etc.) associated with these purchases.

Since 2020, in close collaboration with the departments concerned, the CSR Department has refined its work on analysing risk points. For each risk and each business line, the CSR team analyses purchasing practices, identifies existing risk management systems and supports each brand in a continuous improvement process.

Property Development

Safety on construction sites

The safety of all workers on construction sites is a major priority for Altarea. Safety issues are addressed at different levels: contractually, through actions on the ground, awareness-raising and internal and external audits.

From a contractual point of view, the issue of safety is the subject of numerous clauses in contracts. They relate in particular to the obligations and responsibilities of the various stakeholders to guarantee the safety of all on the construction sites.

At an operational level, in order to manage safety on construction sites, the Group relies on the project Manager and health and safety protection (H&S) coordinator who is responsible for managing joint working on safety on-site. Particular attention is paid by the Group to ensure that the resources allocated to the H&S coordinator are systematically in line with the high level of urgency required. Prevention specialists also work on large-scale projects.

It should also be noted that the Group took part in the creation of a club at the Caisse Régionale d'Assurance Maladie d'Île-de-France (CRAMIF) dedicated to the subject of safety for project Managers. The work of this club feeds into the Group's safety considerations. For example, at Cogedim, the project management and CSPS contracts have been updated to include the main recommendations of the CRAMIF and the Caisse d'Assurance Retraite et de la Santé au Travail (CARSAT).

In addition, the Group conducts training and awareness-raising actions for its employees, partners and journeymen to encourage best practices (awareness-raising campaigns, training days, reminder of best safety practices through dedicated posters, etc.).

Finally, in terms of reporting, data is collected across the Group's scope of direct responsibility which makes it possible to monitor site practices in a process of continuous improvement. Substantial reporting of Residential activities is used to report data on construction site accidents to the national level. Based on this increase, it was decided to publish an indicator that takes into account the volume of activity: the number of accidents per 1,000 homes, which stands at 2.76 for 2022. In Business property, in 2022, the frequency rate of construction site accidents was 10 (compared to an industry average of 28.1) and the severity rate was 1 (compared to 2.4).

The fight against illegal work

The fight against illegal work is another major issue in the construction sector, identified as a priority for the Group. Altarea has implemented numerous processes and actions at different levels to combat these practices.

First of all, like safety requirements, the issue of combating illegal work is the subject of many strict clauses in contracts. These clauses relate in particular to contractual, social and tax requirements relating to the employment of personnel. They also relate to the use of subcontractors and requirements to post information informing all on-site workers of the applicable regulations and their rights. These documents are translated if necessary to make them accessible to as many people as possible.

In addition, the Group uses the recognised external service provider "Attestation Légale" to collect, archive and manage all the regulatory certificates required by companies to sign contracts and approve the various subcontractors. These checks make it possible to identify at-risk service providers and so only use partners with practices that meet Altarea's requirements.

In the field, personal access control systems on construction sites help to combat illegal work. Lastly, random audits, carried out by an independent organisation, aim to ensure that the personnel working on the site are indeed those previously declared and authorised.

Site nuisance

A low-nuisance building site charter attached to the works contracts requires, within a contractual framework, compliance with commitments relating to all nuisances that may occur on a building site:

- reduction of nuisances caused to local residents (dust, sludge, noise, delivery and parking of vehicles, change to the local traffic plan, site surroundings, etc.);
- reducing the risk of soil and air pollution during construction;
- sorting and reduction of site waste going to landfill;
- protection of nature and biodiversity; and
- management of water and energy resources.

In addition, the site charter also imposes requirements relating to the social and organisational aspects of the site (secure access to the site, etc.).

Assets under management

In order to engage the providers involved in the operation of shopping centres in a CSR approach, Altarea has introduced the following template documents applicable to all concerned in the past few years:

- an environmental appendix for cleaning, green space maintenance and maintenance contracts covering the main environmental issues (energy, waste, water, biodiversity conservation, air quality, etc.);
- an environmental charter for temporary work service providers.

Standardising the use of these contractual documents on sites included in the reporting scope and managed on behalf of third parties meets the requirements for BREEAM® In-Use certification, integrated in the Group's Environmental Management System.

A responsible and sustainable relationship with suppliers

In a context of increased competition in the construction market, a major challenge for Altarea is to establish a lasting relationship with its suppliers. To do this, in addition to the ongoing dialogue within the framework of operations, various actions have been put in place to nurture this trusting partnership relationship.

Ecovadis assessments

Altarea launched an evaluation process of some of its suppliers *via* the Ecovadis platform, to measure the level of progress with regard to CSR. Through this approach, the Group seeks to support its suppliers in their progress on the significant environmental and social issues affecting their business, in order to reduce the areas of risk in its supply chain.

Since 2017, assessments have focused on suppliers of Cogedim housing equipment (sanitaryware, electrical equipment, heating, etc.). They have been mandatory for new suppliers since 2019 and reassessments have been monitored continuously since 2020. These assessments make it possible to identify areas of work by type of product (for example, FSC or PEFC certification of timber for floors, etc.). In 2021, a new assessment campaign was launched with the Group's general contracting partners.

Supplier regulations

In 2020, the Group launched a reverse factoring solution, in partnership with a bank. The purpose of this programme is to support suppliers in their financing and cash flow issues.

In addition, the supplier management and invoice processing processes were fully digitised in 2020 and 2021. This helps to limit the risk of fraud and streamline the payment process.

Economic dependency

Altarea makes more than half of its construction purchases with several major players in the sector, which limits the potential for economic dependence. In addition, the Group has put in place a process to control economic dependence in other types of purchases.

4.3.5 New uses and innovation

The real estate industry develops products that have lasting effects on cities. However, the practices and expectations of city residents and users are changing rapidly with new social and societal expectations. Altarea and its brands constantly seek to anticipate the demands and uses French citizens make of their cities, by developing their property and service offers and solutions. Our goal is to give investors, individuals, companies and users buildings or neighbourhoods that are highly user-friendly and offer a practical, resource-efficient living environment that is rich in experience to maintain their long-term appeal.

A development team dedicated to innovative projects

Altarea has an Innovation Department that facilitates the emergence of new products and services at the Group's operating departments so they can offer a practical and high-quality urban living environment to city dwellers and improve Altarea's financial and extra-financial performance. This department has the following objectives:

- develop new property services and offers to better satisfy customers;
- implement new internal tools to increase the Group's productivity;
- stimulate the innovation culture of the teams to support the transformation of Altarea's business lines.

The Innovation team, comprising five persons, with multiple and complementary skills, has both a watching brief to identify promising innovations and a support role in their deployment throughout the Group. It organises events that introduce specific innovations for property, makes digital tools available and connects employees with innovative external structures.

To make its offers and projects more attractive and increase productivity, the team can call on a network of innovative partners who expand Altarea's skills platform and shorten the time to market. These include partnerships with the Paris & Co incubator, the Urban Lab and the French Proptech movement. This network, which is continually being developed by sourcing new partners, enables Altarea to identify and integrate solutions with higher added value for its business lines.

Develop new property services and offers to better satisfy customers

The Innovation team is creating opportunity files that evaluate the technical, financial and legal consequences of identified innovative projects and products. The goal is to identify the right innovations and the simplest to implement, to clear potential roadblocks and facilitate their deployment.

Issy Cœur de Ville

Issy Cœur de Ville is a project designed by the Valode & Pister agency as an urban laboratory in tune with the ambitions set by Altarea and the municipality of Issy-les-Moulineaux. This eco-district redefines the notion of diversity by offering a new living experience with 12 interlinking property uses: housing, shops, offices, services, cinema, a wide range of restaurants, public facilities, a third space, urban forest, etc. Issy Cœur de Ville has been able to experiment with innovative methods and uses to invent a new destination space, oriented towards the public interest and open to all.

Altarea took a participatory approach to design in order to start from the expectations of local people and include proposals from innovative players to co-build the project with them. A digital consultation was launched with local residents to establish their expectations in terms of services and shops. More than 500 local residents took part and suggested a mutual support solution for neighbours and connected parcel boxes to exchange goods, points that were taken up and implemented in the district. Likewise, a call for projects called Issy Open Design led to the selection of a dozen non-profits and young innovative companies who will contribute to the experiential programming of Nida, the *Nid d'Idées d'Avenir* (nest of future ideas), the third space in Issy Cœur de Ville designed and developed by Altarea.

NIDA, AN INNOVATIVE THIRD SPACE

The delivery of the Issy Cœur de Ville eco-district heralds the opening of Nida: the new emblematic destination in the eco-district. The space evolved from a rich cross-fertilisation of different partners: architects, creatives, operator, public interest bodies, charities, young companies, local people, etc., coming together to offer a unique space that is alive with activity every day of the week, morning to night. The NIDA is the place where creation, innovation and sustainable and desirable ways of living meet. This new multi-public space offers a programme of cultural and other events giving a creative and optimistic vision of the future. It thus becomes a new destination, open to everyone and used as part of Isseans' daily lives as a public interest space full of life and new discovery.

WiredScore and Ready2Services labels

To guarantee long-term technological performance in its buildings, Altarea was one of the first groups to take an interest in the WiredScore and Ready2Services (R2S) labels. WiredScore assesses the quality of internet connectivity, infrastructure and the building's potential connectivity. R2S has a complementary approach which aims to make buildings compatible with future technologies and uses.

READY2SERVICES (R2S) LABEL

The R2S label has as its goal to support the digital revolution in buildings, to make them more adaptive, pleasant for living, serviceable and interoperable. It offers innovative thinking based on upgradability and the openness of systems to combat obsolescence, optimise operation and make services accessible to the occupants. Its standard requires that the building must be able to connect to any exterior network and accommodate future innovations by using communication protocols that communicate with each other.

The Group's "87 Richelieu" head office in Paris is certified WiredScore and R2S. In 2022, 100% of Business property projects in the Paris Region (by surface area) sought a digital connectivity label such as WiredScore or R2S.

Implement new internal tools to increase the Group's productivity

Altarea is integrating its approach to innovation into the business and enriching it with external partnerships.

Altawiki

In order to help connect operational development teams with innovative projects outside the Company, the innovation team has launched Altawiki, a collaborative tool that now lists over 1,500 of the Group's innovative partners and suppliers. The platform lists several hundred start-ups and structures in the social economy that contribute to shaping the city of tomorrow. This platform makes it possible to easily mobilise them to bid for tenders or involve them in projects under development.

Digitisation of rental management activities and co-ownership syndicates

In order to improve customer experience and satisfaction, the Innovation Department worked with the Altarea Gestion Immobilière team to identify and implement new digital solutions that could make the rental management business easier for our investor clients and improve reporting processes and the handling of residents' requests to condominium Managers.

Stimulate the innovation culture of the teams to support the transformation of Altarea's business lines

The innovation team supports the operational teams to facilitate the emergence of new products and services. This culture of innovation should make it possible to identify innovative solutions to transform the Group's working methods and business lines.

Responsible Initiatives Awards

In September, Altarea and CAP3000 held the first "Responsible Initiatives Awards". This competition rewards best practices or social and environmental initiatives carried out by the retailers in the shopping centre. The objective is to promote best environmental and societal practices to all, retailers and the general public, and thus create a virtuous dynamic that promotes more responsible uses and consumption.

Awards were given in three categories, to initiatives addressing:

- Environmental impact – through recycling, low energy and water consumption, or waste management;
- Responsible consumption – through the sale of second-hand items, short supply chains or the use of recycled packaging;
- Social and Local Impact – through the support of local firms and organisations or practices that promote inclusion and team well-being.

A total of five winners received a €25,000 donation, including a communications pack for the centre's media ecosystem. They could also display an award-winners badge in their shop window.

New forms of housing

Altarea is keen to develop real estate products that match the new lifestyles of French people. This is why the Group has since 2018 been developing co-living residences in collaboration with players such as FlatnYou, Kley, WellowHouse and Urban Campus. More recently, it has researched a new form of housing called "senior co-living". This allows our seniors to share their living aids and escape isolation.

Impact of remote working on real estate

Altarea is committed to understanding the changes in society and adapting its products to these changes. For this reason, a study to identify the consequences of the democratisation of remote working for residential, commercial and tertiary property was conducted in 2021 in partnership with Xerfi. The study made it possible to adapt the housing being developed by the Group to provide modular spaces for remote working, and also to anticipate this trend in our Business property and Retail strategies. The remote working study is updated every year.

Development method Building information modelling

Finally, 100% of Altarea's Business property projects in the Paris region have been developed using the building information modelling *or* BIM method. This method involves virtual modelling of the physical and functional characteristics of a building. The digital model makes it possible to better control construction costs and to facilitate operation of the building.

4.3.6 Professional ethics

Values and ethics

All Altarea Group employees and corporate officers must comply with the principles established in the ethical charter and the IT charter, appended to the internal rules of procedure. Any breach of these provisions may thus constitute an offence subject to disciplinary sanction. These charters, which are available on the Group's intranet site and systematically appended to the employment contracts of new hires, covers all aspects of the relations between Altarea and its stakeholders, employees, customers/tenants, service providers/ suppliers, as well as best practices for internal ways of working, including:

- respect for confidentiality and the duty of discretion;
- rules a publicly listed company must respect concerning the use of inside information;
- duty of loyalty and conflicts of interest;
- respect for the law and applicable regulations;
- respect for the environment and Corporate Social Responsibility policy;
- respect for the principle of integrity and zero tolerance for unethical practices.

New employees are systematically reminded of the Group's stated rules, values and principles during induction days. The questions addressed relate to business ethics and health and safety.

In addition, any employee who is unsure how to behave in a particular situation can refer their situation to their Manager or to the Ethics Officer. The consultation with the Ethics Director and their advice are confidential under the ethical charter.

Fight against fraud, money laundering, the financing of terrorism and corruption

Altarea's General Management reaffirmed its commitment to the Group's compliance approach and to the implementation of a policy of zero tolerance towards bad practices and total rejection of corruption and trafficking of influence in all its forms.

This approach embodied by the introduction and implementation of:

- the mapping of corruption risks;
- dedicated training delivered face-to-face, remotely or in the form of e-learning;
- third-party integrity assessment processes;
- anti-money laundering and anticorruption clauses included in all contracts;
- a professional ethics whistleblowing system;
- an Ethics Officer, a Compliance Officer and a TRACFIN reporter/correspondent for the entire Group.

The Group's anti-corruption policy is restated in its Ethical Charter, which was updated at the end of 2022. The policy aims primarily to set out the values and rules of conduct to be observed, and to guide employees in their daily activities regarding any ethical questions or conflicts of interest they may be confronted with. For example, hiring contractors or service providers with a relationship with the Group for personal use is prohibited without the approval of the Ethics Director. The following principles must also be mutually enforced in relations with authorities and customers: any act that is likely to be construed as an attempt to corrupt is prohibited and is to be reported. Any payment or acceptance of illicit funds is strictly forbidden in the conduct of Group operations. Where there is doubt as to the legality of a payment, the Ethics Director must be consulted immediately for their opinion.

In order to support the proper and full deployment of the Group's approach to business ethics, an awareness campaign on violations that concern neglecting the duty of probity was conducted for those employees identified as being the most exposed and should soon be repeated. Also, with the help of a specialist law firm, courses were held on different sorts of corruption, conflicts of interest, the peddling of influence, favouritism and the criminal repercussions associated therewith, particularly in relations with the public sector. This awareness campaign continues on a regular basis by means of messages issued to employees by senior executives at events such as seminars, committee meetings as well as at induction days for new arrivals. E-learning modules on the Sapin II law and the fight against corruption were introduced in 2020. They must be monitored by Group employees. To date, 2,102 employees (including apprentices and interns) have been trained, *i.e.* 84% of the workforce.

Moreover, the Legal Department ensures that clauses specific to anticorruption legislation are included in contracts with third parties.

On the date on which this document was filed, no cases of non-compliance with internal policies had been identified and no fine linked to corruption had been paid. Similarly, the Group has not been subject to any court judgements for environmental issues or for lacking minimum social guarantees in its business.

In accordance with the law and in order to display greater transparency in the relations and interests between companies and public officials, the Group has been registered with the digital directory of the High Authority for Transparency in Public Life (HATVP) since 2018. A declaration of activities of representatives of interests is filed each year.

As part of its activities, Altarea uses the services of many external companies. Their selection is governed by formal provisions and generally established in tenders (no monopoly of a service provider, limited use of multi-year contracts, etc.). At the Group's most recent update to its risk mapping the risk of fraud, though limited, was assessed as being slightly greater in terms of impact. This was due to increased media coverage of fraud cases and the increase in "fake President" and "changed bank details" scams which the Group is a target of. To ensure that these fraudulent attempts are unsuccessful, awareness-raising messages are regularly distributed to the most exposed populations, and training is provided to the accounting and financial departments. An e-learning course on "fake President" and "changed bank details" is mainly targeted on the accounting and financial departments. 117 employees trained, 70% of the target population.

Finally, through its management activities on behalf of third parties and transactions, Altarea is subject to the fifth European Directive (combating money laundering and the financing of terrorism). As such, the Legal Department ensures that clauses specific to anticorruption legislation are included in the relevant contracts. The Group has KYC procedures in place, which are monitored by the Compliance Department. Any payment or transfer for which the origin of the funds is undocumented is subject to an in-depth analysis and information to the TRACFIN reporter who is responsible for reporting the suspicion to TRACFIN. An e-learning course on the fight against money laundering must also be taken by employees of the relevant functions within the Group. 327 employees trained, 83% of the target population.

4.4 Talent at the service of the Group's growth

4.4.1 HR strategy and governance

"Be clear-headed in the present, be confident in the future" (Alain Taravella – 2023 annual message)

Despite the disruptive shocks of 2022, the Group is maintaining its ambition to be the best real estate company. Putting people at the centre is the key to our past, current and future success and remains a central pillar of the Group's strategy, backed by the support and commitment of the Human Resources Department. As a genuine business partner, the HR Department continued with its action plan, combining proximity and pooled expertise to support the brands.

It has a modern and innovative policy for an ever more engaging employee experience. It is guided by organisational, Managerial, social and societal issues, but also by the need to attract and retain loyal employees, to be a leader in its practices and remain a benchmark employer in its market.

With this in mind and following the employee engagement survey conducted at the end of 2021 with consultancy KANTAR, Altarea launched programs to meet employee requests:

- share the strategy more widely with "*Les cafes du Comex*".

  Jacques Ehrmann, Group Chief Executive Officer, and the other members of the Executive Committee set up special moments of dialogue with small groups. These took place in hybrid format throughout the year with the aim of strengthening open and direct communication between General Management and employees, regardless of their job or level in the organisation.

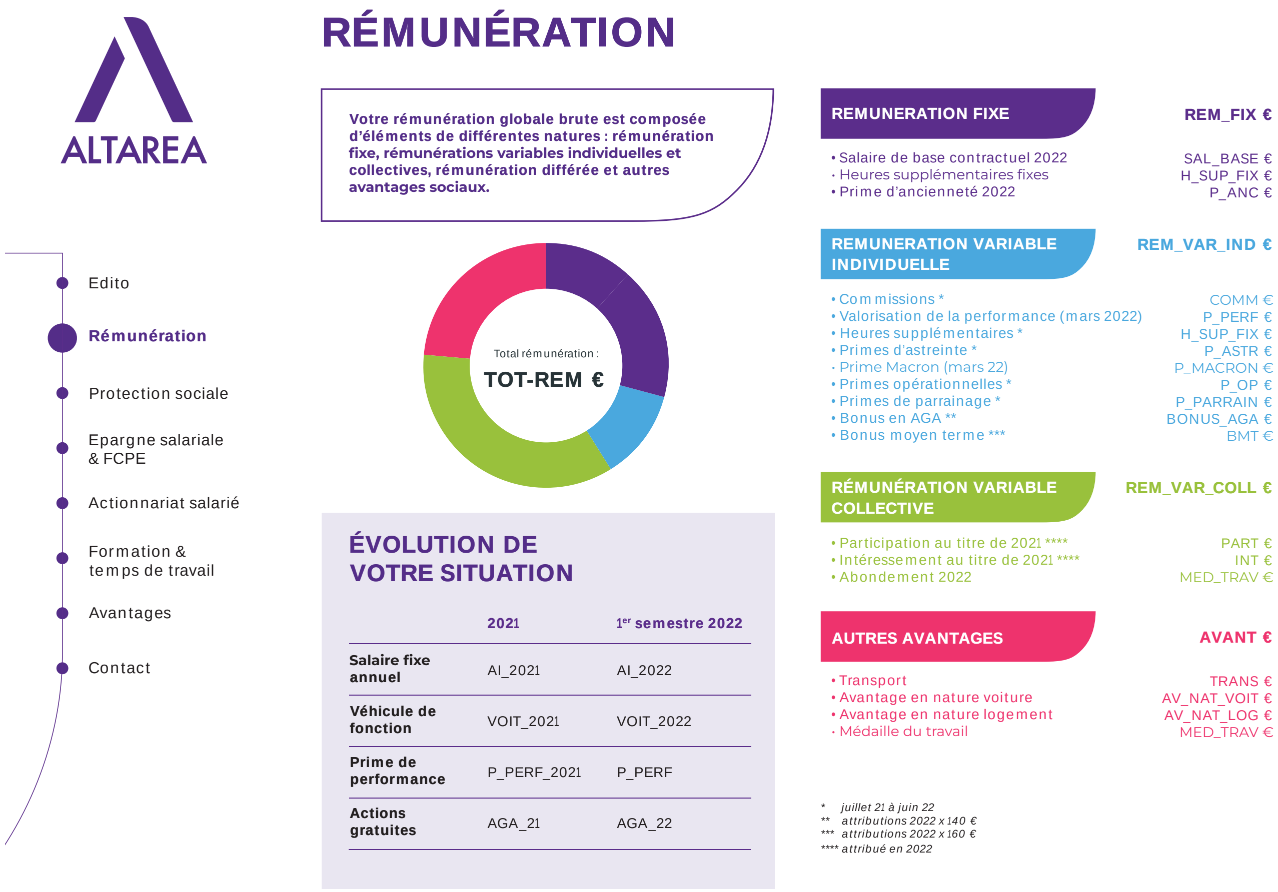
  Each of these meetings is a time of real discussion and listening, and an opportunity to present an overview of what is happening in the Group, its strategy, its results and its projects, as well as to hear the expectations of employees, their experiences in the Company and to answer all their questions;
- valuing employees with the "Champions Programme".

  Sponsored by Karine Marchand, Group HR Director and Jacques Ehrmann, the programme was launched in June 2022. Led by Managers, it aims to showcase employees who are usually less visible because of their responsibilities, but who have achieved exceptional individual or collective actions or performance.

  13 champions were nominated, approved and presented at the Managers' Committee meeting in October 2022;
- supporting the Group's cross-functionality through the Altarea/emlyon certification process.

  This was the third year the process was held and the second in partnership with emlyon. Employees presented bold and innovative projects to drive forward the Group's business strategy, in front of a jury drawn from within and outside the Company. This presentation closed a demanding nine-month process on the theme of "Influencing the future", resulting in the certification of 17 employees from all of the Group's business lines and brands;
- enhance the employee compensation package.

  The compensation package at Altarea has several strands (including a free share programme for employees) which, for the first time, were summarised an Individual Social Report (ISR).



4.4.2 Recruitment and development of talents

Change in the Group's headcount

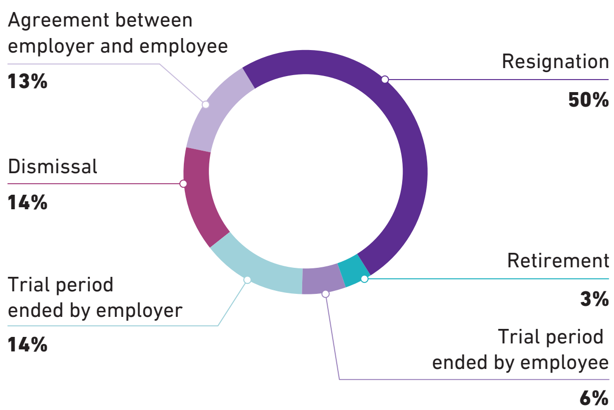
Scope	Objective/Commitment	2022 results	Change 2021/2022	Trend comment
Group	Ensure the retention of our talents	**Departure rate of 13.9%**	↘	**2021: 14.2%** **Despite the context, the departure rate is largely under control, down compared to 2021 and 2019 (reference year)**
Group	Systematise exit interviews	**An "Exit Form" was produced and handed out at exit interviews**	N/A	**The generalisation of these interviews means management now has access to a qualitative summary of the different areas of expertise**

Amid strong competition, the focus was on valuing our internal talent and external recruitment by creating a cascade effect. In 2022, for the third consecutive year, 50% of positions were filled through internal mobility.

In addition, the Group recruited 358 new talents who joined the Group on open-ended contracts, confirming its attractiveness and competitive advantages in a tight market. As of the end of 2022, 98% of employees were on open-ended contracts. The Group is maintaining its commitment to long-term jobs.

In 2022, the departure rate within the Group reached 13.9%, and, although it is being successfully controlled amid a tight market for human resources, remains an issue to watch at all levels of the organisation.

REASONS FOR EMPLOYEE DEPARTURE



The main cause for departure of employees on open-ended contracts is resignation. As a response, the Group has renewed and strengthened its induction programme and rolled out exit interviews. These various initiatives are part of a set of employee retention measures which include staying close and listening on a daily basis, offering career opportunities *via* internal mobility, skills development, cross-functional jobs, and sharing value creation.

The employee experience at the centre of attention

Recruitment policy

Altarea has a recruitment policy that emphasises the entrepreneurial spirit linked to the very foundation of the Group and always anchored in our practices, as well as fundamental values such as the principle of non-discrimination, integrity and business ethics, diversity and intergenerational balance, seeking to identify and recruit employees who will be able to fully develop in our organisations and our culture.

As complementary partners, the HR Department and operating departments work together to hold forums or student fairs that promote careers in real estate, conduct partnerships with schools, manage job dating events, celebrate employees (the first developer to take part in the "*gueules de l'emploi*" online exhibition).

The Group seeks to constantly improve practices and tailor them to expectations. For the fifth consecutive year it was awarded the Happy Trainees and Youth Engagement certificates, and, for the third consecutive year, Top Employers certification.

Specifically, in 2022, the Group took part in several actions/student forums:

- **engineer profile forums**: 1st participation in the CentraleSupelec and HEI forums, repeated attendance at the ESTP engineers' forum.

  One of the programme graduates has written an Article in a magazine for alumni of INSA engineers. The Group is listed in the École des Ponts and Polytechnique directories;
- **general profile actions**: A job dating event took place to recruit young talents at the Richelieu head office. As every year, the Group was present at one of the flagship events in our sectors: the *Forum des Métiers de l'Immobilier et de la Ville*. Some operational employees took part in the curricula of programmes for students from the IESEG or the Master 246 of Paris Dauphine.

For the second consecutive year, the Group renewed its partnership with CentraleSupelec. This partnership serves a dual purpose: the students open up new ideas about housing and the Group enables engineers to explore careers in real estate.

Since 2021, the SmartRecruiters tool has been used to improve the distribution and processing of job offers to employees and external candidates. In 2022, more than 40,000 applications were received and more than 30% of recruitments made through multicast. Almost 40% of work-study interns found their post by replying to advertisements. 100% of Managers also have continuous access to applications related to their job offer. It is an effective and operational support tool for finding the Group's new talent as simply as possible and directly developing the employer brand.

Talent development

Access to employment by young people and older people

INCREASE IN THE NUMBER OF WORK-STUDY STUDENTS AND CONVERSION RATE

- In 2022, Altarea increased its number of work-study students and reduced interns by 17.6% compared to 2021.
- In 2022, the conversion rate of work-study students and interns (permanent or fixed-term contracts) was 32.4% (29.6% in 2021).

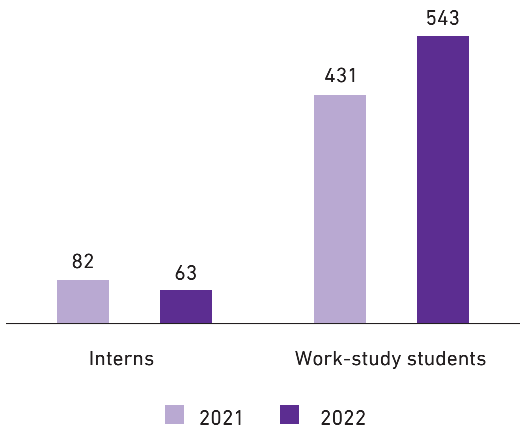
As a responsible company, the Group sees access to employment for young people and older people as a priority, to facilitate sustainable integration into employment and guarantee the transmission of knowledge between generations. Preferred target: young people under the age of 27 and employees over the age of 55.

At 31 December 2022, 33% of the workforce was over 50 and under 30 (18% and 17% of the total workforce, respectively). 33 employees over the age of 50 were hired on open-ended employment contracts in 2022 (23 in 2021).

Work-study programs are another major channel of recruitment, further strengthened this year with 543 work-study students, compared to 431 in 2021, a record number achieved without sacrificing high standards of supervision and training for these young professionals. Internships and work-study programmes provide a rich pool of candidates for the Group's vacancies, and nearly 60 young people were offered an open-ended or fixed-term contract at the end of their programme.

The Group hopes to play a leading societal role by training these young employees in both know-how and behaviour in a corporate setting to facilitate their transition into professional life. To help them assimilate the learning programme, in addition to mentors and buddies, recruits get information kits sent out pre-hiring and can attend dedicated "*Inte des AS*" seminars (6 sessions in 2022 with 237 participants). Lastly, talents remain in touch with Management through dedicated opportunities for discussion with the members of the Executive Committee (nine discussion sessions in 2022, for 146 young talents).

CHANGE IN THE NUMBER OF INTERNS AND WORK-STUDY STUDENTS



Happy Trainees 2023

The Group continued to interview young talents (work-study students, interns) about their experiences within the Group. This confidential survey is conducted by the service provider Choose my Company. For the fifth consecutive year, Altarea obtained the Happy Trainees label, awarded based on the opinions of work-study students and interns.

Nearly 90% of our work-study interns recommend our Group

86% of respondents say they "have a stimulating experience", *i.e.* +8% compared to our competitors

86% find a purpose within the Altarea Group

85.5% believe they have progressed professionally during their experience.

Lastly, the Graduate Programme was revamped to include:

- a third class in February for 6 people.
- a fourth class in September with a group of 9. The talents in this process (recruited on open-ended contracts) come from Grandes Écoles and rotate six months during 18 months in the Group's various business lines. Since the first class in 2019, 19 young people have joined this programme and now hold positions such as Programme Manager, Analyst and Head of Development Asset Management.

Compensation and value sharing

The salary review was an opportunity to define broad and generous terms and conditions, presented individually in the Individual Social Report (ISR) that employees received for the first time in November 2022. This informative and educational tool gives each employee a complete overview of their compensation package and benefits.

The compensation policy remains aggressive and targeted with an increased budget allocating €4 million for base salaries. It also rewards individual and collective performance by renewing performance bonus levels and strengthens "*Tous En Actions*!" an original and attractive employee shareholding programme.

Salary policy

Scope	Objective/Commitment	2022 results	Change 2021/2022 - Trend comment
Group	Develop value sharing, particularly through employee shareholding	**1,690 employees present directly or indirectly (*via* FCPE) hold Group shares**	**The capital increase reserved for employees was very popular with a record participation rate of nearly 75%**

In an uncertain context, the Group continued to adapt its salary policy to recognise individual performance.

A bonus policy acknowledging success

The awarding of bonuses is a Managerial act that acknowledges actual performance and the achievement of individual objectives.

In a context of crisis and high-impact geopolitical tensions, the Group maintained its commitments to employees and wanted to reward performance in 2021 to recognise the unwavering commitment of employees. The "*Tous en Actions*!" programme was expanded so that all employees on open-ended contracts can be involved in the Group's development and results by becoming a shareholder of the Group if they so wish.

To involve Managers more closely in the Group's success, a medium-term bonus scheme, over two years, equivalent to €10 million, was set up. It consists of the allocation of free shares subject to financial and extra-financial performance conditions aligned with the Group's strategy.

At 31 December 2022, 80% of the workforce was a shareholder of the Group. These shareholdings represent 3.93% of the capital.

The year 2022 was marked by the renewal of the capital increase reserved for employees. This employee shareholding scheme has enabled Group employees to benefit from a discounted share price; matching by the Company; any dividends from Altarea shares reinvested in the FCPE (employee investment mutual fund), thus increasing the value of their shares. This scheme was overwhelmingly popular with employees of all subsidiaries, with a record attendance rate of nearly 75%.

Last year, Altarea included extra-financial criteria in the profit-sharing agreement. As CSE does not have a profit-sharing agreement, it is not included in the scope subject to these criteria. Of these, two concern the "Employee" component; one on the number of women in management bodies and a second on the proportion of positions filled internally. In 2022, Altarea achieved a rate of 31% for the female indicator and a rate of 50% for positions filled internally.

Fair pay

In addition to promoting gender equality, Altarea is committed to respecting fair pay between men and women.

As such, in accordance with the law on the professional future and its implementing decree, the entities that make up the Group have measured the indicators defined by the "gender equality" index in accordance with applicable regulations.

The scores obtained for each company based on the results at 31 December 2022 are as follows:

- Altarea Economic and Social Unit: 86/100;
- Cogedim Economic and Social Unit: 89/100;
- Histoire & Patrimoine Economic and Social Unit: 91/100;
- Pitch Promotion Economic and Social Unit: 88/100;
- Cogedim Services Operations: 94/100.

It should be noted that the multitude of business lines that make up the Group explains the dispersion of compensation levels by activity. These scores are therefore merely indicative. In addition, the compensation of Managers is supplemented by a variable portion of pay, depending on the nature of the function performed and the level of responsibility.

As part of its salary process, Altarea sets aside a budget dedicated to closing the pay gap between women and men in equivalent positions which is rolled over year to year.

4.4.3 Working environment

Working environment where life is good

Top Employer 2023

The Group is certified Top Employer 2023.

The Top Employers Institute has been evaluating companies' human resources and management practices. As a unique and independent observer, the Institute has certified more than 2,052 organisations in 121 countries over 30 years. Top Employers certified organisations are committed to providing the best possible working environment for their employees through innovative human resources practices that prioritise human capital.

The Top Employers Institute has assessed and rated all the programmes that Altarea offers to its employees. Its survey covered six major HR areas, divided into twenty themes such as the talent management strategy, the working environment, Talent Acquisition, training and skills development, well-being at work, and diversity and inclusion.

The score obtained by the Group for this second certification increased by five points, highlighting the continuous improvement and commitment of the Human Resources Department and Managers for the well-being of employees.

STEER (*PILOTER*)

1 - Business strategy
2 - HR strategy
3 - Leadership

SHAPE (*ORGANISER*)

1 - Organisation & Transformation
2 - Digital HR
3 - Working environment

ATTRACT (*ATTIRER*)

1 - Employer brand
2 - Talent Acquisition
3 - Integration

DEVELOP (*DÉVELOPPER*)

1 - Performance management
2 - Careers
3 - Training & skills development

ENGAGE (*ENGAGER*)

1 - Well-being
2 - Commitment
3 - Recognition and salary policy
4 - Management of departures

UNITE (*RASSEMBLER*)

1 - Values
2 - Ethics & Integrity
3 - Diversity & Inclusion
4 - Corporate responsibility

Employee safety, health and well-being

Scope	Objective/Commitment	Results 2022	Change 2020-2021	Trend comment
Group	Extend the Altawellness offering	**A more diversified offer**	↗	**Altawellness has developed its "Caregivers" offer**
Group	Manage absenteeism	**The absenteeism rate for 2022 is 2.87%**	N/A	**The absenteeism rate remains below 3%**

The attention paid to the health, safety, well-being and quality of life and working conditions of employees has become part of the Company's culture, helping maintain mental well-being and employee engagement.

Guides and tutorials are available in digital modules for all Managers and/or employees on the Digital Academy.

The Altawellness brand

In September 2018, the Group created the Altawellness brand, an approach designed to take a holistic view of employees and offer them handy solutions to take care of their physical and mental health.

It is reflected in the provision of service platforms and online modules accessible to all on the Digital Academy, face-to-face events promoting the sharing of experiences and remote "Live" formats, and events such as conferences and webinars.

The programme was significantly strengthened in 2022, particularly in terms of support for carers. The Altawellness initiatives are as follows:

- webinars led by health experts (fight against sedentary lifestyle, nutrition, stress management, etc.);
- specific actions during the Quality of Life at Work Week, Pink October and Movember with innovative demonstrations for the detection of different cancers;
- vaccination campaigns (flu vaccination: more than 125 employees vaccinated at head office);
- possibility to access personal services on preferential terms to facilitate the daily life of employees (cleaning, childcare, tutoring, etc.);
- social and family support service providing support on personal issues (close relatives dependents, divorce, over-indebtedness, illness, etc.).

In line with the signing of the Parenthood Charter (June 2021), Altawellness offered more webinars on the theme of parenthood. As part of the Sensational Week (see box 4.4.4 "A sustained learning dynamic") three conferences were held: "Emotions make sense" given by the head office nurse for parents of young children, and "How to manage screens without shouting" as well as "Being a father today" hosted by the Nathan organisation. The end of the summer holiday season is an opportunity to remind employees of Worklife services' parenting strand: childcare, tutoring, etc.

These actions aim to promote a work environment and a Managerial culture enabling employees to reconcile professional and personal life, while enjoying real quality of life at work, a source of humanly sustainable performance.

THE GROUP REMAINS DETERMINED TO SUPPORT OUR CAREGIVER EMPLOYEES.

In the first stage, when an employee receives assistance, the following information is sent to them:

- the contact details of the partner Worklife. Employees can contact the organisation for assistance, referral to organisations appropriate to their circumstances and support with administrative matters. This process is completely confidential and bound by professional secrecy. It is a free service offered by Altarea;
- the contact details of the Richelieu Health Division, which is also available every day to listen to employees with personal issues;
- the employee can then use the day donation scheme (94 Group employees took part in this scheme);
- providing flexibility: flexible working hours, flexible conditions for leave and time off, and adapted remote working;
- information on the support services available to carers insured with the Group's mutual insurance company.

In the second stage, when an employee's caring responsibilities seem to heavily impact their professional daily life, on a case-by-case basis and in collaboration with the HR Director, the Group proposes applying the procedure of the My Teamily partner (consultation providing time to talk through issues and advice, leading to referral to an appropriate and highly personalised process).

The first event on the theme of carers was held during Sensational Week in the form of a presentation by MyTeamily, a partner of the Group. Then on Carers day in October.

Occupational health

The Group's activities do not pose a high risk to the health and safety of employees.

Ongoing initiatives to promote a safe working environment and ensure the health, well-being and quality of working life of employees include regular updating the single document on occupational risk assessment and raising awareness of precautionary measures and personal protective equipment for employees working on building sites.

The HR Department has also put in place, at Group level, recommendations concerning posture and work spaces in consultation with the occupational doctor and the CSEs and health and/or safety committees (CSSCTs).

Employees and their beneficiaries enjoy complete and quality supplementary healthcare and disability coverage, which has been renewed, thus maintaining a high level of guarantees while reducing costs.

Cultural and sporting issues

In accordance with Act 2022_296 of 2 March 2022, Altarea takes cultural and sporting issues into account when determining the Company's business strategy. The HR Department, *via* the Altawellness offer, encourages employees to use the resources at their disposal to improve their own physical and mental well-being thanks in particular to the budgets for social and cultural activities and infrastructure (health and fitness area).

Thus, Altarea encourages its employees to exercise and participate in sports: a gym at the Richelieu head office, subscriptions to online courses for the Regions, awareness-raising campaigns on physical and mental health, well-being advice for employees, and workshops on various topics such as nutrition or physical exercise.

Absenteeism

Absenteeism is the subject of an exhaustive and detailed review each year, with an analysis of each reason by entity.

The absenteeism rate remains below 3% and is stable compared with previous years.

The absenteeism rate is the ratio between days of absence (excluding holidays and public holidays) and the number of calendar days in the period.

Equality, diversity and disability

The Group promotes integration and diversity in its recruitment policy and the management of its employees' careers through attentiveness to all potential factors of discrimination (gender, age, disability). Quality social dialogue and respect for the fundamental conventions of the International Labour Organization supplement this policy of diversity and equal opportunities.

Since December 2013, the Group has been a signatory of the Diversity Charter and all new employees are made aware of this commitment (welcome booklet, induction seminar). A Diversity adviser coordinates the Group's policy in its various areas: gender parity, initiatives aimed at young people and seniors, consideration of disability, and socio-professional diversity.

CONTINUOUS COMMITMENT TO DIVERSITY

The Group renewed its partnerships and invited as guests to the head office:

- *Elles Bougent*: which offers high school students the opportunity to discover careers in the engineering and technical professions and dare to dream.

The Academy then published a digital module "Becoming a sponsor/relay Elles Bougent".

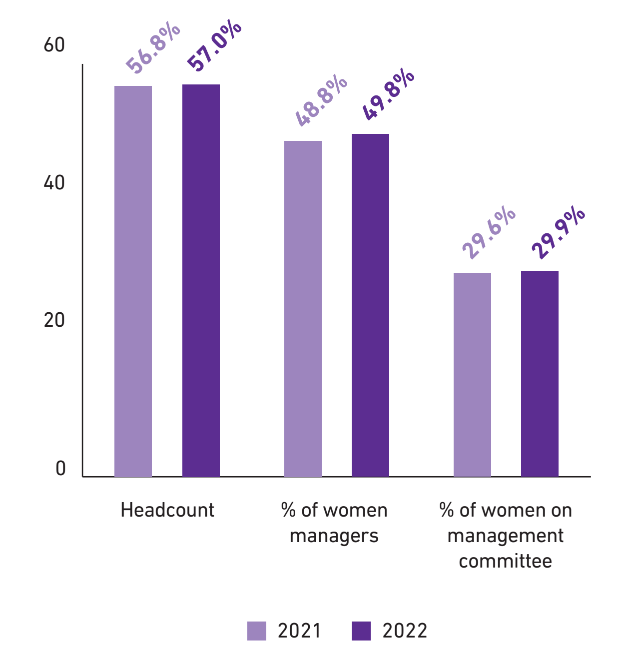
The Group also took part in the smart City week on Wednesday, 12 October 2022 by welcoming around 20 young girls in their third year who were introduced to the Group and exchanged views with employees working on the city of tomorrow.

- "Our neighbourhoods have talents": their goal is to create bridges and forge special links between the business world and young graduates at risk of unemployment. The Academy also offered a digital module on how to "Become an NQT mentor" so that employees can get information and become mentors or sponsors.

Digital awareness-raising training courses are available to all employees: "Good non-discrimination practices" and "Let's play diversity".

Scope	Objective/Commitment	2022 results	Change 2021/2022	Trend comment
Group	Promote youth employment	**Work-study students make up 14.7% of the workforce**	↗	**The Group has strengthened its commitment to young people**
Group	Promote gender equality	**Women represent 29.9% of members the Managers Committee**	=	**The Group continues its actions to promote access for women to management positions.**

PROMOTING GENDER EQUALITY



The Group has always striven to guarantee the same opportunities for men and women in all aspects of their professional life, seeing gender equality as a factor for collective enrichment and social cohesion. At the end of 2021, the Group made a strong commitment to the promotion of women in management by signing the Gender Equality Charter in partnership with the *Cercle des Femmes de l'Immobilier*. Each entity has therefore renewed and intensified its action plans on gender equality in 2022, confirming the Group's desire and commitment to maintain and build on measures to promote gender equality in all actions, including:

- the quest for equality during public events such as Crescendo integration seminars;
- during recruitment, partner firms and departments are made aware and undertake to systematically shortlist a man and a woman;
- the continuation of the "employee" extra-financial incentive criterion underlining the Group's determination to support equal opportunities between men and women, in particular by promoting the promotion and access of women to management positions, and capitalise on talent by supporting internal mobility.

In December 2021, the Group signed the charter of commitment to gender parity and gender equality in companies and organisations in the real estate sector, reflecting its convictions. Promoting gender equality in the workplace is self-evidently essential for the Group to imagine real estate projects that match the social, societal, environmental and corporate governance challenges of today and tomorrow. Acting in this direction for the employees of the Altarea Group means further developing the power of working together, strengthening operational efficiency, bringing diversity to all levels of the organisation and strengthening the commitment of all the generations that make up the Company, in accordance with our existing commitments under the Diversity Charter.

Disability policy

In 2022, 29 employees were declared as workers with disabilities.

In addition, ESATs (*Établissement et service d'aide par le travail*, organisation working for insertion of the disabled into the workforce) are used to provide a range of services (purchase of supplies).

As every year, an internal communication campaign as well as events and awareness-raising workshops were run during European Week for the Employment of People with Disabilities: sales organised at the head office by an ESAT, information webinars, a challenging quiz on the Digital Academy, etc.

Dialogue with employee representatives

The quality of employee dialogue is always a key focus of the Group's employee relations policy.

Management and social partners hold regular discussions, always in conjunction with the occupational health services, to maintain optimal organisation and working conditions for employees.

Each decision involves consultation with the CSEs and the CSSCTs, where they exist, and is managed at Group level. Each CSE is regularly informed and consulted on plans to set up new organisations and new projects.

In collaboration with the members of the CSEs, the head office nurse and the occupational physician, the HR Department is drawing up its policy for the prevention notably of psychosocial risks by regularly updating its handouts and strengthening its policy on well-being and quality of life and conditions at work.

In addition, harmonisation work continues within the Group with an update of its Common Social Base in 2022 to incorporate the Group's new companies so that all employees will continue to receive the best social benefits and to facilitate intra-group mobility.

The HR Department is pursuing its policy on labour relations and the striking of similar collective agreements/action plans and Charters at Group level (profit-sharing, employee savings plan, employee profit-sharing, Group Percol, Professional equality and QLWL, right to disconnect and Ethical rules).

In 2021, the Management and Group CSEs agreed to set up an inter-company social and cultural activities committee (CASCI) so that all employees can benefit from joint social initiatives, notably sports. The first actions were held in 2022, thanks in particular to a sport-for-all grant, and included various events or offers throughout the year.

Because of the size of the entities in Italy and Spain, formal mechanisms of employee representation are not required under local regulations. Direct dialogue is promoted between employees, the Deputy Director and the Human Resources Department.

Teleworking charter

Since 2018, the Group has had in place a teleworking charter that strikes a balance between efficiency, work-life balance and CSR. Remote working forms part of a QLWL approach, alongside CSR and Sustainable development concerns.

In 2021, a Charter extending the conditions for remote working, offering flexibility to employees and taking into account their professional and personal situations. The Group adapted successfully, demonstrating agility in arranging for remote, face-to-face and hybrid working formats. In 2022, a number of tools have been made available to Managers and employees, including the remote worker kit and training modules on how to manage remotely and a team work management tool. The end of the year was marked by the extension of the Charter for 2023.

Other initiatives

The policy of exceptional leave time for life events will form part of the common social platform. Rules more favourable than those of the collective agreement are thus accorded to employees during important life events.

Work-life balance is also an important issue at Altarea. Beyond numerous existing actions (voluntary part-time working, birth or adoption-related leave, family-related leave, parental leave for childcare, leave to care for a sick child, etc.), the conditions for maternity and paternity leave were improved. Since 2018, employees continue to be paid their gross salary with no condition of length of service for maternity leave and after one year with the Company for paternity leave, now extended to 25 days. 2022 was marked by the introduction of an option to donate sick days to support employees in need.

Additional support measures were put in place in the context of the health crisis through a new social and parental support service providing advice on personal issues.

Finally, measures to control the management of IT and communication technology tools made available to employees were reaffirmed. In particular on respect for private life. Each employee has the right to disconnect outside the business hours in which they normally do their work in compliance with a minimum daily and weekly rest period provided for by law, except in exceptional circumstances. The Group has reaffirmed its commitment to the right to disconnect through the adoption of a Charter on the right to disconnect for all its entities.

