2023 UNIVERSAL REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT

ALTAREA

CONTENTS

INTEGRATED STRATEGIC REPORT

Altarea presents its integrated strategic report in the introduction to the Universal Registration Document (also available in full on altarea.com).

Inspired by the principles of "integrated thinking" and the reference framework proposed by the Value Reporting Foundation, Altarea's integrated strategic report sets out the Group's vision, business model, performance and strategy for creating value shared with stakeholders and the territories.

This report was prepared collaboratively, thanks to the mobilisation of the Group's various departments. It has been developed to be consistent with other corporate and financial publications, in particular the presentation of annual results.

A detailed summary is presented at each chapter entry.

2023 UNIVERSAL REGISTRATION DOCUMENT

Including the annual financial report

The Universal Registration Document was filed on 22 March 2024 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.

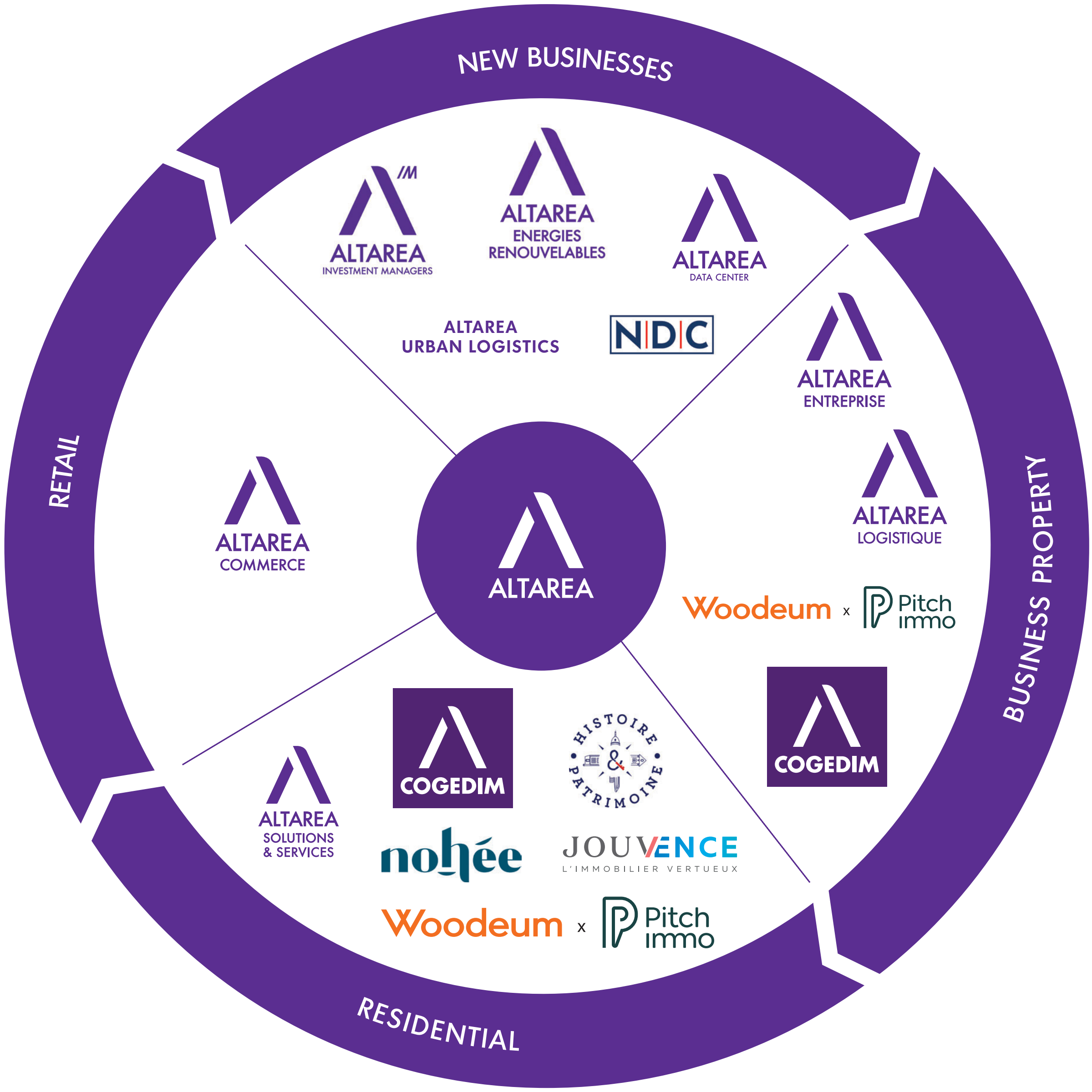
This document is a translation into English of the Universal Registration Document of the Company including the 2023 annual financial report issued in French in ESEF (European Single Electronic Format), filed with the AMF and available on both the AMF's and Company's websites.

INTEGRATED STRATEGIC REPORT

Altarea, a unique skills platform

The Group applies a unique multi-business, multi-brand model, which draws on strong brands and deep expertise to meet all of the city's needs in an integrated manner.

ALTAREA GROUP BRANDS



€2,712 m
revenue

No. 2
Residential developer

€2,250 m
new orders

€5 232 m
Retail assets under management, o/w

€2,240 m
Group share

No. 2
Office property developer

CLIENTS

Cogedim (Altarea Group)

No. 1
in the 2024 HCG–Les Echos customer relations rankings for the second consecutive year

Cogedim Club (now renamed Nohée) voted Capital magazine's "Top brand" in the serviced senior residences sector

Altarea Commerce
strengthens its customer relations processes with Tandem, which aims to support retailers and make their lives easier

EMPLOYEES

Top Employer 2024
(international certification that recognises excellence in HR practices)

top EMPLOYER FRANCE 2023
CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

Altarea wins the "Youth employment" award
in the Grand Prix de l'Emploi Option Finance – Le Figaro Emploi

CLIMATE

48.1%
share of revenue aligned with European taxonomy

–42%
CO_2 emissions since 2019

74%
of building site purchases were made from companies located less than 50 km away

Altarea, 30 years of history

Landmark achievements

1995
- 1st "Family Village" retail park concept: Les Hunaudières, in Ruaudin

1997
- Opening of Bercy Village, 1st shopping and leisure centre

2010
- Acquisition of CAP 3000, transformation and extension to make it a next-generation shopping centre

2011
- Delivery of the Tour First, France's tallest tower block, after an ambitious and innovative reconstruction project

2013
- Delivery of the 5* Intercontinental Hotel in Marseille, resulting from the transformation of the Hôtel Dieu

2014
- Opening of Qwartz, 1st connected shopping centre
- Delivery of Laënnec, a high-end real estate programme in Paris's 7th arrondissement, Kering headquarters

2016
- Opening of L'Avenue 83, a shopping and leisure centre in Toulon

Our development and sustainability trajectory

1994
- Alain Taravella founds Altarea

1999
- Creation of Cogedim Club, serviced residences for independent seniors

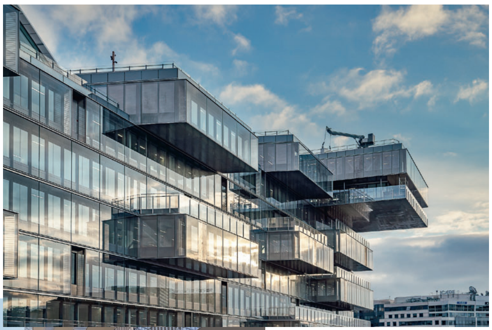
2004
- IPO

2007
- Acquisition of Cogedim

2009
- Altarea's CSR approach

2014
- Acquisition of Histoire & Patrimoine

2016
- Acquisition of Pitch Promotion
- First integrated strategic report



2017

- Inauguration of Massy Place du Grand Ouest, 1st mixed-use neighbourhood (housing, offices, conference centre, multiplex cinema, senior residence, hotel, school and shops)
- Launch of Bridge, Orange's new head office, in Issy-les-Moulineaux

2022

- Inauguration of Issy Cœur de Ville, a district embodying a new urban model
- Pitch Immo wins the project Cité Internationale de la Gastronomie of Paris-Rungis.
- Inauguration of Eria, headquarters of Campus Cyber in La Défense
- Inauguration of the Grands Moulins de Paris, a jewel of the industrial heritage rehabilitated into housing
- Cap 3000 named best shopping centre in the world

2019

- Delivery of Kosmo, headquarters of Parfums Christian Dior

2020

- Delivery of 87 Richelieu, Altarea's new head office
- Delivery of Convergence, Danone's largest head office in the world

2021

- Inauguration of the Paris-Montparnasse station after a major transformation

2023

- Delivery of the keys to the emlyon business school campus

2017

- Structuring of the Group's CSR approach: "Tous engagés!"

2018

- CAP 3000, 1st shopping centre in the world to obtain the BiodiverCity® label

2019

- Strategic partnership with Woodeum
- Altarea becomes a pioneer in the development of mixed-use urban projects such as Bezons Cœur de Ville, Bordeaux Belvédère, Bobigny Cœur de Ville, Quartier Guillaumet in Toulouse and Issy Cœur de Ville in Issy-les-Moulineaux

2021

- Pitch Promotion becomes Pitch Immo
- REIT hits its energy consumption and CO_2 emissions targets and sets new targets for 2035

2022

- Acquisition of Groupe XF and Nation Data Center
- Creation of Altarea Logistique
- Publication of 1st Group climate report

2023

- Increase to 100% stake in Woodeum, the French leader in low-carbon solid wood housing
- First publication of indicators aligned with the European taxonomy (on 2022 revenue)
- Announcement of the proposed merger between Woodeum and Pitch Immo, to create the national leader in low-carbon real estate development
- Creation of Altarea Energies Renouvelables and Altarea Data Center
- Creation of Jouvence
- Cogedim Club becomes Nohée

ALAIN TARAVELLA
Chairman and Founder of Altarea

“Resilient and agile in the face of the crisis, we are preparing for the rebound in real estate by further accelerating decarbonisation.”

In recent years, we have faced a succession of crises (Covid, Ukraine, interest rates), and in 2023 went into a major real estate crisis, certainly one of the severest our section has seen, with serious social economic and environmental consequences. The multi-faceted housing crisis affects millions of French people who cannot find adequate housing and affects many players in our sector. The real estate crisis also threatens the necessary transition of construction to low carbon. This crisis will last and real estate companies must adapt to it.

While Altarea’s results have been impacted by this context, the effects have been mixed: while Residential and Business Property suffered a sharp decline, our Retail activity has had one of its best years. The entire Group was able to mobilise very quickly to adapt to the new real estate cycle. In the short term, we first significantly reduced our commitments to Residential development, with a drastic reduction in land acquisitions. The Group also sharply reduced its exposure to Business Property.

In the medium and long term, we actively prepared for the future. In Residential, for example, the teams worked on a new generation, low-carbon, affordable and profitable offer, which will be rolled out in 2024, using the subsidies maintained by the state (VAT at 5.5%, loans at zero rate) which, although insufficient, may enable production to be restarted. In Business Property, we accelerated our development in buoyant regional and logistics markets. We have also enhanced our model by developing new businesses: Renewable energy production, data centres, urban logistics, real estate savings and real estate debt.

Today, many challenges remain ahead, but I am convinced that we have three reasons to be confident in the future. First, Altarea is particularly well equipped to deal with the crisis, however severe it may be. The Group has already proven in the past that it is both extremely agile and highly resilient thanks to its solid financial base and its integrated model. Then, at a time when 70% of the population lives in urban areas with changing lifestyles, our business lines meet absolutely essential needs. The transformation of the city is a huge and sustainable market. The need for housing is urgent and I am sure that new support will be put in place.

By leveraging our platform of unique expertise and the tremendous commitment of our employees, we will therefore maintain our strategic course, with a strong firm decision: to put carbon performance on the same basis as financial performance. Altarea has therefore published the proportion of its revenue that is green and aligned with the European taxonomy – 48.1%, of the highest scores in its sector. By merging our Woodeum and Pitch Immo brands, we have also taken a decisive new step towards being the sustainable leader in low-carbon urban transformation. Not to mention the launch of our Jouvence brand, to meet the urgent energy renovation needs of existing homes.

In 2024, Altarea turns 30: even if the context in which we are celebrating this anniversary is difficult, the road travelled over the last three decades can only give us confidence in the future. We have been through crises before and we have always emerged from them stronger. The projects we have carried out, the innovation we have always been able to show, the convictions we have relentlessly defended are all assets in shaping the future of Altarea.

“As we have always done at Altarea in difficult times, we have adapted our model by developing new growth drivers.”

“Faced with the multi-crisis in real estate, we have no other choice but to provide multiple solutions.”

The real estate crisis that we are experiencing poses major and interlinked economic, social and environmental challenges. It weakens an entire economic sector that represents 11% of French GDP. It affects basic human needs, in particular everyone’s ability to find housing. It also slows down the decarbonisation of construction, which generates nearly a quarter of greenhouse gas emissions in France.

Faced with this multi-crisis, we have no choice but to deliver multi-solutions. Faced with a particularly severe economic crisis, we have defined and implemented a roadmap that consists of both transforming our traditional businesses to adapt them to new market conditions and developing new businesses with high potential. In Residential, we sold off the offer from the previous cycle and conducted an in-depth review of our land portfolio, being much more selective. We also worked on a new product that is less expensive to build and more compact, and therefore more affordable, without compromising on quality and low-carbon quality. Our objective is to create housing adapted to the needs of our customers, their changing uses and their purchasing power.

In **Business property,** we anticipated the current cycle by drastically reducing our land acquisitions, while completing ongoing projects. At the same time, we are stepping on the accelerator in areas of significant long-term needs. This is the case for Business property in the regions – where we have had a string of successes throughout the year – and for educational real estate - in December we delivered the magnificent new emlyon business school campus -– logistics and delegated project management.

In Retail, the situation is very different. In 2023, we recorded a remarkable performance, with rental income up by 5.8%, an occupancy rate of 97.3% and a rise in net sales for retailers. This shows how our teams have succeeded, after the difficult years of the pandemic, in creating an offer that is attractive to consumers, constantly renewed, innovative and responsible. The Retail business is more than ever the Group’s financial backbone.

Altarea is also banking on new growth-driving activities: Renewable energies, Data centres, with two sites already under construction, Urban logistics, with the acquisition of a high-potential platform at the end of 2023, and asset management, with the launch of our first SCPI, Alta Convictions, and a debt fund with Tikehau. We intend to amplify this momentum even further in these new businesses.

To meet the challenges of climate change, we are maintaining our low-carbon transition ambition. With the combined expertise of Woodeum and Pitch Immo, our new Jouvence brand for energy renovation of existing homes and the commitment of all our brands to the decarbonisation of their activities, we have all the cards in hand to drive a real step change. At Altarea, we place carbon performance at the same level as financial performance. This is shown by our green revenue, which we published for the second time this year ahead of regulatory requirements.

The future is not short of challenges but also exciting prospects. With a clear strategy, a solid balance sheet and fully mobilised teams, we are ready to embark on the new real estate cycle.

“On the decarbonisation front, we are continuing and will continue to do our bit to create a real step change.”

JACQUES EHRMANN
Group Chief Executive Officer, Altarea

Governance guaranteeing the smooth running of the Group

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, exercises continuous oversight of the Company's management.

MANAGEMENT

SUPERVISORY BOARD

Controls

Defining and leading the strategy

14
members

42%
Independence rate (1)

59 years
Average age

7 years
Average seniority

42%
Percentage of women (1)

2
Representation of employees

97%
Attendance rate

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)

SUPERVISORY BOARD: BALANCED AND DIVERSIFIED COMPOSITION

The Supervisory Board regularly reviews its composition to ensure its diversity: in particular, it ensures that it has a range of skills and a balanced representation of men and women with regard to the applicable regulations. The diversity of the profiles of its members guarantees a rapid and in-depth understanding of the Group's activities and challenges. It has six women and eight men comprised between 38 and 82. They include two Directors representing employees, members representing the group of founders and the main limited partners, as well as five independent directors, including Christian de Gournay, Chairman of the Supervisory Board.

(1) Excluding members representing employees in line with the AFEP-MEDEF Code recommendations.

CHRISTIAN DE GOURNAY

Chairman of the Altarea Supervisory Board

In the context of the real estate crisis, Altarea had three key strengths in 2023. First, its ability to react very quickly to new economic conditions. As from the end of 2022, all the teams were mobilised. I am thinking, for example, of the remarkable energy deployed by employees to sell our offer of housing on acquired land.

Another element appreciated by the Supervisory Board: the desire of management to preserve the agility of the Company and its ability to bounce back, with the conviction that our market for the transformation of the city is and will remain huge. Lastly, the sustainable and recurrent results of our Retail-oriented activities are also a powerful asset, contributing to the stability of Altarea as we go through two years of profound changes in 2023 and 2024.

Proactive and rigorous monitoring

In this context, the Supervisory Board closely monitored developments in the real estate crisis throughout the year. It has notably worked on the basis of a study on the determinants of housing price cycles over the past thirty-five years, the lessons of which have made it possible to define two possible landing scenarios for the current crisis. It then discussed with management the action plans to be implemented over the next two years.

The Board also continued to monitor the decarbonisation of the Group's Residential and Office products, while noting its good results with regard to European taxonomy. It also regularly analysed the development of the three new business lines that are growth drivers for the Company.

Its members also paid constant attention to the management of the Company's financial indicators, in particular debt control, reduction of working capital requirements and compliance with bank covenants. They discussed with Management and the Statutory Auditors the choices made in accounting strategy for the 2023 annual financial statements and unanimously approved the change in the proposed annual dividend.

SUPERVISORY BOARD

- **Christian de Gournay** Chairman of the Supervisory Board
- **Najat Aasqui** (Predica)
- **Marie-Catherine Chazeaux**
- **Alain Dassas** (APG)
- **Nicolas Deuzé**
- **Matthieu Lance**
- **Éliane Frémeaux**
- **Catherine Leroy** (Alta Patrimoine)
- **Philippe Jossé** (Altager)
- **Philippe Mauro**
- **Jacques Nicolet**
- **Léonore Reviron**
- **Michaela Robert**
- **Dominique Rongier**

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 Law and tax

12 Finance

10 Company management

11 Audit and risks

12 Property, urbanism, architecture

6 Customer solutions and new technologies

14 Strategy and project development

2023, as seen by our Executive Committee

"Faced with an unprecedentedly serious real estate crisis, the Group worked hard throughout the year to transform itself and prepare for the future. Thanks to its unique skills platform, team commitment, financial strength and agility, I am confident Altarea can adapt to new market conditions."

ALAIN TARAVELLA
Chairman and Founder of Altarea

"In the context of a real estate market that deteriorated in 2023, we are relying on the Group's financial structure, which is among the strongest in the sector, to adapt to the new cycle and continuing to invest in new businesses with high potential, while retaining significant room for manoeuvre."

ÉRIC DUMAS
Chief Financial Officer, Altarea

"Green revenue", 48.1% aligned with the European taxonomy, merger of our Woodeum and Pitch Immo brands to create the leader in low-carbon real estate development, launch of Jouvence, commitment of all teams and brands to their carbon trajectory… In 2023, we continued to accelerate our decarbonisation strategy to meet the climate challenges."

NATHALIE BARDIN
Director of Strategic Marketing, CSR and Innovation, Altarea

"In a very difficult year, our operational roadmap laid out plans for transforming our businesses and seizing new opportunities. In Residential, we sold the offer from the previous cycle and reduced our commitments. We also sharply reduced our Business Property exposure. In Retail, the situation is very different, with a remarkable performance. At the same time, we accelerated the development of the new high-potential businesses: real estate savings, renewable energies, data centres and urban logistics."

JACQUES EHRMANN
Group Chief Executive Officer, Altarea

"The year 2023 was marked by the launch of the Jouvence brand, which is for us the quintessence of what real estate must now be to meet the challenges of sustainable development and the non-artificialisation of soils. Within the Altarea Group Histoire & Patrimoine is best placed, thanks to its unique expertise on the market, to launch this unprecedented offer of completely renovated apartments, brought up to standard, combining the charm of the old and the comfort of the new and, of course, renewed energy efficiency. Jouvence is the real estate solution to a new vision of the world."

RODOLPHE ALBERT
Chairman, Histoire & Patrimoine

"In a Business property market undergoing profound transformation, Altarea has maintained a dynamic trajectory in a number of growth segments: regional office buildings, logistics real estate and educational real estate."

ADRIEN BLANC
Chairman of Altarea Entreprise

"**This year,** we continued to significantly strengthen our services platform, innovating for our clients, and designing products to seize the opportunities generated by the new real estate cycle. This is the case for Solution 10 Immo devised by Altarea Solutions & Services, the creation of Altarea Investment Managers and the launch of the property investment fund SCPI Alta Convictions, and the creation of a dedicated real estate credit platform in France in partnership with Tikehau."

BAPTISTE BOREZÉE
Deputy CEO of Altarea,
in charge of strategy,
M&A and Group services

"**The performance** of Altarea Commerce in 2023 shows that the teams are 100% committed to meeting three major challenges: developing an ever more innovative and responsible offer, continuing to improve the energy performance of our assets and working for urban transformation by animating the commercial life of the districts."

RODRIGO CLARE
Chief Executive Officer of Altarea Commerce

"**We have long argued** that our main asset is people. And this is even more true in an environment undergoing profound transformation. This is why Altarea invests heavily in the training and internal mobility of its employees, while continuing to be a player in the integration of young people. Together, we will build the Group and the City of tomorrow."

KARINE MARCHAND
Director of Human Resources, Altarea

"**We have made** Data centres and Renewable energies the new pillars of our strategy. We aim to develop these growth drivers by leveraging Altarea's historical know-how while keeping pace with the changes in society and responding to the ecological transition challenges they pose."

LUDOVIC CASTILLO
Chairman of the Management Board of Altarea Commerce, Chairman of Altarea Energies Renouvelables, Altarea Data Center and Altarea Logistique Urbaine

"**In a challenging** economic environment, our priority in 2023 was to adapt our offering to new market conditions and the needs of our customers. In 2024, we will continue to build a "next generation" housing offer designed for those who live there: affordable, profitable and sustainable."

VINCENT EGO
Chief Executive Officer of Cogedim

"**The Pitch Immo merger** will allow us to massively accelerate low-carbon construction. We will be able to make the most of the complementary strengths of our two recognised brands: Woodeum for its low-carbon expertise and Pitch Immo for its regional presence and global skills."

JULIEN PEMEZEC
Chief Executive Officer of Woodeum x Pitch Immo

Financial and extra-financial performance

POWER OF THE REAL ESTATE PLATFORM MODEL

€2,712 m
Revenue
– 10% vs. 2022

€248 m
FFO
– 44%

€101.2 m
FFO Group share
– 63%

A SOLID FINANCIAL MODEL
To support future growth

€2,410 m
Available cash

28.7%
Loan to value

€3,220 m
Equity

€1,647 m
Net debt

ROBUST EXTRA-FINANCIAL PERFORMANCE

48.1%
Revenue aligned with European taxonomy

910,000 tCO_2e
Group carbon performance (scopes 1, 2 and 3),

336 gCO_2e
Carbon intensity (volume required to generate €1 in revenue)

– 42%
CO_2 emissions since 2019 (– 16% in 2023 vs. 2022)

100%
of new neighbourhood projects have an ecological diagnostic

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

100%
of Retail sites have a biodiversity action plan

74%
of building site purchases were made from companies located less than 50 km away

Cogedim (Altarea Group)
No. 1
in the 2024 HCG – Les Echos customer relations rankings for the second consecutive year

Cogedim Club (now renamed Nohée) voted Capital magazine's "Top brand"
in the serviced senior residences sector

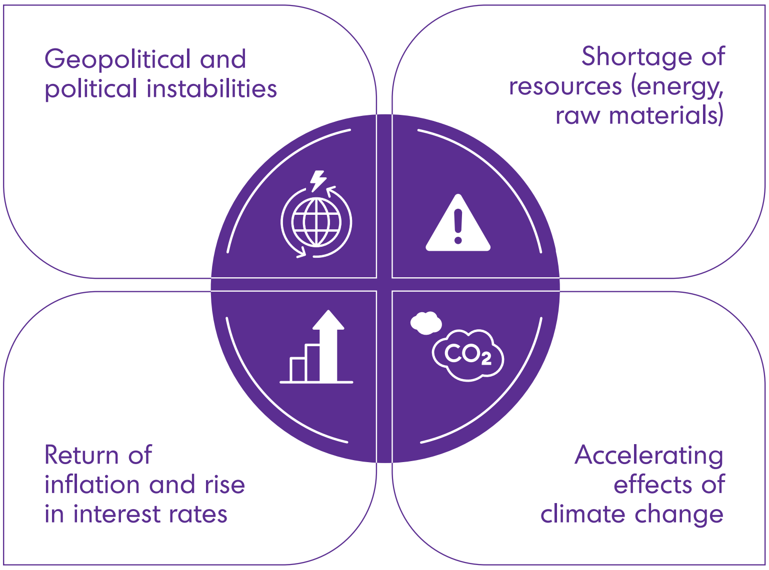
100%
of employees took at least one training programme in 2023

50.8%
of positions were filled by internal mobility

556
work-study students

Our strengths to confront the new real estate cycle

AN ENVIRONMENT MARKED BY INCREASED SHORT- AND LONG-TERM RISKS



REAL ESTATE SECTOR ENTERING A NEW CYCLE

A MARKET UNDERGOING PROFOUND TRANSFORMATION

- Decrease in volumes and values in Residential (decrease in loan production, financing issues for individuals and institutional investors, fall in new orders) and in Business property (structural crisis – remote working, decarbonisation – and cyclical crisis - decline in values)
- Retail resilience, helped by the inflationary environment
- Dynamic markets with high potential (Logistics, Data centres)

ACCELERATING CHANGES IN USE

- **Retail:** discount boom, second hand, bargain hunting, desire for conviviality (restaurants, leisure) with hedonistic consumption
- **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 large-scale logistics and last mile logistics

TRANSFORMATION OF REGIONAL DYNAMICS

- Strengthening the attractiveness of regional cities and mid-sized towns: growing real estate needs and a developing market
- Resilient job market dynamics in regional cities, which is creating growing needs (housing, retail, Business Property)
- Climate disparities: impact on the attractiveness of the regions

MULTIPLE CHALLENGES AND OPPORTUNITIES

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 (ZNA):** 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, mixed-use, repair of urban and regional divides, etc.)
- **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)
- **French people's appetite for real estate** (for housing and savings)
- **The desire of the French to live** moments of conviviality

ROBUST ASSETS FOR ALTAREA

A UNIQUE SKILLS PLATFORM

- Presence across the entire real estate chain as developer, investor and asset manager on behalf of third parties
- Mixed and complementary offer in housing, offices, retail, logistics
- Diversification into new businesses: real estate asset management, data centres, photovoltaic energy production, energy renovation
- 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!", 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 decarbonisation trajectory for our business lines

A transformation and diversification strategy

ALL ACCOMMODATIONS

- **A comprehensive multi-brand 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 rental investments:** Pinel, furnished non-professional rentals, historic buildings, etc.

Strategy 2023-2024

— Sell the offer from the previous cycle
— Development of a "new generation" offering that is low-carbon, affordable and profitable
— Multi-brand organisation to address each market

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

Strategy 2023-2024

— Continuation of the asset management policy
— Leverage resilience and recurrence to navigate the 2023-2024 period

CROSS-FUNCTIONAL BASIS FOR BUSINESS GROWTH: LOW-CARBON URBAN TRANSFORMATION

Low-carbon housing, an area of Altarea expertise

- **A comprehensive offer**
  — New housing
  — Rehabilitation of historic buildings
  — CLT timber frame
- **Change of scale** with the Woodeum x Pitch Immo merger, to create the leader in low-carbon real estate development
- **Mastery of technology** to decarbonise real estate
  — Construction materials and processes
  — Energy solutions
  — Constructive energy-saving
  — Climate change adaptation (summer comfort, etc.)

Low-carbon retail, a differentiating skill in asset managemen

- **A pioneering approach**
  — Decarbonisation trajectory initiated in 2010
  — Low-carbon strategy rolled out across all assets
- **Assets under management compliant with the highest standards**
  — Boarding of retailers
  — Optimisation of energy consumption

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
- **Limited exposure** to office risk

Strategy 2023-2024

— Maintain a limited exposure to risk
— Continue development in the regions and in educational real estate (campuses, schools, training centres)

ALL LOGISTICS

- **Large-scale logistics:** 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

Strategy 2023-2024

— Large-scale logistics : deliver the pipeline
— Urban logistics: create a project portfolio

NEW NEIGHBOURHOODS

- **Exemplary urban planning:** urban diversity, conversion of brownfield land, sustainable development
- **Managing complexity:** operations and finance

Strategy 2023-2024

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

Repositioning of existing offices towards low carbon

- **Acceleration of the asset transformation cycle**
  - — Compliance with new environmental standards (taxonomy, tertiary decree, etc.)
- **Unrivalled know-how**
  - — Track record (energy saving, recycling, energy performance)
  - — Operational teams throughout the country

A transformation and diversification strategy

NEW BUSINESSES, GROWTH SURPLUS AT LIMITED RISK

REAL ESTATE ASSET MANAGEMENT

- **Altarea Investment Managers (AIM)**
  - AMF authorisation for the asset management company obtained on 14 April 2023
  - Team strengthened by the recruitment of leading professionals in the sector
  - Launch of the 1st SCPI (property investment fund), Alta Convictions
- **Launch of a real estate platform in partnership with Tikehau Capital**
  - €1bn in targeted capital
  - Mezzanine debt, junior debt, unitranche debt
  - This fund will finance a wide range of real estate assets (office, retail, industrial, residential, logistics and hospitality).
  - A partnership combining real estate expertise and private debt expertise

€1 bn
targeted equity for the real estate debt fund launched in partnership with Tikehau

DATA CENTRES

- Strong growth market, driven by the desire of many players to relocate the storage of their data on the national territory (sovereignty)
- Shortage of products, particularly in "eco-responsible" data centres (self-generation and energy recovery, connection with urban heating networks, etc.)
- Pipeline of around ten small sites, a few large-scale projects

15
data centres developed in the long term, including two projects launched this year

PHOTOVOLTAIC ENERGY PRODUCTION

- A promising, fast-growing market
- A team set up, being strengthened
- Tactical acquisitions planned to accelerate the internalisation of operational know-how
- Different types of infrastructure (shopping centre shades, large office or warehouse roofs, human-scale sites, agrivoltaics)
- Target to reach 500 MWp in a few years of production

400 MWp
managed, including 165 MWp secured

"TOUS ENGAGÉS", OUR CSR ROADMAP

CLIMATE

A priority issue for the Group

- Achieve zero emissions on scopes 1 and 2 for 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

CLIENTS

A relationship based on quality and personalisation

- 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

EMPLOYEES

A strategy of investment in human capital

- 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

Green taxonomy: our performance

48.1%

of revenue aligned with European taxonomy

Our business model

OUR STRENGTHS

Financial and commercial strength

- Equity: €3,220 million
- Available cash: €2,410 million

Diversified and complementary sources of revenue:

- FFO 2023: €248 million

Skills platform

- 2,151 employees
- 100% of employees trained in 2023
- 556 work-study students in 2023
- Expansion of the skills platform with the launch of new businesses: asset management, photovoltaic infrastructures, data centres

Entrepreneurial DNA

- Alain Taravella holds 45% of the Group's shares directly and indirectly
- 76% employee shareholders (holding 4.1% of the share capital)
- €2.4 million gross paid in profit-sharing and incentive payments in 2023

Responsibility and commitment

- "Tous engagés!", the CSR approach structured around three pillars: climate, customers and employees
- A training course on CSR and climate change for all employees
- Carbon trajectories by 2030 for all our brands: zero net emissions on all our Retail assets by 2030; Reduce greenhouse gas emissions from projects by 50% (by surface area intensity) between 2019 and 2035
- Excellence and personalisation in the customer relationship; quality of operations; systematically assessed customer performance

OUR VALUE CREATION

Robustness of results

- Revenue: €2,712 m
- FFO: €101.2 m

Contribution to the national econome

- Salaries and expenses: €197.5 m
- Purchases: €2.8 bn

Accelerating sector transformations

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

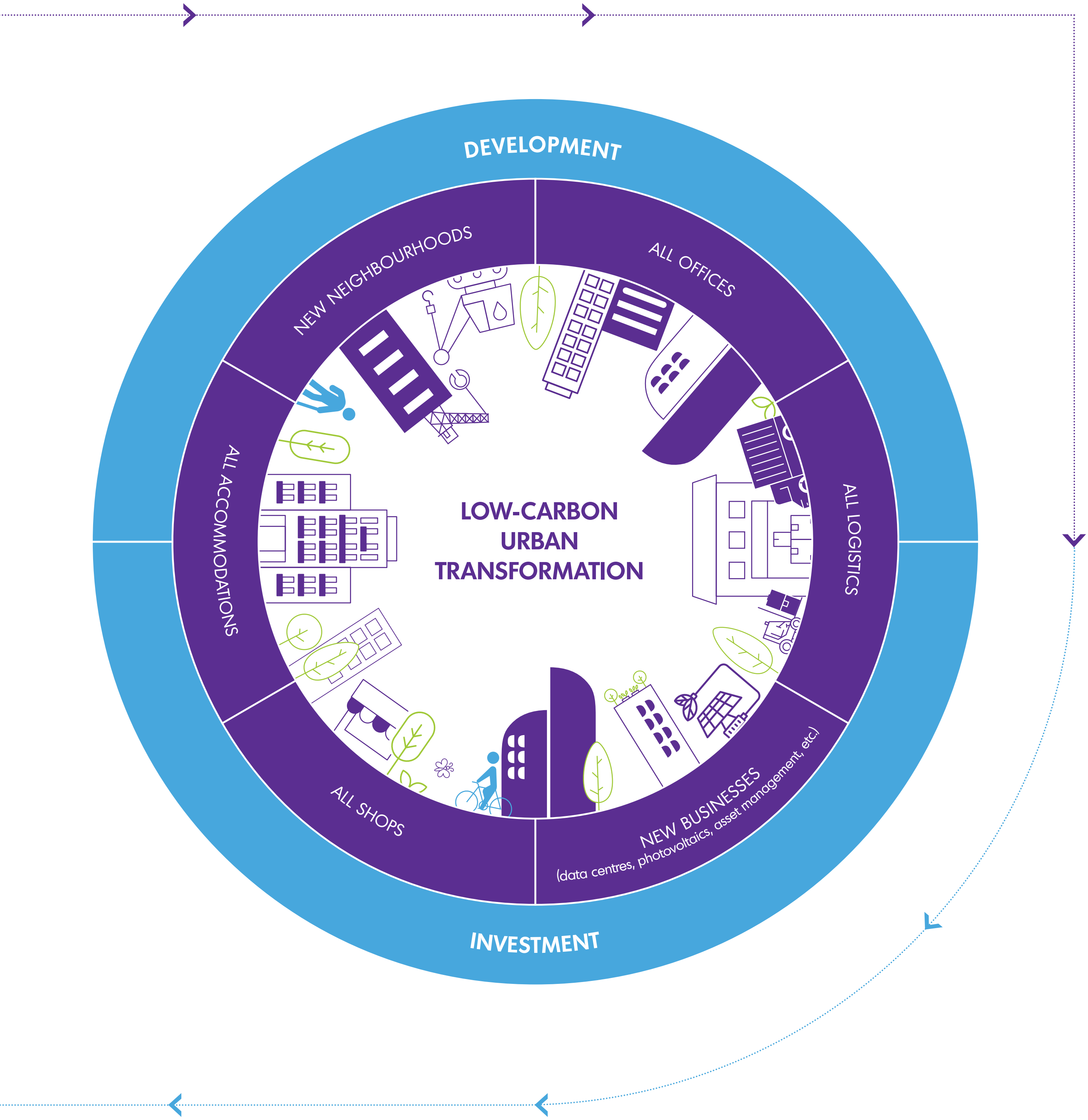
Offer quality and customer satisfaction

- Residential: 1.42 new orders per home delivered, 7 projects given Pyramides awards, Cogedim tops the 2024 HCG-Les Echos customer relations ranking
- Modular housing that can be adapted to the evolving needs of residents

Control of the environmental footprint

- Revenue aligned to European taxonomy: 48.1%
- Group carbon performance (scopes 1, 2 and 3): 910 thousand tCO_2e (−16% in 2023 vs. 2022)
- In Residential: Cogedim is one of the few national developers approved NF Habitat, HQE maturity 3
- 100% of assets under management are certified BREEAM® In-Use
- 100% of projects for new neighbourhoods include the completion of an ecological diagnosis with an on-site ecologist
- 90.4% of the waste produced by assets under management recovered
- 90% of waste from Business property is recovered, of which 82% is material
- CAP 3000, 1st shopping centrein the world to be BiodiverCity® certified

Altarea delivers solutions for a happier urban life. Building on solid competitive advantages, the Group develops high-quality varied projects and solutions with positive social and environmental impacts, creating value for all of its stakeholders. Since 2022, it has enrichedits multi-business model with new businesses, creating solid growth drivers.



2023 Altarea in brief

17 January 2023

Altarea, a committed employer: Top Employer certification for the 3rd consecutive year.

9 February 2023

Altarea Commerce and Electra inaugurate their 1st ultra-fast charging station for electric vehicles in Aubergenville (78).

21 February 2023

Accelerate the transition to low-carbon real estate: Altarea becomes the sole shareholder of Woodeum, the French leader in low-carbon solid wood housing.

13 March 2023

Ambitious Business property project: signature of a 99-year long-term lease with the French state for a remarkable property in the 1st arrondissement of Paris.

1 June 2023

Cogedim supports urban renewal: inauguration of the large mixed-use project Amazing Amazones & Laô in Nantes.

1 June 2023

Supporting real-estate investment at a time of tight liquidity: Altarea and Tikehau Capital create a European real estate debt platform.

8 June 2023

Step change in low-carbon real estate: merger project between Woodeum and Pitch Immo to create the French leader in low-carbon real estate development.

22 June 2023

A new lease of life for the Gare de l'Est in Paris: Altarea, partner of SNCF Gares & Connexions, to transform the station for new uses and an international dimension.

11 July 2023

Renovating old homes by improving their energy performance: this is the vocation of Jouvence, a new brand of Histoire & Patrimoine.

JOUVENCE
L'IMMOBILIER VERTUEUX

8 September 2023

Strengthening regions' appeal through Retail: development of the Enox 2 food park in Gennevilliers, on behalf of BNP Paribas REIM France.

12 September 2023

Investing in the opportunities generated by the new real estate cycle: launch of Alta Convictions, 1st SCPI created by Altarea Investment Managers.

ALTAREA INVESTMENT MANAGERS

19 September 2023

When the low-carbon strategy is at the heart of the financial strategy: Altarea, the first French real estate actor to integrate the European taxonomy criteria into its corporate financing.

22 September 2023

Mixed-use, innovation and environmental exemplarity: Pitch Immo, newly Woodeum x Pitch Immo, winner of the Synapses project in Courbevoie.

11 October 2023

Inauguration of the renovation-extension of the La Vigie Retail Park near Strasbourg, a showcase for our know-how in the transformation of cities and regions. An improved and streamlined entrance to the city, a commercial offering enriched by 10 brands and strong environmental commitments.

23 November 2023

Meeting the housing needs of seniors: Altarea acquires Les Hespérides and Cogedim Club changes its name to Nohée.

nohée

13 December 2023

Altarea Logistique Urbaine announces the acquisition of a logistics platform in Vitry-sur-Seine.

14 December 2023

A showcase of excellence for emlyon business school: Cogedim hands over the keys to the new Lyon campus.

19 December 2023

Turn a historical space into a living space: renovation by Histoire & Patrimoine of the Motte-Cordonnier brasserie, in Armentières.

1

BUSINESS REVIEW

1.1 Altarea, an unrivalled platform of skills dedicated to low-carbon urban transformation

1.1.1 Altarea, a unique business model

The strength of Altarea's model sits fundamentally on the immense market of urban transformation driven in particular by changes in usage, fundamental housing needs, urban design recast and low carbon evolution.

To address this huge market, the Group has developed an operating system that is unique in France, enabling it to act with the most comprehensive real estate offering, the expertise in highly specialised stills and recognised brands. Above all, Altarea can count on the commitment of its employees who embrace 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.

1.1.2 Urban transformation, the engine of growth

The urban transformation market, in which Altarea holds a leading position, is more than ever an immense market, for which the technical, administrative, financial, and environmental entry barriers are high and are becoming stricter (Net Zero Artificialization, Energy Performance Diagnosis, Tertiary Decree, RE 2020, Taxonomy, etc.).

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

In the context of a real estate crisis, Altarea's expertise lies in continuing to develop low-carbon real estate products that integrate all these challenges into an even more complex economic equation. The complementary nature of the Group's 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.

In 2023, the Group drastically revised its project portfolio, which amounted to approximately 14 billion euros by the end of the year, encompassing all products. The largest part of this project portfolio concerns Housing, with an ever-growing demand of 39,000 units under development, a significant portion of which is undergoing redefinition.

Additionally, it includes just over 800,000 m^2 of logistics projects with nearly €800 million of potential value. Nearly half of this is already leased to leading tenants through long-term leases, providing the Group with a reservoir of value that it can monetize as needed.

Furthermore, the Group manages a portfolio of major urban renewal projects that are emblematic of low-carbon urban transformation, covering a potential 1 million m^2 of space across all products.

In 2023, Altarea will have notably:

- delivered 3 major urban projects (EuroNantes, Strasbourg-Fisher, and Cœur Mougins), together representing 110,000 m^2 (including 1,300 residential units), as well as the first phases of the Bordeaux Belvédère and Toulouse Guillaumet neighborhoods (residential units, offices, and public facilities);
- signed the protocol for the Gastronomy District Paris-Rungis, an eco-district in close proximity to the Rungis International Market and connected to the future extension of metro line 14;
- initiated the construction of the low-carbon district Carré Rabelais in Tours and continued construction on projects such as the Bobigny City Center (1,200 residential units, around thirty shops, a 10,000 m^2 office building, and a public cinema with six screens), which is scheduled for completion in the end of 2024.

1.1.3 A strategic roadmap embedded in the new real estate cycle

The real estate crisis triggered by the rise in interest rates in 2022 marks the end of a cycle that lasted nearly 15 years. This crisis is particularly severe, and no sector of the real estate market is spared.

However, given the enormity of the needs, Altarea holds a strong conviction that this situation will be temporary and that this change in cycle will allow the most capitalized actors to make the most of it.

Altarea has set a medium-term roadmap based on:

- its activities serving low-carbon urban transformation (Residential, Retail, Logistics, Office). In this domain, the Retail property segment confirms its operational resilience now that the COVID crisis has passed, while the Residential development has entered a crisis requiring a re-engineering of the entire housing production cycle to develop new affordable, profitable, and decarbonized products;
- and on the deployment of new businesses to capitalize on its expertise in other real estate asset classes (digital infrastructures with Data center, real estate asset management and photovoltaic infrastructures, etc.).

The sequencing of this strategic roadmap incorporates two years of adaptation to the change in cycle (2023 and 2024), followed by three years of ramp-up in low-carbon urban transformation activities and new businesses.

In 2023, Altarea remained extremely disciplined and strict in managing its commitments, especially in Property development, and executing its roadmap.

Altarea will dedicate the year 2024 to restoring the profitability of Property development, which will take advantage of a redesigned Residential offering and adjusted values. The contribution of new businesses is expected to remain unsignificant, though the Group's results will still be mainly driven by Retail REIT. The debt will be maintained at current level, except for potential external growth.

The 2024 FFO[1] is expected to increase, the extend of which will depend on the macroeconomic environment, thus the year 2023 markes a low point. At the end of the adaptation period to cycle change, Altarea anticipates a ramp-up of its FFO, which should, within a four-year timeframe, exceed 300 million of euros.

1.2 Operational performance

1.2.1 Retail

Retail REIT, Altarea's historical activity, represents more than 72% of the Group's capital employed[2], with a volume of assets under management of €5.2 billion at the end of 2023, generating €317 million in recurring revenues[3].

1.2.1.1 The Group's financial backbone

In recent years, shopping centres have undergone a profound transformation of their model, which has enabled them to emerge stronger from sanitary crisis and return to an excellent operational performance.

Altarea has pursued a strategy of selecting the most promising formats (large shopping centres, travel retail, retail parks, convenience stores) and currently manages a portfolio of 43 particularly high-performancing shopping centres.

At 100% *(€ millions)*	**31/12/2023**		**31/12/2022**	
Regional shopping centres	3,094	59%	3,281	60%
Travel retail	537	10%	545	10%
Retail parks	997	19%	1,027	19%
Convenience stores	605	12%	630	11%
TOTAL ASSETS UNDER MANAGEMENT	**5,233**	**100%**	**5,483**	**100%**

These assets are mainly held in partnerships with leading institutional investors. This strategy allows it to extend the value of its operational expertise on the volumes under management, while optimising return on capital employed.

1.2.1.2 Excellent operating performance

Retailers' revenue[4] and footfall[5]rise

At end December 2023 (12 months)	**Chg.** ***vs*** **2022**
Revenue (incl. Tax)	+7%
Footfall	+3%

All retail types performed well on these two indicators, testifying to both the attractiveness of the sites and the quality of the tenants.

Financial vacancy at optimal level

At 100%	**31/12/2023**	**31/12/2022**	**31/12/2021**
Financial vacancy	2.7%	2.7%	2.9%

Financial vacancy rate is 2.7%, a level considered optimal[6].

(1) Unless there is further deterioration in the macroeconomic, geopolitical, sanitory, or regulatory environment.

(2) €4,157 million compared to €5,744 million (see calculation table of the Loan to Value (LTV) ratio in the Business report).

(3) Figures at 100% (€2.2 billion in assets for €137 million in gross rental income, Group share).

(4) Cumulative change in retailers' revenue incl. VAT on a like-for-like basis from January to December in France and Spain.

(5) 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.

(6) Of the units released following insolvency proceedings in 2023, only six were still being relet at the end of December 2023.

Dynamic rental activity

At 100%	No. of leases	Annual contracted rent
France and International	370	€34.2 million

Rental activity remained dynamic in 2023, driven by demand from leading brands attracted by the quality of the Group's assets:

- the ongoing ramp-up of CAP3000, with especially the new openings by Zara, Nike, Normal and Aroma Zone and the arrival of hairstylist Jean Marc Joubert and pastry maker Philippe Tayac in the luxury and designers section of Le Corso;
- growing performance of the Paris-Montparnasse station, which benefited this year from the enhancement of its catering offer with the introduction of the latest McDonald's concept (straight into the chain's Top 3 in France) and arrival of two other international retailers;
- confirmation of L'Avenue 83 (La Valette du Var) as the anchor for Europe's premium commercial area with the success of the new Bershka and Zara concepts;
- successful introduction of Action in Jas de Bouffan (Aix-en-Provence), which increased footfall and benefited all retailers, ahead of the upcoming openings of JDSports and the replacement of the hypermarket Géant # hyper frais;
- strengthening of Bercy Village's leisure offer with the opening of "L'Horizon de Kheops", a unique immersive expedition that is fun, educational and a treat for the senses;
- numerous local shops signed up for the new neighbourhoods developed by the Group (Mougins, Bordeaux Belvédère, Toulouse Aerospace) and for the repositioning assets managed on behalf of Allianz (particularly Nyx and Levi's at NicEtoile and JDSport and Furet du Nord in Saint-Quentin).

Consolidated net rental income

France and International	*(€ millions)*	Change
NET RENTAL INCOME AT 31 DECEMBER 2022	**193.7**	
Change in scope of consolidation	(0.5)	-0.3%
Like-for-like change	11.6	+6.0%
o/w indexation	*9.3*	*+4.8%*
NET RENTAL INCOME AT 31 DECEMBER 2023	**204.8**	**+5.8%**

Net rental income at the end of 2023 increased by 6.0% on a like-for-like basis, illustrating the ability of the Group's retail outlets to outperform indexation (+4.8%). At the date of publication, the recovery rate[(1)]was 96.3% (94.6% in 2022).

Value of assets under management (AuM)

In a general context of drop in value, the increase in rents only partially offset the increase in property exit rates[(2)] (average +56 bps to 5.92%). The value of Retail assets fell -4.6% year-on-year.

At 31/12/2023	%	Values *(€ millions)*[(a)]	Change vs. 31/12/2022
AUM	**100%**	**5,232**	**-4.6%**
o/w Third-party share	*57%*	*2,992*	*-4.6%*
o/w Group share	*43%*	*2,240*	*-4.5%*

(a) Appraisal value including transfer duties.

At 100%	31/12/2023	31/12/2022
Regional shopping centres	5.76%	5.17%
Retail parks	6.31%	5.80%
Convenience stores	6.18%	5.90%
WEIGHTED AVERAGE	**5.92%**	**5.36%**

(1) Rents and charges collected compared to rents and charges invoiced (incl. tax) to publication date, 60-day figures.

(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.

1.2.1.3 Development

Altarea is one of France's leading retail developers with recognised expertise in the top-performing formats: travel retail for footfall, retail parks for value for money and local shops for value in use appreciated by all customers.

In 2023, Altarea made significant progress on several of its development projects:

Paris-Austerlitz station

After the successful transformation of the Paris-Montparnasse station, Altarea started work on a major project to restructure the retail spaces at Paris-Austerlitz station in H1, which will eventually include nearly 25,000 m^2 of shops directly connected to the station. The marketing phase should begin in 2025.

Paris-Est station

Altarea and Gares & Connexions also signed the agreements to renovate and develop the retail space in Paris-Est station, which will be completely transformed (new facade, co-working, catering, innovative shops).

Delivery of the La Vigie retail park (Strasbourg)

After 4 years of work to restructure the site and build a 10,000 m^2 extension, this centre has almost doubled in size. In addition to the anchor stores already present (Intersport, Conforama, etc.), it welcomed Boulanger, Fabrique de Styles and brands such as Naumy (low-cost ready-to-wear for women), BasicFit and the Alsace chain Mise au Green. The site also has 2,400 m^2 of photovoltaic panels on the roof.

Bobigny Cœur de Ville

On the site of the former Bobigny2 shopping centre built on a slab in 1974, Altarea is developing a new 2.7-hectare neighbourhood comprising 1,200 residential units, an office building, a six-screen cinema and around 30 shops and service outlets. The 14,000 m^2 commercial programme envisages an average-sized food court (2,500 m^2), food shops and restaurants around a central landscaped square of more than 1,700 m^2, services (La Poste, hairstylist, optician, pharmacy, laundromat, etc.), a fitness room and three Social and Solidarity Economy (SSE) brands recruited after a call for expressions of interest. The delivery is scheduled for the end of 2024.

Cité de la Gastronomie

In 2022, Altarea won the tender for projects held by the Syndicat Mixte of Cité de la Gastronomie Paris-Rungis, a future mixed-use district located near the Rungis National Interest Market which will include a food hall, a cultural space and a training campus, around a common theme of gastronomy. Marketing began in 2023 and the district is scheduled to open in 2028.

Enox 2 (Gennevilliers)

In September, Altarea signed an off-plan agreement with BNP Paribas REIM France to develop a 1,600 m^2 food park that will complete the Enox retail park offering at the end of 2024. Altarea has already let the four cells to four of the Bertrand Franchise Group's major retailers (Burger King, Au Bureau, Volfoni and Pitaya). Enox 2 is aiming for BREEAM Very Good certification.

Installation of electric charging stations

As part of the partnership signed in early 2022 with Electra, a French specialist in ultra-fast charging (150-300 kW), Altarea is continuing to roll out charging stations in the car parks of its commercial sites. At the end of 2023, five centres already had charging points out of the 19 planned.

Assets under management at end-December 2023

Asset and type	No.	GLA *(in m²)*	Gross rents *(€m)*	Value *(€m)*	Group share	GS Value *(€m)*
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)		44,300			25%	
La Corte Lombarda (Bellinzago, Italy)		21,200			25%	
Espace St Quentin (St Quentin en Yvelines)		28,000			0%	
NicEtoile (Nice)		17,300			0%	
Regional shopping centres	**10**	**436,400**	**168**	**3,094**		**1,375**
Montparnasse station (Paris)		18,200			51%	
Gare de l'Est (Paris)		7,300			51%	
Italian railway stations (5 assets)		8,600			51%	
Oxygen (Belvédère 92)		2,900			100%	
Travel retail	**8**	**37,000**	**53**	**537**		**277**
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)		27,100			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**	**347,400**	**59**	**997**		**485**
-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)		16,900			0%	
Toulon Grand Ciel		3,000			0%	
Convenience stores	**12**	**194,900**	**38**	**605**		**103**
TOTAL ASSETS UNDER MANAGEMENT	**43**	**1,015,700**	**317**	**5,232**	**43%**	**2,240**

1.2.2 Residential

1

Altarea is the second-largest residential developer in France[1]. The Group has a country-wide presence and has rolled out a comprehensive multi-product offering[2] based on brands with complementary positions to meet the structurally immense needs of the French market.

1.2.2.1 Adapting to the new cycle

A drastic change in cycle

Since June 2022, the rapid rise in interest rates combined with more restrictive policies by banks have radically deteriorated buyers' solvency. This crisis in demand exacerbated a pre-existing crisis of inflation in regulatory and construction costs, creating the conditions for a major real estate crisis.

An adjustment phase is necessary before the market finds a new balance. Altarea intends to use this period to perform a deep transformation of its industrial model.

Rapid pro-active response

As earlier as late 2022, Altarea realised the scale of the crisis and responded by drastically cutting the number of land acquisitions, which helped reducing its commitments.

2023 was dedicated to closing out the previous real estate cycle and to developing a new offer to be ready for the recovery. This strategy allowed Altarea to start afresh on a clean slate and to redirect employees' work towards the future.

Operational activity was intense, with:

- **the accelerated sale of units under construction** from the previous cycle in both blocks and retail deals;
- **land acquisitions restricted to projects that fit the context**, resulting in a drastic reduction in the number of land acquired;
- **a review of the entire land portfolio** leading to the massive abandonment of projects (including dropping some land options) or to their redesign, and ultimately to the write-off of the corresponding study and land acquisition costs;
- **a reorganisation of the brand portfolio** to strengthen their market position;
- **the development of a "new generation"** low-carbon, affordable and profitable offer adapted to the new cycle, with the lands renegotiated or newly acquired.

1.2.2.2 Activity of the year

Focus on reducing the offer from the previous cycle

New orders[3]

Altarea has prioritised the sale of the offer under construction by adapting pricing policy, for retail and block sales.

New orders declined by -16% in value to €2,250 millions incl. tax, and -20% in volume to 8,004 units in a market that contracted by -26%[4]. These units only relate to projects where land purchase decisions have already been made[5].

New orders	2023	%	2022	%	Change
Individuals - Residential buyers	472	21%	707	27%	-33%
Individuals - Investment	649	29%	1,015	38%	-36%
Block sales	1,130	50%	945	35%	+20%
TOTAL IN VALUE *(€m incl. VAT)*	**2,250**		**2,666**		**-16%**
Individuals - Residential buyers	1,458	18%	2,000	20%	-27%
Individuals - Investment	2,356	30%	3,590	36%	-34%
Block sales	4,190	52%	4,428	44%	-5%
TOTAL IN VOLUME *(UNITS)*	**8,004**		**10,017**		**-20%**

Block sales represent 52% of new orders (*vs* 44%). They are mainly composed of intermediate housing[6] (57%) and social housing (30%).

Individuals remain the Group's core target client. They accounted for half of sales despite a particularly unfavourable environment, especially in terms of access to credit.

(1) Source: Classement des Promoteurs (developers ranking) published in July 2023 by Innovapresse.

(2) New housing all ranges (home ownership and investment, free, social, Intermediate rental housing), serviced residences, Malraux, historical monuments, land deficits, condominium, timber-frame housing CLT, renovation.

(3) 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.

(4) FPI France data published on 15 February 2024 - Year-on-year decrease in new orders down -26% in 2023 to 94,828 units (compared to an annual average of 146,269 sales between 2017 and 2023), of which -38.4% retail and +11.5% block sales.

(5) The Group also placed 1,420 additional units in 2023. But these are not included in the 8,004 units sold because they concern projects for which the building permit has not yet been obtained and the decision to acquire the land has not yet been made.

(6) Intermediate rental housing.

Notarised sales

(€m incl. VAT)	2023	%	2022	%	Change
Individuals	1,418	62%	1,943	62%	-27%
Block sales	857	38%	1,182	38%	-27%
TOTAL	**2,275**		**3,125**		**-27%**

2023 saw a significant drop in the production of home loans (-41%[1]), which made it hard to seal notarised sales.

Faced with this situation, the Group set up a system to support its customers throughout the acquisition process. This helped slowing down the fall in notarised sales, which amounted to €2,275 million (-27%) across all the Group's brands.

Land acquisitions limited to projects fitting the current environment

In 2023, the Group only bought land corresponding to "on-market" projects. Land acquisitions were thus significantly reduced with 63 plots acquired in 2023, compared to 167 in 2022 (-59% in number of units).

In units	2023	2022	Change
Land acquisitions	5,064	12,487	-59%

Combined with the sales of units under contruction of which the lands were already acquired by end of 2022, the slowdown in land acquisition in 2023 enabled reduction in Group's commitments and in the number of unsold units under construction from 3,500 units at the end of 2022 to around 1,500 units at the end of 2023 (-57%).

The 63 lands acquired in 2023 represent potential revenue of around €1.1 billion (excl. tax) over 5,064 units. These "on-market" transactions share the following characteristics:

- final building permits corresponding to an adapted design (size of the units, optimisation of surfaces, etc.);
- controlled land prices and secured works contracts;
- pricing schedules that have achieved a high pre-letting rate (signed block sales, retail sales without significant contingencies);
- satisfactory profitability given the risk profile.

Thorough review of the portfolio of land options[2]

In 2023, Altarea conducted an comprehensive review of its land portfolio applying much more strict commitment criteria.

At 31 December 2022, the Group's portfolio of land options represented a potential 48,000 units. Out of this total:

- 5,800 units went into commercial launch in 2023;
- 13,200 units were permanently abandoned;
- 29,000 units correspond to land options retained or in the process of being renegotiated which are being extensively reworked (product design, commercial strategy, regional strategy, construction costs, land prices, carbon performance). Previously planned projects must be partially or fully reviewed to fit the new cycle.

This extended review of the land portfolio led to the write-off of a significant portion of inventoriable development costs previously recorded on the Group's balance sheet (see Financial performance).

At the end of this review:

- close to 90% of the development costs in inventory were written-off;
- the value of the lands in portfolio was adjusted down by roughly -30%, to match their recoverable value;
- the remaining offer from the previous cycle was ajusted to market price.

(1) Banque de France data (annual production of home loans to individuals (excluding renegotiations)).

(2) The portfolio of land options consists of secured projects (through a preliminary sale agreement, almost all unilateral) that have not yet gone to commercial launch.

New organisation of the brand portfolio

Altarea is structured around several well-known brands to cover all residential products. The brands have operational independance (customers, products) but are supported by the power of the Group under Altarea umbrella brand (strategy, commitments, finances, support functions).

In 2023, Altarea restructured its brand portfolio to strengthen their respective market position, merging Woodeum and Pitch Immo, launching the Nohée brand (formerly Cogedim Club©) in senior residences and creating Jouvence, dedicated to the renovation of existing residences for resale. The portfolio is now organised as follows:

- **Cogedim** is the Group's leading brand in terms of geographical coverage, product range depth and reputation. In 2024, for the second year running, Cogedim was ranked number one among the Top 200 customer relations by consulting firm The Human Consulting Group for Les Echos, all sectors combined;
- **Woodeum (merged with Pitch Immo)** is the French specialist in low-carbon real estate development due to its know-how on CLT (cross-laminated timber) timber frame technology but also to other low-carbon solutions that outperform current standards (RE2020/Level 2022);
- **Histoire & Patrimoine** is the expert brand in real estate renovation and rehabilitation, offering a range of products in Historical Monuments, Malraux Law properties and Real Estate Tax schemes;
- **Jouvence** is a new brand dedicated to the thermal, functional and aesthetic renovation of existing housing for resale;
- **Nohée** specialises in developing managed residences for active seniors. Nohée opened its 30th residence at the end of 2023 and aims to have 50 residences in operation by 2026;
- **Altarea Solutions & Services** is the service platform supporting the Group's customers and partners throughout their real estate project (sales promotion, financing, rental management, trustee services, etc.).

Accounting impacts in 2023

The strategy adopted by the Group (reducing commitments, review of the portfolio of land options, reorganisation of brands) resulted in the recognition, as a change in value, of a non-recurring accounting cost to settle the previous cycle in the Group's financial statements[1].

Developing "new generation" offer

The scale of the crisis requires a profound change in product design to adapt to the new environment and mainly to the purchasing power of customers.

In 2023, the Group's teams were redirected to the development of an affordable, low-carbon and profitable "new generation" offer, fitting the new cycle (design and carbon performance, optimisation of plans and unit size, commercial strategy, regional strategy, construction costs, land prices).

Supply[2]of these new products represented nearly 10,000 units in 2023. Given the lead time of the production cycle[3], this offer would only ramp up from the end of 2024 depending on market conditions.

Outlook

Altarea's objective is to be ready for the recovery, with a completely revised industrial model (offer and market position). The year 2024 will be built on:

- the sale of the last units from the previous cycle, which should continue to affect margins;
- the start of construction work on projects with land acquired in 2023, with satisfactory profitability but limited volumes;
- the launch of the "new generation" offer from the end of 2024 at a pace depending on market trends.

The backlog[4] at 1 January 2024 was €2.7 billion excl. tax, down -22% year-on-year. The Group's 2024 revenue should decline to a greater or lesser extent depending on the number and the timing in acquiring the lands of "new generation".

(1) See Financial performance section.

(2) Signature of new land options.

(3) Signature of the land option, design of the programme, filing/obtaining of building permits, commercial launch, land acquisition, construction and delivery.

(4) Revenue (excl. tax) from notarised sales to be recognised on a percentage-of-completion basis and individual and block new orders to be notarised.

1.2.3 Business property (BP)

Altarea manages Business Property projects with limited risk and in various manner due to its highly diversified skill set.