Compliance with the eight ILO conventions

The Group has committed to complying with the eight fundamental conventions of the International Labour Organisation and ensures they are applied in its operations, particularly in relation to:

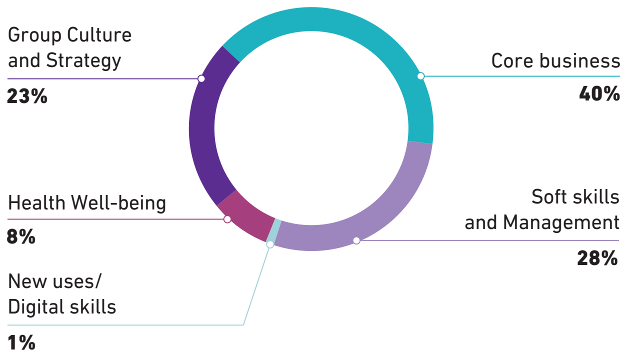
- respect for freedom of association and the right to collective bargaining;
- elimination of discrimination in respect of employment and occupation;
- the elimination of forced labour and slavery;
- the effective abolition of child labour.

The Group also complies with corporate principles in the area of children's rights. In the case of the Retail division (Altarea Commerce), the Group is only present in the countries (France, Spain and Italy) that have ratified these fundamental conventions and transposed them into their domestic labour law. Lastly the Group's ethical charter reiterates the reciprocal rights and duties of employees and the Company and stresses the principle of regulatory and legal compliance. It is available on the intranet and part of the new employee welcome package.

4.4.4 Talent and skills management

Scope	Objective/Commitment	2022 results	Change 2021/2022	Trend comment
Group	Continue skills development according to the needs of the business line and develop the employability of employees	**98.72% of employees engaged in at least one learning action**	↘	**In 2021, the Digital Academy hosted mandatory CSR training courses. Digital learning numbers fell back in 2022. Altarea plans to expand its content with a catalogue of digital training courses in 2023 to boost attendance. In addition, 94% of training hours were delivered "in synchronous mode" (face-to-face and video sessions)**

In 2022, to support the development of employee skills, the HR Department introduced a face-to-face strand for its training in business lines, management, soft skills, etc.



Collective team or individual coaching has been strengthened to meet the needs of skills development and team cohesion.

The emlyon certification process continued in 2022 with a large-scale tailor-made programme revolving around the development of projects serving the Group's business challenges.

17 employees from all Group brands took part in this session. This second year with emlyon, the participants were mobilised into a "project team" working on an "Altarea Oriented" theme, drawing on the modules on Strategy, Finance, Leadership and backed by the mentoring of internal sponsors and personalised coaching both collectively and individually.

These projects were presented in the presence of Alain Taravella and Jacques Ehrmann as well as Executive Committee members and Managers. Each team supported its project with conviction and earned its certification.

The Group is continuing this project by inviting a third cohort of employees to take the emlyon certification program in 2023.

The "Talent Developer" Academy: a learning company vision

The "Learning & development" model supported by the Academy created in 2017 relies on the diversity of learning methods: face-to-face, distance learning, synchronous or asynchronous. This hybrid approach, supported by a learning business vision, had been anticipated well before the health crisis to meet the challenges of developing skills and so attracting and retaining talents.

Since March 2020, the Academy has rolled out its digital platform to all Group employees, with a wide choice of *à la carte* modules for distance learning. Employees can access all the strategic themes in the Group's skills development plan: Group culture & strategy, core business, soft skills & management, digital skills and health, safety and well-being in connection with Altawellness, the Group's offer which includes all actions in terms of quality of life at work.

The Academy continued to put out its regular Newsletters to share news and programmes related to training and skills development with all Group employees.

A sustained learning dynamic

Nearly 4,610 training days were recorded in 2022. Frequent learning moments and the provision of an accessible digital platform encourage a learning culture and support knowledge of the business lines and internal mobility initiatives.

The inauguration of Issy Cœur de Ville was an opportunity to invite employees on several urban expeditions. The aim was to discover and take ownership of one of the Group's emblematic projects and to take time to share reflections with colleagues and instil pride in belonging.

The Group's training investment represented 3.1% of the payroll (incorporating the entire apprenticeship policy since 2020), an investment that is still significant to finance large-scale actions such as "core business" training, which remain in the majority to support career development.

As part of its continuous improvement approach, the Talent division has innovated by designing a multi-format event, combining a job fair with Quality of Life and Working Conditions week, and family & friends day, etc. All these events share the feature that they put the employee at the centre.

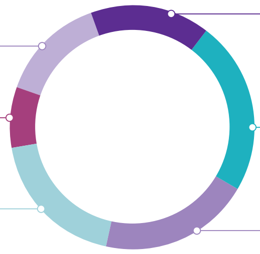
The event was called "Sensational Week", dedicated to Meaning at Work (national theme of the Quality of Life at Work week). Events included inspiring presentations, business round tables, learning workshops, moments to talk about jobs and careers and many other beneficial events.

For the first time, the Richelieu Headquarters opened its doors to employees' families for a giant buffet. A convivial shared occasion which was much appreciated by the many attending, young and old.

RECORD PARTICIPATION IN SENSATIONAL WEEK:

More than 715 participations in the various events (more than 315 individual participants).

DISTRIBUTION OF PARTICIPATION IN THE EVENTS OF THE "SENSATIONAL WEEK" BY THEME



Continuous improvement of the integration process

The induction process has not been forgotten. 100% of new employees had access to the onboarding module on the Digital Academy, and 211 employees were invited to attend the Crescendo seminar.

Since 2022, a pre-boarding module is now offered to new recruits to enable them to see themselves in their new position.

INCREASINGLY PERSONALISED INTEGRATION

In April, the seminar "(Re)discovering Cogedim" was launched. Devised by the Talents & Development team, this day for employees who joined during COVID (2020/2021) allows employees of the Cogedim brand to attend presentations by Management, take part in interactive career workshops and network.

More than 100 participants at 3 sessions in 2022.

4

Mobility and promotions

Scope	Objective/Commitment	2022 results	Change 2021/2022	Trend comment
Group	Promote/Contribute to employee mobility	**50% of positions filled through internal mobility and promotion**		**Resizing teams as part of the Managerial responsibility project has been a mobility accelerator**

The Group continued our committed policy in terms of mobility and internal promotion in 2021.

In 2022, 50% of positions were filled internally. Within the Group, 238 employees were involved in 250 transfers and promotions.

To drive this internal mobility policy, we carry out individual and collective actions.

Employees express their plans and desire for mobility to their Manager during their annual review. The information is collected and studied. HR mobility committees meet monthly and include the subsidiary HR Departments. Their objective is to monitor movements and oversee connections between the employees' projects and the positions to be filled.

Employees receive a monthly Altajobs newsletter containing news from the Group in terms of jobs and mobility. To remind everyone of best practice in terms of mobility, a training programme accessible *via* the Group's Digital Academy was developed. This 15-20 minute module gives the right advice to employees who are interested in accelerating their career within the Group.

This newsletter showcases initiatives to encourage internal promotion and mobility. In 2022, there were two main initiatives:

- a first season of podcasts with 15 employees recorded talking about what interested and motivated them about their current job.

  7-10 minutes per podcast, which can be listened to at work, on public transport or at home to find out about the jobs of colleagues;
- a 100% digital solution that walks employees through a reflection on their career. Jobmaker guarantees confidentiality to employees and offers them the opportunity to conduct a sort of skills assessment on their own. The tool helps them to think through their plans and to better communicate their experience and projects to their Managers or at internal mobility interviews. This solution ran from June until October 2022 and was rerun. To date, more than a hundred employees have signed up to use it.

This year, to continue promoting the real estate business, the Group partnered with a service provider to take part in a web exhibition called "*Gueules de l'Emploi*". Ten employees from all brands were featured in the exhibition. The quality of the photos and the desire to promote values such as work, commitment and pride in belonging led the Group to transform this digital version into a physical exhibition at the Richelieu head office for three weeks at the end of the year. The exhibition, sponsored by the founding President, was a great success, putting people at the heart of the business.

4.4.5 Key social indicators

		Unit	2021	2022
TOTAL HEADCOUNT	**TOTAL HEADCOUNT END OF MONTH**	No.	**1,996**	**2,139**
Breakdown by type of contract	Number of employees on open-ended contracts	No.	1,950	2,100
	Number of employees on fixed-term contracts	No.	46	39
	Percentage of women in the total headcount	%	57%	57%
Breakdown by country	Percentage of employees in France	%	99.0%	99.1%
	Percentage of employees in Italy	%	0.8%	0.7%
	Percentage of employees in Spain	%	0.2%	0.2%
Breakdown by age group	Under 30	%	15%	17%
	30 to 50	%	67%	64%
	Over 50	%	18%	18%
Breakdown by status	Percentage of employees in management positions	%	77%	78%
	Percentage of employees in non-management positions	%	23%	22%
Recruitment	Number of new hires on open-ended contracts	No.	293	417
	Percentage of women hired on open-ended contracts	%	59%	60%
	Percentage of Managers hired on open-ended contracts	%	77%	78%
	Number of fixed-term contract hires	No.	146	163
	Number of work-study contracts	No.	245	281
Departures	Number of departures of employees on open-ended contracts excluding mobility and administrative transfers	No.	274	281
	Total departure rate	%	14.2%	13.9%
	Non-Manager departure rate	%	14.2%	17.9%
	Manager departure rate	%	14.2%	12.8%
Reasons for Departure	Percentage of resignations	%	42%	50%
	Percentage of dismissals	%	23%	14%
	Percentage of agreements between employer and employee	%	24%	13%
	Percentage of retirements or early retirements	%	4%	4%
	Percentage of probation periods ended by employer	%	3%	14%
	Percentage of probation periods ended by employee	%	3%	6%
Organisation of working time	FTE permanent/fixed-term in FTE	No.	1,979.67	2,122.46
	Average headcount end of month open-ended contracts of working time	No.	1,930.3	2,015.42
	Number of theoretical hours worked excluding overtime	No.	3,167,472	3,562,927
	Turnover rate	%	14.6%	17.9%
Gender equality	Percentage of women among management-level employees	%	49%	50%
	Percentage of women on the managing executives committee	%	29.6%	29.9%
Disabilities	Number of employees having reported a disability	No.	27	29
Antidiscrimination	Number of interns during the period	No.	82	63
	Number of work-study contracts during the period	No.	431	543
Organisation of employee-management dialogue	Number of employee representatives	No.	70	74
	Percentage of employees covered by a collective agreement	%	99%	99%

		Unit	2021	2022
Fixed compensation	Average gross annual employee compensation – excluding variable compensation and employer contributions	€	€59,791	€58,146
	Average gross annual non-management compensation – compensation excluding variable compensation and employer contributions	€	€33,753	€33,188
	Average gross annual management compensation – excluding variable compensation and employer contributions	€	€66,675	€63,781
Training	Total expenditure on training	€	€4,495,223	€4,548,155
	Percentage of employees who completed at least one training course during the year	%	100%	98.72%
	Number of training days per year	No.	4,607	4,617
	Average training expenditure per employee trained	€	€1,975	€2,029
Promotions	Number of employees promoted in the year	No.	126	173
	Percentage of employees promoted in the year	%	6.5%	8.1%
Mobility	Number of employees having benefited from one or more forms of mobility	No.	97	77
	Percentage of employees having benefited from one or more forms of mobility	%	5.0%	3.6%
	Percentage of vacancies filled as a result of mobility	%	24.9%	13.3%
Absenteeism/ Accidentology	Rate of absenteeism excluding maternity leave/paternity leave/other causes	%	2.69%	2.87%
	Number of occupational illnesses	No.	1	0
	Number of workplace accidents (with work stoppages excluding accidents on the journey to and from work)	No.	10	10
	Frequency rate of workplace accidents		6.31	5.33
	Severity rate of workplace accidents		0.04	0.09

4.5 Methodology

This document contains the main methodological information necessary for transparency, for the reader, of the information contained in the DPEF. Additional details on methodology is available in the Group's environmental and societal reporting guidelines on request by writing to: developpementdurable@altarea.com.

4.5.1 Preparation of the Declaration on Extra-Financial Performance

To identify its extra-financial risks the Group used existing resources: the materiality analysis (see Altarea website), the Group risk mapping (updated in 2019 see Chapter 5 of the Universal Registration Document – and in line with the risks identified in the DPEF), and the main trends developed in the integrated strategic report. The risks analysed are the gross risks, before mitigation measures taken by Altarea.

Following an exhaustive cataloguing of the Group's risks and challenges, we carried out a process of classification and ranking in order to create broad families of risks, removing insignificant or irrelevant risks and retaining the most important ones for the business. This work was performed jointly with the various internal stakeholders (CSR Department, the HR Department, the Risks and Internal Control Department).

The risks deriving from this selection were then rated on the basis of the evaluation scale used by the Risk and Internal Control Department for Altarea's risk mapping (rating of probability of occurrence and of severity).

Appropriate policies and indicators have been associated with each of these risks. The risks and their rating were presented by the CSR Department:

- to the Finance Department, allowing joint work on the business model to be extended; and
- to the Group CSR Committee, which brings together a representative of each business line.

These exchanges led to the list of risks and policies identified being added to and amended.

Lastly the summary document of risks and their ratings was presented to management in the context of an exchange on the Group's nonfinancial risks, to validate this analysis with the Executive Committee and confirm its strong link to the Group's strategy.

During the process, the list of risks was also presented to the independent third-party organisation who are verifying the Group's DPEF.

4.5.2 Reporting scope and calculation methodology

Reporting covers all of Altarea's Property Development and portfolio activities, as well as its head office.

The scope of social reporting includes all of the Group's fully integrated legal entities with a payroll that is not nil.

Altarea drew on recognised national and international guidelines to produce its internal reporting guidelines and extra-financial communication.

The Group's extra-financial reporting is compatible with the European Public Real Estate Association (EPRA) "Best Practices Recommendation on Sustainability Reporting", published in September 2011 and the GRI G4 Construction & Real Estate Sector Supplement (CRESS) sector supplement.

Residential and Business property

Scope of reporting

The Group's Property Development business consists of:

- in Residential: Cogedim, Pitch Immo, Severini (included in Pitch Immo), Histoire & Patrimoine and Woodeum;
- in Business property: Office activities (under the Altarea Entreprise, Cogedim and Pitch Immo brands) and Logistics.

Unless otherwise stated, the indicators published in the DPEF relate to:

- in Residential: all brands, excluding Woodeum;
- in Business property: Offices only.

Similarly, unless otherwise stated, the Residential and Business property indicators are calculated on a rolling annual basis. They relate to all projects under construction or delivered from 1 October of the year preceding the reporting year at 30 September of the reporting year.

Methodological details related to the calculation of certain indicators

Share of local purchases

This indicator covers the Residential business, excluding the Histoire & Patrimoine subsidiary. It is calculated for all projects delivered from 1 October of the year preceding the reporting year at 30 September of the reporting year.

NF Habitat certifications

This indicator covers Residential, excluding the Severini and Histoire & Patrimoine subsidiaries. It is calculated for all transactions declared to the certifying body CERQUAL from 1 January to 31 December of the reporting year.

Greenhouse gas emissions (GHG)

The scope of reporting for the development activity includes all projects contributing to net financial income from 1 January to 31 December in the reference year. The calculation of GHG emissions per project is based on the percentage-of-completion accounting rules and financial consolidation rules (see Chapter 2 of the Universal Registration Document).

In the case of Property development, the emission factors used for new housing and offices from financial year 2022 comply with the environmental regulations for 2020 (RE2020). Projects subject to this regulation undergo a life cycle analysis (LCA) to identify two indicators related to GHG emissions from each building (in $kgCO_2e/m^2$):

- IC construction: this reflects the GHG emissions produced during the construction phase of projects under development;
- IC energy: this reflects the GHG emissions produced during the operation phase of projects under development (energy for tenants) over 50 years.

For projects within the property development reporting scope outside the scope of application of RE2020, the factors used are based on data from market benchmarks (ADEME, E+C- standards) and research consultancies for projects representative of groups of buildings.

These factors, multiplied by the regulatory surface area of a project (SHAB – Habitable surface area – for housing, SU – Useful surface area otherwise), make it possible to calculate the GHG emissions generated by this operation. In order to harmonise the accounting of GHG emissions with the Group's economic activity:

- the emissions related to the construction of each project are calculated using the IC construction index and the technical progress of the project carried out during the financial reporting period;
- the emissions related to the operation of each project are calculated using the IC energy index and the marketing progress of the project carried out during the financial reporting period.

This method ensures that all GHG emissions are accounted for in each operation delivered and fully sold.

Retail

In 2022, the methodology for calculating greenhouse gases emissions was refined to better reflect the Group's impacts. Specifically, the monitoring of its carbon performance has been harmonised with the monitoring of its financial performance: greenhouse gases emissions are now comprehensively monitored across all of the Group's businesses. As a result, REIT reporting involves the definition of several reporting scopes, details of which are presented below.

Summary table of REIT reporting scopes

Scope name	Coverage of scope: Number of assets and surface area	Coverage of scope: Assets owned[(a)] and managed	Coverage of scope: Assets owned[(a)] but not managed	Coverage of scope: Assets managed but not owned	Reporting period	CSR data integration method
Exhaustive scope	41 assets, i.e. 958,176 m^2	YES	YES	YES	1 January in prior year to 31 December in reference year	Reported proportionately to share of ownership/ management
Scope of ownership – France	35 assets, i.e 818,700 m^2	YES	YES	NO	1 January in prior year to 31 December in reference year	Reported non-proportionately
Historical CSR reporting scope	18 assets, i.e 620,789 m^2	YES	NO	NO	1 November in prior year to 31 October in reference year	Reported non-proportionately

(a) Assets for which Altarea does not hold any shares during all or part of the extra-financial reporting *period.*

Methodological details related to the calculation of greenhouse gases (GHG) emissions

From 2022, reporting complies with the recommendations of the GHG Protocol. For the property development and retail REIT activities, Altarea allocates to itself the share of emissions from projects and assets according to their consolidation method (*pro rata* to their share). This reporting includes all assets which Altarea manages or owns.

It should also be noted that, until 2021, consumption related to the energy distributed by the hot water loop, and the associated GHG emissions, were divided between common and private areas. From 2022, all of this consumption was allocated to common areas.

The emission factors in the Retail portfolio reflect the GHG emissions per unit of energy consumed during the reference period in the assets within the exhaustive reporting scope. These reference factors are provided by ADEME, as well as the Association of Issuing Bodies (AIB) for the market-based method, for the reference year.

The latter uses the emission factor obtained from the energy supplier, and reflects a reduced carbon footprint in the case of the use of low-carbon energies. Conversely, the location-based method is based on the national emission factor, which is itself based on the sum of the emission factors of all energy production units (nuclear, wind, gas plant, etc.).

Methodological details related to Retail Development

For the property development activity, progress is measured as of 31 December of the reference year. Energy consumption data collected for the REIT and corporate activities covers the financial reporting period. If energy consumption data is missing for all or part of the reference financial year, the values for reporting the environmental impact of the assets or head offices concerned are extrapolated.

In the case of a site undergoing works (extensions or renovations) during the reference year, the site's emissions are kept within the reporting scope. The calculation of the site's emissions is based on actual data if the consumption related to the work can be isolated. Otherwise, its emissions are extrapolated either from historical data or based on consumption of assets with shared characteristics.

Corporate

Scope of reporting

The scope of corporate reporting includes the contributions of Altarea's head office at 87 Rue de Richelieu, in Paris, plus the contributions of the regional offices. Environmental data for Altarea's head office are available for the calendar year. The environmental data for all of Altarea's other regional headquarters are extrapolated on the basis of the FTEs of the head office and the Group.

Methodological details related to the calculation of GHG emissions

Emissions related to business travel include trips in company vehicles and business trips in personal vehicles.

One of the Group's challenges for future publications is to be able to include emissions related to employees' business travel by train and plane.

The GHG emission factors in the case of corporate activity reflect the GHG emissions per unit of energy consumed in the seats and fuel consumed during business travel during the extra-financial reporting period. These reference factors are provided by ADEME, as well as the Association of Issuing Bodies (AIB) for the market-based method, for the reference year.

4.5.3 The CSR management system

Deployment of the CSR approach: General Management System (GMS)

In order to disseminate best practices across all of its activities, Altarea has implemented management systems suited to each business line which, overall, constitute the Group's General Management System (GMS). The implementation of this GMS facilitates access to the requirements of qualitative and environmental certification guidelines whilst developing employee skills.

GROUP GENERAL MANAGEMENT SYSTEM

Residential	Business Property	Property Development Retail	REIT Retail
Guide of best practices for Residential properties **NF Habitat** **NF Habitat HQE**	Dedicated EMS **BREEAM®** **HQE™**		Standing Assets EMS **BREEAM® In-Use**
Additional tools: training on regulatory changes and certifications, biodiversity guide, SSE guide, well-being guide, summer comfort guide, etc.			

Tools to complement EMS

Tools and thematic guides

Each year, the CSR Department produces and circulates tools and guides to raise awareness of employees of the various themes around sustainability and how to facilitate their inclusion. These guides cover, for example, cooperation with stakeholders with a positive impact (including the social and solidarity economy (SSE) sector), the circular economy, summer comfort, biodiversity and certifications and labels.

Awareness and training

In general, employees regularly attend training sessions, at the initiative of the various Group departments, in particular when the regulations change.

Multiple training courses on the Group's major CSR issues are available to employees. Formats are diversified to best address the selected topics with attractive and innovative teaching methods, suitable for everyone from generalist to expert. For example, to meet the time constraints of employees, the plan includes very short e-learning modules.

Altarea employees are also made aware of CSR issues through the network of operational CSR ambassadors. This network is open to employees of all brands and all business lines, and one of its missions is to disseminate the Group's CSR strategy.

A number of learning expeditions are also organised to inspire employees.

Finally, each year, on the occasion of social economy month, Altarea conducts an awareness-raising campaign for all employees on the cooperation with social economy organisations (see 4.2.1).

Internal guidelines

In order to roll out initiatives to improve comfort, health and well-being at its assets, the Group has produced dedicated internal guidelines in 2017. Drawing on established third-party systems (particularly BREEAM® In-Use and WELL certifications), the Group has set its own requirements for assets in operation, which are sent to each centre in the form of a checklist. It comprises 33 criteria, from the design phase (accessibility of the building, quality of air renewal, implementation of recommendations from an acoustic study for example) to the operational phase of an asset (raising awareness about healthy eating, provision of baby changing facilities in the mixed areas, etc.).

These guidelines form part of a continuous improvement approach which aims to annually review each site's performance in terms of comfort, health and well-being and to put actions plans in place. Portfolio reviews started in 2017 and continued until 2022.

4.5.4 European taxonomy

Taxonomy principles and methods

The alignment of the reported indicators with the taxonomy was investigated at asset level, which corresponds to:

- In development, each project (building or group of buildings);
- In the REIT, each shopping centre managed, co-managed or owned by the Company.

For development projects, the date considered is the filing date of the building permit when referring to national regulations.

In addition, it was considered that the Property Development business qualified under the activity "7.2 Renovation of existing buildings" by extrapolation from the proposed description of the activity "7.1 Construction of new buildings" in which these two activities are distinguished only by the nature of the final building (new or existing).

The European taxonomy is subject to change and if the criteria applying to multi-year assets should change, these changes do not apply retrospectively. They only impact new projects for which the building permit was filed after 31 December 2022.

The items reported in this chapter are based on:

- the consolidated financial statements for the year ended 31 December 2022 based on the Finance tools;
- note 1 to the 2022 URD "Financial statements";
- for capex, Note 3 to the 2022 URD: Chapters "7.1 Investment properties" and "7.3 Right-of-use assets on property, plant and equipment and intangible assets".

Revenue

- Group revenue corresponds to consolidated net revenue as presented in accordance with IAS 1-82[1] excluding the following:
  - joint ventures under IFRS 11;
  - associates according to IAS 28 (but additional KPIs possible for equity-method affiliates provided a reconciliation is provided);
  - revenue from discontinued operations and IFRS 5;
  - grant-related income.
- Revenue is made up of the following three items (see Note 1 "Financial statements"):
  - Group revenue;
  - gross rental income;
  - external services.
- The only external services qualifying under the EU taxonomy are those corresponding to:
  - asset management fees for offices or shopping centres in which the Group holds shares;
  - revenues related to the operation of the auditorium at 87, rue de Richelieu.

Capex

- Capex corresponds to the increase in the gross value of property, plant and equipment and intangible assets for the financial year, before impairment, depreciation, amortisation and any revaluation, including those resulting from revaluations and impairments, for the financial year in question excluding fair value adjustments. Also included is the increase in the gross value of property, plant and equipment and intangible assets resulting from business combinations.
- Note: the Capex indicator also covers long-term leases and leases (right-of-use assets under IFRS 16).
- The Capex indicator covers the following items:
  - right-of-use assets for investment properties,
  - net asset acquisitions and capitalised expenses,
  - right-of-use on tangible and intangible fixed assets.

Opex

Opex means all non-capitalised direct expenses related to:

- research and development;
- building refurbishment measures;
- short-term leases;
- maintenance and repairs;
- as well as any other direct expenditure related to the day-to-day maintenance of property, plant and equipment by the Company or by a subcontracted third party and which are necessary to ensure the continuous and efficient operation of these assets (*e.g.*: maintenance supplies, cost of employees assigned to maintenance, IT dedicated to maintenance).

(1) *As defined in Article 2 of Directive 2013/34/EU: amounts derived from the sale of products and the provision of services after deducting sales rebates and value added tax and other taxes directly linked to revenue.*

4.5.5 DPEF concordance table

The table below refers to the aspects of the DPEF to be found in the DPEF Chapter that are required by Article L. 225-102-1 of the French Commercial Code.

Elements of the DPEF	Location
Description of the business model	Strategic report incorporated and Business Review (introduction and Chapter 1 of the 2022 Universal Registration Document)
Description of the main risks associated with the Group's activities	4.1.5
Respect for human rights	4.3.4 and 4.4.3
Fight against corruption	4.3.6
Climate change	4.2.2
Circular economy	4.2.4
Food waste	In view of the nature of our activities, we do not consider that this issue constitutes major CSR risk or that it warrants being dealt with in this management report.
Collective bargaining agreements	4.4.3
Combatting of discrimination and promotion of diversity	4.4.3
Promotion of sport and physical activity	4.4.3
Employee benefit obligations	4.2.1, 4.2.5 and 4.3
Combatting tax evasion	The Group is committed to complying with applicable tax legislation in all countries where it is established. Each year it files a "country-by-country" (CBCR) tax report with the French administration in accordance with the standard set by the OECD and European Union aimed at combating tax fraud and optimisation. Moreover, the Group has no direct financial interest in, nor makes any investment in or has any transactions with countries featured on the black and grey lists of tax havens produced by the EU or on the list of uncooperative countries or territories produced by the Financial Action Task Force (FATF). As a reminder, Altarea has opted for the SIIC status and as such is subject to a particular tax regime, particularly in terms of distributive obligations (see 8.1.2.3), the compliance with which is monitored by an internal and external team of tax experts and discussed with the Group's auditors. Finally, for some complex questions or transactions, the Group refers to top tax advisers and communicates with the tax authorities. Altarea monitors tax investigations and disputes closely.
Combatting food insecurity, respect for animal welfare, responsible, fair and sustainable food system	In view of the nature of our activities, we do not consider that this issue constitutes major CSR risk or that it warrants being dealt with in this management report.

4.6 Independent third party's report

Year ended the 31 December 2022

Independent third party's report on the consolidated Declaration on Extra-Financial Performance

To the General Shareholders' Meeting,

In our capacity as third-party organisations independent ("third party"), accredited by COFRAC (COFRAC Inspection Accreditation, no. 3-1681, scope available on www.cofrac.fr) and member of the network of one of your Company's Statutory Auditors (hereinafter "entity"), we carried out work to formulate a reasoned opinion expressing a conclusion of limited assurance on the compliance of the consolidated Declaration of Extra-Financial Performance, for the financial year ended 31 December 2022 (hereinafter the "Declaration") with the provisions of Article R. 225-105 of the French Commercial Code and on the fairness of historical information (recorded or extrapolated) provided pursuant to Article R. 225-105, I 3° and II of the French Commercial Code (hereinafter the "Information") prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), presented in the management report in accordance with the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Conclusion

Based on the procedures we have implemented, as described in the "Nature and scope of the work" section, and the information we have collected, we have not identified any significant anomaly that would call into question the fact that the consolidated Declaration of Extra-Financial Performance complies with the applicable regulatory provisions and that the Information, taken as a whole, is fairly presented in accordance with the Guidelines.

Preparation of the Declaration on Extra-Financial Performance

The absence of a generally accepted and commonly used reference framework or established practices on which to evaluate and measure the Information allows the use of different but acceptable measurement techniques that may affect comparability between entities and over time.

Consequently, the Information must be read and understood with reference to the Guidelines, the significant terms of which are explained in the Declaration.

The entity's responsibility

It is the responsibility of Management to:

- select or establish appropriate criteria for the preparation of the Information;
- prepare a Declaration in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks and the results of these policies, including key performance indicators and the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- put in place the internal controls that it deems necessary to prepare Information that is free from material misstatement, whether due to fraud or error.

The Declaration was prepared in accordance with the entity's Guidelines as mentioned above.

Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Declaration with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the historical information (recorded or extrapolated) provided in accordance with Article R. 225-105, I 3° and II of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and actions taken to address the principal risks.

As we are responsible for drawing an independent conclusion on the Information as prepared by management, we are not authorised to be involved in the preparation of such Information as this could compromise our independence.

It is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions (in particular in terms of information required under Article 8 of Regulation (EU) 2020/852 (green taxonomy), the vigilance and anti-corruption plan and tax evasion);
- the fairness of the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- compliance of products and services with applicable regulations.

Regulatory provisions and applicable professional doctrine

Our work described below was carried out in accordance with the provisions of Articles A. 2251 et seq. of the French Commercial Code, the professional guidance issued by the Compagnie nationale des commissaires aux comptes relating to this intervention in lieu of an audit and the international standard ISAE 3000 (revised)[1].

Independence and quality control

Our independence is defined by the requirements of Article L. 822-11 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, ethical rules and the professional guidance of the Compagnie nationale des commissaires aux comptes regarding this intervention.

Means and resources

Our verification work mobilised the skills of five people and took place between September 2022 and March 2023 on a total duration of intervention of about nine weeks.

To assist us in carrying out our work, we called on our specialists in sustainable development and social responsibility. We conducted five interviews with the people responsible for preparing the Declaration, representing in particular the CSR technical and Human Resources Departments.

Nature and scope of the work

We have planned and carried out our work taking into account the risk of material misstatement in the Information.

We believe that the procedures we have conducted, exercising our professional judgement, enable us to formulate a conclusion of limited assurance:

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;

(1) ISAE 3000 (révisée) – *Assurance engagements other than audits or reviews of historical financial information*

- we verified that the Declaration covers each category of information provided for in Article L. 225-102-1 III of the French Commercial Code in social and environmental matters as well as respect for human rights and the fight against corruption and tax evasion;
- we verified that the Declaration provides the information required under Article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Declaration presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (actions and outcomes) that we considered to be the most important presented in Annex 1. For certain risks (climate change, subcontracting chain and skills management) our work was carried out at the level of the consolidating entity, for other risks, work was carried out at the level of the consolidating entity and in a selection of entities listed below: the CAP3000 shopping centre and the residential construction project at the Juilly Boarding School;
- we verified that the Declaration covers the scope of consolidation, i.e. all the consolidated entities in accordance with Article L. 233-16 of the French Commercial Code;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data, and
  - detailed tests on the basis of sampling or other means of selection, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities listed above and covers between 33% and 100% of the consolidated data selected for these tests (33% of energy consumption and 100% of social data);
- we assessed the overall consistency of the Declaration based on our knowledge of all the consolidated entities.

The procedures implemented as part of a limited assurance engagement are less extensive than those required for a reasonable assurance engagement performed according to professional standards; a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, 6 March 2023

Independent third party

EY & Associés

Philippe Aubain

Partner, Sustainable Development

Appendix 1: The most important information

Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
Social Information	
■ The total headcount ■ The absenteeism rate ■ The departure rate ■ The proportion of employees who participated in at least one training course during the year ■ The representativeness of women in management ■ The number of work-study students recruited during the year ■ The number of training days ■ The rate of positions filled through mobility and internal promotion	■ The development of recruiting, integrating and training systems for employees ■ Promotion of diversity and equality of chances ■ Strengthening well-being and quality of life at work
Environmental Information	
Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
■ The share of certified areas or in the process of environmental certification (the environmental management system) ■ Primary energy consumption and CO_2 emissions per m^2 of shopping centres ■ The thermal energy performance of office projects. ■ The share of areas exceeding the requirements of thermal regulations on office and residential projects ■ The share of electricity consumption certified as green for the shopping centre portfolio ■ Group CO_2 emissions (scopes 1 and 2 as well as the evaluation made of scope 3) ■ The share of recovered waste, including the percentage of material recovered ■ Water consumption ■ The share of projects with an ecological diagnosis ■ Levels sought or obtained in BREEAM®	■ A reduction in the direct footprint ■ Update of the decarbonisation strategy ■ Use of energies that emit less greenhouse gases ■ Improving the energy efficiency of projects ■ Limiting exposure to climate change ■ Site waste recovery and reduction of raw materials' consumption ■ Development of activities linked to wood construction ■ Preservation of existing biodiversity ■ Strengthening the Group's innovation culture
Social Information	
Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
■ Percentage of locally sourced purchases by building sites ■ The visitor and customer satisfaction index ■ The proportion of sites promoting well-being and comfort of users (NF Habitat and WELL certifications for Residential and Business property activities) ■ The share of signed green leases ■ The share of surface areas under development less than 500 metres from a transport network (urban integration)	■ The employment footprint (direct, indirect, induced and hosted jobs) ■ Progress of the responsible purchasing approach ■ Progress of the circular economy approach ■ Safety on construction sites ■ The contribution to the economic development of the territories and to local employment ■ Dialogue with customers and visitors ■ The implementation of wellness and comfort approaches in each business line ■ Strengthening green value and environmental quality (quality, labels and certifications)

5

RISK MANAGEMENT

5.1 Organisation of internal control and risk management

5.1.1 Objectives set for internal control and risk management

In accordance with AMF guidelines, the Altarea Group's internal control system complies with the general principles of risk management and internal control set forth in the reference framework developed by the AMF in July 2010. Internal control aims to ensure:

- compliance with laws and regulations;
- proper observance of instructions issued by Management;
- effective functioning of the Company's internal procedures, particularly those intended to protect its assets;
- the regularity and reliability of accounting and financial information, in order to present a true and fair view of the assets, financial position and results.

The scope for the application of the Company's internal control is that of the Altarea Group, that is, the Altarea parent company and all companies that it controls as defined by Article L. 233-3-I of the French Commercial Code, except for property development joint ventures that are managed by a commercial partner. The system implemented within the Group is based on a risk management system that aims to identify the main risks to control in order to: safeguard the Company's value, assets and reputation; secure decision-making and other processes to ensure that targets are reached; encourage consistency between actions taken and corporate values; and unite employees around a shared understanding of the major risks.

We remind you that internal control and risk management systems, like any system of control, are subject to inherent limits, and cannot fully guarantee that objectives will be achieved.

Moreover, the information provided on identified risks is not necessarily exhaustive and does not cover all of the risks to which the Group could be exposed in the course of its activities. Only major risks are identified here.

5.1.2 Governance of internal control and risk management

5.1.2.1 Internal control and risk management system

The internal control and risk management system is run by the Internal Control Department, part of the Risk Prevention Department, reporting to the Group Chief Executive Officer.

Internal control system

The Altarea Group internal control system relies on:

- a structure by activity based on three main business lines and support functions, with a system of delegation of powers and responsibilities;
- a definition of the missions and responsibilities of the governance bodies (see 6.2.3 "Supervisory Board");
- procedures and *modus operandi* specific to the business and objectives of the Group's different business lines, with separation of functions and tasks;
- a human resources and skills-management policy, based on a strategic training plan and a shared approach revolving around annual appraisals.

The Group also has internal information dissemination tools, including an intranet, procedural notes, instructions and closing schedules.

Risk management system

The Group's main risks are regularly presented in detail to the Audit Committee. They are identified through a risk-mapping process organised by business processes and support functions. The risk-mapping is periodically updated.

The Internal Control Department uses risk mapping to prepare its action plan. Other sources, such as summaries of internal-control review work and comments and recommendations formulated by the Statutory Auditors are analysed and taken into consideration in defining actions to be taken. The control systems put in place to manage the main risks to which the Altarea Group is exposed are described in Section 5.2 "Risk factors and risk control systems" of this document.

5.1.2.2 Control environment

Internal control is based on rules of conduct and integrity established by the Company's governing bodies and communicated to all employees. The key elements of the internal control procedures are as follows:

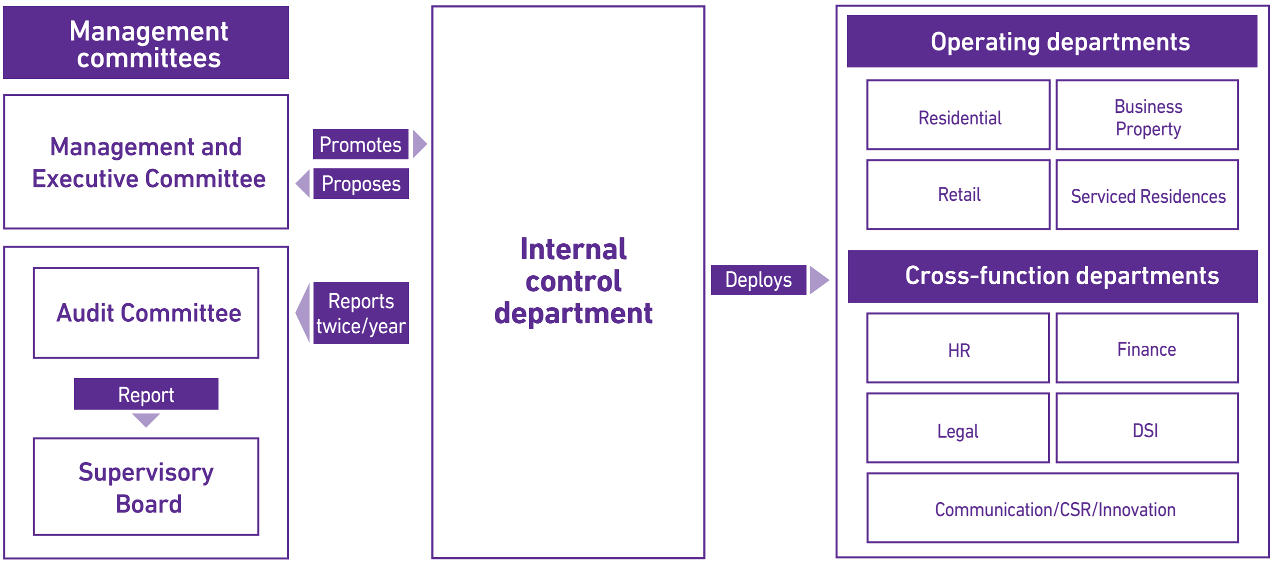
- the ethics charter sets out the Altarea Group's values and rules of conduct that all Group employees and corporate officers must respect in their working relationships. The clear and precise principles outlined in the charter should inspire and guide everyone in their daily tasks, enabling them to resolve issues of conduct, professional ethics and conflicts of interest in a clear and consistent way. This charter is available on the Group's intranet and is systematically given to each employee when they are hired;
- all procedures and internal rules of the Group govern its various activities: operational procedures on how to behave in conducting the normal business of the Company and rules that expand upon the principles in the ethics charter on conflicts of interest, the fight against corruption and money laundering or insider trading.

The Group seeks to reinforce and monitor its control environment on a daily basis through the development of its compliance programme, in accordance with the various regulatory requirements.

5.1.2.3 Internal control and risk management

Internal control and risk management is everybody's business, from employees right up to the governance bodies.

Management is responsible for the overall organisation of the internal control system and, for the implementation of its strategic vision, has an Executive Committee which meets regularly. It is under its leadership that internal control procedures are established and that orientations are taken in order to control the risks associated with the Company's business. The Supervisory Board, assisted by the Audit Committee, plays an important role in terms of control as part of its permanent duty to oversee the management of the Company (see 6.2.3 "Supervisory Board" in this Universal Registration Document).



5.1.2.4 Priority tasks of the Internal Control Department

The Internal Control Department is responsible for coordinating and supporting internal control actions which are conducted in the different subsidiaries. Its priority missions are:

- to ensure knowledge and compliance with the rules of procedure and its appendices and the correct functioning of the Supervisory Board's specialised committees;
- to monitor regulatory obligations relating to internal control;
- to identify and assist the various departments in mapping risks;
- to define or help departments in defining operational procedures;
- to review the rules applying to the Company's operating commitments, and compile existing procedures and standardise them if needed;
- to perform all compliance checks to ensure procedures are respected.

To fulfil its duties, the Internal Control Department also draws upon:

- specialised advisory and consulting firms;
- a number of contacts within the Group to monitor and control operational risks and commitments.

In addition, every Altarea Group employee is encouraged to make proposals to keep the internal control system effective and up to date. Operational Managers ensure that the processes are in line with the objectives assigned to them.

5.1.3 Procedures relating to the preparation and processing of the Group's accounting and financial information

The Group is particularly sensitive to the reliability of the budget processes, the correct consolidation of accounting data and the quality of the financial data published. The Statutory Auditors, the Audit Committee and Supervisory Board closely monitor the clarity of the financial information and compliance of the accounting methods used. The Altarea Group therefore considers the risks associated with the preparation of financial information to be moderate, given all the processes in place.

Finance Committee

In order to control the financial and accounting risks that may arise, Operational Finance Committee meetings are held every two weeks and are attended by Management, the CFO, Deputy CFO and the Managers concerned, depending on the agenda. During these committees, the Group Finance Department discusses current financial issues.

Accounting and financial structure and main internal control procedures

(i) Accounting and financial organisation

In order to enable controls at every level, the accounting and finance teams are structured by divisions (Group holding companies, Retail division and Property Development division).

The Group Finance Department is responsible for:

- the keeping of individual company accounts by Group employees for each operating subsidiary;
- the preparation of the Group's consolidated financial statements with dedicated teams.

The Group Finance Department is responsible for the quality and reliability of all the published or regulatory accounting information: consolidated financial statements (IFRS), parent company financial statements (French Standards) and the Company's forward-looking information (law of 1984). This department is in charge of coordinating the relationship with the Statutory Auditors for the whole Group and at every half-yearly and annual reporting date it prepares an activity report consistent with the accounting information.

Within the operating divisions, accounting and financial monitoring is carried out by management controllers in charge of reviewing the results of each operating subsidiary.

(ii) Principal control procedures

The principal control procedures used for the purposes of preparing the accounting and financial information are as follows:

- formalised budget control and planning process taking place four times a year (a full BP in the fourth quarter and three updates in the following quarters), with comparison of actual data and budget data validated by the management activities and the Group. This process facilitates preparation and inspection of half-year and full-year Group financial statements. The main components are discussed with the Statutory Auditors prior to each period-end;
- a vertical procedure for data reporting from various operating departments (period-end timetables and instructions, quarterly meetings and dashboards for information sharing), with audits carried out by the operating management controllers (by business line for the Retail division, by region and/or brand for the Property Development division) before the information is sent to the Group Finance Department and cross-functional control procedures (consistency checks and reconciliation of operating management/accounting and budgeted/actual figures, intercompany reconciliations, etc.);
- analysis of significant events: the principal events that may have a material effect on the financial statements (acquisitions, disposals, restructuring, etc.) are subject to simulations and explanatory notes prepared by the Group Finance Department or the divisions. The accounting treatment of complex transactions (major structural transactions, Corporate financing transactions or operations' tax impact) is systematically presented to the Statutory Auditors before the financial statements are prepared. These items are then used to document the Notes to the consolidated or individual company financial statements;
- reporting, key indicator monitoring and quarterly reporting:
  - unaudited interim financial reports (31 March and 30 September) used to prepare financial statements and analyse key indicators (revenue and net bank and bond debt),
  - periodic reports by the operating subsidiaries to Management and department heads in the Retail division (half-year Property Portfolio Report, monthly report on shopping centre operations, etc.), and in the Property Development for Third Parties division (monthly division report and monthly tracking tables of key business indicators for the subsidiaries);
- documentation of the harmonised closing process for the various activities:
  - a matrix formally documenting the overall internal control procedures applying to the period-end closing process; summary files for each company divided by function (purchases, sales, cash flow, capital, etc.) and designed to document economic, legal and financial processing of transactions; formal documentation of lawsuits and legal disputes,
  - consolidation and accounting procedures manual, formalisation of the follow-up of appeals and disputes,
  - Group accounting chart with glossary and table for transition between local and Group accounting; accounting templates for the most common transactions (operating leases, percentage-of-completion payments, etc.); electronic file documenting the consolidated financial statements classified by line items; Notes to the financial statements, including taxes and off-balance sheet commitments;
- audit of the accounts of the French and foreign subsidiaries *via* contractual audits.

Furthermore, a review of operations and the forecast financial results is carried out twice a year with the Chairman of the Audit Committee, a specialist committee of the Supervisory Board, in preparation of the half-year and annual period ends.

Information systems

Accounting and financial information is prepared based on efficient business and financial information systems. Manual and automatic controls exist in order to secure the flow and processing of data that come from these systems.

(i) Rental and property management software

The Retail division uses the same rental and property management software package in France, Italy and Spain. This "business" tool is interfaced with the corporate accounting software Sage. Its unique database (chart of accounts, personal account, analysis, etc.) enables multi-company cross-cutting analyses.

(ii) Property transaction software

The Property Development division uses a property transaction management software that optimises the monitoring and control of projects throughout the different phases. This "business" tool is interfaced with the accounting software Sage and the data presented in the two systems are regularly reconciled.

(iii) Account consolidation software

Due to its structure, the consolidation software SAP BFC (Business Financial Consolidation) used within the Group, constitutes a platform enabling a strong integration of accounting systems. It therefore helps to reduce the risk of material mistakes.

Sage data is integrated into the SAP BFC consolidation software *via* a procedure common to the whole Group. The integration of this data leads to controls performed every quarter by reconciliation with data from the Property Development division (project budgets and cumulative sales) and/or budget data (net income), and corporate and/or budget data from the Retail division (completeness of integrated data, cut-off, gross rental income, net rental income, general operating expenses, HR, net debt, etc.).

In addition, the SAP software DM – Disclosure Management – enables secure disclosure management *via* SAP BFC of quantitative data and Notes to the consolidated financial statements. This software package is also used to coordinate the different contributors to the Universal Registration Document, and help prepare it, and thus allows a systematic and cross review of the different parts. This software also includes the tools required to comply with the obligations of listed companies to prepare annual financial reports and/or URDs in a single electronic format.

(iv) Software for financial planning and budget reporting

SAP BPC – Business Planning Consolidation – software for financial planning and budget reporting has been implemented for the entire Group. This software uses operating data from business line systems to generate consolidated budget data. Estimated consolidated information is compared with actual figures imported from the system used to prepare the consolidated financial statements (SAP BFC). Any material differences are justified.

(v) Cash flow software

The Group uses cash management software and a banking communication tool that are automatically interfaced with the corporate accounting software, thus enabling the automated transfer of short-term accounting forecasts to cash management or automatic recognition of certain data transmitted to accounting.

All of the Group's flows are secured with the EBICS TS protocol. This module is interfaced with all of the Group's ERPs, thus enabling the provision of account statements and other information statements to the ERPs or the secure transfer of payment and direct debit files from the ERPs to the banking communication system.

To prevent risks affecting cash management, the cash management teams reconcile bank balances and analyse changes in the cash balance for all divisions on a daily basis: reconciliation of banking data with short-term forecasts, checking of balances and analysis of daily changes in banking positions.

5.1.4 Managing interest rate and counterparty risk

The Altarea Group's debt mainly consists of fixed-rate bonds, short-term commercial paper (Neu CP) and medium-term notes (Neu MTN) at fixed or floating rates and bank loans (mortgage and corporate) at fixed or floating interest rates.

The Altarea Group is thus exposed to the risk of changes in interest rates on its existing floating-rate debt and on future fixed-rate refinancing transactions. An increase in interest rates could thus lead to an increase in interest expenses.

The Altarea Group adopts a prudent interest rate risk management policy, designed to preserve the funds from operations generated by the property development activity and assets in operation, by hedging debts (whether or not they are backed by these assets). The financial instruments used are mainly derivatives such as interest rate swaps and options[(1)].

The Altarea Group is also exposed to the risk of changes in the value of financial instruments. A decrease in interest rates could thus lead to a decrease in the fair value of financial instruments hedging floating-rate debt.

Sensitivities of floating-rate debt and financial instruments to a rise in interest rates are described in Note 8.2 of Chapter 2.3 "Other information attached to the consolidated financial statements" of this document.

Moreover, the use of derivatives as part of its interest rate risk management may also expose the Group to adverse effects on its results in the event of default by a counterparty.

In order to limit counterparty risk that may arise following the setting up of financial derivatives, Altarea Group thoroughly checks the quality of the counterparties and only pursues projects with the largest financial institutions.

(1) The financial instruments used are detailed in Note 8 "Financial risk management" in Chapter 2.3 "Other information attached to the consolidated financial statements" of this Universal Registration Document.

5.1.5 Management of business ethics risks

Fight against corruption

The Group is currently tightening its anticorruption system to prevent this risk and meet the requirements of Sapin II law. This system is based on:

- corruption risks mapping, setting out potential risks and making it possible to identify areas requiring priority action. The mapping was reviewed in 2022 to better meet the obligations arising from the Sapin II law;
- an ethics charter setting out the principles and values that must guide the behaviour and actions of the Group's employees in their work. This charter was updated and presented to the employee representative bodies at the end of 2022. It includes a section on the fight against corruption and reiterates the applied policy of zero tolerance towards bad practices and the total rejection of corruption and influence peddling in all its forms;
- a professional ethics alert system open to Group employees and to external and occasional staff, enabling them to report any situation of non-compliance with the ethics charter;
- disciplinary measures that may be taken in the event of corruption or breach of the ethics charter, in accordance with the Group's principle of zero tolerance;
- a process for assessing the integrity of third parties adapted to the specific characteristics of the activities and subsidiaries. This process is regularly reviewed in order to assess its effectiveness and make the necessary improvements.
- mandatory e-learning modules for all Group employees. As of 31 December 2022, more than 84% of Group employees had completed the training.

Periodic awareness campaigns target the employees identified as the most vulnerable. For example, with the help of specialist law firms we were able to hold courses on the different types of corruption, conflicts of interest, the peddling of influence, favouritism and the potential criminal repercussions, particularly in relations with the public sector.

Transparency in public life

In accordance with the law and in order to display greater transparency in the relations and interests between companies and public officials, the Group has been registered with the digital directory of the High Authority for Transparency in Public Life (HATVP) since 2018. It therefore files national and, since 1 July 2022, local declarations on the activities of interest representatives (lobbyists) every year.

Combatting money laundering and the financing of terrorism

The prevention mechanism is primarily based on:

- a systematic inclusion of anti-money-laundering clauses in contracts with third parties;
- a process for assessing the level of risk of customers and business partners, particularly in Residential real estate and the REIT business *via* a due diligence tool and a review of documentation;
- a TRACFIN reporter/correspondent for the entire Group;
- training and raising the awareness of employees most exposed to risk, *via* the deployment of an e-learning programme.

In addition, in Spain the procedures to combat money laundering and the financing of terrorism are the subject of an annual report prepared by an external firm. Training is also given to employees every two years.

Protection of Personal Data

For business purposes, the Group, through its different entities, processes personal data collected from third parties such as its customers, partners, prospects and/or its employees so that it can provide them with better services.

The Data Protection Officer (DPO) ensures that the processing of personal data within the Group complies with the General Data Protection Regulation (GDPR). A mapping of data processing has been developed and the following actions are carried out on a daily basis:

- keeping records of processing, personal rights and data breaches;
- awareness-raising actions for employees (online and face-to-face) and support for operational teams in the implementation of projects with a "privacy by design" approach;
- procedures, in coordination with the Head of information systems security, to guarantee the security and confidentiality of data within the Group and with partners.

In general, the DPO ensures the dissemination of a culture respectful of personal data protection.

Combatting fraud

To mitigate risks of fraud or embezzlement, procedures have been set up for cash and cash flows to ensure that they are secure (bank powers; rules for opening, modifying and closing bank accounts; daily reconciliation of bank transactions with accounting entries; and separation of functions between the Accounting Department and the Cash Management Department). In addition, the number of authorised signatories for payments is limited.

Every external attempted fraud observed by the teams (*e.g.* fake President, change of bank details, recruitment fraud) is reported to the Risk Prevention Department which sends out regular reminders about the methods used by scammers and the right things to do to avoid them. A hybrid face-to-face and e-learning course on fake President fraud and bank details fraud has been set up for staff most exposed to these risks.

5.1.6 Legal and arbitration proceedings

The Group is party to a certain number of disputes that arise in the normal course of its business.

The Company is not aware of any government, legal or arbitration procedure, pending or threatened, that over the last 12 months could have, or has had, a material impact on the Company and/or Group's financial position or profitability other than those for which a provision has been booked (see Note 6.3 "Provisions" in Chapter 2.3 "Other information attached to the consolidated financial statements" of this document) or which the Company has contested or is preparing to contest (see Note 5.3 "Income Tax", 6.3 "Provisions" or 10.2 "Contingent liabilities" in Chapter 2.3 "Other information attached to the consolidated financial statements" of this document) and the legal dispute with the shareholders of Primonial mentioned below.

On 2 March 2022, Altarea informed the public that the acquisition of the Primonial Group could not be completed under the agreed conditions. Altarea considers that the Sellers did not comply with the provisions of the acquisition agreement entered into in July 2021, which has lapsed.

Following the non-completion of the acquisition of Primonial, the Sellers (various groups of shareholders of Primonial (investment funds and Managers)) summoned the Company and its indirect subsidiary, Alta Percier, before the Commercial Court of Paris, in order to obtain compensation for the damage they allegedly suffered.

Altarea and Alta Percier challenge such claims, which they believe are groundless. On the contrary, Altarea and Alta Percier consider that the Sellers are responsible for the failure to complete the transaction. Altarea thus requests that the Sellers be ordered to pay damages (dommages et intérêts) for the damages suffered by the Group. To this end, Altarea and Alta Percier filed a brief in response (conclusions en réponse) and in voluntary intervention (intervention volontaire) before the Commercial Court of Paris on 20 June 2022.

In their brief in response (conclusions en réplique) dated 21 November 2022 and 16 January 2023, the various groups of shareholders maintained and developed their argumentation. As it stands, the seller Managers allege a damage of €118,988,650 and the investment funds allege a damage of €588,082,058.50.

Based on the Sellers' claims, Altarea maintains its position that it has no liability in this respect, as the failure to complete the transaction was, in its view, caused by the Sellers, so that they cannot claim damages that are groundless and unjustified in view of the factual and legal elements. Altarea will develop its argumentation in its next brief in response.

As of the date of disclosure of this document, the proceedings are ongoing.

5.2 Risk factors and risk control systems

The Company has identified the main categories and the most significant risks, presented in what the Group considers to be the order of decreasing importance within each category. The five categories identified are as follows:

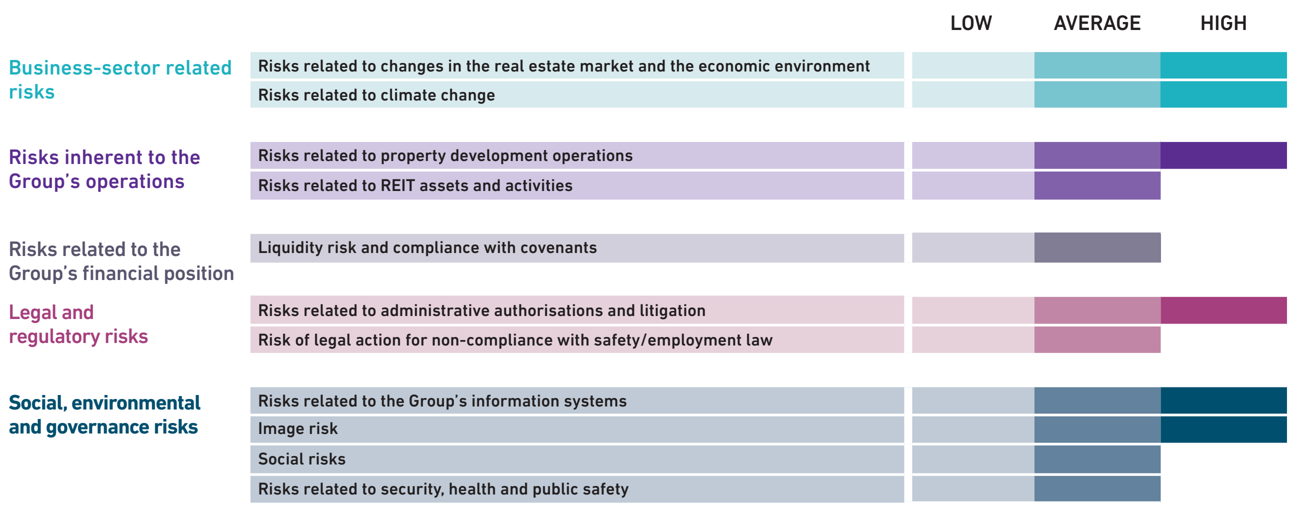
- Industry risks;
- Risks associated with the Group's activities;
- Risks relating to the Group's financial situation;
- Legal and regulatory risks;
- Social, environmental and governance risks.

This presentation corresponds, after taking into account the control measures implemented by the Company, to the Group's current perception of the importance of these risk factors, based on the current perceived likelihood of the risks materialising and the estimated extent of their negative impact.

Based on this assessment, the Group carried out a risk categorisation exercise as presented in the summary table below.

Investors should nevertheless be aware that other wholly or partially unknown risks considered unlikely to occur at the date of filing this Universal Registration Document, may exist and could have an adverse impact on the Group's activity.

SUMMARY OF SIGNIFI CANT RISKS AND THAT ARE SPECIFI C TO THE GROUP



5.2.1 Industry risks

5.2.1.1 Risks related to changes in the real estate market and the economic environment

Risk factors	Risk control systems
Disruption of the business model Many negative factors are at work, both economic (higher interest rates, usury rate, maximum debt ratio of 35% of income, inflation and purchasing power) and geopolitical (war in Ukraine and energy shortages), affecting all customers (individuals in main residence, individual investors and institutional buyers) with unfavourable impacts on the Group's activity, including our operational business model. The Group must also take account of the many different sectors in which it operates (Retail property, Residential and Business property and Serviced residences). Each of these sectors has its own cycle and own exposure to endogenous and exogenous variables. In addition, changes in consumption habits and consequently in user and consumer requirements, and the emergence of new players arriving on the market each year, are pushing the Group to maintain a permanent dynamic of innovation. These changes which are out of the Group's control could have an adverse impact on its business.	Management and the Executive Committee closely monitor trends in markets, the economy and the competitive environment; the strategy and policies that they implement are designed to anticipate and mitigate those risks. In light of the economic challenges, based on appropriate analyses and the agility of its teams, the Altarea Group is putting in place a system that will enable it to meet the demands of clients and reduce its risks by being more selective in its projects. The Altarea Group's positioning in several segments of the property market means it can optimise its risk/return profile by diversifying its risks in ways that single-sector competitors cannot. As part of its innovation agenda and to meet the demands of users and consumers, who are much more sensitive to the environmental challenges of our time, the Group is committed to making every effort to make housing a source of well-being, with a positive impact on health and the environment. In addition, in residential real estate, Altarea, through Altarea Solutions & Services, has developed a comprehensive range of services for all of the Group's Residential brands in order to meet the needs of its customers: commercial support, financing brokerage, rental management, trustee and transaction services as well as an option to invest in bare title or usufruct separately. The Group is also developing a wide range of Serviced residences: senior residences, student residences, business tourism residences, executive residences, etc.
Unstable tax regulations Unfavourable changes in tax incentives (Pinel, PTZ+, Malraux, etc.) and tax and duties on property cannot be ruled out. Such a change could have a significant impact on the property development business and therefore on Altarea's results. Altarea has also opted for the SIIC (Retail REIT) tax regime, which allows it to benefit from an exemption from corporate income tax, subject to compliance with certain obligations, in particular pay-out obligations. If it fails to meet these obligations or if one or more shareholders acting in concert reach the threshold of 60% of the share capital or voting rights, this would also lead to the loss of the SIIC status which would have a negative impact on its earnings. Similarly, Altarea could face an additional tax charge if exempt dividends are paid to a shareholder other than a natural person not subject to corporate income tax or an equivalent tax and who holds, directly or indirectly, at least 10% of the share capital of Altarea.	The potential impacts of changes in tax rules are taken into account by management in its strategy. The following actions were implemented: the development of block sales to institutional investors and social landlords, lobbying of public decision-makers and within the professional organisations to which the Group belongs. The requirements for the SIIC status in terms of control, voting rights and dividend distribution are set out in Altarea's Articles of Association. Under Article 25.3 of the Articles of Association, no shareholder can hold more than 60% of the total voting rights attached to all the shares comprising the share capital. Tax regimes and obligations are controlled by the Altarea Group Finance Department.

5.2.1.2 Risks related to climate change

Risk factors	Risk control systems
Transition risks As the property and construction sector is responsible for around 25% of emissions in France, it is directly concerned by the requirement to reduce greenhouse gas emissions and by regulations (including taxation and more stringent standards, such as environmental regulation RE2020 which came into force in 2022). It is facing increasing requirements in terms of low-carbon design from regulations, customers and stakeholders.	The Group is fully aware of the need to contribute to climate change mitigation and has anticipated the regulatory constraints linked to climate change, whether for the reduction of emissions, a possible carbon tax or new building standards. It measures its carbon footprint across its entire scope (scopes 1, 2 and 3 as defined by the *greenhouse gas Protocol*) and implements a global approach to reducing its carbon footprint: ▪ programming systematic testing of new low-carbon solutions and feedback with costing; ▪ anticipation of costs in business plans systematic certification and testing of new labels arriving on the market; ▪ regulatory watch; ▪ monitoring the expectations of stakeholders: local authorities, elected officials, individual customers, investors, etc.; ▪ training and culture of agility; ▪ policy of partnership with key low-carbon players; ▪ diversification of the offer and skills ("skills platform"), with subsidiaries specialising in low-carbon construction (such as rehabilitation).
Physical risks associated with the impact of climate change Climate change is causing an increase in climate phenomena (extreme weather, heat waves and peaks, etc.) that affect cities and their inhabitants. Property is affected by these risks but is also a source of solutions.	In 2018, Altarea conducted an in-depth analysis concerning its exposure to climate risks concerning its assets and its development operations, with a detailed approach studying each location in France: ▪ risk mapping of the portfolio and the areas where it operates, and targeted action plans; ▪ summer comfort approach in housing design; ▪ anticipation of costs in business plans; ▪ training and permanent monitoring by product teams to adapt the offer.

The Group's overall progress approach is detailed in the nonfinancial performance statement in Chapter 4 of this Universal Registration Document, in particular in the chapter on the TCFD.

5.2.2 Risks associated with the Group's activities

5.2.2.1 Risks related to property development operations

Risk factors	Risk control systems
There are many development risks. They include in particular: ▪ an administrative risk related to obtaining permits for commercial operations, office authorisations, building permits or environmental approvals and to administrative proceedings that could delay property development projects; ▪ a construction risk linked to potential delays, work going over budget, the rise in the cost of raw materials, a shortage of construction companies due to the large number and increasing size of the building projects in France, companies defaulting, the ability of companies and contractors to adapt, to new environmental standards in particular, and potential disputes with the construction companies; ▪ a commercial risk, linked to the inadequacy of the products developed, long lead times for setting up some deals or the failure of some chains of retailers; ▪ a competition risk, which may affect the acquisition of land/shopping centres, product sale prices or the availability of subcontractors; ▪ a completion risk with regard to its customers, when the Group acts as a developer by signing off-plan sales or PDCs in which it undertakes to build a building with a fixed price and deadline. The risk would be one of noncompliance of the product delivered or of a delay in delivering; ▪ in the office market, a market risk when the Group acts as an investor, if it fails to sell or let the property. It may thus have to bear a risk of prolonged carry.	These risks are monitored and their impact is managed through the Investment Committee, a specialist committee of the Supervisory Board (see paragraph 6.2.3.3 of this Universal Registration Document), and also through several more operational committees: ▪ in commercial real estate, the "Development, Operational and Planning Committee" defines and sets the operational objectives for each project, monitors work commitments and approves budgets; the "Coordination and Marketing Committee" defines and sets the marketing objectives - pre-letting also makes it possible to limit the commercial risk; the extended Executive Management Committee deals with all issues relating to the subsidiary (development, operation, marketing, valuation, legal); ▪ in Residential property, the Commitments Committees examine all real estate projects at the main stages constituting a commitment for the Group: signature of an undertaking to acquire the land, marketing launch, acquisition of the land and start of works. In addition to the opportunity and interest of carrying out the operation, the latter is subject at each stage to the validation of objective data: margin rate, percentage of pre-letting at the time of the acquisition of the land and then at the time of the start of construction, validation of the cost of work, WCR, integration in the operating budgets of a line to cope with environmental and regulatory adaptations, etc.; ▪ in Business property, the Committees arbitrate on projects that are binding for the Group at their various stages of progress. In addition to the opportunity that a transaction may represent, various investment indicators are analysed, such as the margin, internal rate of return and equity multiple, and market elements such as rent, construction costs and capitalisation rate. The risks related to development operations are also monitored through various reports (review of operating budgets, commitments, expenses, marketing rates, etc.). Finally, administrative authorisation applications (building permits, departmental commission for commercial development) are submitted to specialised law firms.

5.2.2.2 Risks related to reit assets and activities

Risk factors	Risk control systems
Risks related to assets in operation and to the Retail and Office REIT business include: ■ risks related to letting and reletting of space in shopping centres and letting of offices, in particular in a challenging and rapidly changing economic climate; ■ risks related to property portfolio management and to decisions to buy and sell assets (estimated return on new acquisitions, delays in carrying out disposals, etc.); ■ risks related to the operation of shopping centres (maintenance of facilities and achieving compliance with standards, natural and technological risks, accidents, risk of administrative closure of a centre, terrorism, pandemic, etc.); ■ risks related to the appraisal of commercial real estate assets; appraisals depend on many external factors (economic conditions, commercial property market, interest rates, etc.) and internal factors (yield on cost and performance of the centres) that may vary significantly.	The risks related to REIT assets and activities are mainly covered by the following arrangements: ■ due diligence before any acquisition of assets in operation in order to limit the risks linked to the valuation and the integration of these centres into the portfolio; ■ the following committees: the Retail Executive Committee, which deals with strategic issues related to shopping centres in operation and under development; the Asset Management Committee, which defines and sets the Asset Management objectives; the Commercial Coordination Committee, which sets the conditions for renewing leases for the portfolio; ■ regular reports on revenue forecasts, expenses not passed on to tenants, vacancy rates, rental rates and debt collection and arrears, which make it possible to better anticipate the risk of tenant insolvency. A Brand Support Committee reviews solutions for tenants experiencing financial difficulty; ■ an insurance programme for assets in operation (See Paragraph 5.3 "Insurance"); ■ safety management of the centres in operation: there is a schedule of audits and visits by auditing bodies and safety commissions and another for internal security audits to check compliance with the Group's security policy. The Altarea Group assets are assessed twice a year (see Section 8.4.4 of this document) by an independent appraiser. External valuation of Group assets has been entrusted to Cushman & Wakefield (in France and Italy), Jones Lang Lasalle (in France and Spain) and CBRE (in France). The fees paid to appraisers are lump-sum amounts determined in advance of the valuations. These amounted to €218,492 (excl. VAT)[(1)] in 2022, including fees related to the preparation of reliance letters required by banks. They are not proportionate to the value of appraised assets and make up less than 10% of the revenue of each appraisal firm consulted.

(1) Fees expressed at 100%, including sites accounted for under the equity method

5.2.3 Risks related to the Group's financial position: liquidity and compliance with covenants

Risk factors	Risk control systems
Altarea finances part of its investments and growth through bank financing and through capital markets. Altarea might not always have the desired access to capital markets or the banking market. This situation could result from a financial crisis affecting the banking sector, the bond or equity markets, a serious deterioration in the property market or any change in Altarea's businesses, financial position or shareholder structure which affects investors' perception of the Group's credit quality or attractiveness as an investment. Some of the credit facilities agreed between Altarea and its banks are subject to early repayment clauses primarily linked to compliance with financial ratios or the occurrence of clearly identified events. Failure to meet these commitments or obligations could result either in default or potential default that would mainly result in early repayment of all or part of the outstanding amounts. This situation could produce an unfavourable impact on the Company's business and financial position, particularly its growth.	The operational management of liquidity and financing is carried out by the Finance and Treasury Department. The Group's available liquidity amounted to €3 billion, of which €1.2 billion in cash and €1.8 billion in undrawn bank credit lines, which are the first tools called on to manage liquidity risk. The budget process for cash management and projected cash flow analysis also provides way to anticipate and hedge these risks. The Altarea Group thus ensures credit lines are always available, financing sources diversified and the maturities of the main debts staggered. Furthermore, compliance with the commitments and obligations granted to financial institutions under the terms of credit agreements is closely monitored by the Group, including bank covenants[1].

(1) See Note 8 "Financial risk management" to the consolidated financial statements (Chapter 2.3 of this Universal Registration Document).

5.2.4 Legal and regulatory risks

5.2.4.1 Risks related to administrative authorisations and litigation

Risk factors	Risk control systems
Altarea Group's activities are governed by a large number of specific French and European requirements. The Company must comply with legal and regulatory provisions in terms of urban planning, construction, operating permits, health and safety, the environment, lease law, intellectual property, consumer law, corporate law and tax matters. Changes to any of these regulations could require the Group to adjust its operations, assets, or business strategy accordingly, which may have negative consequences on its earnings, asset values and expenses and may slow or halt progress on some of the Company's property development or marketing activities. In the normal course of its business, and in view of the growing number of acquisition and development projects, the Group could find itself facing unfavourable contractual clauses or clauses which offer insufficient protection. It could also be involved in legal proceedings and be subject to tax and administrative audits (see Chapter 2.3 "Other information attached to the consolidated financial statements - Note 10" of this Universal Registration Document). Each of these risks is associated with a financial risk but also an image risk for the Group. In addition, since Altarea and two of its subsidiaries, Altareit and NR 21, are listed on Euronext Paris, they are subject to the constraints of stock market law, in particular in terms of transparency and the processing of information, particularly in the context of financial transactions, under the supervision of the Autorité des Marchés Financiers. Failure to comply with these requirements would expose these companies to penalties and could damage their image.	**Property Legal Department** The Property Legal Department provides support for first-stage development of projects and the acquisition of land for property projects (whether buying land directly or buying a land-owning company) and asset management. It also monitors compliance with current regulations as well as obtaining the permits necessary for the Group to conduct its business. These services mainly concern urban planning law (commercial operating permits and building permits), construction law and commercial lease law, as well as, in general, all aspects of property, intellectual property, consumer and insurance law. The Property Legal Department and the Corporate Legal Department act for Executive Management and the operational teams on request, where appropriate in conjunction with outside consultants, notably on complex property transactions, projects conducted through partnerships, disposals and acquisitions, and in the event of disputes. Operational Managers also, in consultation with the Property Legal Department, regularly use the services of specialised law firms. Finally, training sessions are regularly delivered to employees to raise their awareness of legal risks. **Corporate Legal Department** The Corporate Legal Department ensures compliance with the social life of the Altarea Group. It provides support to the Group's operational staff to define, create and operate the corporate structures or arrangements for transactions, and to negotiate corporate agreements with external partners in conjunction with the PLD, with the help of specialised law firms if necessary. All of the Group's shareholdings and corporate offices are managed using management software suite for holding companies and subsidiaries. This centralised system makes it possible to automatically establish the legal and tax scopes and to monitor compliance with the related regulations. Finally, the Corporate Legal Department is in charge of setting up and monitoring delegations of authority.

Legal disputes with Primonial shareholders

Following the non-completion of the acquisition of Primonial, the Sellers (various groups of shareholders of Primonial (investment funds and Managers)) summoned the Company and its indirect subsidiary, Alta Percier, before the Commercial Court of Paris, in order to obtain compensation for the damage they allegedly suffered.

Altarea and Alta Percier challenge such claims, which they believe are groundless. On the contrary, Altarea and Alta Percier consider that the Sellers are responsible for the failure to complete the transaction. Altarea thus requests that the Sellers be ordered to pay damages (dommages et intérêts) for the damages suffered by the Group. To this end, Altarea and Alta Percier filed a brief in response (conclusions en réponse) and in voluntary intervention (intervention volontaire) before the Commercial Court of Paris on 20 June 2022.

In their brief in response (conclusions en réplique) dated 21 November 2022 and 16 January 2023, the various groups of shareholders maintained and developed their argumentation. As it stands, the seller Managers allege a damage of €118,988,650 and the investment funds allege a damage of €588,082,058.50.

Based on the Sellers' claims, Altarea maintains its position that it has no liability in this respect, as the failure to complete the transaction was, in its view, caused by the Sellers, so that they cannot claim damages that are groundless and unjustified in view of the factual and legal elements. Altarea will develop its argumentation in its next brief in response.

As of the date of disclosure of the Group's financial statements, the proceedings are ongoing.

In agreement with its advisors, no provision has been recorded by the Group (see Chapter 2.3 "Other information attached to the consolidated financial statements - Note 10.2" of this Universal Registration Document).

5.2.4.2 Risk of legal action for non-compliance with safety/employment law

Risk factors	Risk control systems
Based on the large number of property projects underway, the Altarea Group is a major builder. In a situation where it is increasingly difficult to find approved construction companies able to handle complex projects, as the Project Manager, the Group's liability could be incurred should an accident occur. Indeed, site employees carrying out construction work are potentially exposed to this type of risk.	To prevent the risk of accidents, especially on building sites, or *at the* very least to limit the occurrence and severity of any accidents, action has been taken which includes the systematic use of specialist safety operators (Health and Safety Coordinator), audits and ad hoc site checks. In addition, the Group ensures it complies with its legal obligations as a Project Manager: monitoring the construction companies to ensure they are meeting their contractual obligations, checking the subcontractors' approval applications are complete and all administrative documents are properly updated.

5.2.5 Social, environmental and governance risks

5.2.5.1 Risks related to the Group's information systems

Risk factors	Risk control systems
As the Group is currently undergoing a major phase of digitisation, the performance and reliability of its information systems have become major factors in the way it conducts its business. As a result, the Altarea Group could be affected by events (accidents or service failures) outside of its control which could lead to interruptions in its data flows, loss of data or issues affecting its activities. Furthermore, as the data processed on a daily basis may be confidential and sometimes strategic, the Group could also be confronted by criminal cyberattacks targeting the integrity, availability and/or confidentiality of this data. Altarea could be exposed to a risk of involving liability and damage to its image.	Management of IT risks within the Altarea Group is carried out by the Head of Information Systems Security (RSSI) and includes: ▪ monitoring compliance with the security policy meeting the needs of the Group; ▪ the development of a cybersecurity culture within the Company, through communications, awareness-raising and training for employees; ▪ the integration of IT security upstream of projects, by supporting the business line application Managers from the design phase and by including security and personal data protection clauses in all contracts with publishers/partners/service providers; ▪ the implementation of best practice and procedures for managing users and business applications, and the periodic review of rights, in coordination with the IT Department; ▪ the ongoing deployment of a specific cyber-crisis procedure integrated into the existing strategic crisis management policy. Within the IT Department, the Head of Operational Security (RSO) works in close collaboration with the RSSI. His role is to implement the cyber policy, the analysis of the various IT security components and events, and the deployment of new IT monitoring tools. In 2021, the IT Department defined a new operational IT continuity plan in 2022. A procedure for reporting cyber incidents allows optimised processing of events according to their severity. In addition, aware of the importance of system security, the IT Department and the Security Department carry out security audits, including intrusion tests, configuration audits, and phishing campaigns, covering the entire Group scope. The results give rise, depending on the criticality of the vulnerabilities they reveal, to obligations to take corrective action through the creation of remedial plans or security recommendations. These remediation plans are monitored on a monthly basis. In addition, the Group strengthened its network access strategy by deploying a dual authentication mechanism for its users and by deploying a server obsolescence and patch management programme. Lastly, the Group takes out insurance to cover cyber risks.

5.2.5.2 Image risks

Risk factors	Risk control systems
The growing use of social media increases the risk of exposure to criticism or negative messages and accelerates their dissemination. The Group could therefore be confronted with situations/events (construction site accidents, delivery delays, customer and employee dissatisfaction, major disputes, identity theft, regulatory non-compliance, etc.) whose impacts could damage its reputation and its image vis-à-vis its stakeholders.	To prevent this, a guide to the good use of social media at work has been developed and distributed to the Group's employees. In addition, the Group has monitoring, detection and reaction mechanisms, mainly involving tools distributed to employees, to anticipate and manage its image and reputation risks: ▪ social media monitoring by Community Managers; ▪ daily monitoring of disputes and complaints, including assessment of reputational impact; ▪ a crisis unit and communication plan familiar to all employees and corresponding training for Directors; ▪ conducting customer satisfaction surveys, particularly in the Residential division, at two key points in the purchasing process, and monitoring the recommendation rate (Cogedim received the Customer Service of the Year award for the sixth consecutive year); ▪ monthly meetings organised with tenants of serviced residences; ▪ quantitative and qualitative customer surveys conducted in shopping centres to improve the customer satisfaction index; ▪ satisfaction surveys carried out among shopping centre brands to better identify their expectations (Retailers' Pact).

5.2.5.3 Social risks

Risk factors	Risk control systems
The Group's ambitious goals are partly dependent on its Human Capital. If Altarea could no longer attract the best profiles and ensure that the competencies of Group employees are up to date with best practice and able to face new challenges, it could have a negative impact on its business and results. The competitive environment and its own targets for development of new markets expose the Group to challenges related to the integration and training of new employees, and the retention of all its human capital. The new recruits are from very varied backgrounds. It is therefore necessary to assist each individual to rapidly assimilate not only the specific requirements, regulations and constraints applicable to the real estate business, but also to share what makes our Company original, and its strategic priorities, objectives and corporate culture. Some key positions are held by Directors whose departure could affect the Group. It cannot be guaranteed that the Group will be able to retain these Directors, and some of them could also take advantage of their retirement rights, which would have a negative effect on business.	To address these social risks, Altarea Group is piloting, through a number of action plans, a human resources policy that is led and implemented by committed professionals combining operational proximity and expertise to support employees: ▪ in terms of recruitment: the diversification of recruitment sources and techniques, the involvement and complementarity of action in the recruitment processes of both Operational Managers and HR teams, combined with the strong emphasis on internal mobility and the pool of work-study students, make it possible to satisfy the Group recruitment needs; ▪ in terms of induction: induction is one of the most important aspects of HR policy. A formalised onboarding interview and a collective seminar combining onboarding and re-onboarding are essential steps to help employees make a success of their new positions within the Group. On this occasion, the members of the Executive Committee explain and share their vision of the business; ▪ in terms of training: the Group's "learning company" vision seeks to make everyone an actor in and author of their professional career through a "Talent Developer Academy", based on a strategic skills development plan defined around the issues affecting each business line. The Group finances large-scale actions such as career paths, Managerial programmes including a course on psychosocial risks, a collaborative digital academy offering numerous modules on corporate culture, business techniques and soft skills. Supporting young people through ever greater numbers of work-study contracts is also a major challenge for the Group; ▪ in terms of loyalty: the Group's salary policy through the "Tous en Actions!" programme showcases the performance recognition system and allows everyone to build a significant portfolio. The Group has a committed policy in terms of mobility and internal promotion through individual and collective actions (professional interviews, business lines forum, career site showing online vacancies, etc.). Significant attention is paid to the environment and working conditions, as illustrated by the Group's head office designed for the well-being of employees. The "Altawellness" offer also provides access to a complete range of services: Health space at the head office (care, vaccinations, preventative actions), personal services, social and family support, etc.; ▪ in terms of succession: an annual talent review updates the Group's talent pool and succession plan. Appraisals, coaching and certification courses are used to support strategic positions.

5.2.5.4 Risks related to security, health and public safety

Risk factors	Risk control systems
Security Malicious acts against the Group's employees, sites and assets, or even customers, constitute major risks to the Sustainability of the Company's activities. Malicious acts can come in various forms, ranging from simple incivility to an act of terrorism, and include acts of delinquency. They could also include a simple incident that creates a considerable feeling of insecurity out of all proportion with the act itself. Thus, a breach in the safety of property and people can have an impact on footfall in shopping centres through a loss of confidence but also on the Group's image, particularly with regard to urban real estate projects and the operation of serviced residences. These events are therefore likely to harm the Group's financial capacities or to engage the Company's liability vis-à-vis its stakeholders and impair the trust of third parties.	The Group Security Department defines, deploys, controls and adapts the overall security policy based on five points: ▪ a policy adapted to the Group's assets based in particular on physical measures and processes for reporting information or access management, controls of sensitive areas, video surveillance, etc.; ▪ constant interaction with national and local police services in order to monitor the existence and evolution of threats in real time, both for shopping centres and for the Group's building sites or employees; ▪ training employees and raising security awareness, as well as upgrading centre management skills and supporting the Construction Operation Departments of Serviced residences; ▪ crisis management: a defined policy, alert tools and procedures; ▪ recurring audits on the Group's various assets to diagnose and make necessary changes to reflect changing circumstances. In addition, tests and exercises are carried out in the shopping centres to upgrade systems and adapt the Group's response to potential changes in the threat.
Health and public safety As Altarea owns and manages establishments open to the public, Altarea assets are exposed to public health, safety and security issues, which could have a negative impact on its business, prospects and reputation, or create a liability towards its employees or customers. As the owner/Manager of its buildings, facilities, and land, the Group could be formally accused of failure to adequately monitor and maintain its properties against these risks.	To mitigate these risks, the Altarea Group closely follows all applicable public-health and safety regulations and takes a preventative approach involving diagnostics, and, where necessary, building work to bring buildings into compliance (asbestos, legionnaires' disease, termites). It has put in place tools to monitor the recommendations made by the Safety Committees and observations made by approved bodies across all the shopping centres it manages: ▪ for sites covered by the ICPE nomenclature, the Group arranges regular maintenance and periodic checks, which limits the impact of the assets on the environment and the nuisance to users and local residents; ▪ diagnostics on the accessibility of common areas and work to bring them into compliance, if necessary, were carried out on 100% of assets whose building permit was issued before 1 January 2007. Shopping centres built since 2007 are compliant from the outset; ▪ to protect people and property against the risk of fire, Altarea has put in place regulatory fire safety systems, which are maintained by appropriately qualified companies and checked by recognised and officially certified bodies; ▪ with regard to air quality, Altarea complies with regulations and ensures the safety of ventilation systems by checking and maintaining them; ▪ to ensure the sanitary quality of the water provided to its tenants, the Group only distributes water from municipal supply systems, which are subject to rigorous, regular checks and analysis; ▪ half of the shopping centres are affected by plans for the prevention of natural disasters, including the risk of flooding, subsidence and drought. No Group shopping centre is affected by mining technological risks or soil pollution. Lastly, most centres are located in areas of low or very low seismic activity. During the COVID-19 epidemic, Altarea drew up and rolled out an Operational Opening Plan (PODO) for each of its shopping centres. These PODOs list all the specific systems put in place to support the opening and operation of the centres in order to welcome customers and staff in a safe health environment. They were updated and adapted according to the evolution of the pandemic and the regulations in force. They are made available to the competent authorities in the event of an audit.

5.3 Insurance

5.3.1 General policy for insurance coverage

The Group's insurance coverage policy aims to protect Company and employee assets. The Insurance Department, within the Group's Real Estate Legal Department, is tasked with:

- the coordination of insurance programmes for the French Group structure of consolidated operations, in collaboration with local teams and insurance brokers;
- the identification and quantification of insurable risks;
- the monitoring and implementation of insurance coverage;
- coordinating actions with the Group's insurance brokers;
- all business line claims management, bearing in mind that claims management remains decentralised within each activity.

Summary of insurance coverage The Group relies on the assistance of brokers specialised in risk management specific to each activity. It works only with reputable insurance companies.

Concerning foreign subsidiaries under Group control and management, when a subsidiary cannot be included in Group policies, it is insured locally and is responsible for monitoring its insurance coverage.

5.3.2 Summary of insurance coverage

The following guarantees have been updated and correspond to the principal insurance policies taken out by the Group for the financial year 2022. These policies were valid as of the release date of this document. However, these policies should not be considered as permanent, because of evolving risks and activities to be covered, loss history and Group decisions to adjust its coverage. The Group considers that these guarantees take into account the nature of the risks incurred by Altarea and its subsidiaries and that they are proportionate to the capacity of current offers on the insurance market for corporate structures of similar size and activities.

For the financial year 2022, the overall budget for the Altarea Group's main insurance policies (excluding social coverage, Spain and Italy but including construction insurance) was estimated at more than €23 million.

- **Properties in operation**: the Group is insured by CHUBB for "all risks with exceptions" property damage and by ALLIANZ France for general third-party liability. The damages portion covers the reinstatement value of buildings and operating losses over a period of three years. With regards to the CAP3000 shopping centre, market-value complementary insurance and cover for operating losses over five years have been taken out. The damages portion includes non-occupant owners' insurance. These insurance policies, which were renewed on 1 January 2023, are for the most part invoiced to tenants under contracts and regulatory provisions in force.
- **Projects under construction**: Altarea has "Construction Damages" (*dommage ouvrage*) and "All Worksite Risks" (*tous risques chantier*) insurance policies with AXA and MMA. The Group has framework agreements for "Construction Damages" and "All Worksite Risks" for all building sites that do not exceed a certain size.
- **Professional liability insurance**: Altarea and its subsidiaries hold professional liability insurance policies with various insurance firms, including GENERALI and MMA.
- **Miscellaneous insurance policies**: other insurance covers various rented offices, automobile fleets, computer equipment and ten-year builder liability. Finally, AXA provides a "senior executive and corporate officer civil liability" insurance policy, and CHUBB provides a "cyber policy".

6

CORPORATE GOVERNANCE

6.1 Framework of the report and reference code

This report on Corporate Governance has been prepared by the Supervisory Board, in accordance with Articles L. 226-10-1 and L.22-10-78 of the French Commercial Code, with the assistance of the Group Finance Department who contributed to writing it. This report was examined by the Audit and CSR Committee at its meeting on 24 February 2023 and approved by the Supervisory Board at its meeting on 28 February 2023.

The Company has adopted the Corporate Governance Code of Listed Companies (the "AFEP-MEDEF Code") published by the Association Française des Entreprises Privées (AFEP) and the Mouvement des Entreprises de France (MEDEF). This Code, which was last revised in December 2022, is published and can be consulted on the AFEP website (www.afep.com) or the MEDEF website (www.medef.com). The Company refers to the principles set forth in this Code, which it applies where compatible with the legal form of an SCA (*société en commandite par actions*, a French partnership limited by shares).

Because the Company is a partnership limited by shares, it is overseen by Management and not by a collegiate body, Management Board or Board of Directors. Therefore, changes relating to the collegiate nature of the Board of Directors, and the separation of functions of the Chairman of the Board of Directors and the Chief Executive Officer, the Lead Director, cannot be applied to partnerships limited by shares.

The Supervisory Board is responsible for overseeing the Company's management on a continual basis, but is not involved in its management. Article 17.1 of the Company's Articles of Association states that the Supervisory Board has the right to be provided with the same documents by the Managers as those made available to the Statutory Auditors. The Articles of Association also give the Supervisory Board significantly greater powers than required by law, for example in reviewing investments.

The Company complies with the recommendations of the AFEP-MEDEF Code, with the exception of the recommendation made in the summary table below, which have not been applied due to the Company's legal form as a partnership limited by shares. Explanations and, where appropriate, any corrective measures are presented in accordance with the principle of "comply or explain".

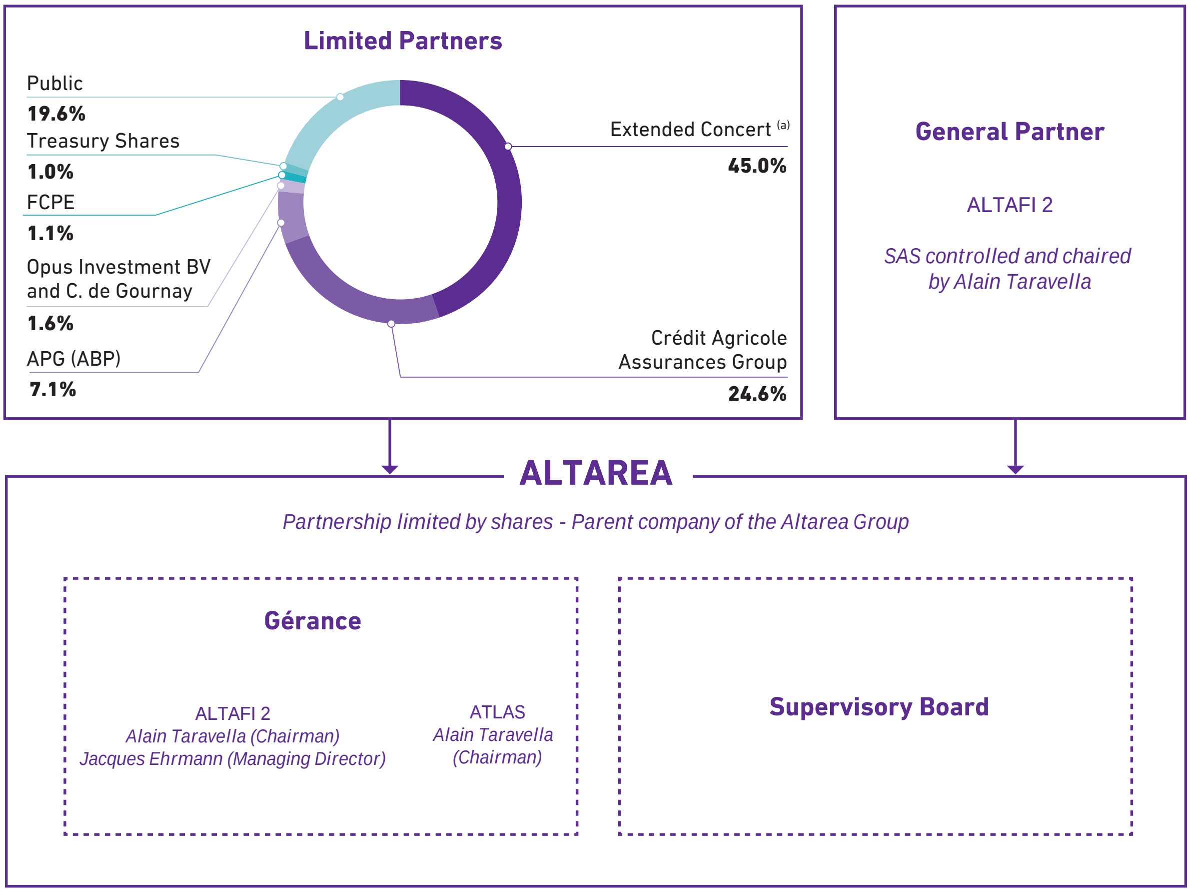
Recommendation	Code heading	Explanations or remedial measures
The Board of Directors and strategy	1	In a société en commandite par actions (a French partnership limited by shares), Management has exclusive competence to review and decide on operations of strategic importance. However, the Supervisory Board of the Company is consulted on significant commitments and investments/divestments.
Board of Directors, collegiate body	2	In a société en commandite par actions (a French partnership limited by shares), each Manager has the powers to bind the Company.
The separation of duties of the Chairman of the Board of Directors and the Chief Executive Officer	3	In a société en commandite par actions (a French partnership limited by shares), each Manager has the management power, so this separation is not possible.
Dialogue with shareholders	4	Shareholder relations, particularly on governance-related matters, falls within the remit of management assisted by the operational teams, primarily the Financial Communications Department. The Supervisory Board considers the current procedure to be satisfactory in view of the mode of operation of the partnership limited by shares.
The Board of Directors and CSR	5	In a société en commandite par actions (French partnership limited by shares), management has exclusive competence to set strategic guidelines, including on Corporate Social Responsibility (CSR). However, the Management presents to the Supervisory Board its CSR strategy, the methods for implementing its strategy, the related action plan and the time horizons within which these corresponding actions will be taken. Management informs the Board of the results obtained on an annual basis.
The term of office of directors	15	In a société en commandite par actions (a French partnership limited by shares), management powers are exercised by Management, not by a Board of Directors.
Composition of the Audit Committee	17	The Audit and CSR Committee is chaired by an independent member and has three independent members out of its five, one member who ceased to be independent having resigned from the Committee in consequence. The number of independent members remains significantly higher than that provided for by the French Commercial Code, which requires the presence of a single independent member on the Audit Committee. The proportion of independent members is sixty per cent, only marginally below the two-thirds recommended in the AFEP-MEDEF Code. The Supervisory Board considered that the current composition of the Committee, which is composed only of members with financial or accounting expertise and chaired by an independent member, remained fully satisfactory for the effective functioning of the Committee and the completion of in-depth work on the subjects discussed, without being filled. to the replacement of the outgoing member.
Succession plan for executive corporate officers	18	In a société en commandite par actions (a French partnership limited by shares), the management succession plan is drafted by the General Partner and not the Board of Directors or one of its committees.

6.2 Composition and practices of the administrative, management and supervisory bodies

As Altarea is a partnership limited by shares (SCA), it is overseen and managed by its Management and its ongoing management control is carried out by the Supervisory Board, one third of whose membership, including the chair, is independent. Altarea thus has a two-tier governance structure.

It comprises two categories of partners:

- a General Partner, with unlimited joint and several liability for the Company's debts to third parties;
- Limited Partners who are in the same position as shareholders of a public limited company: their shares may be traded under the same conditions and their liability is limited to the amount of their contribution.



(a) There is a concert between the founders, Alain Taravella and Jacques Nicolet, their families and the companies they control, and Jacques Ehrmann (see paragraphs 7.1.6 and 7.3 below).

6.2.1 Management

Composition

The Company is jointly directed and managed by the companies Atlas and Altafi 2, both chaired and controlled by Alain Taravella, the latter company being also the only General Partner. Altafi 2 is also directed by Jacques Ehrmann, who is Manager of Altarea Management, a wholly-owned subsidiary of Altarea.

Altafi 2

Co-Manager

Altafi 2 is a single shareholder public limited company (*société par actions simplifiée unipersonnelle*) with share capital of €38,000, wholly owned by AltaGroupe, itself controlled by Alain Taravella. It is registered with the Paris Trade and Companies Registry under registration number 501 290 506. Altafi 2 was appointed Co-Manager of the Company in 2012 and was reappointed for a further period of ten years from 2 January 2022.

Alain Taravella is the Chairman of Altafi 2. Jacques Ehrmann was appointed Chief Executive Officer of Altafi 2 from 1 July 2019. Alain Taravella's sons, Gautier and Matthieu Taravella are also Chief Executive Officers of Altafi 2 since 21 February 2019.

Atlas

Co-Manager

Atlas is a simplified public limited company (*société par actions simplifiée*) with share capital of €61,000, whose registered office is 87 Rue de Richelieu, 75002 Paris, registered with the Paris Trade and Companies Registry under the number 518 994 678, and is wholly owned by AltaGroupe, itself controlled by Alain Taravella. Alain Taravella serves as Chairman of Atlas. Atlas was appointed as Co-Manager of the Company on 11 December 2014 for a term of ten years. As of 31 December 2022, Atlas did not own any shares in Altarea.

Alain Taravella

Chairman of Altafi 2 and Atlas
Founder of the Altarea Group

Alain Taravella is a French citizen, born in Falaise (Calvados) in 1948. He is a graduate of HEC (École des Hautes Études Commerciales). From 1975 to 1994, Alain Taravella held various positions within the Pierre & Vacances Group, of where he was appointed Chief Executive Officer in 1985. In 1994, he founded the Altarea Group, which he has been managing since[1]. Alain Taravella is a Chevalier de la Légion d'Honneur.