Multiple areas of expertise

In Offices, the Group operates nationwide[1]:

- as developer in off-plan sales, BEFA and PDCs, with a particularly strong position in the "turnkey" user market and DPM contracts[2];
- as developer/investor or co-investor for certain assets to be repositioned (before disposal);
- on a wide range of products: head offices, multi-occupant buildings, high-rise buildings, business and industrial premises, hotels, schools and campuses.

In Logistics, the Group operates:

- as a land and property developer and sometimes investor, to develop projects that meet increasingly demanding technical, regulatory and environmental challenges;
- both for the development of large platforms or hubs for distributors or e-commerce players, and in the urban logistics market[3] for the last mile.

Greater or lesser fall in values depending on rental appeal

In 2023, the Business Property market was affected by a general decline in values due to the rise in interest rates, which affected all products.

The Office market has entered a lasting crisis, particularly in the peripheral locations of the Paris Region, even though rental demand remains strong in Paris and in certain regional cities. Whatever their location, office buildings are experiencing a marked increase in capitalisation rate with a strong dispersion. This increase is only partly offset by rent increases, which can only be applied in the best locations.

The Logistics market continues to be driven by strong demand from tenants and a scarcity effect, reflected in a sustained rise in rents. In the shorter term, the rise in capitalisation rates (of 50-75 bps) offsets the impact of rising rents on asset values.

Altarea's exposure to Business Property risk is concentrated in PRD Montparnasse, in a few non-controlling interests (especially Landscape in la Défense) and in project St-Honoré (Paris). In 2023, the Group reviewed the values of Landscape building (La Défense) and PRD Montparnasse project whose amount is booked as a change in value as part of the non-recurring accounting cost booked in Property development activity. At the end of this review, Landscape's remaining risk has been reduced to zero and economic exposure on PRD Montparnasse is was brought down to market value.

In the development business (off-plan sales, PDC, DPM), the Group is focusing on its portfolio of low-risk secured projects and continues to source Office projects in major regional cities (Nantes, Bordeaux, Aix-Marseille, Lyon, Toulouse, Rennes, Lille, etc.).

1.2.3.1 Offices activity during the year

Despite the tough environment, Altarea had dynamic operational activity in 2023 in all its markets (Grand Paris and Regions Offices, large-scale logistics, Urban logistics).

Offices/Grand Paris

- Signature of a 99-year emphyteutic lease with the French state for the acquisition and renovation of a complex at 185 rue Saint-Honoré (6,000 m^2, Paris 1st district) adjoining the Hôtel Regina.
- Start of three renovation projects (66,000 m^2) *Louis Le Grand* (Paris 2nd arrondissement) in co-investment with JP Morgan Global Alternatives or *Valhubert,* the former headquarters of CACEIS (Paris 13th) for which the Group acts as delegated project Manager.
- Progress on building sites for the future head office of Swiss Life in La Défense (18,100 m^2) and the offices in Bobigny Cœur de Ville (9,800 m^2), both to be delivered in 2024, as well as the building located at *26 Champs-Elysées* under DPM contract.
- Delivery of *Le Visionnaire* for L'Oréal located in its historic headquarters at 14 rue Royale (4,200 m^2, Paris 8th arrondissement) and launch of renovation work on the façade of its global headquarters in Clichy.

Offices/Regional cities

- Signatures of several off-plan sales for a total of 24,000 m^2, of which *Claystone* and *Urbanclay* in Toulouse sold respectively to Quaero Capital and Midi 2i for which the projects were launched this year. In Bordeaux Belvédère, the Group sold *Mokusaï* to the Mutualité Sociale Agricole de la Gironde. In the south, the Group signed a VEFA (Sale in Future State of Completion or off-plan sales) with Naval Group for a building within the *Technopole de la mer* in Ollioules and sold the future student *campus of ESSCA School of Management* located in Aix-en-Provence to La Caisse d'Epargne, through its subsidiary CEPAC Foncière.
- Launch of 42,000 m^2 of building sites, including the future Alstom Sud development centre in Aix-en-Provence, *Feel good* near Nantes in Orvault, where a first building was sold to the SMABTP at the end of 2022.
- Delivery of *Emlyon business school campus* in the Gerland district (20,000 m^2 with a capacity of 7,800 people and 9,000 m^2 of green spaces). Multifunctional, hybrid and adaptable, it meets the new uses of higher education and aims for HQE (Excellent), BREEAM (Very Good), OSMOZ and R2S certifications.
- Deliveries of 53,000 m^2 of offices including *Amazing Amazons* within the major Euronantes project (19,700 m^2), two buildings in the Bordeaux Belvédère district (10,400 m^2) or *Newton St Charles* in Marseille (9,700 m^2).

1.2.3.2 Logistics activity during the year

Large-scale logistics

In Large-scale logistics, the Group acts as a developer with limited risk-taking. At 31 December 2023, sites under construction or delivered represented a total of 354,000 m^2. They are already fully

(1) *Central Business District (CBD) of Paris, the Paris Region and major regional cities.*

(2) *BEFA (off-plan lease), PDC (property development contract) and DPM (delegated project management).*

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

let through long-term leases to leading tenants on the basis of rents that provide the Group with a return higher than the market rate observed for this type of product.

2023 was marked by:

- the takeover of 100% of the Bollène megahub[(1)] where the Group delivered warehouse no. 2 to its tenant Intermarché and let the whole of warehouse no. 3 to ID Logistics, Mutual Logistics and Gerflor, and construction work has begun;
- the delivery of the Hexabub Occitanie-La Méridienne in Béziers (50,000 m²) sold off-plan LIDL in 2022, and the delivery of the Puceul platform near Nantes (38,000 m²) leased to the Sofia group;
- the launch of work on the Ecoparc Cotière logistics platform in the Ain department (70,000 m²), of which 56,000 m² are let to Samse under a 12-year lease, of which 9 years are firm.

Urban logistics

After the successful conclusion of its first Parisian urban logistics project in 2022 (Reuilly), Altarea announced late in 2023 the acquisition of a 7,600 m² platform currently leased and operated by DHL in Vitry-sur-Seine near the South Paris "peripherique" road. The plan is to carry out a renovation that meets three aims: resolving the building's energy and environmental challenges, achieving compliance with building standards and improving the efficiency and safety of DHL's operations. The site benefits from an exceptional strategic location for last mile deliveries in the Paris Region.

1.2.4 New businesses

On the occasion of the presentation of its strategic roadmap, Altarea announced its move into some new businesses (data centers, asset management, photovoltaics) which all saw significant progress this year.

1.2.4.1 Data centers, the infrastructure at the heart of the digital city

Demand for data centers is growing strongly in France, driven by the digitisation of the economy, the rise of artificial intelligence and the desire of many players to relocate their data storage within the country. The current installed base suffers particularly from a major shortage of eco-responsible data centers (self-generation and energy recovery, connection with district heating networks, etc.).

Altarea's ambition is to develop eco-responsible data centers with heat recovery for urban heating and cooling networks. These medium-sized sites (between 3 MW and 20 MW) will host servers near their users and guarantee connectivity, high performance, high security and high availability. The Group has now set up a team operating under the NDC (Nation Data center) brand and is working on around fifteen potential locations in leading French cities (Paris, Lyon, Marseille, Toulouse, Nantes).

In 2023, the Group launched work on its first two sites for openings in early 2025:

- in Val de Rueil near Rouen, a refurbishment project covering 7,000 m² of floor space for a total target power of 10 MW;
- in Noyal-sur-Vilaine, near Rennes, covering 1,000 m² for a target power of 3 MW.

Depending on the opportunities and specific situations, considering the strong development of needs related to the use of Generative Artificial Intelligence, the Group may have to develop hyperscale data centers for storage or computing (power greater than 20 MW) in partnership with major clients.

1.2.4.2 Asset management

Altarea Investment Managers: launch of a first consumer real estate fund

The asset management company Altarea Investment Managers was licensed in April 2023 by the Autorité des Marchés Financiers and now has a full team in asset management. Altarea Investment Managers aims to gradually extend its distribution agreements to the retail segment with IFAs and networks, and to develop a comprehensive range of real estate investment vehicles.

A first retail fund was launched in late 2023: the SCPI Alta Convictions positioned for the new real estate cycle, with no pre-crisis inventory or financing. It is developing a diversified theme and has made its first investments, with its first assets focused on Retail.

ATREC: Real Estate credit platform in partnership with Tikehau Capital[(2)]

In 2023, Altarea announced the creation of a real estate credit platform in partnership with Tikehau Capital. This fund, called ATREC (Altarea Tikehau Real Estate Credit), is targeting €1 billion in capital, including a commitment of €200 million from its sponsors (€100 million each).

This platform capitalises on Tikehau Capital and Altarea's complementary expertise in private credit and real estate assets, helping investors to identify the most attractive investment opportunities through unique access to the Groups' pipelines and strong networks.

The fund will offer a huge range of flexible solutions, primarily targeting the financing of assets (offices, retail, industrial assets, residential, logistics and hotels) and traditional real estate companies through junior, mezzanine or single-tranche debt instruments. A first deal was closed by the end of 2023 and a significant pipeline of possibilities is being studied confirming the relevance of this strategy.

(1) 260,000 m² developed in five tranches (including 50,000 m² for warehouse no. 2 and 95,000 m² for warehouse no. 3) bidding for BREEAM certification.

(2) Tikehau Capital is a long-standing partner of Altarea and one of France's leading asset Managers of private debt with €38 billion under management, including €15 billion in this segment.

1.2.4.3 Photovoltaics

Decarbonisation of the French Economy should significantly increase demand for photovoltaic infrastructures. This demand should be around 100 peak gigawatts (GWp) by 2050[(1)] (compared to an existing installed base of 16 GWp), which means doubling the current rate of new generation development to 7 GWp annually (from 2.4 GWp in 2022).

Altarea believes it will be able to develop 500 MWp over many years under a "developer/asset Manager" model, which will allow it to make the necessary investments with a financial structure under control.

Altarea has now set up a dedicated team of around twenty employees with a mix of internal and external recruitment, who are aiming to quickly build a pipeline of diversified projects[(2)].

Strategic partnerships in agrivoltaics

Altarea is negotiating strategic partnerships with major players in the French agricultural sector to co-develop photovoltaic projects (ground-based and agrivoltaic power plants). A first ambitious partnership contract was signed, which may eventually represent the completion of several dozen projects.

Pipeline

Altarea is working on 1,000 MWp of photovoltaic projects of all kinds, of which 400 MWp are under control. 165 MWp have already been secured, of which 30 MWp have building permits, and the first revenues are expected by the end of 2024.

1.3 Environmental performance

1.3.1 Taxonomy: new standard for environmental performance reporting

1.3.1.1 General principles

The Taxonomy Regulation[(3)] is a classification system for economic sectors to identify environmentally sustainable activities. It defines uniform criteria for each sector in the EU to assess their contribution to the six environmental objectives defined by the European Commission:

In 2023, non-financial companies published indicators taken directly from their 2022 accounts (revenue, Capex and Opex). They attribute for each the proportion eligible under the taxonomy (**eligibility rate**) as well as the proportion that meets the European environmental criteria (**alignment rate**) and social criteria (minimum social guarantees).

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 drive funding towards the ecological transition.

1.3.1.2 Eligibility of consolidated revenue

Eligibility of consolidated revenue

In 2023, 97.2% of Altarea's[(4)] consolidated revenue 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 the Retail REIT.

Revenue alignment criteria

Alignment analysis is carried out at asset level[(5)]. To be considered aligned, each project or asset contributing to revenue must be screened for six families of environmental criteria[(6)]:

- climate change mitigation (Energy), composed of four sub-criteria: primary energy consumption, airtightness and thermal integrity, life cycle analysis of a building (design, construction, operation and demolition) and energy management;

(1) Report on RTE's energy futures 2050.

(2) Shopping centre shelters, large roofing structures for offices and warehouses, anthropised sites (quarries, brownfield, waste sites, abandoned sites, etc.) and agrivoltaics.

(3) 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.

(4) At 31 December 2023, consolidated revenue amounted to €2,712.3 million, of which €75 million (2.8%) not eligible for taxonomy (relating for example to trustee activities) and €2,637.1 million eligible (97.2%).

(5) This corresponds to a project (building or group of buildings) for the development and to a centre managed, co-managed or owned by the REIT.

(6) One criterion of "substantial contribution" and five criteria of "do no significant harm" ("DNSH"). 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).

- climate change adaptation (Climate): study of physical climate risks in the area of implementation and adaptation plan;
- water: consumption/flow of buildings, management of water resources on building sites, impact on water resources and quality;
- circular economy: reuse of materials, waste reduction at source and recovery, 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.

Revenue 48.1% aligned

The alignment rate was 48.1% of consolidated revenue in 2023 (*vs* 44.0% in 2022).

	Construction	Renovation	Ownership	Group
Aligned revenue *(€ m)*	1,092.8	5.3	205.7	1,303.7
% of consolidated revenue	47.2%	4.3%	78.3%	48.1%

The approach used to calculate the alignment is based on a preselection of projects/assets according to two items: their contribution to consolidated revenue (significant projects) and their potential for alignment (particularly in energy performance).

After reviewing the pre-screened candidates, 141 projects with comprehensive supporting documentation were considered aligned. They represent 48.1% of consolidated revenue for 2023, which is therefore aligned with the european taxonomy.

1.3.1.3 Measuring environmental performance at the heart of Altarea's model

A pioneering culture

Altarea is a pioneer in measuring environmental performance. In particular, Altarea was one of the first French real estate companies to include the taxonomy in its roadmap at its Annual General Meeting (Say on Climate[1], with **an objective of more than half of the revenue aligned.**

Its taxonomic performance is now published quarterly according to the same schedule as for regulated information.

Mobilisation of the entire Company

Significant resources have been deployed to deliver digitised collection, control and standardised referencing of more than 5,000 documents to justify the alignment of the programmes concerned and create a reliable audit trail. The entire operational decision-making chain was mobilised on this issue, which made it possible to achieve a high level of alignment from the first publication, while identifying areas for improvement that were the subject of specific action plans.

Finally, a number of targets for alignment with the taxonomy have been included in the compensation of employees[2]and in that of the General Management of the Group[3].

The Group has also set itself a revenue target that is mostly aligned in the long term.

Specific action plans on certain criteria

Specific work was carried out on certain particularly demanding criteria:

- **energy**: identification of aligned projects required a two-step approach. First, projects initiated before 2022 were screened to see if their energy performance was better than required by legislation at the time. Then, further life-cycle analyses (LCA) were carried out on this scope, to document full alignment with this criterion;
- **circular economy:** the contractual commitment of subcontractors to recycle at least 70% of material waste was not considered sufficient to validate the criterion in full. Significant work was done to collect and review service providers' waste registers or reporting to ensure their contractual obligations were effectively being met. The strict application of this criterion has led to the exclusion of a significant number of projects, particularly renovation projects where this contractual practice is less widespread due to the lower generation of waste. The renovation activity is thus the one with the lowest alignment rate despite its essentially more virtuous approach in terms of this criterion;
- **pollution**: compliance with this criterion requires not only documenting the application of the regulations in force by the Group and its suppliers, but also verifying that the Group does not market products containing "substances of very high concern" in concentrations greater than 0.1% as defined by the REACH regulation[4].

(1) Altarea was one of the nine French companies (source: Bilan du "Say on Climate" 2023 published by the Forum for Responsible Investment) to have submitted a "Say on Climate" resolution at its last Shareholders' Meeting.

(2) In particular through the Group Incentive Agreement.

(3) An objective of aligning consolidated revenue has been included in the variable compensation of the Management for the 2023 financial year. This resolution was approved by the shareholders at the Shareholders' Meeting of 8 June 2023 ("Say on Pay" resolution).

(4) Substances of Very High Concern (SVHC) on the candidate list (Article 59 and Articles 57 and 58) of the REACH Regulation (i.e. certain substances that are carcinogenic, mutagenic on germ cells, toxic for reproduction, persistent, bioaccumulative and toxic, very persistent and very bioaccumulative, endocrine disruptors, etc.).

This requires suppliers to disclose whether the targeted products are present or not. The Group has ensured, by conducting a specific verification on a representative sample of products and materials used in the construction of its projects, that its suppliers do not use substances of "extremely concerning substances" at concentrations exceeding 0.1% as defined by REACH regulations. The verification of alert processes in the event of hazardous products carried out by a specialized firm proved satisfactory, thus allowing the criterion to be considered fully met.

Opinion of the Statutory Auditors, one year ahead of the regulatory obligation

The methodology for calculating the alignment with the taxonomy and its results were the subject of a limited assurance opinion by E&Y, Group's Statutory Auditors. Issuing this report one year ahead of the regulatory obligation[1] demontrates Altarea Group's ability to work together with its auditors to resolve the complex issues raised by this new regulation.

Integration of the european taxonomy criteria into the Altarea Group's corporate financing

In July 2023, Altarea signed a five-year €200 million corporate bank loan with Crédit Agricole Corporate and Investment Bank, including for the first time a clause aligning revenue with the european taxonomy that may result in a bonus (or penalty) margin based on performance.

Following this, Altarea has since signed or renegotiated from nearly €1,348 million of financing including a Taxonomy alignment clause allowing it to postpone almost all of its bank maturities to 2028 or beyond (see Financial resources).

Altarea's environmental performance, measured through the Taxonomy, is thus a decisive asset for continuing to access financial resources on favourable terms despite the context of the real estate crisis and the tightening of credit grant.

1.3.2 Carbon performance

Altarea has developed carbon accounting for all of its activities, making it possible to monitor its carbon performance with the same rigour as its accounting performance. 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

Scope (scopes 1, 2 and 3)[2]

GHG emissions[3], in kilogrammes of CO_2 equivalent ($kgCO_2e$, simplified as "kg"), are classified in three categories (scopes):

- direct emissions (scope 1) cover all emissions associated with the consumption of fossil fuels (burning of fossil fuels, refilling of refrigerants, 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 reflect the Group's business lines:

- in **Property Development**[4], they are related to the construction and use of buildings:
  - *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

Altarea has developed an accounting approach for 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 that contributed to revenue in 2023;
- construction-related emissions are recognised on a pro rata basis according to technical progress (excluding land) of each project;
- emissions related to the use of the asset are recognised on a pro rata basis according to commercial progress of each project.

(1) This regulatory obligation, initially planned for 2023, was postponed by one year under the CSRD Directive on taxonomy.

(2) In accordance with the GHG 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).

(3) 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).

(4) On behalf of third parties.

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 for energy based on the consumption of the common areas (actual measurements) and private areas (actual and estimated measurements). This consumption is then converted into GHG emission equivalent using a factor whose level fluctuates according to the carbon intensity of the energy consumed.

Scope 3 calculated for the REIT was enhanced this year to add certain categories of emissions[1] where the Group has direct influence (waste treatment in particular).

The Group does not include emissions related to visitor transport on which it has no direct influence. For information, they represented 185 thousand tonnes in 2023[2].

Corporate

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

Group carbon performance[3]

In 2023, the Group's emissions (scopes 1, 2 and 3) represented 910 thousand tonnes, down -16% compared to 2022 (1,085 thousand tonnes) and -42% compared to 2019 (the benchmark year).

In thousands of tCO_2e	2023	2022	2019
Property Development	**884**	**1,076**	**1,551**
Residential	760	914	1,041
Business Property	82	102	315
Retail	42	60	195
REIT and Head office	**26**	**9**	**12**
GROUP SHARE	**910**	**1,085**	**1,563**
o/w Construction	*602*	*720*	*822*
o/w Use	*282*	*356*	*729*
o/w REIT and Corporate	*26*	*9*	*12*

Property Development accounts for the vast majority of the Group's emissions (96%), and most of this (84%) is generated by Residential Development.

REIT Retail has a low level of emissions. The decarbonisation process for this activity was initiated in 2010. The increase observed this year is due to the extension of the concept of scope 3 (waste in particular).

Out of a total emission of 910 thousand tonnes, 282 thousand tonnes (*i.e.* 31%) correspond to emissions that have not yet occurred (share related to the future use of the buildings under construction).

(1) Addition of nine categories among the fifteen listed by the GHG Protocol.

(2) In Group share. In 2022, they were 164 thousand tCO_2e.

(3) Group share (economic carbon). Emissions at 100% (managed carbon) represented 966 tCO_2e in 2023 (vs 1,163 in 2022).

Continuous improvement of carbon performance

Group GHG emissions *In thousands of tCO_2e*		**Change**
2022 GHG emissions	**1,085**	
Scope effect (Woodeum, etc.)	65	+6%
Scope 3 adjustment Retail REIT	16	+1%
Property Development - volume effect	-144	-13%
Property Development - reduction in carbon intensity	-112	-10%
2023 GHG EMISSIONS	**910**	**-16%**

The -16% decrease in emissions in 2023 is mainly due to the decrease in development activity (volume effect) due to the real estate crisis (-144 thousand tonnes).

The Group's progress in decarbonisation has helped to reduce emissions by -112 thousand tonnes, thanks to the reduction in carbon intensity per unit area (the amount of carbon needed to build and use one square meter of real estate).

Carbon intensity per unit area: -9.8% in 2023

The average carbon intensity per unit area decreased by -9.8% to 1,299 $kgCO_2e/m^2$ in 2023 (compared to 1,440 $kgCO_2e/m^2$ in 2022).

This improvement in carbon intensity is linked to the exit from older, more carbon-intensive projects (average intensity of 1,512 $kgCO_2e/m^2$) and the integration of new, more efficient projects (average 1,173 $kgCO_2e/m^2$).

By 2035, the Group aims to reduce its intensity per unit area by 50% compared to 2019, the benchmark year (1,553 $kgCO_2e/m^2$).

Economic carbon intensity

Economic carbon intensity can be defined as the amount of CO_2e required to generate one euro of revenue (grammes of CO_2e per euro or g/€). This indicator is particularly relevant for measuring the decoupling between economic value creation and GHG emissions, which is a fundamental principle of low carbon growth.

In gCO_2e/€	2023	2022	2019
Carbon intensity	335	360	503

In 2023, 335 grammes of GHG were emitted to generate one euro in revenue, *i.e.* 6.8% less than in 2022 (-33.4% compared to 2019).

1.4 Financial performance

1.4.1 2023 consolidated results

Altarea was one of the first real estate companies to address the crisis in its strategic roadmap presented a year ago. This roadmap allows for two years of adaptation to the change in the real estate cycle (2023 and 2024) and three years of ramping-up, in both its historical activities and in New businesses.

As announced, the 2023 net recurring result (FFO)[1] is affected by the real estate crisis with a sharp fall (-63% compared to 2022) to €101.2 million, composed of:

- a strong performance from the Retail, which is more than ever the Group's financial backbone, with increasing net rental income;
- a limited contribution from Residential, as a consequence of the policy to voluntarily accelerate the adaptation to the context;
- an expected absence of major operations in the Office compared to previous years.

Endowed with a particularly solid financial structure, Altarea decided to settle the previous cycle in its 2023 financial statements. This resulted in the booking of a non-recurring accounting cost for Property Development of -€448.8 million[2], as a change in value, which reflects Altarea's vision of Property Development market. In total, the net income Group share rose to -€472.9 million.

(€ millions)	Retail	Residential	Business Property	New businesses	Other (corporate)	Funds from operations (FFO)	Changes in value, estimated expenses and transaction costs	Total
Revenue	**259.0**	**2,247.1**	**204.0**	**2.1**	**0.1**	**2,712.3**	**-**	**2,712.3**
Change *vs.* 31/12/2022	+7%	-9%	-32%	-	-5%	-10%	-	-10%
Net rental income	204.8	-	-	-	-	204.8	-	204.8
Net property income	0.5	124.8	20.6	(0.3)	(0.0)	145.5	(3.2)	142.3
External services	25.0	29.0	8.0	0.0	0.1	62.0	-	62.0
Net income	**230.3**	**153.9**	**28.6**	**(0.3)**	**0.1**	**412.6**	**(3.2)**	**409.2**
Own work capitalised and production held in inventory	1.8	142.0	10.8	(0.1)	-	154.4	-	154.4
Operating expenses	(42.0)	(238.9)	(20.0)	(9.6)	(4.4)	(314.9)	(26.2)	(341.1)
Net overhead expenses	**(40.2)**	**(96.9)**	**(9.2)**	**(9.7)**	**(4.4)**	**(160.5)**	**(26.2)**	**(186.6)**
Share of equity-method affiliates	5.4	(0.0)	(8.9)	(0.3)	-	(3.8)	(22.4)	(26.3)
Value creation – Retail							(194.1)	(194.1)
Depreciation and amortisation (IFRS 16)							(18.3)	(18.3)
Other deprec., amort. and transaction costs							(11.1)	(11.1)
Exceptional accounting expense for Property Development[a]							(448.8)	(448.8)
Operating income	**195.5**	**56.8**	**10.5**	**(10.4)**	**(4.3)**	**248.1**	**(724.1)**	**(476.0)**
Change *vs.* 31/12/2022	+1.5%	-63%	-91%	-	-	-44%		
Net borrowing costs	(21.9)	(4.3)	(6.8)	-	-	(33.0)	(5.1)	(38.2)
Other financial results	(19.1)	(11.2)	(0.4)	-	2	(30.8)	(2.8)	(33.5)
Discounting of payables and receivables						-	0.4	0.4
Gains/losses in the value of fin. instruments						-	(72.8)	(72.8)
Gains or losses on disposals of equity interests						-	(2.8)	(2.8)
Corporate income tax	(0.4)	0.2	0.3	-	-	0.1	114.3	114.4
Net result	**154.1**	**41.4**	**3.5**	**(10.4)**	**(4.3)**	**184.4**	**(692.9)**	**(508.6)**
Non-controlling interests[b]	(67.8)	(15.5)	0.1	-	-	(83.1)	118.8	35.7
NET INCOME, GROUP SHARE	**86.3**	**26.0**	**3.6**	**(10.4)**	**(4.3)**	**101.2**	**(574.1)**	**(472.9)**
Change vs. 31/12/2022	*-12%*	*-76%*	*-95%*			*-63%*		
Diluted average number of shares						*20,949,836*		
NET INCOME, GROUP SHARE PER SHARE						**4.83**		
Change vs. 31/12/2022						*-64%*		

(a) Including -€318.1 million recognised in net property income in the consolidated financial statements and in the consolidated income statement by segment.
(b) Retail represents €102.2 million out of the €118.8 million in changes in non-controlling assets values.

(1) Funds from operations (FFO): net income excluding changes in value, estimated expenses, transaction costs and changes in deferred tax. Group share.
(2) Figure before tax. After tax, the amount is -€348.3 million.

Net recurring result (FFO): €101.2 million

Revenue: €2,712.3 million (-10%)

Revenue amounted to €2,712.3 million, down -10%[1]:

- **Retail** revenue increased by +7% to €259 million (including €204.8 million in net rental income, +5.8%), driven by the ramp-up of CAP3000 and the Paris-Montparnasse station;
- **Residential** revenue fell by -9% to €2,247.1 million, mainly due to the drastic reduction in land acquisitions;
- **Business Property** revenue decreased by -32% to €204 million given the lack of major Office projects compared to 2022.

Operating income FFO: €248.1 million (-44%)

Operating income FFO is €248.1 million, down -44%:

- **Retail** operating income was €195.5 million, up +1.5%, as the growth in rents more than offset the decrease in development fees;
- **Residential** operating income was €56.8 million, down -63%. This decrease is linked to a volume effect (decrease in revenue and own work capitalised/production held in inventory) combined with a rate effect (prices decrease on programmes under construction). Operating profit %[2] rose to 2.5% (compared to 6.3% in 2022);
- **Business Property** operating income was €10.5 million, down -91%. This was generated from small-scale Property development projects, mainly in the Regions;
- **New businesses** generated negative operating income of - €10.4 million.

The total Operating profit %[3] for the Group was 9.1% compared to 14.8% in 2022.

FFO: €101.2 million (-64%)

The Group's FFO amounted to €101.2 million, down -64%.

Financing expenses (net borrowing costs of -€33 million and other financial income of -€30.8 million) were relatively stable and tax expense was almost zero.

Non-recurring accounting cost in Property Development: -€448.8 million

The Company's General Management approved the 2023 financial statements in view of an enduring unfavourable environment and was led to revisit Property Development values downward after comprehensive and thorough reviews of programmes.

Endowed with a particularly solid financial structure, Altarea decided to settle the previous cycle in its 2023 books by recognising a non-recurring accounting cost as a change in value.

This cost, totalling -€448.8 million before tax, can be broken down as follows[4]:

- -€192.9 million write-down of research expenses and land cost after the portfolio review of Residential programme;
- -€119.3 million decreases in value on offer and assets under construction;
- -€37.4 million depreciation on projects in partnership at risk;
- -€14.7 million depreciation of intangible assets related to brand reorgansation;
- -€84.5 million related to two Office operations in Paris region (Landscape in La Défense and PRD project in Montparnasse).

At the end of this review:

- approximately 90% of the development costs in inventories were expensed;
- the value of the lands was adjusted by roughly -30%, to match their recovery value;
- the residual offer from the previous cycle was marked to market;
- the risk on Landscape (La Défense) was reduced to zero, and the economic exposure to PRD Montparnasse has been brought down to market level.

Each item was recognised according to its specific accounting method, in accordance with the Group's accounting principles and methods.

After tax, this non-recurring acounting cost was - €348.3 million.

(1) On a like-for-like basis (excluding Woodeum, consolidated during the year), revenue amounted to €2,611.9 million (-13%).
(2) Operating income FFO in relation to Residential revenue.
(3) Operating income FFO as a percentage of consolidated Group revenue.
(4) Please refer to the notes to the financial statements in the 2023 Consolidated Accounts, available on Altarea.com, under the finance section.

1.4.2 Net asset value (NAV)

1.4.2.1 Going concern NAV (fully diluted[1]) at €115.7/share (-26.3%)

	31/12/2023				31/12/2022	
NAV – Group	*(€m)*	*Chge*	*€/share*	*Chge*	*(€m)*	*€/share*
Consolidated equity, Group share	**1,747.5**	**-26.4%**	**84.3**	**-27.7%**	**2,375.2**	**116.6**
Other unrealised capital gains	355.4				459.5	
Deferred tax on the balance sheet for non-SIIC assets[(a)]	22.4				22.5	
Fixed-rate market value of debt	167.6				239.2	
Effective tax for unrealised capital gains on non-SIIC	(11.7)				(14.7)	
Optimisation of transfer duties[(b)]	68.6				70.7	
General partners' share[(c)]	(13.5)				(18.5)	
NNNAV (NAV liquidation)	**2,336.3**	**-25.4%**	**112.7**	**-26.7%**	**3,133.8**	**153.8**
Estimated transfer duties and selling fees	63.4				66.6	
General partners' share[(c)]	(0.4)				(0.4)	
GOING CONCERN NAV (FULLY DILUTED)	**2,399.3**	**-25.0%**	**115.7**	**-26.3%**	**3,200.0**	**157.1**
Number of diluted shares:	*20,736,822*				*20,375,804*	

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

To determine the value of the Property Development activity in its NAV, Altarea used the low value range appraised by Accuracy (see paragraph "Asset valuations" below).

1.4.2.2 Change in NAV

Going concern NAV (fully diluted)	*(€m)*	*€/share*
NAV 31 December 2022	**3,200.0**	**157.1**
Dividend	(171.7)	(10.0)
FFO Group share 2023	101.2	4.8
Value creation – Retail	(88.2)	(4.3)
Value creation – Property Development	(458.5)	(22.1)
Financial instruments and fixed-rate debt	(146.8)	(7.1)
IFRS 16	(21.0)	(1.0)
Other and transaction costs[(a)]	(15.7)	(1.7)
NAV 31 DECEMBER 2023	**2,399.3**	**115.7**
vs. 31 December 2022	-25.0%	-26.3%

(a) Including free shares, depreciation and amortisation, share of equity-method affiliates at market value, General Partners' share.

The decrease in NAV is mainly due to the -€458.5 million fall in the value of Property Development, which is composed of:

- -€348.3 million booked in 2023 accounting results;
- -€110.2 million fall in intangible assets (decrease in unrealised capital gains).

The value of Property Development has been adjusted in the NAV downward by -€826.7 million over the last two years (-€458.5 million in 2023 and -€368.2 million in 2022).

(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 principles

Asset valuation

Investment properties

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

Retail assets are valued by multiple appraisers. The breakdown of the valuation of the assets by experts is detailed below:

Appraiser	Portfolio	% of value, incl. transfer duties
Jones Lang LaSalle	France	30%
Cushman & Wakefield	France & International	34%
CBRE	France & International	34%
Others	France & International	2%

The appraisers use two methods:

- discounted cash flow (DCF method), including exit 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 at lump-sum 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 a year by external appraisers on annual closing: Retail Asset Management (Altarea France), the Property Development division (Residential and Business property) and the Business Property Asset management division are valued by appraisers Accuracy.

The method used by Accuracy is 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 comparable.

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

A solid financial structure

Altarea entered the real estate crisis with a particularly solid financial structure, which is reflected in its indicators at the end of 2023:

- liquidity of €2.4 billion;
- net debt almost stable at €1,647 million;
- competitive cost of debt at 2.15% and secured until 2028;
- robust financial ratios (LTV 28.7%, ICR 7.5x).

Altarea already has enough liquidity, partly as placed cash, to meet its bond maturities in 2024 and 2025. At the date of publication, the Group has signed or renegotiated close to €1,348 million bank financing to extend the financial resources to 2028 and beyond[(1)]. No RCF lines[(2)] have been drawn down and the NEU CP and NEU MTN (short- and medium-term commercial paper) programmes have been reduced to zero.

Highlights of the year

2023 was marked by:

- significant work on bank financing for a total of €1,348 million:
  - renegotiation/extension of almost all bank credit lines for €1,133 million maturing in 2028 and beyond,
  - setting up of €215 million in 7-year mortgage loans on two Retail assets[(3)],
  - integration of a clause of european taxonomy[(4)] alignment on all loans arranged or renegotiated[(5)],
- net debt almost stable at €1,647 million (+€92 million) due to proactive management of Residential WCR (-€346 million).

Available cash

At 31 December 2023, Altarea had available cash of €2,410 million (€2,971 million at 31 December 2022).

Available *(€ millions)*	**Cash**	**Unused credit lines**	**Total**
At Corporate level	673	1,547	2,220
At project level	109	81	190
TOTAL	**782**	**1,628**	**2,410**

Unused corporate credit lines consist in RCFs, none of which were drawn down.

Short and medium-term financing

The Group has two NEU CP programmes[(6)] (maturity less than or equal to one year) and two NEU MTN[(7)] programmes (maturity greater than one year) for Altarea and Altareit. At the date of publication, the outstanding amount of these programmes was nil.

(1) 84% due in 2028 and beyond.

(2) Bank loans: RCF (Revolving Credit Facilities) and Term loan.

(3) Of which €90 million finalized in early 2024 (Sant Cugat).

(4) 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.

(5) These loans now include a clause aligning consolidated revenue with the european taxonomy ("EU Taxonomy linked loan"). The two mortgage loans are also "Green" within the meaning of the "Green Loan Principals" issued by the Loan Market Association, the financed assets being aligned with the european taxonomy.

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

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

Net debt[1]

Change in net debt in 2023

The net debt was almost stable at €1,647 million, compared with €1,555 million at the end of 2022.

(€ millions)	
Net debt at 31 December 2022	**1,555**
Dividend paid in 2023	172
FFO 2023	(101)
Residential WCR	(346)
Capex Retail	77
Capex Offices	93
Capex Logistics	83
Decarbonisation (Woodeum, Jouvence)	86
Others	28
NET DEBT AT 31 DECEMBER 2023	**1,647**

During the year, Altarea sharply reduced its Residential WCR and continued to invest in its other business lines.

Net debt structure

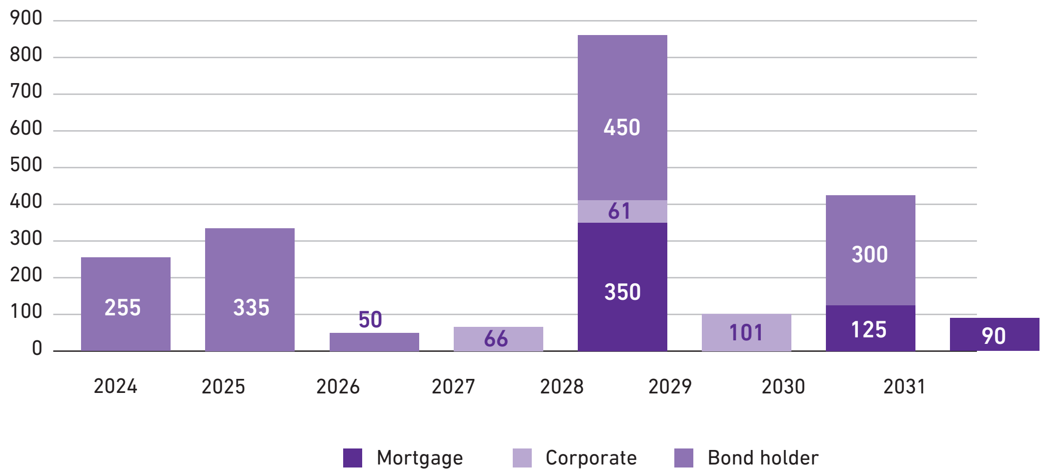
(€ millions)	31/12/2023	31/12/2022
Corporate and bank debt	247	213
Credit markets	1,496	1,778
Mortgage debt	473	348
Debt on property development	144	168
Total gross debt	**2,360**	**2,507**
Cash and cash equivalents	(713)	(952)
TOTAL NET DEBT	**1,647**	**1,555**

Gross debt was reduced by €147 million following the repayment of the Group's short-term debt (NEU CP, NEU MTN).

At 31 December 2023, the average gross debt duration[2] is 3 years and 6 months, compared to 4 years and 3 months at 31 December 2022. After taking into account the liquidity available in the form of placed cash to meet payment maturities in 2024 and 2025, the effective duration of the debt is 4 years and 5 months.

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) *At date of publication and excluding short-term Property development financing. Compared to the schedule as of 31 December 2023, €170 million of Term loans have been deferred to 2028 and beyond.*

The next significant maturities concern the Altarea 2024 and Altareit 2025 bonds, which are already covered by available liquidity, partly in the form of placed cash (mainly generated by the set-up of recent mortgage financing).

Mortgage debts are set up on three large shopping centres: CAP3000 (St-Laurent du Var, €350 million maturing in June 2028[(1)]), Qwartz (Villeneuve-la-Garenne, €125 million maturing in December 2030) and Sant Cugat (Barcelona, €90 million maturing in February 2031 signed in early 2024). All the Group's other consolidated assets are mortgage-free.

Hedging: nominal and average rate

At 31 December 2023, Altarea had a fixed-rate hedged debt position of around €2 billion for an average period of 3 years, decreasing thereafter over time, therefore securing a cost of debt particularly competitive over this period.

Outstanding at year-end	Fixed-rate debt	Floating-rate debt	Fixed rate hedges[(a)]	Fixed-rate position (€m)[(b)]	Average hedge ratio[(c)]
2024	1,135	557	1,413	2,547	0.46%
2025	800	550	1,213	2,013	0.48%
2026	750	533	1,138	1,888	0.50%
2027	750	477	1,138	1,888	0.50%
2028	300	125	650	950	0.82%
2029	300	125	650	950	0.82%

(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).

Average cost of debt: 2.15% (+33 bps)

The Group's average cost of debt increased slightly mainly due to the decrease in outstanding short-term growth debt (NEU CP and NEU MTN), issued at particularly low cost (mix effect related to the reduction in gross debt).

Loan to Value (LTV)

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

(€ millions)	31/12/2023	31/12/2022
Gross debt	2,360	2,507
Cash and cash equivalents	(713)	(952)
Consolidated net debt	**1,647**	**1,555**
Retail at value (FC)[(a)]	3,861	4,040
Retail at value (EM securities), other[(b)]	185	207
Investment properties valued at cost[(c)]	110	105
Business Property investments[(d)]	121	71
Enterprise value of Property Development[(e)]	1,466	1,934
Market value of assets	**5,744**	**6,358**
LTV RATIO	**28.7%**	**24.5%**

(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 carrying amount of investment properties in development valued at cost.
(d) Market value (including transfer taxes) of shares in equity affiliates holding investments and other Business Property assets.
(e) Including Logistics €210 million, Offices €146 million, and Residential €1,110 million.

The Retail REIT represents 72.5% of capital employed (€4,157 million out of €5,744 million), the Residential development 19.3%, the Business property development 4.5%, and the Logistics 3.7%.

Net debt ratios

At 31 December 2023, the Net Debt to EBITDA[(2)] ratio stood at 6.6x, compared with 3.5x at 31 December 2022.

The Net Debt/Net Debt + Equity ratio was 33.8% (compared to 28.2% at 31 December 2022).

Neither of these two ratios constitutes a bank covenant for the Group.

(1) Centre owned in partnership for which Altarea's exposure is 33.3%.
(2) Net bond and bank debt/12-month rolling FFO operating income.

Bank covenants

	Covenant	31/12/2023	31/12/2022	Delta
LTV[(a)]	≤ 60%	28.7%	24.5%	+4.2%
ICR[(b)]	≥ 2.0 x	7.5x	13.0x	-5.5x

(a) LTV (Loan to Value) = Net bond and bank debt/Restated value of assets including transfer duties.
(b) ICR (Interest Coverage Ratio) = Operating income/Net borrowing costs (column "funds from operations"). On a rolling 12-month basis.

At end of 2023, the financial position of the Group largely satisfied all of the covenants of its various credit contracts.

Financial ratings

On 9 October 2023, S&P Global reiterated Altarea's BBB- investment grade rating, but lowered its outlook from "stable" to "negative", mainly due to the market environment. The linked rating of its development subsidiary Altareit was also confirmed.

2

CONSOLIDATED FINANCIAL STATEMENTS 2023

1.1 Financial statements

Consolidated balance sheet

(€ millions)	Note	31/12/2023	31/12/2022
Non-current assets		**4,865.2**	**5,100.0**
Intangible assets	7.2	369.5	344.3
o/w Goodwill		*235.8*	*214.7*
o/w Brands		*115.0*	*105.4*
o/w Customer relationships		*3.6*	*6.7*
o/w Other intangible assets		*15.1*	*17.4*
Property plant and equipment		26.5	25.2
Right-of-use on tangible and intangible fixed assets	7.3	120.6	123.1
Investment properties	7.1	3,948.6	4,087.4
o/w Investment properties in operation at fair value		*3,617.2*	*3,793.3*
o/w Investment properties under development and under construction at cost		*114.7*	*95.5*
o/w Right-of use on Investment properties		*216.7*	*198.6*
Securities and investments in equity affiliates	4.5	327.1	491.7
Non-current financial assets	4.6	35.6	20.3
Deferred taxes assets	5.3	37.3	8.0
Current assets		**3,471.9**	**3,987.7**
Net inventories and work in progress	7.4	1,140.6	1,159.3
Contract assets	7.4	536.0	723.1
Trade and other receivables	7.4	930.2	900.1
Income credit		23.8	3.2
Current financial assets	4.6	25.8	81.4
Derivative financial instruments	8	101.7	160.6
Cash and cash equivalents	6.2	713.1	952.3
Assets held for sale	7.1	0.8	7.8
TOTAL ASSETS		**8,337.1**	**9,087.7**

(€ millions)	Note	31/12/2023	31/12/2022
Equity		**3,219.6**	**3,959.5**
Equity attributable to Altarea SCA shareholders		**1,747.5**	**2,375.2**
Share capital	6.1	316.9	311.4
Other paid-in capital		420.4	395.0
Reserves		1,483.2	1,342.0
Income associated with Altarea SCA shareholders		(472.9)	326.8
Equity attributable to non-controlling interests in subsidiaries		**1,472.1**	**1,584.4**
Reserves associated with non-controlling interests in subsidiaries		1,284.2	1,263.2
Other equity components, Subordinated Perpetual Notes		223.5	223.5
Income associated with non-controlling interests in subsidiaries		(35.7)	97.7
Non-current liabilities		**2,375.6**	**2,612.0**
Non-current borrowings and financial liabilities	6.2	2,254.8	2,454.8
o/w Participating loans and advances from associates		*60.4*	*58.2*
o/w Bond issues		*1,128.7*	*1,385.2*
o/w Borrowings from credit establishments		*726.5*	*612.8*
o/w Negotiable European Medium-Term Note		-	*70.0*
o/w Lease liabilities		*126.3*	*132.2*
o/w Contractual fees on investment properties		*212.9*	*196.4*
Long-term provisions	6.3	68.7	35.5
Deposits and security interests received		44.6	39.3
Deferred tax liability	5.3	7.5	82.4
Current liabilities		**2,742.0**	**2,516.1**
Current borrowings and financial liabilities	6.2	637.7	547.4
o/w Bond issues		*275.5*	*22.0*
o/w Borrowings from credit establishments		*89.6*	*90.9*
o/w Negotiable European Commercial Paper		*92.2*	*302.0*
o/w Bank overdrafts		*47.7*	*24.2*
o/w Advances from Group shareholders and partners		*108.7*	*89.1*
o/w Lease liabilities		*19.6*	*16.6*
o/w Contractual fees on investment properties		*4.4*	*2.6*
Derivative financial instruments	8	32.0	0.0
Contract liabilities	7.4	257.0	351.4
Trade and other payables	7.4	1,814.7	1,611.1
Tax due		0.6	6.2
TOTAL LIABILITIES		**8,337.1**	**9,087.7**

Statement of consolidated comprehensive income

(€ millions)	Note	31/12/2023	31/12/2022
Rental income		231.8	210.2
Property expenses		(6.5)	(3.6)
Unrecoverable rental expenses		(10.3)	(10.4)
Expenses re-invoiced to tenants		*63.8*	*58.8*
Rental expenses		*(74.0)*	*(69.3)*
Other expenses		0.7	(0.3)
Net charge to provisions for current assets		(11.0)	(2.3)
Net rental income	**5.1**	**204.8**	**193.7**
Revenue		2,418.5	2,748.6
Cost of sales		(2,253.2)	2,418.6
Other income		(89.3)	(104.2)
Net charge to provisions for current assets		(242.6)	(34.2)
Amortisation of customer relationships		(5.9)	(1.5)
Net property income	**5.1**	**(172.6)**	**190.1**
External services		62.0	54.4
Own work capitalised and production held in inventory		154.4	242.1
Personnel costs		(241.2)	(271.1)
Other overhead expenses		(91.8)	(78.3)
Depreciation expenses on operating assets		(30.6)	(29.0)
Net overhead expenses		**(147.1)**	**(81.9)**
Other income and expenses		(8.1)	(6.7)
Depreciation expenses		(1.3)	(0.1)
Transaction costs		(1.9)	(14.5)
Others		**(11.3)**	**(21.3)**
Proceeds from disposal of investment assets		(2.9)	76.5
Carrying amount of assets sold		(0.8)	(74.2)
Net gain/(loss) on disposal of investment assets		**(3.7)**	**2.3**
Change in value of investment properties	7.1	(189.8)	45.8
Net impairment losses on investment properties measured at cost		(0.6)	(18.7)
Net impairment losses on other non-current assets		(54.6)	0.2
Net charge to provisions for risks and contingencies		(31.9)	0.3
Impairment of goodwill		(0.6)	-
OPERATING INCOME BEFORE THE SHARE OF NET INCOME OF EQUITY AFFILIATES		**(407.3)**	**310.4**
Share in earnings of equity affiliates	4.5	(68.8)	71.0
OPERATING INCOME AFTER THE SHARE OF NET INCOME OF EQUITY AFFILIATES		**(476.0)**	**381.4**
Net borrowing costs	5.2	(38.2)	(23.8)
Financial expenses		*(78.1)*	*(41.4)*
Financial income		*39.9*	*17.5*
Other financial results	5.2	(33.5)	(26.3)
Discounting of payables and receivables		0.4	-
Change in value and income from disposal of financial instruments	5.2	(72.8)	123.0
Net gain/(loss) on disposal of investments		(2.8)	38.5
Profit before tax		**(622.9)**	**492.8**
Corporate income tax	5.3	114.4	(68.3)
NET INCOME		**(508.6)**	**424.5**
o/w Attributable to shareholders of Altarea SCA		**(472.9)**	**326.8**
o/w Attributable to non-controlling interests in subsidiaries		(35.7)	97.7
Average number of non-diluted shares		20,420,155	20,158,331
NET EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF ALTAREA SCA *(€)*	**5.4**	**(23.16)**	**16.21**
Diluted average number of shares		20,949,836	20,649,592
DILUTED NET EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF ALTAREA SCA *(€)*	**5.4**	**(22.57)**	**15.83**

Other comprehensive income

(millions €)	2023/12/31	2022/12/31
NET INCOME	**(508.6)**	**424.5**
Actuarial differences on defined-benefit pension plans	1.1	3.0
o/w Taxes	*(0.3)*	*(0.8)*
Subtotal of comprehensive income items that may not be reclassified to profit	**1.1**	**3.0**
OTHER COMPREHENSIVE INCOME	**1.1**	**3.0**
CONSOLIDATED COMPREHENSIVE INCOME	**(507.5)**	**427.5**
o/w Net comprehensive income attributable to Altarea SCA shareholders	(471.8)	329.8
o/w Net comprehensive income attributable to non-controlling interests in subsidiaries	(35.7)	97.7

Consolidated cash flows statement

(€ millions)	Note	31/12/2023	31/12/2022
Cash flow from operating activities			
Total consolidated net income		**(508.6)**	**424.5**
Elimination of income tax expense (income)	5.3	(114.4)	68.3
Elimination of net interest expense (income) and dividends	5.2	71.6	50.0
Net income before tax and before net interest expense (income)		**(551.3)**	**542.8**
Elimination of share in earnings of equity-method affiliates	4.5	68.8	(71.0)
Elimination of depreciation and impairment		126.4	31.4
Elimination of value adjustments	7.1/5.2	262.9	(150.2)
Elimination of net gains/(losses) on disposals[a]		6.6	(40.3)
Estimated income and expenses associated with share-based payments	6.1	21.6	25.1
Net cash flow		**(65.0)**	**337.7**
Tax paid		(25.6)	(34.6)
Impact of change in operational working capital requirement (WCR)	7.4	421.2	(106.3)
CASH FLOW FROM OPERATIONS		**330.5**	**196.7**
Cash flow from investment activities			
Net acquisitions of assets and capitalised expenditures	7.1	(38.2)	(42.9)
Gross investments in equity affiliates	4.5	(127.5)	(97.9)
Acquisitions of consolidated companies, net of cash acquired	4.3	3.1	(3.7)
Other changes in Group structure		0.2	6.1
Increase in loans and advances		(29.0)	(13.8)
Sale of non-current assets and reimbursement of advances and down payments[a]		(2.3)	58.7
Disposals of equity affiliates	4.5	60.5	80.5
Disposals of consolidated companies, net of cash transferred		(0.0)	113.3
Reduction in loans and other financial investments		22.7	64.4
Net change in investments and derivative financial instruments	5.2	67.1	(92.7)
Dividends received		46.4	34.7
Interest income on loans		45.6	23.4
CASH FLOW FROM INVESTMENT ACTIVITIES		**48.6**	**130.0**
Cash flow from financing activities			
Capital increase[b]		34.3	9.3
Share of non-controlling interests in the capital increase of subsidiaries[c]		-	140.2
Dividends paid to Altarea SCA shareholders	6.1	(206.0)	(199.8)
Dividends paid to minority shareholders of subsidiaries		(71.4)	(23.2)
Issuance of borrowings and other financial liabilities	6.2	408.2	430.3
Repayment of borrowings and other financial liabilities	6.2	(677.3)	1,254.3
Repayment of lease liabilities	6.2	(19.3)	(19.9)
Net sales (purchases) of treasury shares	6.1	(5.5)	(26.3)
Net change in security deposits and guarantees received		5.2	0.9
Interest paid on financial debts		(110.0)	(67.7)
CASH FLOW FROM FINANCING ACTIVITIES		**(641.8)**	**1,010.6**
CHANGE IN CASH BALANCE		**(262.7)**	**(683.9)**
Cash balance at the beginning of the year	**6.2**	**928.1**	**1,612.0**
Cash and cash equivalents		952.3	1,625.5
Bank overdrafts		(24.2)	(13.6)
Cash balance at period-end	**6.2**	**665.4**	**928.1**
Cash and cash equivalents		713.1	952.3
Bank overdrafts		(47.7)	(24.2)

(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) 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 2022	**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	**-**	**-**	**-**			**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)
Others	(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**
Net Income	-	-	-	*(472.9)*	*(472.9)*	*(35.7)*	*(508.6)*
Actuarial difference relating to pension obligations	-	-	-	*0.9*	*0.9*	*0.0*	*0.9*
Comprehensive income	**-**	**-**	**-**	**(472.0)**	**(472.0)**	**(35.7)**	**(507.7)**
Dividend distribution	-	*(3.3)*	-	*(202.7)*	*(206.0)*	*(75.3)*	*(281.3)*
Capital increase	*5.5*	*28.7*	-	*0.0*	*34.3*[(b)]	*0.1*	*34.3*
Subordinated Perpetual Notes	-	-	-	-	-	-	-
Measurement of share-based payments	-	-	-	*16.0*	*16.0*	*(0.0)*	*16.0*
Elimination of treasury shares	-	-	*15.6*	*(15.7)*	*(0.1)*	-	*(0.1)*
Transactions with shareholders	**5.5**	**25.4**	**15.6**	**(202.3)**	**(155.8)**	**(75.2)**	**(231.0)**
Changes in ownership interests without taking or losing control of subsidiaries	-	-	-	-	-	-	-
Changes in ownership interests associated with taking or losing control of subsidiaries	-	-	-	0.1	0.1	(1.4)	(1.3)
Others	-	-	-	0.0	0.0	(0.0)	(0.0)
AS OF 31 DECEMBER 2023	**316.9**	**420.4**	**(14.9)**	**1,025.2**	**1,747.5**	**1,472.1**	**3,219.6**

(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 interests for €140.1 million.
(b) Capital increase related to the employee savings fund (FCPE) and scrip dividend option.

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

2.2 Notes – Consolidated income statement by segment

(€ millions)	31/12/2023 Funds from operations (FFO)	31/12/2023 Changes in value, estimated expenses and transaction costs	31/12/2023 Total	31/12/2022 Funds from operations (FFO)	31/12/2022 Changes in value, estimated expenses and transaction costs	31/12/2022 Total
Rental income	231.8	-	231.8	210.2	-	210.2
Other expenses	(27.0)	-	(27.0)	(16.6)	-	(16.6)
Net rental income	**204.8**	**-**	**204.8**	**193.7**	**-**	**193.7**
External services	25.0	-	25.0	31.3	-	31.3
Own work capitalised and production held in inventory	1.8	-	1.8	5.7	-	5.7
Operating expenses	(42.0)	(5.7)	(47.7)	(43.6)	(5.3)	(49.0)
Net overhead expenses	**(15.3)**	**(5.7)**	**(20.9)**	**(6.7)**	**(5.3)**	**(12.0)**
Share of equity-method affiliates	**5.4**	**(19.2)**	**(13.8)**	**5.6**	**0.3**	**5.9**
Net depreciation, amortisation and provision	**-**	**1.2**	**1.2**	**-**	**(0.5)**	**(0.5)**
Income/loss on sale of assets	**0.5**	**(3.7)**	**(3.2)**	**-**	**1.0**	**1.0**
Income/loss in the value of investment property	**-**	**(190.4)**	**(190.4)**	**-**	**27.5**	**27.5**
Transaction costs	**-**	**-**	**-**	**-**	**0.6**	**0.6**
Operating income - retail	**195.5**	**(217.7)**	**(22.3)**	**192.6**	**23.5**	**216.1**
Revenue	2,218.1	-	2,218.1	2,458.5	-	2,458.5
Cost of sales and other expenses	(2,093.3)	(300.2)	(2,393.6)	(2,302.8)	(1.5)	(2,304.3)
Net property income	**124.8**	**(300.2)**	**(175.4)**	**155.7**	**(1.5)**	**154.2**
External services	29.0	-	29.0	11.1	-	11.1
Production held in inventory	142.0	-	142.0	221.0	-	221.0
Operating expenses	(238.9)	(19.8)	(258.7)	(245.4)	(19.9)	(265.3)
Net overhead expenses	**(67.9)**	**(19.8)**	**(87.7)**	**(13.3)**	**(19.9)**	**(33.1)**
Share of equity-method affiliates	**(0.0)**	**(3.7)**	**(3.7)**	**9.2**	**(1.0)**	**8.2**
Net depreciation, amortisation and provision	**-**	**(63.2)**	**(63.2)**	**-**	**(19.1)**	**(19.1)**
Transaction costs	**-**	**(0.0)**	**(0.0)**	**-**	**(0.5)**	**(0.5)**
Operating income - residential	**56.8**	**(386.9)**	**(330.1)**	**151.6**	**(42.0)**	**109.7**
Revenue	196.0	-	196.0	290.0	-	290.0
Cost of sales and other expenses	(175.4)	(17.9)	(193.3)	(252.9)	-	(252.9)
Net property income	**20.6**	**(17.9)**	**2.7**	**37.2**	**-**	**37.2**
External services	8.0	-	8.0	11.9	-	11.9
Production held in inventory	10.8	-	10.8	15.4	-	15.4
Operating expenses	(20.0)	(3.6)	(23.6)	(32.0)	(5.2)	(37.2)
Net overhead expenses	**(1.2)**	**(3.6)**	**(4.8)**	**(4.7)**	**(5.2)**	**(9.9)**
Share of equity-method affiliates	**(8.9)**	**(42.0)**	**(50.9)**	**77.9**	**7.7**	**85.6**
Net depreciation, amortisation and provision	**-**	**(47.3)**	**(47.3)**	**-**	**(1.0)**	**(1.0)**
Income/loss in the value of investment property	**-**	**-**	**-**	**-**	**(0.3)**	**(0.3)**
Transaction costs	**-**	**-**	**-**	**-**	**-**	**-**
Operating income - business property	**10.5**	**(110.8)**	**(100.3)**	**110.4**	**1.2**	**111.6**
New businesses	**(10.4)**	**(0.3)**	**(10.7)**	**(1.5)**	**(0.2)**	**(1.7)**
Others (Corporate)	**(4.3)**	**(8.4)**	**(12.7)**	**(6.8)**	**(18.7)**	**(25.5)**
OPERATING INCOME	**248.1**	**(724.1)**	**(476.0)**	**446.3**	**(36.1)**	**410.1**
Net borrowing costs	**(33.0)**	**(5.1)**	**(38.2)**	**(34.3)**	**10.5**	**(23.8)**
Other financial results	**(30.8)**	**(2.8)**	**(33.5)**	**(26.1)**	**(0.2)**	**(26.3)**
Discounting of payables and receivables	**-**	**0.4**	**0.4**	**-**	**-**	**-**
Change in value and income from disposal of financial instruments	**-**	**(72.8)**	**(72.8)**	**-**	**123.0**	**123.0**
Net gain/(loss) on disposal of investments	**-**	**(2.8)**	**(2.8)**	**-**	**9.8**	**9.8**
PROFIT BEFORE TAX	**184.3**	**(807.2)**	**(622.9)**	**385.8**	**107.0**	**492.8**
Corporate income tax	**0.1**	**114.3**	**114.4**	**(35.2)**	**(33.1)**	**(68.3)**
NET INCOME	**184.4**	**(692.9)**	**(508.6)**	**350.6**	**73.9**	**424.5**
Non-controlling interests	**(83.1)**	**118.8**	**35.7**	**(75.2)**	**(22.5)**	**(97.7)**
NET INCOME, GROUP SHARE	**101.2**	**(574.1)**	**(472.9)**	**275.4**	**51.4**	**326.8**
Diluted average number of shares	*20,949,836*	*20,949,836*	*20,949,836*	*20,649,592*	*20,649,592*	*20,649,592*
NET EARNING PER SHARE *(€/SHARE)*, **GROUP SHARE**	**4.83**	**(27.41)**	**(22.57)**	**13.34**	**2.49**	**15.83**

In accordance with the principles described in note 2.3.22 "Operating Segments" of the accounting principles and in line with internal reporting, certain expenses, deemed exceptional due to their nature and amount, have been reclassified under the column "Changes in values, calculated charges, transaction fees (VV)." These expenses are detailed in note 4.1 "Significant Event".

2.3 Other information attached to the consolidated financial statements

DETAILED SUMMARY

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.

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

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 2023 were approved by the Management on 27 February 2024 having been examined by the Audit Committee and the Supervisory Board.

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 2023 and available on the website of the European Commission.

The accounting principles adopted on 31 December 2023 are the same as those used for the consolidated fifinancial statements at 31 December 2022, with the exception of changes to the standards and interpretations adopted by the European Union applicable at 1 January 2023.

Accounting standards, interpretations and amendments applicable as from the financial year beginning on 1 January 2023:

- IFRS 17 – Insurance contracts (replacing IFRS 4) and amendments to IFRS 17 – Initial application of IFRS 17 and IFRS 9 – Comparative Information.

IFRS 17 and its amendments are not applicable to the Group:

- amendments to IAS 1 – Disclosure of material accounting policy information;
- amendments to IAS 8 – Definition of accounting estimates;
- amendments to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction.

These amendments have no significant impact on the Group;

- amendments to IAS 12 - International Tax Reform - Pillar 2 Model Rules.

The Altarea Group falls within the scope of application of the new GLOBE rules and the global minimum tax of 15% (Pillar 2) transposed, *via* a European Union directive (2022/2523) of 14 December 2022, into French law in the French General Tax Code by Article 33 of the Finance Act for 2024. These new rules came into force on 1 January 2024. Preparatory work is under way, in particular to define the legal scope of the new Pillar 2 rules and identify the necessary data points. The Group does not expect any significant impact.

Accounting standards and interpretations adopted early at 31 December 2023, whose application is mandatory for periods starting on or after 1 January 2024 or later:

None

Accounting standards and interpretations published and mandatory after 31 December 2023:

- amendment to IAS 1 – Classification of liabilities as current or non-current. Non-current liabilities with covenants;
- amendments to IAS 7 and IFRS 7 – Supplier finance arrangements;
- amendments to IFRS 16 – Lease liability in a sale and leaseback.