Jacques Ehrmann

Chief Executive Officer of Altafi 2
Manager of Altarea Management

Jacques Ehrmann, a French citizen, was born in 1960. A graduate of HEC (École des Hautes Études Commerciales), he began his career as General Secretary of Hôtels Méridien in 1989. He then joined the Executive Management of Euro Disney (1995-1997) and Club Méditerranée (1997-2002). In 2003 he joined the Casino Group as Chief Executive Officer for property and development, where he led the creation of Mercialys and Green Yellow, where he held the position of Chairman and Chief Executive Officer for seven years. In 2013, Jacques Ehrmann joined Carrefour Group's executive management, where he was notably Executive Director for Portfolio, Development and Innovation. He added to this position that of Chairman and Chief Executive Officer of Carmila SIIC, a retail REIT specialising in shopping centres, in April 2014, and took over as head of the Carrefour Group's Mergers and Acquisitions Department in 2015. In July 2019, Jacques Ehrmann joined the Altarea Group as Chief Executive Officer of Altarea, and more specifically, as Manager of Altarea Management, a wholly-owned subsidiary. He is also since March 2019, Chairman of the National Council of Shopping Centres (CNCC), which in 2022 became the Fédération des Acteurs du Commerce dans les Territoires.

(1) *Alain Taravella resigned on 12 December 2022 from his role as Co-Manager of Altarea in a personal capacity, but remained Chairman of the legal entity Co-Managers of Altarea, Altafi 2 and Atlas, which he controls.*

List of corporate offices held at 31 December 2022

Executive officers	Other corporate offices held at 31 December 2022		Corporate offices expired over the last five years
	Within the Group	Outside the Group	
Altafi 2 Co-Manager	■ Managing General Partner of SCA: Altarea♦■(a); NR21♦■ ■ Manager of SCA: Altareit♦■(b)	-	-
Atlas Co-Manager	■ Manager of SCA: Altarea♦■(a)	-	-
Alain Taravella Chairman of Altafi 2 and Atlas	■ Representative of Altafi 2, Manager: Altarea♦■(a); NR21♦■; Altareit♦■(b) ■ Representative of Atlas, Manager: Altarea♦■(a) ■ Representative of Altafi 3, Manager: SIAP Rome♦ ■ Observer on the Supervisory Board: Woodeum SAS♦	■ Chairman: Altafi 2; Altafi 3; Atlas; Altafi 5; Altafi 6; Altafi 7; Altager; AltaGroupe (Chair of Alta Patrimoine) ■ Permanent Representative of Altarea, Director: Semmaris; MRM■ ■ Representative of Alta Patrimoine, Manager: SNC ATI; SCI Matignon Toulon Grand Ciel; SNC Altarea Commerce ■ Representative of Altafi 3, Manager: SIAP Paris and SIAP Helsinki	■ Co-Manager: Altarea♦■ ■ Chairman: Alta Patrimoine; Foncière Altarea SAS♦ ■ Manager: Altarea Entreprise Holding♦ ■ Chairman of the Supervisory Board: Cogedim SAS♦; Altarea France SNC♦ ■ Director: Pitch Promotion SA♦; Pitch Promotion SAS♦ ■ Representative of Altarea, Chairman: Alta Delcasse♦; Alta Rungis♦; Alta Développement Italie♦; Alta Mir♦ ■ Representative of Altarea, Co-Manager of foreign companies: Alta Spain Archibald BV♦●, Alta Spain Castellana BV♦●, Altalux Spain♦●; Altalux Italy♦●
Jacques Ehrmann Manager of Altarea Management – Chief Executive Officer of Altafi 2	■ Manager: Altarea Management SNC♦; Cogedim Gestion (SNC)♦ ■ Representative of Altafi 2, Manager: Altarea♦■(a); NR21♦■; Altareit♦■(b) ■ Supervisory Board member: Woodeum SAS♦	■ Chief Executive Officer: Altafi 2 (SAS) ■ Member of the Management Board: Frojal (SA) ■ Chairman: Tamlet (SAS) ■ Supervisory Board member: Edmond de Rothschild (France) ■ Co-Manager: Jakerevo (SCI) and Testa (SC) ■ Chairman: Fédération des Acteurs du Commerce dans les Territoires (formerly CNCC - Conseil national des Centres Commerciaux)	■ Chairman and Chief Executive Officer and Strategic and Investment Committee member: Carmila■ ■ Chairman and Chief Executive Officer: Carmila SAS♦ ■ Chairman: Cogedim SAS♦ ■ Manager: Cogedim Développement♦; Cogedim Entreprise♦; Cogedim Citalis♦ ■ Supervisory Board member: Financière SPL♦ ■ Director: Edmond de Rothschild SA; Atacadao SA■● (Brazil); Carrefour Property España● (Spain); Carrefour SA● (Turkey); Pitch Promotion SAS♦ ■ Chairman of the Board of Directors: Carrefour Property Italia● (Italy) ■ Member of the Management Committee and the Appointments Committee: Adialéa (SAS) ■ Member of the Strategy Committee and the HR Committee, Chairman of the Audit and CSR Committee: Atacadao SA■● (Brazil) ■ Supervisory Board member: Frojal (SA)

(a) Altarea is notably Chair of Alta Blue♦ (Chair of Aldeta♦) and Foncière Altarea♦, Manager of Foncière Altarea Montparnasse♦, Director of MRM■ and Semmaris, and a member of the Supervisory Committee of Altarea Investment Managers♦.
(b) Altareit is notably Chair of Cogedim♦ (Chair of Alta Richelieu♦ and of Cogedim Office Partners♦), Alta Faubourg♦ (Chair of Pitch Promotion SAS♦ and of Financière SPL♦), Alta Penthièvre♦ (Chair of Altacom♦), Alta Percier♦ and Alta Percier Holding♦. She is also a member of the Supervisory Board of SIAP Helsinki and SIAP Rome♦ and SIAP Paris and the Supervisory Board of Altarea Investment Managers.

The Company share capital and voting rights held by Alain Taravella and Jacques Ehrmann as at 31 December 2022 are listed in Section 7.1.6 below.

♦ *Altarea Group company* ■ *listed company* ● *foreign company*

6

Appointment and termination of office (Article 13 of the Articles of Association)

The Company is managed and administered by one or more Managers, who may or may not be General Partners (*associé-commandité*).

The Manager can be a natural person or legal entity.

The age limit for Managers who are natural persons is 75. If one of the Managers is a legal entity, the number of its corporate officers that are natural persons aged above 75 May not exceed a third of all Directors.

The term of office of Managers is ten years, and may be renewed.

Any Manager wishing to resign must advise the other Managers, the General Partners and the Supervisory Board by registered letter with proof of receipt, at least three months before the date on which the resignation is to take effect, unless otherwise agreed by the General Partners.

Upon expiry of a Manager's term of office, the other Manager or Managers shall remain in office without prejudice to the General Partners' right to appoint a replacement Manager or to renew the term of office of the outgoing Manager.

Upon expiry of the sole Manager's term of office, one or more new Managers shall be appointed or the term of office of the outgoing sole Manager shall be renewed under the conditions set out in Section 13.2 of the Articles of Association. Pending such appointment or appointments, the Company shall be managed by the General Partners who may then delegate any powers necessary for the management of the Company's affairs until the new Manager or Managers are appointed.

Managers may be removed from office without reason by unanimous decision of the General Partners. If the Manager is also a General Partner, such a decision may be taken by unanimous decision of the other General Partners. Insofar as the Company now has a sole General Partner who also serves as Manager, this removal is currently not an option.

Managers may also be removed from office under the conditions provided for by law, following a legal action, and pursuant to a final judicial decision not open to appeal that establishes a legitimate reason for removal.

If the Manager is also a General Partner, the loss of General Partner status will automatically result in removal from office as Manager, as of right.

Managers who lose their status as Managers shall be entitled, in full and final settlement of any claims, to payment by the Company of the fixed compensation set out in Article 14 of the Articles of Association, on a pro rata basis until the date of loss of such status, together with reimbursement of expenses of any kind to which they are entitled.

During the lifetime of the Company, any new Manager shall be appointed unanimously by the General Partners, without requiring the approval or recommendation of the Supervisory Board or of the collective body of shareholders.

Powers (Article 13 of the Articles of Association)

Each Manager has the broadest powers to act in any circumstances on behalf of the Company, within the limits of the corporate purpose and subject to any powers expressly conferred on the collective body of shareholders or on the Supervisory Board, whether by law or by the Articles of Association.

In accordance with the law, each Manager may authorise and grant any guarantees and other sureties that they consider reasonable, on behalf of the Company.

Each Manager may delegate some of their powers to one or more persons whether or not employed by the Company and whether or not they have a contractual relationship with the Company. Such delegated powers shall not in any way affect the Managers' duties and responsibilities as regards the exercise of such powers.

The Managers shall have a duty of care in running the Company's affairs.

6.2.2 General Partner

Identity

The only General Partner is Altafi 2, which is also Co-Manager. Full details above in Section 6.2.1. Altafi 2 holds the 10 existing General Partner shares, with a nominal value of €100 each.

Appointment and termination of office (Articles 21 and 24 of the Articles of Association)

General Partners are appointed by Extraordinary General Shareholders' Meetings upon the unanimous proposal of the General Partner or Partners.

In the event of the death or incapacity of a General Partner who is a natural person, or in the event of loss of General Partner status for any other reason, the Company shall not be dissolved but shall continue with the remaining General Partners. This shall also be the case in the event of the liquidation of a corporate General Partner.

Any merger transaction resulting in the absorption of the Manager or General Partner by a company controlled by Alain Taravella within the meaning of Article L. 233-3 I of the French Commercial Code will give rise to the transfer to the absorbing company of the rights of the General Partner or Manager, as the case may be, provided that the absorbing company remains controlled by Alain Taravella.

The General Partner loses their status in one of the cases provided for by law or if the Company is transformed in one of the cases set out below.

In addition, in one of the following cases:

- opening of a bankruptcy, receivership or court-ordered liquidation procedure against the General Partner (in this case, Altafi 2, as of the date of this document);
- Alain Taravella loses direct or indirect control, within the meaning of Article L. 233-3 I, of the General Partner, or ceases to be its legal representative, or suffers from a proven physical or legal incapacity;
- the transformation of the Company into a public limited company (*société anonyme*) proposed to the General Shareholders' Meeting by a shareholder holding alone or in concert 5% or more of the share capital and voting rights of the Company;

the shareholders may decide, within three months of the occurrence of one of the aforementioned events, by a majority required for the Extraordinary General Shareholders' Meeting, to terminate the status of the *société en commandite par actions*. The General Partner may not oppose such a transformation.

If the General Partner who lost their status was the sole General Partner, the Extraordinary General Shareholders' Meeting shall be convened by the Management, or failing this, by the Chairman of the Supervisory Board, within sixty days of the General Partner losing their status, to appoint one or more General Partners.

If one or more General Partners are not appointed within this period, the Extraordinary General Shareholders' Meeting must proceed to transform the Company into a public limited company.

Subject to the provisions of Articles L. 221-15 and L. 221-16 of the French Commercial Code, the General Partner shares of the General Partner who loses their status (or, where applicable, of their heirs or beneficiaries) shall be converted into one hundred and twenty thousand new shares in the Company at a nominal value of €15.28 (the number of shares to be adjusted if the nominal value of the shares changes). The partner who has lost the status of General Partner shall not be entitled to any compensation other than the conversion of their shares into Company shares.

Powers

The General Partner(s) have unlimited joint and several liability for the Company's debts. In return, they have a certain number of structuring powers under the law and the Articles of Association, making them an important stakeholder in the Company's operations and organisation. In particular, they:

- appoint or dismiss the Managers;
- establish the Management compensation policy to be submitted for approval to the General Shareholders' Meeting, after consulting the Supervisory Board, which itself acts on the recommendation of the Compensation and Nomination Committee (see 6.3 below);
- approve the annual financial statements and, where applicable, the consolidated financial statements to be submitted for the approval of the shareholders, unless the General Partner(s) are also all Managers, as is the case at the date of this document;
- authorise the prior adoption of any resolution by the General Shareholders' Meeting, with the exception of those relating to (i) the appointment or dismissal of Supervisory Board members, in which the General Partners do not participate if they are shareholders, (ii) the appointment of the Statutory Auditors and (iii) the transformation of the Company into a public limited company in the cases provided for in Article 24.2 of the Articles of Association.

Shareholders who are General Partners may not vote on resolutions relating to the appointment or dismissal of Supervisory Board members by the Ordinary General Shareholders' Meeting.

Pursuant to Article 29 paragraph 6 of the Company's Articles of Association, the General Partner, by virtue of this position, is entitled to a preferred statutory dividend equivalent to 1.5% of the annual dividend (see 7.4 below on the Company's dividend policy).

6

6.2.3 Supervisory Board

6.2.3.1 Summary presentation of the Supervisory Board

Christian de Gournay
Chairman of the Supervisory Board
Independent member
End of term of office - AGM 2025

Najat Aasqui
Permanent representative of Predica
Member related to CAA Group
End of term of office - AGM 2025

Marie-Catherine Chazeaux
Member representing employees
End of term of office - 20/09/2024

Alain Dassas
Permanent representative of APG
Independent member
End of term of office - AGM 2025

Matthieu Lance
Member related to CAA Group
End of term of office - AGM 2025

Eliane Frémeaux
Independent member
End of term of office - AGM 2025

Catherine Leroy
Permanent representative of Alta Patrimoine
Member linked to the Concert des Fondateurs
End of term of office - AGM 2028

Philippe Jossé
Permanent representative of ATI
Member linked to the Concert des Fondateurs
End of term of office - AGM 2027

Nicolas Deuzé
Member representing employees
End of term of office - 21/07/2025

Philippe Mauro
Supervisory Board Member
End of term of office - AGM 2024

Jacques Nicolet
Member linked to the Concert des Fondateurs
End of term of office - AGM 2025

Léonore Reviron
Member linked to the Concert des Fondateurs
End of term of office - AGM 2028

Michaela Robert
Independent member
End of term of office - AGM 2028

Dominique Rongier
Supervisory Board Member
End of term of office - AGM 2027

3 specialist committees of the Supervisory Board

Audit and CSR Committee
5 Members
60% independent

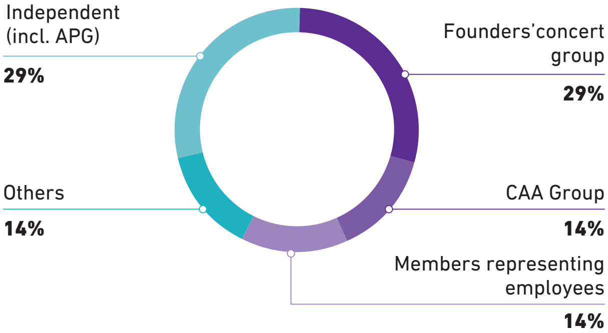
Compensation and Nomination Committee
4 Members
2/3 independent*

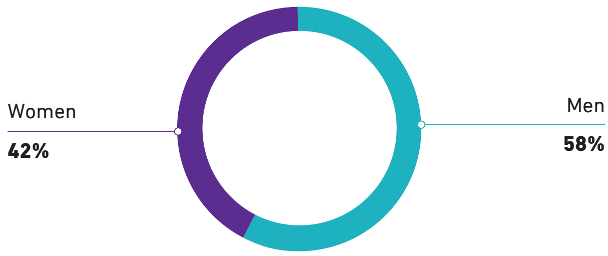
Comité des investissements
5 Members
25% independent

◇ Audit and CSR Committee ◇ Compensation and Nomination Committee ◇ Investment Committee P = Committee Chairman

Number of members	Board independence	Attendance rate	Average age	Average seniority
14	*1/3 of the members*	*96%*	*58 years*	*6 years*

A balanced composition





* Excluding members representing employees in line with the AFEP-MEDEF Code recommendations.
** Based on the seniority of the permanent representative if the Supervisory Board member is a legal entity.

6.2.3.2 Composition

Summary of the composition of the Board at 31 December 2022

Name	Permanent Representative	Nationality	Age	Gender	Independence	Offices held in listed companies[a]	First appointed	Latest reappointment	Term of office expires[b]	Seniority on the Board[c]	Board committees: Audit and CSR	Board committees: Compensation and nomination	Board committees: Investments	Attendance[d]
Christian de Gournay *Chairman of the Board - Independent*		🇫🇷	70	♂	√		05/03/2014	23/05/2019	AGM 2025	9			C	100%
APG (ABP)[e] *Independent member*	Alain Dassas	🇫🇷	76	♂	√		20/11/2015 (PR: 20/11/2015)	23/05/2019	AGM 2025	7	•	C	•	100%
Alta Patrimoine *Member*	Catherine Leroy	🇫🇷	41	♀			02/03/2020 (PR: 02/22/2022)	24/05/2022	AGM 2028	1				100%
ATI *Member*	Philippe Jossé	🇫🇷	67	♂			20/05/2009 (PR: 25/02/2021)	29/06/2021	AGM 2027	2			•	100%
Marie-Catherine Chazeaux *Member representing employees*		🇫🇷	53	♀			20/09/2018	19/07/2021	20/09/2024	4		•		100%
Nicolas Deuzé *Member representing employees*		🇫🇷	37	♂			21/07/2022	-	21/07/2025	<1				100%
Éliane Frémeaux *Independent member*		🇫🇷	81	♀	√		27/06/2013	23/05/2019	AGM 2025	10	•			100%
Matthieu Lance *Member*		🇫🇷	54	♂		3	07/03/2022	-	AGM 2025	1	•			100%
Philippe Mauro *Member*		🇫🇷	66	♂			26/02/2019	-	AGM 2024	4		•		100%
Jacques Nicolet *Member*		🇫🇷	66	♂			26/06/2007	23/05/2019	AGM 2025	16			•	100%
Predica *Member*	Najat Aasqui	🇫🇷	40	♀		2	26/06/2007 (PR: 11/03/2019)	23/05/2019	AGM 2025	4			•	100%
Léonore Reviron *Member*		🇫🇷	37	♀			26/02/2019	24/05/2022	AGM 2028	4	•			100%
Michaela Robert *Independent member*		🇫🇷	53	♀	√	1	15/04/2016	24/05/2022	AGM 2028	7	C	•		100%
Dominique Rongier *Member*		🇫🇷	77	♂			20/05/2009	29/06/2021	AGM 2027	14				100%

• = Member of the committee - C = Chairman of the committee, PR = Permanent representative.

(a) Number of offices held in listed companies (excluding Altarea and listed companies in its Group), including foreign companies - Where the Board member is a legal entity, the offices listed here are those held, directly or indirectly, by its permanent representative.

(b) Year of the Ordinary General Shareholder' Meeting.

(c) Based on the seniority of the permanent representative where the member of the Supervisory Board is a legal entity.

(d) Attendance rate at the meetings of the Supervisory Board and its committees in the 2022 financial year.

(e) Stichting Depositary APG Strategic Real Estate Pool (APG), a foundation under Dutch law acting on behalf of the investment fund APG Strategic Real Estate Pool, held by Stichting Pensioenfonds ABP (ABP), a pension fund for employees in the public sector (particularly national education) in the Netherlands.

Changes since 1 January 2022

Body	Appointment	Renewal	Departure
Supervisory Board	**Matthieu Lance** *co-opted by the Supervisory Board on 22/02/2022 to replace Françoise Debrus with effect from 07/03/2022* **Catherine Leroy** *appointed by Alta Patrimoine as permanent representative on the Supervisory Board as of 22/02/2022* **Nicolas Deuzé** *appointed by the Altarea ESU CSE on 21/07/2022 to replace Bertrand Landas*	**Alta Patrimoine, Léonore Reviron and Michaela Robert** *renewed by the AGM of 24/05/2022*	**Françoise Debrus** *resignation with effect from 07/03/2022* **Bertrand Landas** *departure at 30/06/2022*
Compensation and Nomination Committee	**Michaela Robert** *appointed member of the Committee on 22/02/2022* **Alain Dassas** *appointed Chairman of the Committee on 22/02/2022* **Marie-Catherine Chazeaux** *appointed member of the Committee on 18/11/2022*	-	**Dominique Rongier** *at the Supervisory Board meeting of 22/02/2022*
Audit and CSR Committee	**Mattieu Lance** *to replace Françoise Debrus from 07/03/2022* **Michaela Robert** *appointed Chairman of the Committee on 22/02/2022*	-	**Françoise Debrus and Dominique Rongier** *at the Supervisory Board meeting of 22/02/2022*
Investment Committee	-	-	-

Diversity policy

The Supervisory Board regularly conducts a review of its composition and the profile of its members in order to ensure its diversity in terms of skills and the balanced representation of men and women, in accordance with the applicable regulations. In particular, it ensures that the diversity of the profiles and expertise of its members allows for a rapid and thorough understanding of the Group's activities and challenges so as to optimise the proper discharge of its responsibilities and duties.

The Supervisory Board considers that its current composition is balanced and believes that it is satisfactory insofar as it comprises:

- five women and seven men;
- two members representing employees;
- four independent members, *i.e.* one third of its members[1], one of whom chairs the Board;
- members representing the concert of the founders and the major Limited Partners;
- members with a perfect knowledge of the Group, its activities and its environment;
- members, active and diligent, who together possess a rich diversity of skills, experience and expertise related to the Group's activities and business lines;
- members aged between 37 and 81, with an average age of 58, the number of members over 75 being below the statutory limit of one third.

In accordance with Article 15.2 of the Articles of Association, the members of the Supervisory Board are appointed or removed by Ordinary General Shareholders' Meetings; the General Partner (Altafi 2 on the date of this document assuming that this company is a shareholder) may not take part in the vote on the relevant resolutions.

With the exception of members representing employees, each member must hold at least one share in the Company in accordance with Article 15.4 of the Articles of Association.

(1) *Excluding members representing employees in line with the AFEP-MEDEF Code recommendations.*

Summary table of the diversity policy

Criteria	Policy and objectives	Implementation methods and outcomes
Representation of women and men	Seeking a balanced representation of women and men on the Supervisory Board and committees. Compliance with the Copé-Zimmerman Act of 27 January 2011, which stipulate a minimum of 40% of members of the same gender on boards.	The Board considers that the current composition corresponds to a balanced representation of men and women: ■ 42% women on the Supervisory Board; ■ 60% women on the Audit and CSR Committee; ■ 50% women on the Compensation and Nomination Committee, including the employee representative; ■ 25% women on the Investment Committee. The Audit and CSR Committee is chaired by a woman.
Independence	Have at least one-third independent members on the Supervisory Board, in accordance with the recommendations of the AFEP-MEDEF Code applicable to controlled companies.	The Board considers that the proportion of independent members of 33% is sufficient in view of the composition of the Company's shareholding structure.
Expertise and professional experience	Seeking complementary skills, expertise and experience of Board members, in line with the Group's strategy and business sectors.	The Supervisory Board, with the help of the Compensation and Nomination Committee, ensures that the skills, expertise and experience of its members are varied, complementary and balanced, thus enabling a rapid and in-depth understanding of the Group's activities and development challenges and well-informed decision-making. The Compensation and Nomination Committee has identified a relevant set of skills and expertise, approved by the Supervisory Board (see below). The members of the Audit and CSR Committee all have expertise in finance and/or audit and risks, with 60% also having expertise in CSR.
Representation of employees	Have at least two members representing the Group's employees in accordance with the applicable legal provisions.	Since 2018, two members representing employees have been appointed to sit on the Board, one by the Social and Economic Committee (CSE) of UES Altarea and the other by that of UES Cogedim, respecting gender parity. An employee representative is a member of the Compensation and Nomination Committee in accordance with the recommendations of the AFEP-MEDEF Code.
Age and seniority	Seeking a generational balance, as the number of members over the age of 75 must always be below the statutory limit of one third. As well as considering members' age, seeking a balanced distribution of seniority on the Board.	The members of the Board are between 37 and 81 years old, with an average age of 58. The Board believes that its composition is balanced, combining members with long-standing in-depth knowledge of the Company and Group and more recently appointed members who can bring in new expertise to serve the interests of the Group.
Nationalities	Reflect the geographical weighting of the Group's business areas.	As the Group does most of its business in France, where it earns more than 99% of consolidated revenue, the current composition of the Board with members all of French nationality accurately reflects the geographical weighting of the Group's business areas.

Representation of women and men

The Supervisory Board was composed of 42% women and 58% men as of 31 December 2022 and at the date of this document, which is higher than the minimum 40% required in the French Commercial Code by the Copé-Zimmerman Act. In accordance with the AFEP-MEDEF Code, employee representative members are not taken into account to determine this percentage.

Representation of employees

Two employee representative members have been appointed to sit on the Board, one by the Altarea ESU CSE (Social and Economic Committee) and the other by the Cogedim ESU CSE, in accordance with the terms set out in Article 15.6 of the Articles of Association.

The CSEs must consult each other to make these appointments in order to ensure gender parity.

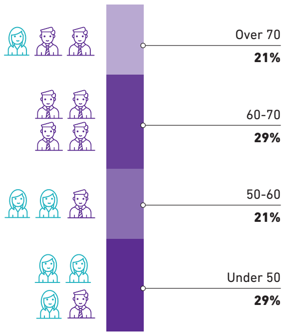
To be appointed, each member representing employees must have held an employment contract for at least two years with the Company or with one of its direct or indirect subsidiaries having its registered office in France or abroad.

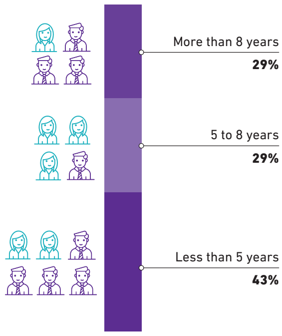
The members of the Supervisory Board representing employees have the same status, responsibilities and obligations as the other members of the Supervisory Board and are subject to the same rules on disbarment. Exceptionally, they are not required to own at least one share in the Company.

Their term of office is set at three years. It is renewable without limitation.

Average age of members and seniority

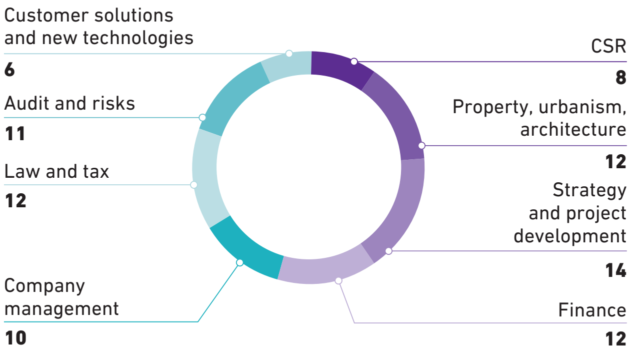
At 31 December 2022, the average age of the Supervisory Board members was 58. The average seniority of Board members is six years, including the permanent representatives of legal entity members.





Expertise and skills of members

The members of the Supervisory Board complement each other due to their different professional backgrounds. Their individual skills and expertise cover areas identified by the Compensation and Nomination Committee and validated by the Supervisory Board as providing the basis for a rapid and in-depth understanding of the Group's activities, challenges and strategies.



CSR Expertise or experience in the management of environmental, social and governance (ESG) issues, as well as in the management of human resources or labour relations	**Company management** Experience as an executive officer, member of an Executive Management Committee or senior executive within a large or national-scale entity
Property, urbanism, architecture Experience in the real estate sector or knowledge of the Group's activities and competitive environment	**Law and tax** In-depth legal and tax expertise or experience
Strategy and project development Experience in defining strategy, mergers & acquisitions, integrating companies, change management or implementation of large-scale projects	**Audit and risks** In-depth expertise or experience in risk management and audit, compliance and internal control
Finance In-depth experience in corporate finance, financial reporting processes, accounting *and* treasury management, and financial markets	**Customer solutions and new technologies** Expertise or experience in defining and implementing technological, digital or customer experience innovation strategies

The expertise and skills of the members of the Supervisory Board as of 31 December 2022, as reviewed by the Compensation and Nomination Committee, are detailed below.

	CSR	Property, urbanism, architecture	Strategy and project development	Finance	Company management	Law and tax	Audit and risks	Customer solutions and new technologies
Christian de Gournay	X	X	X	X	X	X	X	
Najat Aasqui		X	X	X	X	X	X	
Marie-Catherine Chazeaux	X	X	X					X
Alain Dassas			X	X	X	X	X	X
Nicolas Deuzé	X	X	X	X		X		X
Éliane Frémeaux	X	X	X		X	X	X	
Philippe Jossé	X	X	X	X	X			X
Matthieu Lance	X	X	X	X	X	X	X	
Catherine Leroy		X	X	X		X	X	
Jacques Nicolet		X	X	X	X	X	X	X
Philippe Mauro	X	X	X	X	X	X	X	
Léonore Reviron	X		X	X		X	X	
Michaela Robert		X	X	X	X	X	X	
Dominique Rongier		X	X	X	X	X	X	

In 2022, a meeting of the Supervisory Board was devoted to the presentation and analysis of the regulations and issues related to the european taxonomy and the Group's decarbonisation, contributing to its members' training in CSR. Also, the members of the Board were invited by the Management to the inauguration of the new Issy Cœur de Ville district, the Group's flagship project in 2022 and particularly exemplary in terms of the environment.

Independent members

The Supervisory Board has opted for the definition of independence proposed by the AFEP-MEDEF Code. Under the terms of Article 10.5 of the Code, the criteria that guide the Board to classify a member as independent are as follows:

Criteria 1	Not to be and not have been in the previous five years: ▪ an employee or executive corporate officer of the Company; ▪ an employee, executive corporate officer or Director of a Company consolidated by the Company, of the Company's parent company or of any company consolidated by this parent company.
Criteria 2	Not to be an executive corporate officer of a company in which the Company holds, directly or indirectly, a directorship or in which a designated employee or an executive corporate officer of the Company (currently serving or having served in the previous five years) holds a directorship.
Criteria 3	Not to be a customer, supplier, a significant corporate banker or investment banker: ▪ of the Company or Group; ▪ for which the Company or the Group represents a significant portion of business.
Criteria 4	Not to have a close family link with a corporate officer.
Criteria 5	Not to have been a Statutory Auditor of the Company in the previous five years.
Criteria 6	Not to have been a Company Director during the previous 12 years.
Criteria 7	Not to receive variable compensation in cash or securities or any compensation linked to the performance of the Company or Group.
Criteria 8	Not to be involved in control of the Company or to hold a significant percentage (above 10%) of the capital or voting rights.

On the basis of the work carried out by the Compensation and Nomination Committee, the Supervisory Board annually reviews the situation of each of its members with regard to the independence criteria used. The latest review of the independent status of Supervisory Board members was carried out by the Supervisory Board at its meeting of 28 February 2023.

Based on the aforementioned independence criteria, the Board has concluded that four of its members – Christian de Gournay, Éliane Frémeaux, Michaela Robert and the company Stichting Depositary APG Strategic Real Estate Pool (APG) and its representative Alain Dassas – can be considered to be independent. This equates to more than one third of the Board members (excluding employee representatives) which is in line with the AFEP-MEDEF Code recommendations.

In accordance with AMF recommendation no. 2012-02, the table below sets out the position of the Board members vis-à-vis the AFEP-MEDEF Code independence criteria (excluding members representing employees and Board members who belong to, or represent, the Concert of Founders or the Crédit Agricole Assurances Group).

Criteria	1	2	3	4	5	6	7	8	Independent
Christian de Gournay	–[a]	√	√	√	√	√	√	√	√[a]
Alain Dassas – APG (ABP)	√	√	√	√	√	√	√	√	√
Éliane Frémeaux	–[b]	√	√	√	√	√	√	√	√[b]
Philippe Mauro	-	√	√	√	√	√	√	√	-
Michaela Robert	√	√	√	√	√	√	√	√	√
Dominique Rongier	–[b]	√	√	√	√	-	√	√	-

(a) Christian de Gournay is also Chairman of the Supervisory Boards of subsidiaries Altareit, 99.63%-owned by the Company, and of NR21, 96.52%-owned. The Board believes that exercising these mandates within a supervisory body of the Company's subsidiaries is unlikely to give rise to conflicts of interest or impair his independence.

(b) Éliane Frémeaux is, and Dominique Rongier has been for the last five years, also a member of the Supervisory Board of Altareit, a 99.63%-owned subsidiary of the Company, and of the Supervisory Board of NR21, a 96.52%-owned subsidiary. The Supervisory Board believes that exercising these mandates within a supervisory body of Company subsidiaries is unlikely to give rise to conflicts of interest or impair the independence of these members. Besides, they have never had a significant business relationship with the Company or held an executive office or employee position in the Group. They do not represent any shareholders.

With regard to criterion 3 on business relationships, the Compensation and Nomination Committee holds annual reviews to discuss, case by case, which members of the Board may be classified as independent. During these reviews, the Committee conducts a quantitative and qualitative analysis of the business relationship taking a wide-ranging multi-criteria approach, looking at duration and continuity, importance of the business relationship for the Company or its Group and for the member concerned or its permanent representative, and structure of the relationship. It looks particularly carefully at the financial flows between the Company and the companies in its Group and the Board member and any companies where they hold office or have other functions. On this basis, the Committee concluded that none of the members of the Supervisory Board classified as independent have any business ties with Altarea or its group within the meaning of paragraph 10.5.3 of the AFEP-MEDEF Code, except for the APG fund, whose business ties with Altarea and its Group were not considered significant enough to call into question its independence. The business relationship with this fund, one of the largest in the world with more than €500 billion in assets under management, creates no economic dependency and mainly comprises (i) a non-controlling stake in Altarea's capital (less than 10%), (ii) a non-controlling stake in an Altarea Group subsidiary (less than 5%), and (iii) a loan *via* the Company's Subordinated Perpetual Notes (TSDIs) amounting to less than 2.5% of the Group's balance sheet. Its permanent representative is not an executive officer in the group in question.

Selection procedure for new independent members

The procedure for selecting independent members adopted by the Supervisory Board on the proposal of the Compensation and Nomination Committee is described in the Supervisory Board's Rules of Procedure. As of the date of this document, it has not yet been used.

Framing

- Definition of the profile sought by the Compensation and Nomination Committee with regard to the Board's diversity policy and identified needs for skills, expertise and/or experience to ensure a complementary set of members

Applications

- Preselection of candidates by the Compensation and Nomination Committee, who are then submitted to the Supervisory Board, if necessary with the help of a specialist recruitment firm chosen by the Committee and the support of the Company's internal resources
- Verification by the Committee that the proposed profiles meet the identified needs (independence, in particular)

Selection

- Individual interviews with shortlisted candidates by the Chairman of the Compensation and Nomination Committee or a member of the Board appointed by them
- Meeting with the candidate, where possible, with other members of the Committee or the Board and, where applicable, a representative of the Management
- Selection of the candidate by the Supervisory Board on the recommendation of the Committee

Appointment

- Proposal to appoint the chosen candidate put to shareholders at the General Shareholders' Meeting, or
- Co-option of the candidate by the Supervisory Board, subject to ratification by the next General Shareholders' Meeting

◆ Société du groupe Altarea ■ Société cotée ● Société étrangère.

Presentation of Board members

Christian de Gournay

Independent Chairman of the Supervisory Board and Investment Committee

A graduate of the French École des Hautes Études Commerciales (HEC) and of the École Nationale d'Administration (ENA), Christian de Gournay began his career at the French Council of State in 1978, and later worked for Indosuez Bank as Director of Treasury and Bond Markets. In 1994, he became Senior Executive Vice-President of AGF, where he was in charge of managing Group financial and property assets, as well as banking and financial activities. He joined Cogedim in 2002 as Vice-Chairman of the Management Board. Christian de Gournay served as Chairman of the Management Board of Cogedim from 2003 to 2014, until his appointment as Chairman of the Supervisory Board became effective.

Main position held:

Chairman of the Supervisory Board of Altarea

Other offices held at 31/12/2022:

Within the Group:

- *Chairman of the Supervisory Board of SCA:* Altareit◆■; NR21◆■

Outside the Group:

- *Manager*: SCI Schaeffer-Erard
- *Director*: Opus Investment BV●

Corporate offices expired over the last five years:

None

Nationality
French

Age
70 (1952)

Business address
c/o Altarea
87 Rue de Richelieu
75002 Paris

Shares held at 31/12/2022
329,278[(a)]

Date of first appointment
5 March 2014

Current term expires
AGM 2025

Stichting Depositary APG Strategic Real Estate Pool (ABP Funds)

Independent member of the Supervisory Board, the Audit and CSR Committee and the Investment Committee
Chairman of the Compensation and Nomination Committee

Algemene Pensioen Groep NV (APG) was appointed as a member of the Supervisory Board on 28 May 2010. It was replaced by the Dutch company Stichting Depositary APG Strategic Real Estate Pool by co-option on 20 November 2015. It is part of the APG Group, which manages the pension funds of civil servants and employees in the education sector in the Netherlands.

Nationality
Company incorporated under Dutch law

Shares held at 31/12/2022
1,438,606

Date of first appointment
20 September 2018

Current term expires
AGM 2025

Alain Dassas

Permanent representative of APG

Alain Dassas is a graduate of ESCP Europe and holds a master's degree in econometrics and a master's degree in management science from Stanford University. He began his career in 1973 at Chase Manhattan Bank. In 1983, he joined the Renault group and successively held the positions of Director of the Representative Office in New York, Director of Banking Relations and Financial Markets, CFO at Renault Crédit International and Director of Financial Operations and Financial Services. In 2003, Alain Dassas was a member of the Renault Group Management Committee and then President of Renault F1 Team. In 2007, Alain Dassas became a member of the Executive Committee of Nissan Motor Company in Tokyo. In 2010, he joined Segula Technologies as Group Chief Financial Officer until 2012. Since then, Alain Dassas has been Chairman of Dassas Consulting, a strategic and financial consulting firm.

Main position held:

Chairman of Dassas Consulting

Other offices held at 31/12/2022:

- *Chairman*: Dassas Consulting SAS
- *Director*: RCI Finance Maroc

Corporate offices expired over the last five years:

None

Nationality
French

Age
76 (1946)

Business address
25 Rue Benjamin Franklin
75116 Paris

Shares held at 31/12/2022
-

(a) Directly and indirectly trought Opus Investment BV.

◆ *Altarea Group company* ■ *listed company* ● *foreign company*

Marie-Catherine Chazeaux

Member representing employees
Member of the Compensation and Nomination Committee

Marie-Catherine Chazeaux graduated as a DPLG architect in 1994 from the École d'Architecture de Paris Belleville. In 1996 she obtained DESS (Université Paris Jussieu) and CEAA (EAPB) qualifications in architectural and urban acoustics. Having worked for a number of different architecture firms during her studies (Atelier 2M, Kalopissis, to name but two), she worked as an architect for WKZ Architecture et Acoustique from 1996 to 2002 before joining the Altarea Group where she is currently Director of its National Product, Architecture and Interior Design unit.

Main position held:

Director of National Product, Architecture and Interior Design unit of Cogedim◆

Other offices held at 31/12/2022:

Secretary of the CSE of the Cogedim ESU

Corporate offices expired over the last five years:

None

Nationality
French

Age
53 (1969)

Business address
Altarea
87 Rue de Richelieu
75002 Paris

Date of first appointment
20 September 2018

Current term expires
20 September 2024

Nicolas Deuzé

Member representing employees

A graduate of the Audencia Nantes Management School and holder of a master's degree in business law from the University of Lille, Nicolas Deuzé began his career in 2010 at DTZ Valuation France, an appraisal subsidiary of DTZ-Cushman & Wakefield, where he served as Deputy Director. He then joined the Altarea Group in September 2016, as Operations Manager, then Operations Director, where he worked on the Gare du Nord, Montparnasse and Austerlitz projects. As Diversification Director since January 2023, he supports the development of new activities (Data center, Urban Logistics, Renewable Energies).

Main position held:

Diversification Director within the Altarea Group

Other offices held at 31/12/2022:

Assistant Secretary of the CSE of the Altarea ESU

Corporate offices expired over the last five years:

None

Nationality
French

Age
37 (1985)

Business address
Altarea
87 Rue de Richelieu
75002 Paris

Date of first appointment
21 July 2022

Current term expires
21 July 2025

◆ *Altarea Group company* ■ *listed company* ● *foreign company*

Alta Patrimoine

Member of the Supervisory Board

Alta Patrimoine is a simplified public limited company (société par actions simplifiée) whose registered office is at 87 Rue de Richelieu, 75002 Paris, and which is registered with the Paris Trade and Companies Registry under the number 501 029 706. It is chaired and wholly owned by AltaGroupe, itself controlled by Alain Taravella.

As of 31 December 2022, Alta Patrimoine is a Supervisory Board member of the companies limited by shares SIAP Helsinki, SIAP Rome◆ and SIAP Paris. It was a member of the Supervisory Board of Altareit◆■ until 2019.

Nationality
Company incorporated under French law

Shares held at 31/12/2022
2,842,118

Date of first appointment
2 March 2020

Current term expires
AGM 2028

Catherine Leroy

Permanent representative of Alta Patrimoine

Catherine Leroy is a graduate of ESSEC. She began her career in 2005 as a financial auditor at Ernst & Young, then worked as a financial consultant at DTZ Consulting for five years. In 2011, she joined the Altarea Group, where she successively held the positions of Head of Corporate Development, Deputy Chief Financial Officer and now Head of the Office of the Chairman.

Main position held:

Head of the office of the Chairman of Altarea Group

Other offices held at 31/12/2022:

None

Corporate offices expired over the last five years:

None

Nationality
French

Age
41 (1981)

Business address
Altarea
87 Rue de Richelieu
75002 Paris

Shares held at 31/12/2022
4,238

6

Éliane Frémeaux

Independent member of the Supervisory Board and the Audit and CSR Committee

Éliane Frémeaux was a partner in the Notary firm of SCP Thibierge & Associés until 18 October 2012. A Chevalier of the French Legion of Honour, Éliane Frémeaux is a member of the Legal Studies Institute of the Conseil Supérieur du Notariat. She was a member of the Joint Ownership Commission representing the Conseil Supérieur du Notariat at the Chancellery and of the Commission on Polluted Sites and Soils within the Conseil Supérieur des Installations Classées. She is a member of honour of the Circle of Women Real Estate Professionals (Cercle des Femmes de l'Immobilier) and a Member of the association René Capitant des Amis de la Culture Juridique Française (René Capitant Association of Friends of French Legal Culture). Éliane Frémeaux is a regular participant in many seminars and conferences in France and abroad, primarily on topics related to corporate law, credit issues, finance leases, joint ownership, public domain, taxation and business and estate transfer, as well as the environment.

Main position held:

Member of the Supervisory Board of Altarea

Other offices held at 31/12/2022:

Within the Group:

- *Member of the Supervisory Board of SCA:* Altareit◆■; NR21◆■

Outside the Group:

- *Co-Manager:* SCI Palatin

Corporate offices expired over the last five years:

None

Nationality
French

Age
81 (1941)

Business address
c/o Altarea
87 Rue de Richelieu
75002 Paris

Shares held at 31/12/2022
494

Date of first appointment
27 June 2013

Current term expires
AGM 2025

◆ *Altarea Group company* ■ *listed company* ● *foreign company*

ATI

Member of the Supervisory Board

ATI is a general partnership, whose registered office is at 87 Rue de Richelieu, 75002 Paris, and which is registered with the Paris Commercial and Companies Registry under the number 498 496 520. Its Manager is Alta Patrimoine, itself controlled by Alain Taravella.

ATI held no other corporate office at 31 December 2022 and had no corporate office expired over the last five years.

Nationality
Company incorporated under French law

Shares held at 31/12/2022
1

Date of first appointment
20 May 2009

Current term expires
AGM 2028

Philippe Jossé

Permanent representative of ATI

Philippe Jossé is a graduate of the Institut Politique (IEP) de Paris and the Institut des Hautes Etudes de Droit Rural et d'Economie Agricole de Paris. He began his career in 1979 in the Bouygues Group, notably heading the Residential France sector at Bouygues Immobilier from 2007 to 2012, having previously been Regional Director South West, then Director Europe and managed several European subsidiaries of the Group. In 2013, he joined Sogeprom as Deputy Head of the Retail division, where he notably managed the subsidiaries Urbanisme et Commerce and Urbi & Orbi. With more than 35 years' experience in property development, he joined the Altarea Group in 2015 where he was successively Chief Executive Officer and Chairman of Cogedim, before becoming Chairman of the Altarea Promotion division, which he created and ran until 2020.

Main position held:

Permanent Representative of ATI on the Supervisory Board of Altarea

Other offices held at 31/12/2022:

Within the Group:

Supervisory Board member: Woodeum

Outside the Group:

- *Manager*: GFA Domaine des Chalonges

Corporate offices expired over the last five years:

Corporate offices within the Group:

- *Chairman of the Board and Management Board:* Cogedim SAS
- *Manager:* Cogedim Gestion SNC Altarea Group company◆ listed company foreign company; Cogedim Développement SNC◆; Cogedim Citalis SNC◆; Cogedim Entreprise SNC◆; Altarea Cogedim Régions SNC◆; Altarea Cogedim Grands Projets SNC◆; Altarea Partenaires SNC◆; Cogedim Régions SNC◆; Cogedim Grand Paris SNC◆
- *Supervisory Board member:* Financière SPL SAS◆; Histoire & Patrimoine SAS◆
- *Member of the Board of Directors:* Pitch Promotion SAS◆

Corporate offices outside the Group:

- *Co-Manager*: SCEA Domaine de l'Aurée

Nationality
French

Age
67 (1955)

Business address
c/o Altarea
87 Rue de Richelieu
75002 Paris

Shares held at 31/12/2022
26,273

Matthieu Lance

Member of the Supervisory Board and the Audit and CSR Committee

Matthieu Lance is a graduate of the École Centrale de Paris. He began his career at CCF in 1994 in financial engineering for structured finance. In 1998, he joined Banque Lazard where he advised large industrial clients and investment funds on Mergers & Acquisitions. In 2007, he joined BNP Paribas as Managing Director Corporate Finance, successively in charge of the Chemicals, Aerospace, Defense and Automotive sectors (2007-2012) and then within the Mergers & Acquisitions France team (2012-2016). In 2016, he joined Crédit Agricole CIB as Deputy Global Head of Mergers & Acquisitions, of which he has been Global Co-Head since the end of 2019. In March 2022, he joined the Crédit Agricole Assurances Group as Deputy Director of Investments, responsible for real assets and equity investments.

Main position held:

Deputy Director of Investments, responsible for real assets and equity investments at Crédit Agricole Assurances Group

Other offices held at 31/12/2022:

- *Director:* Ramsay Générale de Santé; Cassini;
- *Permanent Representative of CAA/Predica, Director:* Gecina■; Semmaris; Paris Airport■

Corporate offices expired over the last five years:

None

Nationality
French

Age
54 (1968)

Business address
Crédit Agricole Assurances
16 Blvd de Vaugirard
75015 Paris

Shares held at 31/12/2022
1

Date of first appointment
7 March 2022

Current term expires
AGM 2025

◆ *Altarea Group company* ■ *listed company* ● *foreign company*

Philippe Mauro

Member of the Supervisory Board and the Compensation and Nomination Committee

Philippe Mauro is a Law graduate of the University of Paris II Assas and the University of Saarland (Saarbrücken, Germany). He was Legal Director of SCIC Gestion (CDC Group), Espace Expansion and Arc 108 (Unibail Group), then Legal Director of Unibail before joining the Altarea Group in 1998, where he served as Corporate Secretary until 2018.

Main position held:

Member of the Supervisory Board of Altarea

Other offices held at 31/12/2022:

None

Corporate offices expired over the last five years:

- *Manager:* Altarea Management◆
- *Director of SAS:* Pitch Promotion SAS◆

Nationality
French

Age
66 (1956)

Business address
c/o Altarea
87 Rue de Richelieu
75002 Paris

Shares held at 31/12/2022
9,762

Date of first appointment
26 February 2019

Current term expires
AGM 2024

Jacques Nicolet

Member of the Supervisory Board and the Investment Committee

From 1984 to 1994, Jacques Nicolet served successively as Programme Director, Development Director and Senior Executive Vice-President of the Pierre & Vacances Group. In 1994, he co-founded the Altarea Group, of which he has successively been Senior Executive Vice-President and, since its transformation into a partnership limited by shares, Chairman of the Supervisory Board until 2014. He created and headed the Everspeed group, active in the automotive sector in France and abroad.