These amendments are currently being analysed.

Other essential standards and interpretations adopted by the IASB approved in 2023 or not yet approved by the European Union:

- amendments to IAS 21 – Effects of Changes in Foreign Exchange Rates.

In the absence of foreign currency transactions within the Group, this amendment will have no impact on the Group.

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 accounting estimates made by the Group were made in the context of the real estate crisis. This crisis triggered by the rise in interest rates marks the end of a cycle that lasted nearly 15 years.

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 a complex and volatile economic environment marked by persistent inflation, rising interest rates, a continuing rise in raw materials prices and problems with supply.

  Their reports make clear that the environment described above is a source of uncertainty for real estate investment markets;
- measurement of trade receivables (see Notes 2.3.10 "Financial assets and liabilities" and 7.4.2 "Trade and other receivables");
- measurement of net property income and services using the percentage-of-completion method (see Note 2.3.17 "Revenue and revenue-related expenses");
- the valuation of inventories and work-in-progress (see notes 2.3.8 "Inventories" and 7.4.1 "Inventories and work-in-progress").

  Since June 2022, the rapid rise in interest rates combined with more restrictive policies by banks have radically undermined buyers' solvency. This crisis in demand exacerbated a pre-existing crisis of inflation in costs and regulations, creating the conditions for a major real estate crisis.

  2023 saw intense operational activity in Property Development: accelerated sales to rundown the existing offer, drastic reduction in land acquisitions, in-depth review of the portfolio of options on land and balance sheet values.

  An exhaustive review of the land bank led to the expensing of almost all research costs carried on the balance sheet and adjustments to the value of the land bank.

  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 reflecting its vision of the market;
- measurement of goodwill and brands (please see Note 2.3.7 "Monitoring the value of non-current assets (excluding financial assets and investment properties) and losses of value" and 7.2 "Goodwill and other intangible assets").

  In 2023, the Group reorganised its brand portfolio to strengthen their respective positioning.

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").

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 and use of deferred tax assets (see Notes 2.3.16 "Taxes" and 5.3 "Corporate income tax");
- measurement of provisions (see Notes 2.3.15 "Provisions and contingent liabilities" and 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, into shopping centres' work and renovation budgets and by appraisers into the value of the assets. 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.

For the valuation exercise that led to the valuation of the investment properties at 31 December 2023, the Group provided the experts with information on energy consumption, Breeam in use certifications, exposure of the assets to climate risks and the presence of renewable energy production facilities at the various sites, all of which were taken into account in the valuations.

Based on their knowledge of the market, the independent valuers have not identified any evidence for 2023 (that sustainability criteria have had a significant impact on transaction prices). However, they are keeping a close eye on developments in the property market in this area. Therefore, at 31 December 2023, taking into account the effects of climate change had no significant impact on the judgements and main estimates required to prepare the financial statements.

In the Property Development business, the budgets used to determine the revenue per percentage-of-completion 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).

Regarding the adaptation of constructions to climate change, in 2018, the Group commissioned a study to analyze the exposure of its activities to the effects of climate change, including one dedicated to real estate promotion of housing in France. Several risks were analyzed: Heatwaves, Droughts, Land movements, Floods, Intense precipitation, Storms, and Marine submersion for all regional locations. The conclusions of this study allowed each brand to take specific actions to secure and address the most systematic risks (heat, droughts, intense precipitation & floods, and Clay Shrink-Swell). The costs related to these actions are included in the operation budgets.

Additionally, the Group is also working on constructing buildings that are either more resource-efficient, adaptable, or flexible, or more easily dismantled to facilitate reuse and recycling. The associated costs are also integrated into the real estate margin of the operations.

In addition, all new financing arrangements put in place by the Group in 2023 include a Taxonomy alignment clause.

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;
- 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.* duration 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 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%), 3.25% in Spain.

During the fiscal year, the Group launched a call for tenders for property appraisals. External appraisal of Group assets has therefore been entrusted to Cushman & Wakefield, CBRE and Jones Lang Lasalle (in France and Spain). Their term of office for the consolidated financial statements began on 30 June and will run for a period of four years. Assets in Italy have been appraised by Kroll 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; and
- 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 2023, 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 delivery 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; and
- 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 which has not yet been built on is measured at cost; and
- 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 capitalisable 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 is tested for impairment at each 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 carry out this test, the net carrying amount of the assets directly related or allocated 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 (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) is derived from business plans generally covering five-year periods drawn up by Group management;
- the discount rate is determined on the basis of weighted average cost of capital; and
- 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 of property development projects (i) on behalf of third parties and (ii) to develop parts of shopping centres not intended to be held in the managed portfolio (hypermarket building shells, parking facilities, etc.); and
- 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 roads and infrastructure work);
- all technical and programme management fees, whether internal or external to the Group; and
- 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 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 determined 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 - Titres Subordonnés à Durée Indéterminée) 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 euros)

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 euros)

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 3.40%;
- 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 4.75% and 7.40% depending on branch and age group;
- long-term salary adjustment rate (including inflation): 2.70%.

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 yield on cost 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, tenants 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 properties (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. 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 prepares its own separate 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 under management 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 operating aggregates 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 non-recurring 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 2023

(€ millions)	Retail	Residential	Business Property	New businesses	Others	Total
Operating assets and liabilities						
Intangible assets	17.5	314.9	21.5	3.4	12.1	369.5
Property plant and equipment	4.9	18.9	0.0	0.9	1.8	26.5
Right-of-use on tangible and intangible fixed assets	0.2	120.2	0.1	0.0	0.1	120.6
Investment properties	3,936.1	-	12.5	-	-	3,948.6
Securities and investments in equity affiliates	135.7	90.0	101.7	(0.3)	-	327.1
Operational working capital requirement	(24.7)	349.4	240.3	34.7	32.9	632.6
TOTAL OPERATING ASSETS AND LIABILITIES	**4,069.8**	**893.5**	**376.0**	**38.7**	**46.9**	**5,424.9**

As of 31 December 2022

(€ millions)	Retail	Residential	Business Property	New businesses	Others	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**

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

	31/12/2023			31/12/2022		
(€ millions)	Funds from operations (FFO)	Changes in value, estimated expenses and transaction costs (chg. val.)	Total	Funds from operations (FFO)	Changes in value, estimated expenses and transaction costs (chg. val.)	Total
Rental income	231.8	-	231.8	210.2	-	210.2
Property expenses	(6.5)	-	(6.5)	(3.6)	-	(3.6)
Unrecoverable rental expenses	(10.3)	-	(10.3)	(10.4)	-	(10.4)
Expenses re-invoiced to tenants	*63.8*	-	*63.8*	*58.8*	-	*58.8*
Rental expenses	*(74.0)*	-	*(74.0)*	*(69.3)*	-	*(69.3)*
Other expenses	0.7	-	0.7	(0.3)	-	(0.3)
Net charge to provisions for current assets	(11.0)	-	(11.0)	(2.3)	-	(2.3)
Net rental income	**204.8**	**-**	**204.8**	**193.7**	**-**	**193.7**
Revenue	2,418.5	-	2,418.5	2,748.6	-	2,748.6
Cost of sales	(2,133.8)	(119.4)	(2,253.2)	(2,417.9)	(0.6)	2,418.6
Other income	(89.3)	0.0	(89.3)	(104.2)	-	(104.2)
Net charge to provisions for current assets	(49.9)	(192.8)	(242.6)	(33.6)	(0.6)	(34.2)
Amortisation of customer relationships	-	(5.9)	(5.9)	-	(1.5)	(1.5)
Net property income	**145.5**	**(318.1)**	**(172.6)**	**192.9**	**(2.8)**	**190.1**
External services	62.0	-	62.0	54.4	-	54.4
Own work capitalised and production held in inventory	154.4	-	154.4	242.1	-	242.1
Personnel costs	(215.5)	(25.7)	(241.2)	(244.4)	(26.7)	(271.1)
Other overhead expenses	(92.0)	0.2	(91.8)	(78.5)	0.1	(78.3)
Depreciation expenses on operating assets	-	(30.6)	(30.6)	-	(29.0)	(29.0)
Net overhead expenses	**(91.0)**	**(56.0)**	**(147.1)**	**(26.3)**	**(55.6)**	**(81.9)**
Other income and expenses	(7.4)	(0.7)	(8.1)	(6.7)	(0.0)	(6.7)
Depreciation expenses	-	(1.3)	(1.3)	-	(0.1)	(0.1)
Transaction costs	-	(1.9)	(1.9)	-	(14.5)	(14.5)
Others	**(7.4)**	**(3.9)**	**(11.3)**	**(6.7)**	**(14.6)**	**(21.3)**
Proceeds from disposal of investment assets	-	(2.9)	(2.9)	-	76.5	76.5
Carrying amount of assets sold	-	(0.8)	(0.8)	-	(74.2)	(74.2)
Net gain/(loss) on disposal of investment assets	**-**	**(3.7)**	**(3.7)**	**-**	**2.3**	**2.3**
Change in value of investment properties	-	(189.8)	(189.8)	-	45.8	45.8
Net impairment losses on investment properties measured at cost	-	(0.6)	(0.6)	-	(18.7)	(18.7)
Net impairment losses on other non-current assets	-	(54.6)	(54.6)	-	0.2	0.2
Net charge to provisions for risks and contingencies	-	(31.9)	(31.9)	-	0.3	0.3
Impairment of goodwill	-	(0.6)	(0.6)	-	-	-
OPERATING INCOME BEFORE THE SHARE OF NET INCOME OF EQUITY AFFILIATES	**251.9**	**(659.2)**	**(407.3)**	**353.5**	**(43.1)**	**310.4**
Share in earnings of equity-method affiliates	(3.8)	(64.9)	(68.8)	64.0	7.0	71.0
OPERATING INCOME AFTER THE SHARE OF NET INCOME OF EQUITY AFFILIATES	**248.1**	**(724.1)**	**(476.0)**	**417.5**	**(36.1)**	**381.4**
Net borrowing costs	(33.0)	(5.1)	(38.2)	(34.3)	10.5	(23.8)
Financial expenses	*(73.0)*	*(5.1)*	*(78.1)*	*(51.9)*	*10.5*	*(41.4)*
Financial income	*39.9*	-	*39.9*	*17.5*	-	*17.5*
Other financial results	(30.8)	(2.8)	(33.5)	(26.1)	(0.2)	(26.3)
Discounting of payables and receivables	-	0.4	0.4	-	-	-
Change in value and income from disposal of financial instruments	-	(72.8)	(72.8)	-	123.0	123.0
Gains or losses on disposals of equity interests[a]	-	(2.8)	(2.8)	28.7	9.8	38.5
Profit before tax	**184.3**	**(807.2)**	**(622.9)**	**385.8**	**107.0**	**492.8**
Corporate income tax	0.1	114.3	114.4	(35.2)	(33.1)	(68.3)
NET INCOME	**184.4**	**(692.9)**	**(508.6)**	**350.6**	**73.9**	**424.5**
o/w Attributable to Altarea SCA shareholders	**101.2**	**(574.1)**	**(472.9)**	**275.4**	**51.4**	**326.8**
o/w Attributable to non-controlling interests in subsidiaries	(83.1)	118.8	35.7	(75.2)	(22.5)	(97.7)
Average number of non-diluted shares	20,420,155	20,420,155	20,420,155	20,158,331	20,158,331	20,158,331
NET EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF ALTAREA SCA (€)	**4.96**	**(28.12)**	**(23.16)**	**13.66**	**2.55**	**16.21**
Diluted average number of shares	20,949,836	20,949,836	20,949,836	20,649,592	20,649,592	20,649,592
DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF ALTAREA SCA (€)	**4.83**	**(27.41)**	**(22.57)**	**13.34**	**2.49**	**15.83**

(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 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

	31/12/2023						31/12/2022					
(€ millions)	Retail	Residential	BP[(a)]	New businesses (New B)	Others	Total	Retail	Residential	BP[(a)]	New B	Others	Total
Net rental income	204.8	-	-	-	-	204.8	193.7	-	-	-	-	193.7
Net property income	0.5	(175.4)	2.7	(0.3)	(0.0)	(172.6)	(1.3)	154.2	37.2	-	(0.0)	190.1
Net overhead expenses	(20.6)	(104.9)	(5.9)	(6.6)	(9.0)	(147.1)	(10.2)	(50.3)	(10.9)	(1.6)	(8.9)	(81.9)
Others	(5.9)	(1.5)	0.5	(0.7)	(3.6)	(11.3)	(3.1)	(1.7)	0.4	(0.1)	(16.7)	(21.3)
Net gain/(loss) on disposal of investment assets	(3.7)	-	-	-	-	(3.7)	2.3	-	-	-	-	2.3
Value adjustments	(190.4)	(11.8)	(42.7)	-	(0.1)	(245.0)	27.5	0.1	(0.3)	-	-	27.3
Net charge to provisions for risks and contingencies	6.8	(32.7)	(3.9)	(2.6)	(0.0)	(32.4)	1.3	(0.8)	(0.4)	(0.0)	0.2	0.3
Share in earnings of equity-method affiliates	(13.8)	(3.7)	(50.9)	(0.4)	-	(68.8)	5.9	8.2	56.9	(0.0)	-	71.0
OPERATING INCOME (STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME)	**(22.3)**	**(330.1)**	**(100.3)**	**(10.7)**	**(12.7)**	**(476.0)**	**216.1**	**109.7**	**82.8**	**(1.7)**	**(25.5)**	**381.4**
Reclassification of net gain/(loss) on disposal of investments						-			28.7			28.7
OPERATING INCOME (INCOME STATEMENT BY SEGMENT)	**(22.3)**	**(330.1)**	**(100.3)**	**(10.7)**	**(12.7)**	**(476.0)**	**216.1**	**109.7**	**111.6**	**(1.7)**	**(25.5)**	**410.1**

(a) BP: Business property.

3.4 Revenue by geographical region and operating segment

By geographical region

	31/12/2023					31/12/2022				
(€ millions)	France	Italy	Spain	Others	Total	France	Italy	Spain	Others	Total
Rental income	210.9	7.8	13.1	-	231.8	191.4	6.2	12.6	-	210.2
External services	23.3	1.4	0.3	-	25.0	29.4	1.5	0.3	-	31.3
Property development	2.2	-	-	-	2.2	-	-	-	-	-
Retail	**236.5**	**9.2**	**13.4**	**-**	**259.0**	**220.8**	**7.7**	**12.9**	**-**	**241.5**
Revenue	2,218.1	-	-	-	2,218.1	2,458.5	-	-	-	2,458.5
External services	29.0	-	-	-	29.0	11.1	-	-	-	11.1
Residential	**2,247.1**	**-**	**-**	**-**	**2,247.1**	**2,469.7**	**-**	**-**	**-**	**2,469.7**
Revenue	196.0	-	-	-	196.0	290.0	-	-	-	290.0
External services	8.0	-	-	-	8.0	11.4	-	-	0.5	11.9
Business Property	**204.0**	**-**	**-**	**-**	**204.0**	**301.4**	**-**	**-**	**0.5**	**301.9**
New businesses	2.1	-	-	-	2.1	-	-	-	-	-
Others (Corporate)	0.1	-	-	-	0.1	0.1	-	-	-	0.1
TOTAL	**2,689.8**	**9.2**	**13.4**	**-**	**2,712.3**	**2,992.0**	**7.7**	**12.9**	**0.5**	**3,013.2**

The Altarea Group operates mainly in France, Italy and Spain in 2023, as in 2022.

One client accounted for more than 10% of the Group's revenue in the residential sector, *i.e.*, €359.7 million in 2023 and €414.1 million in 2022.

NOTE 4 MAJOR EVENTS AND CHANGES IN THE SCOPE OF CONSOLIDATION

4.1 Major events

The real estate crisis triggered by the rise in interest rates in 2022 marks the end of a cycle that will have lasted nearly 15 years. As expected, this has impacted the 2023 results, which were determined by:

- a lack of major Business property developments;
- a limited contribution from Residential, which had rolled out a policy of accelerated and proactive adaptation to the environment;
- a strong performance from the Retail REIT, which is more than ever the Group's financial base, with net rental income rising.

On the strength of a solid financial structure (highly capitalised balance sheet, high-performing Retail business), the Group decided to close the previous cycle in its 2023 financial statements and to record as a change in value an exceptional accounting charge due to its nature and amount following a comprehensive and thorough review of all Promotion accounting values by its Management.

This charge, totalling -€448.8 million before tax, breaks down as follows:

- -192.9 million euros for study fees and land depreciation charges resulting from the review of the Housing project portfolio (refer to note 5.1 "Operating Result");
- -119.3 million euros for the decrease in value of assets under construction or on offer (refer to note 5.1 "Operating Result");
- -37.4 million euros for projects in partnerships deemed at risk (refer to note 6.3 "Provisions");
- -14.7 million euros for intangible assets related to brand reorganization (refer to note 7.2 "Intangible Assets and Goodwill"); and to note 5.1 "Operating Result");
- -84.5 million euros mainly concentrated on two Office operations in Ile-de-France (Landscape in La Défense and PRD project in Montparnasse) (refer to note 4.5 "Equity securities and loans to companies accounted for by the equity method").

Net income Group share amounts to -€472.9 million.

Retail

The REIT is back to performance levels that have not been seen for more than a decade: all operational indicators are very favourable (tenants' revenue, footfall, occupancy rate, rents). The high quality of the assets managed by the Group meant they could make the most of an inflationary environment.

The Group has made significant progress on several of these developments.

In early September, Altarea opened the new extension to the **Strasbourg - La Vigie centre**, doubling the size of this retail park, which is particularly high-performing and attractive to tenants.

After the successful transformation of the **Paris-Montparnasse station**, Altarea began work on the shops for Paris-Austerlitz station for which marketing will begin in 2024.

Altarea and Gares & Connexions also signed the agreements to renovate and develop the commercial offering in **Paris-Est station**, which will be completely transformed.

Residential

Since June 2022, the rapid rise in interest rates combined with more restrictive policies by banks have radically undermined buyers' solvency. This crisis in demand exacerbated a pre-existing crisis of inflation in construction costs and regulations, creating the conditions for a major real estate crisis.

2023 saw intense operational activity in Residential with:

- the accelerated sell-off of offer under construction during the previous cycle in blocks and retail deals;
- land purchases restricted to projects that matched the environment, resulting in a drastic reduction in the number of land acquired. In 2023, the Group only bought land corresponding to "on-market" projects. Land acquisitions were significantly reduced with 63 sites acquired in 2023, compared to 167 in 2022. Combined with the sale of land already acquired at the end of 2022, the slowdown in land acquisitions in 2023 made it possible to reduce the Group's commitments;
- a review of the entire land portfolio leading to the massive abandonment of projects (including the dropping of some land options) or their repositioning, and ultimately to the abandonment of the corresponding study costs or land impairment.

This strategy and its accounting consequences has enabled the Group to recover significant capital by reducing Residential WCR, to start again from new and to reorient the work of the teams towards the future.

Housing design needs to be rethought to suit the new environment and, above all, the purchasing power of customers. Development teams have been refocused on developing an affordable, low-carbon and profitable "next-generation" offering, adapted to the new cycle (design and carbon performance, optimisation of plans and lot sizes, commercial strategy, local strategy, construction costs, land prices). Given the length of the production cycle[1], this offering should only be ramped up from the end of 2024, depending on market conditions.

In 2023, Altarea restructured its brand portfolio to strengthen their respective positions, merging Woodeum and Pitch Immo to create the leader in low-carbon real estate development (timber CLT), launching the Nohée brand (formerly Cogedim Club) for senior residences and creating Jouvence, to renovate poorly insulated "thermal strainers".

Business Property

In Business property, the office development activity remained strong in the Regions and Altarea has continued to develop in logistics and on certain high-potential office sites in Paris.

Office exposure from the previous cycle was drastically reduced in the Paris region and book values adjusted accordingly. In 2023, the Group revalued the Landscape (La Défense) and PRD Montparnasse projects. Landscape's residual risk has been reduced to zero and financial exposure to PRD Montparnasse is at a market level.

The Office market has entered a lasting crisis, particularly in the peripheral locations of the Paris region, even though rental demand remains strong in Paris and in certain regional cities.

(1) Signature of the land option, design of the programme, filing/obtaining of building permits, commercial launch, land acquisition, construction and delivery.

The Logistics market continues to be driven by strong demand from tenants and a scarcity effect, reflected in a sustained rise in rents. Shorter term, however, the rise in capitalisation rates is driving values downward.

In the property development business (off-plan sales, PDCs, DPMs), the Group focused on its portfolio of low-risk managed projects.

Activity of the year

In regional cities, Altarea is successfully developing in the field of education: after delivering the Emlyon business school campus in the Gerland district, the Group agreed the ESSCA campus project and launched the Alstom project in Aix-en-Provence.

In Offices, the Services business remained strong in Paris, with several projects under construction (Madeleine, Louis le Grand) and the delivery of a training centre for L'Oréal in its historic headquarters at 14 rue Royale in Paris's 8th arrondissement. The Group has also acquired a real estate complex for renovation at 185 rue Saint-Honoré, Paris 1st arrondissement.

In Great logistics, the Group acts as a developer with limited risk-taking. At 31 December 2023, the sites under construction or delivered were already fully let on long-term leases to leading tenants at rents that ensure the Group an above-market yield for this type of product.

Further progress was made on the Bollène megahub[1] during the year, with the delivery of warehouse No. 2 to Intermarché and the full marketing of warehouse No. 3, on which work has begun. The Group's other great platform projects also made favourable progress with the leasing of the EcoParc Cotière in the Ain department and the delivery of the Béziers and Puceul platforms near Nantes.

The Group also continues to develop in Urban Logistics with the acquisition for transformation of a platform leased and operated by DHL located in Vitry-sur-Seine near the southern Paris ring road.

New businesses

During the year, the Group made significant progress in the deployment of new activities: asset management, data centres and photovoltaics:

- asset management: launch of a first retail SCPI (Alta Convictions) and ATREC, a real estate credit fund launched in partnership with Tikehau Capital[2];
- photovoltaics: creation of a pipeline, signature of a first strategic partnership with an agricultural cooperative, which may eventually lead to several dozen projects;
- Data center: launch of work on the first projects developed by the Group in Val de Rueil near Rouen and Roazhon near Rennes.

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.

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 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 Primonial shareholder groups revised their pleadings, claiming damages of €119 for the Manager vendors and €588 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 filed new claims in response in July 2023, developing its arguments and increasing the amount of its claim against Primonial's vendors to approximately €330 million. The Primonial Vendors have not yet filed their response on the facts of the case.

At the publication date of the Group's annual financial statements, the case is ongoing and, in agreement with its legal advisors, no provision has been recorded by the Group.

(1) 260,000 m^2 developed in five tranches of which the Group took full control in 2023.

(2) Tikehau Capital is a long-standing partner of Altarea and one of France's leading asset Managers of private debt with €38 billion under management, including €15 billion in this segment.

4.2 Scope

The main companies within the scope of consolidation, selected by revenue and total assets criteria, are as follows:

Company	Legal form	Siren		31/12/2023			31/12/2022		
				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%	EM	15.9%	15.9%
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%	IG	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	SNC	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%
FONCIÈRE CEZANNE MATIGNON	SNC	348024050		FC	100.0%	100.0%	FC	100.0%	100.0%
FONCIÈRE 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	51.0%	100.0%
LES VIGNOLES RETAIL PARK	SNC	512086117		FC	51.0%	100.0%	FC	51.0%	100.0%
ALTA QWARTZ	SNC	433806726		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA CRP RUAUDIN	SNC	451248892		FC	51.0%	100.0%	FC	51.0%	100.0%
THIAIS SHOPPING CENTRE	SNC	479873234		FC	51.0%	100.0%	FC	51.0%	100.0%
OPCI ALTA COMMERCE EUROPE	SPPICAV	485047328	joint venture	EM	29.9%	29.9%	EM	29.9%	29.9%
ALTA CRP LA VALETTE	SNC	494539687		FC	51.0%	100.0%	FC	51.0%	100.0%

Company	Legal form	Siren		31/12/2023			31/12/2022		
				Method	Interest	Integration	Method	Interest	Integration
Retail Italy									
ALTAGARES	SRL	N/A		FC	51.0%	100.0%	FC	51.0%	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 MÉTROPOLE	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%	FC	99.9%	100.0%
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%
WATT	SNC	812030302		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%
BORDEAUX EB4AL	SCCV	835299835	joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
BORDEAUX ET1	SCCV	835300096	joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
HP	SAS	480309731		FC	99.9%	100.0%	FC	99.9%	100.0%
HISTOIRE ET PATRIMOINE DÉVELOPPEMENT	SAS	480110931		FC	99.9%	100.0%	FC	99.9%	100.0%
MÉRIMÉE	SNC	849367016		FC	99.9%	100.0%	FC	99.9%	100.0%
HISTOIRE ET PATRIMOINE PARTENARIATS	SASU	452727985		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%
HISTOIRE ET PATRIMOINE RÉNOVATION	SAS	394203509		FC	99.9%	100.0%	FC	99.9%	100.0%
TOURS DE L'ECHO DU BOIS	SCCV	882809080		FC	64.9%	100.0%	FC	64.9%	100.0%
BEZONS A3	SNC	880172317		FC	100.0%	100.0%	FC	100.0%	100.0%
CORMEILLES SEINE PARIS II	SCCV	919597468		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%
BOBIGNY CŒUR DE VILLE	SNC	838941011		FC	99.9%	100.0%	FC	99.9%	100.0%
BORDEAUX EB2b	SCCV	834833352	affiliate	EM	49.9%	50.0%	EM	49.9%	50.0%
BOULOGNE-D'AGUESSEAU	SCCV	905135786		FC	99.9%	100.0%	EM	49.9%	50.0%
RUEIL ARSENAL LOT A2	SCCV	907596704		FC	99.9%	100.0%	EM	49.9%	50.0%
WOODEUM RESIDENTIEL	SAS	807674775		FC	99.9%	100.0%	EM	49.9%	50.0%
PITCH IMMO	SASU	422989715		FC	99.9%	100.0%	FC	99.9%	100.0%

Company	Legal form	Siren		31/12/2023			31/12/2022		
				Method	Interest	Integration	Method	Interest	Integration
ADN CLOT BEY	SAS	841150071		FC	99.9%	100.0%	FC	74.9%	100.0%
ARTCHIPEL	SCCV	841150071		FC	99.9%	100.0%	FC	99.9%	100.0%
DEODAT	SCCV	879171502		FC	50.9%	100.0%	FC	50.9%	100.0%
CLICHY ROGUET	SCCV	880090212		FC	50.9%	100.0%	FC	50.9%	100.0%
ROLLAND PETIT	SCCV	881927164		FC	50.9%	100.0%	FC	50.9%	100.0%
RUEIL HIGH GARDEN	SCCV	887670115		FC	99.9%	100.0%	FC	99.9%	100.0%
BONDOUFLE ZAC DU GRAND PARC FC	SCCV	889279592		FC	50.9%	100.0%	FC	50.9%	100.0%
BRUGES TERREFORTS	SCCV	892,811,696		FC	99.9%	100.0%	FC	99.9%	100.0%
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%
PARC DE FONTBELLEAU	SCCV	842493934		FC	50.9%	100.0%	FC	50.9%	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%
CLICHY 35 LANDY	SAS	908542772		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%
AIX HYPPODROME	SCCV	852642040		FC	79.9%	100.0%	FC	79.9%	100.0%
LYON 8 RUE CROIX BARRET	SCCV	849097522		FC	59.9%	100.0%	FC	59.9%	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%
HYRES JEAN MOULIN	SCCV	834036519		FC	99.9%	100.0%	FC	65.9%	100.0%
OLLIOULES SAINT ROCH 1	SCCV	901760520		FC	50.9%	100.0%	FC	50.9%	100.0%
CLICHY ROSE GUERIN	SCCV	885139188		FC	40.7%	100.0%	FC	40.7%	100.0%
HORLOGE GASTON ROUSSEL	SCCV	832294664		FC	50.9%	100.0%	FC	50.9%	100.0%

Company	Legal form	Siren		31/12/2023			31/12/2022		
				Method	Interest	Integration	Method	Interest	Integration
61-75 PARIS AVENUE DE FRANCE	SCCV	830917100	joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
LA GARENNE COLOMBES FOCH	SCCV	835014135		FC	50.0%	100.0%	FC	50.0%	100.0%
ISSY JEANNE D'ARC	SNC	850443508		FC	50.0%	100.0%	FC	50.0%	100.0%
ROMAINVILLE ROUSSEAU	SCCV	852604909		FC	50.9%	100.0%	FC	50.9%	100.0%
NOGENT 150 STRASBOURG	SCCV	887617967		FC	50.0%	100.0%	FC	50.0%	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	99.9%	100.0%
CHATENAY ROBINSON 4 CHEMINS	SCCV	894910082		FC	50.0%	100.0%	FC	50.0%	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%
SCCV ASNIERES -77 RUE DES BAS	SCCV	910066919		FC	50.9%	100.0%	FC	50.9%	100.0%
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%
AF INVESTCO 7	SNC	798601936	affiliate	EM	30.1%	30.1%	EM	30.1%	30.1%
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%
SNC PROPCO ALTA PYRAMIDES	SNC	949047005		FC	99.9%	100.0%	IN	0.0%	0.0%
FONCIÈRE ALTAREA MONTPARNASSE	SNC	847726650		FC	100.0%	100.0%	FC	100.0%	100.0%
PASCALHOLDCO	SPPICAV	809845951	affiliate	EM	30.1%	30.1%	EM	15.0%	15.1%
PASCALPROPCO	SASU	437929813	affiliate	EM	30.1%	30.1%	EM	15.0%	15.1%
PRD MONTPARNASSE	SCI	844634758	joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SAS 42 DERUELLE	SAS	920333127	joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SCI FLF BEZIERS	SCI	835282922		FC	99.9%	100.0%	FC	99.9%	100.0%
SAS COGEDIM OFFICE PARTNERS	SAS	491380101		FC	99.9%	100.0%	IN	0.0%	0.0%
SAS COP BAGNEUX	SASU	491969952		FC	99.9%	100.0%	IN	0.0%	0.0%
LOGISTIQUE BOLLENE	SNC	815193065		FC	99.9%	100.0%	EM	49.9.0%	49.9.0%

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	31/12/2022	Acquisition	Creation	Sale	Absorption, dissolution, deconsolidation	Change in consolidation method	31/12/2023
Fully consolidated subsidiaries	482	8	44		(27)	44	551
Joint ventures	142	1	7	-	(7)	(43)	100
Affiliates[a]	76	-	4	-	(7)	(1)	72
TOTAL	**700**	**9**	**55**	**-**	**(41)**	**-**	**723**

(a) Companies accounted for using the equity method.

4.3.1 Detail of net acquisitions of consolidated companies, net of cash

(€ millions)	31/12/2023	31/12/2022
Investments in consolidated securities	(23.3)	(15.2)
Liabilities on acquisition of consolidated participating interests	0.6	-
Cash of acquired companies	25.9	11.4
TOTAL	**3.1**	**(3.7)**

During the year, on 21 February 2023, the Group acquired the remaining 50% of Woodeum's share capital. This made the Group sole shareholder of the leading brand in France for low-carbon residential real estate in solid timber. Woodeum is therefore fully consolidated from this date (previously accounted for using the equity method).

4.3.2 Detail of disposals of consolidated companies, net of cash disposed of

The Group made no disposals during the year.

4.4 Business combinations

On 21 February 2023, the Group, *via* its subsidiary Alta Faubourg, acquired the remaining share capital of Woodeum, France's leading brand in low-carbon residential real estate in solid timber.

Woodeum thus becomes a wholly-owned subsidiary of the Group.

Woodeum is now fully consolidated (previously accounted for under the equity method) with its commercial performance reported under the Residential business segment.

In accordance with IFRS 3 "Business combinations", following this takeover the Group's previous holding was recognised at fair value (effect on income reported under "Gains or losses on disposals of equity interests").

Assets and liabilities assumed by the Company were measured at fair value. At the end of the year of acquisition, €44.2 million in intangible assets and goodwill (excl. deferred tax liabilities) was recognised in the statement of financial position.

Goodwill has been allocated to the Group's Residential business segment and is definitive.

The consolidated Group contributes €100.4 million in Group revenue as of 31 December 2023.

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)	31/12/2023	31/12/2022
Equity-accounting value of joint ventures	39.4	134.5
Equity-accounting value of affiliated companies	43.0	69.7
Value of stake in equity-method affiliates	**82.4**	**204.2**
Receivables from joint ventures	167.5	176.3
Receivables from affiliated companies	77.2	111.2
Receivables from equity-method subsidiaries	**244.7**	**287.5**
TOTAL SECURITIES AND RECEIVABLES IN EQUITY AFFILIATES	**327.1**	**491.7**

At 31 December 2023, the decrease in "Securities and investments in equity affiliates" is mainly due to:

- the acquisition of a 100% stake in Woodeum, now fully consolidated;
- the disposal of the Tour Eria;
- the impairment of the assets of the PRD project in Montparnasse, (impact reported on the line "Share of profit of companies accounted for by the equity method" in the statement of comprehensive income, and on the line "Share of equity accounted investees" in Business Property in the Analytical Income Statement appendix); and

- the evolution of equity invested in the Landscape project in La Défense (the risk associated with this operation is thus reduced to zero in the Group's accounts as of 31 December 2023, impacting the line "Net impairment losses on other non-current assets" in the statement of comprehensive income and the line "Net provisions for depreciation and impairment" in Business Property in the Analytical Income Statement appendix),

The total impact of these last two operations amounted to 83.3 millions.

Receivables from joint ventures and receivables from affiliates relating to Property Development come to €221.0 million at 31 December 2023.

4.5.2 Main balance sheet and income statement items of joint ventures and affiliates

(€ millions)	Joint venture	Affiliates	31/12/2023	Joint venture	Affiliates	31/12/2022
Balance sheet items, Group share:						
Non-current assets	249.0	28.8	277.8	416.9	193.9	610.8
Current assets	446.5	352.1	798.6	468.8	224.8	693.7
Total Assets	**695.5**	**381.0**	**1,076.4**	**885.8**	**418.7**	**1,304.5**
Non-current liabilities	178.5	135.7	314.1	147.1	160.5	307.5
Current liabilities	477.6	202.3	679.9	604.2	188.5	792.7
Total Liabilities	**656.1**	**337.9**	**994.0**	**751.2**	**349.0**	**1,100.2**
Net assets (equity-accounting basis)	**39.4**	**43.0**	**82.4**	**134.5**	**69.7**	**204.2**
Share of income statement items, Group share:						
Operating income	**(60.0)**	**11.8**	**(48.2)**	**22.3**	**40.9**	**63.2**
Net borrowing costs	(4.9)	(10.4)	(15.3)	(4.0)	(4.5)	(8.5)
Other financial results	(3.3)	0.0	(3.3)	(2.3)	(0.2)	(2.5)
Change in value of hedging instruments	(0.8)	(1.2)	(1.9)	1.8	2.0	3.7
Proceeds from the disposal of investments	-	(0.0)	(0.0)	0.0	(0.0)	0.0
Net income before tax	**(69.0)**	**0.2**	**(68.9)**	**17.8**	**38.2**	**56.0**
Corporate income tax	0.7	(0.6)	0.1	15.3	(0.3)	15.0
Net income by equity method (after tax)	**(68.4)**	**(0.4)**	**(68.8)**	**33.1**	**37.9**	**71.0**
Non-Group net income	-	-	-	(0.0)	(0.0)	(0.1)
Net income, Group share	(68.4)	(0.4)	(68.8)	33.1	37.9	71.0

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 €5.8 million, compared with €5.2 million for the year to 31 December 2022.

Group revenue from affiliates amounted to €6.4 million, compared to €9.6 million for the year to 31 December 2022.

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 €11.5 million at 31 December 2023.

Commitments received

As of 31 December 2023, the main commitments received by the joint ventures relate to security deposits received from tenants in the amount of €2.8 million.

4.6 Current and non-current financial assets

At 31 December 2023, current and non-current financial assets amounted to €61.4 million, compared with €101.7 million at 31 December 2022, and consist mainly of:

- non-consolidated securities (mainly "non-current"): €21.4 million;
- deposits and guarantees paid on projects: €10.7 million, compared with €14.6 million for 2022;
- loans and receivables, recognised at amortised cost: €29.0 million, compared with €20.6 million for 2022.

NOTE 5 RESULT

5.1 Operating income

5.1.1 Net rental income

Net rental income amounted to €204.8 million in 2023, compared to €193.7 million in 2022, an increase of +5.7%.

5.1.2 Net property income

The Group's net property income was a negative €172.6 million in 2023 compared to a positive €190.1 million in 2022.

This item includes a one-off accounting expense of €314.9 million, corresponding to:

- €192.9 million in write-downs of research costs and land bank following the review of the Residential and Business property development project portfolio;
- a €119.3 million decline in the price of projects under construction or under offer;
- a €2.7 million reduction in intangible assets related to the brand restructuring.

The Residential Backlog of the fully-consolidated companies was €2,570 million at 31 December 2023.

The Business property development backlog of the fully-consolidated companies was €282 million at 31 December 2023.

5.2 Cost of net financial debt and other financial items

5.2.1 Cost of net financial debt

(€ millions)	31/12/2023	31/12/2022
Bond and bank interest expenses	(71.4)	(47.4)
Interest on partners' advances	5.1	4.5
Interest rate on hedging instruments	27.0	6.1
Other financial income and expenses	6.3	2.5
FFO financial income and expenses	**(33.0)**	**(34.3)**
Spreading of bond issue costs and other estimated expenses[a]	(5.1)	10.5
NET BORROWING COSTS	**(38.2)**	**(23.8)**

(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 -€5.1 million (-€6.9 million at 31 December 2022), 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 2.15% at 31 December 2023, compared with 1.82% at 31 December 2022.

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 a net expense of €72.8 million, mainly related to -€56.6 million in changes in the value of interest rate hedging instruments (compared to +€166.9 million at 31 December 2022).

5.3 Corporate income tax

Analysis of tax expense

Tax expense is analysed as follows:

(€ millions)	31/12/2023	31/12/2022
Tax due	**0.1**	**(35.2)**
Tax loss carry forwards and/or use of deferred losses	33.5	(24.5)
Valuation differences	4.6	0.4
Fair value of investment properties	(1.7)	(5.3)
Fair value of hedging instruments	1.0	(0.2)
Income by percentage of completion	32.4	(6.3)
Other timing differences	44.5	2.8
Deferred tax	**114.3**	**(33.1)**
TOTAL TAX INCOME (EXPENSE)	**114.4**	**(68.3)**

Effective tax rate

(€ millions)	31/12/2023	31/12/2022
Pre-tax profit of consolidated companies	**(554.2)**	**421.8**
Group tax savings (expense)	**114.4**	**(68.3)**
EFFECTIVE TAX RATE	**(20.64)%**	**(16.19)%**
Tax rate in France	25.83%	25.83%
Theoretical tax charge	**143.1**	**(108.9)**
Difference between theoretical and effective tax charge	**(28.8)**	**40.7**
Differences related to entities' retail REIT status	(36.1)	51.5
Differences related to treatment of losses	5.5	0.7
Other permanent differences and rate differences	1.9	(11.6)

Deferred tax assets and liabilities

(€ millions)	31/12/2023	31/12/2022
Tax loss carry forwards	71.3	37.8
Valuation differences	(30.6)	(29.0)
Fair value of investment properties	(25.0)	(24.3)
Fair value of financial instruments	0.2	(0.4)
Income by percentage of completion	(36.7)	(69.2)
Other timing differences	50.7	10.5
NET DEFERRED TAX ON THE BALANCE SHEET	**29.8**	**(74.5)**

As at 31 December 2023, the Group had unrecognised tax loss carry-forwards of €400.9 million (basis), as compared with €399.0 million for the year ending 31 December 2022.

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 retail REITs.

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.

5.4 Earnings per share

Undiluted net income per share and diluted net income per share are defined in Note 2.3.13 "Net earnings per share".

In 2023, as in 2022, the dilution arose only from the granting of rights to free shares in Altarea SCA to Group employees.

(€ millions)	31/12/2023	31/12/2022
Numerator		
Net income, Group share	(472.9)	326.8
Denominator		
Weighted average number of shares before dilution	20,420,155	20,158,331
Effect of potentially dilutive shares		
Stock options	0	0
Rights to free share grants	529,681	491,261
Total potential dilutive effect	529,681	491,261
Weighted diluted average number of shares	20,949,836	20,649,592
NET INCOME, GROUP SHARE, UNDILUTED PER SHARE *(€)*	**(23.16)**	**16.21**
NET INCOME, GROUP SHARE, DILUTED PER SHARE *(€)*	**(22.57)**	**15.83**

NOTE 6 LIABILITIES

6.1 Equity

6.1.1 Share capital, share-based payments and treasury shares

Share 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 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**
Share capital increase reserved for Mutual Funds	25,684	15.28	392,452
Share capital increase via the part-conversion of dividends into shares	335,334	15.28	5,123,904
NUMBER OF SHARES OUTSTANDING AT 31 DECEMBER 2023	**20,736,822**	**15.28**	**316,866,818**

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 €21.6 million at 31 December 2023 compared to €25.1 million in 2022.

No stock option plans were in force at 31 December 2023.

Free share grants

Award date	Number of rights awarded	Vesting date	Rights in circulation as at 31/12/2022	Awarded	Deliveries	Amendments to rights[a]	Rights in circulation as at 31/12/2023
Share grant plans on Altarea shares							
22 April 2020	45,325	22 April 2023	37,576		(37,515)	(61)	-
30 April 2021	73,050[b]	31 March 2024	65,489			(29,631)	35,858
4 June 2021	32,000[b]	31 March 2025	32,000			-	32,000
4 June 2021	27,500[b]	31 March 2025	21,122			(12,872)	8,250
4 June 2021	45,500[b]	31 March 2025	13,050			(900)	12,150
4 June 2021	14,000[b]	31 March 2025	12,750			-	12,750
4 June 2021	23,700[b]	31 March 2025	6,727			(817)	5,910
4 June 2021	30,000[b]	31 March 2025	15,654			(1,404)	14,250
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			(10,025)	3,975
31 March 2022	99,947	1 April 2023	98,532		(98,223)	(309)	-
31 March 2022	31,872	1 April 2024	31,565			(563)	31,002
31 March 2022	73,725[b]	1 April 2024	71,525			(32,592)	38,933
30 April 2022	3,250[b]	31 March 2025	975				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			(1,050)	450
2 November 2022	1,300	2 November 2023	1,300		(1,200)	(100)	-
5 January 2023	1,500[b]	31 March 2029		1,500			1,500
31 March 2023	106,277	1 April 2024		106,277		(1,188)	105,089
31 March 2023	30,668	1 April 2025		30,668		(264)	30,404
31 March 2023	73,240[b]	1 April 2025		73,770		(19,564)	54,206
30 April 2023	2,525	30 April 2024		2,525			2,525
30 April 2023	41,000[b]	31 March 2028		41,000			41,000
30 April 2023	41,000[b]	31 March 2033		41,000			41,000
1 September 2023	6600[b]	30 June 2029[c]		6,600			6,600
1 September 2023	250	1 September 2024		250			250
1 September 2023	250	1 September 2025		250			250
19 October 2023	2,230	19 October 2024		2,230			2,230
TOTAL	**872,837**		**474,590**	**306,070**	**(139,763)**	**(111,340)**	**529,557**

(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.
(c) Allocated in 4 tranches staggered over 4 years.

Valuation parameters for new free share grants

	31/12/2023
Dividend rate	6% or 7% depending on the plan date
Risk-free interest rate	2.3% to 3.8%

Treasury shares

The acquisition cost of treasury shares was €14.9 million at 31 December 2023 for 137,729 shares (including 131,197 shares intended for allotment to employees under free share grant or stock option plans and 6,532 shares allocated to a liquidity contract), compared with €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). 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 -€20.6 million before tax at 31 December 2023 (-€15.7 million after tax) compared with -€29.1 million at 31 December 2022 (-€22.0 million before tax).

The negative impact on cash flow from purchases and disposals over the period came to -€5.5 million at 31 December 2023 compared to -€26.3 million at 31 December 2022.

6.1.2 Dividends proposed and paid

Dividends paid

(€ millions)	31/12/2023	31/12/2022
Paid in current year in respect of previous year:		
Dividend per share (€)	*10.00*	*9.75*
Payment to shareholders of the Altarea Group	203.0	196.9
Proportional payment to the general partner (1.5%)	3.0	3.0
TOTAL	**206.0**	**199.8**
Offer to convert dividends into shares:		
Subscription price (€)	*95.81*	
Total amount of conversion into shares	**32.1**	
Rate of conversion of dividends into shares on the 50% option	*31.66%*	

The payment of a dividend of €10.0 per share for the 2022 financial year was approved at the Shareholders' Meeting of 8 June 2023.

A partial conversion option of the dividend into shares was also offered to shareholders. They had the choice between:

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

Proposed payment in respect of 2023

For the 2023 financial year, a dividend of €8.00 per share will be proposed to the Annual General Meeting called to approve the financial statements for the year ending 31 December 2023.

Shareholders will also be offered the option to partially convert the dividend into shares. They will be free to choose between:

- a payment 100% in cash;
- a payment 75% in shares, and 25% in cash.

6.2 Net financial debt and guarantees

Current and non-current borrowings and financial liabilities, and net cash

			"Non-cash" change					
(€ millions)	31/12/2022	Cash flow	Spreading of issue costs	Change in scope of consolidation	Present value adjustment	Change in method	Reclassification	31/12/2023
Bond issues (excluding accrued interest)	1,385.2	(2.9)	1.1	-	-	-	-	1,383.4
Short- and medium-term negotiable securities	372.0	(279.8)	-	-	-	-	-	92.2
Bank borrowings, excluding accrued interest and overdrafts	699.5	51.0	4.0	53.8	0.1	-	-	808.4
Net bond and bank debt, excluding accrued interest and overdrafts	**2,456.7**	**(231.7)**	**5.1**	**53.8**	**0.1**	**-**	**-**	**2,284.0**
Accrued interest on bond and bank borrowings	26.1	2.1	-	0.3	-	-	-	28.5
BOND AND BANK DEBT, EXCLUDING OVERDRAFTS	**2,482.8**	**(229.6)**	**5.1**	**54.1**	**0.1**	**-**	**-**	**2,312.5**
Cash and cash equivalents	(952.3)	239.2	-	-	-	(0.0)	-	(713.1)
Bank overdrafts	24.2	23.5	-	-	-	-	-	47.7
Net cash	**(928.1)**	**262.7**	**-**	**-**	**-**	**(0.0)**	**-**	**(665.4)**
NET BANK AND BOND DEBT	**1,554.7**	**33.1**	**5.1**	**54.1**	**0.1**	**(0.0)**	**-**	**1,647.1**
Equity loans and Group and partners' advances*	146.6	(34.8)	-	56.3	-	(0.0)	(0.1)	168.0
Accrued interest on shareholders' advances	0.8	0.5	-	(0.1)	-	0.0	-	1.1
Lease liabilities	148.8	(19.4)	-	-	-	-	16.5	145.9
Contractual fees on investment properties	199.0	0.1	-	-	-	-	18.1	217.3
NET FINANCIAL DEBT	**2,049.9**	**(20.4)**	**5.1**	**110.2**	**0.1**	**(0.0)**	**34.5**	**2,179.4**

* *Of which allocation of income to related current accounts for €2.5 million.*

6.2.1 Net financial bond and bank debt

Group net financial bond and bank debt amounted to €1,647.1 million at 31 December 2023 compared to €1,554.7 million at 31 December 2022.

During the financial year, the Group notably:

- reduced its issue of medium-term and short-term negotiable securities (€279.8 million). The Group continued, to a lesser extent, 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;
- set up a seven-year €125 million mortgage loan on one of these assets.

Changes in the scope of consolidation are largely due to the takeover of Woodeum and SNC Logistique Bollène.

As of 31 December 2023, confirmed credit lines were drawn down for an amount of €25 million.

Borrowing costs are analysed in the note on earnings.

Net cash

Net cash amounted to €665.4 million, including cash equivalents (mainly term accounts – for €149.5 million) which are recorded at their fair value at each reporting date.

Breakdown of bank and bond debt by maturity

(€ millions)	31/12/2023	31/12/2022
< 3 months	144.7	400.8
3 to 6 months	74.8	3.3
6 to 9 months	263.3	27.9
9 to 12 months	22.1	7.0
At less than 1 year	**505.0**	**439.0**
At 2 years	418.8	414.0
At 3 years	113.4	402.9
At 4 years	60.0	106.5
At 5 years	855.0	60.0
1 to 5 years	**1,447.1**	**983.4**
More than five years	**422.6**	**1,096.7**
Issuance cost to be amortised	(14.5)	(12.1)
TOTAL GROSS BOND AND BANK DEBT	**2,360.2**	**2,507.0**

The portion of debt dated one to five years increased mainly because the 2028 bond issue will now mature in less than five years (with a corresponding decrease in the portion over five years).

Schedule of future interest expenses

(€ millions)	31/12/2023	31/12/2022
< 3 months	2.3	4.2
3 to 6 months	(9.6)	3.6
6 to 9 months	8.3	15.9
9 to 12 months	(2.9)	(0.8)
At less than 1 year	**(1.8)**	**23.0**
At 2 years	24.4	22.1
At 3 years	18.0	14.7
At 4 years	22.1	7.2
At 5 years	18.1	10.4
1 to 5 years	**82.6**	**54.5**

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)	31/12/2023	31/12/2022
Mortgages	475.0	350.0
Mortgage commitments	82.8	131.8
Moneylender lien	3.3	9.9
Altarea SCA security deposit	223.0	204.0
Not guaranteed	1,590.6	1,823.4
TOTAL	**2,374.7**	**2,519.1**
Issuance cost to be amortised	(14.5)	(12.1)
TOTAL GROSS BOND AND BANK DEBT	**2,360.2**	**2,507.0**

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 2023	954.6	1,405.6	2,360.2
As of 31 December 2022	1,093.8	1,413.2	2,507.0

The market value of fixed rate debt stood at €1,233.7 million at 31 December 2023 compared to €1,168.1 million at 31 December 2022.

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 €145.9 million at 31 December 2023 compared to €148.8 million at 31 December 2022. 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 €217.3 million at 31 December 2023 compared to €199.0 million at 31 December 2022 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 signing of an amendment to the Temporary Occupancy Authorisation for the Gare de l'Est station.

6.2.4 Breakdown by due date for lease liabilities and contractual fees on investment properties

(€ millions)	31/12/2023	31/12/2022
< 3 months	10.0	4.8
3 to 6 months	4.5	4.8
6 to 9 months	4.6	4.7
9 to 12 months	4.9	5.0
At less than 1 year	**24.0**	**19.3**
At 2 years	12.4	18.9
At 3 years	16.8	18.5
At 4 years	17.0	19.0
At 5 years	17.0	17.2
1 to 5 years	**63.1**	**73.6**
More than five years	**276.1**	**255.0**
TOTAL LEASE LIABILITIES AND CONTRACTUAL FEES ON INVESTMENT PROPERTIES	**363.2**	**347.9**

6.2.5 Elements of net debt set out in the cash flow table

(€ millions)	Cash flow
Issuance of borrowings and other financial liabilities	408.2
Repayment of borrowings and other financial liabilities	(677.3)
Change in borrowing and other financial liabilities	**(269.0)**
Repayment of lease liabilities	(19.3)
Change in cash balance	(262.7)
TOTAL CHANGE IN NET FINANCIAL DEBT (CFT)	**(551.0)**
Net bond and bank debt, excluding accrued interest and overdrafts	(231.7)
Net cash	(262.7)
Equity loans and Group and partners' advances	(34.8)
Lease liabilities	(19.4)
Contractual fees on investment properties	0.1
Allocation of income to shareholder current accounts	(2.6)
TOTAL CHANGE IN NET FINANCIAL DEBT	**(551.0)**

6.3 Provisions

(€ millions)	31/12/2023	31/12/2022
Provision for benefits payable at retirement	14.3	14.0
Other provisions	54.4	21.5
TOTAL PROVISIONS	**68.7**	**35.5**

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.

The valuation of retirement benefits at 31 December 2023 takes into account the amended French Social Security Financing Act, promulgated on 14 April 2023 and published in the Official Journal of 15 April 2023. This reform has no significant impact on the Group's provision.

In addition, in view of the applicable collective bargaining agreement, the Court of Cassation's decision of September 2023 on paid leave has no impact on the Group's financial statements.

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 default by certain co-developers, particularly given the current real estate crisis; the Group has taken a €37.4 million provision against partnership projects deemed risky;
- 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 2022	**3,793.3**	**95.5**	**198.6**	**7.8**	**4,095.1**
Subsequent investments and expenditures	18.7	11.6	-	-	30.3
Change in spread of incentives to buyers	(5.4)	-	-	-	(5.4)
Disposals/repayment of down payments made	(0.8)	(0.3)	-	-	(1.0)
Net impairment/project discontinuation	-	(0.4)	-	-	(0.4)
Transfers to assets held for sale or to or from other categories	1.2	6.7	-	(7.0)	0.9
New right-of-use assets and indexation	-	-	18.1	-	18.1
Change in fair value	(189.8)	-	(0.0)	-	(189.8)
Change in scope of consolidation	-	1.5	-	-	1.5
AS OF 31 DECEMBER 2023	**3,617.2**	**114.7**	**216.7**	**0.8**	**3,949.3**

As of 31 December 2023, no interest expenses have been capitalised for projects under development and construction.

Investment properties at fair value

The main movements concern changes in the value of shopping centres in operation.

In a general context of falling values, the increase in rents only partially offset the increase in property exit rates (capitalisation rates).

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.

There were no major events during the financial year. One asset, classified as held for sale at 31 December 2022, was reclassified as under development, the sale agreement having been abandoned.

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".

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 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	8.9%	1441	9.1%	7.6%	5.3%
	Minimum	4.6%	34	5.0%	4.2%	1.6%
	Weighted average	**5.6%**	**400**	**7.0%**	**5.6%**	**2.7%**

(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 -€107.9 million in the value of investment properties (-3.69%), while a -0.25% decrease in capitalisation rates would increase the value of investment properties by €120.1 million (+4.11%).

Breakdown of the portfolio measured at fair value by asset type

(€ millions)	31/12/2023	31/12/2022
Regional shopping centres	2,362.1	2,522.2
Travel retail	505.1	512.5
Retail parks	697.7	704.2
Others	52.3	54.4
TOTAL	**3,617.2**	**3,793.3**

Investment working capital requirement

(€ millions)	Receivables on fixed assets	Amounts due on non-current assets	Investment WCR
As of 31 December 2022	**0.8**	**(101.0)**	**(100.2)**
Variations	1.7	(0.3)	1.4
Present value adjustment	0.4	-	0.4
Transfers	(0.1)	(0.0)	(0.1)
Change in scope of consolidation	-	1.0	1.0
As of 31 December 2023	**2.9**	**(100.3)**	**(97.5)**
Change in WCR at 31 December 2023	**1.7**	**(0.3)**	**1.4**

Net acquisitions of assets and capitalised expenditures

(€ millions)	31/12/2023	31/12/2022
Type of non-current assets acquired:		
Intangible assets	(5.0)	(6.8)
Property plant and equipment	(8.0)	(2.5)
Investment properties	(25.2)	(33.6)
TOTAL	**(38.2)**	**(42.9)**

7.2 Goodwill and other intangible assets

(€ millions)	Gross values	Amortisation and/or impairment	31/12/2023	31/12/2022
Goodwill	**476.9**	**(241.1)**	**235.8**	**214.7**
Brands	**127.0**	**(12.0)**	**115.0**	**105.4**
Customer relationships	**203.9**	**(200.3)**	**3.6**	**6.7**
Software applications, patents and similar rights	74.4	(59.7)	14.7	17.0
Leasehold right	0.3	(0.0)	0.3	0.3
Others	0.2	(0.1)	0.1	0.1
Other intangible assets	**75.0**	**(59.8)**	**15.1**	**17.4**
TOTAL	**882.7**	**(513.2)**	**369.5**	**344.3**

(€ millions)	31/12/2023	31/12/2022
Net values at beginning of the period	**344.3**	**332.5**
Acquisitions of intangible assets	5.0	6.8
Disposals and write-offs	(0.0)	(0.0)
Changes in scope of consolidation and other	46.0	13.6
Net allowances for depreciation	(25.8)	(8.4)
NET VALUES AT THE END OF THE PERIOD	**369.5**	**344.3**

Goodwill generated by the Property Development business

Goodwill relates to the various acquisitions made by the Group.

As indicated in notes 2.3.7 "Monitoring the value of non-current assets (excluding financial assets and investment property) and impairment losses", and in the absence of fair value less costs to sell available at the balance sheet date, the recoverable amount of cash-generating units (CGUs) is determined on the basis of their value in use.

The recoverable amount of each group of assets tested was compared with its value in use, defined as the sum of discounted future net cash flows, determined by an independent expert as part of the annual closing.

Cash flows have been determined on the basis of business plans drawn up over a period of 5 years by the operational and financial Managers of a CGU or group of CGUs. The main assumptions used in these business plans (in particular, the volume of operations under construction and identified operations, and the volume and target margin rate on completion of Residential operations) have been presented to and approved by the Managing Partners on the basis of macro-economic forecasts for the sector and the Group's future strategy.

This business plan takes into account a sharp cycle change linked to the ongoing real estate crisis (demand crisis coupled with inflation in construction costs). It forecasts an adjustment phase during the years 2024-2025 before the market regains its balance, a period the Group intends to leverage to undergo a profound transformation of its industrial model (offering and model) and work on the sourcing and structuring of "next-generation" operations, affordable, decarbonized, and profitable, which will be launched from the end of 2024. This new model is expected to reach its full capacity by 2028.

The main assumptions used to calculate the enterprise values of these businesses are as follows:

- the discount rate is between 9.25% and 9.75%;
- free cash flows over the business plan horizon are based on business volume and operating margin assumptions that take into account known economic and market assumptions at the date of preparation (see above);
- the perpetual growth rate is equal to 2.25%.

At 31 December 2023, based on the assumptions described above, the fair values of the economic assets of the Residential and Business Property segments exceeded their net book values. No impairment was therefore recognized as of 31 December 2023.

A sensitivity of + or -1% to the discount rate and + or -0.25% to the perpetual growth rate would result in the valuation of the economic assets of the Residential and Business Property sectors still being higher than their carrying amounts at 31 December 2023.

The discount rate leading to a value equal to the net book value of the CGUs, all else being equal, would be 14.5%.

Similarly, the perpetual growth rate leading to a value equal to the net book value, all else being equal, would be -10%.

Finally, the terminal EBITDA margin rate leading to a value equal to the net book value, all else being equal, would be 3%.

Brands

The Group owns several brands measured at a total value of €115.0 million.

Impairment tests taking into account potential changes in the useful life were conducted, based on an assessment by an independent expert.

The consequences of these tests were considered in the consolidated accounts as of 31 December 2023, with some resulting in impairment (approximately 12 million euros recorded in the statement of comprehensive income under the line "Net impairment losses on other non-current assets" and in the detailed income statement note under the lines "Net depreciation and provisions").

Furthermore, sensitivity tests on the values of other brands do not present a risk of impairment (+/-1% on the discount rate, +/-0.1% on the royalty rate).

7.3 Right-of-use on tangible and intangible fixed assets

(€ millions)	Land and Constructions	Vehicles	Others	Gross rights to use	Amort./Dep. Land and Constructions	Amort./Dep. Vehicles	Amort./Dep. Others	Amort. *(€ thousands)*	Net rights to use
As of 31 December 2022	**160.8**	**5.0**	**0.2**	**166.0**	**(40.5)**	**(2.2)**	**(0.2)**	**(42.8)**	**123.1**
New contracts/Increases	13.7	2.8	-	16.5	(16.5)	(1.8)	(0.0)	(18.3)	(1.8)
Contract terminations/Reversals	(3.0)	(1.1)	(0.2)	(4.3)	2.5	0.9	0.2	3.6	(0.8)
AS OF 31 DECEMBER 2023	**171.5**	**6.7**	**0.0**	**178.1**	**(54.4)**	**(3.1)**	**(0.0)**	**(57.5)**	**120.6**

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 (WCR)

Summary of components of operational working capital requirement

			Flows		
(€ millions)	31/12/2023	31/12/2022	Created by the business	Changes in consolidation scope and transfer	Change in consolidation method
Net inventories and work in progress	**1,140.6**	**1,159.3**	**(150.1)**	**131.4**	**-**
Contract assets	**536.0**	**723.1**	**(370.3)**	**183.3**	**-**
Net trade receivables	326.5	347.1	(45.1)	24.5	-
Other operating receivables net	600.8	552.2	(53.3)	101.9	0.0
Trade and other receivables net	**927.4**	**899.3**	**(98.4)**	**126.4**	**0.0**
Contract liabilities	**(257.0)**	**(351.4)**	**94.4**	**-**	**-**
Trade payables	(1,121.4)	(935.9)	(132.9)	(52.6)	(0.0)
Other operating payables	(592.9)	(574.2)	236.1	(254.8)	0.0
Trade payables and other operating liabilities	**(1,714.4)**	**(1,510.1)**	**103.2**	**(307.4)**	**0.0**
OPERATIONAL WCR	**632.6**	**920.2**	**(421.2)**	**133.6**	**0.0**

The Group's operational working capital requirement (excluding receivables and payables on the sale or acquisition of non-current assets) is essentially linked to the Property Development sector and its reduction directly linked to the Residential business. Changes in the scope of consolidation and transfers are mainly related to the takeovers of Woodeum and SNC Logistique Bollène.

7.4.1 Inventories and pipeline products

(€ millions)	Gross inventories	Impairment	Net inventories
As of 1 January 2022	**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**
Change	(56.8)	(0.0)	(56.8)
Increases	-	(95.9)	(95.9)
Reversals	-	2.5	2.5
Transfers to or from other categories	(0.6)	-	(0.6)
Change in scope of consolidation	131.9	0.1	132.0
AS OF 31 DECEMBER 2023	**1,260.2**	**(119.6)**	**1,140.6**

The change in inventories and work-in-progress is mainly due to the change in the Group's Property Development business, including the study costs and land bank impairment charges following the review of the project portfolio.