Main position held:

Chairman of Everspeed

Other offices held at 31/12/2022:

Within the Group:

Member of the Supervisory Board of SCA: Altareit◆■; NR21◆■

Outside the Group:

- *Chairman of SAS:* Everspeed[b]; Ligier Automotive (Manager of SCI Innovatech); Damejane Investissements; Ecodime
- *Manager:* SCI Damejane; SNC JN Participations
- *Chairman of the Board of Directors and/or Director of foreign companies:* Everspeed Connection●; HP Composites Spa●

Corporate offices expired over the last five years:

Chairman of the Board of Directors and/or Director of foreign companies: Carbon Mind Srl●; HPC Holding●

Nationality
French

Age
66 (1956)

Business address
Everspeed
3 Rue Bellanger
92300 Levallois Perret

Shares held at 31/12/2022
9,315[a]

Date of first appointment
26 June 2007

Current term expires
AGM 2025

6

(a) *Directly and indirectly through the company Everspeed which he controls.*

(b) *Everspeed is Chair of SAS (Circuit du Maine; Everspeed Asset; Everspeed Media; DPPI Media; DPPI Production; Onroak Automotive Classic; SAS Proj 2018; Everspeed Composites), Chief Executive Officer of Les 2 Arbres SAS, Manager of SCI Immotech and Chair of the foreign company Ecodime Italia Srl.*

◆ *Altarea Group company* ■ *listed company* ● *foreign company*

Léonore Reviron

Member of the Supervisory Board and the Audit and CSR Committee

Léonore Reviron is a graduate of EDHEC Business School. From 2008 to 2011, she was a financial audit Manager at Ernst & Young. In 2011, Léonore Reviron joined a listed REIT Group, where she served as a corporate financial analyst until 2013, when she became a financial risk Manager. She currently holds the position of Project Manager at the consulting, accounting and statutory audit firm, Pluriel Consultants.

Main position held:

Project Manager at Pluriel Consultants

Other offices held at 31/12/2022:

Within the Group:

Member of the Supervisory Board of SCA: Altareit♦■; NR21♦■

Outside the Group:

None

Corporate offices expired over the last five years:

Corporate offices within the Group:

- Permanent representative of Alta Patrimoine, Supervisory Board member of Altareit♦■
- Permanent representative of ATI, Supervisory Board member of Altarea♦■

Nationality
French

Age
37 (1985)

Business address
c/o Altarea
87 Rue de Richelieu
75002 Paris

Shares held at 31/12/2022
3,108

Date of first appointment
26 February 2019

Current term expires
AGM 2028

Predica

Member of the Supervisory Board and the Investment Committee

Predica (Prevoyance Dialogue du Crédit Agricole) is an insurance company, a subsidiary of Crédit Agricole Assurances and the holding company for Crédit Agricole Group's insurance subsidiaries.

Nationality
Company incorporated under French law

Shares held at 31/12/2022
5,003,919[a]

Date of first appointment
26 June 2007

Current term expires
AGM 2025

Najat Aasqui

Permanent representative of Predica

Najat Aasqui, has a post-graduate degree (DESS) in Banking, Finance and Insurance (Paris X Nanterre) and a Master's in Economy (Lille 1). She joined the Crédit Agricole Assurances (CAA) Group in 2017 as investments officer (Private Equity and listed equity) for several sectors including listed real estate. Since March 2019 Najat Aasqui has been Head of the Listed Equity and Real Estate Investment Portfolios at Crédit Agricole Assurances. She had previously held various corporate banking positions, most significantly in acquisition funding at the Crédit Agricole Group.

Main position held:

Head of Listed Equity & Real Estate Portfolios at Crédit Agricole Assurances

Other offices held at 31/12/2022:

Within the Group:

None

Outside the Group:

- *Supervisory Board member of SCA:* Covivio Hotels■
- *Permanent Representative of Predica, member of the Supervisory Board, Audit and CSR Committee and Compensation and Nomination Committee:* Argan■
- *Director:* Edison SPA●

Corporate offices expired over the last five years:

- Director: Société Foncière Lyonnaise■

Nationality
French

Age
40 (1982)

Business address
Crédit Agricole Assurances
16 Blvd de Vaugirard
75015 Paris

Shares held at 31/12/2022
-

(a) *To the best of the Company's knowledge - Direct and indirect ownership of the Crédit Agricole Assurances Group, of which Predica is a part.*

♦ *Altarea Group company* ■ *listed company* ● *foreign company*

Michaela Robert

Independent member of the Supervisory Board and the Compensation and Nomination Committee
Chairwoman of the Audit and CSR Committee

Michaela Robert is a graduate of the University of Paris IX Dauphine and Paris X Nanterre. She worked for ten years as a property and structured finance lawyer at international firms. In 2005, she joined Morgan Stanley as Chief Financial Officer for property investment funds under its management. Her roles as finance officer for all the investments made by different funds in France, Spain and Benelux have enabled her to build a solid banking network and acquire diverse expertise in legal issues and legal constraints. In 2010, she founded Finae Advisors, a property financing firm specialised in particular in origination, structuring and debt raising, of which she is Deputy Director. In September 2020, she was appointed Managing Director of Eastdil Secured SAS, the French subsidiary of the international property investment bank.

Main position held:

Managing Director of Eastdil Secured SAS

Other offices held at 31/12/2022:

Within the Group:

None

Outside the Group:

- *Chief Executive Officer:* Finae Advisors SAS; Eastdil Secured SAS
- *Director:* Paref■

Corporate offices expired over the last five years:

None

Nationality
French

Age
53 (1969)

Business address
c/o Altarea
87 Rue de Richelieu
75002 Paris

Shares held at 31/12/2022
1

Date of first appointment
15 April 2016

Current term expires
AGM 2028

Dominique Rongier

Member of the Supervisory Board

Dominique Rongier graduated from HEC in 1967 and was successively: auditor at Arthur Andersen (1969-1976); Chief Financial Officer of the Brémond - Pierre & Vacances Group (1976-1983); Group Chief Financial Officer of Brossette SA (1983-1987); in 1987, he designed and set up a holding company for the Carrefour group; General Secretary of Bélier, member of the Havas-Eurocom network (1988-1990); Chief Financial Officer of the holding company Oros Communication, which controls majority stakes in the communication sector (1991-1993). Since September 1993, Dominique Rongier has been an independent consultant with DBLP & associés SARL, of which he is Manager and majority shareholder. His main activity is strategic and financial management consultancy. In the interim, he was acting Chief Executive Officer of the DMB & B France Group (French subsidiaries of the U.S. advertising group D'Arcy) for more than two years. Until 31 March 2009, Dominique Rongier was Chairman of a software publishing company specialising in sports and health.

Main position held:

Member of the Supervisory Board of Altarea

Other offices held at 31/12/2022:

None

Corporate offices expired over the last five years:

Member of the Supervisory Board of SCA: Altareit◆■; NR21◆■

Nationality
French

Age
77 (1945)

Business address
c/o Altarea
87 Rue de Richelieu
75002 Paris

Shares held at 31/12/2022
37

Date of first appointment
20 May 2009

Current term expires
AGM 2027

◆ *Altarea Group company* ■ *listed company* ● *foreign company*

6.2.3.3 Board procedures, preparation and organisation of work tasks and responsibilities

Tasks and responsibilities

The Supervisory Board is responsible for overseeing the Company's management on a continual basis.

As part of its duties it notably:

- reviews the annual and half-year financial statements prepared by the Management;
- sets out the appropriation of earnings, dividend distributions and dividend payment procedure to be proposed to the General Shareholders' Meeting;
- in accordance with the law, it prepares a report for the Ordinary General Shareholders' Meeting convened to approve the Company's financial statements: the report is made available to the shareholders at the same time as the management report and the financial statements for the period in question;
- draws up an annual corporate governance report;
- submits a list of nominees to the General Meeting for the appointment of new Statutory Auditors;
- draws up a report describing any proposed capital increase or reduction and submits it to the shareholders;
- appoints an Acting Manager if none of the existing Managers and General Partners are able to serve;
- appoints the Company's property appraiser and decides whether to renew his/her term of office; it may terminate their appointment and arrange a replacement.

The Supervisory Board also ensures:

- the implementation of a system to prevent and detect corruption and influence peddling;
- the implementation of a non-discrimination and diversity policy, particularly in terms of gender balance on management bodies;
- that social and environmental issues are taken into account in the Company's activity. On this point, the Management presents to the Supervisory Board its strategic orientations in terms of Corporate Social Responsibility, the methods for implementing its strategy, the related action plan and the time horizons within which these corresponding actions will be carried out. Management informs the Board of the results obtained on an annual basis.

The Supervisory Board can call an Ordinary or Extraordinary General Shareholders' Meeting according to the procedures set forth by French law, if the Board deems necessary and after informing the Managers in writing.

The Supervisory Board also plays an important role in terms of the Company's investments and commitments, above and beyond the usual role played by this body in SCAs. The Board is consulted:

- prior to any significant investment or divestment by Altarea likely to change the structure of the Company's balance sheet, and any transaction involving more than €50 million in the SIIC sector; and
- on Altarea's financing policy, in particular the total amount of bank or bond debt.

With the entry into force of the Order of 27 November 2019 on compensation of the corporate officers of listed companies, implementing the Pacte Act of 22 May 2019, the Supervisory Board has been granted additional powers: over compensation policy for Managers and Board members and determining the components of the compensation of these corporate officers, taking over from the General Shareholders' Meeting which until then had direct responsibility for fixing the components of management's compensation for a three-year period pursuant to the Company's Articles of Association (see Section 6.3.1.1 below). The Supervisory Board now gives its opinion on the compensation policy for Managers set by the General Partner, decides on the compensation policy for the members of the Supervisory Board and sets the compensation components for these corporate officers.

Notice of Meeting

The Company's Articles of Association provide that Board members are invited to meetings *via* simple letter or by any means of electronic communication. The Supervisory Board can meet by any means as soon as all members are present or represented. Supervisory Board meetings can be called by the Board Chairman, at least half of the Board members, or any Manager or General Partner. The Board members must be notified at least one week before the Meeting date, except under emergency circumstances.

Information

In accordance with French law, the Supervisory Board has the right to be provided with the same documents by the Managers as those made available to the Statutory Auditors.

Meetings

Meetings take place at the registered office, 87 Rue de Richelieu in Paris (75002). In accordance with Article 16.3 of the Articles of Association, members may be invited to take part in meetings by videoconference or by any other means of telecommunication enabling the members to be identified, guaranteeing their effective participation in the Board meeting and allowing live streaming of the discussions and deliberations.

The attendance of at least half of the Supervisory Board's members is required for it to be quorate. Decisions are made by a majority of the members present or represented and able to take part in the vote. A member present may only represent one absent member and may do so only upon presenting a valid proxy. In the event of a tie, the Chairman has the deciding vote.

Attendance of management - Executive sessions

Management is invited to Board meetings to answer questions from the Supervisory Board, so that the Board can exercise continuous oversight of the Company's management. In particular, Management presents the Company's financial statements, reviews business progress, discusses operational issues and matters relating to the Group's business, and presents any proposed investments or disposals. Management answers any questions that the members deem appropriate to ask. These questions may or may not be included on the agenda. Management does not participate in deliberations and cannot vote on decisions taken by the Board or on opinions it issues.

At least once a year, the Supervisory Board meets without the presence of Management ("executive session"), at the end of a Board meeting whenever possible, in accordance with the recommendations of the AFEP-MEDEF Code. An executive session was held at the end of the Meeting of 28 February 2023, allowing the members of the Board to discuss various topics related to its operation, governance.

Informal discussions and contacts between Board members, in which management does not participate, may also take place from time to time.

Minutes of the meetings

The minutes of Board meetings are recorded in a special register and signed by the Meeting Chairman and Secretary, or by a majority of Board members present.

Rules of Procedure

The Supervisory Board adopted Rules of Procedure at its meeting of 26 February 2019. They complement in particular Articles 16 and 17 of the Company's Articles of Association as regards the operating rules of the Board and the conduct of its meetings, in accordance with the provisions of the AFEP-MEDEF Code.

They also reiterate the ethical rules imposed on Board members, particularly in respect of share trading, in accordance with European regulation no. 596/2014 on market abuse.

In particular, it reminds members of their legal obligations with regard to declarations of transactions carried out on the Company's securities by themselves or by persons close to them.

In accordance with the rules of procedure, transactions in the Company's securities are not authorised during:

- the 30 calendar days preceding the publication of Altarea's annual and half-year results and up to and including the trading day of the publication;
- the 15 calendar days preceding the public release of financial information on the first and third quarters of each financial year and up to and including the trading day of the publication; and
- in any circumstances, where inside information is held until the publication of this information.

Each blackout period is notified a few days beforehand by e-mail to the persons concerned.

Compliance with the rules of confidentiality and conflict of interest (see 6.2.5.1 below) is one of the essential rules of procedure.

The rules of procedure are given to each member of the Board when they take office and after each change.

The Articles of Association and the Board's Rules of Procedure are all available on the Company's website.

There are also detailed Rules of Procedure for the Audit and CSR Committee and the Investment Committee, which are specialist committees of the Board.

The Supervisory Board has sole authority to modify its Rules of Procedure and those of its committees. The Supervisory Board's rules of procedure were recently updated at the meeting of 28 February 2023 to take into account the newly revised version of the AFEP-MEDEF Code of December 2022 and to specify the procedure for selecting new independent members.

Supervisory Board meetings and work in 2022

In 2022, the Board met five times. The attendance rate was 97%.

The following key topics were discussed at these meetings:

Purpose	Main points discussed
Business and finance	■ Update on the Group's business performance and activity ■ Review of the draft annual Company and consolidated financial statements and business review for financial year 2022 ■ Review of the draft half-yearly financial statements at 30 June 2022 and the half-year financial report ■ Review of forecast management documents ■ Update on operations and financial position ■ Financial resources and opinion on the financing policy ■ Group outlook and strategies
General Shareholders' Meeting	■ Proposed appropriation of earnings at the Ordinary General Shareholders' Meeting ■ Dividend payment conditions ■ Authorisations granted to Management to effect capital increases or decreases to be submitted to the General Shareholders' Meeting ■ Preparation of the Supervisory Board's report to the Annual General Shareholders' Meeting and the Report on Corporate Governance ■ Review of the agenda and draft resolutions for the General Shareholders' Meeting
CSR	■ Examination of the Declaration on Extra-Financial Performance (DPEF) ■ Detailed information on european taxonomy and decarbonisation - Strategy, action plan and outlook ■ Presentation of the Group's first climate report
Governance	■ Preparation of the Supervisory Board report on corporate governance ■ Changes in the composition of the Board ■ Annual deliberation on the Company's policy on gender equality and pay ■ Annual review of the operation and preparation of the work of the Supervisory Board ■ Review of the independence criteria for members of the Supervisory Board and specialist committees ■ Expansion of the brief of the Compensation Committee, now called "Compensation and Nomination Committee", to include assignments related to the appointment of new Board members - Appointment of a member representing employees to the Compensation and Nomination Committee ■ Update of the Supervisory Board's internal rules

Purpose	Main points discussed
Compensation	■ Opinion on the Management compensation policy established by the General Partner ■ Establishment of the compensation policy applicable to the members of the Supervisory Board ■ Setting of the compensation components for the Management and members of the Supervisory Board for 2022 subject to the approval of the compensation policies by the General Shareholders' Meeting ■ Distribution of compensation to the members of the Supervisory Board for their attendance at meetings of the Board and its committees during the past financial year
Opinions and miscellaneous tasks	■ Updates on the Primonial project ■ Presentation of the MRM/Flins & Ollioules project - Review and favourable opinion given by the Board ■ Review of related-party agreements previously authorised by the Board and review of the criteria for determining unrestricted agreements provided for in the internal charter on related-party agreements and commitments

Specialist committees

Article 18 of the Articles of Association allows the Supervisory Board to delegate tasks to specialist committees, apart from any powers that French law explicitly assigns to the Supervisory Boards of SCAs (*sociétés en commandite par actions*).

The Supervisory Board has three specialist committees:

- an Audit and CSR Committee;
- an Investment Committee; and
- a Compensation and Nomination Committee.

The specialist committees present their work at Supervisory Board meetings. The work is presented by committee chairs, all of whom are members of the Board.

Investment Committee

Members

Investment Committee members are appointed by the Supervisory Board. The Investment Committee currently consists of the following members:

- Christian de Gournay, Chairman of the Investment Committee;
- Alain Dassas, Permanent representative of APG;
- Najat Aasqui, Permanent representative of Predica;
- Jacques Nicolet;
- Philippe Jossé;
- Éric Dumas.

Operational Managers involved in the investment project(s) also participate in the Meeting.

Proceedings – Minutes

Investment Committee recommendations are adopted by a majority of members present. The Chairman has a double vote in the event of a tie. Minutes are drawn up and signed during the Meeting indicating the decision made. The Company's annual report contains a summary of the resolutions issued by the Investment Committee.

Frequency of meetings

The Investment Committee meets when convened by its Chairman. It can be called at any time in the event of an emergency. Notices of meeting may be sent by any means (post, fax, email, etc.).

Tasks

Pursuant to Article 17.8 of the Articles of Association, the Supervisory Board must be consulted by the Management prior to any significant investment or divestment by the Company likely to change the structure of the Company's balance sheet, and any investment or divestment over €50 million in the retail REIT sector.

In this context, the Supervisory Board has entrusted the Investment Committee and its Chairman with the following tasks:

- prior instruction by the Chairman of the investment or divestment Committee regarding the consultative opinion required by Article 17.8;
- issuance by the Investment Committee of a consultative opinion, under powers delegated by the Supervisory Board, on investments or divestments involving less than €150 million, provided that the Supervisory Board retains the possibility of issuing these opinions directly without going through the Investment Committee.

Work of the Committee

The Investment Committee did not meet in 2022 because all investment and divestment opportunities were reviewed by the full Supervisory Board.

Audit and CSR Committee

Members

Audit and CSR Committee members are appointed by the Supervisory Board. They are chosen for their experience in the industry and their knowledge of the Company. The Audit and CSR Committee members together with their skills and experience relevant to the Committee's responsibilities are as follows:

- Michaela Robert, Chairwoman of the Committee, independent member, is a graduate of the University of Paris IX Dauphine and Paris X Nanterre. She worked for ten years as a property and structured finance lawyer at international firms. In 2005, she joined Morgan Stanley as Chief Financial Officer for property investment funds under its management. In 2010 she founded a property financial advising firm, of which she is Manager. In 2020, she was appointed Managing Director of Eastdil Secured SAS, the French subsidiary of the international property investment bank;
- Alain Dassas, independent member, representative of ABP (APG) Fund, was Director of Banking Relations and Financial Markets at Renault, CFO at Renault Crédit International and Director of Financial Operations and Financial Services at Renault;
- Matthieu Lance, a graduate of the École Centrale de Paris, was Managing Director Corporate Finance at BNP Paribas (2007-2016), Deputy Global Head and then Global Co-Head of Mergers & Acquisitions at Crédit Agricole CIB (2017-2022). Since March 2022, he has been Deputy Director of Investments, responsible for real assets and investments at Crédit Agricole Assurances Group;
- Éliane Frémeaux, independent member, was a partner in the Notary firm of SCP Thibierge & Associés until 18 October 2012. She is a member of the Legal Studies Institute of the Conseil Supérieur du Notariat. She was also a member of the Joint Ownership Commission representing the Conseil Supérieur du Notariat at the Chancellery and of the Commission on Polluted Sites and Soils within the Conseil Supérieur des Installations Classées;
- Léonore Reviron is a graduate of EDHEC Business School. From 2008 to 2011, she was a financial audit Manager at Ernst & Young. In 2011, she joined a listed REIT group, where she served as a corporate financial analyst until 2013, when she became a financial risk Manager. She currently holds the position of Project Manager in a consulting, accounting and statutory audit firm.

Independence

Three of the Audit and CSR Committee's five current members are independent. As a result, the Company complies with legal requirements, which require the Audit Committee to include at least one independent member. The proportion of independent members is sixty per cent, only marginally below the two-thirds recommended in the AFEP-MEDEF Code. The Committee does not include any executive corporate officers, complying with recommendation 18.1 of the Code.

Tasks and responsibilities

The Audit and CSR Committee helps the Supervisory Board in its role of oversight and control of the Company. It is responsible for the following tasks:

- monitoring the process for preparing financial information and, where appropriate, making recommendations to ensure its integrity. In the event of failures in the process, the Committee makes sure corrective measures have been applied. The Committee reviews significant risks and off-balance sheet commitments, assesses the seriousness of malfunctions or deficiencies of which it is made aware, and informs the Supervisory Board, if necessary. The Audit Committee also reviews the scope of consolidation and, where applicable, the reasons for which companies are not included;
- monitoring the effectiveness of systems of internal control and risk management, as well as any internal audits, in respect of procedures for producing and processing accounting and financial information. In the event shortcomings are identified, the Committee ensures that appropriate action plans have been put in place and the situation has been addressed. To this end, it is informed of the main findings of the Statutory Auditors and internal audit. It meets with the Heads of internal audit and risk control and advises on the organisation of their departments. It is informed of the internal audit programme and receives internal audit reports and/or periodic summaries;
- monitoring of the Statutory Auditors' work. The Committee reviews the main risks and uncertainties identified by the Statutory Auditors in the parent company and consolidated financial statements, including the half-year financial statements. The Committee also reviews their audit approach and any difficulties they encountered in their work;
- examination and monitoring of compliance by the Statutory Auditors with the criteria for independence. It ensures compliance with the rules for the rotation of Statutory Auditors and their signing partners. The Committee monitors the budget for the Statutory Auditors' fees to ensure that it is appropriate to their work. The Committee makes sure that the Co-Statutory Auditor is effective;
- approval of the provision by the Statutory Auditors or their respective network of services other than the certification of the financial statements to the Company or its subsidiaries. At its meeting of 20 February 2017, the Audit and CSR Committee decided unanimously to authorise the Statutory Auditors to provide certain services other than audit of the financial statements corresponding to (i) the missions required by law or regulations and (ii) the usual missions provided by Statutory Auditors which posed no risk to their independence given their purpose and the terms and conditions under which they would be carried out. The Statutory Auditors must provide the Audit and CSR Committee with a half-year report on these services. All other services must be authorised in advance by the Audit and CSR Committee;
- verification of the arrangements made by the Company in order to guarantee business continuity, with particular reference to documentation, files, systems and the protection of the Company against fraud and malicious acts;
- ensuring that the Company's operations comply with all applicable laws and regulations.

The Audit and CSR Committee must be consulted about:

- the appointment of the Statutory Auditors. It recommends Statutory Auditors which the Supervisory Board then proposes to the General Shareholders' Meeting for appointment on the basis of a call for tenders. It also issues a recommendation to the Meeting when the appointment of the auditor or auditors comes up for renewal;
- any significant changes in accounting methods and principles that may seem likely or necessary;
- half-year and full-year financial statements.

Also, as from financial year 2023, issues of Corporate Social Responsibility (CSR) are now the subject of in-depth preparatory work carried out by the Audit and CSR Committee before being presented to the Supervisory Board. The Supervisory Board meeting of 28 February 2023 was the first to benefit from upstream work by the Audit and CSR Committee on all CSR-related topics. The Committee's conclusions were presented by its Chairman to the Board, contributing to the review of:

- the resolution on 'Say on Climate' to be presented to the 2023 General Shareholders' Meeting;
- the Company's Climate strategy;
- the EU taxonomy;
- the Declaration on Extra-Financial Performance (DPEF);
- extra-financial risks to which the Group is exposed, including social and environmental risks.

The Audit and CSR Committee reports on its work regularly to the Supervisory Board. It also reports on its work to certify the financial statements, how this mission contributed to the integrity of the financial information and on the role it played in this process. It immediately reports any problem encountered.

The Audit and CSR Committee maintains working relationships with the Company's Management, internal controllers, internal auditors and Statutory Auditors. It may ask the Statutory Auditors to attend Committee meetings to answer questions about subjects within their competence. The Audit and CSR Committee may also ask a Company employee to attend a meeting, in order to clarify a specific issue. The Audit and CSR Committee recommends to the Supervisory Board all measures it deems useful. If it deems necessary, the Committee may call on external experts, ensuring their competence and independence.

Proceedings – Minutes

The Committee is quorate when at least half of the members are present. Recommendations are adopted by a majority of members present. The Chairman has a double vote in the event of a tie. If it deems it necessary to do so, the Audit and CSR Committee prepares minutes of its meetings; these minutes are drafted by the Chairman. The Chairman presents its report on the half-year and full-year financial statements to the Supervisory Board.

Frequency of meetings – Work of the Committee

The Audit and CSR Committee meets when convened by the Chairman, on dates set according to the Company's schedule for approving the half-year and full-year financial statements. A meeting can be called at any time if necessary. Notices of meeting may be sent by any means (post, fax, email, etc.). The Group's Finance Department sends any necessary documentation prior to the Meeting.

During the 2022 financial year, the Committee met two times to examine the following points:

- Meeting of 18 February 2022: review of the draft financial statements as of 31 December 2021; presentation of the main risks to which the Group is exposed, including social and environmental risks; review of the 2021 internal audit plan and presentation of the 2022 internal audit plan; presentation of the main internal control and risk management actions to be carried out in 2022; presentation of portfolio property appraisals; report on the work of the Statutory Auditors; update on insurance;
- Meeting of 26 July 2022: review of the draft half-yearly financial statements at 30 June 2022; presentation of the main internal control and risk management actions carried out during the first half-year 2022; follow-up of the 2022 audit plan; presentation of portfolio property appraisals; update on interest rate management; report on the work of the Statutory Auditors.

In addition to the Statutory Auditors, these meetings were attended by the Group Chief Financial Officer, the Group Deputy Chief Financial Officer, the Group Director of Audit and Internal Control, the Director of Corporate Legal Affairs, the Director of Consolidation and the Chief Accountant.

The Committee also approved the provision by the Statutory Auditors or their network of non-audit services to the Company or its subsidiaries.

Compensation and Nomination Committee

Composition

The Compensation and Nomination Committee is composed exclusively of members of the Supervisory Board independent of Company Management.

The Committee currently consists of the following members:

- Alain Dassas, independant Chairman of the Committee;
- Philippe Mauro, Secretary of the Committee;
- Michaela Robert, independent member;
- Marie-Catherine Chazeaux, member representing employees.

The Compensation and Nomination Committee currently has two independent members, Alain Dassas and Michaela Robert. As a result, the Company complies with recommendation 19.1 of the AFEP-MEDEF Code, which requires that a majority of members of the committee responsible for compensation be independent. In addition, the Committee is chaired by an independent member and does not include any executive corporate officers.

In addition, in accordance with the aforementioned recommendation, a member of the Board representing employees, Marie-Catherine Chazeaux, was appointed in November 2022 as a member of the Compensation and Nomination Committee.

The Committee benefits from the cross-functional roles of Michaela Robert and Alain Dassas, who are also respectively Chairwoman and member of the Audit and CSR Committee, particularly when reviewing management performance in extra-financial matters and assessing the appropriateness of the CSR performance criteria to put to the Supervisory Board for setting the components of its compensation.

Responsibilities

The Compensation Committee was formed by the Supervisory Board on 26 July 2012, in accordance with Article 18 of the Articles of Association. On the recommendation of its Chairman, the Supervisory Board voted to grant the Committee powers wider than those provided for by the Articles of Association. The Committee makes proposals concerning the compensation not only of Management but also of the members of the Supervisory Board and, where applicable, the Group's senior executives.

In November 2022, the Supervisory Board decided that the Compensation Committee would now also act as the Nomination Committee, taking on the additional task of proposing candidates in the event of a change in the composition of the Supervisory Board. As a result of its new duties, the Compensation Committee was renamed the "Compensation and Nomination Committee".

As such, it is required to:

- examine the independence of the members of the Supervisory Board annually and on the appointment of a new member of the Board;
- structuring and applying the procedure for selecting future independent members of the Supervisory Board. On its proposal, the Supervisory Board included this procedure in its Rules of Procedure at the end of its meeting of 28 February 2023;
- make proposals to the Supervisory Board, having scrutinised all relevant factors relevant to its deliberations, in particular in light of the composition of and changes to the Company's shareholding structure, in order to achieve a balanced composition of the Board, particularly in terms of gender representation, independence, experience and expertise, etc.;
- manage the conduct of the three-year formal assessment of its operations with the help of an external consultant.

If it deems necessary, the Committee may call on external experts, ensuring their competence and independence. It used this option on several occasions, most recently in 2019 by commissioning a report from consultants Towers Watson.

Work

In 2022, the Committee met once to examine the proposal of the General Partner relating to the Management compensation policy for the financial year 2022, on which it issued a favourable opinion and to propose to the Board the compensation policy for members of the Supervisory Board, as well as the components of compensation for Management and the Supervisory Board for the financial year 2022, subject to the approval of the aforementioned policies by the General Shareholders' Meeting.

Participation in Board and Specialist Committee meetings in 2022

	Supervisory Board		Audit and CSR Committee		Compensation and Nomination Committee	
	Attendance/No. of meetings	Attendance rate	Attendance/No. of meetings	Attendance rate	Attendance/No. of meetings	Attendance rate
Christian de Gournay *(Chairman of the Board)*	5/5	100%				
Alain Dassas *(Permanent representative of APG)*	5/5	100%	2/2	100%	1/1	100%
Catherine Leroy *(Permanent representative of Alta Patrimoine)*	5/5	100%				
Philippe Jossé *(Permanent representative of ATI)*	5/5	100%				
Marie-Catherine Chazeaux	5/5	100%				
Françoise Debrus (member until 7 March 2022)	0/2	0%	0/1	0%		
Matthieu Lance (member since 7 March 2022)	3/3	100%	1/1	100%		
Éliane Frémeaux	5/5	100%	2/2	100%		
Bertrand Landas	5/5	100%				
Philippe Mauro	5/5	100%			1/1	100%
Jacques Nicolet	5/5	100%				
Najat Aasqui *(Permanent representative of Predica)*	5/5	100%				
Léonore Reviron	5/5	100%	2/2	100%		
Michaela Robert	5/5	100%	2/2	100%		
Dominique Rongier	5/5	100%	1/1	100%	1/1	100%
Average attendance rate		**97%**		**91%**		**100%**

Assessment of the work of the Board and specialist committees

In accordance with its Rules of Procedure, the Supervisory Board regularly assesses its operations and the performance of its duties. To this end, once a year, the Board devotes an item on its agenda to a debate on its operation. In addition, it conducts a formal assessment at least every three years, with the help of an external consultant, in accordance with the recommendations of the AFEP-MEDEF Code.

In 2021, the Supervisory Board carried out the first external assessment of its operation, conducted by an independent consulting firm, which took the form of questionnaires and individual interviews with each of the members of the Supervisory Board.

The summary of the results of this external assessment was presented to the Board at its meeting of 30 July 2021 by the Chairman of the Board, an independent member.

The results show that Board members are generally satisfied with the functioning of the Board. The Board is unanimously perceived as serious, transparent, constructive and effective. Its members share a common view of its role, which they accept. The Board's culture is considered professional, rigorous, organised and polite, the atmosphere being direct and constructive, and the agenda being reasonably constructive and effective sometimes at the expense of the depth of the discussions.

Taking into account the wishes expressed by the members of the Supervisory Board, the main areas for improvement identified were as follows:

- "reinvigorate informal communication, cohesion between members and dialogue outside the Board", in particular by spending time together socially at the end or outside of the meetings, such moments having become rare due to successive COVID-19 lockdowns. This measure was implemented immediately, when possible in view of health constraints. The members of the Board were invited by the Management to the inauguration of the new Issy Cœur de Ville district, the Group's flagship project in 2022 and particularly exemplary in terms of the environment;
- improve "the time it takes for members to receive information in advance of Board and committee meetings, so they can be better prepared". To this end, best efforts will be made to make sure documentation is communicated one week in advance, as was the case at subsequent meetings;
- invite Board members "to express themselves more: sharing their own professional experiences, observations of the market and practices of competitors". With this in mind, it was proposed to hold four meetings per year, one per quarter, instead of the previous frequency of two or three meetings per year. In 2021 and 2022, five Supervisory Board meetings were held annually.

At the end of its meeting of 28 February 2023, the Supervisory Board had an opportunity to discuss its operations and the preparation of its work, without the presence of the Company's executive corporate officers (executive session).

6.2.4 Executive Management

6.2.4.1 General Management

As a SCA (*société en commandite par actions*, a French partnership limited by shares), it is run by the Management. One of the latter's key roles is to decide the Group's strategic direction.

The Company is managed by Altafi 2 and Atlas, both chaired and controlled by Alain Taravella. Jacques Ehrmann, Chief Executive Officer of Altafi 2, is notably Manager of Altarea Management, a wholly-owned subsidiary of Altarea (see Section 6.2.1 below).

6.2.4.2 Operating departments

Ludovic Castillo is in charge of the Retail REIT business. He is Chief Executive Officer of Foncière Altarea and Manager of Altarea France.

Within the Residential Property Development division, the main senior executives are Vincent Ego, Chief Executive Officer of Cogedim, Alexis Moreau, Chief Executive Officer of Pitch Immo, Rodolphe Albert, Chairman of Histoire et Patrimoine and Julien Pemezec, Chief Executive Officer of Woodeum.

Adrien Blanc is in charge of the Office Property Development division, notably as Manager of Altarea Entreprise Holding.

Baptiste Borezée, Deputy Chief Executive Officer of Altarea, is notably in charge of Strategy, M&A and Group Services. As such, he is Chairman of Altarea Investment Managers.

6.2.4.3 Committees

Bearing in mind that the main subsidiaries of Altarea[1] feature operational committees, several committees hold regular meetings to examine going concerns and assist Management in decision-making.

These are mainly the Group Executive Management Committee and the Management Committees at the business lines (Altarea Development Management Committee, Altarea Entreprise Management Committee and Altarea Commerce Management Committee) and the Brand Management Committees (notably the Cogedim Management Committee, Pitch Immo Executive Committee and Histoire & Patrimoine Executive Committee).

GROUP EXECUTIVE COMMITTEE

The Group's Executive Committee includes eleven members around Alain Taravella and Jacques Ehrmann:

- Éric Dumas, Group Chief Financial Officer;
- Nathalie Bardin, Director of Strategic Marketing, CSR and Innovation;
- Adrien Blanc, Chairman of Altarea Entreprise;
- Baptiste Borezée, Deputy Chief Executive Officer in charge of Strategy, M&A and Group Services;
- Ludovic Castillo, Chairman of Altarea Commerce;
- Rodrigo Clare, Deputy Chief Executive Officer of Altarea Commerce;
- Vincent Ego, General Manager Residential and Business Property at Cogedim;
- Karine Marchand, Group Director of Human Resources;
- Alexis Moreau, Chief Executive Officer of Pitch Immo;
- Rodolphe Albert, Chairman of Histoire & Patrimoine;
- Julien Pemezec, Chief Executive Officer of Woodeum.

The Executive Committee generally meets once or twice a month. It supports Management in its general duties by disseminating and implementing the strategies it has defined.

In addition, a Managers Committee, the Group's information and discussion body, comprising, at the end of 2022, 356 members occupying the most important positions within the Group, meets once or twice a year.

(1) See Section 6.2.3.2 above, for a presentation of the Supervisory Board's specialist committees.

6.2.4.4 Gender diversity policy in governing bodies

For several years now, the Altarea Group has pursued a proactive policy to promote gender balance and professional equality, as the real estate sector has historically been male dominated.

In terms of gender diversity in management bodies, and more broadly in positions of greater responsibility, the objective set by management in 2022 is to have at least 30% of women in management positions by 2027 and 40% by 2030, including operational and strategic positions, within the Group, as well as in the Management Committees of the subsidiaries and corporate functions.

To achieve these objectives, while continuing to base the appointment policy mainly on internal promotion, the Group is taking the following actions:

- establish a pool of female talent by increasing the proportion of women in the Managers Committee each year. At 31 December 2022, this Committee was composed of 356 members holding the most important positions within the Group, of which 30.1% were women. This will provide a better pool of candidates to fill future vacancies on the management committees of the Group's various units.

  To facilitate implementation, a target of having women fill 60% of vacancies arising on the Management Committee (by external recruitment or by internal mobility and promotion) was introduced as an extra-financial performance criterion:
  - in March 2021, as one of the criteria for the Long-Term Bonus for Group executives, which was continued for the 2022 bonus; and
  - in May 2021, *via* an amendment to the Company's profit-sharing agreement for 2021 and 2022,

  this 60% target having proved particularly difficult to achieve.
- in December 2021, Altarea signed the Charter of Commitment to gender parity and gender equality in companies and organisations in the real estate sector. The achievement of the targets for women's representation in 2027 (30%) and 2030 (40%) is also included as an aim of this charter.

This commitment to balanced gender representation resulted, at the end of the 2022 financial year, in the following proportions of women:

- 37% in the Group's management bodies (Group Executive Committee and Management Committees of subsidiaries and corporate functions) (*vs.* 27% at end-2021);
- 30.1% in the Managers' Committee (*vs.* 29.6% at end-2021);
- 49.8% among Managers (*vs.* 48.8% at end-2021).

In accordance with the recommendations of the AFEP-MEDEF Code, these targets and the measures to achieve them have been presented to the Supervisory Board, which will be informed of the results achieved on an annual basis.

For more information on the measures taken within the Group to promote gender equality in the workplace, please refer to Sections 4.4.2 (see paragraph "Fair pay") and 4.4.3 (see paragraph "Promotion of gender equality") of this document, which includes the scores of the Group's UES on the gender equality index.

6.2.4.5 No undisclosed firm commitments made by management

As of the date of this document, the management bodies have made no firm commitment on significant investments about which the Company has not provided information.

6.2.5 Additional information

6.2.5.1 Absence of conflicts of interest

No conflicts of interest have been detected at the level of the Company's administrative, management and supervisory bodies, or at the level of its Management, between the duties of those bodies and any other potential duties they might have.

In accordance with the Supervisory Board's Rules of Procedure, each person participating in the work of the Board, whether a member of the Board or a permanent representative of a legal entity that is a member of the Board, must act in all circumstances in the Company's interest. and may not use his or her title or duties as a member of the Supervisory Board to secure, or provide to a third party, any pecuniary or non-pecuniary advantage. All such persons or entities have an obligation to exercise their best efforts to determine in good faith the existence or not of a conflict of any actual or potential conflict of interest, and inform the Chairman of the Board as soon as they become aware of such a conflict, between themselves or the company of which they are permanent representative (or any other company of which they are an employee or corporate officer or belonging to the same group) and the Company or any company belonging to its group.

These provisions apply in particular when, in respect of any transaction under consideration or undertaken by the Company or any company in its group, a member of the Board or a company of which a member of the Supervisory Board is an employee or corporate officer (or of any company in the same group) may have competing or opposing interests to those of the Company or companies belonging to its group.

In such circumstances, the member concerned (or their permanent representative) must take the necessary measures to remedy the conflict (if necessary by abstaining from any deliberations and votes of the Supervisory Board or any committee relating to the conflicted transaction), and generally to comply with a strict duty of confidentiality.

In particular, if a conflict of interest arises during the review of an investment case, the member concerned must, as soon as they become aware of it, notify the Chairman of the Board and abstain from participating in the discussions and votes of the Supervisory Board on all agenda items related to the proposed investment.

Each year, the Supervisory Board reviews, on a case-by-case basis, the independence of its independent members based on the criteria in the AFEP-MEDEF Code.

To the Company's knowledge, there are no restrictions for the members of the Supervisory Board and Management of the Company on the sale of their shareholding in the Company, other than:

- the obligations set out by the Group in the Supervisory Board rules of procedure and its annex concerning stock market ethics, and, in general, law and regulations requiring members to abstain from trading in the Company's shares in certain circumstances to prevent ethical breaches or insider trading;
- the stipulated restrictions on the free disposal of shares, as applicable, relating to the pledge of financial securities accounts where holders had deposited the Company's shares (see 7.1.5 below).

6.2.5.2 Convictions, bankruptcies, prosecutions

To the Company's knowledge and in view of the information at its disposal, none of the Co-Managers or the Company's Supervisory Board members has, in the past five years:

- been convicted of any fraud;
- been the subject of a bankruptcy, receivership or liquidation order;
- been the subject of any prosecution or of any official public sanction imposed by statutory or regulatory authorities (including designated professional bodies).

6.2.5.3 Agreements entered into between an executive officer or a significant shareholder and subsidiaries

Except for agreements relating to current transactions and conducted on arm's length terms, no agreement has been concluded between an executive officer or a major shareholder and Company subsidiaries.

6.2.5.4 Procedure for assessing current agreements

At its meeting of 2 March 2020, the Supervisory Board adopted an internal charter on related-party agreements and commitments. This charter is part of:

- the procedure for the regular assessment of current agreements entered into on arm's length terms introduced by Law no. 2019-486 of 22 May 2019 on the growth and transformation of companies (Pacte Law) and codified in Article L. 22-10-12 of the French Commercial Code, applicable to partnerships limited by shares (SCAs) whose shares are admitted to trading on a regulated market pursuant to Article L. 226-10 of the Code; and
- AMF recommendation no. 2012-05 of 2 July 2012, amended on 29 April 2021, and specifically its proposition no. 4.1.

The purpose of the charter is twofold:

- to provide a reminder of the regulatory framework applicable to related-party agreements and commitments and to provide details of the valuation methodology and procedure applied internally by the Company to classify the various agreements;
- to implement a procedure to regularly assess agreements relating to current transactions entered into on arm's length terms, ensuring that persons directly or indirectly affected by such agreements take no part in the assessment.

It takes into account the study by the Compagnie Nationale des Commissaires aux Comptes (CNCC) on related-party and current agreements published in February 2014.

The Charter applies to Altarea and all its French subsidiaries whose shares are traded on a regulated market and are subject to the regulations on related-party agreements.

6.3 Compensation of administrative, management and supervisory bodies

6.3.1 Principles and rules

6.3.1.1 Management

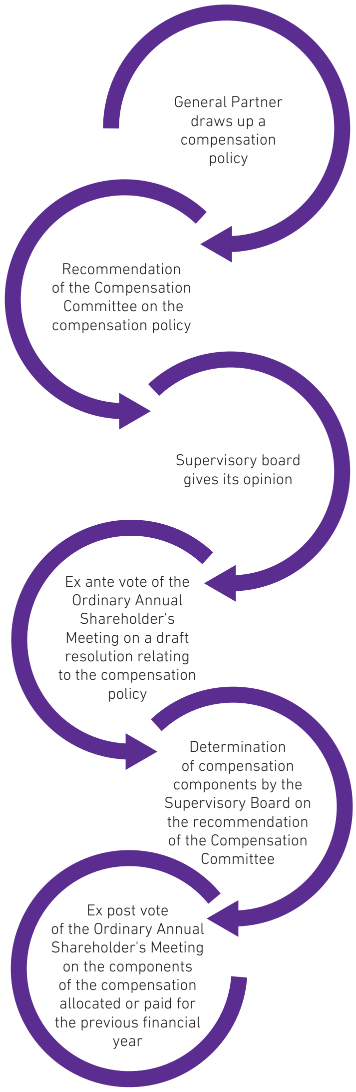
The Order of 27 November 2019 on compensation for corporate officers of listed companies, implementing the Pacte Act of 22 May 2019, brings in new rules applicable to partnerships limited by shares listed on a regulated market, as of the General Shareholders' Meeting called to approve the 2019 financial statements. They are codified in Articles L. 22-10-76 et seq. of the French Commercial Code and require a system for consulting shareholders *ex-ante* and ex-post, whereas Altarea management compensation was previously decided and agreed at the General Shareholders' Meeting itself in accordance with the Company's Articles of Association.

Article 26.3 of the AFEP-MEDEF Code, to which the Company refers, recommended consultation with the shareholders on the compensation of each executive corporate officer. The Company's practice with respect to establishment of Management compensation went beyond that recommendation. As such, Management compensation, paid in fees, was determined directly by the Ordinary General Shareholders' Meeting, which had a real decision-making power, a power that was exercised *ex ante*. The General Shareholders' Meeting was not simply consulted *ex-post* to approve or disapprove of compensation awarded to Management by another Company body. Management compensation was set directly and in advance by the General Shareholders' Meeting. The General Shareholders' Meeting therefore had no need to issue an opinion on its own decisions.

Pursuant to the new rules resulting from the aforementioned Order of 27 November 2019, management compensation is no longer set at the General Shareholders' Meeting itself but determined according to a compensation policy which sets out all its fixed and variable components and explains the decision-making process followed in its determination, revision and implementation.

This compensation policy must be established each year by the General Partner after consulting the Supervisory Board acting on the recommendation of the Compensation and Nomination Committee.

Simplified description of the process used to set the compensation of the Management



A draft resolution is then submitted for the approval of the General Shareholders' Meeting each year and each time the ordinary compensation policy is changed significantly (*ex-ante* vote). If the resolution is not approved, the most recently approved compensation policy continues to apply and a revised compensation policy is submitted at the next Ordinary General Shareholders' Meeting.

The compensation components themselves will then be determined, allocated or decided by the Supervisory Board in application of the compensation policy approved by the General Shareholders' Meeting. In exceptional circumstances, it is possible to waive the application of the compensation policy if this exemption is temporary, in line with the Company's interests and necessary to guarantee the Company's sustainability or viability.

The shareholders will be consulted at a General Shareholders' Meeting on the compensation components actually paid or allocated to the Managers (*ex post* vote).

6.3.1.2 The Supervisory Board

In accordance with the Articles of Association, the General Shareholders' Meeting can allocate annual compensation to Supervisory Board members solely for their duties as members of the Supervisory Board. The amount of compensation paid is included in general operating expenses. The Supervisory Board divides this amount among its members as it deems appropriate. Supervisory Board members are also entitled to the reimbursement of all expenses, travel costs and costs of any kind incurred in the Company's interests.

The General Shareholders' Meeting of 20 May 2009 decided to allocate total compensation of €600,000 to the members of the Supervisory Board in respect of 2009 and for each subsequent year until the Ordinary General Shareholders' Meeting should decide otherwise. This total annual amount, unchanged since then, was increased to €620,000 by the General Shareholders' Meeting of 24 May 2022.

Also, in application of the new rules above, brought in by the Order of 27 November 2019, the Supervisory Board now draws up, on an annual basis, a compensation policy for its members which is put to vote at the Annual General Shareholders' Meeting (*ex-ante* vote).

The individual components of the compensation for the members of the Supervisory Board are then determined, allocated or decided by the Supervisory Board in application of the compensation policy approved by the General Shareholders' Meeting.

The shareholders will be consulted at a General Shareholders' Meeting (*ex-post* vote) on the compensation components actually paid or allocated to the Managers.

Chairman of the Supervisory Board

Since 2013, the compensation of the Chairman of the Supervisory Board has been set at a fixed annual amount, in total and exclusive of any other compensation. Initially set at €300,000 gross annually, on the proposal of the Compensation Committee, the Supervisory Board decided to change, as from 1 July 2019, the amount of the annual compensation of the Chairman of the Supervisory Board to an aggregate amount of €250,000, charged against the annual fees allocated by the General Shareholders' Meeting to Supervisory Board members. This compensation method for the Chairman of the Supervisory Board has since been renewed and complies with the compensation policy approved annually by the Ordinary General Shareholders' Meeting.

Supervisory Board members

In order to encourage members to take an active part in the work of the Supervisory Board and after having reviewed the compensation allocated for attendance by comparable companies, the Supervisory Board at its 26 February 2019 meeting decided to set, as from 1 January 2019 the compensation for attending each meeting of the Board and its specialist committees at €3,000.

6.3.2 Compensation policy for the financial year 2023

In line with the provisions applicable to partnerships limited by shares (SCAs) listed on a regulated market, brought in by the aforementioned order of 27 November 2019 and codified in Articles L. 22-10-76 et seq. of the French Commercial Code, the 2023 Ordinary General Shareholders' Meeting will be asked to vote on the compensation policy for Management and Supervisory Board members for financial year 2023.

On 28 February 2023 the components of this policy, described below, were drawn up by the Supervisory Board, for compensation of its members, and by the General Partner, after consulting the Supervisory Board, for compensation of Management, the Supervisory Board having acted after consultation of the Compensation and Nomination Committee.

The compensation policy for corporate officers must be in the Company's interests, competitive and in line with Company strategy, helping to ensure its long-term viability and support its financial and extra-financial performance.