Changes in the scope of consolidation are mainly related to the takeovers of Woodeum and SNC Logistique Bollène.

7.4.2 Trade and other receivables

(€ millions)	31/12/2023	31/12/2022
Gross trade receivables	**374.9**	**390.2**
Opening impairment	**(43.0)**	**(43.9)**
Increases	(17.5)	(15.6)
Change in scope of consolidation	(0.0)	0.4
Reclassification	0.2	-
Reversals	11.9	15.8
Other changes	(0.0)	0.3
Closing impairment	**(48.4)**	**(43.0)**
NET TRADE RECEIVABLES	**326.5**	**347.1**
Advances and down payments paid	49.4	50.1
VAT receivables	390.2	340.5
Sundry debtors	48.4	48.6
Prepaid expenses	68.6	70.7
Principal accounts in debit	55.1	43.9
Total other operating receivables gross	**611.7**	**553.8**
Opening impairment	**(1.6)**	**(1.0)**
Increases	(9.5)	(1.2)
Reversals	0.2	0.6
Closing impairment	**(10.8)**	**(1.6)**
NET OPERATING RECEIVABLES	**600.8**	**552.2**
TRADE RECEIVABLES AND OTHER OPERATING RECEIVABLES	**927.4**	**899.3**
Receivables on sale of assets	2.9	0.8
TRADE AND OTHER RECEIVABLES	**930.2**	**900.1**

Detail of trade receivables due

(€ millions)	31/12/2023
Total gross trade receivables	**374.9**
Impairment of trade receivables	(48.4)
TOTAL NET TRADE RECEIVABLES	**326.5**
Trade accounts to be invoiced	(42.6)
Non eligibles clients	(74.7)
TRADE ACCOUNTS RECEIVABLE DUE	**209.3**

(€ millions)	Total	On time	At 30 days	At 60 days	At 90 days	More than 90 days
Trade accounts receivable due	209.3	101.1	2.1	41.8	3.0	61.3

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.

Charges for the period of €9.5 million mainly relate to the impairment of fixed asset indemnities paid as part of the review of the Residential property portfolio.

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)	31/12/2023	31/12/2022
TRADE PAYABLES AND RELATED ACCOUNTS	**1,121.4**	**935.9**
Advances and down payments received from clients	10.9	20.2
VAT collected	284.1	302.7
Other tax and social security payables	53.0	77.9
Prepaid income	27.3	15.5
Other payables	163.6	114.1
Principal accounts in credit	54.0	43.8
OTHER OPERATING PAYABLES	**592.9**	**574.2**
Amounts due on non-current assets	100.3	101.0
TRADE AND OTHER PAYABLES	**1,814.7**	**1,611.1**

Other payables

Other liabilities increased to €163.6 million compared to €114.1 million in 2022. This change is mainly due to:

- the 100% consolidation of Woodeum for €8.9 million;
- the guarantees for loss of use which the Group deemed it would have to pay if the project was abandoned for €9.3 million;
- an increase in performance guarantees and miscellaneous retentions;
- accrued charges on Retail assets.

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 2023

			Financial assets and liabilities carried at amortised cost		Financial assets and liabilities carried at fair value				
(€ millions)	**Total carrying amount**	**Non-financial assets**	**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	**362.7**	**82.4**	**258.9**	**-**	**1.1**	**20.3**	**-**	**20.3**	**-**
Securities and investments in equity affiliates	327.1	82.4	244.7	-	-	-	-	-	-
Non-current financial assets	35.6	-	14.2	-	1.1	20.3	-	20.3	-
CURRENT ASSETS	**1,770.8**	**-**	**1,518.2**	**-**	**-**	**252.6**	**-**	**252.6**	**-**
Trade and other receivables	930.2	-	930.2	-	-	-	-	-	-
Current financial assets	25.8	-	25.8	-	-	-	-	-	-
Derivative financial instruments	101.7	-	-	-	-	101.7	-	101.7	-
Cash and cash equivalents	713.1	-	562.2	-	-	150.9	-		-
NON-CURRENT LIABILITIES	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Borrowings and financial liabilities	2,254.8	-	-	2,254.8	-	-	-	-	-
Deposits and security interests received	44.6	-	-	44.6	-	-	-	-	-
CURRENT LIABILITIES	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Borrowings and financial liabilities	637.7	-	-	637.7	-	-	-	-	-
Derivative financial instruments	32.0	-	-	31.3	-	0.7	-	0.7	-
Trade and other payables	1,814.7	-	-	1,814.7	-	-	-	-	-

(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 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.

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)	31/12/2023	31/12/2022
Interest-rate swaps	81.5	126.7
Interest-rate caps	17.0	28.4
Accrued interest not yet due	2.5	5.5
Premiums and balances remaining to be paid	(31.3)	-
TOTAL	**69.7**	**160.6**

Derivatives were valued by discounting future cash flows estimated according to interest rate curves at 31 December 2023.

Maturity schedule of derivative financial instruments (notional amounts)

As of 31 December 2023

(€ millions)	31/12/2023	31/12/2024	31/12/2025	31/12/2026	31/12/2027	31/12/2028
Altarea paying a fixed rate – swap	925.0	1,150.0	950.0	875.0	875.0	650.0
Altarea paying a variable rate – swap	-	-	-	-	-	-
Altarea paying a fixed rate – swaption	500.0	-	-	-	-	-
Altarea – cap	262.5	262.5	262.5	262.5	262.5	-
TOTAL	**1,687.5**	**1,412.5**	**1,212.5**	**1,137.5**	**1,137.5**	**650.0**
Average hedge ratio	1.39%	1.28%	1.33%	1.40%	1.40%	0.83%

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 paying a fixed rate – swap	500.0	1,025.0	1,025.0	825.0	825.0	825.0
Altarea paying a variable 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%

Management position

As of 31 December 2023

(€ millions)	31/12/2023	31/12/2024	31/12/2025	31/12/2026	31/12/2027	31/12/2028
Fixed-rate bond and bank loans	(1,405.6)	(1,129.5)	(794.3)	(743.9)	(743.8)	(293.8)
Floating-rate bank loans	(954.6)	(725.4)	(641.8)	(578.9)	(519.0)	(114.0)
Cash and cash equivalents (assets)	713.1	-	-	-	-	-
Net position before hedging	**(1,647.1)**	**(1,854.9)**	**(1,436.2)**	**(1,322.8)**	**(1,262.8)**	**(407.8)**
Swap	925.0	1,150.0	950.0	875.0	875.0	650.0
Swaption	500.0	-	-	-	-	-
Cap	262.5	262.5	262.5	262.5	262.5	-
Total derivative financial instruments	**1,687.5**	**1,412.5**	**1,212.5**	**1,137.5**	**1,137.5**	**650.0**
NET POSITION AFTER HEDGING	**40.4**	**(442.4)**	**(223.7)**	**(185.3)**	**(125.3)**	**242.2**

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**

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
31/12/2023	+50 bps -50 bps	+€0.9 million -€0.2 million	+€31.7 million -€32.6 million
31/12/2022	+50 bps -50 bps	+€0.1 million -€0.6 million	+€30.1 million -€31.2 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 €713.1 million at 31 December 2023, compared to €952.3 million at 31 December 2022. This represents its main tool for management of liquidity risk (see Note 6.2.1 "Net financial bond and bank debt").

In 2023, an automated Group cash-pooling scheme was set up for almost the entire scope of consolidation (including partner companies). Thus, almost all of the cash on the balance sheet is available for the Group's operations.

At 31 December 2023, the Group can also draw down an additional €1,435 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 bank loans, for €1,428 million.

The bond issue subscribed for by Altareit SCA (€334.5 million) is subject to leverage covenants.

They are listed below:

	Altarea Group covenants	31/12/2023	Consolidated Altareit covenants	31/12/2023
Loan To Value (LTV)				
Net bond and bank financial debt/re-assessed value of the Company's assets	< 60%	28.7%		
Interest Cover Ratio (ICR)				
Operating income (FFO column or cash flow from operations)/Company's net borrowing costs (FFO column)	> 2	7.5		
Leverage				
Gearing: Net financial debt/Equity			≤ 3.25	0.2
ICR: EBITDA/Net interest expenses			≥ 2	5.4

At 31 December 2023, 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

	31/12/2023		31/12/2022	
as a percentage	% share capital and theoretical voting rights	% actual voting rights	% share capital and theoretical voting rights	% actual voting rights
Extended Concert[a]	45.51	45.82	45.00	45.48
Crédit Agricole Assurances Group	24.11	24.27	24.56	24.82
APG (ABP)	6.65	6.69	7.06	7.14
Opus Investment BV[b]	1.59	1.60	1.62	1.63
Treasury Shares	0.66	-	1.05	-
Company Savings Funds	1.20	1.21	1.09	1.10
Public	20.28	20.42	19.62	19.83
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, and his family, which hold stakes in Altarea: AltaGroupe, AltaPatrimoine and Altager.

The Company is managed by Altafi 2, chaired by Alain Taravella and whose share capital is wholly owned by AltaGroupe. 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 €0.1 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)	31/12/2023	31/12/2022
Trade and other receivables	0.2	0.3
TOTAL ASSETS	**0.2**	**0.3**
Trade and other payables[a]	0.6	0.8
TOTAL LIABILITIES	**0.6**	**0.8**

(a) Corresponds to Management's variable compensation.

In addition, management fee agreements have been put in place 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 2023.

The annual variable compensation of the Managing Partners potentially payable by Altarea depends partly on the FFO per share for the financial year and partly on the achievement of extra-financial climate-related targets. 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 extra-financial objectives related to the climate and human resources.

For information purposes, it stood at €0.5 million at 31 December 2023.

The total amount of fixed and variable compensation that may be paid to the Managing Partners by Altarea and Altareit for the 2023 financial year is capped at €3.5 million (cap of €4 million in 2022).

Compensation of the Group's senior executives

(€ millions)	31/12/2023	31/12/2022
Gross wages[a]	4.2	4.1
Social security contributions	1.8	1.7
Share-based payments[b]	8.5	8.7
Number of shares delivered during the period	22,391	30,558
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	0.5	0.9
Post-employment benefit commitment	0.8	0.7

(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	31/12/2023	31/12/2022
Rights to Altarea SCA's free shares grants	153,406	142,231

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 holds a stake in Altarea and that he controls with his family.

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)	31/12/2022	31/12/2023	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	**11.9**	**11.5**	**1.1**	**10.5**	**-**
Commitments received relating to operating activities	**123.8**	**129.2**	**106.3**	**6.9**	**15.9**
Security deposits received in the context of the Hoguet Act (France)	96.7	101.3	101.3	-	-
Security deposits received from tenants	24.3	25.1	3.8	6.9	14.4
Payment guarantees received from customers	1.5	1.5	-	-	1.5
Other commitments received relating to operating activities	1.3	1.3	1.3	-	-
TOTAL	**135.6**	**140.7**	**107.4**	**17.4**	**15.9**
Commitments given					
Commitments given relating to financing (excl. borrowings)	**11.0**	**11.0**	**5.0**	**6.0**	**-**
Commitments given relating to Company acquisitions	**48.6**	**38.5**	**0.3**	**38.2**	**-**
Commitments given relating to operating activities	**2,220.1**	**2,120.5**	**1,215.0**	**879.0**	**26.6**
Construction work completion guarantees (given)	1,885.3	1,805.5	1,105.5	700.1	-
Guarantees given on forward payments for assets	225.8	189.1	52.9	135.2	1.0
Guarantees for loss of use	43.5	81.0	40.9	39.6	0.5
Other sureties and guarantees granted	65.5	44.9	15.7	4.2	25.0
TOTAL	**2,279.7**	**2,170.0**	**1,220.3**	**923.2**	**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.

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 €101.3 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.

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 €3.5 million (firm commitment for identified projects);
- liability guarantees of €35 million given following the disposal of miscellaneous assets.

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.

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 commitment). 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 new orders (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.

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)	31/12/2023	31/12/2022
Less than 1 year	200.0	202.0
Between one and five years	433.5	469.4
More than five years	186.6	208.3
GUARANTEED MINIMUM RENT	**820.1**	**879.8**

Rents receivable relate mainly to shopping centres owned by the Group.

10.2 Contingent liabilities

The Group is not subject to any significant rectification proposal as of 31 December 2023

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**

There were no major events after the closing date and prior to the approval date of the financial statements.

NOTE 12 **APPOINTMENT OF STATUTORY AUDITORS**

	E&Y				Grant Thornton				Mazars				Others				Total			
	Amount		%		Amount		%		Amount		%		Amount		%		Amount		%	
(€ millions)	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Statutory audit, certification, examination of individual and consolidated financial statements																				
■ Altarea SCA	0.2	0.3	18%	23%	–	–	0%	0%	0.2	0.2	18%	24%	–	–	0%	0%	0.5	0.5	16%	18%
■ Fully consolidated subsidiaries	0.9	1.0	70%	69%	0.0	0.4	100%	71%	1.0	0.5	77%	53%	0.2	0.1	100%	100%	2.2	1.9	75%	65%
Services other than the certification of the financial statements																				
■ Altarea SCA	0.2	0.1	11%	7%	–	0.1	0%	14%	–	0.1	0%	14%	–	–	0%	0%	0.2	0.3	5%	10%
■ Fully consolidated subsidiaries	–	0.0	0%	2%	–	0.1	0%	15%	0.1	0.1	5%	9%	0.0	0.0	0%	0%	0.1	0.2	4%	7%
TOTAL	**1.3**	**1.4**	**100%**	**100%**	**0.0**	**0.6**	**100%**	**100%**	**1.3**	**0.9**	**100%**	**100%**	**0.2**	**0.1**	**100%**	**100%**	**2.9**	**3.0**	**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 2023, 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 ethics code of the Statutory Auditors on the period from 1 January 2023 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. 821-53 and R. 821-180 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 2023, goodwill and brands were recorded in the balance sheet in a net carrying amount of €351 million, of which €236 million in goodwill mainly relating to the acquisitions of Cogedim, Woodeum, Pitch Promotion and Histoire & Patrimoine, and €115 million in goodwill mainly relating to the Cogedim, Woodeum, Pitch Promotion and Histoire & Patrimoine brands. Goodwill and brands are systematically tested for impairment every year, 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 cash generating unit (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, particularly in the current real estate crisis, 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. Accordingly, we have examined the operational assumptions applied by your group to reflect the consequences of the current real estate crisis in future cash flow projections; ■ 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 2023, investment properties were recorded in the balance sheet at a net carrying amount of €3,949 million, or 47% of total assets, including €3,617 million in investment properties measured at fair value, €217 million of rights-of-use on investment properties and €115 million in investment properties valued at cost. 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; ▪ 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 applied in determining the main assumptions used for the valuation of investment properties, particularly in the current context of the real estate crisis triggered by the rise in interest rates.	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 2023, real estate inventories were recorded in the balance sheet for an amount of €1,141 million. Regarding net property income, the Group recognised a net property loss of -€173 million for financial year 2023. 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 importance of the necessary judgements made by management for the recognition of these items, particularly in the current context of the real estate crisis, 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, on a sample basis, the material projects with margins lower or higher than the average margin of the Group's property development projects. With regard to material 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 projects not yet available for sale, we reviewed management's projections in light of our detailed scrutiny of the portfolio as part of the financial close and assessed the positions taken by management with regard to the valuation of these inventories. For projects that had been delivered, we compared the cost price of the unsold units with the projected selling prices and we took note of the analysis carried out by the financial controllers relating to the monthly disposal rates of the various brands.

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 complied with Delegate no. 2019/815 of 17 December 2018 in the presentation of the consolidated 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. 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.

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

Appointment of Statutory Auditors

We were appointed 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 2023, the firm MAZARS was in the second year of its uninterrupted engagement and ERNST & YOUNG et Autres in its fourteenth 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. 821-55 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. 821-27 to -L. 821-34 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, 21 March 2024

The Statutory Auditors

MAZARS		ERNST & YOUNG et Autres	
Gilles Magnan	Johanna Darmon	Jean-Roch Varon	Soraya Ghannem

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ANNUAL FINANCIAL STATEMENTS 2023

3.1 Financial statements

Income statement (list)

Title *(€ thousands)*	2023	2022
Sale of goods		
Sold production (goods and services)	8,208.5	12,983.9
Net revenue	**8,208.5**	**12,983.9**
Production held in inventory		
Production held in inventory	11,385.4	6,069.0
Operating grants		17.0
Recoveries of provisions (and depreciation/amortisation), expense reclassifications	536.0	1,734.2
Other income	(19.5)	25.6
Operating income	**20,110.5**	**20,829.8**
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	19,531.0	19,624.4
Taxes, duties and analogous payments	589.4	3,353.7
Salaries and wages	737.4	968.2
Social security contributions	201.9	259.2
Operating allowances		
Non-current assets: impairment provisions	1,340.5	2,516.8
Non-current assets: impairment provisions		
Current assets: impairment provisions	121.6	1,174.3
For risks and charges: allowances to provisions	266.3	552.5
Other expenses	693.8	700.1
Operating expenses	**23,481.8**	**29,149.1**
OPERATING INCOME/(LOSS)	**(3,371.3)**	**(8,319.3)**
Financial income		
Financial income from investments	85,988.1	175,843.9
Income from other marketable securities and receivables on non-current assets	7,383.5	3,120.9
Other interest and similar income	51,306.4	28,064.6
Reversals of provisions, impairment and expense reclassifications	162.0	481.4
Foreign exchange gains		
Net gains on the disposal of marketable securities		
Financial income	**144,840.0**	**207,510.8**
Allowances for amortisation, impairment and provisions	12,670.0	3,832.7
Interest and similar expenses	124,320.1	72,569.4
Foreign exchange losses		
Net expenses on disposals of marketable securities		
Financial expenses	**136,990.0**	**76,402.1**
NET FINANCIAL INCOME/(EXPENSE)	**7,850.0**	**131,108.7**
PROFIT BEFORE TAX AND NON-RECURRING ITEMS	**4,478.6**	**122,789.4**

Income statement (list) cont.

Title *(€ thousands)*	2023	2022
Exceptional income from operating items		1.3
Exceptional income from capital transactions	20,050.0	147,818.3
Reversals of provisions, impairment and expense reclassifications	312.9	325.0
Exceptional income	**20,362.9**	**148,144.5**
Exceptional expenses on operating items	2.8	
Exceptional expenses on capital transactions	20,733.2	59,615.8
Allowances for amortisation, impairment and provisions		
Exceptional expenses	**20,736.0**	**59,615.8**
NET EXCEPTIONAL INCOME/(EXPENSE)	**(373.1)**	**88,528.7**
Employee profit-sharing		
Income tax	1,082.4	6,199.0
Total income	**185,313.4**	**376,485.2**
Total expenses	**180,125.5**	**171,366.1**
PROFIT/(LOSS)	**5,187.9**	**205,119.1**

Balance sheet assets

Title *(€ thousands)*	Gross Amount	Depr./Amort Provisions	31/12/2023	31/12/2022
Uncalled subscribed capital				
Intangible assets				
Start-up costs				
esearch 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	5,728.5
Buildings	53,255.8	15,985.4	37,270.4	18,031.6
Technical installations, plant and industrial equipment				
Others	49.9	48.7	1.2	1.2
Property, plant and equipment in progress	656.1		656.1	9,817.6
Advances and down payments				
Financial assets				
Investments	1,497,807.4	20,954.8	1,476,852.6	1,456,291.3
Investment-related receivables	571,320.5		571,320.5	702,790.4
Other long-term investments				
Loans	138,634.7		138,634.7	138,455.4
Other non-current financial assets	3,719.2		3,719.2	1,942.1
NON-CURRENT ASSETS	**2,272,592.1**	**38,408.8**	**2,234,183.3**	**2,333,058.3**
Inventories and pipeline products				
Raw materials and other supplies				
Production work in progress (goods and services)				
Intermediate and finished products				
Goods				
Advances and down payments made on orders				
Receivables				
Trade receivables and related accounts	8,437.3	3,892.3	4,545.1	1,999.3
Others	52,155.0		52,155.0	21,159.2
Called, unpaid subscribed capital				
Marketable securities				
Marketable securities (including treasury shares: 14,899,291)	14,899.3		14,899.3	30,468.9
Treasury instruments				
Treasury instruments	47,979.3		47,979.3	32,944.4
Cash and cash equivalents				
Cash and cash equivalents	1,040.9		1,040.9	1,068.6
Prepaid expenses				121.9
CURRENT ASSETS	**124,511.8**	**3,892.3**	**120,619.5**	**87,762.3**
Prepaid expenses				
Redemption premiums	2,389.0		2,389.0	3,331.2
Translation differences – assets				
GENERAL TOTAL	**2,399,492.9**	**(42,301.1)**	**2,357,191.,8**	**2,424,151.7**

Balance sheet liabilities

Title *(€ thousands)*	31/12/2023	31/12/2022
Capital (of which paid 316,866.8)	316,866.8	311,350.5
Discounts, merger premiums, contribution premiums	420,375.9	394,981.9
Valuation differences	(1,499.5)	(1,499.5)
Legal reserve	31,134.9	28,701.9
Statutory and contractual reserves		
Regulated reserves	0.0	0.0
Others		
Retained earnings		
Net income/(loss) for the year	**5,187.9**	**205,119.1**
Investment grants		
Regulated provisions		
EQUITY	**772,066.1**	**938,653.9**
Provisions for contingencies	520.4	615.7
Provisions for expenses		
PROVISIONS	**520.4**	**615.7**
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	1,070,681.4	1,070,953.0
Borrowings from credit establishments	26,356.2	340.3
Other borrowings and financial liabilities	254,760.8	181,914.6
Advances and down payments made for orders in progress	20.8	15.6
Operating payables		
Trade payables and related accounts	4,401.4	4,484.8
Tax and social security payables	1,137.1	1,056.8
Other payables		
Amounts due on non-current assets and related accounts	3,101.2	1,703.7
Other payables	646.7	796.8
Prepaid income and accruals		
Prepaid income		116.6
PAYABLES	**1,361,105.5**	**1,261,382.3**
Translation differences – liabilities		
GENERAL TOTAL	**2,357,191.,8**	**2,424,151.7**

3.2 Notes to the annual Financial statements

French Commercial Code, Articles L. 123-13 to L. 123-21 and R. 123-195 to R. 123-198, Decree No. 83-1020 of 29 November 1983, ANC Regulation No. 2014-03 on the General Accounting Plan as amended, notably by French Accounting Standards Authority (Autorité des Normes Comptables) regulations No. 2022-06, 2023-05 and 2023-08.

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, secondarrondissement.

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 27 February 2024 following review by the Supervisory Board.

3.2.1 Major events during the financial year

Like the previous year, 2023 was marked by the war in Ukraine and a weakened economic outlook resulting in a rise in interest rates, increased cost of raw materials and problems with supply and the run-down of inventories. 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 2023. However, the economic environment remains uncertain in 2024 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.

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.

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 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 Primonial shareholder groups revised their pleadings, claiming damages of €119 million for the Manager vendors and €588 million 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 filed new claims in response in July 2023, developing its arguments and increasing the amount of its claim against Primonial's vendors to approximately €330 million. The Primonial Vendors have not yet filed their response on the facts of the case.

At the publication date of the Group's annual financial statements, the case is ongoing and, in agreement with its legal advisors, no provision has been recorded by the Group.

Equity increase

A reserved capital increase was also held for the FCPE (employee mutual fund), in the amount of €0.4 million, plus an €1.7 million share premium, resulting in the creation of 25,684 new shares.

The partial scrip dividend resulted in an additional capital increase of €5.1 million, together with a share premium of €27.0 million, resulting in the creation of 335,334 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 2022.

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 and general installations	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 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 on delivery. 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 ANC Regulation 2014-03 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 recognised directly as expenses. 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.

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 Retail REIT 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

Gross intangible assets

Intangible assets *(€ thousands)*	31/12/2022	Increase	Decrease	31/12/2023
Software	1,420.0			1,420.0
TOTAL	**1,420.0**			**1,420.0**

Amortisation of intangible assets (in thousands of euros)

Amort. *(€ thousands)*	31/12/2022	Increases	Reversals	31/12/2023
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)*	31/12/2022	Acquisition/ Contribution	Exit/Sale	31/12/2023
Land	**5,728.5**			**5,728.5**
Buildings	**32,676.6**	**20,579.3**		**53,255.8**
Structural work (structures, road and utilities works)	12,628.6	8,208.7		20,837.3
Facades, Weatherproofing	3,157.1	2,052.2		5,209.3
Technical equipment and general installations	9,471.4	6,156.5		15,628.0
Fixtures and fittings	7,419.4	4,161.9		11,581.3
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	**9,817.6**	**17,061.4**	**26,222.9**	**656.1**
Land	1,990.0	100.2	2,090.2	
Buildings	5,184.6	12,788.3	17,324.0	648.9
Others	2,643.0	4,172.9	6,808.7	7.2
TOTAL	**48,272.6**	**37,640.6**	**26,222.9**	**59,690.3**

The increase in property, plant and equipment is mainly due to the delivery of the La Vigie retail park extension (Strasbourg).

Depreciation of property, plant and equipment

Amort. *(€ thousands)*	31/12/2022	Increases	Disposals	31/12/2023
Land				
Buildings	**14,644.9**	**1,340.5**		**15,985.4**
Structural work (structures, road and utilities works)	2,542.2	291.9		2,834.0
Facades	1,367.2	161.9		1,529.1
Technical equipment and general installations	5,423.9	656.5		6,080.4
Fixtures and fittings	5,311.7	230.2		5,541.9
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	**14,693.6**	**1,340.5**		**16,034.1**

3.2.3.1.3 Financial assets

Gross financial assets

Financial assets *(€ thousands)*	31/12/2022	increase	decrease	31/12/2023
Participating interests	**1,465,680.4**	**32,127.1**		**1,497,807.4**
Financial receivables	**843,188.0**	**1,051,411.6**	**1,180,925.2**	**713,674.4**
Investment-related receivables	702,790.4	1,046,089.0	1,177,558.9	571,320.5
Loans and other fixed assets	140,397.5	5,322.6	3,366.2	142,353.9
TOTAL	**2,308,868.3**	**1,083,538.7**	**1,180,925.2**	**2,211,481.9**

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 capital increase in the OPCI Alta Commerce Europe;
- the acquisition of a stake in SCPI Alta Convictions.

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)*	31/12/2022	Increases	Reversals of unused provisions	Provisions used in the period	31/12/2023
Impairment of equity securities	9,389.0	11,727.8		162.0	20,954.8
Impairment of other non-current financial assets					
TOTAL	**9,389.0**	**11,727.8**		**162.0**	**20,954.8**

The change in provisions is mainly due to the impairment of shares in the OPCI Alta Commerces Europe for €8.6 million and MRM securities for €3.1 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 a risk the Company will not be able to collect all amounts due.

Receivables *(€ thousands)*	Gross amount 2023	Provisions	Net amount 2023	Net amount 2022
Trade receivables and related accounts	**8,437.3**	**3,892.3**	**4,545.1**	**1,999.3**
Other receivables	**52,157.5**		**52,157.5**	**21,159.2**
Personnel and related accounts	8.3		8.3	2.1
Debtor suppliers	1,345.0		1,345.0	254.8
Government, other authorities: corporate income tax	3,156.5		3,156.5	1,367.4
Government, other authorities: value added tax	2,843.5		2,843.5	2,997.7
Government, other authorities: sundry receivables	14.1		14.1	14.3
Group and partners_D	44,286.2		44,286.2	14,882.8
Sundry debtors	503.8		503.8	1,640.1
TOTAL	**60,594.8**	**3,892.3**	**56,702.6**	**23,158.4**

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Breakdown of receivables by maturity date

Receivables *(€ thousands)*	Gross amount 2023	Less than 1 year	1 to 5 years	More than 5 years
Trade receivables and related accounts	8,437.3	8,437.3		
Personnel and related accounts	8.3	8.3		
Debtor suppliers	1,345.0	1,345.0		
Government, other authorities: corporate income tax	3,156.5	3,156.5		
Government, other authorities: value added tax	2,843.5	2,843.5		
Government, other authorities: sundry receivables	14.1	14.1		
Group and partners	44,286.2	44,286.2		
Sundry debtors	503.8	503.8		
TOTAL	**60,594.8**	**60,594.8**		

Accrued income

Accrued income included in the balance sheet line items *(€ thousands)*	31/12/2023	31/12/2022
Loans	3,713.1	1,936.0
Government – accrued income	12.9	12.9
Trade receivables	221.7	116.5
Debtor suppliers		
TOTAL	**3,947.7**	**2,065.4**

3.2.3.1.5 Marketable securities

Marketable securities include €14.9 million of treasury shares.

Marketable securities *(€ thousands)*	31/12/2022	Increase	Decrease	Provisions	31/12/2023
Treasury shares	30,468.9	10,878.8	26,448.5		14,899.3
TOTAL	**30,468.9**	**10,878.8**	**26,448.5**		**14,899.3**
No. of Shares	214,091	120,411	196,773		137,729

At 31 December 2023, 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

Treasury instruments *(€ thousands)*	31/12/2022	Increase	Decrease	Provisions	31/12/2023
Treasury instruments	32,944.4	31,306.0	16,271.1		47,979.3
TOTAL	**32,944.4**	**31,306.0**	**16,271.1**		**47,979.3**

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-2023 is €47.9 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)*	**31/12/2022**	**Increases**	**Reversals of unused provisions**	**Provisions used in the period**	**31/12/2023**
Impairment of inventory and pipeline products					
Impairment of trade receivables	3,924.2	121.6		153.6	3,892.3
Other impairment					
TOTAL	**3,924.2**	**121.6**		**153.6**	**3,892.3**

3.2.3.1.8 Prepaid expenses

Prepaid expenses

(€ thousands)	31/12/2022	Increase	Decrease	31/12/2023
Prepaid expenses	121.9		121.9	
TOTAL	**121.9**		**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)	31/12/2022	Allocation	Dividends	Capital incr. & contributions	Change 2023	31/12/2023
Share Capital	311,350.5			5,516.4		316,866.8
Share premium/additional paid-in capital/ revaluation differences	393,482.4		(3,331.5)	28,725.5		418,876.4
Legal reserve	28,701.9	2,433.0				31,134.9
Available reserve						
Retained earnings						
Net income for the year	205,119.1	(2,433.0)	(202,686.0)		5,187.9	5,187.9
Investment grants						
Regulated provisions						
TOTAL	**938,653.9**		**(206,017.6)**	**34,241.9**	**5,187.9**	**772,066.1**

After appropriating 5% of net income for the year (€2.4 million) to the legal reserve, the Combined Ordinary and Extraordinary General Shareholders' Meeting of Jun 2023 decided to pay a dividend of €10 per share for the financial year ended 3 Decembe 2022, consisting of €202.9 million to the limited partners, and a priority dividend of €3.0 million to the general partner.

This dividend was partially paid in shares, leading to a capital increase of €5.1 million.

The Company also carried out a capital increase during the year in respect of the FCPE (see "Major events during the financial year").

At 31 December 2023, the share capital stood at €316 million divided into 20,736,822 shares with a par value of €15.28 each and ten General Partner shares with a par value of €100 each.

The amount of Subordinated Perpetual Notes outstanding was €223 million at 31 December 2023.

3.2.3.2.2 Provisions

Change in provisions

Provisions for contingencies and expenses *(€ thousands)*	31/12/2022	Increases during the financial year: Increases	Decreases in the financial year: Reversals of unused provisions	Decreases in the financial year: Provisions used in the period	31/12/2023
Provisions for taxes					
Other provisions for contingencies and expenses	615.7	266.3		361.7	520.4
TOTAL	**615.7**	**266.3**		**361.7**	**520.4**

Provisions for contingencies and expenses relate to employee bonus share rights.

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3.2.3.2.3 Borrowings and other financial liabilities

Breakdown of payables by maturity

Borrowings and other financial liabilities *(€ thousands)*	31/12/2023	Less than 1 year	1 to 5 years	More than 5 years	31/12/2022
Financial liabilities	**1,351,800.8**	**551,800.8**	**500,000.0**	**300,000.0**	**1,253,223.6**
Other bond issues	1,070,681.4	270,681.4	500,000.0	300,000.0	1,070,953.0
Bank borrowings	118,010.9	118,010.9			145,982.0
Deposits and security interests received	979.8	979.8			752.8
Group and partners	130,822.7	130,822.7			35,520.2
Other payables	31,306.0	31,306.0			15.6
Accounts payable and other payables	**9,307.2**	**9,307.2**			**8,158.7**
Suppliers and related accounts	4,401.4	4,401.4			4,484.8
Employee-related and social security payables	80.9	80.9			68.2
Tax payables	1,056.2	1,056.2			988.6
Amounts due on non-current assets and related accounts	3,101.2	3,101.2			1,703.7
Other payables	667.4	667.4			796.8
Prepaid income					116.6
TOTAL	**1,361,108.0**	**561,108.0**	**500,000.0**	**300,000.0**	**1,261,382.3**

Bond redemption premiums

Change in amortisation of premiums *(€ thousands)*	31/12/2022	+	-	31/12/2023
Redemption premiums on bonds	3,331.2		942.2	2,389.0
TOTAL	**3,331.2**		**942.2**	**2,389.0**

Bond issue premiums are amortised over the life of the bond in the amount of €0.9 million.

Table of payables in balance sheet line items

Payables included in balance sheet line items	31/12/2023	31/12/2022
Borrowings and financial liabilities	47,245.0	11,381.6
Suppliers and related accounts	4,400.5	4,410.5
Amounts due on non-current assets and related accounts	2,108.1	500.6
Taxes, duties and analogous payments	177.6	51.9
Personnel costs	28.2	13.7
Group and partners	20.9	171.2
Miscellaneous	55.4	76.6
TOTAL	**54,035.6**	**16,606.1**

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)*	**31/12/2023**	**31/12/2022**
Rent and re-invoiced leasing costs	3,339.3	8,374.6
Transfer taxes		
Services	4,612.1	4,605.4
Others	257.1	3.9
TOTAL	**8,208.5**	**12,983.8**

3.2.3.3.2 Other operating income

Operating income *(€ thousands)*	**31/12/2023**	**31/12/2022**
Production held in inventory	11,385.4	6,069.0
Reversals of provisions and depreciation	515.2	1,734.2
Others	1.4	42.7
TOTAL	**11,902.0**	**7,845.9**

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, depreciation and amortisation charges) and its services provided to subsidiaries.

Operating expenses *(€ thousands)*	**31/12/2023**	**31/12/2022**
Rental and co-ownership expenses	559.2	(113.0)[a]
Maintenance and repairs	53.3	1,111.5
Insurance premiums	69.4	239.9
Commissions and fees	3,284.5	6,567.9[b]
Advertising and public relations	68.1	59.9
Banking services and similar accounts	3,652.5	5,484.4[c]
Taxes and duties	589.4	3,353.7
Personnel costs	939.2	1,227.4
Depreciation, amortisation and provisions	1,728.4	4,243.5
Capitalised expenses	11,642.5	6,072.9[d]
Other expenses	895.3	901.0
TOTAL	**23,481.8**	**29,149.1**

(a) Nearly all of these rental expenses 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) Capitalised expenses in 2023 refers to work carried out on portfolio assets and recognised under capitalised production with a balancing entry under other operating income.

3.2.3.3.4 Net financial income/(expense)

(€ thousands)	31/12/2023	31/12/2022
Financial income		
Dividend	56,798.3	162,203.5
Interest on loans	7,383.5	3,120.9
Income from current accounts	27,795.3	6,078.7
Income from financial instruments (*Swaps, Caps*)	48,420.3	9,543.3
Commissions on Guarantees	2,829.1	1,947.0
Net income from subsidiaries_C	1,419.7	7,561.7
Recoveries from provisions for impairment of non-current financial assets	162.0	481.4
Other financial income	31.8	16,574.2
TOTAL INCOME	**144,840.0**	**207,510.8**
Financial expenses		
Financial allowances for amortisation, impairment and provisions	12,670.0	3,832.7
Interest and fees on borrowings	35,183.1	29,289.8
Expenses on current account balances	2,695.3	464.0
Expenses on financial instruments (*Swaps, Caps*)	16,421.2	27,166.1
Bank interest		
Paid by subsidiaries_D	63,520.4	15,649.5
Other financial expenses	6,500.0	
TOTAL FINANCIAL EXPENSES	**136,990.0**	**76,402.1**
NET FINANCIAL INCOME/(EXPENSE)	**7,850.0**	**131,108.7**

The "dividends" item of €56.8 million mainly comprises the distributions by Foncière Altarea and Alta Blue.

3.2.3.3.5 Exceptional income

(€ thousands)	31/12/2023	31/12/2022
Exceptional income		
Exceptional income from operating items		1.3
Exceptional income from capital transactions		
Proceeds from disposal of investment assets	(370.3)	106,311.7
Rebilling of free share delivery to employees	20,420.3	29,045.8
Other exceptional income from capital transactions		12,460.8
Recoveries of provisions and expense reclassifications	312.9	325.0
TOTAL INCOME	**20,362.9**	**148,144.5**
Exceptional expenses		
Exceptional expenses from operating items	2.8	
Exceptional expenses on capital transactions		
Expenses on asset disposals		30,245.1
Cost of free shares	20,420.3	29,045.8
Other exceptional expenses	312.9	325.0
Exceptional allowances for depreciation, amortisation and impairment		
TOTAL EXPENSES	**20,736.0**	**59,615.8**
EXCEPTIONAL INCOME	**(373.1)**	**88,528.7**

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	**Exempt sector**	**Taxable sector**	**Total**	**Taxable sector**	**Exempt sector**	**Taxable sector**	**Total**
Operating income/(loss)	(1,813.6)	(1,557.8)	(3,371.3)		(1,813.6)	(1,557.8)	(3,371.3)
Net financial income/(expense)	32,117.2	(24,267.2)	7,850.0	1,082.4	32,117.2	(23,184.9)	8,932.3
Exceptional income	(0.0)	(373.1)	(373.1)		(0.0)	(373.1)	(373.1)
TOTAL	**30,303.6**	**(26,198.1)**	**4,105.5**	**1,082.4**	**30,303.6**	**(25,115.7)**	**5,187.9**

Changes in deferred tax liabilities

	31/12/2022	Variations	31/12/2023
Reductions	+	-	
Organic			
Tax deficit	(319,925.1)	636.1	(319,289.0)
Total base	**(319,925.1)**	**636.1**	**(319,289.0)**
TAX OR TAX SAVINGS	**(79,981.3)**	**159.0**	**(79,822.2)**

Tax audit

Altarea SCA is not subject to ongoing tax audits.

3.2.3.4 Other information

3.2.3.4.1 Related parties

Transactions by the Company with related parties not on an arm's length basis

The Company did not carry out any significant transactions 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)*	2023	2022
Swap/Total (Notional)	925,000.0	800,000.0
TOTAL	**925,000.0**	**800,000.0**

The fair value of the hedging instruments was a positive €82 million in respect of swaps as at 3 Decembe 2023.

Effect on the income statement

Effect on the income statement *(€ thousands)*	2023	2022
Interest income	20,680.5	3,763.4
Interest expense		11,473.1
TOTAL	**20,680.5**	**(7,709.8)**

Notional amounts hedged by swaps and caps at end-December

Swap and cap maturities *at* end-December *(€ thousands)*	2023	2024	2025	2026	2027
Swap	925,000.0	1,150,000.0	950,000.0	875,000.0	875,000.0
Cap					
ALTAREA PAYER FIXED RATE (TOTAL)	**925,000.0**	**1,150,000.0**	**950,000.0**	**875,000.0**	**875,000.0**

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 €153 thousand as of 31 December 2023.

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 €1,403 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 €2015 million (including €935 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% (28.7% at 31 December 2023),
  - operating income (FFO column)/Net borrowing costs (FFO column) of the Company (Interest Cover Ratio or Altarea Consolidated ICR) >= 2 (7.5x at 31 December 2023).

The Group made commitments as part of its successful tenders for Italian stations.

Commitments received

None.

Bonus share plans (for the Company and its subsidiaries)

Award date		Number of rights awarded	Vesting date	Rights in circulation as at 31/12/2022	Awarded	Deliveries	Amendments to rights (1)	Rights in circulation as at 31/12/2023
Share grant plans on Altarea shares								
22 April 2020	45,325	45,325	22 April 2023	37,576		(37,515)	(61)	0
30 April 2021	73,050	73,050[b]	31 March 2024	65,489			(29,631)	35,858
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	21,122			(12,872)	8,250
4 June 2021	45,500	45,500[b]	31 March 2025	13,050			(900)	12,150
4 June 2021	14,000	14,000[b]	31 March 2025	12,750			0	12,750
4 June 2021	23,700	23,700[b]	31 March 2025	6,727			(817)	5,910
4 June 2021	30,000	30,000[b]	31 March 2025	15,654			(1,404)	14,250
1 September 2021	600	600	1 September 2024	600			0	600
1 October 2021	2,000	2,000	30 March 2023	2,000		2,000		0
1 February 2022	275	275[b]	1 March 2023	275		(275)		0
1 March 2022	14,000	14,000	31 March 2025	14,000			(10,025)	3,975
31 March 2022	99,292	99,947	1 April 2023	98,532		(98,223)	(309)	0
31 March 2022	31,800	31,872	1 April 2024	31,565			(563)	31,002
31 March 2022	73,725	73,725[b]	1 April 2024	71,525			(32,592)	38,933
30 April 2022	3,250	3,250[b]	31 March 2025	975				975
30 April 2022	1,250	1,250[b]	31 March 2025	1,250				1,250
1 June 2022	300	300	1 June 2023	300		(300)		0
25 July 2022	250	250	24 July 2023	250		(250)		0
25 July 2022	150	150	24 July 2024	150				150
12 September 2022	6,000	6,000[b]	31 March 2027	6,000				6,000
12 September 2022	40,000	40,000[b]	31 March 2029	40,000				40,000
1 October 2022	1,500	1,500[b]	31 March 2025	1,500			1,050	450
2 November 2022	1,300	1,300	2 November 2023	1,300		1,200	(100)	0
5 January 2023	1,500	1,500[b]	31 March 2029		1,500			1,500
31 March 2023	106,277	106,277	1 April 2024		106,277		1,188	105,089
31 March 2023	30,668	30,668	1 April 2025		30,668		(264)	30,404
31 March 2023	73,770	73,240[b]	1 April 2025		73,770		(19,564)	54,206
30 April 2023	2,525	2,525	30 April 2024		2,525			2,525
30 April 2023	41,000	41,000[b]	31 March 2028		41,000			41,000
30 April 2023	41,000	41,000[b]	31 March 2033		41,000			41,000
1 September 2023	6,600	6600[b]	30 June 2029[c]		6,600			6,600
1 September 2023	250	250	1 September 2024		250			250
1 September 2023	250	250	1 September 2025		250			250
19 October 2023	2,230	2,230	19 October 2024		2,230			2,230
TOTAL	**872,837**	**872,837**		**474,590**	**306,070**	**(139,763)**	**(111,340)**	**529,557**

(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.
(c) Allocated in four tranches over four years

3.2.3.4.3 Headcount

The Company's average headcount was one employee at 31 December 2023.

3.2.3.4.4 Post-closing events

None.

3.2.3.4.5 Information on mergers and similar transactions

None.

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	376,374.2	100.0%	779,241.9	779,241.9	317,882.3	317,882.3		10,996.3	40,634.9	
SCA ALTAREIT -553 091 050	2,626.7	4,111,660.2	99.6%	91,635.0	91,635.0	115,731.7	115,731.7	750.0	35,673.8		1,124.1
SNC ALTAREA MANAGEMENT -509 105 375	10.0	(9,750.4)	100.0%	10.0	10.0				(9,750.4)		67,541.1
SAS ALTA BLUE -522 193 796	406,060.2	262,464.1	61.8%	499,429.7	499,429.7				4.7	14,534.9	
SARL SOCOBAC -352 781 389	8.0	150.1	100.0%	0.0	0.0				10.7		
SARL ALTALUX SPAIN	1,100.0	(363.5)	100.0%	10,517.0	10,517.0	520.5	520.5		(57.1)		
ALTA MIR -833 669 666	1.0	84.3	100.0%	100.0	100.0				(1.6)		
FONCIÈRE ALTAREA MONTPARNASSE -847 726 650	10.0	(53,545.3)	100.0%	10.0	10.0	99,554.7	99,554.7		(53,545.3)		
SCA NR 21 -389 065 152	1,475.4	3,939.6	96.5%	7,202.9	7,202.9				(107.0)		
SCPI ALTA CONVICTIONS -977 574 284	11,487.6	9,714.6	99.8%	22,517.7	22,517.7				659.3		472.8
SCI ALTA MOMENTUM -978 062 016	2.0		50.0%	1.0	1.0						
AFFILIATES (10% TO 50%)											
BERCY VILLAGE 2	1,633.6	5,854.9	15.0%	18,560.0	18,560.0	5,708.3	5,708.3		5,854.9		
SNC AF INVESTCO 4	1.0	(29.7)	50.0%	0.0	0.0				(29.7)		
SCCV B2-B3	1.0		50.0%	0.5	0.5	2,270.3	2,270.3		(107.0)		
SCI LIMOGES INVEST	1.2	17,630.1	20.0%	11,432.1	11,432.1				2,575.2		4,867.2
OPCI ALTA COMMERCES EUROPE	104,497.5	(56,741.2)	29.9%	32,026.3	14,197.3	13,353.1	13,353.1		323.3	696.4	
MRM	64,157.7	38,620.5	15.9%	24,991.9	23,632.7				(10,750.9)	919.5	1,366.7
SNC PROPCO ALTA PYRAMIDES	1.0		25.0%	0.3	0.3	16,299.6	16,299.6		(652.6)		
OTHER INVESTMENTS (<10%)				**131.3**	**(1,635.4)**						
TOTAL INVESTMENTS >10%				**1,497,807.4**	**1,476,852.6**	**571,320.5**	**571,320.5**			**56,785.8**	

Head office of subsidiaries and equity investments: 87 Rue de Richelieu, Paris second arrondissement.

3.3 Additional information

3.3.1 Summary of payment terms

	Invoices received and issued but not paid at the closing date of the fiscal year whose term has expired (Article D. 441-6 I and A. 441-2 of the French Commercial Code)											
	0 days (indicative)	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 and over**	**Total (1 day and over)**	**0 days (indicative)**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 and over**	**Total (1 day and over)**
(A) Overdue categories												
Number of invoices included	0					60	23					85
Total amount of the invoices included (incl. VAT)	-	-	-	-	455,341	455,341	1,483,580		-	18,821	6,633,997	8,136,399
% of total amount of purchases (incl. VAT) for the period	0.00%	0.00%	0.00%	0.00%	2.44%	2.44%						
% of total amount of revenue (incl. VAT)							15.06%	0.00%	0.00%	0.19%	67.35%	82.60%
(B) Invoices excluded from[a] relating to overdue or unrecorded receivables and payables												
Number of invoices excluded			-						-			
Total amount of the invoices excluded (incl. VAT)			-						-			
(C) Benchmark payment terms used (contractual or legal terms)												
Benchmark payment terms used for to calculate overdue payments			[contractual/legal]						[contractual/legal]			

3.3.2 Results of the last five financial years

Type of indications	31/12/2023	31/12/2022	31/12/2021	31/12/2020	31/12/2019
Duration of the period (months)	12	12	12	12	12
CAPITAL AT END OF THE YEAR					
Share Capital	316,865,818	311,350,463	310,089,359	263,982,998	255,195,822
Number of shares	20,736,822	20,375,804	20,293,271	17,277,839	16,700,762
▪ ordinary	20,736,822	20,375,804	20,293,271	17,277,839	16,700,762
▪ priority dividend					
Maximum number of shares to be created					
▪ by bond conversions					
▪ by subscription rights					
OPERATIONS AND RESULTS					
Revenue excl. tax	8,208,545	12,983,928	13,350,683	11,095,628	16,903,831
Income before tax, interest, depreciation and impairment	17,826,648	217,178,596	92,242,323	(75,370,504)	56,119,656
Income tax	(1,082,372)	6,199,018	2,062,662	5,826,692	1,329,307
Employee participation					
Allowances depr./amort. and impairment	13,721,131	5,860,519	13,432,275	(143,677,411)	40,885,187
Net result	5,187,889	205,119,058	76,747,386	62,480,215	13,905,162
Distributed income	4,928,494	202,686,047	72,910,016	59,356,204	13,209,904
EARNINGS PER SHARE					
Income before tax, interest, before depr./amort. and impairment	0.9	10.7	5.3	-4.4	3.4
Income after tax, interest, depr./amort. and impairment	0.9	10.4	5.2	-4.7	3.3
Dividend allocated	8.00	10.00	9.75	9.50	9.00
EMPLOYEES					
Average employee workforce	1	1	1	2	1
Payroll	412,622	407,923	407,631	436,944	615,110
Amounts paid in benefits (social security, social welfare, etc.)	20,946,967	29,865,277	21,696,593	15,223,919	21,309,803

Payroll = total of the sum of the 641 "employee compensation" accounts.

Amounts paid in employee benefits = total of 645 "social security and welfare expenses", 647 "other social security contributions", 648 "Provisions for personnel expenses" and 6,783 "Losses on purchase of treasury shares".

3.4 Statutory Auditors' report on the Annual Financial Statements

(Year ended the 31 December 2023)

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 2023, 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 from1 January 2023 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. 821-53 and R. 821-180 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 2023, a net total of €2,187 million, represent a significant balance sheet item (93% 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 "Receivables attached to investments and loans" 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 information 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.

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

Appointment of Statutory Auditors

We were appointed 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 2023, the firm MAZARS was in the second year of its uninterrupted engagement and ERNST & YOUNG et Autres in its fourteenth 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. 821--55 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. 821--27 to L.-821-34 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, 21 March 2024

The Statutory Auditors

MAZARS		ERNST & YOUNG et Autres	
Gilles Magnan	Johanna Darmon	Jean-Roch Varon	Soraya Ghannem

3.5 Statutory Auditors' report on related-party agreements

General Shareholders' Meeting to approve the financial statements for the year ended 31 December 2023.

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 L. 226-10 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.

■ With APG Strategic Real Estate Pool, represented by Mr Alain Dassas, Supervisory Board member

Persons concerned

APG, a member of the Supervisory Board of your Company, whose permanent representative is Mr Alain Dassas.

Type and purpose

Altarea issued Subordinated Perpetual Notes 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 the TSDIs was increased to:

- €195,078,390 following an amendment agreed on 29 December 2014 (*i.e.* €130,000 per TSDI);
- €233,499,810.82 following an amendment agreed on 27 May 2021 (*i.e.* €148.94 per TSDI).

Conditions

As compensation for these securities, the Company incurred financial expenses of €6,690,932 during the financial year ended on 31 December 2023.

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.

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 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, 21 March 2024

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 portfolio and first 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

2023
Acquisition of 100% of Woodeum and proposed merger with Pitch Immo to create the national leader in low-carbon real estate development

1st calculation of the alignment rate with European taxonomy (based on 2022 revenue) and 1st EU taxonomy-linked loan in the French real estate sector.

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 2023	Target	Change 2022-2023	Comment
Taxonomy	**Revenue alignment**	**48.1%**	Majority aligned within 3 years	↗	A significant level of alignment supported by a limited assurance opinion from the Group's Statutory Auditors, one year ahead of the regulatory requirement
Decarbonisation	**CO_2 emissions (scopes 1, 2 and 3)**	**Property Development: 1.3 tCO_2e/m^2 (-16% vs 2019)**	-50% in 2035[a]	↘	Altarea has been setting targets, which have been regularly updated, since 2017. In 2023, the Group worked on the integration of more actual emission factors in its operations and the automation of the calculation
	CO_2 emissions (scopes 1 and 2)	**REIT: 1.4 $kgCO_2e/m^2$ (-85.6% vs 2010)**	Tend toward zero emissions by 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 projects with good connections to public transport
Regional development	**Percentage of building site purchases from local suppliers (less than 50 km)**	**74%**	Maintenance	↗	Altarea monitors this indicator to strengthen its contribution to the local economy
Certifications and green value	**Percentage of Residential projects certified NF Habitat[b]**	**100%**	100% of Residential projects certified NF Habitat	=	Performance has been stable for eight years, reflecting the Group's continuous efforts to improve the quality of its operations
	Percentage of new Business Property projects certified HQE™ "Very Good" and/ or BREEAM® "Very Good" or higher	**100%**	100% of new projects certified		
	Percentage of portfolio sites certified BREEAM® In-Use	**100%**	100% of portfolio sites and managed sites certified		
Customer satisfaction	**Result in the HCG/Les Échos customer relations ranking**	**1st place in the ranking**	Maintenance	=	The Group has spent 4 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**	**30.7%**	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**	**50.8%**	40% minimum	=	Resizing teams as part of the managerial responsibility project has been a mobility accelerator

(a) In living area (SHAB) for Residential, in floor area (SDP) for Business property and Retail.
(b) Excluding Woodeum, Severini, co-development, renovations 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 2022, a detailed analysis of challenges related to the european taxonomy;
- in 2023, work to anticipate and gradually transition to the future sustainability report to be produced under the Corporate Sustainability Reporting Directive (CSRD).

The CSR approach has been formalised since 2017 by the "Tous engagés !", Program. which 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	CUSTOMERS	TALENTS
Developing and preserving regions	Customer satisfaction at heart of Altarea's actions	Excellence as a driver for performance

THE COMMITMENTS

CITIES	CUSTOMERS	TALENTS
Working toward a resilient, low-carbon city	Listen customers and deliver customer satisfaction	Support skills development
Preserving biodiversity and soil	Develop a desirable and comfortable city	Foster well-being in the working environment
Promoting the circular economy	Enhance green value by rolling out ambitious certifications	Encourage internal mobility and continue training
Develop desirable urban projects with a positive impact	Be a beacon of best practice in business lines	

4.1.4 Governance and deployment of the CSR approach

Organisation

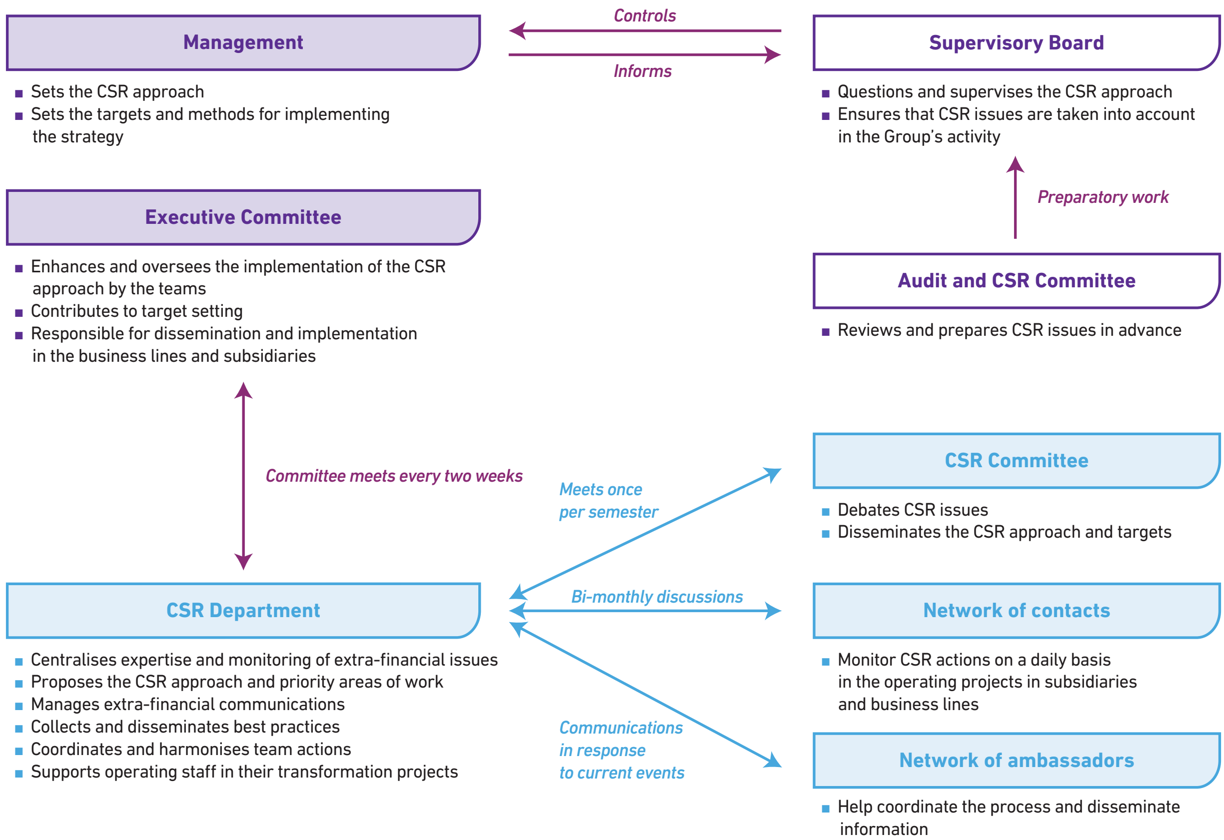
The CSR Department is part of the Strategic Marketing, CSR and Innovation Department. It is made up of six employees and reports to an Executive Committee member. It has a cross-functional role in the Company's transformation, by monitoring CSR topics, training, and supporting operational staff on all 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 forty coordinators represents each of the Group's business lines (Residential, Business property, Retail and New businesses) and cross-functional departments (Human Resources, 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 2023, working groups were set up on climate issues (in-depth work on methods of measurement and trajectory), taxonomy, CSRD and the "Responsible Retail" approach;
- in 2023, the CSR Department continued to work alongside the brands to align their CSR strategies with the Group's "Tous engagés !" approach;
- in 2022, for the first time, 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;
- 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 and news of the Group.

The whole Company is engaged in extra-financial issues by a financial incentive: in 2023, part of the management's variable compensation depended on the extra-financial ratings and other CSR-related criteria, including at least one criterion related to the Company's climate objectives. 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.

CSR team contact: developpementdurable@altarea.com



Deployment of the CSR approach

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 notably cover 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.

In 2022, the CSR Department updated its guide to the SSE which provides practical tips on working with positive-impact stakeholders at each stage of a project. The guide also includes a list of contacts for the themes of urban farming, nature in the city, services for residents, transitional urban planning, soft mobility and the circular economy.

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. Multiple training courses on major CSR issues are available to all employees as soon as they join the Group. Formats are diversified to suit the selected topics from the most generalist to the most expert with attractive and innovative teaching methods, adapted to all. As such, Altarea has decided to roll out an in-depth training course on the subject of climate and CSR from 2021. 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 climate change adaptation;
- "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.

This training course was continued and is available to all Group employees. A new module entitled "4 minutes on the circular economy" was created in 2022 and made available to all.

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.

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	Marketing partners
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	Providing our sales partners with tools to better sell our products
	4.2.4	4.1	4.4	4.3.4 and 4.3.5	4.3.1

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 a difficult economic environment, the property expectations of customers and investors can quickly evolve.	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); ▪ continuous drive to offer products that meet market requirements.	Axis **Customers** 4.3.1 4.3.2 4.3.3	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.	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 establishing strong links with the social and solidarity economy; ▪ the preservation of local biodiversity and natural resources (particularly water) is a priority.	Axis **Cities** 4.2.2 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.	The Group has taken climate change into account in all of its activities It made a commitment to reduce greenhouse gas emissions from Development projects by 50% per m^2 between 2019 and 2035, on scopes 1, 2 and 3, including actions on materials and energy. In the REIT business, Altarea wants to achieve zero emissions by 2030 on scopes 1 and 2.	Axis **Cities** 4.2.1	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.	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** 4.2.1	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.	The Group addresses this issue from the project design stage (reversibility, renovation, etc.) right through to the operational phase (waste management, etc.).	Axis **Cities** 4.2.3	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 and has an impact on the social and environmental practices of its suppliers and subcontractors.	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.	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.	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.	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** 4.3.5	N/A
Safety and security risk Risks to security and safety can affect shopping centres, head office and information systems in particular.	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 for people with disabilties, 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.	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** 4.2.3	6 CLEAN WATER AND SANITATION 15 LIFE ON LAND

4.1.6 European taxonomy

In 2022, Altarea published its level of eligibility for the first two objectives for the 2021 fiscal year. In 2023 Altarea published its level of alignment on the same scope for the 2022 fiscal year[1]. For this fiscal year, Altarea publishes its level of eligibility on the six environmental objectives and our level of alignment for the first two climate-related objectives only for the Group's revenue, Capex and consolidated Opex.

The indicators published are taken from the consolidated financial statements and are based, for each of the indicators considered (revenue, Capex and Opex) on:

- the consolidated financial statements for the year ended 31 December 2023 based on the Finance tools;
- Note 1 to the 2023 URD "Financial statements";
- for Capex, Note 3 to the 2023 URD: Chapters "7.1 Investment properties" and "7.3 Right-of-use on tangible and intangible fixed assets".

They will be presented according to the objectives considered as follows:

- 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.

Revenue

Reconciliation with consolidated data

Group revenue corresponds to consolidated net revenue as presented in accordance with IAS 1-82[2] 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.

Breakdown of Group revenue *(€ millions)*	2023	2022
Total	**2,712.3**	**3,013.8**
o/w rental income	231.8	210.2
o/w revenue from sales	2,417.9	2,748.5
o/w external services	62.6	55.1

Eligible revenue

As regards its activities, the Altarea Group is eligible for taxonomy as defined for sectors "7.1. Construction of new buildings", "7.2. Renovation of existing buildings" and "7.7. Acquisition and ownership of buildings", as these sectors can make a substantial contribution to the objective of mitigating 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 (BP)	√	√	√
Retail			√

In 2023, activities eligible for the european taxonomy represented 97.2% of the Altarea Group's revenue. The eligible portion of each activity studied is calculated in relation to the Group's revenue for 2023.