6.3.2.1 Management compensation policy

The Management compensation policy for 2023 described below was drawn up by the General Partner and approved unanimously at the Supervisory Board meeting of 28 February 2023, after reviewing the Compensation and Nomination Committee's proposals:

- the Supervisory Board is responsible for determining the components of management compensation, paid as fees, based on proposals from the Compensation and Nomination Committee and taking account of the AFEP-MEDEF Code principles: completeness, balance of different components of compensation, benchmarking, consistency, comprehensibility of rules and measurement;
- the Supervisory Board and Compensation and Nomination Committee will take into consideration all market practice studies (benchmarks) and exceptional events in the financial year;
- management compensation, paid as fees, comprises a fixed annual component and a variable annual component determined according to the recommendations of the AFEP-MEDEF Code;

- the fixed annual compensation must enable management to provide a continuous, high quality service to the Company and its Group. In principle, it should only be reviewed at relatively long intervals. It must take into account other components of compensation, in particular fixed compensation, paid by other Group companies in respect of the duties and responsibilities exercised in these companies. For the 2023 financial year, it must be set in a range between €900,000 and €2,000,000, taking into account the above;
- it is intended that the variable component should link a significant portion of management compensation to Group performance. It is decided annually and can also have a long-term component intended to best align management's interests with those of the shareholders to create long-term value.

  The Supervisory Board must precisely define the quantifiable and qualitative criteria used to determine the conditions for awarding variable management compensation, incorporating multiple criteria related to Corporate Social Responsibility, including at least one criterion linked to the Company's climate objectives. These precisely defined criteria must reflect the most important social and environmental issues facing the Company with quantifiable criteria given priority.

  The quantifiable criteria must be simple, relevant and in line with corporate strategy. They must be preponderant. They must in particular be linked to the main financial indicators generally used to assess the Group's financial performance, notably those usually communicated to the market such as the FFO (funds from operations). If the FFO is selected as a criterion, the corresponding variable annual compensation should be a progressive percentage of FFO per share multiplied by the diluted average number of shares in the financial year.

  The qualitative criteria must be specific and primarily tied to the Group's priority sustainability and Corporate Social Responsibility targets, GRESB[1] rating or status for example. When qualitative criteria are used, the qualitative component of the variable annual compensation must be capped. The variable compensation tied to the qualitative criteria must be between 35% and 100% of the annual fixed compensation.

  The variable or exceptional components allocated for the financial year cannot be definitively paid to management before they have received the approval of the General Shareholders' Meeting (*ex-post* vote) and the consent of the General Partner:
- if there is more than one Manager, they decide how to distribute the compensation amongst themselves. The principle of awarding a global management compensation is set out in Article 14 of the Company's Articles of Association;
- if applicable, any natural persons, legal representatives of the legal persons in the Company's management, who are called upon to perform duties not related to management of the Company, can be paid under the terms of a corporate mandate by the subsidiary in question. The fixed components, and any variable components (including bonus shares), of this compensation must be decided on the basis of the duties and responsibilities involved;
- the components of management compensation must be sufficiently competitive to attract and retain the best people and talent and best align the interests of the beneficiaries with those of the shareholders to further long-term value creation. Where applicable, the experience of the beneficiaries and the market practices of comparable companies are also taken into account;
- they are examined each year to check that they are still in line with the Company's strategy and current situation and the Compensation and Nomination Committee will take care to ensure the performance conditions are appraised on the same basis over several years and the quantitative criteria of the variable composition take precedence over the qualitative criteria.

6.3.2.2 Compensation of the Supervisory Board members

Following the recommendation of the Compensation and Nomination Committee, the Supervisory Board has decided to renew, for the financial year 2023, the compensation policy for its members for the financial year 2022 voted by the General Shareholders' Meeting of 24 May 2022 as follows:

- Supervisory Board members receive compensation for attending meetings of the Board and its specialist committees, the maximum amount of which is approved by vote of the General Shareholders' Meeting and its distribution decided by the Supervisory Board itself. In line with the AFEP-MEDEF Code recommendations, the variable component of this compensation is therefore the most important. It must encourage members to take an active part in the Supervisory Committee's work;
- a global fixed compensation may be granted to the Chairman of the Supervisory Board, the amount of which must be taken from the total amount allocated by the General Shareholders' Meeting and may be exclusive of all other compensation. In accordance with the AFEP-MEDEF Code, the Chairman of the Supervisory Board receives no variable annual compensation, variable multi-year compensation or long-term profit-sharing incentives such as stock options or performance shares. At the 2024 General Shareholders' Meeting, shareholders will again be asked to vote on the compensation components payable or allocated to the Chairman of the Supervisory Board for financial year 2023, it being specified that payment of the Chairman's fixed compensation for that financial year is not subject to the approval of the said General Shareholders' Meeting. For the record, the Supervisory Board, on the recommendation of the Compensation Committee, reduced its Chairman's compensation from the figure of €300,000 gross per annum, set in 2013, to €250,000 gross per annum from 1 July 2019 (see 6.3.1.2 above);
- in addition to the compensation they receive for attending meetings, other members of the Supervisory Board may be granted compensation for *ad hoc* assignments they are asked by the Supervisory Board to undertake in accordance with current regulations;
- the annual overall budget for compensation of the members of the Supervisory Board, set at €620,000 by the General Shareholders' Meeting of 24 May 2022, constitutes an overall ceiling that will be unchanged in financial year 2023, unless decided otherwise by the General Shareholders' Meeting;
- Supervisory Board members may also be reimbursed for all reasonable costs and expenses incurred while undertaking their duties if they provide all the necessary supporting documents.

(1) The Global Real Estate Sustainability Benchmark (GRESB), a leading international ranking, annually assesses the CSR performance of real estate companies around the world.

6.3.3 Information on compensation for financial year 2022

6.3.3.1 Compensation components due or paid for financial year 2022

Pursuant to the provisions of Article L. 22-10-77 of the French Commercial Code, the 2023 General Shareholders' Meeting will be called upon to approve the components of compensation paid or allocated in respect of the 2022 financial year through:

- a general resolution on all compensation paid to corporate officers; and
- separate resolutions for the Management and the Chairman of the Supervisory Board.

The compensation paid or allocated to Jacques Ehrmann, Chief Executive Officer of Altafi 2, as Manager of Altarea Management, a wholly-owned subsidiary of the Company, is also set out below even if it does not strictly speaking fall within the scope of the Management compensation policy.

Components of the compensation paid or allocated to Management

In accordance with the management compensation policy adopted by the General Shareholders' Meeting of 24 May 2022, the management compensation in the form of fees, due for the financial year 2022, was unanimously set by the Supervisory Board, on the recommendation of the Compensation Committee, as follows, including a fixed portion and a variable portion linked to the Group's economic and CSR performance:

1. fixed annual compensation in the amount of €900,000, excluding taxes, payable in four equal amounts on a quarterly basis and non-revisable;
2. variable annual compensation consisting of two items:
   - variable annual compensation equal to a progressive percentage of a portion of the amount of FFO per share, multiplied by the diluted average number of shares during the financial year, namely:
     - 1.5% of the amount of FFO per share ranging from €13.00 to €15.50, the amount obtained being multiplied by the average number of diluted shares for the financial year in question,
     - 3% of the amount of FFO per share exceeding €15.50, the amount obtained being multiplied by the average number of diluted shares for the financial year in question,

     it being specified that the average number of diluted shares for the financial year is published in the Company's annual report and that this variable compensation will be provisionally payable no later than 31 March following the end of the financial year;
   - variable annual compensation dependent upon the company's GRESB Green Star[1] rating, namely:
     - upon achieving or maintaining five stars in the GRESB Green Star rating, the variable compensation shall be equal to €350,000 excluding taxes,
     - upon achieving or maintaining four stars in the GRESB Green Star rating, the variable compensation shall be equal to €175,000 excluding taxes,
     - there shall be no variable compensation in this respect under the level of four stars,

     it being specified that this variable compensation will be provisionally payable each year in the month following the achievement of the GRESB Green Star classification.

Management does not receive variable multi-year compensation, long-term profit sharing, benefits in kind, severance or non-competition payments or a pension plan.

It should be noted that Altafi 2, Co-Manager, also manages Altareit, which is a listed subsidiary99%-owned by the Company, which forms the parent company for the Group's development and diversification division. In this respect, the Supervisory Board of Altareit set the compensation of the management of Altareit, in accordance with the compensation policy approved by the General Shareholders' Meeting of said company, by providing for a fixed annual fee of €900,000 excluding tax, and a potential variable fee composed of two parties:

- variable compensation based on financial criteria, equal to 1.5% of the amount of consolidated net income Group share above €60 million for the 2022 financial year; and
- variable compensation based on extra-financial criteria, up to a maximum of €350,000 excluding tax, allocated to the Management proportionally based on the following criteria:
  - climate theme (50%): deployment of the decarbonisation strategy in property development activities;
  - human resources management (25%): quality of team management; and
  - human resources management (25%): quality of social dialogue.

In accordance with the principles of measurement and comprehensiveness set out in the AFEP-MEDEF Code, taking into account all compensation paid by companies in Altareit's Group, the Company's Supervisory Board decided to cap in 2022 the total amount of fixed and variable fees that may be received by Altafi 2 in respect of its duties as Manager of Altarea and Altareit at €4,000,000 excluding tax.

(1) Global Real Estate Sustainability Benchmark, a leading international ranking benchmark that assesses the CSR performance and policies of real estate companies each year.

The details of the compensation due to the Management in 2022 are presented in the table below, it being specified that Altafi 2 was the sole beneficiary of the compensation of the Management, neither Alain Taravella nor Atlas receiving any compensation for his role as Manager:

Compensation components due *(€ thousands)*	**2021**	**2022**	**Comments**
Fixed compensation (in the form of fees)	1,000	900	All fees paid to Altafi 2 (one quarter per quarter) Reduced by €100 thousand vs. 2021 on proposal of the General Partner Compensation in accordance with market practice at comparable companies Includes fees paid to Altafi 2 by Altareit, Altarea Group company, for functions and responsibilities exercised in this company (see below).
Variable annual compensation (in the form of fees)	1,011[a]	455	The variable fees for financial year 2022 comprise two components: ▪ a portion based on a quantitative criterion linked to the Group's financial performance: FFO per share[b] → €105 thousand due, paid in 2023; ▪ a portion based on a qualitative criterion linked to the Group's CSR performance: GRESB Green Star[c] → €350 thousand due, paid in 2022. These fees were paid in full to Altafi 2.
Variable multi-year compensation	0	0	Management receives no variable multi-year compensation
Exceptional compensation	0	0	Management receives no exceptional compensation
Stock option allocation	0	0	There are no stock option plans (share subscription or purchase) in place for Management
Performance share allocation	0	0	There are no free share allocation plans in place for Management
Compensation in respect of attendance at Supervisory Board meetings	0	0	Management is not member of the Supervisory Board. It does not receive any compensation in this respect.
Benefits in kind	0	0	Management receives no benefits in kind
Severance payments	0	0	Management does not receive severance payments
Non-competition payments	0	0	Management does not receive non-competition payments
Supplemental pension plans	0	0	There is no retirement scheme in place for Management
Other compensation	1,197[d]	1,466	Fees paid to Altafi 2 as Manager of Altareit, an Altarea subsidiary: ▪ €900 thousand in fixed annual fees (down by €100 thousand vs. 2021, on proposal of the General Partner); ▪ €216 thousand in variable fees based on a quantifiable financial criterion corresponding to 1.5% of the total consolidated net income attributable to Altareit Group exceeding €60 million in 2022, which was €74.4 million; ▪ €350 thousand of variable fees based on qualitative extra-financial criteria (out of a maximum of €350,000), based on the proportion to which the following criteria were achieved: ▪ climate (50%): deployment of the decarbonisation strategy in property development activities - target 100% achieved: €175 thousand owed, paid in 2023; ▪ human resources management (25%): quality of team management – target 100% achieved: €87.5 thousand owed, paid in 2023; and ▪ human resources management (25%): quality of social dialogue - target100% achieved: €87.5 thousand owed, paid in 2023.

(a) The variable fees for financial year 2021 comprise two components:
- *one portion, of €511 thousand excluding tax, linked to a quantitative criterion based on the Altarea Group's financial performance. The amount paid in 2022 was equal to a progressive percentage of FFO per share (i.e. 1.5% of FFO per share from €12.50 to €15.00 and 3% of FFO per share above €15.00), multiplied by the average number of diluted shares during the financial year;*
- *a second portion, of €500 thousand excluding tax, linked to a qualitative criterion based on the Altarea Group's CSR performance measured via its GRESB GREEN STAR ranking, the Group having achieved the maximum level 5 stars.*

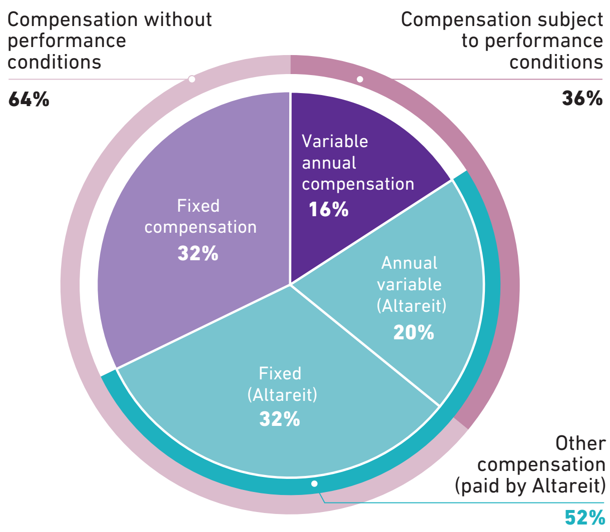
(b) Amount excluding tax equal to a progressive percentage of FFO per share (i.e. 1.5% of FFO per share from €13.00 to €15.00 and 3% of FFO per share above €15.50), multiplied by the average number of diluted shares during the financial year. No variable fees if FFO per share is less than €13.00.
FFO is one of the main financial indicators used by the Group in its financial communications and, since 2013, also used to determine variable management fees.
The targets set for 2022 are more demanding than the previous year, with the FFO/share thresholds being raised by €0.50 (see note (a) above).
FFO/share reached €13.34 as of 31 December 2022.

(c) An amount of €175 thousand if the company achieved a level four-star GRESB Green Star rating and €350 thousand if it achieved a five-star ratingNo variable fees paid for a rating lower than 4 stars. On the proposal of the General Partner, the maximum amount of this variable compensation item was reduced by €150 thousand compared to the previous financial year (see note (a) above), notably reflecting the implementation by Altareit of a variable management fee based on extra-financial performance targets (see "Other compensation" in the table above). Altarea ranked third in the GRESB 2022 rankings, an international benchmark that ranks the performance and CSR policy of companies in the real estate sector each year, with a score of 90/100, consolidating its place among the European leaders in terms of sustainable development.

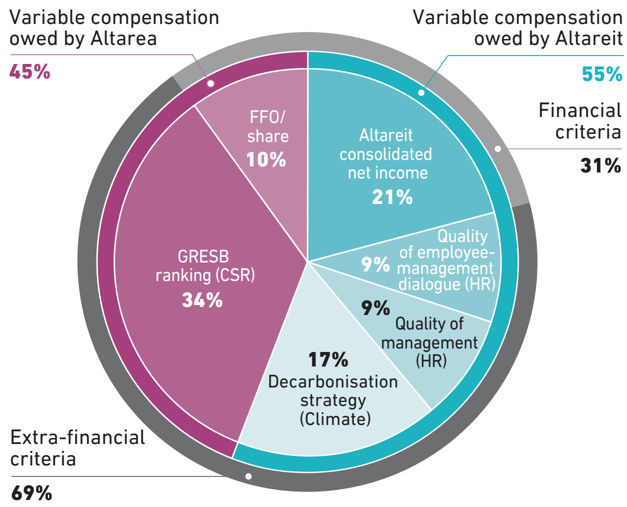
(d) Fees paid to Altafi 2 for the management of Altareit, a subsidiary of Altarea, of which €1,000,000 excl. tax in annual fixed fees and €197,000 excl. tax in variable fees corresponding to 1.5% of consolidated net income Group share exceeding €60 million in 2021.

The values in the above table are the fees paid exclusively to the legal person Altafi 2 whose executive officers receive no compensation. Thus they do not reflect the personal compensation of Alain Taravella, Chairman of Altafi 2 which is wholly owned by AltaGroupe. Each year, AltaGroupe incurs current operating expenses, which in financial year 2022 totalled approximately €1.7 million. AltaGroupe pays four people in total.

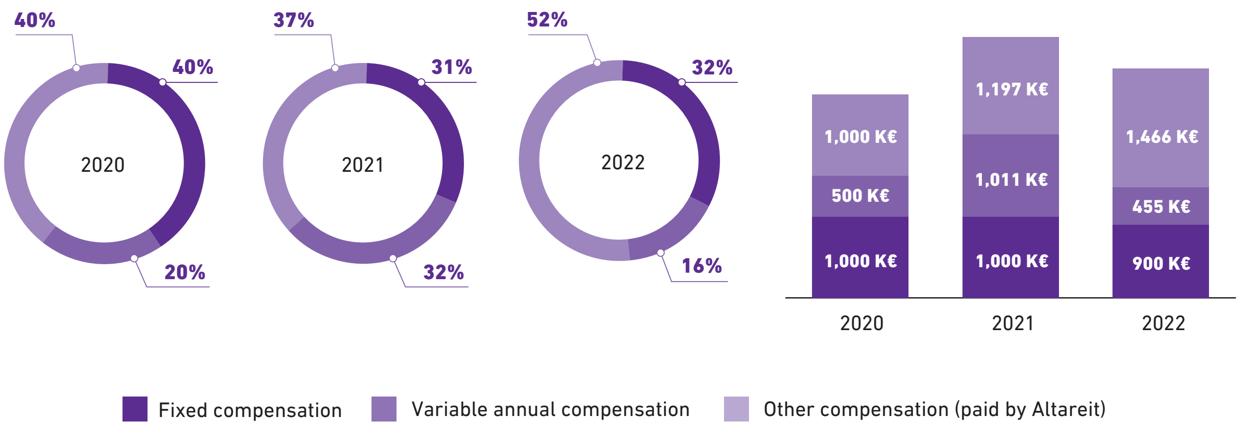
COMPONENTS OF THE COMPENSATION DUE FOR 2022



STRUCTURE OF THE VARIABLE COMPENSATION DUE FOR 2022



The breakdown of each of these compensation components was as follows for the last three financial years:



The Management' annual variable fees in 2020 were reduced by the absence of a variable portion linked to the FFO/share financial target for 2020, which Management had also waived in advance in May 2020 in light of the COVID-19 pandemic.

The increasing share of fees owed by Altareit in the total amount of management compensation is due to the introduction by Altareit, in 2021, of a variable fee based on financial performance criteria and, in 2022, a variable portion conditional on the achievement of extra-financial performance targets. To take these new items into account, in accordance with the principles of comprehensiveness and moderation advocated by the AFEP-MEDEF Code, and following the proposal made by the General Partner:

(i) the amount of fixed annual management fees was reduced by €100,000, from €1,000,000 to €900,000 at Altarea and Altareit,

(ii) the rules relating to variable fees have been tightened, with higher thresholds to benefit from the variable portion related to the FFO/share target and a lower variable portion based on the extra-financial target of GRESB Green Star classification,

(iii) the introduction of an overall cap on the fixed and variable fees earnable by Altafi 2 in respect of its duties as Manager of the Company and its subsidiary Altareit set at a cumulative total of €4,000,000 excl. tax. Overall, the annual variable portion is limited to 122% of fixed fees.

Components of compensation paid or allocated to Jacques Ehrmann, Manager of Altarea Management

The compensation paid or allocated to Jacques Ehrmann, Chief Executive Officer of Altafi 2, solely for his duties as Manager of Altarea Management, a wholly-owned subsidiary of the Company, is set out below as necessary, even if does not strictly speaking fall within the scope of the management compensation policy. He has no employment contract with the Group.

<table>
<tr><th>Compensation components
(€ thousands)</th><th>2021</th><th>2022</th><th>Comments</th></tr>
<tr><td>Fixed compensation</td><td>0</td><td>0</td><td>Jacques Ehrmann receives no fixed compensation from Altarea</td></tr>
<tr><td>Variable annual compensation</td><td>0</td><td>0</td><td>Jacques Ehrmann receives no variable compensation from Altarea</td></tr>
<tr><td>Variable multi-year compensation</td><td>0</td><td>0</td><td>Jacques Ehrmann receives no variable compensation from Altarea</td></tr>
<tr><td>Exceptional compensation</td><td>0</td><td>0</td><td>Jacques Ehrmann does not receive exceptional compensation from Altarea</td></tr>
<tr><td>Stock option allocation</td><td>0</td><td>0</td><td>Jacques Ehrmann receives no stock options</td></tr>
<tr><td>Performance share allocation</td><td>5,908[a]</td><td>1,577</td><td>Performance share allocation as Manager of Altarea Management, Jacques Ehrmann benefited from three bonus share plans. The definitive vesting of part (25%) of these shares is subject to stringent financial and extra-financial performance conditions over several years, in line with the Group's targets and strategy:
<table>
<tr><th>Plan number</th><th>Award date</th><th>Vesting date</th><th>Date of availability</th><th>Vesting conditions</th><th>Number of shares</th><th>Value[b]</th></tr>
<tr><td>Plan 93</td><td>31/03/2022</td><td>01/04/2023</td><td>01/04/2024</td><td>Presence</td><td>6,286</td><td>€914,000</td></tr>
<tr><td>Plan 94</td><td>31/03/2022</td><td>01/04/2024</td><td>01/04/2024</td><td>Presence</td><td>2,143</td><td>€293,000</td></tr>
<tr><td>Plan 95</td><td>31/03/2022</td><td>01/04/2024</td><td>01/04/2024</td><td>Performance(1) and presence</td><td>2,700</td><td>€370,000</td></tr>
</table></td></tr>
<tr><td>Compensation in respect of attendance at Supervisory Board meetings</td><td>0</td><td>0</td><td>Jacques Ehrmann is not a member of the Supervisory Board. So he receives no compensation on this account.</td></tr>
<tr><td>Benefits in kind</td><td>-</td><td>-</td><td>Company car – Mandatory supplementary mutual/sickness and retirement policy</td></tr>
<tr><td>Severance payments</td><td>0</td><td>0</td><td>Jacques Ehrmann does not receive any severance payments</td></tr>
<tr><td>Non-competition payments</td><td>0</td><td>0</td><td>Jacques Ehrmann does not receive any non-competition payments</td></tr>
<tr><td>Supplemental pension plans</td><td>0</td><td>0</td><td>Jacques Ehrmann has no supplemental pension plans</td></tr>
<tr><td>Other compensation</td><td>750</td><td>750</td><td>Compensation owed by Altarea Management to Jacques Ehrmann in respect of his office as Manager of this company, the amount of which corresponds to his annual fixed compensation</td></tr>
</table>

(a) As Manager of Altarea Management, Jacques Ehrmann benefited from three bonus share plans in 2021. The definitive vesting of 52% of these shares is subject to stringent financial and extra-financial performance conditions over several years, in line with the Group's targets and strategy:

(b) Per the valuation method used for the consolidated financial statements.

Plan number	Award date	Vesting date	Date of availability	Vesting conditions	Number of shares	Value[b]
Plan 81	31/03/2021	01/04/2022	01/04/2023	Presence	10,000	€1,374,000
Plan 82	30/04/2021	31/03/2024	31/03/2024	Performance(2) and presence	3,000	€412,000
Plan 88	04/06/2021	31/03/2025	31/03/2025	Performance(3) and presence	30,000	€4,122,000

(1) The acquisition of 50% of the shares is subject to the achievement of financial and extra-financial performance targets over two financial years: 25% based on shares granted to reward the performance of FFO/Group share, up to 12.5% on the performance of NAV/share, and up to 12.5% on a combination of climate targets (5% maximum), human resources (5% maximum), notably the number of women in senior roles and internal mobility/promotion and customer satisfaction (2.5% maximum).

(2) The acquisition of 50% of the shares is subject to the achievement of financial and extra-financial performance targets over three financial years, half based on the performance of FFO/Group share, one quarter on the performance of NAV/share and one quarter on targets relating to the climate, human resources (in particular in terms of women's representation in key roles and internal mobility/promotion) and customer satisfaction.

(3) The vesting of 70% of the shares is subject to the achievement of long-term financial performance targets for each business line, Business Property, Retail and Residential, over the financial years 2021 to 2024.

Compensation components paid or allocated to Christian de Gournay, Chairman of the Supervisory Board

Compensation components *(€ thousands)*	2021	2022	Comments
Fixed compensation	250	250	Total amount exclusive of any other compensation - it is taken from the total compensation allocated to the Supervisory Board by the General Shareholders' Meeting[(a)]
Variable annual compensation	0	0	The Chairman of the Supervisory Board receives no variable compensation
Variable multi-year compensation	0	0	The Chairman of the Supervisory Board receives no variable compensation
Exceptional compensation	0	0	The Chairman of the Supervisory Board receives no exceptional compensation
Stock option allocation	0	0	There are no stock option plans (share subscription or purchase) in place for the Chairman of the Supervisory Board
Performance share allocation	0	0	There are no free share allocation plans in place for the Chairman of the Supervisory Board
Compensation in respect of attendance at Supervisory Board meetings	0	0	The Chairman of the Supervisory Board receives no compensation other than the above fixed compensation taken from the total compensation allocated to the Supervisory Board by vote of the General Shareholders' Meeting
Benefits in kind	-	-	Company car
Severance payments	0	0	The Chairman of the Supervisory Board receives no severance payments
Non-competition payments	0	0	The Chairman of the Supervisory Board receives no non-competition payments
Supplemental pension plans	0	0	There is no retirement scheme in place for the Chairman of the Supervisory Board
Other compensation	0	0	None

(a) See 6.3.1.2 above.

Compensation of the Supervisory Board members

The compensation of the Supervisory Board members, non-executive corporate officers, is set out in table 3 of Section 6.3.3.2 below.

Other information

Pursuant to the provisions of Article L. 22-10-9, 6 and 7, of the French Commercial Code[1], the table below shows the following figures for the five most recent financial years:

- the ratios between (i) the respective level of Management fees and the compensation of the Chairman of the Supervisory Board and (ii) the average and median compensation, including all social security expenses, of employees of the Altarea Group, other than corporate officers, on a full-time equivalent basis;
- the annual change in Management fees and the compensation of the Chairman of the Supervisory Board in view of the Group's performance.

In accordance with AFEP's recommendations, resulting from the "Compensation multiples guidelines" updated in February 2021, it is specified that for the calculations of these ratios:

- the scope taken into account includes Altarea and all of its direct and indirect subsidiaries included in its scope of consolidation within the meaning of Article L. 233-16 of the French Commercial Code[2];
- the compensation of corporate officers, included in the numerator, comprises all compensation paid or allocated for the financial year in question, in the form of fixed and variable fees for the Management;
- the compensation of employees, included in the denominator, includes all compensation paid or awarded during the financial year in question: fixed and variable and exceptional compensation, employee savings plans including matching contributions, profit-sharing or incentive payments, free shares and benefits in kind, as well as the related social security and employer contributions (excluding termination benefits).

	2018	2019	2020	2021	2022
Management (fees)					
Annual change in fees paid (including the variable portion due in respect of fiscal year N-1 and paid in N)		4.9%	-40.4%	-25.4%	14.3%
Ratio to median employee salary	55.8	55.5	35.0	23.3	27.6
Ratio to average employee salary	46.0	45.8	28.9	19.2	22.8
Change in ratio compared to the previous financial year		*-0.57%*	*-36.93%*	*-33.40%*	*18.45%*
Chairman of the Supervisory Board					
Annual change in compensation paid		-8.3%	-9.1%	-	-
Ratio to median employee salary	3.1	2.7	2.6	2.3	2.4
Ratio to average employee salary	2.6	2.2	2.2	1.9	2.0
Change in ratio compared to the previous financial year		*-13.09%*	*-3.87%*	*-10.78%*	*3.61%*
Group performance					
FFO Group share (€ millions)	276	293	230	264	275
Change compared to the previous financial year		*6.2%*	*-21.5%*	*15.0%*	*4.16%*
Consolidated revenue (€ millions)	2,406	3,109	3,056	3,030	3,013
Change compared to the previous financial year		*29.2%*	*-1.7%*	*-0.8%*	*-0.6%*
Employees					
Change in the average compensation of Group employees Change compared to the previous financial year		5.5%	-5.4%	12.1%	-3.5%
Change in the number of Group employees (FTE) Change compared to the previous financial year		3.5%	1.9%	-2.2%	13.4%

For management, it should be noted that a comparison is made between (i) the annual fees paid by Altarea and its subsidiary Altareit to Altafi 2, a legal entity that pays no compensation to its executives and is part of a group bearing its own operating costs and expenses, and (ii) the salaries of natural persons. These ratios do not therefore accurately reflect the differences in compensation between individuals (see above).

Remember that in 2019 the Management fees were reduced considerably from the amount paid in previous financial years, even though Managers' efforts had led to a significant, consistent growth in the Group's financial and extra-financial performance in the previous few years. This reduction is particularly evident in the table above (see 2020 column given the time lag as part of the variable fees paid in the financial year relate to the past financial year).

Information on the Group's compensation policy is provided in Section 4.4.3 above.

(1) Introduced by the Order of 27 November 2019 on the compensation of corporate officers of listed companies, pursuant to the French Pacte Law of 22 May 2019.

(2) No separate ratio is published for Altarea, as it has few employees and is not representative of the Altarea Group's overall workforce.

6.3.3.2 Standardised presentation of the compensation of corporate officers

The information provided below complies with the AMF recommendation on disclosure of compensation of corporate officers, in paragraph 13.3 of the AMF Guide to the Preparation of Registration Documents (AMF Position – Recommendation no. 2021-02).

Note that the Company's executive corporate officers comprise two Co-Managers: the companies Altafi 2 and Atlas, which are both chaired by Alain Taravella and are also controlled by him as understood under the terms of Article L. 233-3 of the French Commercial Code. Jacques Ehrmann is Chief Executive Officer of Altafi 2 and Manager of Altarea Management, a wholly-owned subsidiary of Altarea. He receives no compensation from Altarea or Altafi 2. All compensation components paid or allocated to him are in return for his duties as Manager of Altarea Management.

The non-executive corporate officers are the Supervisory Board members.

Table 1 – Summary of compensation, stock options and shares allocated to each executive corporate officer, as well as Jacques Ehrmann, Manager of Altarea Management

(€ thousands)	FY 2021	FY 2022
Atlas – Co-Manager		
Compensation due in respect of the financial year (itemised in Table 2)	0	0
Value of options allocated during the financial year	0	0
Value of performance shares allocated during the financial year	0	0
Total Atlas	**0**	**0**
Altafi 2 – Co-Manager (compensation in fees)		
Compensation due in respect of the financial year (itemised in Table 2)	3,208[(a)]	2,821[(b)]
Value of options allocated during the financial year	0	0
Value of performance shares allocated during the financial year	0	0
Total Altafi 2	**3,208**	**2,821**
Alain Taravella – Co-Manager until 12/12/2022 – Chairman of Altafi 2 and Atlas		
Compensation due in respect of the financial year (itemised in Table 2)	0	0
Value of options allocated during the financial year	0	0
Value of performance shares allocated during the financial year	0	0
Total Alain Taravella	**0**	**0**
Jacques Ehrmann – Manager of Altarea Management – Chief Executive Officer of Altafi 2		
Compensation due in respect of the financial year[(c)] (itemised in Table 2)	750	750
Value of options allocated during the financial year	0	0
Value of performance shares allocated during the financial year	5,908	1,577[(d)]
Total Jacques Ehrmann	**6,658**	**2,327**

(a) Final amount corresponding to €2,011 thousand for the management of Altarea and €1,197 thousand for the management of Altareit, a subsidiary of Altarea.
(b) Final amount corresponding to €1,355 thousand for the management of Altarea and €1,466 thousand for the management of Altareit, a subsidiary of Altarea.
(c) Jacques Ehrmann did not receive any compensation from Altarea or Altafi 2. He did not receive any compensation as executive corporate officer of the Company. This amount is in recognition of his operational responsibilities as Manager of Altarea Management, a wholly-owned subsidiary of the Company.
(d) As Manager of Altarea Management, Jacques Ehrmann benefited from three bonus share plans. The definitive vesting of a part of these shares is notably subject to stringent financial and extra-financial performance conditions over several years, in line with the Group's targets and strategy (see 6.3.3.1 above).

Regarding application of Articles L. 22-10-9 and L. 233-16 of the French Commercial Code, note that outside of Altarea, its subsidiaries and Altafi 2, no other company paying compensation to a corporate officer falls within the scope of these provisions.

The amounts provided in the compensation table above, and the following tables include all compensation due or paid by Altarea and the companies it controls. The figures below include amounts invoiced to Altarea and amounts invoiced directly to its subsidiaries. Variable compensation of Management is calculated by applying the rules for Management compensation set out by the Ordinary General Shareholders' Meeting, which are presented in Article 6.3.1.1 above.

Table 2 – Summary of compensation of each executive corporate officer, as well as Jacques Ehrmann, Manager of Altarea Management, a wholly-owned subsidiary of the Company

Name and position of executive corporate officer *(€ thousands)*	FY 2021		FY 2022	
	Amount due	Amount paid	Amount due	Amount paid
Atlas – Co-Manager				
Fixed compensation	0	0	0	0
Variable annual compensation	0	0	0	0
Variable multi-year compensation	0	0	0	0
Exceptional compensation	0	0	0	0
Other compensation	0	0	0	0
Compensation in respect of attendance at Supervisory Board meetings	0	0	0	0
Benefits in kind	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**
Altafi 2 – Co-Manager (compensation in fees)				
Fixed compensation (fees)	1,000	1,000	900	900
Variable annual compensation (fees)	1,011[a]	500[b]	455[c]	861[d]
Variable multi-year compensation	0	0	0	0
Exceptional compensation	0	0	0	0
Other compensation[e]	1,197	1,000	1,466	1,097
Compensation in respect of attendance at Supervisory Board meetings	0	0	0	0
Benefits in kind	0	0	0	0
TOTAL	**3,208**	**2,500***	**2,821**	**2,858***
Alain Taravella – Co-Manager until 12/12/2022 – Chairman of Altafi 2 and Atlas				
Fixed compensation	0	0	0	0
Variable annual compensation	0	0	0	0
Variable multi-year compensation	0	0	0	0
Exceptional compensation	0	0	0	0
Other compensation	0	0	0	0
Compensation in respect of attendance at Supervisory Board meetings	0	0	0	0
Benefits in kind	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**
Jacques Ehrmann – Manager of Altarea Management – Chief Executive Officer of Altafi 2				
Fixed compensation	0	0	0	0
Variable annual compensation	0	0	0	0
Variable multi-year compensation	0	0	0	0
Exceptional compensation	0	0	0	0
Other compensation[f]	750	750	750	750
Compensation in respect of attendance at Supervisory Board meetings	0	0	0	0
Benefits in kind[g]	–[g]	–[g]	–[g]	–[g]
TOTAL	**750**	**750**	**750**	**750**

* ***Amounts paid include the variable component of compensation in respect of the prior year after any adjustments.***

(a) Amount due for the variable portion of the compensation for the 2021 financial year linked to the extra-financial performance criterion, of €500 thousand, and for the portion of variable compensation linked to the financial performance criterion of 2021 FFO per share, of €511 thousand (see 6.3.1.1 above), the variable portion of the compensation for the 2021 financial year linked to the financial performance criterion of the 2021 FFO per share for 2021 paid in 2022.

(b) Amount paid corresponding to the variable compensation for financial year 2021 linked to the extra-financial performance criterion (note a above).

(c) Amount due for the variable portion of the compensation for the 2022 financial year linked to the extra-financial performance criterion, of €350 thousand, and for the portion of variable compensation linked to the financial performance criterion of 2022 FFO per share, of €105 thousand (see 6.3.1.1 above), the variable portion of the compensation for the 2022 financial year linked to the financial performance criterion of the FFO per share for 2022 being paid in 2023.

(d) Amount paid corresponding (i) to the variable compensation for fiscal year 2022 linked to the extra-financial performance criterion (owed in respect of 2022), of €350 thousand (note c above), and (ii) the variable compensation linked to the financial performance criterion of FFO per share for 2021 (owed in respect of 2021), of €511 thousand (note a above).

(e) Management fees of Altareit, a subsidiary of Altarea, in the form of fees (see 6.3.1.1 above).

(f) Compensation paid solely for duties as corporate executive of Altarea subsidiaries (see above). Jacques Ehrmann did not receive any compensation from Altarea or Altafi 2. He did not receive any compensation as executive corporate officer of the Company. This amount is in recognition of his operational responsibilities as Manager of Altarea Management, a wholly-owned subsidiary of the Company. The variable portion of this compensation due in respect of one financial year is paid during the following financial year.

(g) Jacques Ehrmann enjoys the following benefits: company car - mutual/provident insurance and mandatory supplementary pension.

6

Table 3 – Table of compensation received by the non-executive corporate officers and, where applicable, by their permanent representatives

The Company paid a total of €201,000 in variable compensation to the members of the Supervisory Board for the 2022 financial year[(1)]. This amount is slightly below the previous fiscal year (at €228,000) due in particular to fewer committee meetings this year (three in 2022 compared to five in 2021). This amount does not take into account the overall compensation of the Chairman of the Supervisory Board or any consideration for assignments entrusted by the Board (see 6.3.1.3 above). The amounts shown in the table below include not only compensation paid by Altarea, but also that owed by other subsidiaries in respect of the year in question.

Non-executive corporate officers (€ thousands)	FY 2021		FY 2022	
	Compensation in respect of attendance	Other compensation	Compensation in respect of attendance	Other compensation
Christian de Gournay, Chairman of the Supervisory Board	0	250[(a)]	0	250[(a)]
APG, Supervisory Board member	0	0	0	0
Alain Dassas, Permanent representative of APG	30	0	24	0
ATI, Supervisory Board member	0	0	0	0
Philippe Jossé, Permanent representative of ATI	15	100[(b)]	15	120[(b)]
Léonore Reviron, Supervisory Board member	24	3[(c)]	21	3[(c)]
Alta Patrimoine, Supervisory Board member	0	0	0	0
Catherine Leroy, Permanent representative of Alta Patrimoine (since 22/02/2022)	N/A	N/A	0	–[(d)]
Françoise Debrus, Supervisory Board member (until 07/03/2022)	0	0	0	0
Mattieu Lance, member of the Supervisory Board (since 07/03/2022)	N/A	N/A	0	0
Éliane Frémeaux, Supervisory Board member	27	3[(c)]	21	3[(c)]
Jacques Nicolet, Supervisory Board member	12	4.5[(c)]	15	4.5[(c)]
Predica, Supervisory Board member	15	0	15	0
Najat Aasqui, Permanent representative of Predica	0	0	0	0
Michaela Robert, Supervisory Board member	27	0	21	0
Dominique Rongier, Supervisory Board member	30	4.5[(c)]	21	1.5[(c)]
Philippe Mauro, Supervisory Board member	18	0	18	0
Marie-Catherine Chazeaux, member representing employees	15	–[(e)]	15	–[(e)]
Bertrand Landas, member representing employees (until 30/06/2022)	15	–[(e)]	9	–[(e)]
Nicolas Deuzé, member representing employees (since 21/07/2022)	N/A	N/A	6	–[(e)]

(a) Compensation paid by Altarea for the office of Chairman of the Supervisory Board.
(b) Compensation paid for an assignment given by the Supervisory Board charged against the total ceiling for compensation allotted by the General Shareholders' Meeting.
(c) Compensation paid in respect of attendance at meetings of Altareit's Supervisory Board.
(d) Catherine Leroy, permanent representative of Alta Patrimoine on the Supervisory Board since 22 February 2022, has, since she joined the Group in 2011, had an employment contract with Altarea Management, a wholly owned subsidiary of the Company, and currently works as Chief of Staff. As a Group employee, she receives compensation and, like the other eligible employees of the Group, has also benefited from employee shareholding plans (subscription for shares in the Altarea Relais 2022 FCPE with payment of the 2021 profit-sharing and matching contribution, plus the grant of free shares, subject to performance and continued employment conditions, under plans set up by the Company), which are not disclosed. Half of this remuneration is re-invoiced to Alta Groupe. She receives no compensation for her duties as permanent representative, as the eligibility rules for compensation for attendance at meetings of the Board and its committees exclude those who already receive compensation from the Company or one of its subsidiaries (with the exception of members representing employees).
(e) The two members representing employees have employment contracts with the Group for which they receive compensation which is not related to the exercise of their office. Consequently, this compensation is not subject to publication.

(1) €3,000 for each meeting of the Board and of specialist committees attended to natural person members and permanent representatives of legal entity members, with the exception of the Chairman of the Board, whose fixed compensation is global, and persons, other than employee representatives, receiving compensation paid under an employment contract or corporate office within the Altarea Group.

Table 4 – Stock options granted during the financial year to each executive corporate officer by the Company and by any Group company

No stock options were allocated during the financial year to the executive corporate officers, namely Alain Taravella, Altafi 2 or Atlas, Co-Managers, by the Company or by any other Group company.

Table 5 – Stock options exercised during the year by the executive corporate officers

No stock options were exercised during the financial year by the executive corporate officers, Alain Taravella, Altafi 2 or Atlas, Co-Managers.

Table 6 – Free shares allocated to the executive corporate officers and members of the Supervisory Board in 2022

No free shares were granted during the past financial year to the executive corporate officers of the Company, namely Alain Taravella, Altafi 2 and Atlas, Co-Managers, or to members of the Supervisory Board either by the Company itself or by another Group company.

However, it should be noted that Jacques Ehrmann, Chief Executive Officer of Altafi 2, benefited in 2022 from free share allocation plans in respect of his office as Manager of Altarea Management, a wholly-owned subsidiary of the Company (see 6.3.3.1 above), as did the Board members representing employees and Catherine Leroy, permanent representative of Alta Patrimoine on the Supervisory Board (see note 4 under Table 3 above), by virtue of their employment contracts with the Group, under plans reserved to the Group's Managers and under the general free share allocation plan "*Tous en actions!*", in the same way as all Group employees with open-ended employment contracts (see 4.4.3 above).

The free shares granted during the past financial year are presented in Section 4.3.3.4 and Note 6.1 to the consolidated financial statements in Section 3.6 of this document.

Table 7 – Free shares vesting in 2022 for each corporate officer

No free shares allocated to the Company's corporate officers, namely Alain Taravella, Altafi 2 or Atlas, Co-Managers, and the members of the Supervisory Board[(1)], by the Company or by any other Group company, vested during the past year, except for 1,000 shares allocated to Philippe Mauro for his salaried duties at the Group until 2018 and before he took up his position as a member of the Supervisory Board in 2019[(2)].

Table 8 – History of stock option grants and share purchases

There is currently no stock option plan for which the corporate officers, namely Alain Taravella, Altafi 2, or Atlas, Co-Managers, or members of the Supervisory Board are eligible, including other financial instruments convertible to capital (share subscription warrants, redeemable share subscription warrants, founders' warrants, etc.).

6

Table 9 – Stock options granted to and exercised by the top ten employees excluding corporate officers and options exercised by them

There is currently no stock option plan for which the top ten employees excluding corporate officers are eligible, including other financial instruments convertible to capital (share subscription warrants, redeemable share subscription warrants, founders' warrants, etc.).

Table 10 – History of free share allocations

No free shares allocated to the Company's corporate officers, Alain Taravella, Altafi 2 or Atlas, Co-Managers, or members of the Supervisory Board[(3)] are currently vesting or locked in.

Table 11 – Employment contracts, supplemental pension plans, severance or other termination payments or benefits and non-competition compensation payable to the executive corporate officers

None. The Company made no commitment to its corporate officers, namely Alain Taravella, Altafi 2, or Atlas, the Co-Managers, for any compensation, payments or benefits due or liable to be due upon assumption, termination or any change in their office or subsequent thereto.

(1) In previous years, Jacques Ehrmann, Chief Executive Officer of Altafi 2, has benefited from free share allocation plans as Manager of Altarea Management, a wholly-owned subsidiary of the Company (see 6.3.3.1 above), as well as members of the Board representing employees and Catherine Leroy, permanent representative of Alta Patrimoine on the Supervisory Board, under their employment contracts with the Group. Some of these free shares vested during the 2022 financial year (see details in Table 6 above).

(2) Philippe Mauro, a Group employee until 2018, benefited from free share allocation plans under plans for the Group's Managers and the general free share allocation plan "Tous en actions!" in the same way as all Group employees with permanent employment contracts (see Note 6.1 to the consolidated financial statements).

(3) See note 16 above.

6.3.4 Compensation conditions for the financial year 2023

Pursuant to the provisions of Article L. 22-10-76 of the French Commercial Code, the Supervisory Board determines and allocates the components of compensation to corporate officers in accordance with the voting policy adopted by the General Shareholders' Meeting (*ex-ante* vote).

At its meeting of 28 February 2023, it decided to renew for the current financial year the compensation policy for the members of the Supervisory Board established for the previous financial year and approved the management compensation policy established by the General Partner in 2022, based on proposals from the Compensation and Nomination Committee. These compensation policies, set out in Section 6.3.2 above, will be put to the *ex-ante* vote of the Ordinary General Shareholders' Meeting of 2023.

On this occasion, subject to the adoption of these compensation policies for the financial year 2023 by the General Shareholders' Meeting, the Supervisory Board, on the proposal of the Compensation and Nomination Committee, set the components of compensation for management, in the form of fees, and for the members of the Supervisory Board for the financial year as follows.

The Ordinary General Shareholders' Meeting called to approve the 2023 financial statements, which will take place in 2024, will be asked to vote (i) on a draft resolution containing the information about the compensation components allocated or paid for this financial year and (ii) on separate draft resolutions relating to the compensation components allocated or paid to the Chairman of the Supervisory Board and Management for the said financial year. Any variable or exceptional components allocated for the past financial year just passed cannot be paid to a beneficiary until the components of the beneficiary's compensation have been approved by the General Shareholders' Meeting and received the consent of the General Partner.

Components of Management compensation for financial year 2023

Compensation components	Rules and criteria	Targets/Comments
Fixed fee	Annual amount: €900 thousand excl. tax Payable quarterly	Compensation enabling the recipients to provide a continuous, high quality service to the Company and its Group. Consistency and stability compared to the fixed compensation of the previous financial year. In line with the market practices of comparable companies identified with the help of specialist consultants. Fixed in consideration of the compensation paid to Altafi 2 by Altareit, an Altarea Group company, for its duties and responsibilities within this company.

Annual variable fee	Two components:
	▪ A portion linked to a quantitative criterion: FFO/share Amount excluding tax equal to a progressive percentage of a portion of FFO/share[(1)]
	  ▪ 1.5% of the portion of the FFO/share between €13.00 and €15.50;
	  ▪ 3.0% of the portion of FFO/share exceeding €15.50 No fees if FFO/share is less than €13.00.
	▪ A portion linked to extra-financial qualitative criteria: Total amount excl. tax capped at €350 thousand excl. tax and weighted based on achievement of climate-related targets:
	  ▪ 50%, i.e. a maximum of €175 thousand, subject to the environmental sustainability of the Group's activities (a progressive amount depending on the achievement of thresholds relating to the share of the Group's 2023 consolidated revenue aligned with the european taxonomy);
	  ▪ 50%, i.e. a maximum of €175 thousand, subject to the Group's carbon performance (progressive amount depending on the achievement of thresholds relating to the Group's greenhouse gas emissions in 2023 with regard to its activities → measured in metric tonnes of CO_2 equivalent/Consolidated revenue).
		A significant portion of managements' fees is linked to the Group's financial and extra-financial performance.
		Quantitative portion based on one of the key financial indicators usually used by the Group in its financial communications, with further demanding objectives, the FFO/share thresholds having been raised by €0.50 in 2022.
		This financial performance criterion, used since 2013, was selected because it reflects the quality of the Company's management.
		Qualitative portion of variable compensation capped and based on extra-financial performance related to sustainable development and social and environmental responsibility.
		Consistent criteria that match the Company's strategy, with specific, pre-established objectives aligned with the interests of employees (profit-sharing agreements include extra-financial criteria) and shareholders.

Compensation cap	Aggregate amount of fixed and variable fees for the management of Altarea and Altareit (see below) in 2023 capped at €3.5 million excl. tax A corresponding limit on the total variable portion of 94% of total fixed compensation	Rigorous application of the principles of measurement and completeness, including: ▪ taking into account all compensation paid by Altarea Group companies. ▪ lowering the overall cap on compensation by 12.5% (€0.5 million) compared to the previous financial year.

(1) FFO per share multiplied by the average number of diluted shares in the financial year.

Management does not receive variable multi-year compensation, long-term profit sharing, benefits in kind, severance or non-competition payments or a pension plan.

It should be noted that Altafi 2, the Co-Manager, also manages Altareit, which is a 99.85% owned subsidiary of the Company. In this respect, in application of the decisions taken by the Supervisory Board of Altareit, which in 2023 renewed the compensation components of its Manager subject to the adoption of the compensation policy that will be put to *ex ante* vote at the 2023 General Shareholders' Meeting, Altafi 2 will receive in 2023 a fixed annual fee of €900 thousand excl. tax and may also receive a variable fee, including:

(i) a portion that will be linked to a quantitative criterion relating to financial performance and set at 1.5% of the consolidated net income attributable to Altareit Group exceeding €60 million for the current financial year;

(ii) a portion, of up to €350 thousand excluding tax, will be linked to qualitative criteria relating to extra-financial performance following the achievement of targets related to the climate and human resources, 50% being conditional on the successful roll-out of the strategy for decarbonisation of the property development activities, 25% on the quality of team management and 25% on the quality of employee relations.

In accordance with the principles of measurement and comprehensiveness set out in the AFEP-MEDEF Code, taking into account all compensation paid by companies in Altareit's group, the total amount of fixed and variable fees received by Altafi 2 in respect of its duties as Manager of Altarea and Altareit in 2022 will be capped at a total amount of €3,500 thousand excl. tax, a reduction of 12.5% (€0.5 million) compared to the previous year. Overall, the annual variable portion is therefore limited to 94% of fixed compensation. Consequently, the fixed portion and the maximum variable portion (if the cap of €3,500 thousand excl. tax) represent, respectively, 51% (€1,800 thousand excl. tax) and 49% (€1,700 thousand excl. tax) of the maximum total annual compensation.

Components of the Supervisory Board members' compensation for financial year 2023

Compensation components	Rules and criteria	Targets/Comments
Chairman of the Board	Fixed annual compensation Amount: €250,000 gross Payable monthly	Total compensation, excluding any other compensation within the Altarea Group, taken from the total compensation package for Supervisory Board members allocated by the General Shareholders' Meeting Coherent with the duties and responsibilities of the Chairman of the Board Stable compensation In line with the market practices of comparable companies and the AFEP-MEDEF Code recommendations
Supervisory Board members	Amount: €3,000 for each meeting of the Board and its specialist committees attended Beneficiaries: natural person members and permanent representatives of legal person members, with the exception of the Chairman of the Board who receives a fixed lump-sum compensation and persons, other than employee representatives, who receive compensation under the terms of an employment contract or a corporate office within the Altarea Group or are paid for an exceptional assignment entrusted to them by the Supervisory Board.	Main variable portion Incentive to attend meetings In line with the market practices of comparable companies and the AFEP-MEDEF Code recommendations
Exceptional assignment entrusted to a Board member	€10,000 monthly	Support and advisory assignment to help develop the Property Development division entrusted by the Supervisory Board

6.4 Delegations granted by the General Shareholders' Meeting for capital increases

6.4.1 Delegations given by the General Shareholders' Meeting of 24 May 2022 valid during the past financial year

Delegations	Expiry date	Maximum nominal amount	Use in 2022
Share buyback programme			
Authorisation to proceed with share buybacks at a maximum price per share of €300 and for a maximum total amount of €150 million	18 months 24/11/2023	Up to a maximum of 10% of the share capital	See 7.1.2 above
Authorisation to reduce the share capital by cancelling shares purchased under the buyback programme	26 months 24/07/2024	Up to a maximum of 10% of the share capital per 24-month period	None
Authorisations with preservation of preferential subscription rights			
Issue of ordinary shares and/or equity securities giving access to other securities and/or marketable securities giving access to equity securities to be issued by the Company or a related company[(a)(b)]	26 months 24/07/2024	€95 million for capital increases €750 million for debt securities	None
Authorisation to increase the share capital by capitalising reserves	26 months 24/07/2024	€95 million	None
Authorisations without preferential subscription rights			
Issue of ordinary shares and/or equity securities giving access to other securities and/or securities giving access to equity securities to be issued by the Company or a related company, as part of a public offering other than that referred to in Article L. 411-2 1 of the French Monetary and Financial Code[(a)(b)(c)]	26 months 24/07/2024	€95 million for capital increases €750 million for debt securities	None
Issue of ordinary shares and/or equity securities giving access to other securities and/or securities giving access to equity securities to be issued by the Company or a related company, as part of a public offering referred to in Article L. 411-2 1 of the French Monetary and Financial Code[(a)(b)(c)]	26 months 24/07/2024	€95 million and 20% of the share capital per year for capital increases €750 million for debt securities	None
Issue of ordinary shares and/or equity securities giving access to other securities and/or marketable securities giving access to equity securities to be issued by the Company or a related company, for the benefit of particular categories of persons[(a)(d)]	18 months 24/11/2023	€50 million for capital increases €350 million for debt securities	None
Issue of ordinary shares that may be combined with securities giving access to the Company's share capital as remuneration for contributions in the form of securities[(i)]	26 months 24/07/2024	10% of the share capital for capital increases €750 million for debt securities	None
Issue of ordinary shares and/or equity securities giving access to other securities to be used to remunerate the securities contributed as part of a public exchange offer initiated by the Company[(a)]	26 months 24/07/2024	€95 million for capital increases €750 million for debt securities	None
Global Ceiling and other authorisations			
Setting the aggregate nominal ceiling of the authorisations to the management	-	€95 million for capital increases €750 million for debt securities	-
Option to increase the amount issued by 15% in the event of oversubscription[(a)]	26 months 24/07/2024	-	None

(a) Authorisation subject to a nominal global ceiling of €95 million for a capital increase by the issue of new shares and €750 million for the issue of debt securities.
(b) Authorisation subject to an authorisation to increase the issue amount by an additional 15% in case of over-subscription.
(c) Delegation subject to an authorisation granted to Management to set issue price up to a maximum of 10% of the share capital per year.
(d) The categories of persons are the minority shareholders of subsidiaries or sub-subsidiaries of the Company subscribing by reinvestment of the sale price of their stake in an Altarea Group company; or individuals or legal entities re-using the sale price of a portfolio of real estate assets or the securities of a company operating as a REIT or property developer or holding investments in companies active in asset management or distribution; or holders of securities issued by a subsidiary or a sub-subsidiary of the Company pursuant to Article L. 228-93 of the French Commercial Code.

Delegations	Expiry date	Maximum nominal amount	Use in 2022
Authorisations for the benefit of employees and senior management			
Increase in the capital reserved for members of an employee savings scheme[(a)]	26 months 24/07/2024	€10 million	See note[(g)]
Free share plans[(a)(e)]	38 months 24/07/2025	750,000 shares	See 2.3.6.1 above
Stock option plans (share subscription or purchase)[(a)(f)]	38 months 24/07/2025	350,000 shares	None
Share subscription warrants (BSA, BSAANE and BSAAR)[(a)]	18 months 24/11/2023	€10 million	None

(a) Authorisation subject to a nominal global ceiling of €95 million for a capital increase by the issue of new shares and €750 million for the issue of debt securities.
(e) Authorisation subject to a global ceiling of 750,000 shares, around 3.68% of share capital at 31 December 2022, of which a maximum of 250,000 shares for the executive corporate officers.
(f) Authorisation subject to a global ceiling of 350,000 shares, around 1.72% of share capital at 31 December 2022, of which a maximum of 100,000 shares for the executive corporate officers.
(g) This delegation is being used, as in 2023 the Management approved in principle a capital increase reserved for an employee savings fund (FCPE) for the Group's employees wholly invested in Altarea shares, via the issue of up to 100,000 new shares, to be carried out in July 2023. This also rescinded the delegation of a similar nature granted by the General Shareholders' Meeting of 29 June 2021, which was used in 2022 in connection with the capital increase reserved for employees of the Altarea Group through the FCPE RELAIS Altarea 2022 employee savings fund (see 7.1.4 above).

The authorisations in the above table supersedes those of the same type granted by the General Shareholders' Meeting of 29 June 2021.

6.4.2 Delegations requested from the next General Shareholders' Meeting 2023

Delegations	Maximum nominal amount	Duration
Share buyback programme		
Authorisation to proceed with share buybacks at a maximum price per share of €300 and for a maximum total amount of €150 million[a]	Up to a maximum of 10% of the share capital	18 months
Authorisation to reduce the share capital by cancelling shares purchased under the buyback programme	Up to a maximum of 10% of the share capital per 24-month period	26 months
Authorisations with preservation of preferential subscription rights		
Issue of ordinary shares and/or equity securities giving access to other securities and/or marketable securities giving access to equity securities to be issued by the Company or a related company[b][c]	€95 million for capital increases €750 million for debt securities	26 months
Authorisation to increase the share capital by capitalising reserves	€95 million	26 months
Authorisations without preferential subscription rights		
Issue of ordinary shares and/or equity securities giving access to other securities and/or securities giving access to equity securities to be issued by the Company or a related company, as part of an offer to the public other than that referred to in Article L. 411-2 1 of the French Monetary and Financial Code[b][c]	€95 million for capital increases €750 million for debt securities	26 months
Issue of ordinary shares and/or equity securities giving access to other securities and/or securities giving access to equity securities to be issued by the Company or a related company, as part of a public offering referred to in Article L. 411-2 1 of the French Monetary and Financial Code[b][c]	€95 million and 20% of the share capital per year for capital increases €750 million for debt securities	26 months
Issue of ordinary shares and/or equity securities giving access to other securities and/or marketable securities giving access to equity securities to be issued by the Company or a related company, for the benefit of particular categories of persons[b][d]	€50 million for capital increases €350 million for debt securities	18 months
Authorisation granted to Management to set the issue price for capital increases without preferential subscription rights subject to a maximum of 10% of the share capital per year	10% of the share capital per year	26 months
Issue of ordinary shares that may be combined with securities giving access to the Company's share capital as remuneration for contributions in the form of securities[b]	10% of the share capital for capital increases €750 million for debt securities	26 months
Issue of ordinary shares and/or equity securities giving access to other securities to be used to remunerate the securities contributed as part of a public exchange offer initiated by the Company[b]	€95 million for capital increases €750 million for debt securities	26 months
Global Ceiling and other authorisations		
Setting the aggregate nominal ceiling of authorisations to the management at €95 million for share issues and at €750 million for marketable securities representing debt in the Company	€95 million for capital increases €750 million for debt securities	26 months
Option to increase the amount issued by 15% in the event of oversubscription[b]	-	26 months
Authorisations for the benefit of employees and senior management		
Increase in the capital reserved for members of an employee savings scheme[b]	€10 million	26 months
Free share plans[b][e]	750,000 shares	38 months
Stock option plans (share subscription or purchase)[b][f]	350,000 shares	38 months
Share subscription warrants (BSA, BSAANE and BSAAR)[b]	€10 million	18 months

(a) See Section 7.1.2 below.
(b) Authorisation subject to an aggregate nominal ceiling of €95 million for capital increases through the issue of new shares and €750 million through the issue of debt securities.
(c) Delegation covered by the requested authorisation to increase the issue amount by an additional 15% in the event of oversubscription.
(d) The categories of persons are minority shareholders of subsidiaries or sub-subsidiaries of the Company subscribing by reinvesting the proceeds from sale of their stake in an Altarea Group company; individuals or legal entities re-investing the proceeds from sale of a portfolio of real estate assets or the securities of a company operating as, or directly or indirectly holding an interest in one or more companies that are active in (i) a real estate investment or property development, (ii) real estate asset management or distribution, (iii) new or renewable energies, or (iv) data centres; or holders of securities issued by a subsidiary or sub-subsidiary of the Company pursuant to Article L. 228-93 of the French Commercial Code.
(e) Authorisation subject to a global ceiling of 750,000 shares, around 3.68% of share capital at 31 December 2022, of which a maximum of 250,000 shares for the executive corporate officers.
(f) Authorisation subject to a global ceiling of 350,000 shares, around 1.72% of share capital at 31 December 2022, of which a maximum of 100,000 shares for the executive corporate officers.

It should be noted that the delegations presented in the above table would rescind, if adopted by the General Shareholders' Meeting 2023, the delegations of the same description previously granted by the General Shareholders' Meeting and presented in Section 6.4.1 above.

6.5 Conditions of participation in the General Shareholders' Meeting

Except for the requirements set by applicable laws and regulations, there are no particular procedures relating to shareholder participation in General Shareholders' Meetings. Article 25 of the Company's Articles of Association states the following points:

Calling of meetings

General Shareholders' Meetings are called and take place in accordance with the provisions of the law.

Notice of meetings may be given electronically, provided that the shareholders have given their prior written consent.

Meetings take place at the registered office or any other place indicated in the notice of meeting.

Proxies

Any shareholder may participate in person or by proxy in the General Shareholders' Meeting, whatever the number of shares they hold, upon proof of identity and the ownership of their shares in the form of an accounting entry at least two working days before the date of the General Shareholders' Meeting. However, Management may shorten or even do away with this period if it is to the benefit of all shareholders.

Legal entities may take part in General Shareholders' Meetings through their legal representatives or any other person duly appointed for this purpose by their legal representatives.

Double voting rights

The Company's shares do not carry double voting rights. Indeed, applying the option provided for in Article L. 225-123 of the French Commercial Code, the Combined General Shareholders' Meeting of 5 June 2015 voted to exclude double voting rights for shareholders registered for more than two years. Each share therefore entitles the holder to one vote.

Ceiling on voting rights

The number of voting rights that may be exercised by each Limited Partner in General Shareholders' Meetings is equal to the number of voting rights attached to the shares they own up to a maximum of 60% of the voting rights attached to all shares comprising the share capital.

Shares encumbered with usufruct

If shares are encumbered with usufruct, the voting right attached to these shares belongs to the bare owner, except for decisions concerning the allocation of profits where it is reserved for the usufructuary. Their registration in an account must attest the existence of the usufruct.

Voting by mail and videoconferencing

Voting by mail takes place in accordance with the provisions of the law and regulations.

Shareholders may attend and vote at all meetings by videoconferencing or any other electronic means that permits their dentification in accordance with the law and regulations.

Chairman – Office

The meetings are chaired by the Manager or one of the Managers if there is more than one. If the Meeting is called by the Supervisory Board, it is chaired by the Chairman of the Supervisory Board or one of its members designated to that effect. Failing that, the Meeting elects its own Chairman.

Minutes of General Meetings are drawn up and copies certified and issued in accordance with the law.

6.6 Items that may have an impact in case of a take-over bid or public exchange offer

The information referred to in Article L. 22-10-11 of the French Commercial Code relating to items likely to have an impact in the event of a takeover or exchange offer is provided in chapters 6, 7 and 8 of this document, in particular in sections 6.2 to 6.5, 7.1 and 8.1.2., and can be summarised as follows, it being recalled that the Company is a partnership limited by shares (*commandite par actions*) and is therefore subject to the rules affecting such corporate structures.

Capital structure

Information relating to the Company's share capital and shareholder structure referred to in Article L. 22-10-11 1 and 3 of the French Commercial Code is set out in Section 7.1 "General information about the share capital", in 7.1.1, 7.1.5 and 7.1.6 below.

Statutory restrictions on the exercise of voting rights and share transfers

The statutory restrictions on the exercise of voting rights and the transfer of Company shares are:

- the number of voting rights that may be exercised by each shareholder in General Shareholders' Meetings is equal to the number of voting rights attached to the shares they own up to a maximum of 60% of the voting rights attached to all shares comprising the share capital;
- if shares are encumbered with usufruct, the voting right attached to these shares belongs to the bare owner, except for decisions concerning the allocation of profits where it is reserved for the usufructuary;
- the Company's shares do not carry double voting rights;
- there is an obligation to disclose the crossing of thresholds of a fraction of 1% of the share capital, voting rights or securities giving future access to the Company's share capital, or any multiple of this fraction. Failure to disclose such a threshold crossing as required by the Articles of Association, which may result in the deprivation of voting rights attached to shares exceeding the fraction that should have been disclosed for any Shareholders' Meetings held for a period of two years after the date on which the requisite disclosure is finally made (see 7.1.5 "Threshold crossings" below);
- with the exception of decisions relating to (i) the election, resignation or dismissal of members of the Supervisory Board, (ii) the appointment of the Statutory Auditors and (iii) the transformation of the Company into a public limited company in the cases provided for in Article 24.2 of the Articles of Association, no resolution may be adopted at an Ordinary General Shareholders' Meeting without the prior unanimous agreement of the General Partner(s).

No clause of the kind referred to in Article L. 233-11 of the French Commercial Code has been brought to the Company's attention.

Holders of any securities with special rights of control (preferred shares)

None.

Control mechanisms in an employee shareholding system

The Company has not set up a specific employee shareholding system in which control rights are not exercised by employees with the exception of the FCPE Actions Altarea, invested in Altarea shares, set up as part of the Group's employee savings plan (see 4.4.3 of this document), which is represented at the Company's General Shareholders' Meetings by an employee representative appointed by the fund's Supervisory Board.

Agreements between shareholders that may result in restrictions on the transfer of shares and the exercise of voting rights (shareholders' agreements)

To the Company's knowledge, there are no agreements between shareholders that could result in restrictions on the transfer of shares and the exercise of the Company's voting rights.

Rules applicable to the appointment and replacement of Managers

The rules applicable to the appointment and replacement of Managers are detailed in Article 13 of the Company's Articles of Association (see 6.2.1 above), which states that the appointment and dismissal of Managers comes under the exclusive competence of the General Partners.

Rules applicable to the amendment of the Articles of Association

Amendments to the Company's Articles of Association may only be adopted with the prior unanimous agreement of the General Partner(s), with the exception of the transformation of the Company in one of the cases stipulated in Article 24.2 of the Articles of Association.

Powers of the Management to issue or buy back shares

The General Shareholders' Meeting has granted Management delegated powers and authorisations to decide, with the agreement of the General Partners, on capital increases or share buybacks as described above in 6.4 above.

Agreements entered into by the Company that are amended or terminated in the event of a change of control of the Company

With the exception of certain bank or bond financing agreements that include customary change of control clauses, there are no agreements entered into by the Company that would be amended or terminated in the event of a change in control of the Company as referred to in Article L. 22-10-11 9 of the French Commercial Code.

Agreements providing for compensation as a result of a takeover or exchange offer

No agreement provides for compensation for Management or employees if they resign or are dismissed without real and serious cause or if their employment ends due to a takeover or exchange offer.

7

CAPITAL AND OWNERSHIP STRUCTURE

7.1 General information about the share capital

7.1.1 Share capital – Form and negotiability of shares

Amount of the share capital (Article 6 of the Articles of Association)

As of the date of this document, the share capital was €311,349,463.42. It was divided into 20,375,804 shares, all fully paid up and of the same class. The rounded par value is €15.28 per share.

It should be specified that the 10 General Partner shares with a par value of €100 are held by Altafi 2 (see Section 6.2.2 above).

Changes to the share capital and the respective rights of the various categories of shares

The share capital may be modified as provided for by the law. The provisions of the Articles of Association regarding alterations to the share capital are no more restrictive than the provisions of the law, and they do not provide for any special classes of shares.

Form of shares (Article 10 of the Articles of Association)

Fully paid-up shares may be either registered or bearer form, at the shareholder's option.

However, any shareholder other than a natural person who comes to own, directly or through its controlled entities 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 the percentage referred to in Article 208-C II ter of the French General Tax Code (a "Relevant Shareholder") must hold all its shares in registered form and ensure that its controlled entities within the meaning of Article L. 233-3 of the French Commercial Code do likewise. Should a Relevant Shareholder fail to comply with this requirement no later than the second business day before the date of a General Shareholders' Meeting of the Company, its voting rights held directly or indirectly through its controlled entities within the meaning of Article L. 233-3 of the Commercial Code, will be restricted at the General Shareholders' Meeting to one tenth of the shares respectively held by them. The Relevant Shareholder will recover all the voting rights attached to the shares it owns directly or through its controlled entities within the meaning of Article L. 233-3 of the French Commercial Code at the next General Shareholders' Meeting, provided that the position has been remedied by the conversion of all shares owned directly or through its controlled entities within the meaning of Article L. 233-3 of the French Commercial Code, to registered form no later than the second business day before the date of the General Shareholders' Meeting.

Shares may be converted from registered to bearer form and vice-versa in accordance with the provisions of the law. Notwithstanding the foregoing, shares must be in registered form where required by law.

Partially paid shares may not be converted to bearer form until they have been fully paid-up.

Ownership of the shares is evidenced by their registration, as prescribed by law, either in a share account, either with the issuer or their designated agent, in the case of registered shares, or in an account held with an authorised financial intermediary in the case of bearer shares. If requested by a shareholder, the Company or authorised financial intermediary shall issue a certificate of registration.

Shareholders or intermediaries who fail to provide the information referred to below may, in accordance with the provisions of the law, have their voting rights and dividend rights suspended or disqualified.

The Company is entitled to ask, at any time and at its own expense, the central depository acting as the custodian of the issuing account to disclose the name or, if a legal entity, the Company name, nationality and address, of the holders of Company securities that confer either current or future voting rights at its Shareholders' Meetings, as well as the number of securities held by each of them and, where appropriate, any restrictions to which the securities might be subject.

The shares are indivisible for the purposes of the Company. Joint-owners of shares shall accordingly be represented for the Company's purposes by one of the owners or by a person appointed by the owners as their sole representative. In the event of disagreement, the representative will be appointed by order of the presiding judge of the commercial court in summary proceedings at the request of the most diligent joint-owner.

Trading in the shares (Article 11 of the Articles of Association)

The shares may be traded without restriction save for any provisions to the contrary set out in law, regulations or the Articles of Association.

Authorisations involving the share capital

The information concerning delegations valid during the 2022 financial year, granted by General Shareholders' Meetings, and their use during the course of the previous year is provided in the Supervisory Board report on Corporate Governance included under Chapter 6 of this document.

Free share allocations

The information concerning free share allocations is presented in Sections 2.3 (Note 6.1 to the consolidated financial statements), and 3.2.3.4 of this document.

It is indicated, in accordance with the provisions of Article L. 225-197-4 of the French Commercial Code, that:

- **(i)** no free shares were allocated in 2022 to an executive corporate officer of the Company, *i.e.* to the Company's Managers, in respect of these functions. It is noted that Jacques Ehrmann, Chief Executive Officer of Altafi 2, benefits from free share allocation plans in respect of his office as Manager of Altarea Management, a wholly-owned subsidiary of the Company (see 6.3.3.1 above), as do the members of the Supervisory Board representing employees and permane t representatives of a legal entity member of the Supervisory Board in respect of their employment contract within the Group (see 6.3.3.2 above);
- **(ii)** the ten employees of the Group (who are not corporate officers of the Company) awarded the greatest number of free shares during the 2022 financial year, received a total number of 82,221 free shares in 2022, for a total value of €9,144 thousand (according to the method used for the consolidated financial statements),

it being specified that the definitive vesting of a large part of these shares is subject to stringent financial and extra-financial performance conditions over several years, in line with the Group's targets and strategy.

Stock options

At 31 December 2022, as at 31 December 2021, there were no outstanding stock options.

Potential impact on capital

Based on the number of shares comprising the share capital as of 31 December 2022, the issue of all free shares awarded at that date, net of treasury shares held for subsequent allocation (see 7.1.2 below), would generate a maximum theoretical potential dilution of 0.01%.

As of 31 December 2022	
Number of free shares awarded but not yet vested	474,590
Number of treasury shares held for allocation	211,729
Number of free shares net of treasury shares	262,861
Average number of shares	20,375,804
Total theoretical number of shares after issue of all shares awarded	20,638,665

Treasury shares

There were no treasury shares at the date of registration of this document.

7.1.2 Share buyback programme

At the Combined General Shareholders' Meeting of 29 June 2021 and that of 24 May 2022, the shareholders authorised the Company to purchase its own shares up to a maximum of 10% of the shares comprising the share capital and up to a total of €150 million, at a maximum price per share set at €300.

Pursuant to these authorisations, Management decided to implement a share buyback programme on 29 June 2021 and on 24 May 2022 for the following purposes, in order of precedence:

(1) acting as a market maker on the security's secondary market and/or ensuring the share's liquidity by means of an investment services provider acting independently under a liquidity contract in line with a Code of Ethics recognised by the AMF;

(2) allocating shares to employees and corporate officers in accordance with conditions set forth by law, particularly under a stock option plan, a free share plan or a company savings plan or employee shareholding plan;

(3) delivery of shares upon the exercise of rights attached to debt securities or equity securities entitling their holders to be allocated shares of the Company;

(4) cancellation of all or part of the shares acquired;

(5) custody and subsequent delivery of shares in respect of payment, exchange or otherwise, under transactions pursuant to Article L. 225-209 para. 6 of the French Commercial Code and more specifically external growth transactions instigated by the Company, on the understanding that the number of shares acquired by the Company in this way may not exceed 5% of its share capital;

(6) allocation in whole or in part of the shares thus acquired upon the performance of any transaction in line with the regulations in force.

A description of these share buyback programmes was published in accordance with Articles 241-1 et seq. of the AMF's General Regulation.

Pursuant to these authorisations, the Company bought and sold the following shares in 2022:

Month	No. of shares purchased	of which purchased under the liquidity contract	No. of shares sold[(a)]	No. of shares transferred[(b)]	Balance of treasury shares	Price at end of month
January	22,869	2,430	1,654		226,621	€158.00
February	7,330	3,002	2,923		231,028	€154.00
March	36,522	4,011	4,057	34,245	229,248	€154.40
April	7,053	1,950	1,105	144,700	90,496	€145.80
May	14,742	2,192	2,982		102,256	€140.20
June	28,532	2,704	2,589		128,199	€130.60
July	5,656	1,699	2,216		131,639	€144.80
August	17,724	2,503	1,341		148,022	€130.60
September	25,678	2,624	2,737		170,963	€127.60
October	26,537	2,720	3,663		193,837	€134.80
November	20,370	3,324	2,614		211,593	€135.40
December	4,166	2,145	1,668		214,091	€126.20

(a) Under the liquidity contract signed with Kepler Cheuvreux.
(b) Delivery of free shares granted to employees and corporate officers on vesting of the relevant plan.

7

For the full year 2022:

- 217,179 shares were purchased (including 31,304 under the liquidity contract and 185,875 to be allocated) for a total price of €30,482 thousand;
- 29,549 shares were sold under the liquidity contract for a total price of €4,163 thousand; and
- 178,945 shares were transferred under free share allocation plans.

At 31 December 2022, Altarea held 214,091 treasury shares:

- the "treasury shares liquidity contract" account, which corresponds to the objective (1) with 2,362 treasury shares; and
- the "shares held for allocation" account, which corresponds to the objective (2), with 211,729 treasury shares.

For more information on the recognition and cost price of treasury shares, see Note 4.4 to the 2022 consolidated financial statements (see Chapter 2.3 of this document).

It will be proposed to the annual Ordinary General Shareholders' Meeting called to approve the 2022 financial statements that it renews the authorisation granted by the Meeting of 24 May 2022 to purchase own shares up to a maximum of 10% of the shares comprising the share capital and up to total of €150 million, at a maximum price per share of €300, for the same purposes and buy-back objectives, in accordance with (EU) Regulation no. 596/2014 of 16 April 2014 and (EU) Delegated Regulation 2016/1052 of 8 March 2016.

As in previous years, the shareholders will be asked to authorise that the purchase, sale or transfer transactions described above may be carried out by any means compatible with the laws and regulations in force, including the use of derivative financial instruments and the purchase or sale of blocks of shares. It will be expressly requested to authorise buybacks of shares from corporate officers in compliance with Article 3 of the Delegated Regulation (EU) 2016/1052 of 8 March 2016.

7.1.3 Shares giving access to share capital

At the registration date of this document, there were no securities giving access to the share capital in issue by the Company.

7.1.4 Changes in share capital

Table of changes to share capital over the past three financial years

Date	Project	Number of shares issued	Nominal amount of the transaction	Share premium	Total cumulative number of shares	Par value per share	Cumulative amount of the share capital
21/07/2020	Capital increase reserved for the FCPE (employee investment mutual fund)	66,878	€1,021,895.84	€6,535,318.16	16,767,640	At rounded par value	€256,216,717.50
24/07/2020	Payment of scrip dividend	508,199	€7,765,280.72	€53,620,076.49	17,275,839	At rounded par value	€263,981,998.22
30/03/2021	Capital increase by way of contribution in kind	39,277	€600,152.56	€4,639,399.24	17,315,116	At rounded par value	€264,582,150.78
21/07/2021	Capital increase reserved for the FCPE (employee investment mutual fund)	60,580	€925,662.40	€6,880,676.40	17,375,696	At rounded par value	€265,507,813.18
26/07/2021	Payment of scrip dividend	482,385	€7,370,842.80	€67,644,848.55	17,858,081	At rounded par value	€272,878,655.98
10/12/2021	Capital increase with preferential subscription rights	2,435,190	€37,209,703.20	€312,848,859.30	20,293,271	At rounded par value	€310,088,359.18
19/07/2022	Capital increase reserved for the FCPE (employee investment mutual fund)	82,533	€1,261,104.24	€7,998,273.03	20,375,804	At rounded par value	€311,349,463.42

Amendment in 2022: Capital increase in favour of the FCPE (employee mutual fund)

The Company carried out a capital increase reserved for the FCPE (employee investment mutual fund) of the Group's employees, fully invested in Altarea shares. The total subscription value of the capital increase was €9,259,377.27, with a subscription price set at €112.19, after the discount, in accordance with the provisions of the law. The capital increase resulted in the creation of 82,533 new shares which were admitted for trading on Euronext Paris on 19 July 2022, the full quantity allocated to the FCPE, *i.e.* a nominal value increase of €1,261,104.24.

7.1.5 Share capital breakdown

The Company does not know the exact composition of its ownership at all times, as some of its shares are held in bearer form.

Ownership at 31 December 2022

	Theoretical shares and voting rights		Actual voting rights at General Shareholders' Meetings	
Shareholder	**Number**	**%**	**Number**	**%**
Founders concert[(a)]	9,151,917	44.92	9,151,917	45.39
Extended Concert[(b)]	9,168,805	45.00	9,168,805	45.48
Crédit Agricole Assurances Group	5,003,920	24.56	5,003,920	24.82
APG (ABP)[(c)]	1,438,606	7.06	1,438,606	7.14
Christian de Gournay and Opus Investment BV	329,278	1.62	329,278	1.63
Treasury Shares	214,091	1.05	-	-
FCPE	221,430	1.09	221,430	1.10
Public	3,999,675	19.63	3,999,675	19.84
TOTAL	**20,375,804**	**100.00**	**20,161,713**	**100.00**

(a) Alain Taravella and Jacques Nicolet, founders of the Group, acting in concert, as well as the members of their family and the companies they control (see 7.1.6 and 7.3 below).
(b) Existing concert between the founders, described above, on the one hand, and Jacques Ehrmann (see 7.1.6 and 7.3 below).
(c) Stichting Depositary APG Strategic Real Estate Pool (APG), a foundation under Dutch law acting on behalf of the investment fund APG Strategic Real Estate Pool, held by Stichting Pensioenfonds ABP (ABP), a pension fund for employees in the public sector (particularly national education) in the Netherlands.

To the Company's knowledge, no significant change has occurred in the capital breakdown since 31 December 2022 and no shareholders currently hold, directly or indirectly, alone or in concert, more than 5% of the share capital and voting rights.

It should be recalled that the ten General Partners shares with a par value of €100 are held by Altafi 2 (see 6.2.2 above).

Employee shareholders

In accordance with Article L. 225-102 of the French Commercial Code, it is specified that as of 31 December 2022 the shares held by the employees of the Company and of affiliates within the meaning of Article L. 225-180 of the French Commercial Code represent 3.19% of the Company's share capital.

It must be emphasised that this percentage does not express the proactive nature of the employee shareholder policy implemented by Company Management since the Group's listing on the stock exchange in 2004, because it is calculated based solely on the number of shares held by the employee investment mutual funds (FCPE) and shares definitively acquired under free share plans authorised by the General Shareholders' Meeting since the Act of 6 August 2015, known as the Macron Law. It does not, therefore, take into account (i) the free shares allocated under a plan authorised before 6 August 2015 and (ii) the current setting up of new free share plans intended to make each employee a full-blown shareholder in the Group, thus enabling them to benefit from the dividend paid to the shareholders and, if applicable, the gains accrued by an increase in the Altarea share price.

Pledges of Company shares

At 31 December 2022, to the Company's knowledge 4,325,692 shares[(1)] were pledged, representing 21% of the number of shares comprising the share capital.

Change in ownership structure over the past three financial years

	31/12/2022		31/12/2021		31/12/2020	
Shareholder	**Number of shares**	**% share capital and voting rights**	**Number of shares**	**% share capital and voting rights**	**Number of shares**	**% share capital and voting rights**
Founders' Concert*	9,151,917	44.92	9,065,267	44.67	7,876,166	45.59
Extended Concert*	9,168,805	45.00	9,117,534	44.93	7,921,166	45.85
Crédit Agricole Assurances Group	5,003,920	24.56	5,003,920	24.66	4,274,297	24.74
APG (ABP)	1,438,606	7.06	1,438,606	7.09	1,428,777	8.27
Christian de Gournay and Opus Investment BV	329,278	1.62	329,278	1.62	256,815	1.49
Treasury Shares	214,091	1.05	205,406	1.01	139,322	0.81
FCPE	221,430	1.09	151,808	0.75	113,819	0.66
Public	3,999,675	19.63	4,046,719	19.94	3,141,643	18.19
Total	**20,375,804**	**100.00**	**20,293,271**	**100.00**	**17,275,839**	**100.00**

* *See 7.1.6 below.*

(1) In particular, 1,736,029 shares to Société Générale and 2,411,275 shares to Natixis, pledged by AltaGroupe.

Threshold crossings

Legal threshold crossings during 2022

No declaration of threshold crossing was made to the AMF in 2022.

Disclosure of statutory threshold crossings (Article 12 of the Articles of Association)

In addition to the legal obligation to disclose threshold crossings, the Articles of Association also require any natural person or legal entity, acting alone or in concert, who acquires or ceases to hold, directly or indirectly, a fraction of the share capital, voting rights or securities giving future access to the Company's share capital greater than or equal to one per cent (1%) or a multiple of this fraction, to notify the Company, by recorded delivery and within four days of the threshold crossing, either upward or downward, of the total number of shares, voting rights or securities giving future access to the share capital that they hold either alone or in concert, directly or indirectly.

Any shares or securities in excess of the fraction that should have been disclosed in accordance with these requirements will be disqualified for voting purposes at all Shareholders' Meetings held for a period of two years after the date on which the requisite disclosure is finally made, if the failure to disclose has been duly noted and if requested by one or more shareholders separately or together holding at least one percent (1%) of the Company's share capital in accordance with the terms of the law. Similarly, the voting rights attached to any shares that have not been disclosed in accordance with these requirements may not be exercised by the holder either in person or by proxy.

7.1.6 Control of the Company and shareholders' agreements

Control of the Company

Description of the control over the Company

There is a disclosed concert between:

- Alain Taravella, the companies AltaGroupe, Alta Patrimoine and Altager, which he controls, and members of his family;
- Jacques Nicolet and the company Everspeed, which he controls; and
- Jacques Ehrmann.

The disclosed concert between Alain Taravella and Jacques Nicolet has existed since taking over control of the Company in 2004. The traditional group of shareholders acting in concert, composed of Alain Taravella and Jacques Nicolet is referred to in this document as the "founders' concert". As of 31 December 2022, the members of the founders' concert group together held 44.92% of the Company's share capital and theoretical voting rights.

In a letter received by the AMF on 2 August 2019, Jacques Ehrmann declared that he was acting in concert with the founders (AMF Decision & Information No. 219C1329 of 2 August 2019) following the acquisition of Altarea shares from Alta Patrimoine after his arrival in the Group and appointment as Chief Executive Officer of Altafi 2, Manager of Altarea. On 31 December 2022, the concert between the founders and Jacques Ehrmann, referred to in this document as the "extended concert", together held 45.00% of the Company's theoretical voting rights and share capital.

Absence of improper control

The Supervisory Board's report on corporate governance (Chapter 6) states that in terms of governance, the Supervisory Board is involved in examining Altarea's investments and divestments of a significant amount that is likely to alter the Company's balance sheet structure, and in all events an amount of over €50 million in the SIIC sector; the specialist committees of the Supervisory Board, namely the Audit Committee, the Investment Committee and the Compensation Committee, include independent members. At least one third of the members of the Supervisory Board are independent members.

The Company believes that there is no risk of control being improperly exercised.

Shareholders' Agreement

As of the date of this document, the Company was not aware of any shareholders' agreements in force.

7.1.7 Company officers and related-party transactions in Company shares

During 2022, Company officers and related parties declared the following securities transactions to the Company:

Name	Title on transaction date	Transaction	Financial instrument	Aggregate volume	Total gross amount
AltaGroupe	Legal person linked to Alain Taravella, Chairman of Altafi 2, Co-Manager	Acquisition	Shares	44,770	€5,815,115
Alta Patrimoine	Legal person linked to Alain Taravella, Chairman of Altafi 2, Co-Manager	Acquisition	Shares	41,880	€5,821,320
Jacques Ehrmann	Chief Executive Officer of Altafi 2, Co-Manager	Acquisition of free shares	Shares	12,000	-
		Cessions	Shares	47,382	€6,514,483
		Subscription[a]	Shares of FCPE	5,278	€52,704
Predica	Supervisory Board member	Sale[b]	Shares	27,442	€3,347,924
		Acquisition[b]	Shares	27,442	€3,347,924
		Sale[c]	Shares	460,753	€56,958,286
Catherine Leroy	Permanent representative of Alta Patrimoine, Supervisory Board member	Subscription[a]	Shares of FCPE	571	€5,705

(a) Subscription of units in the Relais Altarea 2022 FCPE (employee mutual fund), invested in Altarea shares, as part of the capital increase reserved for Altarea Group employees carried out on 19 July 2022 (see 7.1.1 above).

(b) Transaction to reallocate an internal portfolio with no impact on the Predica holdings - Internal reclassification within the Crédit Agricole Assurances Group with no impact on the overall holding of this group.

(c) Disposal as part of the creation of the FRPS Credit Agricole Assurances Retraite SA.

7.1.8 Bonds not giving access to the share capital

Issue date	Issue amount	Subscription rate	Nominal amount outstanding	Date of maturity	Interest	Market	ISIN
14/12/2016	€50,000,000	Entirely subscribed	€50,000,000	14/12/2026	2.45%	Euronext Paris	FR0013222247
05/07/2017	€500,000,000	Entirely subscribed	€265,200,000	05/07/2024	2.25%	Euronext Paris	FR0013266525
17/10/2019	€500,000,000	Entirely subscribed	€450,000,000	17/01/2028	1.875%	Euronext Paris	FR0013453974
16/12/2020	€300,000,000	Entirely subscribed	€300,000,000	16/01/2030	1.750%	Euronext Paris	FR00140010J1

The bond issue contracts shown in the table above contain a change of control clause.

It should also be noted that the Company, at the end of a subscription agreement dated 11 December 2012, issued Subordinated Perpetual Notes (TSDI), fully subscribed by APG Strategic Real Estate Pool, for an initial nominal amount of €109 million, increased to €195.1 million (*i.e.*, €130 per TSDI) by an additional clause dated 29 December 2014 and then to €223.5 million (i.e., €148,94 per TSDI) by an additionnal clause dated 27 mai 2021 (see 3.2.3.2.1 of the notes to the annual financial statements in Chapter 3 of this document).

7.2 Stock market information

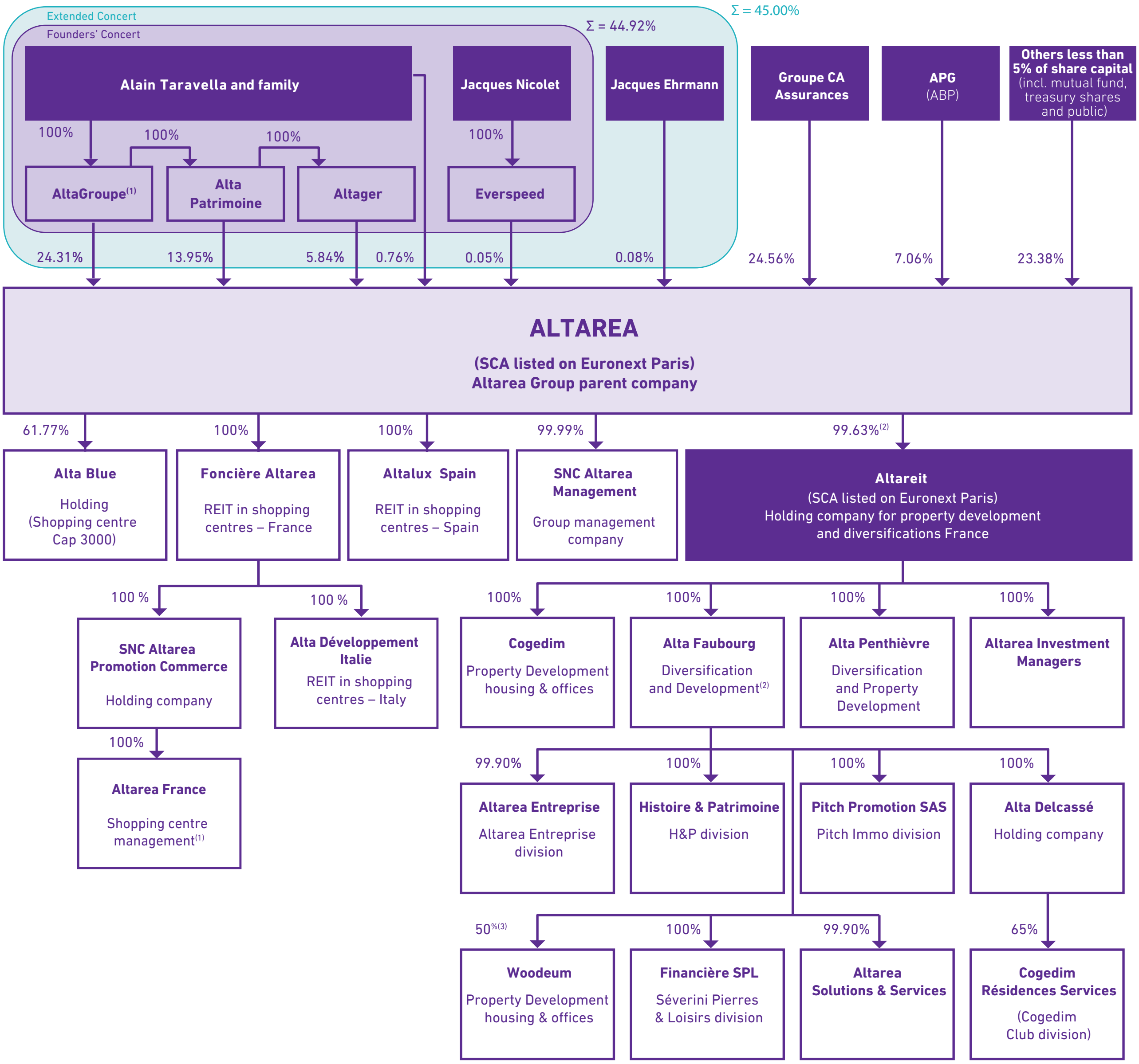
Altarea	
Listing market	Euronext Paris – Compartment A (Large Cap)
Codes	Ticker symbol: ALTA - ISIN: FR0000033219 Bloomberg: ALTAFP - Reuters: IMAF.PA
Legal Entity Identification code (LEI)	969500ICGCY1PD6OT783
Listings	SBF 120 - CAC All Shares - CAC All-Tradable - CAC Mid & Small - CAC Mid 60 - IEIF REIT Europe - IEIF SIIC France - IEIF Foncières
Deferred Settlement Service (French SRD)	Eligible
PEA/PEA PME	Non-eligible
ICB Sector classification	Retail REITs, 8672

	2018	2019	2020	2021	2022
Market capitalisation (at 31/12)	€2,662,968,348	€3,381,904,305	€2,477,355,313	€3,401,152,220	€2,571,426,464
Number of shares traded	1,077,486	523,174	1,844,456	1,747,595	1,301,771
Capital traded	€213,144,495	€97,070,770	€244,421,181	€294,659,497	€183,155,445
Highest	€218.50	€205.00	€210.00	€203.35	€171.40
Lowest	€159.60	€163.40	€103.20	€130.89	€119.00
Latest	€165.80	€202.50	€143.40	€167.60	€126.20

	High	Low	Latest	Number of shares traded	Amount of capital traded
January 2022	€171.40	€152.80	€158.00	96,457	€15,906,940
February 2022	€162.80	€145.60	€154.00	98,883	€15,155,324
March 2022	€158.20	€122.60	€154.40	213,671	€30,956,008
April 2022	€154.40	€143.20	€145.80	73,031	€10,798,852
May 2022	€153.20	€137.20	€140.20	95,630	€13,788,577
June 2022	€146.80	€120.40	€130.60	116,816	€15,672,222
July 2022	€147.60	€125.40	€144.80	60,249	€8,331,856
August 2022	€149.80	€129.20	€130.60	88,182	€12,296,707
September 2022	€136.40	€119.00	€127.60	126,014	€16,133,318
October 2022	€137.80	€123.40	€134.80	105,276	€13,695,815
November 2022	€139.80	€127.20	€135.40	95,244	€12,744,381
December 2022	€139.80	€122.40	€126.20	132,318	€17,675,445

(Source: Euronext)

7.3 Simplified organisation chart as of 31 December 2022



(1) AltaGroupe holds 100% of the share capital and voting rights of Altafi 2 (Managing General Partner of Altarea and Manager of Altareit) and Altafi 3 (General Partner of Altareit).
(2) Altarea holds a direct stake in Altareit. Including indirect shareholdings, Altarea holds 99.85% of the share capital of Altareit, via the subsidiaries Altarea France (holding 0.11% of the share capital of Altareit) and Alta Faubourg (holding 0.11% of the share capital of Altareit) - treasury shares whose voting rights cannot be exercised at a General Meeting in accordance with the provisions of Article L.233-31 of the French Commercial Code).
(3) Alta Faubourg's stake in the share capital and voting rights of Woodeum was increased to 100% on 21 February 2023.

Altarea centralises the Group's cash surpluses. Note 8 to the consolidated financial statements shown in Chapter 2 of this document on financial instruments and market risks provides information on the main banking covenants. The main assets and borrowings are carried by the subsidiaries that conduct the corresponding business operations.

The list of the main companies included in Altarea's consolidation scope is presented in Note 4 to the consolidated financial statements. That of Altarea's subsidiaries and direct equity interests is given in Section 3.2.3.5 of the Notes to the annual financial statements (Chapter 3 of this document).

During the 2022 financial year, the Company made the following equity investments coming under Article L. 233-6 of the French Commercial Code in companies having its registered office in France:

- acquisition of a stake in Retail Fins and Retail Ollioules through mixed contributions in kind by Altarea of the two real estate assets Flins and Ollioules;
- acquisition of a 16% stake in the share capital of M.R.M., whose shares are admitted to trading on the Euronext market in Paris (ISIN FR00140085W6), as part of (i) the contribution to M.R.M. by Altarea in each of the companies Retail Flins and Retail Ollioules (received as consideration for the contribution of the two aforementioned real estate assets Flins and Ollioules) and (ii) for the subscription to the capital increase of M.R.M. with maintenance of shareholders' preferential subscription rights having been the subject of the prospectus approved by the AMF on 14 November 2022 under number 22-443.

7.4 Dividend policy

7.4.1 Dividends paid over the past financial years

Dividends paid to the Limited Partners in respect of the last three years are as follows:

Financial year[(a)]	Number of shares eligible for dividend	Total amount distributed	Dividends per share	Amount eligible for the allowance provided for in Art. 158-3-2 of the French General Tax Code[(b)]	Scrip dividend option	Portion of dividend payable in shares	Option rate for PSD[(c)]
2019	16,568,565	€149.2 million	€9.00	€0.79	✓	50%	82%
2020	17,220,977	€163.6 million	€9.50	€2.58	✓	50%	92%
2021	20,194,052	€196.9 million	€9.75	€1.98	-	-	-

(a) Paid in the subsequent year.
(b) 40% tax allowance provided for in Article 158-3-2 of the French General Tax Code and applicable to natural persons whose tax residence is in France.
(c) Percentage of shares eligible for dividend payment presented by shareholders for payment in shares.