Eligibility of 2023 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)*	2,637.1	2,307.0	87.8	242.3
ELIGIBLE ACTIVITIES *VS.* GROUP REVENUE	**97.2%**	**85.1%**	**3.2%**	**8.9%**
B. Non-eligible activities *(€ millions)*	75.2	8.5	33.3	20.4
NON-ELIGIBLE ACTIVITIES *VS.* GROUP REVENUE	**2.8%**	**0.3%**	**1.2%**	**0.8%**

(1) *Altarea URD 2022: alignment rate of the Group's consolidated revenue of 44.2%.*

(2) *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.*

Regarding revenue, only property development services and DPM activities in real estate development are not eligible for the taxonomy.

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.

Thus:

Revenue under sector "7.1 Construction of new buildings" comes from the Group's property development business in new buildings (Residential, Tertiary and Retail).

Revenue under sector "7.2 Renovation of existing buildings" comes mainly from the renovation of old buildings (*i.e.* Histoire & Patrimoine).

Revenue under sector "7.7. Acquisition and ownership of buildings" comes mainly from the Retail REIT business.

Revenue alignment

In financial year 2023, 48.1% of the Altarea Group's revenue was aligned with the rules of the taxonomy. This aligned revenue was the subject of a limited assurance opinion by EY, the Group's Statutory Auditor[1].

Alignment of 2023 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)*	2,637.1	2,307.0	87.8	242.3
ELIGIBLE ACTIVITIES *VS.* GROUP REVENUE	**97.2 %**	**85.1%**	**3.2%**	**8.9%**
A.1) Aligned activities *(€ millions)*	1,303.7	1,092.8	5.3	205.7
ALIGNED ACTIVITIES *VS.* GROUP REVENUE	**48.1%**	**47.2%**	**4.3%**	**78,3 %**
B) Non-eligible activities *(€ millions)*	75.2	8.5	33.3	20.4
NON-ELIGIBLE ACTIVITIES *VS.* GROUP REVENUE	**2.8%**	**0.3%**	**1.2%**	**0.8%**
C) Revenue *(€ millions)*	2,712.3	2,315.5	121.1	262.7

The approach used to calculate alignment is based on a pre-screening of projects/assets according to two factors: their contribution to consolidated revenue and their potential for alignment, with energy performance as a priority criterion.

Significant resources have been deployed to deliver digitised collection, control and standardised referencing of more than 5,000 documents to justify the alignment of the programmes concerned and create a reliable audit trail. The entire operational decision-making chain was mobilised on this issue, which made it possible to achieve a high level of alignment from the first publication, while identifying areas for improvement that were the subject of specific action plans.

After studying the pre-screened projects and assets, 141 projects with exhaustive supporting documentation were considered aligned. Revenues from these projects make up 48.1% of aligned revenue.

In addition, in a cross-functional manner, in order to be aligned the subject activity must respect the minimum social guarantees.

On this point, Altarea has implemented policies and action plans to address the following issues:

- human rights (including preventative actions and whistleblowing mechanisms);
- consumer interests;
- corruption;
- competition;
- taxation.

Altarea is a signatory of the United Nations Global Compact and its principles in the areas of human rights, labour, respect for the environment and anticorruption. It also respects the principles and rights set out by the eleven 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 risks in its supply chain, particularly with regard to human rights due diligence. The mapping of purchases will be reworked in greater detail in accordance with the CSRD as from 2024.

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.

Alignment of 2023 consolidated revenue with taxonomy by criterion

	Share of revenue/Total revenue	
	Aligned with taxonomy by objective	Eligible for taxonomy by objective
CCM[a]	48.1%	97.2%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	3.2%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

(a) CCM (climate change mitigation); CCA (climate change adaptation); WTR (water and marine resources); CE (circular economy); PPC (pollution prevention and control); BIO (biodiversity and ecosystems).

(1) EY's limited assurance opinion is available on the Group's website.

Altarea's revenue alignment rate with taxonomy in 2023

Fiscal year N 2023				Substantial contribution criteria						Do no significant harm (DNSH) criteria									
Economic activities	**Codes**	**Revenue**	**Share of 2023 revenue**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Minimum safeguards**	**Share of revenue aligned with taxonomy (A.1.) or eligible for taxonomy (A.2.) 2022**	**Category (enabling activity)**	**Category (transitional activity)**
		€ millions	**%**	**Y/N N/EL**	**Y/N N/EL**	**Y/N N/EL**	**Y/N N/EL**	**Y/N N/EL**	**Y/N N/EL**	**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	CCM 7.1	1,092.8	40.3%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y	38.4%		
Renovation of existing buildings	CCM 7.2	5.3	0.2%	Y	N	N/EL	N/EL	N	N/EL	N/A	Y	Y	Y	Y	N/A	Y	0.8%		T
Acquisition and ownership of buildings	CCM 7.7	205.7	7.6%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	N/A	N/A	N/A	N/A	Y	5.0%		
Revenue from environmentally sustainable activities (aligned with taxonomy) (A.1.)		**1,303.7**	**48.1%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N/A**	**Y**	**Y**	**Y**	**Y**	**N/A**	**Y**	**44.2%**		
o/w enabling		-	0.0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0.0%	E	
o/w transitional		5.3	0.2%							N/A	Y	Y	Y	Y	N/A	Y	0.8%		T
A.2. Activities eligible for taxonomy but not environmentally sustainable (not aligned with taxonomy)																			
				EL; N/EL	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**										
Construction of new buildings	CCM 7.1	1,214.2	44.8%	EL	EL	N/EL	N/EL	N/EL	N/EL								46.6%		
Renovation of existing buildings	CCM 7.2	82.5	3.0%	EL	EL	N/EL	N/EL	EL	N/EL								5.5%		
Acquisition and ownership of buildings	CCM 7.7	36.6	1.4%	EL	EL	N/EL	N/EL	N/EL	N/EL								2.2%		
Revenue from activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy) (A.2)		**1,333.4**	**49.2%**	**0%**	**100%**	**0%**	**0%**	**100%**	**0%**								**54.3%**		
Total A (A.1. + A.2.)		**2,637.1**	**97.2%**	**100%**	**100%**	**0%**	**0%**	**100%**	**0%**								**98.5%**		
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
Revenue from activities not eligible for taxonomy (B)		75.2	2.8%																
Total A + B		**2,712.3**	100.0%																

Y (YES); N (NO); EL (ELIGIBLE); N/EL (NON ELIGIBLE).

Capex

Reconciliation with consolidated data

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.

As a result, the Capex figure in the ratio denominator includes the costs recognised according to:

- IAS 16 Property, plant and equipment;
- IAS 38 Intangible Assets;
- IAS 40 Investment property (fair value model);
- IAS 40 Investment property (cost model);
- IFRS 16 Leases.

Detail of Group Capex *(€ millions)*	2023
Total	**59.8**
o/w investment properties (at fair value)	18.7
o/w investment properties (at cost)	11.6
o/w IAS 16 Property, plant and equipment	8.0
o/w IAS 38 Intangible assets	5.0
o/w Right-of-use (land and buildings)	13.7
o/w Right of use (vehicules)	2.8

Group Capex used for the denominator is €59.8 million.

Eligible Capex

By their nature, the Group's capital expenditures (Capex) are eligible under three sectors:

- 6.5 "Transport by motorcycles, passenger cars and commercial vehicles";
- 7.6 "Installation, maintenance and repair of renewable energy technologies";
- 7.7 "Acquisition and ownership of buildings".

	Group	6.5 Transport by motorcycles, passenger cars and light commercial vehicles	7.6 Installation, maintenance and repair of renewable energy technologies.	7.7 Acquisition and ownership of buildings
A. Eligible activities *(€ millions)*	54.7	2.8	2.2	49.7
ELIGIBLE ACTIVITIES *VS.* GROUP REVENUE	**91.6%**	**4.7%**	**3.7%**	**83.2%**
B. Non-eligible activities *(€ millions)*	5.1	-	-	-
NON-ELIGIBLE ACTIVITIES *VS.* GROUP REVENUE	**8.4%**	**0.0%**	**0.0%**	**0.0%**
C. Group Capex *(€ millions)*	59.8	2.8	2.2	49.7

In fiscal year 2023, activities eligible under the european taxonomy represented 91.6% of the Group's Capex.

The eligible portion of each activity is calculated compared to the Group's 2023 consolidated Capex.

Aligned Capex

To calculate the alignment of the Capex, the Group considered as aligned:

- Capex linked to real estate assets or projects deemed sustainable according to the european taxonomy, *i.e.* aligned with at least one environmental objective;
- Capex in an investment plan of at least five years aimed at expanding the aligned activity, *i.e.* in real estate the alignment of an existing portfolio within the activity of acquisition and ownership of buildings, for example, or processes to align projects in the construction, renovation or demolition activities;
- individually aligned Capex, in particular for activity 7.6.

In 2023, the Group's Capex alignment rate was 45.5%.

This alignment rate reflects the REIT's strong performance. It also represents our first investments in the photovoltaic business for €2.2 million.

Alignment of 2023 Capex with taxonomy by criterion

	Share of Capex/Total Capex	
	Aligned with taxonomy by objective	**Eligible for taxonomy by objective**
CCM[a]	45.5%	91.6%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

(a) CCM (climate change mitigation); CCA (climate change adaptation); WTR (water and marine resources); CE (circular economy); PPC (pollution prevention and control); BIO (biodiversity and ecosystems).

FY 2023		Year		Substantial contribution criteria						Do no significant harm (DNSH) criteria									
Economic activities	Codes	Capex	Share of 2023 Capex	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Share of Capex aligned with taxonomy (A.1.) Or eligible for taxonomy (A.2.) 2022	Category (enabling activity)	Category (transitional activity)
		€ millions	%	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	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																			
Transport by motorcycles, passenger cars and light commercial vehicles	CCM 6.5	0.0	0.0%	Y	N	N/EL	N/EL	N	N/EL	N/A	Y	N/A	Y	Y	N/A	Y	0,0%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	2.2	3.7%	Y	N	N/EL	N/EL	N	N/EL	N/A	Y	N/A	N/A	N/A	N/A	Y	0,0%		
Acquisition and ownership of buildings	CCM 7.7	25.0	41.8%	Y	N	N/EL	N/EL	N	N/EL	N/A	Y	N/A	N/A	N/A	N/A	Y	38,5%		
Capex of environmentally sustainable activities (aligned with taxonomy) (A.1.)		**27.2**	**45.5%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N/A**	**Y**	**Y**	**Y**	**Y**	**N/A**	**Y**	**38,5%**		
o/w enabling		2.2	3.7%	100%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0,0%	E	
o/w transitional		0.0	0.0%							N/A	Y	Y	Y	Y	N/A	Y	0,0%		T
A.2. Activities eligible for taxonomy but not environmentally sustainable (not aligned with taxonomy)																			
				EL; N/EL	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**										
Transport by motorcycles, passenger cars and light commercial vehicles	CCM 6.5	2.8	4.7%	EL	EL	N/EL	N/EL	EL	N/EL								4,0%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.0	0.0%	EL	EL	N/EL	N/EL	EL	N/EL								0,0%		
Acquisition and ownership of buildings	CCM 7.7	24.7	41.4%	EL	EL	N/EL	N/EL	EL	N/EL								36,0%		
Capex of activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy) (A.2)		**27.6**	**46.1%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**								**40,0%**		
Total A (A.1. + A.2.)		**54.7**	**91.6%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								**78,5%**		
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
Capex of activities not eligible for taxonomy (B)		5.0	8.4%																
Total A + B		**59.8**	**100.0%**																

Y (YES); N (NO); EL (ELIGIBLE); N/EL (NON ELIGIBLE).

Opex

Reconciliation with consolidated data

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).

Eligible and aligned Opex

In 2023, the Opex denominator was €4.4 million. This amount is broken down as follows:

Detail of Group Opex *(€ millions)*	**2023**
Total	**4.4**
o/w maintenance and repair costs for the head offices	3.2
o/w maintenance and repair costs for shopping centres under management	1.1
o/w external R&D fees	0.1

The total amount of this increase is less than 5% of the Group's operating expenses (€341.1 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.

Alignment of Opex 2023 with taxonomy by criterion

	Share of Opex/Total Opex	
	Aligned with taxonomy by objective	**Eligible for taxonomy by objective**
CCM[(a)]	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

(a) CCM (climate change mitigation); CCA (climate change adaptation); WTR (water and marine resources); CE (circular economy); PPC (pollution prevention and control); BIO (biodiversity and ecosystems).

Altarea's Opex taxonomy alignment rate in fiscal year 2023

Fiscal year N 2023				Substantial contribution criteria						Do no significant harm (DNSH) criteria									
Economic activities	Codes	Opex	Share of Opex 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Share of Opex aligned with taxonomy (A.1.) Or eligible for taxonomy (A.2.) 2022	Category (enabling activity)	Category (transitional activity)
		€	%	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	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	CCM 7.1	0	0%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y	0%		
Renovation of existing buildings	CCM 7.2	0	0%	Y	N	N/EL	N/EL	N	N/EL	N/A	Y	Y	Y	Y	N/A	Y	0%		T
Acquisition and ownership of buildings	CCM 7.7	0	0%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	N/A	N/A	N/A	N/A	Y	0%		
Opex of environmentally sustainable activities (aligned with taxonomy) (A.1.)		**0**	**0%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N/A**	**Y**	**Y**	**Y**	**Y**	**N/A**	**Y**	**0%**		
o/w enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
o/w transitional		0	0%							N/A	Y	Y	Y	Y	N/A	Y	0%		T
A.2. Activities eligible for taxonomy but not environmentally sustainable (not aligned with taxonomy)																			
				EL; N/EL	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**										
Construction of new buildings	CCM 7.1	0	0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Renovation of existing buildings	CCM 7.2	0	0%	EL	EL	N/EL	N/EL	EL	N/EL								0%		
Acquisition and ownership of buildings	CCM 7.7	0	0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Opex of activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy) (A.2)		**0**	**0%**	**0%**	**100%**	**0%**	**0%**	**100%**	**0%**								**0%**		
Total A (A.1. + A.2.)		**0**	**0%**	**100%**	**100%**	**0%**	**0%**	**100%**	**0%**								**0%**		
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
Opex of activities not eligible for taxonomy (B)		4.4	100%																
Total A + B		**4.4**	**100%**																

Y (YES); N (NO); EL (ELIGIBLE); N/EL (NON ELIGIBLE).

4

Specific action plans on certain criteria

Special work was done on a number of particularly demanding criteria:

- **climate change mitigation:** the identification of aligned projects required a two-step approach. Projects launched before 2022 were first selected on the basis of having energy performance superior to the legislation in force at the time. On this scope, additional life cycle analyses (LCA) were then carried out allowing full alignment with this criterion;
- **circular economy:** one of the key contractual commitments of subcontracting companies to send at least 70% of the waste for material recovery was not considered sufficient to validate the criterion in full. Thus, significant work has been done to collect and review the service providers' waste registers or reporting to check effective compliance with this contractual commitment. The extra criterion resulted in the exclusion of a significant number of transactions, particularly renovation projects where this contractual practice is less widespread due to the lower generation of waste. The renovation activity is thus the one with the lowest alignment rate despite its essentially greener approach under this criterion;
- **pollution**: compliance with one of the criteria of the DNHS Pollution, that relating to the REACH regulation[1], requires not only documenting the application of the regulations in force by the Group and its suppliers, but also verifying that the Group does not market products containing "substances of very high concern" (SVHC) in concentrations above 0.1% within the meaning of the regulations.

  It should be noted beforehand that all marketers must inform their customers of the presence of any SVHCs on the candidate list in application of Article 59 and taking into account the criteria in REACH Regulation Article 576 at concentrations greater than 0.1%. For substances and mixtures, this information must be communicated *via* the safety data sheet (SDS) under REACH Article 31. Regarding Articles, Article 33.17 does not specify the medium to be used; as a general rule, the information is provided in the environmental and health declaration sheet (EHDS) or in an independent certificate the supplier sends to their customer (B to B). From the point of view of Cogedim as purchaser of the product, it follows from these obligations that the absence of such information from suppliers on the presence of SVHCs indicates that these substances are not *a priori* present.

  Consequently, in the absence of such information from its suppliers, Altarea could therefore reasonably take the view that products purchased for its projects are SVHC-free.

  Nevertheless, the Group chose to reinforce its analysis of the Pollution criterion with an additional pro-active approach to detect SVHC substances from its product candidate list.

  This additional detection methodology was based on a representative sample of products marketed by the Group. It provides assurance that the regulatory obligation to disclose SVHCs is correctly understood and applied by Group suppliers. In practice, the Group drew up a significant representative sample of all product listings within the scope of the Cogedim brand, based on a risk analysis approach.

  Two complementary factors were used to select which product families would be analysed for this purpose:

  - occurrence: the products most used in Cogedim projects, which represent the largest volumes. In particular, products used in making concrete and structural timber;
  - severity: products where SVHCs can be detected and which may expose the occupants to them. In particular, products in contact with indoor air or that may release substances.

  In concrete terms, this study focused on a sample representing between 50% and 60% by value of the products or materials used/implemented for a standard project. This standard project is representative in terms of its characteristics at the average levels of the programmes rolled out across the Group in terms of: number of units, living area, types of materials used (most common collection level), architectural specificities of regions, etc.

  The main conclusions of this study are:

  - all product categories studied report the absence of SVHCs except for one which reports the presence of a substance from the candidate list;
  - for this category, an additional search was carried out with other suppliers using the INIES database. All the documents consulted for this product mentioned the presence of a substance from the candidate list in quantities exceeding 0.1% by mass. As the scope of the study corresponds to around 65% of the French market for this type of product, the Group was able to conclude that there are no appropriate alternative substances or technologies on the market. In addition, the manufacturers have all certified the health compliance of the products in question. This therefore fits the case presented in Article (f) of Appendix C of the aforementioned "taxonomy" regulation: "The activity does not lead to the manufacture, placing on the market or use of: (f) substances [...] that were identified in accordance with Article 59(1) of that Regulation [...] except if it is assessed and documented by the operators that no other suitable alternative substances or technologies are available on the market, and that they are used under controlled conditions." In addition, the concentration of this type of product at the scale of the project is considered to be negligible (less than 0.01% by volume);
  - thus, on the basis of the sample analysed in this study, which is representative of the property development activity under Cogedim and the Group's other brands, the entire Altarea Group's property development activity is aligned with the criterion of the taxonomy as precisely analysed.

(1) *Substances of Very High Concern (SVHC) appearing on the list of candidate substances in application of Article 59 and taking into account the criteria of Articles 57 and 58 of the REACH Regulation (certain substances that are carcinogenic, germ cell mutagenic, toxic for reproduction, persistent, bioaccumulative and toxic, very persistent and very bioaccumulative, endocrine disruptors, etc.).*

Next steps

The Group's development activities have been progressively restructured over recent years in accordance with an ever more exemplary environmental approach. This has enabled Altarea to take the lead in its sector on new and complex issues.

Early this year, two partnerships were signed with trusted third parties on waste management with the aim of:

- ensuring 100% of our projects reuse over 70% of material site waste;
- having a positive effect on the building site ecosystem (companies, service providers, etc.).

These partnerships have been set up for new buildings, with the aim of extending them to renovation activities in 2024.

With regard to REACH, actions are under way to implement an EHDS watch, as from Q2 2024, to monitor the appearance or absence of substances from the REACH candidate list (in concentrations greater than 0.1% by weight):

- checks will be carried out on the EHDSs of products/materials included in the regional standard programming models to confirm the absence of substances from the candidate list;
- checks will be done centrally by the Technical Department. If any substances on the candidate list are found, additional work will be carried out to:
  - inform the supplier/partner to discuss possible substitute products,
  - identify possible alternative products;
- also, to raise the awareness of the operational and purchasing teams on the subject of REACH, they will be given specific training linked to the training on the taxonomy;
- in addition, the risk from hazardous substances on the candidate list will be included in the Group's Responsible Purchasing Charter[1]. A paragraph will be included requiring our partners/suppliers to comply with the REACH regulation and to notify us if any hazardous substances are present in products/materials. This charter is mentioned in all our specification agreed with suppliers and partners.

Lastly, with a view to continuous improvement, the Group's ambition for 2024 is also to:

- train all Group operational staff in the taxonomy and its impacts on our projects, in particular on the subject of climate risks and circularity;
- integrate taxonomy into the processes of the various brands: structural milestones for programmes, commitment committees;
- automate reporting with a view to traceability and auditability.

The taxonomy alignment objectives have also been integrated to the remuneration of the Group's employees[2] and executives[3].

(1) The Group's responsible purchasing charters can be found on the website (in French) at: https://presse.altarea.com/assets/charte-achats-responsables.html

(2) Notably through the Group incentive agreement.

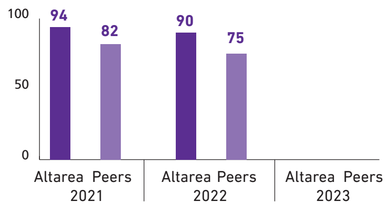
(3) An objective of aligning consolidated revenue has been included in the variable compensation of the Management for the 2023 fiscal year. This resolution was approved by the shareholders at the Shareholders' Meeting of 8 June 2023 ("Say on Pay"resolution).

4.1.7 Extra-financial ratings

Altarea's CSR performance is regularly assessed by extra-financial rating agencies. Analysis of the results obtained allows it to improve its performance on a continuous basis.

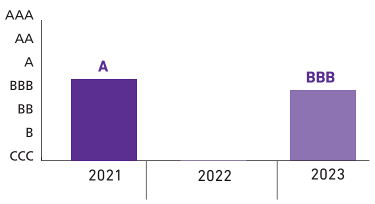
Ratings obtained by agency | **Comments**

GRESB



In 2022, the Group carried out an analysis of the extra-financial rating agencies it reported to. This study, based on the practices of a sample of similar-sized companies and on discussions with stakeholders (investors in particular), led the Group to cease reporting to the GRESB from 2023, in order to focus on other ratings.

MSCI

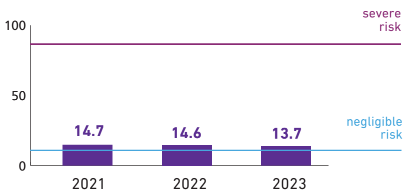


In 2023, MSCI updated Altarea's rating to BBB, in line with the sector average.

This downgrade is due to a slightly lower assessment by the Group on governance issues, which nevertheless remains within the average for the sector.

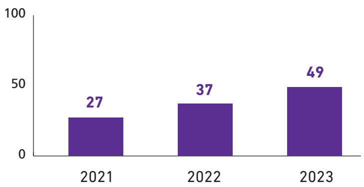
In addition, Altarea continues to outperform the sector average on environmental issues.

SUSTAINALYTICS
a Morningstar company



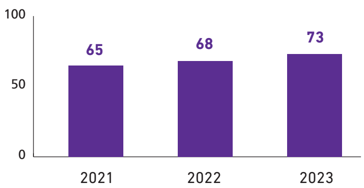
Altarea has maintained a stable rating since 2019 and Sustainalytics rates the Group's ESG risks as "low".

S&P Global Ratings



Altarea continues to improve its rating at S&P and ranks in the first decile of companies in the sector.

EthiFinance ESG ratings



Altarea is also continuing to improve its score as awarded by EthiFinance.

Note: as the valuation methodology has evolved since last year, the track record has been recalculated since Altarea's last Declaration on Extra-Financial Performance.

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.

Pacte Mondial des Nations Unies and Sustainable development goals	Altarea is committed to the Pacte Mondial des Nations Unies 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 Action Climat	Altarea has been a signatory to the Charte Paris Action Climat since 2015, and renewed its commitment to the City of Paris by signing the Paris Action Climat Biodiversity Pact in 2022. Altarea is committed to contributing to the development of a low-carbon economy and the strengthening of nature in Paris.	ParisActionClimat
OID	The Observatoire de l'Immobilier Durable (OID), the sustainable property observatory is an independent general interest association which seeks to promote sustainability in construction. The Group is a founding member. Since April 2023, Altarea has been a partner and member of the strategy committee of Label'ID, an initiative of the OID and the Université de la Ville de Demain whose objective is to improve the skills of all real estate professionals on Sustainable development issues. Lastly, the Group also contributes to the association's publications such as the OID Baromètre de l'immobilier responsable (Responsible real estate survey).	OID Label'ID
Université de la Ville de Demain	Led by the Fondation Palladio, the Université de la Ville de Demain is a movement that aims to build an unprecedented mode of cooperation between public sector, private players and civil society to promote a low-carbon city for all (France Géoénergie. development of family boarding houses, etc.). Altarea is a founding member of this movement. Several initiatives cited in this chapter come from the reflections of the Université de la Ville de Demain.	UNIVERSITÉ DE LA VILLE DE DEMAIN portée par la Fondation Palladio
BIG	Altarea is also 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 the Conseil International Biodiversité et Immobilier (CIBI). 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 Bâtiment Bas Carbone (BBCA) association and takes part in working towards low-carbon construction.	BÂTIMENT BBCA BAS CARBONE
Booster du Réemploi	Altarea is a member of the Booster du Réemploi, an environmental transformation programme for companies that aims to structure and develop demand for reuse materials.	Booster du Réemploi
Booster des ENR&R	Altarea is also a member of the Booster des Énergies Renouvelables et de Récupération, a programme that aims to kickstart use of local energies to create more resilient real estate.	BOOSTER DES EnR&R DU BÂTIMENT
Paris & Co	In 2023, Altarea joined the "Vers une ville Low Tech" initiative of Paris & Co, the innovation agency for Paris and the metropolis. This network of partners is examining ways of designing the city in order to co-build efficient solutions and meet the major challenges of the century.	PARIS&CO

Institut de la Transition Foncière	The Institut de la Transition Foncière is an association of stakeholders in sustainable land management. Altarea is a partner of this organisation alongside other companies, associations, research institutions and public operators.	Institut de la Transition Foncière
Net Zero Initiative 4 Real Estate	Altarea is participating in the Net Zero Initiative 4 Real Estate (NZI4RE) project, which aims to bring together real estate companies and experts to develop a practical guide to carbon neutrality for developers.	
Professional bodies	The Group actively participates in discussions on CSR-related topics at the Fédération des Acteurs du Commerce dans les Territoires (formerly CNCC), the Fédération des Entreprises Immobilières (FEI) and the Fédération des Promoteurs Immobiliers (FPI).	
Charte de la diversité	The Group is committed to the fight against discrimination and has been a signatory of the Charte de la diversité since December 2013.	

4.2 Working as a public interest partner for cities

Scope	Objective/commitment	2023 results	Change 2022-2023	Comment
Property Development	Reduce by 50% per unit area between 2019 and 2035	**1.3 tCO_2e/m^2 (-16% vs 2019)[(a)]**	↘	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	Tend toward zero emissions in scopes 1 and 2 by 2030	**1.4 $kgCO_2e/m^2$ (-85.6% vs 2010)**	↗	A slight increase in carbon intensity compared to 2022 mainly due to the over 150% rise in the emission factor of the market-based residual mix
Neighbourhoods	Systematise ecological diagnostics on new projects	**100% of large urban projects have an ecological diagnostic**	=	The Group systematically refers to an ecologist to promote useful, high quality urban biodiversity
Retail	Ensure 100% of sites have biodiversity action plan and implement initiatives for the portfolio	**100% of sites under management have a biodiversity action plan**	=	The target is met and maintained each year
Retail	Recover over 80% of waste from portfolio	**90% of waste recovered**	↗	Waste recovery is promoted, in particular through composting for restaurants
Residential	Select new land near public transport	**99% of surface areas under development are less than 500 metres from public transport**	=	Proximity to transport links has remained fairly stable since 2016 in Residential, Business property and Retail portfolio. This demonstrates the Group's commitment to projects with good transport links, which offer convenience and low-carbon mobility
Business property (BP)		**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	**74% of building site purchases from local service providers (<50 km)**	=	In 2022, the calculation was refined to better reflect the Group's impacts

(a) In living area (SHAB) for Residential, in floor area (SDP) for Business property and Retail.

4.2.1 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 compared to 2019, 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;
- climate targets integrated into compensation, to involve all employees (both in the profit-sharing agreement and bonus conditions for all Managers).

In 2022, Altarea reviewed the methodology for measuring its carbon performance, particularly in terms of Property Development. GHG 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 also carried out in-depth work to standardise and improve the reliability of the methods used to calculate its GHG emissions. The Group has carried out in-depth work to standardise and improve the reliability of the methods used to calculate its GHG emissions. Project emissions are derived either from life cycle analyses (LCA) - for 17% of operations - or from standard data based on the year of the project.

In 2023, Altarea has undertaken significant work to expand and refine scope 3 to include new types of emissions, in particular for REIT and Corporate activities. The Group now reports on 8 of the 15 categories in scope 3 of the GHG Protocol.

This more robust method, 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).

Finally, adaptation to the effects of climate change is at the heart of policy-making, with the implementation of concrete climate resilience action plans.

4.2.1.1 Overview of Altarea's emissions

Altarea measures its carbon footprint in accordance with the greenhouse gas protocol (GHG Protocol) methodology.

Group emissions in 2023[(a)]

Total Group issues	tCO_2e
Scope 1	1,473
Scope 2 market-based	1,211
Scope 2 location-based	1,282
Scope 3	906,884
TOTAL MARKET-BASED	**909,568**
TOTAL LOCATION-BASED	**909,639**

(a) Property Development, Corporate and full scope REIT.

Scopes 1 and 2 (market-based approach) 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.

This relatively low scopes 1 and 2 footprint in total Group emissions can be explained by the Group's activities (mostly Property Development which has its biggest impact on scope 3) and the low-carbon electricity mix in France. In addition, Altarea mainly uses guaranteed origin renewable electricity in the shopping centres within its CSR reporting scope and at its head office.

Concerning scope 3, the Group includes eight categories identified by the GHG Protocol:

- purchased goods and services;
- downstream leased assets;
- fixed assets (Capex of assets);
- business travel;
- commuting;
- waste created by the business;
- use of products sold (ICe);
- end-of-life of finished products.

Significant voluntary work was done to calculate the GHG emissions from visitors' travel to the assets over the period studied, based on research by the marketing teams of 12 representative assets. The rest of the scope was extrapolated according to the type of asset, footfall and surface area in m^2. GHG emissions related to visitor travel to the assets in 2023 (economic share) amounted to 186,886 tCO_2e. These emissions, over which the Group has only very indirect leverage, are not included in the 2023 reporting.

Emissions from assets in exhaustive reporting scope in 2023

CO_2 emissions	tCO_2e	Comments
Scope 1	407	Gas consumption reduced thanks to the efforts made (energy savings plan ongoing since end-2022)
Scope 2 market-based	748	Use of guaranteed renewable electricity and application of the national residual emission factor
Scope 2 location-based	913	Application of the national emission factor
Scope 3	20,609	
of which tenants	5,385	Based on actual consumption data from 315 tenants
of which new GHG Protocol emissions categories	15,224	Categories added this year: purchased goods and services, fixed assets, commuting and waste from activity
TOTAL MARKET-BASED	**21,765**	
TOTAL LOCATION-BASED	**21,929**	

Concerning the Group's REIT and Retail asset management business, emissions relate to 43 assets under management.

Issues are recognised according to the share of ownership. For assets managed on behalf of third parties, GHG emissions are recorded *via* a specific ratio[(1)].

(1) Ratio based on the "syndic" management fees in the budgets invoiced to assets under management.

Property development emissions 2023

	In tCO_2e			
CO_2 emissions	Total	Residential	Business Property	Retail
Scope 1	1,065	985	63	17
Scope 2 market-based	463	428	27	7
Scope 2 location-based	369	342	22	6
Scope 3	886,275	761,898	82,582	41,794
Of which purchased goods and services (category 1 of the GHG Protocol)	559,926	465,701	64,619	29,606
Of which use of assets sold over 50 years (category 11 of the GHG Protocol)	282,178	259,271	12,979	9,928
Of which other ICc issues	42,145	35,053	4,864	2,228
Of which emissions allocated to Corporate (water, waste, commuting, etc.)	2,025	1,873	120	32
TOTAL MARKET-BASED	**887,803**	**763,312**	**82,673**	**41,819**
TOTAL LOCATION-BASED	**887,710**	**763,226**	**82,667**	**41,817**

Scope 3 emissions in Property Development in 2023 break down as:

- 86% in Residential;
- 9% in Business Property;
- 5% for ground-floor Retail and Retail Property Development assets.

They are recognised by technical and sales percentage of completion[(1)] compared to revenue for the activity.

4.2.1.2 Change in Altarea's emissions

The Group's total greenhouse gas emissions have decreased by 42.8% since 2019.

Taking into account the following effects (*pro forma* calculation):

- scope effects (notably consolidation of Woodeum);
- effects related to methodological changes (scope 3 adjusted to match the corporate and REIT scope).

For GHG emissions have decreased by 45.7% since 2019.

This decrease is due to three main factors:

- voluntary reduction efforts to move towards the decarbonisation of the Group's activities detailed in 4.2.1.5;
- the new requirements of RE2020;
- the fall-off in the economic activity of the Company (in particular the production of housing).

Group GHG emissions In tCO_2e		Chge
GHG emissions 2022	**1,084,478**	
Scope effect (Woodeum, etc.)	65,307	6%
Scope 3 adjustment Retail REIT	16,119	1%
Property Development - volume effect	-144,408	-13%
Property Development - reduction in carbon intensity	-111,844	-10%
GHG EMISSIONS 2023	**909,568**	**-16%**

Thus, the 16% decrease in emissions in 2023 vs 2022 is mainly due to the decrease in development activity (volume effect) due to the real estate crisis (-144 thousand tonnes).

The Group's progress in decarbonisation has helped to reduce emissions by -112 thousand tonnes, thanks to the reduction in carbon intensity per unit area between 2023 and 2022 (the amount of carbon needed to build and use one square meter of real estate).

(1) *Calculation of technical progress excluding land purchase.*

Carbon intensity ratios

Carbon intensity is the amount of greenhouse gases emitted to produce one square metre of surface area or generate one euro in revenue. Comparing emissions to revenue makes it possible to measure the decoupling between the creation of economic value and GHG emissions, a fundamental principle of low-carbon growth.

	2023	2022	2019	Change 2023/2019
Group: emissions in relation to revenue, in $kgCO_2e$/€	335	360	503	-33.3%
Residential: intensity per unit area, in $kgCO_2e/m^2$	1,302	1,422	1,572	-17.2%
Business property: intensity per unit area, in $kgCO_2e/m^2$	1,275	1,372	1,509	-15.5%

Since 2019, Altarea has reduced its carbon intensity by 33% in gCO_2e/€, illustrating the ongoing decarbonisation of the Group's activities.

In the residential scope, the surface area intensity decreased by 17.2% to reach a level corresponding to 1,302 $kgCO_2e/m^2$. This level reflects the average carbon weighting of our inventory of projects.

The percentage-of-completion methodology, resulting in the taking into account of an inventory of projects based mainly on average carbon weightings scheduled in RT 2012.

This improvement in carbon intensity is also linked to the exit from old projects with high carbon weightings (average intensity of 1,512 $kgCO_2e/m^2$) and the integration of new, more efficient projects (1,173 kgCO)2e/m^2 on average), for which LCA data were included in the 2023 calculation

Change in emissions from assets in the exhaustive reporting scope

	In tCO_2e			
REIT	2023	2022	2019 - Reference year	Change 2023/2019
Scope 1	407	363	395	2.9%
Scope 2 market-based	748	654	738	1.5%
Scope 2 location-based	913	872	845	8.1%
Scope 3 (tenants' emissions, category 13 of GHG Protocol)	5,385	5,132	8,386	-35.8%
SUB-TOTAL MARKET-BASED	**6,541**	**6,149**	**9,519**	**-31.3%**
SUB-TOTAL LOCATION-BASED	**6,705**	**6,367**	**9,626**	**-30.3%**
Scope 3 adjustment[(a)]	15,224	15,659	12,268	24.1%
TOTAL MARKET-BASED	**21,765**	**21,807**	**21,787**	**-0.1%**
TOTAL LOCATION-BASED	**21,929**	**22,025**	**21,894**	**0.2%**

(a) New scope 3 emissions categories to align with GHG Protocol: 1. Purchased goods and services, 2. Fixed assets (Capex in the centres), 5. Waste generated by the activity, 6.Business travel, 7. Commuting and 11. Use of sold products (ICe)

Scope 1 emissions are relatively stable.

Scope 2 was impacted by the refinement of the reporting scope. On the market-based approach the change is less significant than on the location-based approach because the majority of assets are supplied with green energy.

The 36% reduction in scope 3 GHG emissions (excluding methodological adjustments) mainly reflects the energy efficiency of tenants (the allocated share of Corporate division is immaterial -4% of the total market-based measure in 2019 and 8% in 2023).

Scope 3 has been expanded and now includes 7 of the 15 categories in the GHG protocol (see 4.5 "Methodology" for details). Significant work was carried out by the teams to recalculate the data for previous years. In 2019 and 2022, this scope was calculated on the basis of actual data for 18 centres representative of our assets and extrapolated using a ratio depending on the type of asset and the number of m^2.

In addition, emissions related to visitors' travelling to our assets were also recalculated *a posteriori* for 2022 (168,882 tCO_2e, *i.e.*more than 7 times the emissions over which Altarea can have a real influence) and in 2019 (179,627 tCO_2e).

These emissions do not fall within the scope of direct action of Altarea, which nevertheless takes measures to help visitors to the shopping centres opt for alternative means of transport (83% of its centres are accessible by public transport, more than 180 charging points will be rolled out in 19 shopping centres by the end of 2024). In 2019 Altarea committed to 75% of visitors using a soft mode of transport to access the shopping centres by 2030.

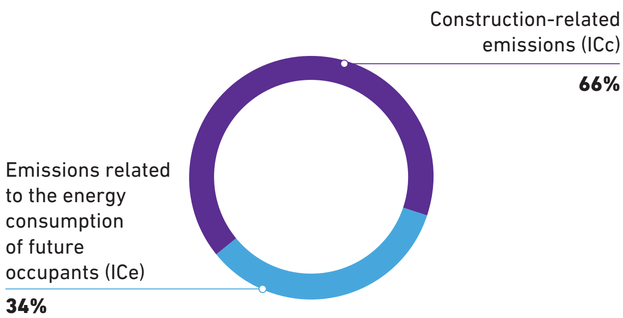
Change in development emissions

	In tCO_2e								
	Residential			Business Property			Retail		
Property Development	2023	2022	2019 - Reference year	2023	2022	2019 - Reference year	2023	2022	2019 - Reference year
Scope 1	985	716	646	63	52	53	17	9	10
Scope 2 market-based	428	456	403	27	33	33	7	6	6
Scope 2 location-based	342	403	366	22	30	30	6	5	6
Scope 3	761,898	915,114	1,041,897	82,582	101,813	314,999	41,794	60,044	194,889
Of which purchased goods and services (category 1 of scope 3 of the GHG Protocol)	465,701	539,661	537,601	64,619	87,917	138,921	29,606	41,592	87,937
Of which use of assets sold over 50 years (category 11 of scope 3 of the GHG Protocol)	259,271	333,839	462,934	12,979	7,206	165,548	9,928	15,308	100,319
Of which other upstream issues	35,053	40,620	40,465	4,864	6,617	10,456	2,228	3,131	6,619
Of which emissions allocated to Corporate	1,873	994	897	120	73	73	32	13	14
TOTAL MARKET-BASED	**763,312**	**916,286**	**1,042,946**	**82,673**	**101,899**	**315,084**	**41,819**	**60,059**	**194,905**
TOTAL LOCATION-BASED	**763,226**	**916,233**	**1,042,910**	**82,667**	**101,895**	**315,081**	**41,817**	**60,058**	**194,905**

The 18% reduction in GHG emissions in Property Development between 2022 and 2023 is partly explained by a volume effect for 7% (reduction in Property Development) and partly by the progress on decarbonisation of the Group's operations with a rate effect of 11% (decrease in carbon intensity per unit area) on the period. A small part of this rate effect is due in particular to the inclusion of actual LCA in the calculation of 2023 emissions.

4.2.1.3 Focus on Residential Property Development emissions

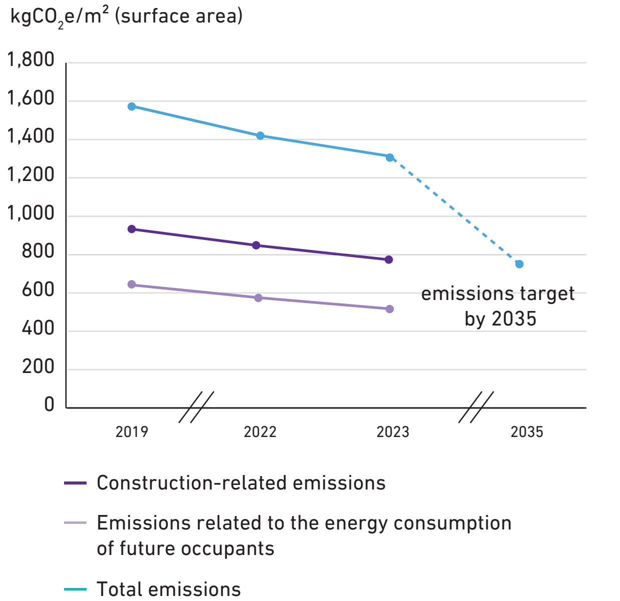
BREAKDOWN OF THE 2023 CARBON FOOTPRINT BY EMISSION CATEGORY FOR RESIDENTIAL



In 2023, the carbon footprint of the Residential business is composed for scope 3 of emissions calculated *via* Life Cycle Analyses on projects. 66% of these come from emissions relating to construction (mainly materials purchases) and 34% from emissions relating to the consumption of future occupants.

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



The 8% decrease in intensity per unit area for housing between 2023 and 2022 is due to an 11% decrease in emissions from the energy consumption of future occupants and a 6% decrease in emissions from construction (including purchases of materials).

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 4.2.1.5).

4.2.1.4 Focus on REIT and Corporate emissions

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 from the energy consumption of assets under management 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 scope and calculation methodology.

The exhaustive reporting scope since 2022 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, on both location-based and market-based approaches. Thus, since 2022:

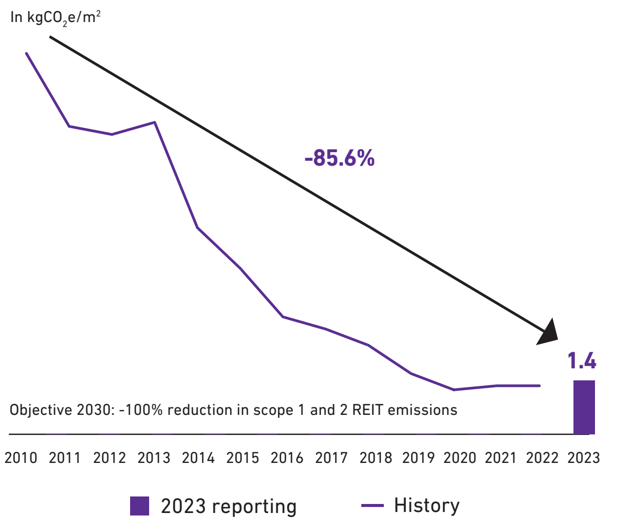
- all managed or owned sites are now consolidated (at their Group share of ownership or at the "syndic rate" for exclusively managed sites);
- consumption of common areas counted at 100%, without reallocating to tenants part of the emissions from the water loop supplying the shops (as was the case in previous years);
- the data are no longer adjusted by a climate correction tool.

Conversely, the historical CSR reporting scope focused only on assets both owned and managed, without taking into account the proportionate share of ownership.

Since 2010, the approach implemented to decarbonise the activities has led to an 85.6% reduction in greenhouse gas emissions in common areas per m² on the exhaustive reporting scope (scopes 1 and 2 market-based).

In part, this reduction in emissions is linked to the Group's drive for energy efficiency. Since 2016, the Group has gradually moved from 50% to 100% green electricity in 2023 for the sites within the CSR reporting scope. The objective is to switch to 100% electricity from renewable sources in the medium term across the comprehensive reporting scope of the Group. Emissions avoided by the use of carbon-free energies will make it possible to reach a first milestone on the way to achieving a 100% reduction in emissions on scopes 1 and 2 across the comprehensive reporting scope in 2030 (market-based). Various decarbonisation solutions are also being studied to deal with incompressible residual emissions.

GREENHOUSE GAS EMISSIONS (SCOPES 1 & 2, MARKET-BASED) OF THE EXHAUSTIVE REPORTING SCOPE



This year, scopes 1 and 2 carbon intensity per unit area on the market-based measure of the exhaustive reporting scope was up slightly by 6.8%. compared to 2022. This was largely attributable to a more than 150% increase in the emission factor of the residual mix on the market-based approach. The result was a sharp rise in greenhouse gas emissions from consumption not

In the last four years, the carbon intensity per unit area of scopes 1 and 2 has reached its lowest level since 2010. The fall reflects a higher proportion of green energy supplies to the centres and has a visible effect despite the methodological changes that could be penalising (inclusion of all emissions from water loops, no climate correction tool from 2022, etc.). In addition, the sites are making significant efforts to reduce their consumption. In the winter of 2022/2023, the Group rolled out an energy saving plan and implemented many projects that then ran throughout the year. For instance, the sites L'Avenue 83 (La Valette-du-Var) and Qwartz (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 2023 (exhaustive reporting scope)	925	1.4
GHG emissions on market-based measure in 2022 (exhaustive reporting scope)	819	1.3
GHG emissions on location-based measure 2023 (exhaustive reporting scope)	1,103	1.6
GHG emissions on location-based measure 2022 (exhaustive reporting scope)	1,046	1.6

Corporate

Emissions from the Group's head offices and employee travel represent a total of 4,090 tCO_2e.

At the REIT, scope 3 has been adjusted to include the following types of emissions: waste, purchases of consumables and commuting by employees.

They are allocated to each activity (Property Development, REIT) in proportion to the workforce.

4.2.1.5 Altarea's approach to combating climate change

Mobilisation of the entire Company

Altarea wants to become the leader in low-carbon urban transformation:

- with the Woodeum x Pitch merger, the Group has created a major player in low-carbon construction, notably with CLT (cross-laminated timber) frame construction. The brand is committed to producing RE2028 projects at least starting this year;
- Altarea also has major know-how in refurbishment, thanks in particular to the experience of Altarea Entreprise and Histoire & Patrimoine;
- 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.

Reducing scope 1 and 2 emissions: the energy performance of the Group's assets

THE GROUP'S COMMITMENT TO ITS ASSETS

In 2016, the Group committed to reducing scopes 1 and 2 emissions by 70% CSR between 2010 and 2020. The Group is aiming for a 100% reduction in emissions on scopes 1 and 2 across the comprehensive reporting scope in 2030 (market-based).

In order to reduce greenhouse gases emissions, it is essential to design and operate buildings in an energy-efficient way.

Retail

On the comprehensive reporting scope, the total consumption of common and private areas served by the loop in 2023 was 80.4 GWh of primary energy. On the CSR reporting scope comprising owned and managed French assets, which is identical between 2022 and 2023, consumption was 49.6 GWh (*versus* 52.3 GWh in 2022). This 5.1% decrease on 2022 is mainly due to the launch of the energy savings approach. In accordance with the energy efficiency objectives set by the Government, the Group has defined measures to reduce energy consumption and avoid likely cuts in the event of a crisis. These include the reduction of light intensity, temperature, etc. and were continued throughout 2023.

In addition to this approach, this year Altarea continued two initiatives that enabled it to reduce its energy consumption:

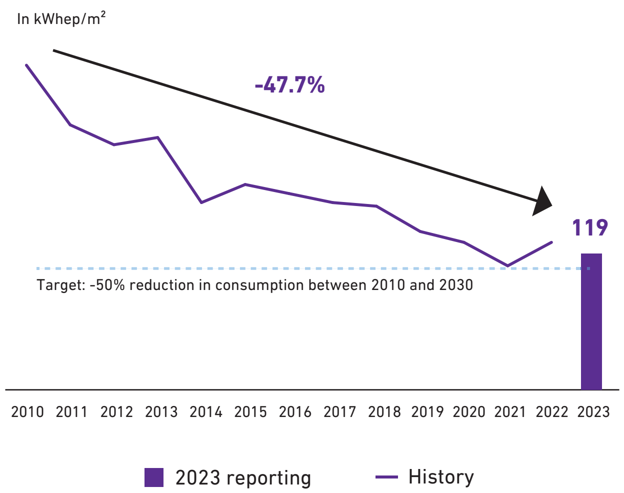
- the energy and carbon master plan: the first energy audits were carried out in 2013 on all shopping centres within the CSR reporting scope. The master plan was drawn up in 2017 and allowed the Group to take stock of the progress of reduction efforts. In practical terms, for each centre an action plan had been 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 assets in the CSR reporting scope underwent a new energy audit in 2022;
- the deployment of the environmental management system (EMS) across the entire CSR reporting scope: 100% of technical and operational teams received training. The EMS has been deployed since 2014 and provides for gradual improvement of the environmental performance of shopping centres by spreading best practices in operations and reporting.

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. These relate to the common and private areas of centres within the exhaustive reporting scope:

- a target of a 40% reduction in primary energy consumption per m^2 on the CSR reporting scope of 2010 to 2020, and a 50% reduction in final energy per m^2 on the exhaustive reporting scope between 2010 and 2030;
- aim for a 70% reduction in greenhouse gas emissions per m^2 on the CSR reporting scope from 2010 to 2020, then aim for a 100% reduction in scopes 1 and 2 emissions for the comprehensive reporting scope (market-based) in 2030.

Following the methodology for calculating energy consumption, the monitoring of this indicator and the achievement of these objectives now covers the entire common and private areas served by the loops of shopping centres within the comprehensive reporting scope. This is consistent with the evolution of the Group's business model, which is increasingly expanding into asset management.

ENERGY CONSUMPTION OF SHARED AND PRIVATE SPACES SERVED BY THE EXHAUSTIVE CSR REPORTING SCOPE



At the end of 2023, on the exhaustive reporting scope, this energy management process resulted in a 47.7% reduction, compared to 2010 levels, in primary energy consumption per m^2 of floor area for shared and private areas served by the shopping centre network.

It should be noted that, between 2022 and 2023, consumption fell by 8.5% over the same comprehensive reporting scope. This was partly because 2022 coincided with the full resumption of commercial activities, and therefore higher energy consumption, after a year in 2021 still affected by lockdowns and curfews. In addition, the actions carried out as part of the energy saving approach have drastically reduced energy consumption. Many sites have replaced their old installations, such as lighting replaced with LED lights, or have adjusted the operating hours of their technical equipment.

In 2023, energy intensity per unit area is also slightly higher than in 2021, the record year since 2010 when this indicator was first used. This confirms the Group's commitment to achieving its objectives.

The energy supply to common and private areas served by the loop in shopping centres within the comprehensive reporting scope was 94% electricity in 2023, and French electricity is low in carbon. The Group aims to supply the whole its comprehensive reporting scope with green electricity in future.

Energy consumption in common and private areas served by the REIT loop

		GWhfe	GWhpe	kWhpe/m²
Exhaustive reporting scope	Energy consumption 2023	37.9	80.4	119
	Energy consumption 2022	38.9	83.1	130
CSR reporting scope	Energy consumption 2023	23.7	49.6	110
	Energy consumption 2022	25.2	52.3	119

Corporate

The figures below show the main consumption indicators for 87 Richelieu, the Group's registered office.

Head office energy consumption

	Unit	2022	2023	Unit	2022	2023
Electricity	GWhfe	3.14	2.89	GWhpe	7.23	6.65
Heating network	GWhfe	0.80	0.70	GWhpe	0.80	0.70
Cooling network	GWhfe	1.11	0.92	GWhpe	1.11	0.92
Total	**GWhfe**	**5.04**	**4.51**	**GWhpe**	**9.13**	**8.26**
Consumption per unit area	kWhfe/m²	190	170	kWhpe/m²	345	312
Average consumption per employee	kWhfe/FTE	4,552	3,712	kWhpe/FTE	8,238	6,807

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

66% of the Group's emissions are related to construction materials. This item is strategic and directly affects the Group's core design business.

Reducing the footprint requires multiple solutions and involves a real transformation of design. Among them:

- renovation: the Histoire & Patrimoine subsidiary is dedicated to renovations, and the Business property activity has developed major expertise in restructuring, particularly in the Paris Region, as evidenced by the 87 Richelieu building, the Group's new head office. Reusing the superstructure and foundations reduces emissions by around half;
- economical building design: improving their compactness to consume less materials;
- the substitution of materials whose manufacture emits significant amounts of CO_2 using less carbon-intensive materials, such as biosourced materials (wood in particular) or more low-carbon concretes (wood-based concrete, earthen concrete, "low-carbon" cement, etc.). This leverage is particularly true for the Group's new brand Woodeum x Pitch, a major player in low-carbon construction, in particular *via* CLT timber frame construction. The brand is committed to producing RE2028 projects at least starting this year;

- since 2022, RE2020 has come into force for new Residential projects and requires that construction materials do not exceed set carbon intensity ceilings. This has been accompanied by the general use of LCA, which enables Altarea to deepen feedback and improve the skills of the teams.
- the development of high-quality, modular and reversible projects that help to save resources and so reduce the carbon footprint (see 4.2.3).

Reducing the second largest source of emissions: managing energy to reduce greenhouse gases emissions

Emissions related to the consumption of future occupants of projects sold by Altarea represent 31% 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 and users. 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;
- low-carbon energy supply: heat pumps, district heating;
- the use of renewable energies when possible (geothermal energy, solar energy integrated into the building, wood-fired boiler room, etc.). In 2023, 69% of Business property projects used renewable energies and 37% generated them on-site;
- raising awareness among occupants and users: to expand the system: the Residential teams distribute a booklet to all buyers, with practical advice for better use of the home (energy savings in particular).

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 the RT2012, and is intended to accompany targets for carbon emissions linked to the energy consumption of projects. In a number of projects, the Altarea Group goes beyond regulations to anticipate future regulatory thresholds.

The energy efficiency has been systematically improved for refurbishment projects.

Business property

As in Residential, RE2020 came into force in 2022 for new projects and sets demanding standards. In addition, for projects not subject to RE2020, the Group seeks to achieve a superior level of energy consumption to the applicable regulations.

Thus, in 2023, 99% of Business property projects exceed regulatory requirements by more than 30%. What is more, in 2023, energy savings exceeded the applicable regulations by an average of 44% (by surface area). These figures have been stable since 2017, reflecting the Group's ongoing commitment.

Finally, there is a universal commissioning process to ensure the proper commissioning of technical equipment (in particular heat and cooling production and emission systems) and the achievement of planned performance.

Retail

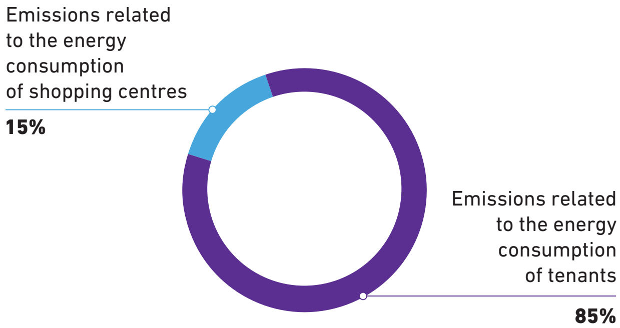
The energy consumption of buildings depends on their design but also on their use and management. As such, for Retail projects under development that undergo environmental certification, Altarea goes beyond regulatory requirements for metering and makes dedicated equipment available to occupants to permit accurate energy monitoring. 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.

Regarding its assets in operation, 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). In 2023, the total consumption of Altarea Commerce and its tenants is thus 435.2 GWh of primary energy, and 393 kWhpe/m^2 in intensity per unit area over the comprehensive reporting scope.

These extrapolated data are used to calculate the scope 3 GHG emissions of the Retail business.

BREAKDOWN OF THE CARBON FOOTPRINT RESULTING FROM ENERGY CONSUMPTION IN 2023 BY EMISSION CATEGORY FOR THE REIT



For REIT, tenants' consumption (scope 3) is the source of 85% of emissions related to energy. The rest, which is the direct responsibility of Altarea (scopes 1 and 2 GHG emissions from the energy consumption of the common and private areas served by the network) represents 15% of the emissions.

Going further: a key player in low-carbon cities

To contribute to reducing the emissions related to the travel of the occupants and users of its projects and assets within its scope of responsibility, Altarea designs projects 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 4.2.4);
- in addition, Altarea offers complementary sustainable mobility solutions. For instance, Cogedim 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 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. In 2023, five sites deployed charging infrastructure for electric vehicles. These ultra-fast charging stations have delivered nearly 220 MWh to charge electric vehicles, and saved more than 175 tCO_2e in total. 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 head office: a limited number of parking spaces and a mobility pack.

4.2.1.6 Adapting projects to the impacts of climate change

In recent 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

In addition to the analyses carried out at Group level, individual brands now systematically conduct adaptation studies for each project (in particular concerning physical risks), using dedicated tools (Bat-ADAPT (Sustainable Real Estate Observatory), Resilience (CERQUAL), etc.).

In addition, since 2020, Cogedim has designed and rolled out an adaptation action plan, involving the technical, product, CSR and customer teams, among others. This detailed guide to summer comfort solutions was fully revised in 2022 to bring technical solutions into line with RE2020, which sets new requirements for summer comfort.

Lastly, the Group is also working on combating the phenomenon of urban heat islands, by incorporating for some projects 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 foreign assets and those managed on behalf of third parties. In 2023, the comprehensive reporting scope was the subject of this analysis of climate risks. The audit makes it possible to address issues related to physical climate risks that could directly impact the asset portfolio, but also to look at transition risks, which are of particular concern to all of the Group's stakeholders. This analysis includes a diagnosis of the physical and transition risks affecting assets under management along with an estimate of the costs of inaction (financial, operational and reputational) for the Group. It will be followed up with an on-site audit, accompanied by a detailed action plan to improve climate resilience, for all Altarea Commerce sites in the medium term.

4.2.1.7 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.

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.

The CSR team, which reports to a member of the Executive Committee, is in charge of climate issues, including risk analysis:

- 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. The Climate risk map was updated in 2023;
- as part of the preparation of its transition plan, the Group monitors risks related to mitigation issues. As part of the application of RE2020 and the anticipation of the various thresholds, the Group has thus quantified the short- and medium-term impact of the decarbonisation of its housing production;
- an in-depth assessment of physical risks was carried out on the portfolio and the areas where development projects are located. In 2023, the Group rolled out out physical risk studies for all its property development programs, and conducted a specific study on its main assets (risk of adaptation and establishment of action plans).

2. Strategy

Short-, medium- and long-term risks and opportunities, and impact of these risks on strategy and operations

Altarea defines the short-, medium- and long-term maturities according to the CSRD criteria:

- short-term (1 year);
- medium-term (1 to 5 years);
- long term (more than 5 years).

Altarea's business, city building, is a long-term business. The Group therefore systematically considers the long-term consequences of its choices, since its buildings and neighbourhoods are intended to operate for at least 50 years. 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 risks (from the DPEF)	Potential impacts for the Group	Actions taken
Transition risks As the property and construction sector is responsible for around a quarter of emissions in France, it is directly concerned by the requirement to reduce greenhouse gases emissions and by future regulations. The risks are: ■ 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; ■ Companies with no transition plan find it harder to access debt.	■ Ongoing definition of short-, medium- and long-term carbon trajectories for each business line; ■ Anticipation of costs in business plans; ■ Regulatory watch; ■ Monitoring the expectations of stakeholders: local authorities, elected officials, individual customers, investors, etc.; ■ Acquisition of a major player in low-carbon construction, Woodeum, subsequently merged with Pitch Immo to create a leading player in low-carbon real estate; ■ Development of energy renovation skills (Histoire & Patrimoine, Jouvence, etc.); ■ Strategic diversification into New businesses (renewable energies, data centers, urban logistics, etc.).

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, buildings and their residents.	**Short- and medium-term** ■ Damage to Group assets; ■ Loss of comfort for occupants, with a particular risk for senior residences; ■ Construction delays; ■ Fewer building permits issued (particularly in water-stressed areas); ■ Additional costs related to different construction techniques. **Medium- and long-term** ■ Impairment of Property Development activities and portfolio.	■ An in-depth assessment of physical risks was carried out in 2019 on assets under management and the areas where development projects are located (according to two IPCC scenarios: one optimistic (RCP4.5), and one pessimistic (RCP8.5). In 2023, the Group rolled out physical risk studies for all its property development programs, and is conducting a specific study on its main assets (adaptation risk and establishment of action plans); ■ Summer comfort approach in Cogedim's housing design; ■ Permanent monitoring by product teams to adapt the offer.
Opportunities	**Short- and medium-term** ■ Capture markets (customer demand for environmentally-friendly buildings); ■ Capture financing through borrowings linked to sustainable low-carbon performance (sustainability loans).	■ Increased contact with the entire sales network to highlight low-carbon and ecological projects (in-depth training of salespeople, more systematic rating of programmes' CSR characteristics, etc.); ■ Altarea signed the first "EU Taxonomy linked loan" in the French real estate sector, with Crédit Agricole Corporate and Investment Bank. This is a €200 million corporate bank loan with a five-year term and includes a clause aligning revenue with the european taxonomy that may result in a bonus (or penalty) margin based on performance.

Focus on products and services

The RE2020 and its various thresholds impose a generalised change in the design of buildings, with a low-carbon approach, even greater energy efficiency and summer comfort conditions. In the medium to 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:

With the Woodeum x Pitch merger, Altarea created a leader in low-carbon real estate. In addition, in all its brands, the Group is anticipating future developments by multiplying low-carbon experiments: low-carbon materials (wood, bio-sourced), use of renewable energies, implementation of local heating networks, design optimization, 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.

Altarea is also a member of many innovative low-carbon transformation initiatives, such as Booster des énergie renouvelables et de récupération or the Booster du réemploi, which keep it up to date with best market practice.

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.

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.

Link between climate and value creation

Altarea has taken stock of climate issues and is positioning itself as a leader in low-carbon real estate. 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.

Finally, the Group is constantly on the lookout for green financing. It is already taking climate issues into account in its acquisition or divestment policies: Altarea is positioning itself in new activities related to the energy transition, such as the development of renewable energies or energy renovation. The Group also signed the first "EU Taxonomy linked loan" in the French real estate sector with Crédit Agricole Corporate and Investment Bank.

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, 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. This Group's market is huge and not threatened by climate issues, given people's need to be housed, to work, to consume, etc.. 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.

Additional work in preparation for the CSRD was started in 2023.

4. Indicators and targets

The indicators monitored are detailed in this chapter. 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 by assets under management, etc. The methodologies used are presented in Chapter 4.5.

4.2.2 Preserving biodiversity and soil

Combatting urban sprawl and the artificialisation of the soil and protecting biodiversity, including in the city, 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 an important factor for residents' well-being. Customers have high expectations for services provided by nature, such as limiting the heat island effect and cooling buildings.

Altarea structures its approach around the concepts of services provided by nature and co-benefits: sustainable welcome for biodiversity, sense of well-being, refreshing effect, etc.

The Group's action is organised around the following principles:

- preserving natural spaces and avoiding artificialisation and waterproofing thanks to good land use, densification and open land;
- protecting existing biodiversity and developing high-quality, interconnected green spaces through widespread use of ecologists;
- promoting nature in the city to prevent the effects of climate change, particularly heat islands in the city, and provide well-being and comfort to customers and users;
- having a good management of water resources, allowing infiltration and promoting permeable spaces.

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 (CIBI)'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 THE QUARTIER DES HIRONDELLES IN ANNECY

With 675 new housing units, including 226 social housing units, the creation of the Quartier des Hirondelles is a major urban transformation operation for Annecy. By committing to developing green and shared spaces, preserving biodiversity and managing natural resources responsibly, Cogedim reconciles a sustainable vision of architecture and the daily well-being of its residents. The presence of channels to collect rainwater, the care taken in landscaping and the creation of soft or exclusively pedestrian traffic routes are concrete examples of this. The buildings were designed to promote harmonious dialogue with nature, sometimes enacted on their roofs and floors.

Residential and Business property

Preserving natural spaces and avoid 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 2023, 62% 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.

Altarea Logistique's business can be a source of significant soil artificialisation. Although it is a land-intensive business, Altarea Logistique systematically compensates by going beyond regulations in creating habitats and roosts on the land around its projects to preserve species, restore wetlands and support local agriculture. For example, at the Bollène site, the project covers more than 26 hectares. After consultation with the prefecture, the Regional Department for the Environment, Planning and Housing of the PACA region and the Departmental Office for Territories, a compensation of 20 hectares was carried out.

From 2024, Cogedim will systematically measure the biotope area factor (BAF) on its projects. This factor defines the proportion of green surface area (planted or good for the ecosystem) out of the total surface area of a plot under consideration for a construction project (new or renovation). This will enable the Group to measure and control its artificialisation.

Protecting biodiversity and ecosystems

The Group pays particular attention to maintaining or enhancing the fauna and flora present.

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.

These requirements also apply to the Group's New businesses, such as Logistics, which uses ecologists. In the Bollène project, fauna and flora inventories were created to identify protected bird species in the work area. A range of work was done in collaboration with ecologists to make the building sites less disruptive for these species by recreating their natural habitats or reducing light exposure.

Fostering nature in the city

Vegetation limits urban heat islands thanks to its cooling power. 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 COVID-19 pandemic, with its successive lockdowns, has reinforced contact with nature 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 2023, 98% of Cogedim 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. In Montpellier, for example, the Orion Sky programme offers a shared roof terrace with trees.

Promoting water infiltration

With an effective rainwater management plan, planted areas, in particular open ground, make it possible to limit discharges into networks. Cogedim has undertaken to create permeable parking spaces so that water can feed through into the soil.

PRESERVING 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

Preserving natural spaces and avoiding 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, the extension of La Vigie in Geispolsheim and the renovation of 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 ecosystems

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® certification, 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

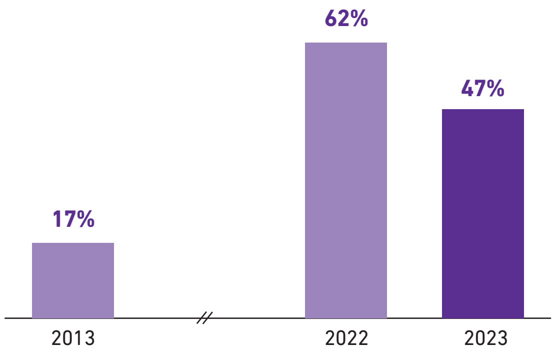
Inaugurated in 1969 in Saint-Laurent-du-Var, one of the first shopping centres in France, CAP3000 completed a major refurbishment and extension at end-2019, which is subject to very high environmental standards in terms of biodiversity. The project incorporated biodiversity in its governance from the 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 CSR reporting scope – 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 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.

CHANGE IN AVERAGE BREEAM® IN-USE SCORE, LAND USE & ECOLOGY



The average score for Land Use & Ecology under the BREEAM® In-Use standard - over the CSR reporting scope of - is down on 2022 because BREEAM® has tightened up its requirements. However, it stands at 47% 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 La Vigie shopping centre in Geispolsheim inaugurated its 10,000 m^2 extension, built entirely on the car park having called in a dedicated ecologist to renature this artificial space to promote local biodiversity.

Fostering nature in the city

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.

The Group's shopping centres have also worked proactively to protect nature, by implementing various initiatives. For example, the Family Villages of Limoges and Nîmes Costières Sud, and the Espace Gramont (Toulouse), have supported plant biodiversity by planting trees of local species or creating flower meadows. Various shopping centres, such as Bercy Village (Paris), Reflets Compans (Toulouse) and Qwartz (Villeneuve-la-Garenne) have set up bird nesting boxes and insect hotels to promote animal biodiversity.

4.2.3 Promoting the circular economy and resource conservation

The construction sector (building and public works) accounts for 70% of waste production in France[1]. Aware of this, the Group has embarked on a long-term reflection on better management and use of natural resources, the reuse or limitation of waste, as well as the integration of eco-design practices in its projects (use of alternative channels, extension of the building's lifespan, more intense use, etc.).

The construction sector also plays a major role in the consumption of natural resources (sand, metals and minerals, timber, water, etc.).

It is therefore necessary to rethink the design of operations and the use of resources. 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.

(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.*

Residential and Business property

Renovation

In Residential, Histoire & Patrimoine has specialised for nearly 20 years in the renovation 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 2023, this activity represented nearly 230,000 m^2 of refurbishments in progress or completed during the year. The Group's other Residential brands also engage in occasional renovations, when the project lends itself to it.

In Business property, Renovations are more frequent in the Paris Region, where they accounted for 62% of projects in 2023 (by surface area), a figure that has exceeded 30% since 2015.

Reuse

BOOSTER DU RÉEMPLOI

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. 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.

In parallel with this work on specific projects, Cogedim and the CSR Department worked in 2023 on internal guidelines to promote the reuse of materials in the common areas of its projects.

In addition to actions related to the Re-use Booster, Altarea regularly reuses certain materials (excavated soil, crushed concrete, etc.) for backfill.

Use of renewable materials

The Group uses sustainable materials in some projects. All Woodeum's projects are built of Cross Laminated Timber (CLT) from sustainably managed forests. In the Group's other brands, projects occasionally use bio-sourced materials.

Reduction, sorting and recovery of construction waste

Altarea began a process to improve its site waste management several years ago. This process has resulted in the development of low-nuisance site charters, which must be signed by companies working on the Group's building sites and which aim to reduce the volumes of waste and improve waste sorting and recovery.

Complementing this approach to improving practices, the Group is gradually improving the quality of reporting related to waste, in line with the taxonomy objective of 70% minimum material recovery. Thus, in 2023, Cogedim struck a partnership with Waste Marketplace to encourage transparency in the monitoring of waste from its building sites.

In 2023, all projects under development were covered by their own clean site charter.

90% of waste from Business property building sites is recovered, of which 82% is material[1]

Energy savings

Altarea develops energy-efficient projects, sometimes using renewable energies (see 4.2.1). This helps save energy and, ultimately preserve resources.

Responsible water management

The Group recognises the crucial importance of the sustainable management of water resources in protecting nature and biodiversity. Aware of the growing challenges related to water stress in certain regions, the Group is committed to taking measures to minimise its impact on aquatic ecosystems.

With this in mind, Altarea is implementing a series of actions to reduce its water consumption and promote the responsible use of this precious resource. As such, since 1 January 2023, all homes have water-efficient equipment and installations.

In addition, the Group is raising awareness of water conservation among its internal and external stakeholders.

Quality, modularity and reversibility of projects

The Group is developing high-quality (see 4.3.2 and 4.3.3) modular projects. Similarly, some projects, particularly in Business property, are reversible: the building can be transformed to change its use, without needing to be demolished and rebuilt. This reduces the risk of project obsolescence and contributes to saving the economy of the resources used in their construction.

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.).

Within the CSR reporting scope, the breakdown of waste from assets under management is 61.5% for mixed non-hazardous industrial waste, and 38.5% for cardboard and other sorted waste. Thanks to the initiatives implemented, the proportion of sorted waste in the same scope has increased by 8.5 percentage points since 2010.

(1) Indicator coverage rate: 31%.

Over the last five years, the Group has been close to its target of 50% of waste sorted and continues its eff orts to meet it. To this end, Altarea began work on the circular economy in 2022. Concerning waste management, a guide for shopping centre Managers was released in 2023, and another guide for tenants is in the pipeline. These aim to share best practices and so manage waste better.

Increasing recovery

The Group also looks for the best service providers to recycle, recover and ensure the traceability of waste. In 2023, 29.1% of the waste produced in shopping centres in the Group's CSR reporting scope was recycled, 50.9% was incinerated with energy recovery and 10.4% was recovered in another way (reuse or composting, for example). In all, 90.4% of waste is recovered, the remaining 10.6% 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 2024. With this in mind, the Group has researched an action plan for early compliance by the retailers in its centres. At the end of 2023, more than 480 tonnes of waste generated in the shopping centres within the CSR reporting scope was composted or methanised. This follows the roll-out of the action plan aimed at optimally managing and recovering bio-waste from assets under management.

Change in waste production and management in the portfolio

	Tonnes	kg/visitor	% sorted	% recovered
Waste generated 2023	6,823	0.08	39%	90%
Continuous target for sorting and recovery			**50%**	**>80%**
Waste generated 2022	7,496	0.10	32%	84%
Change 2022-2023	-9%	-20.4%	+19.3%	+7.6%

Waste generated by treatment channel

	2019	2022	2023
Total volume of waste generated	**4,855.4 t**	**7,496.3 t**	**6,823.4 t**
Volume of waste sorted	1,669.7 t	2,420.6 t	2,629.6 t
Volume of waste recovered	4,384.6 t	6,294.6 t	6,164.9 t
Of which (by volume)			
Reused	*2.8 t*	*6.1 t*	*5.2 t*
Recycled	*1,430.7 t*	*1,998.7 t*	*1,984.9 t*
Composted	*23.8 t*	*231.2 t*	*322.0 t*
Methanised	*34.2 t*	*39.9 t*	*60.7 t*
Incinerated with energy recovery	*2,621.6 t*	*3,958.1 t*	*3,475.0 t*
Otherwise recovered	*271.4 t*	*60.6 t*	*317.1 t*
Unrecovered waste	470.8 t	1,201.7 t	658.5 t
Incinerated without energy recovery	*0 t*	*0 t*	*0 t*
Sent for landfill	*470.8 t*	*1,144.1 t*	*620.2 t*
Otherwise not recovered	*0 t*	*56.4 t*	*38.3 t*

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, committees meeting with collect-and-reuse providers and regular briefing notes).

RAISE STAKEHOLDER AWARENESS OF WASTE MANAGEMENT

Some sites are developing their own awareness tools for tenants. From January 2023, the Espace Gramont centre in Toulouse hosts a clothing donation stand one Saturday each month in partnership with Secours Populaire. Nearly 5 tonnes of clothing was donated between January and December 2023. Visitors and retailers have participated in donations to the association in need since the success of the second-hand resale sites. Bercy Village also cooperated with Secours Populaire by collecting clothes and toys.

The La Vigie (Geispolsheim) site also implemented several waste sorting measures. An awareness-raising meeting was held with the centre's retailers, and information notes were distributed. A new waste collection and recovery service provider was selected, which made it possible to handle new types of waste from the centre's tenants.

Water consumption by assets under management

Altarea monitors and analyses the water consumption of the common areas and retailers of its centres within its CSR reporting scope on a monthly basis. This makes it possible to prevent and respond to any anomaly.

Water consumption by assets under management

	m^3 (common and private areas)	L/visitors (common area)
2023 water consumption	350,423	1.44
2021 water consumption	251,048	1.12
Change 2021-2023	+ 39.6%	+ 27.8%
2010 water consumption	284,609	0.58
Change 2010-2023	+ 23.1%	+ 147.1%
Objective 2020: maintain ratio per visitor		**1.25**
Objective 2030: maintain ratio per visitor		**1**

Data for 2022 are not available, so the comparison is with the data for 2021.

In 2023, the increase in water consumption is explained by a return to business as usual following a year in 2021 still affected by COVID measures. It should be noted that 2023 was affected by several events explaining the high consumption of water in common areas: leaks fixed during the year, pressure washing of common areas, etc. Centres, however, take a range of actions to reduce water consumption. For example, Avenue 83 (La Valette-du-Var) has shut down the fountains and sprayers in its alleys, saving water in an area particularly vulnerable to water stress. The Costières Sud Family Village (Nîmes) has also installed water sub-meters to monitor water consumption more closely and anticipate the slightest leak.

Corporate

Waste generated by the head office

The operating contracts at the Group's head office, 87 Richelieu, 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.

Quantity, sorting and recovery of head office waste

	2022	2023
Total volume of waste generated (t)	**58.57**	**60.47**
Total volume of waste generated (kg/m²)	2.21	2.28
Total volume of waste generated (kg/ETP)	52.86	49.81
Total volume of waste sorted and recovered materials (t)	**30.97**	**30.32**
% of waste sorted and recovered materials	53%	50%
Total volume of waste incinerated with energy recovery (t)	**27.60**	**30.16**
% of waste incinerated with energy recovery	47%	50%

The ratios for the quantity of waste produced are in line with the average for offices[1].

Water consumption at the head office

The Group's head office has water-efficient equipment; the figures below show its water consumption data.

Head office water consumption

	2022	2023
Water consumption (m^3)	**14,999**	**9,137**
Water consumption (m^3/m^2)	0.57	0.34
Water consumption (m^3/ETP)	14.00	7.53

The water consumption ratios for 2023 are in line with the average consumption for offices[1] (the excess water consumption in 2022 was due to a leak).

4.2.4 Develop desirable urban projects with a positive impact

As an urban developer, Altarea shapes the living environment of millions of users and bears considerable responsibility for the future of the regions where it operates. This is in the context of the following challenges and opportunities:

- first, environmental issues (climate change, biodiversity, natural resources, etc.) are a major concern for society;
- second, 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 meet the needs of all and everyone; and
- finally, diversity (social, intergenerational, etc.) and solidarity are essential to the cohesion of the regions.

Providing solutions to these underlying trends is an essential challenge for Altarea if it is to meet the expectations of local authorities and make a positive contribution to regional transformations.

Despite the profound upheavals rocking the real estate sector in 2023, Altarea is adapting thanks to its integrated model, its operational agility and its robust balance sheet. In these circumstances, how the Group responds to these new challenges will determine its success.

With the mission of putting the general interest of the city at the heart of its projects, the Group's operations meet 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. This is the "quarter-hour city", which 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.

Desirable urban projects

The density and diversity of the city

The Group has developed a skills platform covering all real estate asset classes. Thanks to its integrated model and its global vision of urban issues, Altarea is able to meet all the needs of the city.

(1) Observatoire de l'Immobilier Durable - Baromètre de la performance énergétique et environnementale - December 2023.

THE TOULOUSE GUILLAUMET NEIGHBOURHOOD

The Quartier Guillaumet urban renewal project, which Altarea is co-developing with Crédit Agricole Immobilier, is located on a former military industrial wasteland, previously occupied by the Toulouse Aeronautical Test Centre. Launched in 2018, the project was the subject of an ambitious consultation process. More than 1,000 local residents or associations took part, contributing to the design of the district. Five guiding principles were then adopted:

- reconnection of the site with the surrounding neighbourhoods;
- preservation of green spaces;
- conservation of the site's sporting heritage;
- creation of a central neighbourhood;
- preservation of the site's memory.

The key figures for this project are as follows:

- 1,200 housing units;
- 8,500 m² of offices;
- 5,800 m² of shops and services;
- 5.9 hectares of green spaces (including a 1-hectare public garden);
- 9,000 m² of facilities open to the public (including a nursery, sports facilities, eco-responsibility and event venues).

The Group introduces diversity at the earliest possible stage in its developments. For example:

- by developing shops on the ground floor thanks to the AltaProximité team. These retail outlets help liven up the region and boost housing projects. AltaProximité'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 promoting access to housing for all, which in 2023 meant reviewing our housing formats to make them more attractive and closer to customer expectations, particularly in terms of size (more compact). The Group also works with social housing operators: the reduced VAT offer and sale of housing to social landlords represented 52% of new orders in 2023;
- 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 Nohée brand (formerly Cogedim Club) or by participating in the development of intergenerational housing, in partnership with Habitat et Humanisme.

Proximity to transport links

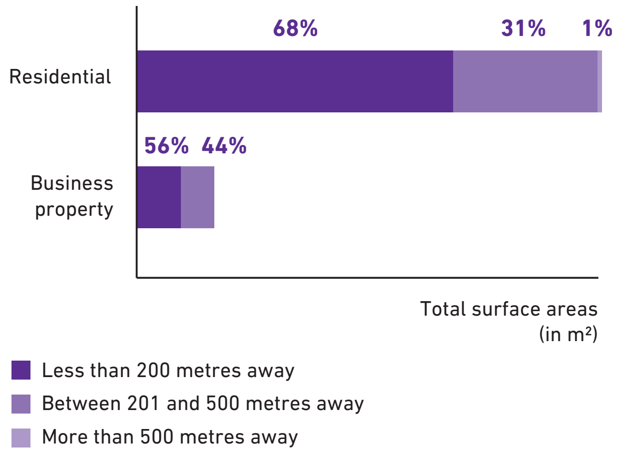
Projects' location and the close connections to transport links are crucial issues.

For its new projects, in all its business lines, Altarea is committed 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, through the provision of electric vehicle charging stations.

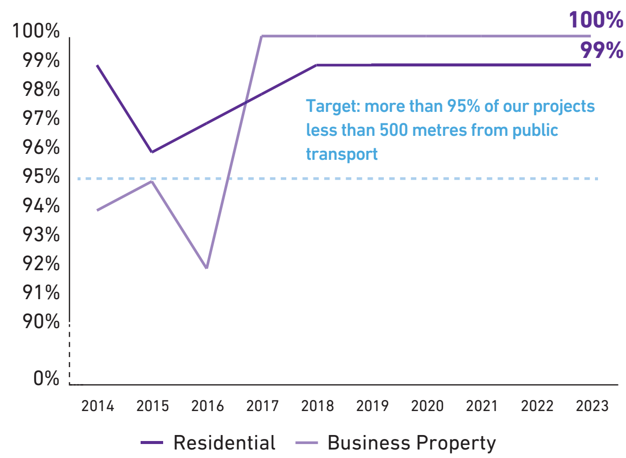
Residential and Business property

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 has calculated three indicators for its assets under management:

- 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; and

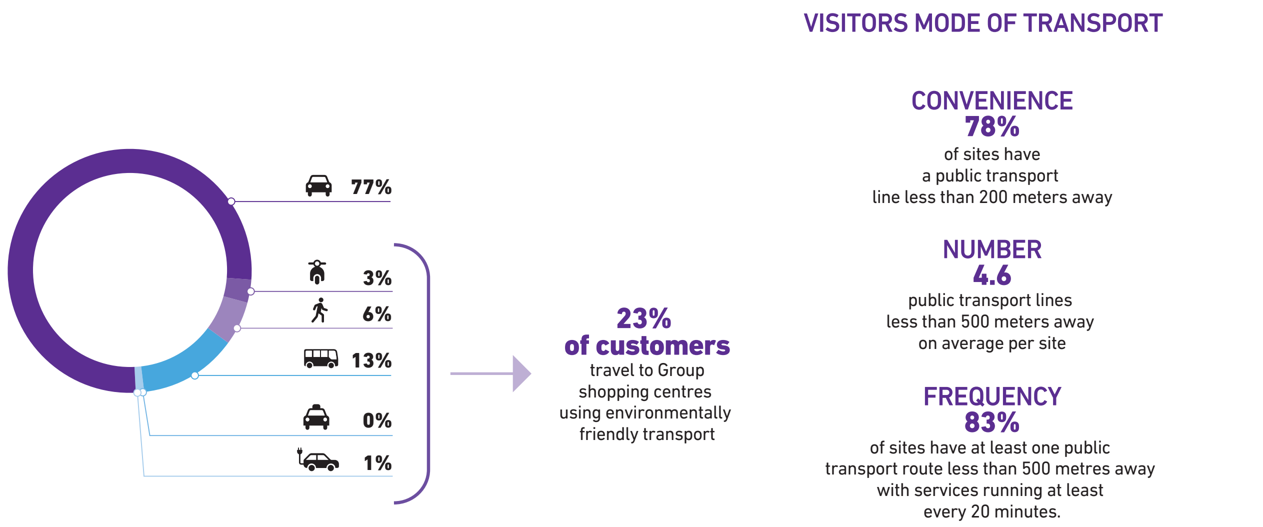
- frequency of public transport: percentage of sites with at least one route less than 500 metres away with services running at least every 20 minutes.

Proximity, number of routes and frequency are calculated for 100% of shopping centres in the CSR reporting scope. Data on the transport links of shopping centres remain stable since the number and frequency of public transport services have themselves remained stable.

In addition, the Group conducts on-site surveys to measure the breakdown of how visitors come to its main shopping centres.

In 2023, four shopping centres were surveyed on how visitors arrived, which represents 53% by value of the Group's CSR reporting scope. There has been a change in how visitors travel to shopping centres, towards the car and away from low-carbon transport such as the underground and train: 23% of customers travelled to shopping centres in the portfolio *via* soft transport in 2023, compared with 33% in 2021. This result is mainly due to the change in the scope of shopping centres surveyed to includes more sites on the urban outskirts, where visitors typically use more carbon-intensive mobility than in previous years.

CONNECTIVITY AND HOW VISITORS GET TO THE SHOPPING CENTRES



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. With this in mind, Altarea Commerce has partnered with Electra, a European specialist in the rapid charging of electric vehicles, to deploy charging stations in the car parks of its shopping centres. This joint venture inaugurated its first 8-point charging station at the Aubergenville Family Village at the beginning of the year. The Group aims to deploy more than 180 charging points in 19 shopping centres by the end of 2024.

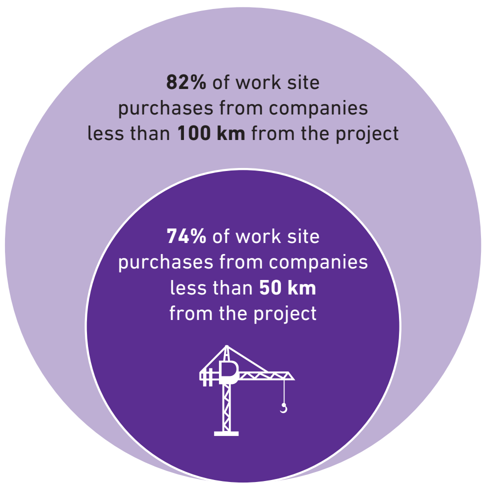
Through AltaProximité, the Group is rapidly developing its ground floor retail activity when developing new neighbourhoods, close to transport, such as Issy Cœur de Ville or Toulouse Montaudran Aerospace. Altarea is heavily committed to its travel retail business in stations (Paris-Est, Paris-Austerlitz 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

Contribution to the local economy

Altarea contributes to the local economy, particularly in its Property Development activities.

SHARE OF LOCAL PURCHASES IN RESIDENTIAL BUILDING SITES



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 encourage the hiring of local residents *via* partnerships and events in its shopping centres. For example, the Bercy Village centre (Paris) welcomed the Pôle Emploi Employment Centre teams in September.

In 2023, Altarea continued holding job promotion events in the Group's shopping centres. Qwartz (Villeneuve-la-Garenne) organised an employment forum in partnership with the city and Pôle Emploi, while the Costières Sud Family Village (Nîmes) hosted the Local Mission, an organisation promoting the employment of young people that supports 16-25 year olds towards social and professional integration.

There were a number of other employment initiatives during the year. Among them, La Vigie and its new extension in Geispolsheim brings together around twenty stores, offering a range of fashion, culture and food. To anticipate the human needs of these new brands, Altarea held an employment forum last June in partnership with the Local Mission. There were more than 120 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.

Partnerships with positive impact players and contribution to the social and solidarity 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.

At the end of 2023, as part of the Bobigny Cœur de Ville project, the Group launched a call organisations in the social and solidarity economy to move into three retail units in the district. The offer is open to any body with an offer that complements the existing and commercial dynamics of the city centre.

Lastly, also in 2023, to further promote awareness about organisations in the social economy (SEE), among Group employees, Altarea held a learning expedition at Recyclo'Bat (in the Toulouse region), on the theme of reuse. This learning expedition aimed to present solutions to promote the circular economy in real estate projects.

4.2.5 Sponsorship and partnerships

Group sponsorship policy

In 2023, 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 4.2.4);
- 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 Fondation Palladio, 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 participates in five working groups. In addition, as every year, an auditor from Altarea participates in the training program of the Institut Palladio.

Social actions – Long-standing partnership with Habitat et Humanisme

In 2023, Altarea continued its commitment to Habitat et Humanisme in 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 Nohée residences (formerly Cogedim Club) for Ukrainian families.

The involvement of the Group's employees in this partnership makes it possible to bring it to life. This year, two events were held as part of the Heure Solidaire volunteering campaign. In Lyon, six of the Group's employees gave their time to help with the Escale Solidaire d'Habitat et Humanisme Lyon 3, to exchange views, to build relationships with isolated people and to help volunteers. In Paris, the Group involved its partner Opéra Comique in this event and offered a guided tour of the opera house to around twenty residents of Habitat et Humanisme for the Paris Region. This visit was an opportunity for these people to discover the world of the opera house and its culture. This event is fully in line with the Group's desire to provide access to culture to all.

Supporting culture and culture for all

Altarea is committed to promoting all forms of artistic expression.

In 2023, the Group renewed its commitment to the Opéra Comique. This meant Group employees could enjoy guided tours of the Opéra Comique and get tickets for performances at discounted prices.

Altarea is also a partner of the Bouffes du Nord theatre.

"Tous engagés pour vos projets solidaires"

The "Tous engagés pour vos projets solidaires" initiative was launched in 2022 and run for a second time in 2023. 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.

Employees wishing to propose a solidarity initiative are invited to submit a written proposal, which then goes to a jury for assessment according to an evaluation grid. The jury is made up of employees from the Group's various business lines and CSR ambassadors.

The first edition recognised the initiatives of three employees and awarded a "special" mention to a fourth project. The associations "Bénévoles du Monde", "Eau de Coco", "Petits frères des pauvres" and "Pensez Grand, Allez Loin" all received a donation which helped finance part of their activities in conjunction with the employees concerned. The launch of the second edition was also an opportunity to review these winning projects and their progress.

The "Tous engagés pour vos projets solidaires" initiative will be held again in 2024.

Local solidarity initiatives

Committed locally, Altarea's teams carry out numerous community initiatives in the regions. This year, several centres organised blood donation drives, and collections of food and toys.

In the Bercy Village centre (Paris), an exhibition on the conservation of our oceans was offered to visitors in partnership with the Good Planet Foundation. In the Costières Sud Family Village (Nîmes) and CAP3000 (Saint-Laurent-du-Var), waste collections were organised as part of World Clean Up Day to raise local awareness. The Group's shopping centres have also mobilised for big causes, such as in Qwartz (Villeneuve-la-Garenne) or L'Avenue 83 (La Valette-du-Var), where awareness-raising days on violence against women were held. Also the Portes de 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 Octobre Rose campaign in support of the fight against breast cancer. The centre has been supporting this cause for 15 years. Finally, the Reflets Compans shopping centre (Toulouse) welcomed the charity Camion Douche, which provides mobile bathrooms to support homeless people.

4.3 Placing the customer at the heart of actions

Scope	Objective/commitment	2023 results	Change 2022-2023	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 2024, it took first place in the rankings for the second year running.
Retail	Continuously improving and enriching the customer visit experience	**Satisfaction index: 4.3/5**	New calculation method	The method for monitoring and analysing customer satisfaction at shopping centres was reviewed in 2023. The average satisfaction score is high showing the success of the efforts to maintain attractive and pleasant sites
Retail	Draw up and roll out a comfort, health and well-being strategy for shopping centres	**Application of guidelines for comfort, health and well-being since 2017 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[a]	**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 (BP)	100% of new projects certified at least HQE™ "Very good" and/or BREEAM® "Very Good"	**100% of new projects certified**	=	
Retail	100% of sites certified BREEAM® In-Use	**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

(a) Excluding Woodeum, Severini, co-development, renovations 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.

The rise in interest rates and changing economic environment in 2022 brought to an end a ten-year upswing in the property cycle and 2023 marked a low point for the Residential with a sharp drop in volumes sold and prices. Residential has therefore entered a transition period that is set to last into 2024, or beyond depending on the economic and political environment.

Profound upheavals are destabilising the real estate sector. While Retail has remained resilient, Residential and Business property are facing a deep crisis and Altarea needs to adapt its products in both areas to meet new customer expectations.

Thanks to its integrated model, its operational agility and a robust financial balance sheet, Altarea is able to adapt to the profound upheavals shaking the property sector and deliver offers that are consistently tailored to the market. The Group has responded by developing a "new generation" Residential offering that is affordable, low-carbon and profitable, while continuing its regional expansion and strengthening its multi-brand and multi-product strategy to meet the new expectations of customers. A similar adaptation of the offer is also taking place in the office market.

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. In each business, consultation systems and satisfaction assessments have been formalised: surveys and studies, face-to-face or digital interactions, etc. Customer satisfaction is Altarea's priority objective and it puts 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.

The Net Promoter Score, one of the criteria for extra-financial profit-sharing

Since 2015, the Group has been measuring its Net Promoter Score (NPS), an international indicator that assesses customer satisfaction with a brand.

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 results of NPSs at Cogedim, Pitch Immo and Histoire & Patrimoine.

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 customer 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.) can provide answers to customers' questions;
- the national network of Cogedim stores: the Cogedim store is a place dedicated to supporting customers in the personalisation of their homes. Customers and visitors can explore actual-size apartments and experiment with materials and equipment, customisation packs and immersive digital experiences, etc. helping them to imagine life in their future homes. Since the Paris store in 2016, several Cogedim stores have opened in France, most recently in Rouen in 2023.

CLUB COGEDIM

Cogedim commits to its customer by offering them personal service through Club Cogedim. The Club has been available on the customer space since June 2023 and its aim is to make life easier for customers, help them improve their home and live their best life every day. It takes customer support to a new level, beyond just being able to track progress of off-plan sales.

As soon as the notarial deed is signed customers can sign in to access offers from professionals, as well as benefits and discounts at major retailers (Back Market®, Maisons du Monde®, Samsung®, etc.)

Cogedim has partnered with Sourdline, the leading call centre for the deaf and hard-of-hearing so customers can interact with any of their contacts along the customer path through a French sign-language interpreter, bywebcam, chat or in-person.

Finally, a user guide is given to future residents shortly before they move in. It contains essential information about their home (moving, equipment manuals, guarantees) and advice on "green actions" to improve their comfort (air quality, noise, summer comfort, greening, etc.) and reduce their environmental impact (energy and water consumption, waste sorting, etc.).

Raising awareness among our marketing partners

To adapt to the Residential market environment, Altarea is committed to creating a low-carbon, affordable and profitable "new generation" offer. Customers are increasingly interested in environmental issues and Altarea is adapting its communications and sales techniques in: the CSR Department and the Group's Residential brands contribute to CSR awareness-raising and training for marketing partners (independent financial advisors, banking networks, 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. The questions cover a wide range of subjects and make it possible to measure several indicators such as the NPS, the recommendation rate or the performance rate.

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 the brand. Cogedim has set as a goal to reach a 70% recommendation rate for each of its regional offices. By 2023 it had achieved a 14 points increase compared to 2015.

In addition, the Customer Services Department monitors comments by customers on its Immodvisor platform. This independent platform records and checks the comments submitted by customers. In 2017, over 10,000 comments were checked. Cogedim achieved 4.5 stars (out of a possible 5), a 91% satisfaction rate and a 97% recommendation rate.

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, telephone or social media.

EFFORTS REWARDED

In January 2024, the Group took first place in the Les Échos customer relations ranking carried out by HCG for the second consecutive year. 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.

Residences Nohée (formerly Cogedim Club)

Altarea develops and manages senior residences; formerly Cogedim Club, the brand was renamed Nohée in November 2023. These residences are 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 residence 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 on-site measures help us understand residents' level of satisfaction and how they are using the facilities and to identify desired changes. A half-yearly meeting is organised with the management of Nohée 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 Nohée projects.

As part of its rebranding, Nohée is committed to providing the best possible support to future residents. From now on, besides help with moving into the residence, future residents are now offered a "house-clearance" service to help smooth the move into their Nohée residence.

Each year, a satisfaction survey is carried out among all tenants of the open residences. Thus, in 2023, 93% of residents are satisfied with being in a Nohée residence.

In addition, Nohée 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 Nohée 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 responding consistently and efficiently to changes in use and new ways of working. To offer users innovative products that meet their expectations, Altarea Entreprise Studio works upstream on projects to define needs and uses and imagine buildings that can evolve over time in architecture, technical design and also services.

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. Since 2023, the Group's ambition has been to conduct biennial customer satisfaction surveys at all the shopping centres in its portfolio. Launched in 2023, this new approach made it possible to measure the customer satisfaction index of the Espace Gramont (Toulouse), CAP3000 (Saint-Laurent-du-Var), Aubergenville Family Village and L'Avenue 83 (La Valette-du-Var) centres.

In 2023, the customer satisfaction index was **4.3/5**(1)

This index was calculated using on-site customer surveys conducted at the four shopping centres above, representing 53% of the historical CSR reporting scope by value.

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

At the end of April 2023, Bercy Village (Paris) set up "La Conciergerie Mode", a strikingly designed stand with an art deco look in partnership with Secours Populaire and l'Équipage Solidaire. This community charity event collected nearly 400 kilos of pre-loved clothes and household linen. The centre also invited in a beekeeper from the 12th arrondissement to organize educational workshops on beekeeping.

Les Portes de Brest Guipavas has also taken several similar initiatives. The retail park held the "Les coureurs ont du cœur" race in partnership with Secours Populaire to help disadvantaged children during the Christmas period. Following the installation of beehives on the site, retailers were invited for tasting sessions with distribution of jars of honey produced on site.

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 2023, the Group had signed 1,622 green leases out of the 1,764 leases at its assets in operation, *i.e.* a rate of 92%. This has been steadily increasing since 2010.

(1) As part of the roll-out of the biennial customer satisfaction surveys, the average satisfaction of the shopping centres' visitors is now scored out of 5 points rather than, as previously, 10.

CSR surveys for tenants: a tool for better understanding their expectations

In 2022, a large survey of tenants was conducted by Altarea Commerce's Marketing Department. 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 maximise their social footprint, with reduced energy consumption and optimised 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.

To meet this objective, in 2022 the Group launched the Tandem process, a project that involved all Altarea Commerce business lines and made it possible to define five key values: cooperation, clarity, tailor-made, reliability and CSR. This process uses various levers to achieve transformation, including simplifying processes, improving tools, spreading best practice, managing transformation and training employees in relational excellence.

The Tandem process is characterised by:

- a new retailer-oriented "Welcome Kit" rolled out in all shopping centres;
- the creation of the "My Mall" application to promote dialogue between the Group and shopping centre retailers, and customer surveys to better understand retailer satisfaction.

In 2023, the satisfaction rate showed a clear increase with 89% of customers satisfied and an NPS up by 5 points.

4.3.2 Quality of life and well-being in projects

Quality of life and well-being issues are specific to each activity:

- 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.

The Group focuses on two components of quality of life 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.

Residential

The Group develops healthy and comfortable residential buildings. To achieve this, it notably relies on the NF Habitat and HQE certification process and its team of interior designers. The Group also pays particular attention to comfort solutions and air quality.

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 Cogedim apartments are checked by the 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.

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 moving process, particularly by giving future residents user guides. At Cogedim, 100% of products and materials are at least labelled A, or even A+ for all interior finishing materials (paint, floor coverings, etc.).

COGEDIM IS COMMITTED

Since 2021, Cogedim has made new commitments for its housing, particularly with regard to quality of life and well-being. For example:

- outside space: 98% of Cogedim homes launched in 2023 have access to a private outdoor space and nearly 92% of these spaces have a surface area of at least 10% of the home;
- mobility: the projects have secure bike sheds with tyre-inflation and repair points.

Residences Nohée

In the context of its Nohée (formerly 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 housing, a varied entertainment program and a city centre location. In its residences, Nohée is committed to developing intergenerational ties for its residents. This takes many forms: opening up certain activities and services to local residents outside the residence. Nohée has also developed a partnership with Colibree Intergeneration, a website dedicated to intergenerational cohabitation between young people under the age of 30 and people over the age of 60, throughout France. This means that, at Nohée, students can benefit from a moderate rent in the residences in exchange for services and time spent with the residents. 12 residences joined this initiative in 2023.

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 theme of well-being has been incorporated into Group practice for many years through BREEAM® and HQE™ certifications.

The Group may also seek an additional well-being label such as WELL or Osmoz. These standards 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.

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 CSR reporting scope achieved an average score of 46% in 2023. This 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 Grand'Place centre (Lille) has installed new automatic doors to prevent heat loss. Bercy Village, (Paris), holds events themed on well-being, notably artistic workshops and weekly yoga courses from March to October. In 2023, this centre also carried out an acoustic study to understand the causes of noise pollution and find acoustic solutions for each scenario.

EVENTS TO PROMOTE HEALTH AND WELL-BEING

In 2023, the Altarea centres continued to organise events for visitors. 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 (Toulouse) completely shut down their sound systems in common areas for one hour every day of the week.

Espace Gramont has also promoted sports among children. The centre has set up the Christmas Ecoparc, a space based on an eco-responsible and educational principles where the lights are powered by a new source of electricity: the energy expended by children on play modules.

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 2023.

4.3.3 Labels and certifications, creators of green value

Labels and certifications contribute to the longevity and value of assets over time.

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;
- stakeholder expectations for each type of project;
- the determination to offer, for certain projects, ambitious and innovative labels and certifications on subjects that go beyond environmental performance (WELL, BiodiverCity®, WiredScore, etc.).

Residential

NF Habitat Certification and its HQE™ approach

Since 2016, the Group has committed to NF Habitat certification and its HQE™ approach; 100% of the Group's new housing is 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.

(1) *Excluding Woodeum, Severini, XF Habitat, co-development, renovations and managed residences.*

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.

46% of Cogedim and Pitch Immo projects launched in 2023 are applying for NF Habitat HQE certification

Some projects may benefit from supplemental certification efforts. The Group is thus helping define new benchmark standards for sustainable urban development.

Low Carbon Building Label (BBCA)

The BBCA label, launched in 2016, has become a benchmark for exemplary carbon footprint in a new or renovated building. It is a way to measure and report on CO_2 emissions avoided throughout the building's life cycle and how far a building applies best practice on the circular economy and carbon storage. 100% of Woodeum projects are BBCA certified.

VISEHA label and Nohée (formerly 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 Nohée, have created a label called VISEHA (Vie Seniors & Habitat).

The label considers 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. These numerous rating points seek to capture the issue of quality, with the satisfaction of residents as a central concern.

With 24 certified residences at the end of 2023, Nohée's approach hinges on quality and commitment. It aims to continue obtaining certifications for residences during the year.

Business property

All Business property projects go through a certification process.

100% of new projects certified at least HQE™ "Very good" and/or BREEAM® "Very Good"

Retail

In 2023, the process of certification continued for the assets managed in France.

100% of the CSR reporting scope is BREEAM® In-Use certified

Construction certification

55% 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 (Saint-Laurent-du-Var) obtained a total score of 76% on its BREEAM® certification for the construction 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 (Villeneuve-la-Garenne) and the L'Avenue 83 site (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 CSR reporting scope thanks to the roll out from 2014 of the operational environmental management system, which makes non-financial reporting more organised and reliable and applies best practices and requirements of environmental certification across the Board. This system was shared with the management teams at each shopping centre through a special training programme.

The Group's new objectives are:

- to maintain the certification rate of the managed assets in the CSR reporting scope at 100%;
- to improve its BREEAM® In-Use scores every year. A score of "Very Good" or higher is targeted for score reassessments.

In 2022, all sites present in the 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 2023 the average performance of the portfolio, previously indexed to surface area, is now indexed to value as this is seen as a more relevant measure for our stakeholders. It is 63% for the "Asset" part (+15 points since 2013) and 58% for the "Management" part (+16 points since 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 4.2.2), waste management (see 4.2.3), etc. Certain themes such as energy and biodiversity improved notably thanks to actions carried out at Group level.

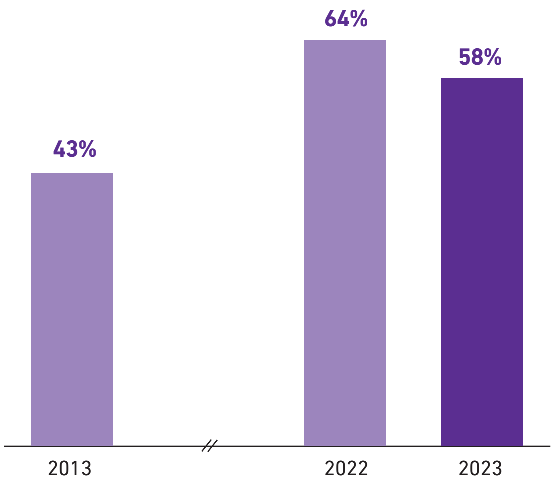
In addition, the Group has extended its environmental certification approach to sites that are not directly managed and those managed on behalf of third parties. Jas-de-Bouffan shopping centre (Aix-en-Provence) was once again certified BREEAM® In-Use at "Excellent" level in 2022. Also, the Nicétoile site (Nice), managed on behalf of third parties, was certified BREEAM® In-Use "Excellent", while the Espace Saint-Quentin (Montigny-le-Bretonneux) was certified BREEAM® In-Use "Very Good"[1].

Environmental labels and certifications of the portfolio

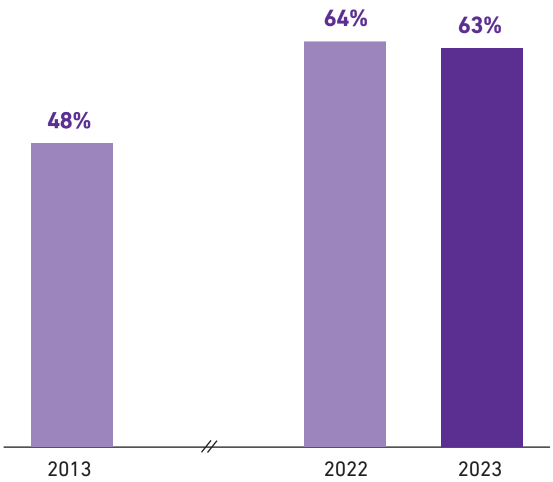
	City	Centre	Construction certification	BREEAM® In-Use certification			
				Part 1 – Asset		Part 2 – Management	
				Level	Score	Level	Score
PORTFOLIO	Aubergenville	Aubergenville Family Village	-	Very Good	62%	Very Good	57%
	Brest Guipavas	Les Portes de Brest Guipavas	-	Very Good	65%	Very Good	63%
	Geispolsheim	La Vigie	-	Very Good	64%	Very Good	56%
	Gennevilliers	Parc des Chanteraines	-	Very Good	57%	Very Good	63%
	Lille	Grand'Place	-	Good	53%	Good	48%
	Limoges	Limoges Family Village	-	Excellent	64%	Excellent	61%
	Nîmes	Costières Sud	HQE™ Very Good	Excellent	73%	Very Good	72%
	Paris	Bercy Village	-	Very Good	59%	Good	52%
	Paris	Le Parks	-	Very Good	66%	Good	40%
	Ruaudin	Les Hunaudières Family Village	-	Very Good	67%	Very Good	61%
	Saint-Laurent-du-Var	CAP3000	BREEAM® Excellent BiodiverCity*	Very Good	58%	Very Good	56%
	Thiais	Thiais Village	-	Very Good	60%	Good	53%
	Toulouse	Espace Gramont	-	Very Good	64%	Very Good	67%
	Toulouse	Reflets Compans	-	Very Good	63%	Very Good	61%
	Valette-du-Var (La)	L'Avenue 83	HQE™ Very Good BREEAM® Excellent	Excellent	73%	Very Good	61%
	Vaulx-en-Velin	Carré de Soie	-	Very Good	61%	Good	53%
	Villeneuve-la-Garenne	Qwartz	HQE™ Excellent BREEAM® Very Good	Very Good	64%	Very Good	59%
	Villeparisis	Parc de l'Ambrésis	-	Good	52%	Very Good	61%

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



(1) Prior-year data were corrected following the receipt of certificates confirming the final scores.

4.3.4 Responsible purchases and supplier relationships

Altarea is a major customer, a large part of whose purchases are related to construction (structural work, electricity, heating/ ventilation /air conditioning, plumbing, etc.). The remaining purchases mainly consist 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 REIT).

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, freely available on the Altarea website, covering social requirements, health and safety, the fight against corruption, respect for personal data and consideration of environmental issues is gradually being applied to all of the Group's purchases.

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.

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 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 building sites is a 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. At Cogedim, the project management and CSPS contracts have been updated to include the main recommendations of the Caisse Régionale d'Assurance Maladie d'Île-de-France (CRAMIF) and the Caisse d'Assurance Retraite and de la Santé au Travail (CARSAT). Prevention specialists also work on large-scale projects.

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. At Cogedim, a substantial reporting process compiles data on building site accidents at 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 under construction, which stands at 1.66 for 2023. In Business property, in 2023, the frequency rate of construction site accidents was 14.5 (compared to an industry average of 28.1) and the severity rate was 0.2 (compared to 2.4)[(1)].

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.

(1) Coverage rate for these indicators: 50%.

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.).

REIT

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 all sites in the reporting scope and sites managed on behalf of third parties is a requirement for BREEAM® In-Use certification.

A responsible and sustainable relationship with suppliers

In addition to the continuous communications in the course of projects, various initiatives are in place to nurture a lasting partnership with suppliers and encourage them in their own CSR approach.

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

Since 2020, the Group has operated 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.

Supplier management processes are also fully digitised. 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 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.

Prevention and fight against 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:

- an anti-corruption policy reflected in the Group's ethics charter, which defines the values and rules of conduct to be respected;
- regularly updated mapping of corruption risks;
- dedicated training delivered face-to-face, remotely or in the form of e-learning, which has been taken by 88% of employees;
- third-party integrity assessment processes;
- anti-corruption accounting controls;
- anti-corruption clauses included in all contracts;
- a professional ethics whistleblowing procedure;
- annual declaration of the lobbying activities by representatives of interest.

Combatting money laundering and the financing of terrorism

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 dedicated to the fight against money laundering is also to be carried out by employees of the relevant functions within the Group with a success rate of 87% in 2023.

Combatting fraud

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 for which the Group, like any Group, may be targeted. 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" scams is aimed mainly at the accounting and financial services (success rate of 75% in 2023) and as from January 2024 to all new hires/employees.

Protection of Personal Data

The Data Protection Officer (DPO) ensures the dissemination of a culture respectful of the processing of the personal data of our customers, employees and other stakeholders in accordance with the General Data Protection Regulation (GDPR). The DPO supports operational teams in implementing projects with a privacy-by-design approach and keeps a register of processing, personal rights and data breaches or incidents.

On the date this document was filed, no cases of non-compliance with internal policies had been identified and no legal proceedings for corruption had been taken against the Group. Similarly, the Group has not been subject to any proceedings or court judgements for environmental issues or for lacking minimum social guarantees in its business.

4.4 Talent at the service of the Group's growth

4.4.1 HR strategy and governance

"In the face of difficulties, it is our convictions [...] that have always made us successful and will enable us to bounce back from the crisis and emerge even stronger" (Alain Taravella -2024 message).

Despite the disruptive shocks of 2023, the Group is maintaining its ambition to be the leader in low-carbon urban transformation in France. 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.

During 2023, the Human Resources Department took some significant initiatives. These initiatives aim to shape a more dynamic and inclusive business environment while anticipating the Group's future challenges. At the heart of this approach, the adaptation of business lines has been key, focusing on internal mobility and the integration of New businesses within the Group. At the same time, the Group has strengthened its commitment to inclusion with concrete actions such as promoting gender equality, including parity in the real estate business, widespread internships for secondary school students, and actions to promote intergenerational exchange. Finally, training was a priority, with a particular focus on the skills needed to ensure the Group's sustainability and innovation in a constantly evolving future.

In an inflationary environment, the Group has striven to maintain employees' purchasing power with across-the-board salary rises and a value-sharing bonus.

All of which testifies to the HR Department's determination to build a professional environment where every employee can find the resources they need to flourish and fully contribute to collective success.

4.4.2 Recruitment and development of talents

Change in the Group's headcount

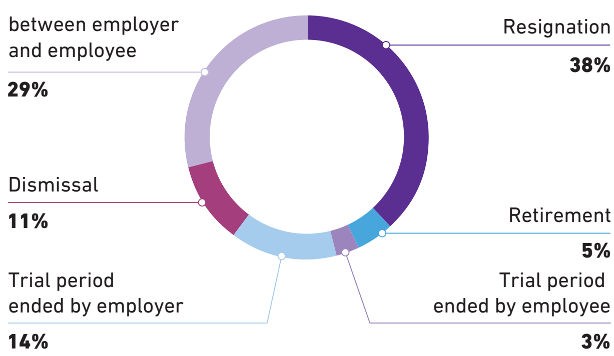
Scope	Objective/commitment	2023 results	Change 2022-2023	Trend comment
Group	Ensure the retention of our talents	**Departure rate of 13.6%**	↘	2022: 13.9% Despite the context, the departure rate is largely under control, down compared to 2022, 2021 and 2019 (reference year).
Group	Group Systematise exit 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.

In a context of the real estate crisis, the promotion of internal mobility is an adaptive and sustainable strategy. The focus was therefore on making the most of our talent in-house and generating external recruitment by creating a cascade effect. In 2023, for the fourth consecutive year, over 50% of positions were filled through internal mobility.

In addition, 258 new talents were recruited and joined the Group on open-ended contracts, confirming the attractiveness of the Group's New businesses. As of the end of 2023, 99% of employees were on open-ended contracts. The Group is maintaining its commitment to long-term jobs.

In 2023, the departure rate within the Group was 13.6%, and, although it is being successfully controlled in 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. 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.

The HR Department works with operational staff to lead student forums and fairs promoting careers in real estate, partner with schools, run job-dating events and celebrate employee commitments.

The Group seeks to constantly improve practices and tailor them to expectations. For the sixth consecutive year it was awarded the Happy Trainees and Youth Engagement certificates, and, for the fourth consecutive year, Top Employers certification.

Specifically, in 2023, the Group took part in several actions/student forums:

- **engineer profile forums**: Participation in the CentraleSupelec, HEI, and ESTP forums;
- **general profile events**: The Talents and Careers division launched a new event for young people who want to learn more about the real estate business. In May 2023, Orient'i'mmo welcomed around fifty guests to present the Group and its business lines;
- the Group took part in the latest 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 and GESIIC. The HR Department also held a morning for Masters students studying MUI (Urban and Property Management) in an intimate format at the head office with a meeting with professionals and a tour of the head office.

For the third consecutive year, the Group renewed its partnership with CentraleSupelec. This partnership is useful in two ways: first, students bring in new thinking on housing and, second, the Group can introduce engineers to the Group's New businesses: data centers, Renewable Energies, Asset Management.

The Talents and Careers division has formalised its relationship with the HEI school through a new partnership. This initiative has connected around twenty HEI alumni working for the Group and brought them together in social events as a way to build links and strengthen ties between the Group's subsidiaries.

In addition to the special relationships with partner schools, the HR Department continues to promote its work-study and internship research on LinkedIn and other job sites such as Jobteaser, so pushing it out more widely to schools and universities in France.

Talent development

Access to employment by young people and older people

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 2023, 38% of the workforce was over 50 and under 30 (22% and 16% of the total workforce, respectively). 28 employees over the age of 50 were hired on open-ended employment contracts in 2023 (compared to 23 in 2021 and 33 in 2022).

Work-study programs continue to be a major factor in promoting the integration of young people. In 2023, the Altarea Group had welcomed 556 work-study students, including 341 in the workforce, by the end of the recruitment campaign in October 2023. 64 interns of more than three months also joined the Group during their training course.

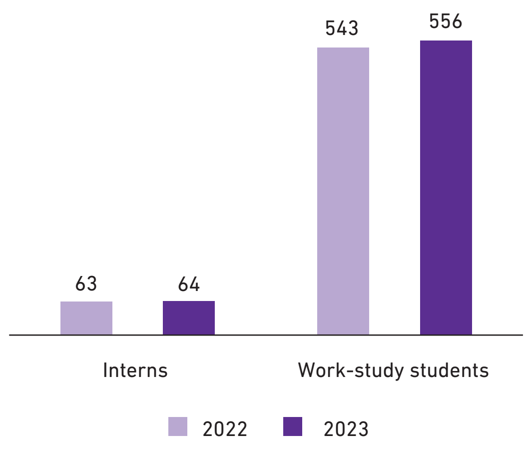
25 young people were offered an open-ended or fixed-term contract at the end of their internships or work-study programs.

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 "Inté des AS" seminars (6 sessions in 2023).

Since 2018, more than 110 employees have been trained as mentors. This year, 35 buddies agreed to support the Group's young volunteers as mentors.

For the first time this year, the Group invited volunteer employees to participate in a debate on intergenerational issues. An opportunity for participants to reflect on their career aims after the age of 55. In parallel with this initiative, the Group signed a contract with Silver Up to provide support with pension audits at preferential rates.

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 sixth consecutive year, Altarea obtained the Happy Trainees label, awarded based on the opinions of work-study students and interns.

- Nearly **89%** of our work-study interns recommend our Group
- **87.9%** of respondents said their onboarding had been a success
- **86.4%** are proud of the Group
- And **86%** approve of the Company's projects

Youth employment award

This year, Altarea received the EMPLOI JEUNES award, given by Option Finance and Le Figaro Emploi, in recognition of its overall policy to train and integrate young people.

Lastly, the Graduate Programme was revamped with an eye to equality to include a fifth intake of 4 graduates in October.

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 intake in 2019, 30 young people have been through this programme and 24 are now working in all of the Group's sectors in jobs such as programme Manager, analyst, asset Manager or development Manager.

Compensation and value sharing

The compensation policy remains broad and generous despite the real estate crisis. The Group wanted to maximise the purchasing power of employees by allocating a significant budget for salary increases and paying a value-sharing bonus. It also rewards individual and collective performance by renewing performance bonus levels and strengthens "Tous En Actions!" an original and attractive employee shareholding programme.

Scope	Objective/Commitment	2023 results	Change 2022-2023	Trend comment
Group	Develop value sharing, particularly through employee shareholding	**1,617 current employees hold Group shares either directly or indirectly (through the FCPE)**	N/A	The Cash Actions scheme, which allows employees to take their bonus in the form of free Group shares, proved very popular with a participation rate of 68%

Purchasing power

To cope with persistent inflation in 2023, the Group has taken significant measures to support the purchasing power of employees.

It budgeted €4 million to increase base salaries. It also decided to pay two value-sharing bonuses of up to €6,000 to reward the commitment and efforts of employees in this tough environment and also to support purchasing power.

In addition, the transport subsidy was raised to 75% in 2023 and a deal was struck with insurers to freeze the level of contributions for supplementary health and disability insurance.

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 2022 to recognise the unwavering commitment of employees despite missed targets. 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 2023, 76% of the workforce were shareholders in the Group. These shareholdings represent 3.93% of the capital.

The year 2023 was marked by the renewal of the capital increase reserved for employees. This employee shareholding scheme offered Group employees a discount on the reference price of Altarea shares; dividends on Altarea shares are reinvested in the FCPE (employee share fund), increasing the value of their shares.

In 2021, Altarea started including 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 2023, Altarea achieved a rate of 34.9% for the female indicator and a rate of 50.8% 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 2023 are as follows:

- Cogedim Services Operations: 94/100;
- Histoire & Patrimoine Economic and Social Unit: 90/100;
- Pitch Promotion Economic and Social Unit: 89/100;
- Cogedim Economic and Social Unit: 88/100;
- Altarea Economic and Social Unit: 86/100;
- Woodeum: 80/100.

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

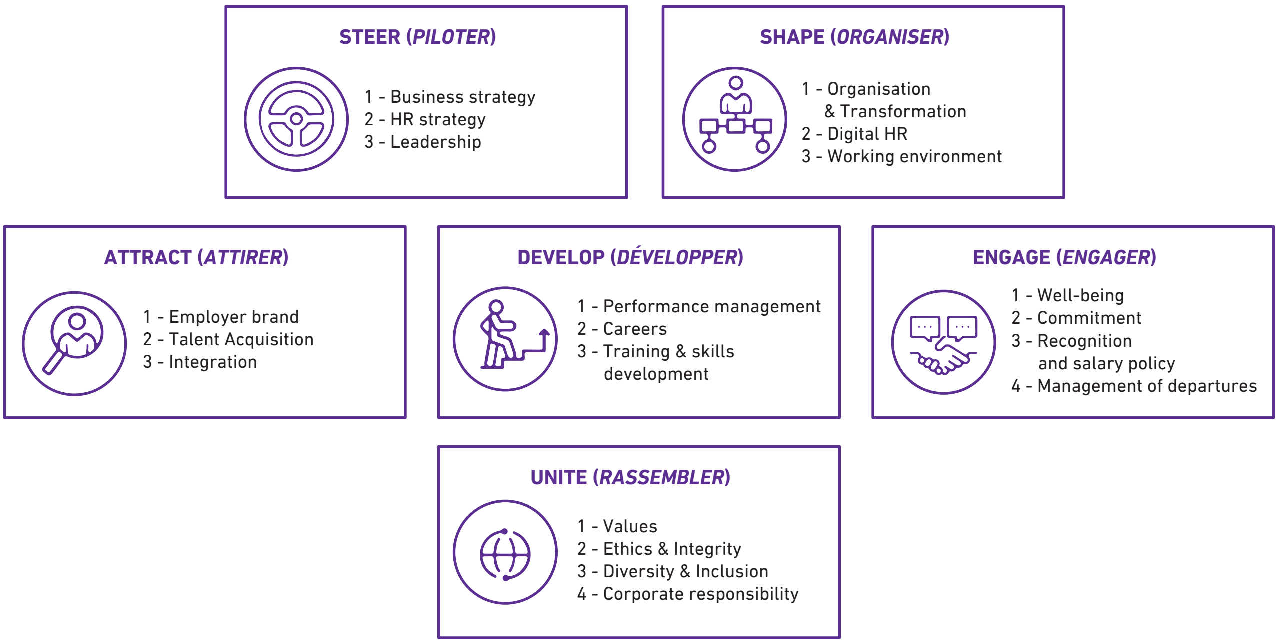
Working environment where life is good

Top Employer 2023

The Group is again certified as a Top Employer in 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 for 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 20 themes such as the talent management strategy, the working environment, talent acquisition, training and skills development, well-being at work, and diversity and inclusion.



Employee safety, health and well-being

Scope	Objective/commitment	Results 23	Change 2022-2023	Trend comment
Group	Extend the Altawellness offering	**A more diversified offer**	Consolidation	Altawellness has developed its "Caregivers" offer Increase in the support available to employees by profile (parents, caregivers, etc.)
Group	Manage absenteeism	**The absenteeism rate for 2023 is 2.36%**	Decrease	The absenteeism rate remains below 3%

The attention paid to the health, safety, well-being and quality of life and working conditions of employees is 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 2023, particularly in terms of support for employees based on their needs (parents, caregivers). Altawellness initiatives are as follows:

- webinars led by health experts (fight against sedentary lifestyle, nutrition, stress management, etc.);
- special actions during Quality of Life at Work Week, Pink October and Movember;
- vaccination campaigns (flu vaccination: more than 160 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.).

As a follow-up to the signing of the Parenthood Charter (June 2021), Altawellness distributed its first Altawellness fact sheet listing the Group's parenting support systems. 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 EMPLOYEES

In June 2023, the Academy team proposed a new learning experience (see box 4.4.4 Talent and skills management), the new resources available have made it possible to expand the training offers in health, safety and well-being at work.

Training modules were offered as part of:

- preventative health campaign (July 2023): a summary sheet was sent to all Group employees;
- Pink October;
- tobacco free month;
- by Movember;
- and the week for the employment of people with disabilities.

All the modules offered as part of the events above are available on the home page of the digital learning platform, and highlighted in the "Trend of the Month" section.

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.

For World Health Day, Altawellness organised a preventative hearing session offering its first hearing screening campaign in Richelieu.

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.

HR innovation: For the first time, a team from the HR Department received training in how to identify mental health disorders (2 days of training, 19 HR employees trained). This is a first aid training course to support and provide the most appropriate initial support to the people concerned.

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 stable compared to previous years.

The absenteeism rate indicator is calculated using the ratio between days of absence (excluding holidays and public holidays) and the number of calendar days worked.

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.

The Group has renewed its partnerships with the following organisations:

"Elles Bougent": which helps introduce middle and high school students to careers as engineers and technicians. Group employees with a technical or scientific background can become mentors for the organisation and other employees who wish to get involved can play a support role in promoting careers among young secondary school students. The Group currently has 15 employees committed to the organisation with six new sign-ups this year.

The Academy then published a digital module "Becoming a sponsor/relay Elles Bougent".

"Nos quartiers ont des 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.