Pursuant to Article 29 paragraph 6 of the Company's Articles of Association, the General Partner, who has unlimited joint and several liability for the Company's debts to third parties, receives in this capacity a preferred statutory dividend equivalent to 1.5% of the annual dividend. This amounted to €2.24 million in respect of financial year 2019, €2.46 million in respect of financial year 2020 and €2.95 million in respect of financial year 2021.

The treasury shares held by the Company do not bear dividends.

In accordance with the law, dividends not claimed after a period of five years from the date of payment are cancelled and paid to the State.

7.4.2 Dividend distribution policy

Under the terms of the Company's Articles of Association, it is the Supervisory Board that decides each year on the appropriation of earnings, distribution of the reserves and the dividend payment procedure to be proposed to the General Shareholders' Meeting (see 8.1.2.9 below).

The Company's dividend policy is based on an analysis that takes into consideration regulatory constraints, related in particular to the SIIC regime, dividends paid historically and the Group's financial position, results and growth outlook.

The Supervisory Board of the Company decided to propose to the next General Shareholders' Meeting, to be held in 2023 to approve the financial statements for the year ended 31 December 2022, the payment of a dividend of €10 per share in respect of the 2022 financial year, up by €0.25 (+2.6%) compared to the dividend paid for the previous financial year.

A partial conversion option of the dividend into shares will also be offered to shareholders as follows:

- either a 100% payment in cash; or
- 50% payment in share and 50% in cash.

Pursuant to Article 29 paragraph 6 of the Articles of Association mentioned in 7.4.1, this would also result in the payment to Altafi 2, as General Partner with unlimited joint and several liability for the Company's debts, of a preferred dividend equivalent to 1.5% of the annual dividend, *i.e.* approximately €3,056 thousand.

For the subsequent years, subject to the above and assuming there is no geopolitical, health or macroeconomic crisis, a pay-out ratio of 75% of FFO with a minimum dividend of €10/share will be proposed, with the option for 50% of the dividend to be paid as a scrip dividend.

7.4.3 Expenditures and fees under Article 39-4 of the French General Tax Code

No expense or fee that is non-deductible for tax purposes within the meaning of Article 39-4 of the French General Tax Code was incurred in 2022.

8

ADDITIONAL INFORMATION

8.1 Company information

8.1.1 History and developments

1994
Altarea was founded by Alain Taravella and Jacques Nicolet.

1995
Control of **Gerec**, a company specialising in shopping centre development and created in 1973.

1996
Control of **Espace Aménagement**, the retail property management arm of Foncière Rallye.

2000
Delivery of **Bercy Village**, a redevelopment project started in 1997.

2001
Start of operations in Italy with the creation of **Altarea Italia**.

2002
Launch of **Retail Park** business.

2004
Stock exchange listing of Altarea on Euronext Paris. Start of operations in Spain with the creation of **Altarea España**.

2005
Adoption of **Retail REIT** status.

2006
Acquisition of property assets of Bail Investissement Foncière.

2007
Acquisition of **Cogedim**.

Transformation of Altarea into a partnership limited by shares.

2008
Capital increase of €375 million and entry of the APG pension fund into the capital of Altarea.

Companies in the Property Development division (Residential and Business property) become subsidiaries under Altareit, which is separately listed on Euronext Paris.

2009
Acceleration of the **sustainable development process**[(1)].

2010
Acquisition by the consortium Altarea-ABP-Predica, of Aldeta, a company that owned the regional **CAP3000** shopping centre in Nice.

2011
Creation in partnership with the ABP Pension Fund and Predica of **AltaFund**, an office property investment fund.

2013
Long-term partnership with Allianz Real Estate concerning a portfolio of shopping centres.

Delivery of the first **Cogedim Club®**[(2)]. The Group also develops halls of residence for students, business tourism, etc.

2014
Delivery of the regional shopping centre Qwartz in Villeneuve-la-Garenne, which receives a MAPIC Award for its digital innovations.

Acquisition of **Histoire & Patrimoine**[(3)].

Partnership with Crédit Agricole Assurances in the Cogedim Club® operating company.

2016
Acquisition of **Pitch Promotion**.

The Group exceeds its objective of **10,000 units sold** per year.

2017
Delivery of the **large mixed-use project** Place du Grand Ouest in Massy.

2018
Sale of the **Kosmo** building in Neuilly-sur-Seine (global headquarters of Parfums Christian Dior) and **87 Richelieu** in Paris (Altarea Group head office).

First **S&P Global** credit rating: BBB (stable).

2019
Acquisitions of **Severini**, a developer active mainly in Nouvelle-Aquitaine, and 50% of **Woodeum**, a low-carbon residential developer, the remainder being acquired in February 2023.

Signature of two **Retail partnerships with Crédit Agricole Assurances** (for Proximity and International).

Acquisition for redevelopment of the current CNP Assurances head office above Paris-Montparnasse station.

2020
Launch of **Altarea Solutions & Services**[(4)].

Delivery of **87 Richelieu**, the Group's new head office, which won the Grand Prix Simi 2020[(5)], and **Convergence** in Rueil-Malmaison, Danone's new global headquarters.

2021
Delivery of office buildings **Bridge** in Issy-les-Moulineaux (Orange's new head office, WiredScore labelled "Platinum") and **Eria** in La Défense (future Cybersecurity division).

Announcement of **partnership with Carrefour** for the transformation of three commercial sites into mixed-use urban projects.

Delivery of shops in **Paris-Montparnasse station**.

Partnerships with Crédit Agricole Assurances for €1 billion in Retail (Alta Infrastructures for flow-through shops in stations and Alta Retail Parks).

2022
Altarea enters the **SBF 120** and CAC Mid 60 indices.

Delivery of **Issy-Cœur de Ville eco-district**, one of the largest mixed-use projects in the metropolis of Greater Paris, exemplary in environmental terms.

(1) See 4.1.1 of this document. The Group receives one of the top three French HQE® (high environmental quality) Retail certifications for Okabe (Kremlin Bicêtre) and generalises NF Habitat certification in Residential.

(2) The Group's Serviced Residences line for active seniors.

(3) Specialist in the rehabilitation of assets and tax exemption products (Malraux, historical monuments, land deficit, etc.).

(4) In-house value-added service platform to support customers and partners throughout their residential real estate project.

(5) In the category "Renovated office building or particularly innovative redevelopment".

Delivery of **CNP Assurance's new head office** in Issy-les-Moulineaux.

CAP3000 wins the "**Best shopping centre**" in the world at the Mipim awards 2022, following the finalisation of its extension-renovation with the premium mall "**Corso**".

Building permit definitely obtained for retail outlets at **Paris-Austerlitz station**.

Altarea created **Altarea Logistique**[(1)] and completes its first **urban logistics project** with the Manufacture de Reuilly, in Paris's 12th arrondissement.

Pitch Immo wins the project **Cité Internationale de la Gastronomie** of Paris-Rungis.

ON THE NON-FINANCIAL LEVEL IN 2022:

Cogedim, a brand of the Group, is ranked **first in the HCG France – Les Echos** customer relations rankings and voted best "**Customer Service of the Year**" for the 6th consecutive year.

Altarea is once again recognised as a "**Top Employer France**"[(2)] and confirms, for the 7th consecutive year, its GRESB "**Green Star – 5 stars**" status[(3)].

Renewal of the long-standing partnership with **Habitat & Humanism** to participate in the fight against poor housing.

8.1.2 General information

8.1.2.1 Company name
(Article 3 of the Articles of Association)

The Company's name is Altarea.

8.1.2.2 Legal form – Applicable legislation
(Article 1 of the Articles of Association)

Altarea was originally incorporated as a *société anonyme* (a French public limited company).

It was transformed into a *société en commandite par actions* (a French partnership limited by shares) by resolution of the shareholders at the Combined General Shareholders' Meeting held on 26 June 2007.

Article 24.2 of the Articles of Association sets out that any Limited Partner (*i.e.* any shareholder) holding individually or in concert 5% or more of the share capital and voting rights of the Company may propose to the General Shareholders' Meeting to transform the Company into a *société anonyme*. As such, Limited Partners may decide, by a majority required for the Extraordinary General Shareholders' Meeting, to terminate the status of the *société en commandite par actions*. The general partner may not oppose such a transformation. Nevertheless, as long as Alain Taravella, Co-Manager and General Partner, directly or indirectly holds more than a third of actual voting rights, such a decision would be contingent upon his voting in the affirmative.

Altarea is a company incorporated under the laws of France and governed principally by the provisions of Book II of the French Commercial Code.

Altarea is therefore subject to French law.

8.1.2.3 Special legislation applicable

Following the decision made in March 2005 by the Company and its eligible subsidiaries to opt for the tax regime available to *Sociétés d'Investissements Cotées* (SIIC, French Retail REIT) in accordance with Article 208-C of the French General Tax Code – decree no. 2003-645 of 11 July 2003, Altarea is subject to the specific provisions of this regime (see 8.1.2.9 below and the "Taxes" section of 3.2.2.2 above).

8.1.2.4 Head office
(Article 4 of the Articles of Association)

The registered office of Altarea is located at 87 rue de Richelieu – 75002 Paris.

Its telephone number is: +33 (0)1 56 26 24 00.

Altarea is hosted by its sub-subsidiary Cogedim Gestion, which itself holds a commercial lease on the premises of its head office.

8.1.2.5 Date of constitution and lifespan of the Company
(Article 5 of the Articles of Association)

The Company was incorporated on 29 September 1954 and, in accordance with Article 5 of its Articles of Association, has a term of 99 years as of that date, unless it is extended or wound up early.

8.1.2.6 Corporate purpose
(Article 2 of the Articles of Association)

The Company's corporate purpose, both in France and abroad, on its own behalf and in participation with third parties, is as follows:

- principal purpose, either directly or indirectly through the companies it controls and manages, in the meaning of Article 8 and Paragraphs 1, 2 and 3 of Article 206 of the French General Tax Code:
  - the acquisition of land, property rights and building rights, as well as any assets and rights that may be subsidiary or ancillary to said property assets,
  - the construction of offices and all transactions directly or indirectly related with building these offices,
  - all for the purpose of: operating and creating value through letting these properties, leasing any type of property assets and investing in any companies with the same purpose;
- subsidiary purpose:
  - the management of buildings, property appraisals, property development and the acquisition for resale, renovation, maintenance and cleaning of property assets,
  - the development, management and operation of shopping centres,

(1) The Group's new brand to support its growth strategy in the huge market for logistics platforms.

(2) Certification awarded by the Top Employers Institute.

(3) With a score of 90/100, Altarea confirms its place among the European leaders in sustainable development by ranking 3rd in the GRESB 2022 at the European level.

- the centralisation of cash management,
- making available to subsidiaries its intellectual and industrial property rights,
- the provision of services for the benefit of the subsidiaries,
- investments or shareholdings, directly or indirectly, in any company or enterprise running a business of whatever nature in the field of real estate,
- the exchange or disposal by sale, contribution or otherwise of the property assets acquired or built for leasing in accordance with the principal purpose of the Company;

and, in general, any civil, financial, commercial, industrial, real estate and other transactions deemed useful for the furtherance of one of the Company's above-mentioned purposes.

8.1.2.7 Identifying information

The Company is registered at the Paris Trade and Companies Registry under registration number 335 480 877.

The Company's SIRET number is 335 480 877 00430 and its business code is 6820B (Administration of other property assets).

The Company's legal entity identification code (LEI) is 969500ICGCY1PD6OT783.

The Company's intra-European VAT number is FR 34 335 480 877.

It is listed in Compartment A of Euronext Paris (ISIN code: FR0000033219 – Mnemonic: ALTA).

8.1.2.8 Financial year
(Article 28 of the Articles of Association)

The financial year begins on 1 January and ends on 31 December.

8.1.2.9 Statutory distribution of profits
(Article 29 of the Articles of Association)

The distributable profit as defined by law is at the disposal of the Ordinary General Shareholders' Meeting. It may, in whole or in part, allocate it to any general or special reserve fund, carry it forward or distribute it to the shareholders.

For as long as the Company is subject to the regime set out in Article 208-C of the French General Tax Code, the amount of any distributions shall be determined in accordance with the provisions of the second, third and fourth paragraphs of Article 208-C II of the same code such that the Company may benefit from the provisions set out in the first paragraph thereof.

The Ordinary General Shareholders' Meeting, ruling on the accounts for the financial year, may grant each shareholder, for all or part of the dividend distributed or of an interim dividend, an option between the payment of the dividend, either in cash, or in ordinary shares, these securities being issued by the Company, in accordance with the legal and regulatory provisions in force.

Said Meeting may also decide to distribute all or part of the dividend in kind through the allocation of listed financial securities of the subsidiaries (including all listed rights and warrants that may confer entitlement to shares in the Company's subsidiaries) on the terms and conditions set out by current regulations and providing that equal treatment of all shareholders is respected.

Interim dividends may also be distributed in cash, in Company shares or in kind through the allocation of listed financial securities of the subsidiaries (including all listed rights and warrants that may confer entitlement to shares in the Company's subsidiaries) on the terms and conditions set out by current regulations and providing that equal treatment of all shareholders is respected.

The Ordinary General Shareholders' Meeting may decide at any time, on the terms and conditions set out by current regulations, to distribute sums taken from the reserves and/or premiums at its disposal, including by allocating listed financial securities of the subsidiaries (including all listed rights and warrants that may confer entitlement to shares in the Company's subsidiaries) providing that equal treatment of all shareholders is respected.

The General Partner is entitled to a priority dividend equal to 1.5% of the annual dividend paid.

Save in the event of a capital reduction, no distribution may be made to the shareholders if the Company's net equity is or would as a result of the distribution become lower than the amount of share capital plus any reserves which are not distributable by law.

All of the foregoing is without prejudice to any future issuance of non-voting preferred shares.

A Relevant Shareholder (as defined in Article 10 of the Articles of Association – see 7.1.1 above) whose own position or position of its shareholders causes the Company to become liable for the withholding (the "Withholding") referred to in Article 208-C II ter of the French General Tax Code (a "Liable Shareholder") shall compensate the Company for the Withholding arising upon any distribution of dividends, reserves, share premiums or "income deemed to be distributed" within the meaning of the French General Tax Code.

All Relevant Shareholders are deemed to be Liable Shareholders. A shareholder claiming not to be a Liable Shareholder must provide evidence thereof to the Company no later than five (5) business days before the distribution payment date in the form of a satisfactory unqualified legal opinion from a law firm of international repute and with recognised expertise in French tax law, certifying that the shareholder is not a Liable Shareholder and that the distributions made to it will not cause the Company to become liable for the Withholding.

Should the Company directly or indirectly hold a percentage of the dividend rights at least equal to that referred to in Article 208-C II ter of the French General Tax Code, or in one or more of the *sociétés d'investissements immobiliers cotées* referred to in Article 208-C of said Code (a "SIIC Subsidiary") and should a SIIC Subsidiary, due to the position of the Liable Shareholder, have paid the Withholding, the Liable Shareholder shall, as the case may be, compensate the Company either for the sum paid by the Company to the SIIC Subsidiary to compensate the SIIC Subsidiary's payment of the Withholding or, if the Company has not paid any compensation to the SIIC Subsidiary, for a sum equal to the Withholding paid by the SIIC Subsidiary multiplied by the percentage of dividend rights held by the Company in the SIIC Subsidiary, such that the Company's other shareholders do not bear any portion of the Withholding paid by any of the SIICs in the holding chain in respect of the Liable Shareholder (the "Additional Compensation"). The amount of Additional Compensation shall be borne by each of the Liable Shareholders in proportion to their respective dividend rights divided by the aggregate dividend rights held by all Liable Shareholders.

The Company shall be entitled to offset its claim against any Liable Shareholders against sums owed to it by the Company. Thus, the sums deducted from the Company's tax-exempt profits under Article 208-C II of the French General Tax Code and due to be paid to the Liable Shareholder for each share held pursuant to the above distribution or share buyback decision, shall be reduced by the amount of the deduction by the Company in respect of the distribution of these sums and/or the Additional Compensation.

In the case of a scrip dividend, each Liable Shareholder will receive a portion of the sums due to be distributed in shares, with the proviso that no fractional shares shall be created, and the balance in cash paid into an individual current account so that the set-off mechanism described above can be applied to that portion of the distribution.

The amount of any compensation due by a Liable Shareholder will be calculated in such a way that the Company shall be in the exact same position after payment of the compensation and taking account of any related tax effects, as it would have been had the Withholding not been payable.

Should it transpire that (i) after a distribution of dividends, reserves or share premiums, or "income deemed to be distributed" within the meaning of the French General Tax Code made from the tax-exempt earnings of the Company or a SIIC Subsidiary under Article 208-C II of the French General Tax Code, a shareholder was in fact a Liable Shareholder on the distribution date, and that (ii) the Company or SIIC Subsidiary should have paid the Withholding in respect of the sums paid to the Liable Shareholder and said sums were paid without application of the reduction mechanism described above, the Liable Shareholder will be required to pay the Company compensation for its loss in a sum equal to the Withholding that the Company would then have to pay in respect of each share held by that Liable Shareholder on the distribution date, plus, where applicable, the amount of the Additional Compensation (together the "Indemnity").

The Company has the right to set off the Indemnity due against all sums that might subsequently be paid to the Liable Shareholder without prejudice, where applicable, to the prior application to said sums of the reduction described above. Should, after such set-off, the Liable Shareholder still owe the Company any sums in respect of the Indemnity, the Company may once again set off the outstanding balance against any sums that might subsequently be paid to the Liable Shareholder until the debt has been fully extinguished.

8.2 Other information

8.2.1 Competitive situation

Information on the Altarea Group's businesses and services, current trends, competitive environment and earnings is given in the integrated strategic report and the business review (first and second parts of the Universal Registration Document). The business review also discusses the macroeconomic factors and business cycles affecting the shopping centre and residential property markets.

The Company's main competitors are as follows:

- in the shopping centres sector, the nine other REITs that together have more than €1 billion in market capitalisation, excluding the Altarea Group, are[1] Gecina, Unibail-Rodamco-Westfield, Klépierre, Covivio, Icade, Covivio Hotels, Carmila and Argan;
- in the property development sector, the ten leading property operators, which include the Altarea Group are[2]:
  - in residential[3]: Nexity, Vinci Immobilier, Bouygues Immobilier, Groupe Pichet, Alila, Kaufman & Broad, Adim, Icade Promotion, and Procivis,
  - in business property: Vinci Immobilier, Nexity, Icade Promotion, Groupe Duval, Linkcity, Groupe WO2, 6th Sens Immobilier, GA Smart Building and Eiffage Immobilier.

8.2.2 Absence of material changes in the financial or business position

With the exception of what is shown, where applicable, in Note 11 to the consolidated financial statements (see 2.3 of this document), the Company has not experienced any material changes in its financial position or business situation since the start of the current year.

The Group composed of the Company and its subsidiaries enjoys both the recurring revenue characteristic of a retail REIT and the added value of a developer active on the three main real estate markets (Retail, Residential and Business property).

8.2.3 Information that can affect Altarea's businesses or profitability

Overall, the Company is not dependent on its customers.

In the Retail division, the ten largest tenants of shopping centres managed by the Altarea Group accounted for 21% of total rental income (excl. VAT) as at 31 December 2022. Out of these, none accounted for more than 10% of rental income.

(1) Source: Institut de l'Epargne Immobilière & Foncière: Euronext IEIF SIIC France, index nomenclature as of 31/12/2022 (www.ieif-indices.com).

(2) In global business volume in millions of euros -2021 Award -2022 Developers' ranking (33rd ed.) - Innovapresse - pages 23 and 31. Altarea being ranked second by business volume in Residential and fourth by business volume in the tertiary sector (offices, retail, hotels and business/logistics premises).

(3) Including the Serviced Residences business.

In addition, in the Property Development division (Residential and Business property), a single client alone accounted for more than 10% of the division's revenue at 31 December 2022, with €414 million (see Note. 4.4 to the consolidated financial statements in Chapter 2.3 of this document). The ten largest customers accounted for 30% of total revenue.

The attention of the reader is drawn to the significant risks to which the Company is exposed and which are detailed in Chapter 5.2 of this document, in particular as regards the risks related to the evolution of the real estate market and the economic environment (see Sections 5.2.1.1), as well as the dispute mentioned in paragraph 5.1.6 above relating to legal and arbitration proceedings.

8.3 Persons responsible for the Universal Registration Document and the audit of the financial statements

8.3.1 Person responsible for the Universal Registration Document

Altafi 2, Co-Manager, represented by its Chairman, Mr Alain Taravella.

8.3.2 Statement by the person responsible for the Universal Registration Document

"I certify that the information contained in this Universal Registration Document is, to the best of my knowledge, true and fair and free from material omission.

I declare that, to the best of my knowledge, the financial statements were prepared in accordance with generally accepted accounting principles and give a true and fair view of the assets, liabilities, financial position and earnings of the Company and all entities included within the Company's scope of consolidation. I also declare that, to the best of my knowledge, the management report, the cross-reference table of which appears on page 371, gives a true and fair view of the businesses, earnings, financial position and primary risks and uncertainties of the Company and all entities included in the Company's scope of consolidation."

Altafi 2

Co-Manager

Represented by its Chairman

Alain Taravella

8.3.3 Persons responsible for the audit of the financial statements

Statutory Auditors[a]	Date of first appointment	Start date and duration ofcurrent term	Expiration of term
MAZARS[b] Tour Exaltis -61 rue Henri Regnault -92400 Courbevoie Represented by Gilles Magnan and Johanna Darmon	24 May 2022	24 May 2022 6 financial years	GSM on the accounts for the financial year 2027
ERNST & YOUNG ET AUTRES Tour First -1 place des Saisons -92400 Courbevoie Represented by Jean-Roch Varon and Soraya Ghannem	28 May 2010	24 May 2022 6 financial years	GSM on the accounts for the financial year 2027

(a) The Statutory Auditors of the Company are members of the Compagnie Nationale des Commissaires aux Comptes – The General Shareholders' Meeting of 24 May 2022 decided not to appoint alternate Statutory Auditors pursuant to the provisions of Article L. 823-1 of the French Commercial Code.

(b) Appointed to replace Grant Thornton, whose term of office expired at the end of the General Shareholders' Meeting of 24 May 2022.

8.4 Documents and information

8.4.1 Documents incorporated by reference

In compliance with Article 19 of Regulation (EU) 2017/1129, the following information is incorporated into this Universal Registration Document by reference:

- the consolidated financial statements and corresponding audit report provided on pages 69 and 123, the annual financial statements and corresponding audit report provided on pages 129 and 150, as well as the management report provided on page 39 of the 2020 Universal Registration Document filed with the Autorité des Marchés Financiers on 19 March 2021 under number D. 21-0158;
- the consolidated financial statements and corresponding audit report provided on pages 51 and 106, the annual financial statements and corresponding audit report provided on pages 113 and 135, as well as the management report provided on page 27 of the 2021 Universal Registration Document filed with the Autorité des Marchés Financiers on 29 April 2022 under number D. 22-0403.

8.4.2 Documents available

For the full period of validity of this Universal Registration Document, the following documents are available to the public in electronic or printed form and can be obtained from the Company's registered office at 87 rue de Richelieu – 75002 Paris, on working days and during office hours:

- the Company's most recent Articles of Association;
- all reports, letters and other documents, past financial data and expert opinions or statements requested by the Company that are included or mentioned in this Universal Registration Document.

All regulated company information circulated by the Company in accordance with Articles 221-1 et seq. of the AMF General Regulation, such as Universal Registration Documents (including the annual financial statements) containing essentially the Company's historic financial information, filed with the AMF for the past ten financial years, and any updates thereof, are available on the Company's internet site (www.altarea.com, heading Financial information/ Regulatory information). The information which appears on the Company's website is not part of this Universal Registration Document unless it has been incorporated by reference.

8.4.3 Third party information

Some information in this Universal Registration Document has come from third-party sources. The Company hereby confirms that this information has been faithfully reproduced and, as far as the Company is aware and can confirm in the light of the information published, no fact has been omitted that would render the information produced inaccurate or misleading.

8.4.4 Overview of valuation reports prepared by Altarea's independent external appraisers

General context of the valuation

Background and instructions

In accordance with the instructions of Altarea ("the Company") as detailed in the signed valuation agreements between Altarea and the appraisers, we have valued the assets held by the Company taking account of the nature of their ownership (freehold, ground lease, etc.). This Summary Report, which outlines the terms of our engagement, has been prepared for inclusion in the Company's Universal Registration Document.

The valuations were undertaken by our valuation teams in each of the various countries and were reviewed by the pan-European valuation teams. In order to determine a market value for each asset, we took into consideration property transactions across Europe and not only domestic transactions. We confirm that our opinion on the market value has been reviewed in the light of the other appraisals carried out in Europe, in order to have a consistent approach and to take into consideration all the transactions and information available on the market.

The valuations were performed using the discounted cash flow and capitalisation methods, which are regularly used for these types of assets.

We can confirm that we did not receive fees from the Company representing more than 10% of our respective revenues.

Our valuations were performed as of 31 December 2022.

Standards and general principles applied

We confirm that our valuations were performed in accordance with the relevant sections of the January 2022 edition of the Code of Conduct (effective 31 January 2022) of the RICS Valuation - Global Standards 2017 (the "Red Book"). This is an internationally-accepted valuation basis. Our valuations are compliant with IFRS and IVSC guidance. The valuations were prepared on the basis of the recommendation of the Autorité des Marchés Financiers (AMF) on valuation data pertaining to the real estate assets of listed companies, as published on 8 February 2010. They also take into account the recommendations of the Barthès de Ruyter report on the valuation of real estate of listed companies, as published in February 2000.

We confirm that we have prepared our valuations as external and independent valuers, as defined by the RICS Red Book. We also confirm that the valuations were performed in accordance with the principles of IFRS 13, *i.e.*, on the basis of the "highest and best use" of each asset.

The market value set out hereafter generally approximates fair value within the meaning of IFRS, and particularly IFRS 13.

Basis of valuation

Our valuations correspond to Fair Values and are reported to the Company on both a net basis (after deduction of transfer duties and costs) and gross basis (before deduction of transfer duties and costs).

Valuation considerations and assumptions

Information

The Company's management was asked to confirm that the information provided relating to the assets and tenants was complete and accurate in all material respects. Consequently, we have assumed that all relevant information known by Company employees that could have an impact on values was made available to us and that this information was up to date in all material respects. This includes running costs, work undertaken, financial information (including doubtful debts), turnover rents, lettings signed or in the process of being signed and lease incentives, in addition to the list of leases in force and vacant units.

Floor areas

We have not measured the assets and have therefore based our valuations on the floor areas that were provided to us.

Environmental analysis and ground conditions

We have not been asked to undertake a study of ground conditions or an environmental analysis, and therefore have not investigated past events in order to determine if the ground or buildings are or have been contaminated. Unless provided with information to the contrary, we have worked on the assumption that the assets are free from historic ground contamination or potential contamination, and that the condition of the land will not affect its current or future usage.

Corporate Social Responsibility (CSR)

Assets that do not meet the sustainability characteristics expected in the market may represent a higher investment risk. The changes under way and driven by legislation and market perception are beginning to affect the outlook for rent and capital growth, as well as the vulnerability of assets to obsolescence. This view is supported by RICS in its recently published guidance note "Sustainability and ESG in commercial property valuation and strategy" (3rd Edition).

We currently collect information, data and CSR performance indicators on assets appraised in Europe and we analyse real estate transactions in order to interpret the importance given to each CSR element and how they are taken into account by buyers on recent and ongoing transactions. At this stage, little information is available to gauge the precise impact of CSR on market values, as many investors' CSR strategies are very recent and several investors are only just starting to collect KPIs. Some local and European regulations are also recent, which does not provide sufficient experience to fully grasp the potential implications and possible solutions to comply with these regulations.

We considered recent shopping centre transactions and their CSR performance. We believe these transactions provide indications as to achievable investment criteria for shopping centres with similar CSR performance.

Although there is currently a lack of (comparable) evidence that the market makes CSR price adjustments, we are seeing the increasing importance of ESG analysis in acquisitions. We continue to monitor market movements and sentiment and also work with Altarea to compile and compare CSR data.

We note that Altarea is well advanced on CSR issues and has been able to provide us with a significant amount of information to enable us to analyse the CSR performance of the portfolio.

Planning regulations

We have not reviewed the relevant planning permissions and have assumed that the assets have been built, and are occupied and used, in conformity with all necessary authorisations and that the land is free of legal restrictions. We have assumed that the layout of the assets conforms to legal requirements and planning regulations, including as regards structures, fire protection, health and safety, and security. We have also assumed that any extensions in progress are being undertaken in line with planning regulations and that all necessary authorisations have been obtained.

Title deeds and tenancy schedules

Our work was based on the tenancy schedules, summaries of additional revenues, non-recoverable charges, capital projects and business plans provided to us. We have assumed, beyond that which is set out in our individual asset reports, that the assets are not subject to any constraints that could impede a sale, and that they are free from any restrictions or charges. We have not reviewed the title deeds and have taken as correct the rental, occupational and all other pertinent information provided to us by the Company.

Condition of the assets

We observed the general condition of each asset during our inspection. While our engagement does not include a building or structural survey, we have indicated in our report any disrepair that was visible during our inspection. The assets were valued based on the information provided by the Company, which state that no deleterious or harmful materials were used in their construction.

Taxation

Our valuations are prepared on the basis of Fair Value and were performed without taking into account any fees or taxes that may be applicable in the event of a transfer. Rental and market values are stated net of value-added taxes.

Overall fair value as of 31 December 2022

Appraiser	Appraised assets	Legal regime	Number of appraisals carried out	Number of assets visited during the December 2022 season	Fair value excluding transfer taxes at 31/12/2022 at 100% *(€ millions)*	% value vs. portfolio
Cushman & Wakefield Valuation France	Shopping centres and malls Retail parks Travel retail	Full ownership/ Co-ownership/AFUL	11	10	1 905	46%
		Temporary Occupation Authorisation Construction lease Occupancy agreement	2	2	360	9%
Jones Lang Lasalle Expertise & CBRE Valuation (appraising 1 asset)	Shopping centres and malls Retail parks Travel retail	Full ownership/ Co-ownership/AFUL	16	15	1 743	42%
		Temporary Occupation Authorisation Construction lease Occupancy agreement	3	2	103	3%
TOTAL PATRIMOINE			**32**	**29**	**4 111**	**100%**

Confidentiality and disclosure

In accordance with our standard practice, we confirm that our valuation reports are confidential and are addressed solely to the Company. Accordingly, we accept no liability to third parties. This report, or an extract thereof, may not be published or reproduced in any document, declaration, memorandum or communication with any third party without our prior written consent as regards the form and context in which this information may appear. In signing this summary report, the individual valuation firms accept no liability for the valuations carried out by the other firms.

Gwenola Donet	Béatrice Rousseau	Jean-Philippe Carmarans
Chairman	Director	Chairman
JLL Expertises	**CBRE Valuation**	**Cushman & Wakefield Valuation France**

Cross-reference table

Universal Registration Document cross-reference table

The cross-reference table below can be used to identify the information required by Annexes 1 and 2 of the Delegated Regulation (EC) 2019/980 of 14 March 2019.

Headings of Annexes 1 and 2 of the Delegated Regulation of 14 March 2019		Section	Page
1	**Persons responsible**		
1.1	Identity of the persons responsible	8.3.1	364
1.2	Statement by persons responsible	8.3.2	364
1.3	Appraisers' declaration	8.4.4	366
1.4	Statement relating to third-party information	8.4.3	365
1.5	Declaration without prior approval of the competent authority	AMF insert	1
2	**Statutory Auditors**	**8.3.3**	364
3	**Risk factors**	**5.2**	279 to 289
4	**Information about the issuer**		
4.1	Company name and business name	8.1.2.1	361
4.2	Place, registration and legal entity identification code (LEI)	8.1.2.7	361
4.3	Date of constitution and lifespan of the Company	8.1.2.5	361
4.4	Registered office, legal form, applicable legislation, country of origin, website, address and telephone number of the registered office	8.1.2 - 8.4.2	361 – 362 - 365
5	**Business overview**		
5.1	Principal activities	RSI - 1.1 - 1.2	3 to 101
5.2	Main markets	RSI - 1.1 - 1.2	3 to 101
5.3	Exceptional events	RSI - 2.3.4.1	22 to 23 - 139 to 140
5.4	Strategy and objectives	RSI - 1.1 - 1.2 - 1.3	4 to 21 - 88 to 105
5.5	Issuer's dependency on patents, licences, contracts or new manufacturing processes	N/A	
5.6	Statement on competitive position	1.2.2.1 – 1.2.3.2 - 8.2.1	95 - 99 - 363
5.7	Investments		
5.7.1	High-value investments made	1.1.2 - 1.2.3.3	88 to 90 – 99 - 100
5.7.2	Main investments underway or which the issuer intends to make in the future	1.1.2 - 1.2.1.3 - 1.2.3.2	90 – 93 – 99 to 101
5.7.3	Joint ventures or affiliates likely to have a major impact	2.3.4.2 - 2.3.4.5	141 to 146
5.7.4	Environmental issues	RSI - 1.3 - 4	30 to 43 – 102 to 105 – 205 to 278
6	**Organisational structure**		
6.1	Brief summary of the Group	RSI - 7.3	10 - 357
6.2	List of significant subsidiaries	2.3.4.2	141 to 144
7	**Review of financial position and income**		
7.1	Financial position	RSI - 1	18 to 21 – 87 to 114
7.2	Operating income/(loss)	1.2 – 1.3 - 1.4	91 to 114
8	**Cash flow and capital resources**		
8.1	General information about the share capital	1.4.3 - 2.3.6	111 to 114 - 149 to 154
8.2	Cash flow	2.1 - 2.3.6.2.5	120 - 154
8.3	Borrowing requirements and funding structure	1.4.3 - 2.3.7	111 to 114 – 155 to 160
8.4	Restrictions on the use of capital resources	2.3.6.2 - 2.3.8.3	151 to 153 - 164
8.5	Anticipated sources of funds	1.4.3 - 2.3.8.3	111 to 114 - 164
9	**Regulatory environment**	**5.1.5 – 5.2.1 - 5.2.2 - 5.2.4 - 5.2.5**	284 – 286 to 289 – 291 – 293 to 295
10	**Trend information**		
10.1	Material trends and changes since the end of the previous financial year	8.2.2	363
10.2	Events that may have a material impact on the outlook	5.2 - 5.2.1.1 - 8.2.3	285 – 286 - 363

Cross-reference table for the annual financial report
(Articles 222-3 of the AMF General Regulation and L. 451-1-2 of the French Monetary and Financial Code)

Title		Section	Page
1.	**Annual financial statements**	**3**	177
2.	**Consolidated financial statements**	**2**	115
3.	**Management report**	**See below**	
4.	**Supervisory Board report on corporate governance**	**6**	297
5.	**Statutory Auditors' reports**		
	Report on the annual financial statements	3.4	198
	Report on the consolidated financial statements	2.4	170
6.	**Statement by persons responsible**	**8.3.2**	364

Cross-reference table for the management report
(Articles L. 225-100-1, L. 232-1 and L. 233-26 of the French Commercial Code)

Title	Section	Page
I. Activities		
Analysis of changes to the business, results and financial position of the Company during the past financial year	1	87 to 114
Analysis of changes to the business, results and financial position of the Group during the past financial year	1	87 to 114
Results of the subsidiaries and companies controlled by type of business	1.2 - 1.3 – 1.4 - 2.3.4.2	91 to 110 – 141 to 144
Research and development activities	4.3.5	254 to 256
Foreseeable changes and outlook	RSI - 1.1.2 - 1.2 - 8.2.3	4 to 7 – 12 to 21 - 88 to 101 – 363
Important events occurring after the closing date of the financial year	2.3.11 - 8.2.3	169 – 363
II. Risks and internal control		
Description of the principal risks and uncertainties	5.2	285 to 295
Main characteristics of the internal control and risk management procedures relating to the preparation and treatment of accounting and financial information	5.1.3	282 – 283
Group policy in terms of financial risk management and exposure to pricing, credit, liquidity and cash flow risks	2.3.8 - 5.1.4 - 5.2.3	161 to 164 - 290
Indications on financial risks linked to climate change and presentation of the measures taken by the Company to limit them	5.2.1.2	287
III. Declaration of Extra-Financial Performance (Article L. 225-102-1 of the French Commercial Code)	**4**	205 to 278
IV. Legal information and information on the shareholders		
Employee participation in the share capital (Article L. 225-102 of the French Commercial Code)	7.1.5	353
Identity of shareholders holding more than 5% - treasury shares (Article L. 233-13 of the French Commercial Code)	7.1.5	353
Information on share buybacks (Article L. 225-211 of the French Commercial Code)	7.1.2	351 – 352
Amount of dividends distributed over the last three years (Article 243 bis of the French General Tax Code)	7.4	358
Summary of transactions by officers in the securities of the Company (Article L. 621-18-2 of the French Monetary and Financial Code and 223-26 of the General Regulation of the AMF)	7.1.7	355
V. Supervisory Board report on corporate governance	**6**	297 to 347
VI. Other information		
Equity investment or takeover of companies domiciled in France (Article L. 233-6 the French Commercial Code)	7.3	357
Information on supplier payment terms (Article L. 441-6-1 of the French Commercial Code)	3.3.1	196
Table of the Company's results over the last five years (Article R. 225-102 of the French Commercial Code)	3.3.2	197

Glossary

Acronyms and abbreviations

GLA: Gross Leasing Area

EXCL. TR. TAX: Excluding transfer taxes **/INCL. TR. TAX:** Including transfer taxes

EXCL. TAX: Excluding tax **/INCL. TAX:** Including tax

LFL: Like-for-like scope

GS: Group share

CBD: Central Business District

SDP: Floor space

SA: Surface area or total surface area of the rooms (internal measurements)

TNFA: Total net floor area

CHGE.: Change

A

Average cost of debt: The average cost of debt is the ratio of the total interest expenses of short- and long-term financial instruments including related fees (commitment fees, non-use fees, etc.) to the average debt for the period.

B

Bad debts: Amount net of allowances and reversals of provisions for bad debts as well as definitive losses over the period in question, divided by rents and charges, at 100%.

BEFA: A BEFA (Lease in the Future State of Completion), also called a "turnkey rental", consists for a developer to rent a building before its construction.

Block sales: Property transaction involving several homes, a complete building or an entire real estate programme, sold to a single institutional investor.

BREEAM®: Building Research Establishment (BRE) Environmental Assessment Method. Method of assessing the environmental performance of buildings developed by the BRE, a private British building research establishment. It is now applicable throughout the world through the BREEAM In-Use international pilot standard.

Business property backlog: Revenue (excl. tax) from notarised sales not yet recognised according to percentage of completion, new orders pending notarised deeds (signed PDCs) and fees pending receipt from third parties under signed agreements.

C

Commercial launch (Residential): A commercial launch is the release for sale of a residential property programme. This is when the price list is drawn up (a selling price is set for each unit) and the promotional material (sales plans and sales leaflets) is made available. It equates to revenue incl. tax when expressed in value.

Cost price: Total development budget including interest expenses for the transaction and capitalised internal costs (including land price) in the case of off-plan sale or lease investment and development projects.

CSR: Corporate Social Responsibility (CSR) is a "concept whereby companies voluntarily incorporate social, environmental and economic concerns into their business activities and their interaction with their stakeholders". By adopting operating practices which are more ethical and more sustainable, they should be able to play their part in creating a better society and protecting the environment. Stated more clearly, it is "the contribution of companies to the challenges of sustainable development". (Source: French Ministry for the Ecological and Inclusive Transition).

"Customer Service of the Year" award: The award, which was created in 2007 by Viseo Customer Insights, uses mystery shoppers to annually test the customer service quality of French companies in 42 different economic sectors. It is the benchmark ranking for customer relationships in France. The Group has won the award for "Customer Service of the Year" since 2018, when real estate developers were first included in the panel.

D

Delegated project management (DPM): In a delegated project management arrangement, the Project Manager has appointed a representative to handle all or some of the project management duties on his behalf. It is essential to differentiate between project management and prime contractor in the project process to separate the responsibilities of the two entities involved. The Project Manager is solely responsible for setting the objectives. The prime contractor is in charge of building the structure according to deadlines, quality standards and costs set by the Project Manager, and on a more general level, the terms of a contract.

E

ELAN (Act): The ELAN Act (*Evolution du logement, de l'aménagement et du numérique*) aims to facilitate the construction of new housing and protect the most vulnerable. It was enacted on 23 November 2018.

Exit rate (or "capitalisation rate"): Ratio of the portfolio's potential rents (net rental income on let units + rental value of vacant units + income from pop-up trading) and its appraisal value excl. transfer duties. It reflects the fundamental medium- to long-term quality of assets.

F

FFO Group share: FFO (funds from operations) Group share represents operating income after net borrowing costs, tax paid and non-controlling interests, for all Group activities.

Financial vacancy: Estimated rental value of vacant units as a share of total rental portfolio.

Footfall: Change in the number of visitors, measured by Quantaflow at shopping centres equipped with this technology, or by counting cars at retail parks (excluding travel retail).

Future offering – Residential: Projects under management (through a preliminary sale agreement, almost exclusively in unilateral form) which have not yet been launched (in euros incl. tax when expressed as a value and units when expressed in volume).

G

Going concern NAV: The going concern NAV is the equity market value assuming a continuation in business, taking into account the potential dilution related to the SCA status.

GRESB: Global Real Estate Sustainability Benchmark. Not-for-profit organisation whose primary task is to assess the social and environmental performance of property companies. Created in 2009, it brings together around 15 of the largest pension fund Managers and major property sector organisations. Each year, the GRESB compiles an international classification to assess the CSR performance of property companies around the world.

I

ICR: ICR (Interest Coverage Ratio) is operating income/net borrowing costs (funds from operations column) on the consolidated income statement by segment.

L

Large urban projects: Complex real estate programmes, offering a mix of Residential, Retail and Office and also including public and leisure facilities (hotel resorts, cultural and sports venues, etc.).

LTV: The Loan-to-Value ratio (LTV) is the ratio of net debt to the restated value of assets including duties.

M

Market capitalisation: Share price on the specified date multiplied by the number of shares at this date.

N

Net debt to EBITDA: Net bond and bank borrowings over FFO operating income.

Net rental income on like-for-like scope: Net rental income (including contributions to the marketing fund, re-billing of works and lessor investments, which are not included in the definition of EPRA net rental income) excluding, for the periods analysed, acquisitions, disposals and assets under redevelopment giving rise to changes in surface areas.

New orders – Business property: New orders at 100%, with the exception of jointly-controlled operations (equity-accounted) which for which new orders are shown in Group share (in euros incl. tax when expressed as a value).

New orders – Residential: New orders net of withdrawals at 100%, with the exception of jointly-controlled operations (Group share) (in euros incl. tax when expressed as a value).

O

Occupancy cost ratio: Ratio of rents and charges billed to tenants (including reductions) to sales revenue.

Off-plan sale: Where a developer sells a building before its construction.

Operating income: Funds (cash-flow) from operations (FFO column of the consolidated income statement by segment).

P

Pinel (scheme): The "Pinel" scheme offers a tax reduction on the purchase price of a let home, subject to certain conditions.

Pinel+: Article 168 of the Finance Act for 2021 amends the Pinel scheme from 1 January 2023. In 2023 and 2024, the scheme is available in two forms, with different tax conditions: the classic Pinel (declining tax reduction rates) and the Pinel+ (maintenance of previous rates, in certain neighbourhoods or based on energy and quality criteria).

Pipeline (surface area): Total surface area expressed in square metres of all projects under development for all Group activities.

Pipeline (in potential value): Market value at delivery date. Retail: potential market value including duties of projects on delivery (net rental income capitalized at a market rate) at 100% of revenue excluding tax for development projects. Residential: Offer for sale + portfolio incl. VAT. Business property: potential market value excl. transfer duties on the date of disposal for investment projects (at 100%), contract values excl. tax for off-plan sales/PDCs and estimated value for other development projects (at 100%, or Group share for jointly owned projects) plus capitalised DPM fees.

Property development contract (PDC): "Common interest mandate" whereby a project owner entrusts the development of its property project to a developer. The developer takes charge of the entire project, administrative procedures and contracts, and is responsible for the successful completion of the project at the agreed price. The PDC is frequently used in turnkey office projects carried out for investors or users.

Properties for sale – Residential: Units available for sale on projects under construction not yet sold or rented (in euros incl. tax when stated by value or number of units when expressed by volume).

R

Rental income: Rental income includes gross rental income, including the effects of spreading stepped rents over the non-cancellable lease term, rent holidays and other benefits granted by contract to the lessee by the lessor, and notably reductions granted during the lease term.

Residential backlog: Revenue (excl. tax) from notarised sales to be recognised on a percentage-of-completion basis and individual and block new orders to be notarised.

Residential revenue by percentage of completion: Revenue in euros excl. tax recognised on a percentage-of-completion basis in accordance with IFRS 15 (Revenue from contracts with customers), based on both percentage of sales realised (notarised sales) and the technical completion of the programmes (progress of construction sites).

Retail appraisal value: Value of portfolio assets including transfer taxes (at 100% or Group share).

S

SCA: The SCA (*société en commandite par actions*, a French partnership limited by shares) is a unique form of company in that it has two categories of partner: General Partners and Limited Partners. The Limited Partners can only be held liable up to the value of their shareholding. As such they are like shareholders. The General Partners, on the other hand, are jointly and severally responsible for all of the Company's debt. The SCA is managed by one or more General Partners. Management is overseen by a Supervisory Board.

SIIC: The SIIC (retail REIT) tax regime was introduced by the Finance Act 2002-1575 of 30 December 2002 and came into force on 1 January 2003. This tax regime covers REITs investing in property assets with a view to leasing them. In return for distributing a significant portion of their income (95% of recurrent income based on parent company net income and 60% of capital gains from the sale of assets), SIICs do not pay corporate income tax. Altarea Cogedim opted for SIIC status in 2005.

U

URD: Universal Registration Document.

Z

Zero Net Artificialisation (ZNA): Instituted in 2018 by the Biodiversity Plan and reaffirmed in 2020 through the Citizen's Climate Convention, this approach seeks to reduce urban sprawl as much as possible by limiting construction on natural or agricultural areas and by offsetting urbanisation by giving greater importance to nature in the city. ZNA is a target set for 2050. It asks territories, municipalities, departments and regions to halve the rate of artificialisation and consumption of natural, agricultural and forest areas by 2030 compared to that measured between 2011 and 2020.

ACKNOWLEDGMENTS

The Communications Department would like to thank all the Group's teams who contributed to the preparation of the integrated strategic report, in particular the Finance Department for the work carried out jointly.

Design and creation: HAVAS PARIS

Cover: Cyril Zannettacci / Agence VU'; Getty Images.

Photo credits: Abdesslam MIRDASS / Hans Lucas; Agence Captive; Alexandre Fay; Alexandre Halbardier; Andre Alves; Antoine Doyen; Antoine Piechaud; Armonica Film; BalanceFormCreative (Shutterstock); Créaction; Cyril Zannettacci; Delambora; EDF Optimal Solutions; Emilija Manevska (Getty Images); Experimento; Fizkes (Shutterstock) ; Florian Fortier; Fotografixx (Getty Images) ; Géraldine Bruneel; Groupe-6; Habiteo; Josh Hodge (Getty Images) ; Julie Blin; JulienLutt (CAPA Pictures) ; K. Khalfi; L'Autre Image; Lechatnoir (Getty Images); Luis Alvarez (Getty Images); Marko Geber (Getty Images); Maskot (Getty Images); Maya Angelsen; Myphotoagency / Farshid Momayez; Ombeline Van der Marlière; Patrick Tourneboeuf / Tendance Floue; Romuald Meigneux; Tang Ming Tung; Thibaut Voisin; Tristan Paviot; Valentin Nauton; Willie B. Thomas (Getty Images).

IMPRIM'VERT®
© 2022 - 5878

BAC DE TRI

This document was printed in France, the paper used is 100% PEFC certified, guaranteeing that it comes from sustainably managed forests.

Designed & published by LABRADOR +33 (0)1 53 06 30 80

www.altarea.com

ALTAREA