CONTINUOUS COMMITMENT TO DIVERSITY

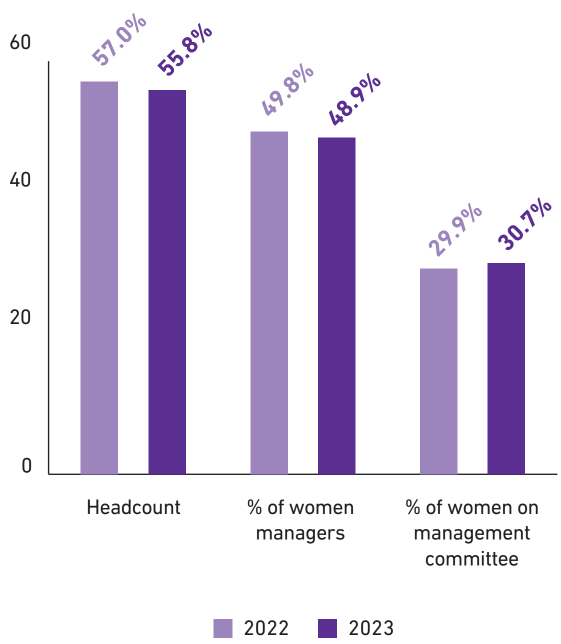
In 2023, Altarea committed to supporting the "Viens voir Mon Taf" association. The aim of this partnership is to offer a third-year internship (five-day introductory internship) to students without a professional network. Every employee who brought in an intern from their personal network was matched up with a young recruit signed up to the "Viens voir Mon Taf" scheme.

From October to the end of December, seven secondary school students have already been welcomed within the Group. This scheme will continue in 2024.

Digital awareness-raising training courses are available to all employees: "Good non-discrimination practices" and "Let's play diversity".

Scope	Objective/commitment	2023 results	Change 2022-2023	Trend comment
Group	Promote youth employment	**Work-study students make up 13.6% of the workforce**	Slight decrease	The Group continues its commitment to young people
Group	Promote gender equality	**Women make up 30.7% of the Managers committee**	Increase	The Group continues its actions to promote access for women to management positions.

PROMOTING EQUALITY AT WORK



The Group has always striven to guarantee the same opportunities for men and women in all aspects of their professional and personal life, seeing gender equality as a factor for collective enrichment and social cohesion. Since 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 2023, confirming the Group's desire and commitment to maintain measures to promote diversity, including:

- 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;
- the drive for equality at 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.

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.

In 2023, the Group put this into practice by holding the first "Cafés des Altaréennes" meetings. The aim is to encourage meetings between women in the Group (all professions, ages and responsibilities). These events are an opportunity to bring employees together to share and discuss topics such as work-life balance and professional responsibilities. The informal environment gives the Group's women a chance to share their professional and personal experiences.

Disability policy

In 2023, 35 employees were declared as workers with disabilities.

As every year, an internal communication campaign and awareness-raising modules were offered during European Week for the Employment of People with Disabilities led by the group Disability officer.

ESATs (Établissement et service d'aide par le travail, organisations working to bring disabled people into the workforce) are used to provide a range of services (*e.g.* purchase of supplies).

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. An *ad hoc* body, a CSE for brands, has been set up at Group level to bring together all the CSEs to present and discuss issues common to all Group entities. 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 continues within the Group with a regular update of its Common Social Base to integrate the new Group companies so that all employees always have the best social benefits.

Thus, in addition to a common employee regulation and a harmonised compensation policy, the HR Department is continuing its labour relations policy *via* the conclusion of collective agreements at Group level (Incentive Agreement, PEE employee savings plan, profit-sharing agreement, PERCOL, Right to Disconnect Charter, Ethics Charter, Code of Conduct, IT Charter, Teleworking Charter) or similar action plans (Equality at work and QVCT). This approach aims to:

- strengthen the principle of solidarity and complementarity within the Group;
- develop existing synergies within Altarea;
- promote professional mobility between brands and activities.

Since 2021, the Management and Group CSEs have had an inter-company social and cultural activities committee (CASCI) so that all employees can benefit from joint social initiatives including sports activities. 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. Dialogue takes the form of direct discussions 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.

Since 2021, a charter has been in place 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. During the COVID-19 pandemic a number of tools were 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. In 2023 the Group introduced measures to support caregivers and pregnant women.

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. Each year, employees who need time off can use the day donation scheme *via* campaigns organised by the HR Department.

Altarea employees also have access to a social and parental support service where they can receive advice on personal issues.

Finally, measures to control the management of IT and communication technology tools made available to employees were reaffirmed. Notably, when it comes to work-life balance, 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 11 ILO conventions

The Group has committed to complying with the eleven 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 supplemented by a Code of Conduct and infographics enabling a better understanding of the various employees. It is available on the intranet and attached to the onboarding file for new hires.

4.4.4 Talent and skills management

Scope	Objective/commitment	Results 2023	Change 2022-2023	Trend comment
Group	Continue skills development according to the needs of the business line and develop the employability of employees	**100% of employees took part In at least one learning action**	↗	In 2023, the Academy expanded its online training offer thanks to a partnership with Edflex (content curation service provider).

To refresh its offering and better adapt to the current environment of crisis, the Academy is proposing a training policy that has been revamped and renewed in 2023 to adapt to new challenges.

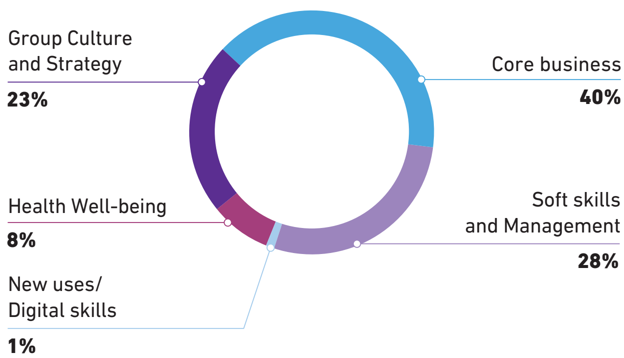
Implementing the policy resulted in an augmented Academy: a new partnership with Edflex in June 2023 to offer training on more than 230 themes fed by the curation of content integrated to the Group's Learning Management System making it the world's first school for low-carbon urban transformation.

The training menu is delivered by a community of business ambassadors (voluntary internal expert trainers).

Four pillars for skills development were also reviewed:

- understand: business challenges, sector and regulatory context;
- develop: support for key soft skills;
- transmit: passing on skills and knowledge;
- reinvent yourself: training for new professions.

BREAKDOWN OF HOURS BY TRAINING AREA



Collective team or individual coaching has been strengthened to meet the needs of skills development and team cohesion.

The emlyon certification process continued in 2023 with a large-scale tailor-made programme revolving around the development of projects serving the Group's business challenges.

18 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. Since it was first run in 2018, this programme has developed as a learning system, evolving from an initially results-oriented programme into a test & learn and "Awareness of the path travelled" approach. This has made it possible to build up a learning community offering value-added projects for the Group in a highly disrupted real estate sector.

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 go there to find all the strategic directions of the Group's skills development plan: Group culture & strategy, core business, soft skills & management, digital skills and health, safety and well-being.

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

The Altarea Academy has unveiled its new "Augmented Digital Academy" offer, conceived in line with its continuous improvement approach to continue supporting employees in developing their skills on a daily basis. Designed to meet the needs of a constantly changing world, this revolutionary learning experience offers a flexible and dynamic approach, thanks to a partnership with Edflex which has unlocked resources tailored to current needs and a flexible learning offer with many formats available (videos, podcasts, articles, etc.).

CYBERSECURITY AWARENESS FOR ALL

In June 2023, the Human Resources Department supported the Security Department in conducting its cybersecurity awareness campaign. Group employees were invited to take the module before September. More than 80% of participants have completed their training course.

Nearly 5,026 training days were recorded in 2023. 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 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.

A dynamic integration process

The induction process has not been forgotten. 100% of new employees had access to the onboarding module on the Digital Academy.

Since 2022, a pre-boarding module is now offered to new recruits to enable them to see themselves in their new position.

In 2024, the Group has rethought its onboarding programme as a learning journey.

Mobility and promotions

Scope	Objective/commitment	2023 results	Change 2022-2023	Trend comment
Group	Promote/Contribute to employee mobility	**50.8% 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 2023, 50.8% of positions were filled internally. Within the Group, 201 employees were involved in 217 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, notably 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 2023, there were two main initiatives:

- a second season of podcasts with 19 employees recorded talking about what interested and motivated them about their current job in addition to the original 15 from season 1;

- these are 7-10 minute podcasts available on the Digital Academy to learn about the jobs of colleagues;
- a 100% digital solution that walks employees through a reflection on their career: Jobmaker. This platform 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, initiated in June 2022, has been renewed for the years 2023 and 2024. To date, more than a hundred employees have signed up to use it.

Promoting the Group's business lines among employees also means getting to know each other through social events. This year, the HR Department held another Sensational Week on the theme "Re-employment in all its varieties". This was a week of events at the end of June, composed of conferences, discussions and moments of conviviality around three themes: REnature spaces, REcycle materials and REconnect generations. The multiple events attracted more than 500 people who registered for events and 250 guests for Family & Friends Days,. A photo competition was also launched and led to an exhibition of the 52 photos of the 38 participants at the Richelieu head office. Employees from all subsidiaries and all levels of responsibility took part. Winners were picked through three votes: the employees' vote, the Executive Committee's vote and the choice expert who supported the HR department on this photo competition project.

4.4.5 Key social indicators

		Unit	2022	2023
TOTAL HEADCOUNT	**TOTAL HEADCOUNT END OF MONTH**	**NO.**	**2139**	**2151**
Breakdown by type of contract	Number of employees on open-ended contracts	No.	2100	2129
	Number of employees on fixed-term contracts	No.	39	22
	Percentage of women in the total headcount	%	57%	56%
Breakdown by country	Percentage of employees in France	%	99.1%	99.1%
	Percentage of employees in Italy	%	0.7%	0.7%
	Percentage of employees in Spain	%	0.2%	0.2%
Breakdown by age group	Under 30	%	17%	16%
	30 to 50	%	64%	62%
	Over 50	%	18%	22%
Breakdown by status	Percentage of employees in management positions	%	78%	79%
	Percentage of employees in non-management positions	%	22%	21%
Recruitment	Number of new hires on open-ended contracts	No.	417	258
	Percentage of women hired on open-ended contracts	%	60%	53%
	Percentage of Managers hired on open-ended contracts	%	78%	69%
	Number of fixed-term contract hires	No.	163	84
	Number of work-study contracts	No.	281	248
Departures	Number of departures of employees on open-ended contracts excluding mobility and administrative transfers	No.	281	296
	Total departure rate	%	13.9%	13.6%
	Non-Manager departure rate	%	17.9%	19.2%
	Manager departure rate	%	12.8%	12.2%
Reasons for Departure	Percentage of resignations	%	50%	38%
	Percentage of dismissals	%	14%	11%
	Percentage of agreements between employer and employee	%	13%	29%
	Percentage of retirements or early retirements	%	4%	5%
	Percentage of probation periods ended by employer	%	14%	14%
	Percentage of probation periods ended by employee	%	6%	3%
Organisation of working time	Open-ended/fixed-term in FTE	No.	2,122.5	2,135.9
	Average headcount end of month open-ended contracts of working time	No.	2,015.4	2,178
	Number of theoretical hours worked excluding overtime	No.	3,562,927	3,880,510
	Turnover rate	%	17.9%	12.7%
Gender equality	Percentage of women among management-level employees	%	50%	49%
	Percentage of women on the managing executives committee	%	29.9%	30.7%
Disabilities	Number of employees having reported a disability	No.	29	35
Antidiscrimination	Number of interns during the period	No.	63	64
	Number of work-study contracts during the period	No.	543	556

		Unit	2022	2023
Organisation of employee-management dialogue	Number of employee representatives	No.	74	91
	Percentage of employees covered by a collective agreement	%	99%	99%
Fixed compensation	Average gross annual employee compensation – excluding variable compensation and employer contributions	€	58,146 €	60,581 €
	Average gross annual non-management compensation – compensation excluding variable compensation and employer contributions	€	33,188 €	34,781 €
	Average gross annual management compensation – excluding variable compensation and employer contributions	€	63,781 €	66,997 €
Training	Total expenditure on training	€	4,548,155 €	4,984,935 €
	Percentage of employees who completed at least one training course during the year	%	98.7%	100%
	Number of training days per year	No.	4,617	5,029
	Average training expenditure per employee trained	€	2,029 €	1,899
Promotions	Number of employees promoted in the year	No.	173	132
	Percentage of employees promoted in the year	%	8.1%	6.1%
Mobility	Number of employees having benefited from one or more forms of mobility	No.	77	85
	Percentage of employees having benefited from one or more forms of mobility	%	3.6%	3.9%
	Percentage of vacancies filled as a result of mobility	%	13.3%	24.8%
Absenteeism/ Accidentology	Rate of absenteeism excluding maternity leave/paternity leave/other causes	%	2.9%	2.4%
	Number of occupational illnesses	No.	0	0
	Number of workplace accidents (with time off excl. commuting accidents)	No.	10	8
	Frequency rate of workplace accidents		5.3	2.1
	Severity rate of workplace accidents		0.1	0.1

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 (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

Altarea drew on recognised national and international guidelines to produce its internal reporting guidelines and extra-financial communication.

The scope of social reporting includes all of the Group's fully consolidated legal entities with a payroll that is not nil.

Residential, Business property and Retail Property Development

Scope of reporting

The Group's Property Development business consists of:

- in Residential: Cogedim, Pitch Immo, Severini (included in Pitch Immo), Groupe XF (included in Pitch Immo), Woodeum and Histoire & Patrimoine;
- 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 Groupe XF;
- 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 Residential, excluding Groupe XF and Histoire & Patrimoine. 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 Cogedim Residential and Pitch Immo Residential. It is calculated for all transactions declared to the certifying body CERQUAL from 1 January to 31 December of the reporting year.

Greenhouse gas (GHG) emissions

The scope of reporting for the Property Development activity includes all projects (including those of Groupe XF) 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 (energy for occupants) 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 (Agence de l'environnement et de la maîtrise de l'énergie (ADEME), E+C- standards) and research consultancies.

These factors are multiplied by the regulatory surface area of a project (SHAB – Habitable surface area – for housing, SU – Useful surface area otherwise) to calculate the GHG emissions generated by this operation. In order to ensure the accounting for GHG emissions parallels that for 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. In addition, the GHG emissions from building site waste constituting a part of the ICc are separated from the "Purchased goods and materials" category of the GHG Protocol.

Retail

Retail REIT Scope

The REIT reporting scope is made up of two distinct reporting scopes, which are detailed below:

Summary table of REIT reporting scopes

	Coverage of scope					
Scope name	Number of assets and surface area	Assets owned[a] and managed	Assets owned[a] but not managed	Assets managed but not owned	Reporting period	CSR data integration method
Exhaustive reporting scope	43 assets, *i.e.* 939,705 m^2 GLA	YES	YES	YES	1 November in prior year to 31 October in reference year	Reported proportionately to share of ownership/ management
Scope of CSR reporting	18 assets, *i.e.* 620,789 m^2 GLA	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 GHG emissions at the REIT

Since 2022, monitoring of the REIT's carbon performance has been harmonised with monitoring of financial performance: greenhouse gas emissions are monitored exhaustively (assets owned, managed, managed but not owned).

In 2023, the methodology for calculating greenhouse gas emissions was expanded to include a more exhaustive range of items, in accordance with the recommendations of the GHG Protocol.

For the Retail REIT activity, Altarea allocates to itself the share of emissions from projects and assets according to their consolidation method (pro rata their Group share)[1]. This reporting includes all assets which Altarea manages or owns.

Scope 1 & 2

Scope 1 & 2 GHG emissions were calculated on the basis of actual data consumed[2]or when the information is not available, extrapolated based on extrapolated consumption data by type of centre (taking the average consumption by type for the surface area in m^2 of common areas) and on the GLA surface area in m^2 of the centres in question.

Their actual consumption is of several types: electricity from renewable or non-renewable sources, gas, fuel oil and heating and cooling networks.

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 used are provided by ADEME, as well as the Association of Issuing Bodies (AIB) for the market-based method, for the reference year[3]. The AIB also provides information on the emission factors of foreign sites for both location-based and market-based approaches.

The market-based approach 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. The emission factor used for energy consumption without a guarantee of renewable origin is the residual mix emission factor. 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.).

(1) See appendix 2 to Chapter 2 of the 2023 URD for scopes of consolidation.

(2) Data from our energy consumption management tool: Deepki.

(3) Upstream emissions related to energy not included in scopes 1 and 2.

Scope 3

Scope 3 emissions cover, as from the 2023 fiscal year, 7 of the 15 categories identified by the GHG Protocol. The other scope 3 emissions items are not included in this reporting process either because they are not applicable to the activity or not material as the Group has no direct influence on them.

Several methodologies were used to calculate these emissions:

- energy consumption: extrapolation of emissions from the energy consumption of tenants (downstream leased assets) based on a recalculated emission factor:
  - by type of retailer, taking the average emissions by type over the surface area in m² of the retailer in the case of partial consumption data,
  - by type of shopping centre, taking the average emissions by type over the surface area in m² of the asset in the case of no consumption data;
- other scope 3 emissions:
  - purchased goods and services,
  - capitalised assets,
  - business travel,
  - commuting,
  - waste created by the business.

For the scope of these five emission items, precise calculations are made for 18 centres representative of our assets and extrapolated to the 25 other assets (using an average ratio based on the type of asset and surface area in m² of GLA).

- the calculation of emissions related to visitors' travel is based on marketing studies of 12 centres and extrapolated to the rest of the Group's assets using the same method. This extrapolation gives a first version of the volume of emissions related to visitor travel. These emissions, over which the Group has indirect influence, will be refined in the Group's future publications.

In the case of a site undergoing works (extensions or renovations) during the reference year, the reporting of the site's emissions are kept within the reporting scope.

Methodological details related to Retail Development

For the property development activity, progress is measured as of 31 December of the reference year.

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 energy consumption 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 Corporate GHG emissions

Scopes 1 & 2

Scopes 1 and 2 for Corporate include business travel by Company car as well as energy consumed in all head offices. Employee fuel and energy consumption during the extra-financial reporting period are recovered and then converted into GHG emissions using reference factors provided by the French Environment and Energy Management Agency (ADEME) for the location-based approach and by the Association of Issuing Bodies (AIB) for the method market-based approach.

Scope 3

This scope includes emissions related to business travel, in particular train and plane journeys, as well as business travel in personal vehicles.

Other scope 3 emissions items were taken into account in order to integrate 7 of the 15 categories identified by the GHG Protocol. For Corporate, they correspond to the consumption of water, waste generated, purchases of consumables and commuting by Group employees. This last calculation is based on the employee's postal code and an INSEE study which gives the average annual GHG emissions of home-work trips according to the department of residence in 2019(1).

(1) *Sources: SDES-INSEE, Mobility of People survey 2018-2019; INSEE, 2019 population census, additional use; Metric.OSRM distance calculator, © contributors to Open StreetMap and the OSRM project.*

4.5.3 European taxonomy

Regulatory framework

European Commission texts serving as reference:

- REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
- ANNEX I supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by defining the technical examination criteria to determine the conditions under which an Economic activity is considered to contribute substantially to the mitigation of climate change and to determine whether economic activity causes significant harm to any of the other environmental objectives;
- FAQ on REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020, of 19 December 2022;
- Delegated Regulation (EU) 2021/2139 of the European Commission of 4 June 2021;
- Delegated Regulation 2023/2485 of 27 June 2023 amending Delegated Regulation (EU) 2021/2139 with additional technical review criteria to determine the conditions under which certain economic activities can be considered as contributing substantially to the mitigation of climate change or adaptation to this and if these activities do not cause significant harm to any of the other environmental objectives.

The European Commission presented a methodology (the taxonomy) for reporting investments in economic activities considered to be sustainable. The aim is to facilitate investments that contribute to achieving Europe's environmental objectives:

a) climate change mitigation: CCM;

b) climate change adaptation: CCA;

c) sustainable use and protection of Water and Marine Resources: WTR;

d) transition to a Circular Economy: CE;

e) pollution prevention and control: PPC;

f) biodiversity and ecosystems: BIO.

The european taxonomy is applied to the Group's consolidated scope. It makes it possible to assess the proportion of activities that are sustainable or contribute to the ecological transition.

Taxonomy principles and methods

The alignment of the reported indicators with the taxonomy was investigated at asset level, which corresponds to:

- in Property 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.

Altarea's Property Development activity is eligible for the Taxonomy activities "7.1 Construction of new buildings" and "7.2 Renovation of existing buildings" since the Group carries out projects and also major renovations *via* Histoire & Patrimoine.

For this fiscal year, each project aligned within the meaning of the taxonomy was the subject of an exhaustive collection and review of supporting documents (see 4.1.6 details of the eligibility and alignment methodology for assets/projects).

Substantial contribution criteria (SCC) #1a: climate change mitigation

Property Development: new construction:

SCC #1: NZEB -10%

The european taxonomy requires buildings to reach a threshold of primary energy consumption that meets the nearly zero energy building (NZEB) standard -10%.

For assets subject to RT2012 (building permits filed before 1 January 2022 for residential and before 1 July 2022 for the tertiary sector), this threshold corresponds to the RT2012-10%[1].

For assets for which the building permit was obtained after 1 January 2022 for residential and after the 1 July 2022 for the tertiary sector, RE2020 standards are strict enough to reach the consumption threshold set by the european taxonomy.

If not all the buildings in a multi-building project reach the RT2012 -10% threshold, then the aligned revenue of this project is calculated pro rata the number of aligned units.

Activities concerned: Property Development, REIT post 31 December 2020

Scope: Residential and non-residential

SCC #2: Airtightness and thermal integrity tests

Regarding airtightness, the Group applies the regulation literally. The criterion is reviewed asset by asset for buildings of more than 5,000 m^2.

Regarding thermal integrity, RT2012 and RE2020 require proven and traceable quality control processes during construction to guarantee the thermal integrity of buildings, for residential and tertiary sectors.

Thermal integrity and airtightness tests are therefore carried out on buildings (upstream of the purchase order) and the results of these tests are systematically reviewed.

Buildings passing these tests therefore meet the criterion for thermal integrity.

Activities concerned: Property Development, REIT post 31/12/2020

Scope: Residential and non-residential

SCC #2: Life cycle assessment

The european taxonomy requires the performance of a Life Cycle Assessment (LCA) applying a robust and broadly applicable method, which facilitates the comparison of results between and within sectors.

The LCA prescribed by EN 15978 (RT2012) and the LCA recommended by RE2020 both meet this criterion.

Additional LCAs were carried out retrospectively on assets subject to RT2012.

The criterion is therefore reviewed asset by asset for buildings of more than 5,000 m^2.

Activities concerned: Property Development, REIT post 31/12/2020

Scope: Residential and non-residential

(1) *Recommendations from the DGLAN/DHUP.*

4

Property Development: renovation

SCC #1: Renovation in accordance with the requirements for major renovations

All of the Group's major renovations meet the requirements of the Global RT or the item-by-item RT applicable to this type of project. These requirements apply those of the European directive on the energy performance of buildings, thus validating the criterion as a whole, once a building permit is filed and validated.

Histoire & Patrimoine's renovation projects for historic buildings divide into two categories:

- buildings built before 1948: compliance with the existing RT by item;
- buildings built after 1948: compliance with the Decree of 13 June 2008.

Activities concerned: renovation

Scope: Residential and non-residential

REIT

SCC #1: EPD A/Top 15% EPC or criterion applicable to activity 7.1

For buildings built before 31 December 2020, they must have an energy performance diagnostic (EPD) of level A or energy performance in the top 15% of the national or regional building stock. Several market benchmarks exist. For the 2023 fiscal year, the Group has chosen the 2023 ESG index[1] as a benchmark for the top 15%. This choice allows the Group to have common standards in France and across its other sites It also allows comparison with other major market players.

The energy performance of an asset is calculated over a reconstituted year (01/12/2022 to 30/11/2023) and reflects its actual consumption. The calculation is composed of:

- for the numerator, actual consumption of electricity, gas, heating and cooling network and fuel oil but also energy consumption in common areas and tenants served by shared facilities (excluding electricity for served tenants excluding unserved tenants);
- for the denominator, surface areas (in GLA m^2) of common built areas (excluding indoor or outdoor car parks) and areas related to consumption distributed among tenants.

Activities concerned: REIT before 31/12/2020

Scope: non-residential

Energy management of buildings

Decree 2020-886 of 20 July 2020 on automation and control systems for non-residential buildings, known as the BACS Decree, requires the implementation of building automation and control systems for large new tertiary buildings (with a nominal useful power greater than 290kw) from July 2021.

The existence of a BMS or GTC on our assets with a nominal useful power of more than 290kw is verified asset by asset to validate this criterion.

Activities concerned. REIT

Scope: non-residential

DNSH #2 Climate change adaptation

In 2018, the Altarea Group commissioned a study to analyse the exposure of its activities to the effects of climate change, including one specifically looking at Residential Property Development in France. Several risks were analysed: heat waves, droughts, land movements, floods, intense precipitation, storms and marine submersion for all regional sites. The conclusions of this study enabled each of the brands to take specific actions to secure and address the most systematic risks (heat, drought, intense rainfall & flooding and Shrinkage-Swelling of Clays). Cogedim, for example, has decided to proactively address the subject of summer comfort and has defined its own "Summer comfort" approach taking into account the risks and opportunities concerning the "customer" aspects (gain or loss of product appeal). This point is one of the 10 Commitments of the Cogedim brand published in July 2021. Likewise, on the subject of swelling and removal of clays, G2avp and G2pro geotechnical studies are already carried out systematically on all projects. So, when drilling spot clays, the foundations of the projects concerned are designed and calculated accordingly. With regard to the risks related to intense rainfall and flooding, our operations strictly take into account the rules of the PLU and in particular the strict compliance with the PPRI and accordingly make arrangements for operations by casing the subsoil; raising technical rooms or accesses and on the most at-risk buildings, installation of cofferdams.

In 2023, the Group also launched a retrospective assessment of all its transactions affected by the taxonomy alignment calculation in order to verify their compliance. This assessment was carried out either with the CERQUAL resilience tool, updated as a support tool for responding to the challenges of the european taxonomy, or with the Bat-ADAPT tool[2]and detailed analysis based on the RCP 2.6, 4.5 and 8.5 scenarios. Following this, a note specifying the main adaptations to make to respond to these risks was drafted and evidence of their completion collected.

For REIT assets, an initial assessment of physical risks and adaptation roadmaps for the Group's assets was carried out the same year (13 June 2018). This study identified net risks on nine priority assets and actions taken to prevent vulnerabilities to these risks. This year, the Group reran an audit of climate risks by MSCI and commissioned a more precise analysis of the action plans to be implemented in the Group's highest-risk centres.

Activities concerned: Property Development, Renovation, REIT

Scope: Residential and non-residential

DNSH #3: Water

DNSH 3A: Water leaks

The Group applies the text literally. This criterion is reviewed asset by asset in the non-residential segment.

An exception to this rule is made for Residential projects, which are subject to the transitional regime (market position according to our knowledge of the market), which is applied to the exercise according to the date of filing of the LT.

Activities concerned: Property Development, renovation

Scope: Residential and non-residential

DNSH #3b: Protection of water resources

National regulations cover this criterion: all assets are in the IOTA nomenclature (Water Act):

- the LEMA law (2006) is the French transposition of the WFD (Water Framework Directive of 2000: Directive 2000/60/ EC) which forms the basis for Article 2 22) 23) of Regulation (EU) 2020/852, on which the DNSH #3b is itself based;

(1) *ESG index published by Deepki - Zone France = 192 kWh/m^2/year - Spain = 157 kWh/ m^2/year: https://index-esg.com*

(2) *https://r4re.resilience-for-real-estate.com/resilience/analysis*

- the French LEMA Act (Water Act) concerns projects coming under the IOTA nomenclature (all installation projects, structures, works or activities): all projects are obliged to submit a Water Act filing (dossier de Loi de l'Eau, DLE).

The LEMA Act meets this taxonomy criterion.

Activities concerned: Property Development

Scope: Residential, non-residential

DNSH #4: Circular economy

DNSH #4a: Waste recovery

Limits waste production

Operators must limit the production of waste in construction and demolition processes, in accordance with the European protocol for the treatment of construction and demolition waste. These elements are included in the SOGEDs (building site waste organisation and management plans), which are systematically integrated into our internal processes and the building site charters signed by partners in our projects.

Recovery of waste materials above 70%

Property Development: new construction

Two items of documentation make it possible to align our assets under development:

1. when work on the building site has not yet begun, suppliers and partners working on our building sites sign site charters providing for the sorting and recovery of 70% of material waste, excluding hazardous waste and soil and stones classified as non-hazardous;
2. if work on the building site has begun, there is a paper trail (review of site waste registers or a certificate from the sorting and treatment centre) to show that the total material waste recovered since construction and/or demolition work started is greater than 70% of the total waste generated by the site.

Property Development: renovation

For old buildings under renovation, most of the waste generated comes from the cleaning of old or abandoned buildings in poor sanitary condition and with limited possibilities for waste recovery, *i.e.* Almost all are contaminated with lead or pests due to the time when the buildings were built. Systematic (products, equipment, materials and waste (PEMD) diagnostics on assets greater than 1,000 m^2 enable us to estimate the maximum volume that can be recovered.

Activities concerned: Property Development, renovation

Scope: Residential and non-residential

DNSH #4b: circular economy design and construction techniques

This criterion requires us to assess the design of the Group's assets and construction techniques by demonstrating that they are either more resource-efficient or more adaptable or flexible, or can be more easily dismantled for reuse and recycling.

Each asset is accordingly reviewed on the basis of one of the following three sub-criteria:

1. resource efficient;
2. adaptable or flexible;
3. dismantlable.

A report is produced, asset by asset, providing proof of its alignment with one of the three sub-criteria.

Activities concerned: Property Development, renovation

Scope: Residential and non-residential

DNSH #5: Pollution

DNSH #5a: products hazardous to health

The POP regulations for persistent organic pollutants, EC 1102/2008 of 22 October 2008 for mercury, EC 1005/2009 of 16 September 2009 for substances that deplete the ozone layer, and Regulation 1907/2006 entered into force in 2007 for REACH substances, meet this taxonomy criterion.

The Group is also expected to demonstrate that it does not market products containing substances of very high concern as candidates for authorisation under the REACH regulation (Article 59 (1) of Regulation (EC) No. 1907/2006) entered into force in 2007.

Several processes make it possible to meet this last criterion:

1. all marketers must inform their customers of the presence of *substances of very high concern* (SVHC) included in the candidate list in application of Article 59 and taking into account the criteria of Article 57[(1)] of the REACH Regulation present at concentrations greater than 0.1%. Thus, as the purchaser of the product and in the absence of information received from suppliers on the presence of SVHC, Altarea considers that the products purchased are SVHC-free;
2. for risk management purposes and in order to verify the reliability of the Group's processes, Altarea has chosen to go further by carrying out a specific verification on a representative sample of products and materials used in the construction of its projects (sample taken from Cogedim brand projects). A specialist firm audited the alert processes for hazardous products and its report highlighted the reliability of the notification process (initial reporting and escalation). The criterion can therefore be considered as fully met.[(2)]

Activities concerned: Property Development, renovation

Scope: Residential and non-residential

DNSH #5b: carcinogenic formaldehyde and VOCs

For carcinogenic VOCs (benzene), French law imposes the same threshold as the taxonomy (see the Order of 30 April 2009 on the conditions for the marketing of construction and decoration products containing substances that are carcinogenic, germ cell mutagenic or toxic for reproduction, category 1 or 2).

For formaldehydes, the taxonomy thresholds correspond to product labels A and A + (see the Decree of 19 April 2011 on the labelling of construction products).

This criterion is verified on an asset-by-asset basis.

(1) *The following substances may be included in Annex XIV{/t2}{t3} in accordance with the procedure provided for in Article 58: a) substances meeting the criteria for classification as carcinogenic substances, category 1A or 1B, in accordance with Annex I, section 3.6, of Regulation (EC) 1272/2008; b) substances meeting the criteria for classification as mutagenic substances on germ cells, category 1A or 1B, in accordance with Annex I, Section 3.5 of Regulation (EC) No 1272/2008; c) substances meeting the criteria for classification as substances toxic for reproduction, category 1A or 1B, having adverse effects on sexual function and fertility or on development, in accordance with Annex I, Section 3.7 of the Regulation (EC) 1272/2008; d) substances that are persistent, bioaccumulative and toxic in accordance with the criteria set out in Annex XIII of this Regulation; e) substances that are very persistent and very bioaccumulative, in accordance with the criteria set out in Annex XIII of this Regulation; f) substances, - such as those with endocrine disrupting properties or those with persistent, bioaccumulative and toxic or very persistent and very bioaccumulative properties, which do not meet the criteria referred to in points d) or e) - for which it is scientifically proven that they may have serious effects on human health or the environment that give rise to a level of concern equivalent to that caused by the use of other substances listed in points a) to e) and which are identified on a case-by-case basis, in accordance with the procedure set out in Article 59.*

(2) *For details of the treatment of this criterion see chapter 4.1.6 "european taxonomy", in the paragraph "Specific action plans on certain criteria".*

Activities concerned: Property Development, renovation

Scope: Residential and non-residential

DNSH #5c: soil pollution analysis

The French ALUR Act imposes an obligation on land listed in the SIS registry of potentially contaminated land[1] (Article L. 556-2 of the French Environmental Code) and on land that has housed a classified facility that has been permanently shut down and regularly rehabilitated (Article L. 556-1 of the French Environmental Code), the project commissioner provides in the building or development permit application a certificate guaranteeing that a soil study has been carried out and that it has been taken into account in the design of the construction or subdivision project by a design office certified in the field of polluted sites and soils. The ALUR law therefore covers this criterion by requiring a soil analysis and that it is taken into account in the project.

In addition, for all BUs, an analysis is systematically carried out if there is any doubt about the history of the soil.

Activities concerned: Property Development

Scope: Residential and non-residential

DNSH #5d: noise, dust and pollutants

The Group has instigated building site charters in addition to the Public Health Code (Article R. 1 336-10) relating to noise and Order 2020-700 of 10 June 2020 on the monitoring of polluting gas and polluting particles emissions, allowing the achievement of this DNSH criterion.

This criterion is verified on an asset-by-asset basis.

Activities concerned: Property Development, renovation

Scope: Residential and non-residential

DNSH #6: Biodiversity

DNSH #6a: environmental impact assessment

The French Environmental Code (Article R. 1 22-2, Section 29) defines the cases for which an environmental impact assessment is necessary and meets the taxonomy criterion.

This criterion is verified on an asset-by-asset basis.

Activities concerned: Property Development (excluding Renovation)

Scope: Residential and non-residential

DNSH #6b: non-buildable areas

The local urban planning plans (PLUs) as well as the national urban planning regulations meet this taxonomy criterion.

Activities concerned: Property Development

Scope: Residential and non-residential

Limitations of the work done

The information may be subject to inherent uncertainty in the state of scientific or economic knowledge and in the quality of the external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates used to prepare it, in particular this year, the use of:

- a study carried out by an external service provider to address the criterion related to substances on the REACH regulation candidate list as well as the choice of material/product samples and suppliers;
- specific tools for the criterion of climate risk adaptation: CERQUAL's Resilience or Bat-ADAPT, produced by the Observatoire de l'immobilier durable (OID).

(1) A piece of land is listed in the Soil Information Sector (SIS) if the land registry parcels that make it up are totally or partially affected by pollution known to the state services.

4.5.4 DPEF concordance table

The table below refers to the items found in the DPEF Chapter that are required by Article L. 225-102-1 of the French Commercial Code.

Items in the Declaration on Extra-Financial Performance	Location
Description of the business model	Strategic report incorporated and Business Review (introduction and chapter 1 of the 2023 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	4.3.5
Climate change	4.2.1
Circular economy	4.2.3
Collective bargaining agreements	4.4.2 and 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	4.2.4, 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.
Fight against food waste, food insecurity, respect for animal welfare, responsible, fair and sustainable food, actions to promote the nation-army bond and support commitment in the reserves	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

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 2023 (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.

Limitations inherent in the preparation of the Information

The Information may be subject to inherent uncertainty in the state of scientific or economic knowledge and in the quality of the external data used. Some information is sensitive to methodological choices, assumptions and/or estimates used for their preparation and presented in the Statement.

The entity's responsibility

Management is responsible for:

- 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);
- the Declaration was prepared in accordance with the entity's Guidelines as mentioned above;
- 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 has been prepared by management.

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. 225-1 et seq. of French Commercial Code (*Code de commerce*), our verification programme consisting of our own procedures (programme to verify the Declaration on Extra-Financial Performance of 7 July 2023) and the professional guidelines of the Compagnie Nationale des Statutory Auditors relating to this work, in particular the technical opinion of the Compagnie Nationale des Commissaires aux Comptes, Intervention of the Statutory Auditor - Independent Third Party review - Declaration of Extra-financial Performance, 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.

Means and resources

Our verification work mobilised the skills of seven people and took place between September 2023 and February 2024 on a total duration of intervention of nine weeks.

To assist us in carrying out our work, we called on our specialists in Sustainable development and social responsibility. We conducted four interviews with the people responsible for preparing the Declaration, representing in particular the CSR, Performance, Human Resources and Technical Departments of the brands.

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 understand ability, with due consideration of industry best practices, where appropriate;
- we verified that the Declaration covers each category of information provided for in Article L. 225-102-1 III of the French Commercial Code with regard to social and environmental matters as well as respect for human rights and the fight against corruption and tax evasion and includes, where applicable, an explanation of the reasons for the absence of the information required by Article L. 225-102-1 III subparagraph 2 of the French Commercial Code;

(1) ISAE 3000 (revised) – Assurance engagements other than audits or reviews of historical financial information.

- we checked that the Declaration presents the information provided for in Article R. 225-105 II of the French Commercial Code where relevant with regard to the main risks;
- 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 (related to skills management, the loss of attractiveness of the Company, business ethics and the subcontracting chain), 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 Avenue 83 shopping centre (REIT) as well as the Bobigny Cœur de Ville Residential construction projects (Cogedim Logement) and Osmose (Pitch Immo);
- 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 4% and 100% of the consolidated data selected for these tests (20% of LCAs 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, 14 March 2024

Independent third party

EY & Associés

Thomas Gault Partner,

Sustainable development

Annex 1: The most important information

Social Information	
Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
■ The total headcount. ■ The absenteeism rate. ■ The departure rate. ■ Percentage of employees who benefited from at least one learning initiative. ■ 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.	■ Recruitment and development of talents. ■ Strengthening the working environment. ■ Talent and skills management.

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 per m^2 of shopping centres. ■ The share of areas exceeding the requirements of thermal regulations on office and tertiary 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). ■ Carbon intensity per m^2 and in relation to revenue for Property Development and REIT. ■ The share of recovered waste, including the percentage of material recovered at shopping centres. ■ Water consumption of shopping centres.	■ Altarea's approach to combating climate change. ■ Use of energies that emit less greenhouse gases. ■ Improving the energy efficiency of projects. ■ Adapting projects to the impacts of climate change. ■ Promoting the circular economy and resource conservation. ■ Preservation of biodiversity and soil.

Societal Information	
Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
■ Percentage of locally sourced purchases at Residential building sites. ■ The proportion of new Residential projects certified NF Habitat. ■ Share of new Business Property projects certified BREEAM® and HQE™. ■ Percentage of shopping centres with BREEAM® In-Use certification. ■ The share of signed green leases. ■ The share of surface areas under development less than 500 metres from a transport network.	■ Progress of the responsible purchasing approach and supply chain and supplier relationships. ■ Promoting the circular economy and resource conservation. ■ Development of urban projects with a positive impact. ■ Safety on construction sites. ■ Dialogue in the service of customer and user relationships. ■ Quality of life and well-being in projects. ■ Labels and certifications, creators of green value.

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.

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:

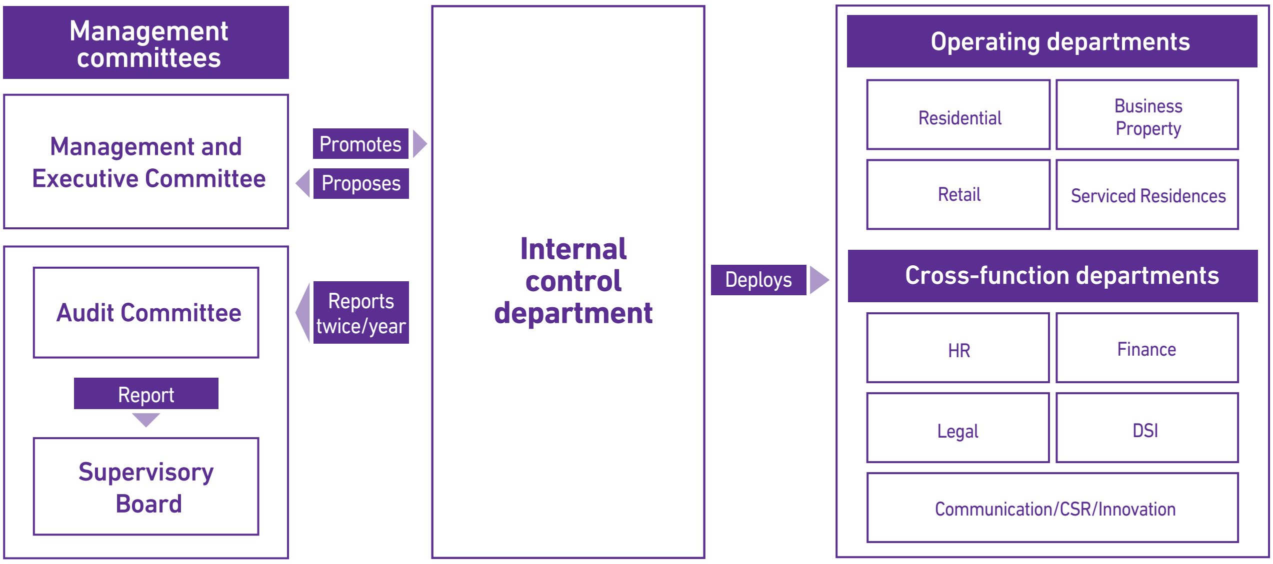
- the ethics charter sets out the Altarea Group's values and rules of conduct that all Group employees and corporate officers must respect in their working relationships. The clear and precise principles outlined in the charter should inspire and guide everyone in their daily tasks, enabling them to 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 and compliance;
- to identify and assist the various departments in mapping risks and drawing up appropriate action plans;
- 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 fulfilling its duties, the Internal Control Department also calls on specialist advisory and consultancy firms and on a network of contacts within the Group for the monitoring and control of 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 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 committee meetings, the Group Finance Department discusses current financial issues.

Accounting and financial structure and main internal control procedures

(i) Accounting and financial organisation

The accounting teams are structured as a single accounting and tax department. to ensure the harmonisation of processes and controls, with sub-sections for each division (Group holding companies, Retail and Property Development) to reflect the specificities of each business line.

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 individual accounts (parent company financial statements) and Group accounts (consolidated financial statements); 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. This software is in the process of being replaced by CCH Tagetik. 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 that incorporates banking communication software that is 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 treasury 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.

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, reviewed in 2022, setting out potential risks and making it possible to identify areas requiring priority action;
- an ethics charter setting out the principles and values that must guide the behaviour and actions of the Group's employees in their work. It was released in 2023, includes a section on the fight against corruption and reiterates the 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. Compliance clauses reiterating the Group's commitments on ethics and compliance are also included in contracts with third parties;
- the accounting Managers and Compliance Department conduct accounting checks on manual entries, unusual movements and transactions considered risky;
- mandatory e-learning modules for all Group employees. As of 31 December 2023, more than 84% of the Group's employees had completed the training. Periodic awareness-raising campaigns were also run for employees identified as being most exposed. 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.

(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.

Transparency in public life

The Group has been registered with the French lobbying transparency body the Haute Autorité pour la Transparence de la Vie Publique (HATVP) since 2018 and files an annual declaration of the activities of its representatives at national and local levels. Employees likely to have interactions with public officials are regularly made aware of reporting obligations.

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;
- implementing 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, notably to verify the identity or third parties and the source of funds;
- reporting any doubtful transaction to the TRACFIN reporter/correspondent;
- training and awareness-raising for employees at greatest risk *via* the deployment of an e-learning and face-to-face training programmes.

Protection of Personal Data

The Altarea Group, through its various subsidiaries, processes the personal data of its customers, prospects and partners as well as its employees to provide them with the best and ever more innovative services.

Altarea is particularly careful with regard to the collection and processing of this data and a key concern is compliance with data-protection regulations, including in particular (i) the latest version in force of Act 78-17 of 6 January 1978 relating to data processing, files and freedoms and (ii) Regulation (EU) No. 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, known as the General Data Protection Regulation (GDPR), which came into force on 25 May 2018.

Compliance with regulations is part of the Group's quality and trust-building systems and is characterised by:

- the creation of a data governance system with a Data Protection Officer (DPO) reporting to the Risk Prevention Department and responsible for ensuring personal data processing within the Group complies with regulations;
- the mapping of processing operations so as to update the processing register as required by the GDPR;
- continuous awareness-raising on data security and confidentiality issues within the Group so teams can (i) provide increased protection, confidentiality and security of the data they process in the course of their business and (ii) work with the DPO upstream of each project involving the processing of personal data to respect the principle of "privacy by design". These awareness-raising sessions, carried out in tandem with the Head of Information Systems Security (RSSI), take place both at the head office and in the regions. A GDPR e-learning module is also available to all employees;
- the digitisation of the data processing register and privacy impact reports;
- the regular updating of its websites to comply with regulations, particularly on tracers/cookies;
- the introduction of a procedure so that data subjects can exercise their rights to access, rectification, deletion, limitation, opposition and portability in an effective manner *via* the DPO. The DPO keeps and updates registers of rights and complaints as well as a register of breaches and incidents;
- the strengthening of contractual clauses with co-contractors to include adequate guarantees on compliance with their obligations to protect and secure personal data;
- regular updates of data protection news to the departments concerned as part of the regulatory watch process.

Combatting fraud

To limit the risk of misappropriation of funds, all cash and financial flows undergo special security procedures (banking delegations; rules for opening, modifying and closing bank accounts; daily reconciliation of banking movements with accounting entries; separation of tasks between the Accounting Department and the Treasury Department); limitation of the number of signatories of payments; review of access rights in the systems.

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. Any case of proven fraud is automatically reported to the police services. 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 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.

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 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 Primonial shareholder groups maintained and developed their pleadings, claiming damages of €119 millions for the Manager vendors and €588 million 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 filed new claims in response in July 2023, developing its arguments and increasing the amount of its claim against Primonial's vendors to approximately €330 million. The Primonial vendors have not yet filed their response on the facts of the case.

As of the date of disclosure of this document, 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 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

		LOW	AVERAGE	HIGH
Business-sector related risks	Risks related to changes in the real estate market and the economic environment	■	■	■
	Risks related to climate change	■	■	■
Risks inherent to the Group's operations	Risks related to property development operations	■	■	■
	Risks related to REIT assets and activities	■	■	
Risks related to the Group's financial position	Liquidity risk and compliance with covenants	■	■	
Legal and regulatory risks	Risks related to administrative authorisations and litigation	■	■	■
	Risk of legal action for non-compliance with safety/employment law	■	■	
Social, environmental and governance risks	Risks related to the Group's information systems	■	■	■
	Image risk	■	■	■
	Social risks	■	■	
	Risks related to security, health and public safety	■	■	

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 The Group operates in several business sectors (residential, retail, business property and serviced residences), each of which has its own cycle and its own exposure to endogenous and exogenous factors. The real estate sector is facing a deep crisis caused, among other things, by the tightening of credit conditions including rises in interest rates and the usury rate, a maximum occupancy cost ratio of 35%, inflation and squeezed consumer purchasing power, rising energy prices, supply difficulties related to the war in Ukraine. These issues have affected all our customers (private individuals in their main residence, individual investors and institutional buyers) with an unfavourable impact on the Group's activity and consequently on its results. 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 and consequently on its results.	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 the impact of 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 by developing partnerships with social landlords and institutional customers. The Altarea Group's positioning in several segments of the real estate market: serviced residences (seniors, students, business tourism), urban logistics, renewable energies, asset management, energy renovation. This positioning enables it to optimise its risk/return profile by diversifying its risks in a way that would be impossible in single-sector competition. 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 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.
Unstable tax regulations An adverse change in the various tax incentives (Pinel, PTZ +, Malraux, etc.) and tax regimes applicable to real estate cannot be ruled out and could have a material impact on the Property Development business and therefore on Altarea's results.	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.

5.2.1.2 Risks related to climate change

<table>
<tr><th>Risk factors</th><th>Risk control systems</th></tr>
<tr><td>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.</td><td>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:
▪ positioning as a leader in low-carbon property, notably with the merger of its Woodeum and Pitch Immo brands to create a low-carbon developer, and expertise in low-carbon construction (such as renovation). The Group is also positioning itself in new activities related to the low-carbon transition, such as the development of renewable energies and energy renovation;
▪ programming systematic testing of new low-carbon solutions and feedback with costing;
▪ cost forecasts 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.</td></tr>
<tr><td>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.</td><td>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.
In 2023, the Group is expanding this approach with the systematic analysis of physical risks to its Property Development projects, as well as a specific study of risks to its main assets.</td></tr>
</table>

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 Retail property, the "Retail Projects Committee" defines and sets the operational objectives for each project, monitors work commitments and approves budgets; defines and sets the marketing objectives, pre-letting also helps limit 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 Spain), Jones Lang Lasalle (in France), CBRE (in France) and Kroll (in Italy). The fees paid to appraisers are lump-sum amounts determined in advance of the valuations. These amounted to[a] €216,466 (excl. VAT) in 2023, 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.

(a) *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 €2.4 billion, of which €1.6 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[(a)].

(a) 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, the Group recently launched a new asset management company specialising in the management of real estate funds: Altarea Investment Managers. As such, it is subject to the supervision of the French Financial Markets Authority (Autorité des Marchés Financiers). 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 stock market law or the French Monetary and Financial Code would expose these companies to sanctions 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 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 brief in response (conclusions en réplique) dated 21 November 2022 and 16 January 2023, the Primonial shareholder groups maintained and developed their pleadings, claiming damages of €119 millions for the Manager vendors and €588 million 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 filed new claims in response in July 2023, developing its arguments and increasing the amount of its claim against Primonial's vendors to approximately €330 million. The Primonial vendors have not yet filed their response on the facts of the case.

As of the date of disclosure of the Group's financial statements, the proceedings are ongoing and 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; ▪ application audits by external expert partners; ▪ 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. These analyses, carried out jointly by the Risk Prevention Department and the IT Department, give rise to remediation plans or recommendations for security. In 2021, the IT Department defined a new IT continuity plan which became operational in 2022. A procedure for reporting cyber incidents allows optimised processing of events according to their severity. 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 Group could therefore be confronted with situations/events (construction site accidents, delivery delays, customer and employee dissatisfaction, major disputes, identity theft, regulatory non-compliance, service quality failings, etc.) whose impacts could damage its reputation and its image vis-à-vis its stakeholders. Also, the growing use of social media increases the risk of exposure to criticism or negative messages and accelerates their dissemination.	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 Relations Champion award for the second 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 context of the crisis affecting the real estate sector and the objectives of developing new markets (renewable energies, photovoltaics, urban logistics, asset management) expose the Group to challenges related to the integration and training of new employees, and the engagement of all 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; ▪ regarding integration: 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 work-study contracts is also a major challenge for the Group; ▪ regarding retention: 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, and employee awareness; ▪ 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.

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 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.

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 2023. 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 2023 financial year, the overall budget for the Group's main insurance policies (excluding social security protection) is estimated at more than €18 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 2024, 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 (including for activities coming under the Hoguet Act) with various insurance firms, including QBE and MMA.
- **miscellaneous insurance policies:** other insurance covers various rented offices, automobile fleets, computer equipment and ten-year builder liability. There is also: an "executive and corporate officer liability" insurance policy taken out with AXA, a cyber policy taken out with CHUBB, specific insurance policies covering the Group's New businesses (renewable energies, asset management) urban logistics, Data center).

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 Compensation and Nomination Committee at its meeting on 22 February 2024 and approved by the Supervisory Board at its meeting on 27 February 2024.

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.
The separation of duties of the Chairman of the Board of Directors and the Chief Executive Officer	3	Because the Company is a partnership limited by shares (*société en commandite par actions*), it is run by Management with oversight exercised by a Supervisory Board. The Company therefore has a dual management structure by its nature and has no decision to make regarding the separation of executive functions.
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 Audit and CSR Committee also examines CSR issues.
Term of office of Directors and staggering of terms of office	15	The General Shareholders' Meeting to be held in 2024 to approve the financial statements for the 2023 financial year will be asked to amend the Company's Articles of Association to reduce the term of office of the members of the Supervisory Board from six to four years, it being specified that (i) the terms of office of the members of the Supervisory Board currently in office will continue until the end of the term initially stipulated at the time of their appointment, and (ii) to promote the smooth and staggered renewal of the Supervisory Board, particularly in 2025 when at least six terms of office will expire, the General Meeting may make appointments or renewals for a period of one, two or three years.
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. 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 for the moment needing to replace 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. Altafi 2, which is now the Company's sole General Partner, is managed by a Chairman and three Chief Executive Officers, each of which has the same powers within Altafi 2. Having multiple executive officers at Altafi 2 makes it possible in practice to manage any period where one is absent. The Articles of Association of Altafi 2 notably state that in the event of the death, resignation or incapacity of the Chairman, the Chief Executive Officers in office retain their functions and powers until the appointment of the new Chairman.

Recommendation	Code heading	Explanations or remedial measures
Shares held by executive corporate officers	24	Altafi 2, the Company's sole executive corporate officer, is a member of the concert formed around the Group's founder, Alain Taravella, representing more than 45% of the Company's share capital and voting rights (see 7.1.6 below). Altafi 2 is also the Company's sole General Partner. The concert's shares are held in registered form and the General Partner shares held by Altafi 2 are non-negotiable. Given this situation and the Company's legal form as a partnership limited by shares, it would not seem appropriate to set a rule for the Manager to retain a minimum quantity of shares.

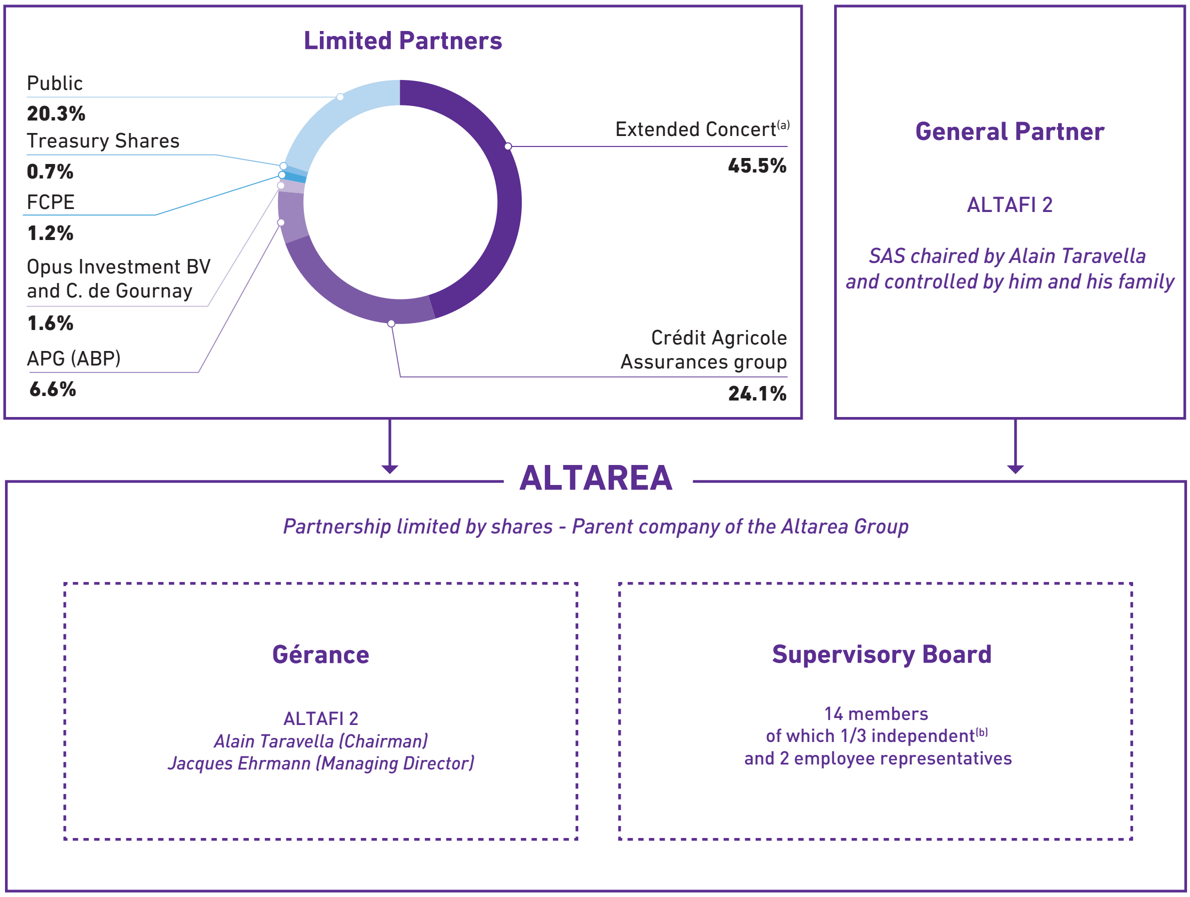
6.2 Composition and practices of the management and supervisory bodies

As Altarea is a partnership limited by shares (SCA), it is 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 dual governance structure.

It comprises two categories of partners:

- a General Partner, with unlimited joint and several liabilities 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.

This corporate form, adopted since 2007 by Altarea shareholders after the launch of a public buyout offer in accordance with the regulations in force, provides the flexibility to run an efficient organisation and make agile executive decisions while ensuring the Company's sustainability in the interest of all shareholders.



(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).

(b) Excluding members representing employees in line with the AFEP-MEDEF Code recommendations.

6.2.1 Management

Composition

The Company is managed by a sole Manager, Altafi 2, which is also the Company's sole General Partner. Altafi 2 is chaired by Alain Taravella, Chairman and Founder of the Group, and its Chief Executive Officer is Jacques Ehrmann.

Altafi 2

Manager

Altafi 2 is a simplified joint-stock company whose registered office is 87 rue de Richelieu, Paris (75002), registered with the Paris Trade and Companies Registry under number 501 290 506, whose share capital is wholly owned by AltaGroupe, itself controlled by Alain Taravella and his family.

Altafi 2 was appointed 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.

Alain Taravella

Chairman of Altafi 2
Founder of Altarea Group

A French citizen, Alain Taravella was born in Falaise (14) 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. Alain Taravella is a Chevalier de la Légion d'Honneur.

Jacques Ehrmann

Chief Executive Officer of Altafi 2

Jacques Ehrmann, a French citizen, was born in 1960. A graduate of HEC (École des Hautes Études Commerciales), he began his career at Hôtels Méridien of which he was General Secretary from 1989 to 1995. 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 Assets under Management, Development and Innovation. He added to this position that of Chairman and Chief Executive Officer of Carmila, a retail REIT (SIIC) 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, and more specifically, as Manager of Altarea Management, a wholly-owned subsidiary. He has also been Chairman of the Fédération des Acteurs du Commerce dans les Territoires from 2019 to 2023[1].

(1) Until 2022, this was called the Conseil National des Centres Commerciaux (CNCC).

List of corporate offices held at 31 December 2023

Executive officers	Other corporate offices held at 31 December 2023		Corporate offices expired over the last five years
	Within the Group	Outside the Group	
Altafi 2 Manager	■ Managing General Partner of SCA: Altarea♦■ (a); NR21♦■ ■ *Manager of SCA*: Altareit♦■ (b)	-	-
Alain Taravella Chairman of Altafi 2	■ *Representative of Altafi 2, Manager*: Altarea♦■ (a); NR21♦■ ; Altareit♦■ (b)	■ *Chairman*: Altafi 2; Altafi 3; Atlas; Altafi 5; Altafi 7; Altager; AltaGroupe (Chairman of Alta Patrimoine) ■ Permanent Representative of Altarea, Director: Semmaris; ■ *Representative of Alta Patrimoine, Manager:* SNC ATI; SCI Matignon Toulon Grand Ciel; SNC Altarea Commerce	■ *Co-Manager:* Altarea♦■ ■ *Chairman:* Altafi 6, Foncière Altarea SAS♦ ■ *Chairman of Supervisory:* Altarea France SNC♦ ■ *Director:* Pitch Promotion SAS♦ ■ *Representative of Altarea, Chairman:* 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♦• ■ *Representative of Atlas, Co-Manager:* Altarea♦■ ■ *Representative of Altafi 3, Manager:* SIAP Rome♦; SIAP Paris; SIAP Helsinki
Jacques Ehrmann Chief Executive Officer of Altafi 2	■ *Manager:* Altarea Management SNC♦; Cogedim Gestion (SNC)♦ ■ *Representative of Altafi 2, Manager:* Altarea♦■ (a); NR21♦■; Altareit♦■ (b)	■ *Chief Executive Officer:* Altafi 2 ■ Member of the Management Board*:* Frojal ■ *Chairman:* Tamlet ■ *Supervisory Board member:* Edmond de Rothschild (France) ■ *Co-Manager:* Jakerevo (SCI) and Testa (SC) ■ *Permanent representative of Frojal, Supervisory Board member:* Lefebvre Sarrut	■ *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♦; Woodeum SAS♦ ■ *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, HR Committee, Chairman of the Audit Committee:* Atacadao SA■• (Brazil) ■ *Chairman:* Fédération des Acteurs du Commerce dans les Territoires (formerly CNCC)

(a) Altarea is notably Chair of Alta Blue♦ (Chair of Aldeta♦) and Foncière Altarea♦, Manager of Foncière Altarea Montparnasse♦, Director of MRM■ and Semmaris, Supervisory Board member of Altarea Investment Managers♦ and Supervisory Board member of SCPI Alta Convictions.

(b) Altareit is notably Chair of Cogedim♦ (Chair of Alta Richelieu♦ and of Cogedim Office Partners♦), Alta Faubourg♦ (Chair of W-Pi Promotion♦), Alta Penthièvre♦ (Chair of Altacom♦), Alta Percier♦ and Alta Percier Holding♦. It is also a member of the Supervisory Board of Altarea Investment Managers.

The Company share capital and voting rights held by Alain Taravella and Jacques Ehrmann as of 31 December 2023 are listed in Section 7.1.6 below.

♦ *Altarea Group company* ■ *Listed company* • *Foreign company*

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 (full details in Section 6.2.1 above), which is also Manager. 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).

6.2.3 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
◇P

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
◇ ◇P ◇

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
◇ ◇P

Dominique Rongier
Supervisory Board Member
End of term of office - AGM 2027

ALTAREA

3 specialist committees of the Supervisory Board

Audit and CSR Committee
5 Members
60% independent

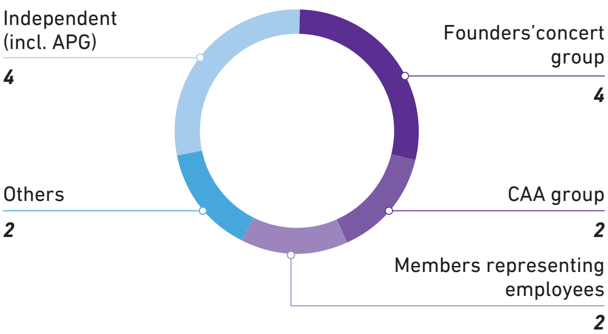
Compensation and Nomination Committee
4 Members
2/3 independent(1)

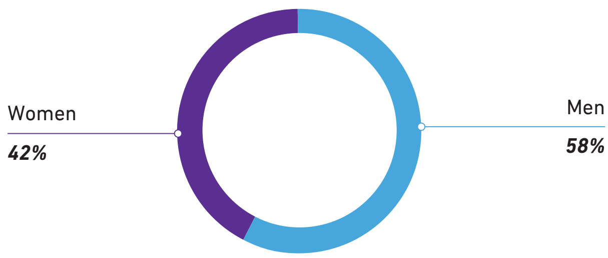
Investment Committee
5 Members
25% independent

◇ Audit and CSR Committee ◇ Compensation and Nomination Committee ◇ Investment Committee P = Committee Chairman

Number of members	Board independence(1)	Attendance rate	Average age	Average seniority(2)
14	*1/3*	*97%*	*59 years*	*7 years*

A balanced composition





(1) *Excluding members representing employees in line with the AFEP-MEDEF Code recommendations.*
(2) *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 2023

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 member*			71		√		05/03/2014	23/05/2019	AGM 2025	10			C	100%
APG (ABP)[e] *Independent member*	Alain Dassas		77		√		20/11/2015 PR: 20/11/2015	23/05/2019	AGM 2025	8	•	C	•	100%
Alta Patrimoine *Member*	Catherine Leroy		42				02/03/2020 PR: 02/22/2022	24/05/2022	AGM 2028	2				100%
ATI[f] *Member*	Philippe Jossé		68				20/05/2009 PR: 25/02/2021	29/06/2021	AGM 2027	3			•	100%
Marie-Catherine Chazeaux *Member representing employees*			54				20/09/2018	19/07/2021	20/09/2024	5		•		100%
Nicolas Deuzé *Member representing employees*			38				21/07/2022	-	21/07/2025	1				100%
Eliane Frémeaux *Independent member*			82		√		27/06/2013	23/05/2019	AGM 2025	11	•			100%
Matthieu Lance *Member*			55			3	07/03/2022	-	AGM 2025	2	•			71%
Philippe Mauro *Member*			67		*		26/02/2019	-	AGM 2024	5		•		100%
Jacques Nicolet *Member*			67				26/06/2007	23/05/2019	AGM 2025	17			•	100%
Predica *Member*	Najat Aasqui		41			2	26/06/2007 PR: 11/03/2019	23/05/2019	AGM 2025	5			•	100%
Léonore Reviron *Member*			38				26/02/2019	24/05/2022	AGM 2028	5	•			100%
Michaela Robert *Independent member*			54		√	1	15/04/2016	24/05/2022	AGM 2028	8	C	•		100%
Dominique Rongier *Member*			78				20/05/2009	29/06/2021	AGM 2027	15				100%

• = Member of the Committee - C = Chairman of the Committee - PR = Permanent representative.
** the Supervisory Board has recognized Philippe Mauro as independent since the 1 January 2024*
(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 2023 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.
(f) ATI was replaced by Altager on the Supervisory Board by co-option on 27/02/2024. Altager is also controlled by Alain Taravella and his family and appointed Philippe Jossé as its permanent representative on the Board.

Changes since 1 January 2023

Body	Appointment	Renewal	Departure
Supervisory Board	**Altager** *co-opted by the Supervisory Board on 27/02/2024 to replace ATI*	**Philippe Jossé** *previously permanent representative of ATI, appointed by Altager as permanent representative on the Supervisory Board*	**ATI** *resignation with effect from 27/02/2024*
Compensation and Nomination Committee	-	-	-
Audit and CSR Committee	-	-	-
Investment Committee	-	-	-

Procedures for appointing Board members

In accordance with Article 15 of the Articles of Association, the Supervisory Board must be composed of a minimum of three members, chosen exclusively from among shareholders who are neither the General Partner, the legal representative of the General Partner, or the Manager.

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.

No more than one-third of the Supervisory Board's serving members may be aged over 75. If this proportion is exceeded, the oldest member will be automatically deemed to have resigned.

In the event of a vacancy due to death, resignation or any other reason, the Board may, with the prior approval of the Management, co-opt a new member on a provisional basis and, subject to ratification by the next Ordinary General Shareholders' Meeting, for the remaining term of office of their predecessor.

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 submitted 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

Term of office of Board members

The Articles of Association set a (renewable) term of office for Board members of six years. The General Shareholders' Meeting to be held in 2024 to approve the financial statements for the 2023 financial year will, however, be asked to amend the by-laws in order to reduce the term of office of the members of the Supervisory Board to four years, it being specified that:

- current members of the Supervisory Board will serve out the full term stipulated at the time of their appointment; and
- to promote a staggered and smooth renewal of the Supervisory Board, particularly in 2025 when six terms of office will expire, the General Meeting may make appointments or renewals for a period of one, two or three years.

The term of office of members representing employees is set at three years. It is renewable without limitation.

Ownership of shares by Board members

The Company's Articles of Association require each member of the Supervisory Board to hold at least one Company share. In accordance with the provisions of the AFEP-MEDEF Code, the Supervisory Board's internal rules, updated on 27 February 2024, supplement this obligation by stipulating that the members of the Supervisory Board must hold a minimum number of 50 Company shares. In accordance with the law, members representing employees are not required to hold a minimum number of Company shares. Also, this additional obligation in the Supervisory Board's rules of procedure does not apply to:

- the permanent representatives of legal entity members;
- members who are natural persons who are formally related to a legal entity shareholder and who receive no compensation in a personal capacity by virtue of their office.

Number of shares outstanding at 31 December 2023	
Christian de Gournay	329,278[(a)]
APG Alain Dassas (Permanent rep. of APG)	1,378,816 -
Alta Patrimoine Catherine Leroy (Permanent rep. of Alta Patrimoine)	2,842,118 4,853
Altager Philippe Jossé (Permanent rep. of Altager)	1,252,872 26,273
Eliane Frémeaux	494
Matthieu Lance	1[(b)]
Philippe Mauro	9,762
Jacques Nicolet	9,802[(c)]
Predica Najat Aasqui (Permanent rep. of Predica)	4,998,903[(d)]
Léonore Reviron	3,108
Michaela Robert	495
Dominique Rongier	74

(a) Directly and indirectly through Opus Investment BV.
(b) The member related to the Crédit Agricole Assurances Group who receives no compensation for attending meetings of the Board and its committees.
(c) Directly and indirectly, via Everspeed.
(d) Directly and indirectly held by the Crédit Agricole Assurances Group, of which Predica is a part.

Proposals to the 2024 Shareholders' Meeting

The General Meeting called in 2024 to approve the financial statements for the 2023 financial year will be asked to:

- amend the Company's Articles of Association to reduce the term of office of the members of the Supervisory Board from six to four years (see paragraph "*Term of office of board members*" above);
- renew the term of office of Philippe Mauro as a member of the Supervisory Board, which is about to expire. Philippe Mauro has sat on the Board for five years and brings his solid experience and in-depth knowledge of regulatory and CSR issues in the real estate sector, which he knows particularly well having worked in the field for more than 40 years, including as Legal Director of Unibail and General Secretary of Altarea, with responsibility for human resources and governance (see "*Presentation of the Board members*" below for his full biography). As he left the Group more than five years ago, the Board, on the advice of the Compensation and Nomination Committee, considered that Philippe Mauro could be classed as independent as of the 1 January 2024. If the reappointment of Philippe Mauro is approved, he will continue to sit on the Compensation and Nomination Committee. His new term of office would be for a single year, expiring at the end of the General Shareholders' Meeting called to approve the financial statements for the 2024 financial year. This is to facilitate the smooth staggering of Members' terms of office at this Meeting, where six other terms are also due to expire;
- the ratification of the co-option of Altager as a new member of the Supervisory Board, replacing ATI. Like ATI, Altager is a company controlled by Alain Taravella and his family. Philippe Jossé, who was ATI's permanent representative, was appointed by Altager to serve in the same capacity. These changes will maintain a balanced representation of Limited Partners on the Supervisory Board and take advantage of Philippe Jossé's more than 40 years of operational experience in the world of real estate development (Bouygues Immobilier, Sogeprom, Cogedim and Altarea Promotion) and his understanding and command of the complex environmental and climate issues affecting the real estate sector (see "*Presentation of the Board members*" below for his full biography).

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, one woman and one man;
- four independent members, *i.e.* one third of its members(1), including the Chairman, one additional member being classed as independent as of the 1 January 2024, bringing their number to five and the independence rate of the Board to 42% as from this date;
- 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 38 and 82, with an average age of 59, the number of members over 75 being below the statutory limit of one third.

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 on the Supervisory Board, which has increased from 33% to 42% following the independent qualification granted to Philippe Mauro, is sufficient in view 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 38 and 82 years old, with an average age of 59. 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.

(1) Excluding members representing employees in line with the AFEP-MEDEF Code recommendations.

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.

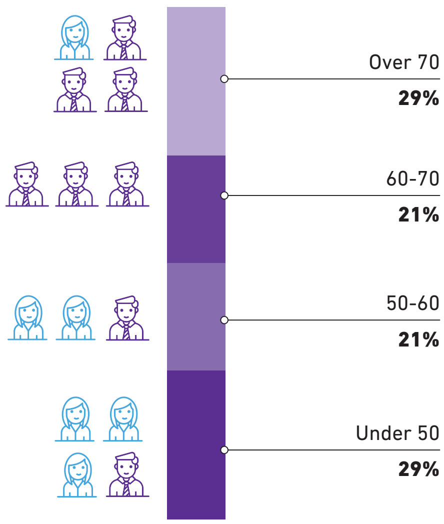
Representation of women and men

The Supervisory Board was composed of 42% women and 58% men as of 31 December 2023 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.

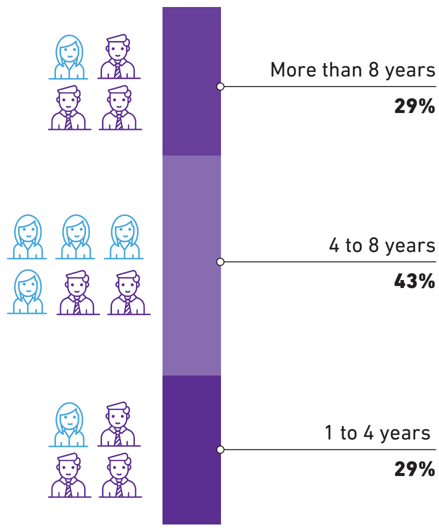
Average age of members and seniority

At 31 December 2023, the average age of the Supervisory Board members was 59. The average seniority of Board members is seven years, including the permanent representatives of legal entity members.

DISTRIBUTION BY AGE



DISTRIBUTION BY SENIORITY



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:

Criterion 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.
Criterion 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.
Criterion 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.
Criterion 4	Not to have a close family link with a corporate officer.
Criterion 5	Not to have been a Statutory Auditor of the Company in the previous five years.
Criterion 6	Not to have been a Company Director during the previous 12 years.
Criterion 7	Not to receive variable compensation in cash or securities or any compensation linked to the performance of the Company or Group.
Criterion 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 was carried out by the Supervisory Board at its meeting of 27 February 2024.

Based on the aforementioned independence criteria, the Board has concluded that five of its members – Christian de Gournay, Éliane Frémeaux, Philippe Mauro since 1st January 2024 and 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)	√	√	√	√	√	√	√	√	√
Eliane Frémeaux	–[(b)]	√	√	√	√	√	√	√	√[(b)]
Philippe Mauro	√	√	√	√	√	√	√	√	√
Michaela Robert	√	√	√	√	√	√	√	√	√
Dominique Rongier	-	√	√	√	√	-	√	√	-

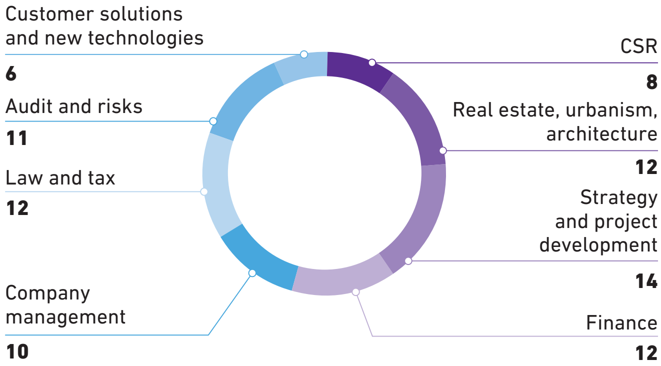
(a) Christian de Gournay is also Chairman of the Supervisory Boards of subsidiaries Altareit, 99.63%-owned by the Company, and of NR21, 96.52%-owned. The Board believes that exercising these mandates within a supervisory body of the Company's subsidiaries is unlikely to give rise to conflicts of interest or impair his independence.

(b) Eliane Frémeaux is also a member of the Supervisory Boards of subsidiaries Altareit, 99.63%-owned by the Company, and of NR21, 96.52%-owned. 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 this member. She does not represent a shareholder and nor has she ever had a significant business relationship with the Company or held an executive office or salaried position in the Group.

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. On this occasion, the Committee carries out a quantitative and qualitative analysis of the business relationship by adopting a broad and multi-criteria approach (duration and continuity, significance of the business relationship for the Company or its Group and the member concerned or their permanent representative, and the structure of the relationship), notably by reviewing financial flows during the past financial year between the Company and the companies of its Group, on the one hand, and the member of the Board and the companies in which they hold office or work, on the other. The Committee found that none of the members of the Supervisory Board classed as independent had any business ties with Altarea or its Group within the meaning of paragraph 10.5.3 of the AFEP-MEDEF Code except for one, the fund APG, whose business ties with Altarea and its Group were not considered sufficiently significant 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.

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
Real estate, 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 2023, as reviewed by the Compensation and Nomination Committee, are detailed below.

	CSR	Real estate, urbanism, architecture	Strategy and project development	Finance	Company management	Law and tax	Audit and risks	Customer solutions and new technologies
Christian de Gournay	√	√	√	√	√	√	√	
Najat Aasqui		√	√	√	√	√	√	
Marie-Catherine Chazeaux	√	√	√					√
Alain Dassas			√	√	√	√	√	√
Nicolas Deuzé	√	√	√	√		√		√
Eliane Frémeaux	√	√	√		√	√	√	
Philippe Jossé	√	√	√	√	√			√
Matthieu Lance	√	√	√	√	√	√	√	
Catherine Leroy		√	√	√		√	√	
Jacques Nicolet		√	√	√	√	√	√	√
Philippe Mauro	√	√	√	√	√	√	√	
Léonore Reviron	√		√	√		√	√	
Michaela Robert		√	√	√	√	√	√	
Dominique Rongier		√	√	√	√	√	√	√

The members representing employees have each taken training courses, notably on the governance of listed companies, from the Institut Français des Administrateurs in 2023. 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.

Presentation of Board members

(the expertise and skills of each member are illustrated by the icons defined above)

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 31/12/2023:

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
71 (1952)

Business address
c/o Altarea
87 Rue de Richelieu -
75002 Paris

Shares held at 31/12/2023
329,278[(a)]

Date of first appointment
5 March 2014

Current term expires
AGM 2025

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 31/12/2023:

Treasurer of the CSE of UES Cogedim

Corporate offices expired over the last five years:

None

Nationality
French

Age
54 (1969)

Business address
Altarea
87 Rue de Richelieu -
75002 Paris

Date of first appointment
20 September 2018

Current term expires
20 September 2024

(a) Directly and indirectly trought Opus Investment BV.

◆ *Altarea Group company* ■ *Listed company* ● *Foreign company*

Stichting Depositary APG Strategic Real Estate Pool (Fonds ABP)

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 31/12/2023
1,378,816

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 New York Financial Office, 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 Chief Financial Officer and 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, and Executive *Coach and Consultant at* Aesara Partners, a Franco-British consulting firm.

Main position held:

Executive Coach and Consultant, Aesara Partners

Other offices held at 31/12/2023:

- Chairman: Dassas Consulting SAS
- Director: RCI Finance Maroc

Corporate offices expired over the last five years:

None

Nationality
French

Age
77 (1946)

Business address
25 Rue Benjamin Franklin
75116 Paris

Shares held at 31/12/2023
-

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 among others. As Director of Diversification since January 2023, he supports the development of New businesses (Data center, Urban Logistics, Renewable Energies).

Main position held:

Diversification Director within the Altarea Group

Other offices held at 31/12/2023:

Member of the CSE of UES Altarea

Corporate offices expired over the last five years

None

Nationality
French

Age
38 (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

Supervisory Board member

Alta Patrimoine is a simplified public limited company (société par actions simplifiée or SAS) 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 and his family.

Alta Patrimoine was a member of the Supervisory Board of the partnerships limited by shares SIAP Helsinki, SIAP Rome◆ and SIAP Paris until 2023 and Altareit◆■ until 2019.

Nationality
Company incorporated under French law

Shares held at 31/12/2023
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 31/12/2023:

None

Corporate offices expired over the last five years:

None

Nationality
French

Age
42 (1981)

Business address
Altarea
87 Rue de Richelieu - 75002 Paris

Shares held at 31/12/2023
4,853

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. Éliane Frémeaux is a Chevalier de la Légion d'Honneur and 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 has contributed to numerous conferences and seminars in France and abroad, mainly on topics related to company law, financing and business transfers, co-ownership, urban planning and the environment.

Main position held:

Member of the Supervisory Board of Altarea

Other offices held at 31/12/2023:

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
82 (1941)

Business address
c/o Altarea
87 Rue de Richelieu - 75002 Paris

Shares held at 31/12/2023
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 until 27 February 2024

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 2023 and had no corporate office expired over the last five years.

Nationality
Company incorporated under French law

Shares held at 31/12/2023
1

Date of first appointment
20 May 2009

Current term expires
AGM 2028

Altager

Member of the Supervisory Board as from 27 February 2024

Altager is a simplified public limited company (société par actions simplifiée) with registered office at 87 Rue de Richelieu, 75002 Paris, and Paris Trade and Companies Registry number 518 982 574. It is chaired by Alain Taravella and its share capital is indirectly wholly owned by AltaGroupe, itself controlled by Alain Taravella and his family.

Altager held no other corporate office at 31 December 2023 and had no corporate office expired over the last five years.

Nationality
Company incorporated under French law

Shares held at 31/12/2023
1,252,872

Date of first appointment
27 February 2024
Co-option to replace ATI

Current term expires
AGM 2028

Philippe Jossé

Permanent representative of ATI then Altager

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 Altager on the Supervisory Board of Altarea

Other offices held at 31/12/2023:

Manager: GFA Domaine des Chalonges

Corporate offices expired over the last five years:

Within the Group:

- *Chairman of the Board and Management Board:* Cogedim SAS
- *Manager:* Cogedim Gestion SNC◆; 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◆; Woodeum SAS◆
- *Member of the Board of Directors:* Pitch Promotion SAS◆

Outside the Group:

- *Co-Manager:* SCEA Domaine de l'Aurée

Nationality
French

Age
68 (1955)

Business address
c/o Altarea
87 Rue de Richelieu - 75002 Paris

Shares held at 31/12/2023
26,273

◆ *Altarea Group company* ■ *Listed company* ● *Foreign company*

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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 *Mergers &* Acquisitions, 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 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 31/12/2023:

- *Director, Vice-Chairman of the Board and member of the Compensation, Nomination and Governance (CNG) Committee*: Ramsay Générale de Santé■;
- *Director and member of the Audit Committee:* Cassini;
- *Director:* Innergex France;
- *Permanent Representative of CAA/Predica, Director:* Aéroport de Paris■;
- *Permanent representative of Predica, Director and member of the Audit Committee*: Gecina■;
- *Permanent representative of CAA, Director and member of the CNG Committee:* Semmaris.

Corporate offices expired over the last five years:

None

Nationality
French

Age
55 (1968)

Business address
Crédit Agricole Assurances
16, blvd de Vaugirard -
75015 Paris

Shares held at 31/12/2023
1

Date of first appointment
7 March 2022

Current term expires
AGM 2025

Philippe Mauro

Independent 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 31/12/2023:

None

Corporate offices expired over the last five years:

None

Nationality
French

Age
66 (1956)

Business address
c/o Altarea
87 Rue de Richelieu -
75002 Paris

Shares held at 31/12/2023
9,762

Date of first appointment
26 February 2019

Current term expires
AGM 2024
Term of office proposed for renewal for one year[1]

(1) See "Procedures for appointing Board members" and "Proposals to the 2024 General Shareholders' Meeting".

◆ *Altarea Group company* ■ *Listed company* ● *Foreign company*

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 with Alain Taravella 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 manages the Everspeed group, which is active in the mobility sector in France and internationally via Ligier Automotive, HP Composites and Ecodime.

Main position held:

Chairman of Everspeed

Other offices held at 31/12/2023:

Within the Group:

- *Member of the Supervisory Board of SCA:* Altareit◆■; NR21◆■

Outside the Group:

- *Chairman of SAS:* Everspeed[1]; Ligier Automotive (Manager of SCI Innovatech); Ecodime
- *Manager:* SCI Damejane; SNC JN Participations; Damejane Investissements
- *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●

Nationality
French

Age
67 (1956)

Business address
Everspeed -3 Rue Bellanger
92300 Levallois Perret

Shares held at 31/12/2023
9,802[2]

Date of first appointment
26 June 2007

Current term expires
AGM 2025

Léonore Reviron

Member of the Supervisory Board and the Audit and CSR Committee

Léonore Reviron is a graduate of EDHEC Business School and chartered accountant. 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 becoming a financial risk Manager. In 2017, she joined the consulting, accounting and audit firm Pluriel Consultants.

Main position held:

Project Manager at Pluriel Consultants

Other offices held at 31/12/2023:

Within the Group:

- Member of the Supervisory Board of SCA: Altareit◆■; NR21◆■

Outside the Group:

None

Corporate offices expired over the last five years:

- 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 31/12/2023
3,108

Date of first appointment
26 February 2019

Current term expires
AGM 2028

6

(1) Everspeed is Chair of SAS (Circuit du Maine; Everspeed Asset; Onroak Automotive Classic; Everspeed Composites), Chief Executive Officer of Les 2 Arbres SAS, and Chair of the Board of Directors of Ecodime Italia Srl.
(2) Directly and indirectly through the company Everspeed which he controls.

◆ *Altarea Group company* ■ *Listed company* ● *Foreign company*

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 31/12/2023
4,998,903[1]

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 31/12/2023:

Within the Group:

None

Outside the Group:

- *Supervisory Board member of SCA:* Covivio Hotels■ ; Aéroport de Lyon ; ADL Participations
- *Permanent Representative of Predica, member of the Supervisory Board, Audit and CSR Committee and Compensation and Nomination Committee:* Argan■

Corporate offices expired over the last five years:

- *Director:* Société Foncière Lyonnaise■; *Edison SPA*●

Nationality
French

Age
41 (1982)

Business address
Crédit Agricole Assurances
16, blvd de Vaugirard - 75015 Paris

Shares held at 31/12/2023
-

(1) *To 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 Finale Advisors, a property financing firm specialised in particular in origination, structuring and debt raising, of which she is Deputy Director. From 2020 to 2023 she also served as Managing Director of Eastdil Secured SAS, the French subsidiary of the international property investment bank.

Main position held:

Chief Executive Officer of Finae Advisors

Other offices held at 31/12/2023:

Within the Group:

None

Outside the Group:

- *Chief Executive Officer:* Finae Advisors SAS
- Director: Paref■

Corporate offices expired over the last five years:

- *Managing Director:* Eastdil Secured SAS

Nationality
French

Age
54 (1969)

Business address
c/o Altarea
87 Rue de Richelieu -
75002 Paris

Shares held at 31/12/2023
495

Date of first appointment
15 April 2016

Current term expires
AGM 2028

Dominique Rongier

Supervisory Board member

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 structure 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 31/12/2023:

None

Corporate offices expired over the last five years:

- Member of the Supervisory Board of SCA: Altareit◆■; NR21◆■

Nationality
French

Age
78 (1945)

Business address
c/o Altarea
87 Rue de Richelieu -7
5002 Paris

Shares held at 31/12/2023
74

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

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;
- prepares the legally required report for the Annual Ordinary General Meeting called 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 year in review;
- draws up the corporate governance report attached to the management 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.

The Supervisory Board has significant powers with regard to the compensation of corporate officers (see Section 6.3. below). The latter:

- expresses an opinion on the compensation policy for management set by the General Partner;
- sets the compensation policy for the Supervisory Board members; and
- sets the components of compensation 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, notably allowing the members of the Board to discuss various topics related to its operations and 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 internal rules were recently updated at the Meeting of 27 February 2024 to increase the minimum number of shares to be held by Board members.

Supervisory Board meetings and work in 2023

In 2023, the Board met four times. The attendance rate was 97%.

The following key topics were discussed at these meetings:

Purpose	Main points discussed
Activity 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 2023 ■ Review of the draft half-yearly financial statements at 30 June 2023 and the half-year financial report ■ Presentation of quarterly financial information ■ Review of forecast management documents ■ Update on operations and financial position ■ Financial resources and opinion on the financing policy ■ Group outlook and strategies - Roadmap and adaptation to the new real estate cycle
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) ■ Environmental performance update ■ European taxonomy and decarbonisation - Strategy, action plan and outlook - Say on climate resolution ■ Group climate report
Governance	■ Preparation of the Supervisory Board report on corporate governance ■ 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 Audit Committee, now called the "Audit and CSR Committee", to include missions related to Corporate Social Responsibility (CSR) ■ 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 2023 subject to the approval of the compensation policies by the General Shareholders' Meeting ■ Approval of the 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	■ Renewal and appointment of real estate appraisers ■ Presentation of the Tikehau Partnership project relating to the creation of a debt fund - 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 set up three specialist committees to contribute to its effectiveness and ensure better governance of the Company:

- 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 2023 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 Deputy Director. From 2020 to 2023 she has also been Managing Director of Eastdil Secured SAS, the French subsidiary of the international property investment bank;
- Alain Dassas, independent member, representing the ABP (APG) fund, is a graduate of ESCP Europe and holds a Master's degree in econometrics and a Master's in Management Science from Stanford University. In particular, he was Director of Banking Relations and Financial Markets at Renault, Chief Financial Officer of Renault Crédit International, Director of Financial Operations and Director of Financial Services at Renault, as well as Chief Financial Officer and member of the Executive Committee of Nissan Motor Company in Tokyo;
- 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 and a chartered accountant. 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 becoming a financial risk Manager. In 2017, she joined the consulting, accounting and auditing firm Pluriel Consultants.

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); and
- 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 2023 fiscal year, the Committee met three times. The following main points were addressed:

- review of the draft annual and interim financial statements; preparation of the closing of the 2023 financial statements;
- presentation of the main risks to which the Group is exposed, including social and environmental risks; review of the mapping of the Group's major risks; presentation of the main internal control and risk management actions;
- assessment of the 2022 internal audit plan; presentation and monitoring of the 2023 internal audit plan, particularly in terms of cybersecurity;
- presentation of the appraisals of assets under management; opinion on the renewal and appointment of the appraisers and the associated call for tenders;
- restitution of the Statutory Auditors'work;
- review of the draft taxonomy and DPEF reports; the Group's CSR approach; carbon performance, climate strategy and Say on Climate resolution;
- update on the forthcoming application of the Corporate Sustainability Reporting Directive (CSRD);
- presentation of the new version of the Group's ethical charter and the whistleblowing system set up in accordance with the Sapin 2 Act.

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 Strategic Marketing, CSR and Innovation 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, independent 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.

Tasks and 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 2023, the Committee met once to and notably considered the following points:

- opinion on the balance of the composition of the Supervisory Board, debate on the independence of its members and review of business relationships;
- proposed selection procedure for new independent members of the Supervisory Board;
- identification and proposal of a base set of individual skills and expertise for the Board;
- review of the General Partner's proposal relating to the management compensation policy for fiscal year 2023, which it approved;
- proposed policy for the Supervisory Board members' compensation for financial year 2023;
- proposed compensation components for the Management and Supervisory Board for 2022 subject to the approval of the compensation policies by the General Shareholders' Meeting.

Participation in Board and Specialist Committee meetings in 2023

	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)*	4/4	100%				
Alain Dassas *(Permanent representative of APG)*	4/4	100%	3/3	100%	1/1	100%
Catherine Leroy *(Permanent representative of Alta Patrimoine)*	4/4	100%				
Philippe Jossé *(Permanent representative of ATI)*	4/4	100%				
Marie-Catherine Chazeaux	4/4	100%			1/1	100%
Nicolas Deuzé	4/4	100%				
Matthieu Lance	4/4	100%	1/3*	33%*		
Eliane Frémeaux	4/4	100%	3/3	100%		
Philippe Mauro	4/4	100%			1/1	100%
Jacques Nicolet	4/4	100%				
Najat Aasqui *(Permanent representative of Predica)*	4/4	100%				
Léonore Reviron	4/4	100%	3/3	100%		
Michaela Robert	4/4	100%	3/3	100%	1/1	100%
Dominique Rongier	4/4	100%				
Average attendance rate		**100%**		**91%**		**100%**

* *Matthieu Lance was represented at the two meetings of the Audit and CSR Committee by Najat Aasqui, permanent representative of Predica.*

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:

- "reinvest in 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 usually 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. Five Supervisory Board meetings were held in each of 2021 and 2022 and four in 2023.

A fresh formal review will be carried out in 2024 with the support of an independent external firm, which will led by the Compensation and Nomination Committee and overseen by the Chairman of the Supervisory Board.

At the end of its meeting of 28 February 2023, the Supervisory Board conducted its annual self-assessment of its operations and the preparation of its work, without the attendance 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), the Company 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, which is controlled by Alain Taravella and his family. Its Chairman is 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, Rodolphe Albert, Chairman of Histoire et Patrimoine and Julien Pemezec, Chief Executive Officer of W-Pi Promotion (Woodeum x Pitch).

Adrien Blanc is in charge of the Business 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, W-PI Executive Committee and Histoire & Patrimoine Executive Committee).

GROUP EXECUTIVE COMMITTEE

The Group's Executive Committee includes ten 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;
- Rodolphe Albert, Chairman of Histoire & Patrimoine;
- Julien Pemezec, Chief Executive Officer of W-Pi Promotion (Woodeum x Pitch).

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 2023, 368 members occupying the most important positions within the Group, meets once or twice a year.

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 2023, this Committee was composed of 368 members holding the most important positions within the Group, of which 30.7% 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 around 65% 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, by way of an additional clause to the profit-sharing agreement within the Company for the years 2021 and 2022.

  this target of 65% having proved, as it had the previous year, particularly difficult to achieve.

  In order to further encourage the promotion of women and strengthen the pool of female talent, the Altarea Group has set up an indicator for women's representation involving more than three employees on open-ended contracts, with the objective of increasing the proportion of female employees year-on-year written into the 2023-2024 profit-sharing agreement. In 2023, 34.9% of employees in managerial positions at all levels were women, compared with 34.2% in 2022;
- 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 2023 financial year, in the following proportions of women:

- 31.7% in the Group's management bodies (Group Executive Committee and Management Committees of subsidiaries and corporate functions) (*vs.* 37% at end-2022 and 27% at end-2021),

(1) See Section 6.2.3.2 above, for a presentation of the Supervisory Board's specialist committees.

- 30.7% in the Managers Committee (*vs.* 29.9% at end-2022 and 29.6% at end-2021),
- 48.9% among Managers (*vs.* 49.8% at end-2022 and 48.8% at end-2021),

the fall in the proportion of women between 2022 and 2023 is being mainly due to the integration of 100% of the Woodeum workforce and its management committee, which is mainly male.

- Altarea has launched a process to support all women in the Group in their careers. The "café des Altareennes", a multi-year event, is a concrete way to address the opportunities and issues faced by women in their professional life, encourage some to mentor others, and expand the in-house network of women, to lead workshops (for example: the role of executive, female self-censorship, speaking in public). More broadly, it is about improving women's visibility through communication. The ALIGNÉE tool, which walks women through a reflection on their career path (100% digital and confidential), has also been set up.

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 is 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 appendix 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 Company's Supervisory Board members or Managers has, in the past five years:

- been convicted of fraud;
- been associated with a bankruptcy, receivership, liquidation or placing of companies under administration;
- been the subject of any prosecution or of any official public sanction imposed by statutory or regulatory authorities (including designated professional bodies);
- been disqualified by a court from serving on the administrative, management or supervisory bodies of an issuer of financial instruments or from participating in the management or conduct of such an issuer's business.

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 Act no. 2019-486 of 22 May 2019 on the growth and transformation of companies (Pacte Act) 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 management and supervisory bodies

6.3.1 Principles and rules

6.3.1.1 Management

In accordance with the regulations applicable to partnerships limited by shares listed on a regulated market, management compensation is 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.

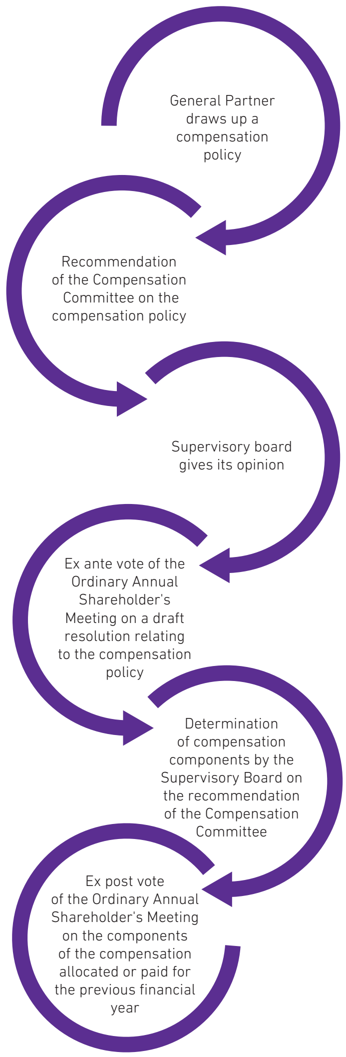
This compensation policy must be established each year by the General Partner after consulting the Supervisory Board acting on the recommendation of the Compensation and Nomination Committee.

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).

Simplified description of the process used to set the compensation of the Management



6.3.1.2 The Supervisory Board

In accordance with the regulations applicable to partnerships limited by shares listed on a regulated market, the Supervisory Board now sets a compensation policy for its members each year which is submitted for approval to the 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.

6.3.2 Compensation policy for the financial year 2024

In line with the provisions applicable to partnerships limited by shares (SCAs) listed on a regulated market, codified in Articles L. 22-10-76 *et seq.* of the French Commercial Code, the 2024 Ordinary General Shareholders' Meeting will be asked to vote on the compensation policy for Management and Supervisory Board members for financial year 2024.

On 27 February 2024 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

WAIVER BY THE MANAGEMENT OF PART OF ITS COMPENSATION

Given the difficulties experienced by the real estate sector and the impacts of the crisis on the Group's activities, the Management (and General Partner) informed the Chairman of the Supervisory Board that they had decided to waive one third of their fixed annual compensation for the 2024 financial year and to waive in advance any variable compensation that may be awarded in respect of that fiscal year. The Supervisory Board has set the components of management compensation taking these principles into account (see 6.3.4 below).

The Management compensation policy for the 2024 financial year described below was set by the General Partner and approved unanimously by the Supervisory Board on 27 February 2024, after review of the proposals of the Compensation and Nomination Committee:

- the Supervisory Board is responsible for determining the components of management compensation paid as fees. It bases its decision on the proposals of the Compensation and Nomination Committee, taking into account the principles set out in the AFEP MEDEF Code: comprehensiveness, balance between the components of compensation, benchmarking, consistency, understandability of the rules and measurement;
- the Supervisory Board and Compensation and Nomination Committee must 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. It may be set in a range between €900,000 and €2,000,000, taking into account the above considerations.

The Management has, in view of the crisis in the real estate sector, expressed a wish that their fixed annual compensation for the 2024 be reduced by one third (see insert above), its amount for 2024 is set at €600,000 excluding tax.

- 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).

  Qualitative criteria must be precisely defined and must in particular be based on objectives for Sustainable development and Corporate Social Responsibility, to which the Group attaches great importance[1]. 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.

(1) The Global Real Estate Sustainability Benchmark (GRESB), a leading international ranking, annually assesses the CSR performance of real estate companies around the world.

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:

As, in view of the crisis in the real estate sector, the Management wishes to waive in advance, on an exceptional basis, any variable compensation that may be due in respect of the 2024 financial year (see insert above), the Supervisory Board decided ab initio not to determine any variable compensation for that year.

- 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 free 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 policy of the Supervisory Board members

WAIVER BY THE SUPERVISORY BOARD OF PART OF THE COMPENSATION OF ITS MEMBERS

In line with the Management's decision to waive part of its compensation for 2024 in advance, given the difficulties experienced by the real estate sector and the impacts of the crisis on the Group's activities, the Supervisory Board decided to show its solidarity by voting to reduce by one-third all components of compensation for the members of the Board and its Chairman, including for special missions (see 6.3.4 below).

Following the recommendation of the Compensation and Nomination Committee, the Supervisory Board has decided to renew, for the financial year 2024, the compensation policy for its members for the financial year 2023 voted by the General Shareholders' Meeting of 8 June 2023 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;
- global fixed compensation may be granted to the Chairman of the Supervisory Board, the amount of which must 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 2025 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 2024, 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;
- 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 set at the General Shareholders' Meeting for compensation of the members of the Supervisory Board, including the Chairman of the Board, is unchanged at €620,000 and constitutes an overall ceiling;
- 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 the financial year 2023

6.3.3.1 Compensation components due or paid for financial year 2023

Pursuant to the provisions of Article L. 22-10-77 of the French Commercial Code, the 2024 General Shareholders' Meeting will be called upon to approve the components of compensation paid or allocated in respect of the 2023 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.

Alain Taravella, Chairman of Altafi 2, Manager, receives no compensation paid or allocated by the Company or its subsidiaries. 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 8 June 2023, the management compensation in the form of fees, due for the financial year 2023, 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:

- a fixed annual fee of €900,000 excluding taxes, payable quarterly,
- an annual variable fee consisting of two components:
  - a portion linked to financial performance, equal to a progressive percentage of a portion of FFO per share, multiplied by the average number of diluted shares for 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,

      the average number of diluted shares for the financial year is published in the Company's annual report,
  - a portion linked to extra-financial performance, for a maximum total amount of €350,000 excluding taxes, weighted according to the degree of achievement of the Group's climate targets, including:
    - 50%, *i.e.* a maximum of €175,000, 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 €175,000, 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).

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 the Manager, Altafi 2, also manages Altareit, which is a listed subsidiary 99%-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 parts:

- variable compensation based on financial criteria, equal to 1.5% of the amount of Altareit's consolidated net income Group share above €60 million for the 2023 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 (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 2023 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 €3,500,000 excluding tax, a reduction of €500,000 compared to the previous year. Overall, the annual variable portion is therefore limited to 94% of fixed compensation. If the overall cap is reached, the maximum fixed and variable portions shall be, respectively, 51% (€1,800,000 excl. tax) and 49% (€1,700,000 excl. tax) of the maximum total annual compensation.

Details of the compensation due to management in 2023 are presented in the table below:

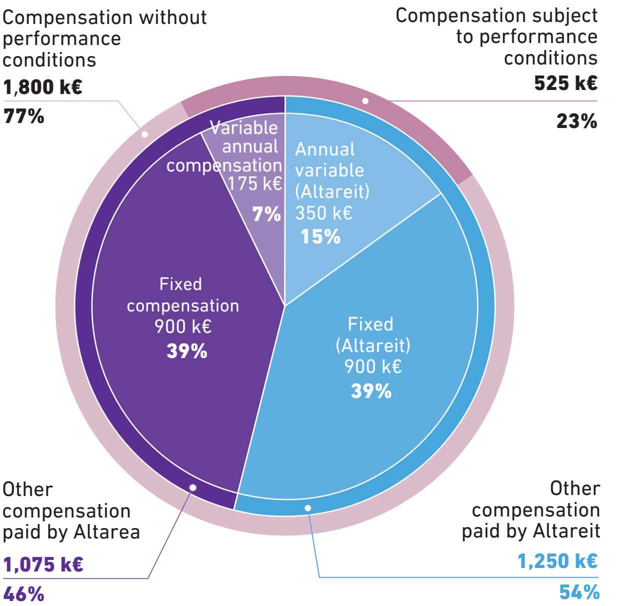
Compensation components *(€ millions excl. VAT)*	**2022**	**2023**	**Comments**
Fixed compensation (in the form of fees)	900	900	All fees paid to Altafi 2 (one quarter per quarter) Reduction of €100 thousand compared to 2021 at the proposal of the General Partner Compensation in line with comparable companies' market practices Includes fees paid to Altafi 2 by Altareit, an Altarea Group company, for functions and responsibilities exercised in this company (see below).
Variable annual compensation (in the form of fees)	455[(a)]	175	Variable fees due in respect of 2023 (out of a maximum amount of €350 thousand excl. tax) corresponding to the achievement of extra-financial climate-related targets, of which ■ 50%, 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) → *target 50% met: €87.5 thousand due (out of a maximum of €175 thousand)* ■ 50%, 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). → *target 50% met: €87.5 thousand due (out of a maximum of €175 thousand)* No variable compensation due under the quantitative financial criterion, as the trigger threshold of €13 FFO per share was not reached. These fees will be paid to Altafi 2 in 2024 after approval by the General Shareholders' Meeting of the components of compensation for the Management (ex *post vote*).
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	1,466[(b)]	1,250	Fees paid to Altafi 2 as Manager of Altareit, an Altarea subsidiary: ■ €900 thousand in fixed annual fees; ■ €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% met: €175 thousand due, to be paid in 2024* • human resources management (25%): quality of team management → *target 100% met: €87.5 thousand due, to be paid in 2024* • human resources management (25%): quality of social dialogue → *target 100% met: €87.5 thousand due, to be paid in 2024* No variable compensation due under the quantitative financial criterion, as the trigger threshold of €60 million consolidated net income was not reached.

(a) The variable fees for financial year 2022 comprise two components:
- *one portion, of €105 thousand excluding tax, linked to a quantitative criterion based on the Altarea Group's financial performance. The amount paid in 2023 was equal to a progressive percentage of FFO per share (i.e. 1.5% of FFO per share from €13.00 to €15.50 and 3% of FFO per share above €15.50), multiplied by the average number of diluted shares during the financial year;*
- *a second portion, of €350 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 of 5 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 (€500 thousand excl. tax) taking into account in particular the implementation by Altareit of a variable management fee based on extra-financial performance targets. 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.*

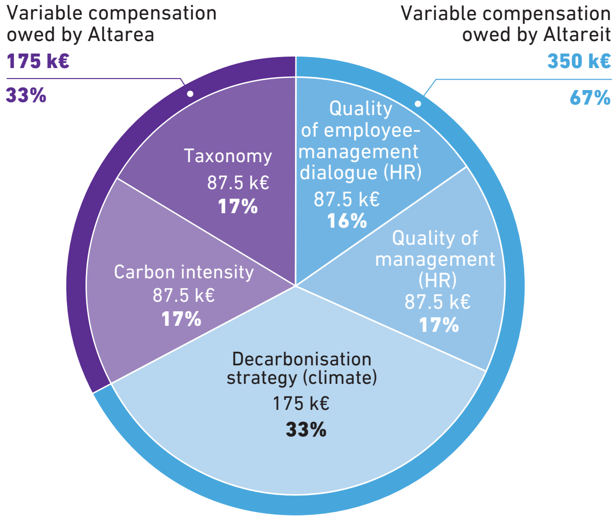
(b) Fees paid to Altafi 2 for the management of Altareit, a subsidiary of Altarea, of which (i) €900 thousand excluding tax of fixed annual fees, (ii) €216 thousand excluding tax of variable fees corresponding to 1.5% of consolidated net income attributable to the Altareit group exceeding €60 million in 2022, which reached €74.4 million, and, (iii) €350 thousand excluding tax in variable fees (out of a maximum of €350 thousand), depending on qualitative extra-financial criteria, according to the proportion and the achievement of the following criteria:
- *climate (50%): deployment of the decarbonisation strategy in property development activities → target 100% met: €175 thousand due and paid in 2023*
- *human resources management (25%): quality of team management → target 100% met: €87.5 thousand due and paid in 2023*
- *human resources management (25%): quality of social dialogue → target100% met: €87.5 thousand due, paid in 2023.*

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 2023 totalled approximately €1.6 million. AltaGroupe pays five people in total.

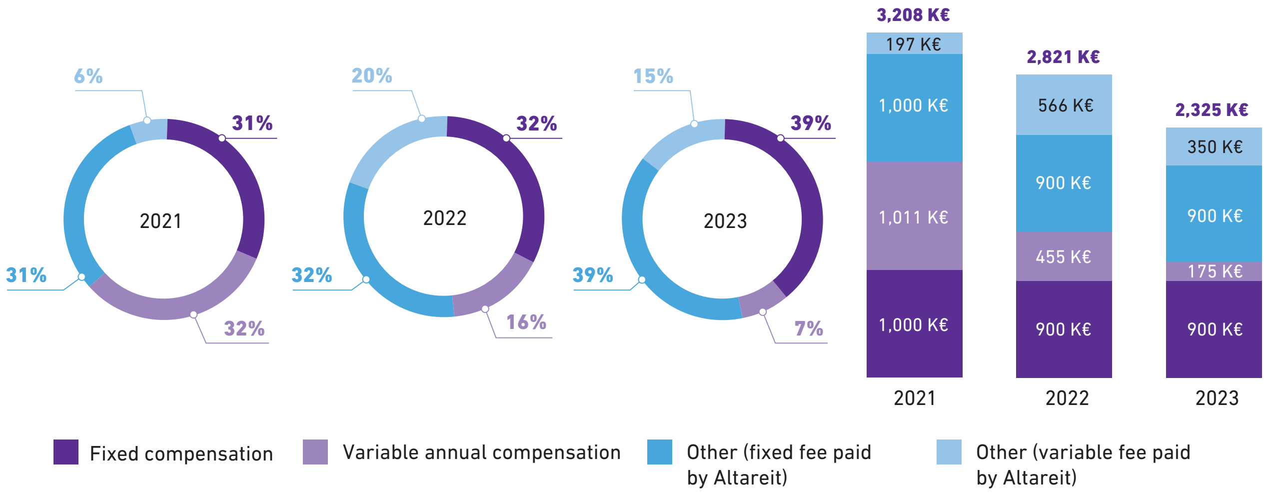
COMPONENTS OF THE COMPENSATION DUE FOR 2023



STRUCTURE OF THE VARIABLE COMPENSATION DUE FOR 2023



The breakdown of each of these compensation components was as follows for the last three financial years:



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 per share target and a lower variable portion based on the extra-financial targets;

(iii) the implementation of an overall cap on the fixed and variable fees that may be received by Altafi 2 in respect of its duties as Manager of the Company and its subsidiary Altareit, initially set at a total cumulative amount of €4,000,000 excluding tax in 2022 and reduced to €3,500,000 excluding tax in 2023. Overall, the annual variable portion is now limited to 94% of the fixed fees.

The fall in the annual variable compensation at Altarea in 2022 is mainly due to the tightening of the financial performance conditions to be achieved (see point ii above). In 2023, the fall in variable compensation is due to the failure to meet the financial performance conditions at Altarea and Altareit, given the difficulties experienced by the real estate sector and the impacts of the crisis on the Group's activities. Also, given the scale of this crisis, the General Partner announced its decision to waive one-third of its fixed annual compensation for the 2024 fiscal year and to waive in advance any variable compensation that might be awarded in respect of the year. The Supervisory Board has therefore set the components of management compensation taking this into account (see 6.3.4 below).

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.

Compensation components *(€ thousands)*	**2022**	**2023**	**Comments**
Fixed compensation	0	0	Jacques Ehrmann does not receive fixed compensation from Altarea
Variable annual compensation	0	0	Jacques Ehrmann receives no variable compensation from Altarea
Variable multi-year compensation	0	0	Jacques Ehrmann receives no variable compensation from Altarea
Exceptional compensation	0	0	Jacques Ehrmann does not receive exceptional compensation from Altarea
Stock option allocation	0	0	Jacques Ehrmann receives no stock options
Performance share allocation	1,577[a]	1,073	Jacques Ehrmann benefited from three free share allocation plans in respect of his duties as Manager of Altarea Management. The definitive vesting of part of these shares is subject to stringent financial and extra-financial performance conditions over several years, in line with the Group's objectives and strategy:

Plan number	Award date	Vesting date	Date of availability	Vesting conditions	Number of shares	Value[b]
Plan 106	31/03/2023	01/04/2024	01/04/2025	Presence	6,167	€659,000
Plan 107	31/03/2023	01/04/2025	01/04/2025	Presence	2,084	€210,000
Plan 108	31/03/2023	01/04/2025	01/04/2025	Performance[1] and presence	2,025	€204,000

Compensation in respect of attendance at Supervisory Board meetings	0	0	Jacques Ehrmann is not a member of the Supervisory Board. So he receives no compensation on this account.
Benefits in kind	-	-	Company car – Mandatory supplementary mutual/sickness and retirement policy
Severance payments	0	0	Jacques Ehrmann does not receive any severance payments
Non-competition payments	0	0	Jacques Ehrmann does not receive any non-competition payments
Supplemental pension plans	0	0	Jacques Ehrmann has no supplemental pension plans
Other compensation	750	750	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.

(a) Jacques Ehrmann benefited from three free share allocation plans in 2022 in respect of his duties as Manager of Altarea Management. The definitive vesting of 25% of these shares is subject to stringent financial and extra-financial performance conditions over several years, in line with the Group's objectives and strategy:

(b) Per the valuation method used for the consolidated financial statements.

(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, and up to 25% on a combination of climate targets (9% maximum, 4.5% linked to the taxonomy and 4.5% to carbon intensity), human resources (8% maximum), notably the number of women in senior roles and internal mobility/promotion, and customer satisfaction (8% maximum).

(2) 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).

Compensation components paid or allocated to Christian de Gournay, Chairman of the Supervisory Board

Compensation components *(€ thousands)*	**2022**	**2023**	**Comments**
Fixed compensation	250	250	Total amount exclusive of any other compensation, taken from the total compensation allocated to the Supervisory Board by the General Shareholders' Meeting – Unchanged since 1 July 2019 (see 6.3.2.2)
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

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, 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(1);
- 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).

	2019	2020	2021	2022	2023
Management (fees)					
Annual change in fees paid (including the variable portion due in respect of financial year N-1 and paid in N)		-40.4%	-25.4%	14.3%	-1.3%
Ratio to median employee salary	55.5	35.0	23.3	27.6	29.1
Ratio to average employee salary	45.8	28.9	19.2	22.8	24
Change in ratio compared to the previous financial year		*-36.93%*	*-33.40%*	*18.45%*	*5.52%*
Chairman of the Supervisory Board					
Annual change in compensation paid		-9.1%	-	-	-
Ratio to median employee salary	2.7	2.6	2.3	2.4	2.6
Ratio to average employee salary	2.2	2.2	1.9	2.0	2.1
Change in ratio compared to the previous financial year		*-3.87%*	*-10.78%*	*3.61%*	*6.91%*
Group performance					
FFO Group share *(€ millions)*	293	230	264	275	101
Change compared to the previous financial year		*-21.5%*	*15.0%*	*4.16%*	*-63.8%*
Consolidated revenue *(€ millions)*	3,109	3,056	3,030	3,013	2,712
Change compared to the previous financial year		*-1.7%*	*-0.8%*	*-0.6%*	*-10%*
Employees					
Change in the average compensation of Group employees compared to the previous financial year		-5.4%	12.1%	-3.5%	-6.5%
Change in the number of Group employees (FTE) compared to the previous financial year		1.9%	-2.2%	13.4%	0.7%

In respect of the 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 therefore do not accurately reflect the differences in compensation between natural persons (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) 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).

As a reminder, the Company's executive corporate officer is Altafi 2, which is chaired by Alain Taravella and controlled by him and his family within the meaning 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 table of compensation and options and shares granted to Altafi 2, executive corporate officer of the Company, as well as to Alain Taravella, Chairman of Altafi 2, and Jacques Ehrmann, Chief Executive Officer of Altafi 2 and Manager of Altarea Management, a wholly-owned subsidiary of Altarea

Name and function *(€ thousands)*	FY 2022	FY 2023
Altafi 2 – Manager (compensation in fees)		
Compensation due in respect of the financial year (itemised in Table 2)	2,821[(a)]	2,325[(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	**2,821**	**2,325**
Alain Taravella - Chairman of Altafi 2		
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	1,577[(d)]	1,073[(d)]
Total Jacques Ehrmann	**2,327**	**1,823**

(a) 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.
(b) Final amount corresponding to €1,075 thousand for the management of Altarea and €1,250 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) Jacques Ehrmann has benefited from free share allocation plans in respect of his duties as Manager of Altarea Management. The definitive vesting of a portion of these shares is notably subject to stringent financial and extra-financial performance conditions over several years, in line with the Group's objectives 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. The variable compensation of the Management is calculated by applying the rules set by the Supervisory Board in application of the compensation policy adopted by the Ordinary General Shareholders' Meeting for the compensation of the Management, which are set out above.

Table 2 – Summary table of compensation due and paid to Altafi 2, executive corporate officer of the Company, as well as to Alain Taravella, Chairman of Altafi 2, and Jacques Ehrmann, Chief Executive Officer of Altafi 2 and Manager of Altarea Management, a wholly-owned subsidiary of Altarea

Name and function	FY 2022		FY 2023	
(€ thousands)	Amount due	Amount paid	Amount due	Amount paid
Altafi 2 – Manager (compensation in fees)				
Fixed compensation (fees)	900	900	900	900
Variable annual compensation (fees)	455[(a)]	861[(b)]	175[(c)]	105[(d)]
Variable multi-year compensation	0	0	0	0
Exceptional compensation	0	0	0	0
Other compensation[(e)]	1,466	1,097	1,250	1,466
Compensation in respect of attendance at Supervisory Board meetings	0	0	0	0
Benefits in kind	0	0	0	0
Total Altafi 2	**2,821**	**2,858***	**2,325**	**2,471***
Alain Taravella - Chairman 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	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 Alain Taravella	**0**	**0**	**0**	**0**
Jacques Ehrmann – 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 Jacques Ehrmann	**750**	**750**	**750**	**750**

* ***Amounts paid include the variable component of compensation in respect of the prior year after any adjustments.***

(a) Total amount of €350 thousand, for the portion of variable compensation for the 2022 financial year linked to the extra-financial performance criterion (paid from 2022 provisions) and of €105 thousand for the financial performance criterion of FFO/share 2022, paid in 2023 (see 6.3.1.1 above).

(b) Amount paid corresponding (i) to the variable compensation linked to the financial performance criterion for fiscal year 2021, based on FFO/share 2021, of €511 thousand, and (ii) the variable compensation linked to the extra-financial performance criterion for 2022 (paid as provisions), of €350 thousand.

(c) Amount due in respect of the variable portion of the compensation for financial year 2023 linked to the extra-financial performance criterion, which will be paid in 2024 after approval by the General Meeting of Shareholders (ex post vote). No variable compensation due in respect of economic performance criteria, as the trigger threshold was not reached.

(d) Amount paid corresponding to the part of variable compensation for financial year 2022 paid in 2023 (note a above).

(e) Fixed and variable compensation due and paid by Altareit, a subsidiary of Altarea, in the form of fees, to Altafi 2, Manager of this company (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. Any variable portion of this compensation due in respect of one financial year is paid during the following financial year.

(g) Jacques Ehrmann benefits of the following: company car - mutual/provident insurance and mandatory supplementary pension.

Table 3 – Compensation received by the non-executive corporate officers and, where applicable, by their permanent representatives

The Company paid a total of €168,000 in variables compensations to the members of the Supervisory Board for the 2023 financial year[1]. This amount is slightly less than the previous financial year (€201,000) due in particular to fewer committee meetings this year (four in 2023 compared to five in 2022). This amount does not take into account the overall compensation of the Chairman of the Supervisory Board, which amounts to €250,000 annually, or consideration for any assignments entrusted by the Board, amounting the €120,000 for the year. In total, €538,000 was paid by Altarea to the members of the Supervisory Board in respect of fiscal year 2023 (compared to €571,000 for the previous fiscal year) in accordance with the compensation policy adopted by the Shareholders' Meeting of 8 June 2023, which set a global ceiling of €620,000. The amounts shown in the table below include not only compensation paid by Altarea, but also that due by other subsidiaries in respect of the year in question.

	FY 2022		FY 2023	
Non-executive corporate officers *(€ thousands)*	**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	24	0	24	0
ATI, Supervisory Board member	0	0	0	0
Philippe Jossé, Permanent representative of ATI	15	120[b]	0	120[b]
Léonore Reviron, Supervisory Board member	21	3[c]	21	3[c]
Alta Patrimoine, Supervisory Board member	0	0	0	0
Catherine Leroy (Permanent representative of Alta Patrimoine)	0	-[d]	0	-[d]
Matthieu Lance, Supervisory Board member	0[e]	0	0[e]	0
Éliane Frémeaux, Supervisory Board member	21	3[c]	21	4.5[c]
Jacques Nicolet, Supervisory Board member	15	4.5[c]	12	4.5[c]
Predica, Supervisory Board member	15	0	12	0
Najat Aasqui, Permanent representative of Predica	0	0	0	0
Michaela Robert, Supervisory Board member	21	0	24	0
Dominique Rongier, Supervisory Board member	21	1.5[c]	12	0
Philippe Mauro, Supervisory Board member	18	0	15	0
Marie-Catherine Chazeaux, member representing employees	15	-[f]	15	-[f]
Bertrand Landas, member representing employees (until 30/06/2022)	9	-[f]	-	-[f]
Nicolas Deuzé, member representing employees (since 21/07/2022)	6	-[f]	12	-[f]

(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 FCPE, 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) Waiver, as a representative of the Crédit Agricole Assurances Group, of compensation due in respect of her duties as member of the Board.
(f) 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 or receiving compensation paid in respect of a special assignment commissioned by the Supervisory Board.

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 Altafi 2, the Manager, 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, Altafi 2, Manager.

Table 6 – Free shares allocated to the executive corporate officers and members of the Supervisory Board in 2023

No free shares were granted during the past financial year to the executive corporate officers of the Company, Altafi 2, Manager, 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 2023 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 2023 for each corporate officer

No free shares allocated to the Company's corporate officers, namely the Manager, Altafi 2, and the members of the Supervisory Board, by the Company itself or another Group company vested during the past financial year[(1)].

Table 8 – History of stock option grants and share purchases

There is currently no stock option plan for which the corporate officers, namely the Manager, Altafi 2, 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.).

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, the Manager, Altafi 2, or members of the Supervisory Board are currently vesting or locked in[(1)].

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 Altafi 2, the Manager, 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 subsidiarsy 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 2023 financial year (see details in Table 6 above).

6.3.4 Compensation conditions for the financial year 2024

Pursuant to the provisions of Article L. 22-10-76 of the French Commercial Code, the Supervisory Board meeting of 27 February 2024, on the proposal of the Compensation and Nomination Committee, determined the components of compensation of corporate officers for the 2024 financial year as follows, subject to and in accordance with the compensation policies put to the 2024 General Shareholders' Meeting (*ex ante* vote), and having been informed of the Management's wish to waive part of their compensation given the difficulties the real estate sector and the impacts of the crisis on the Group's activities.

The Ordinary General Shareholders' Meeting called to approve the 2024 financial statements will be asked to vote *ex post* (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.

Components of Management compensation for financial year 2024

WAIVER BY THE MANAGEMENT OF PART OF THEIR COMPENSATION

Given the difficulties experienced by the real estate sector and the impacts of the crisis on the Group's activities, the Management (and General Partner) informed the Chairman of the Supervisory Board that they had decided to waive one third of their fixed annual compensation for the 2024 financial year and to waive in advance any variable compensation that may be awarded in respect of that fiscal year. The Supervisory Board has set the components of management compensation taking these principles into account.

Compensation components	Rules and criteria	Targets/Comments
Fixed fee	Annual amount: €600 thousand excl. tax Payable quarterly	Fixed annual compensation exceptionally reduced by one-third compared to the previous financial year (€900 thousand) at the initiative of Management (see box above).
Annual variable fee	None	No variable compensation for the 2024 financial year as, exceptionally, the Management opted to waive it in advance (see box above).
Compensation cap[1]	Total cumulative amount of fees for the Manager of Altarea and Altareit in 2024 set at €1,200 thousand excl. tax Decrease in overall compensation for 2024 by 18% compared to 2023	No overall ceiling to be set for 2024: with no annual variable compensation (see box above), the total cumulative amount of fees for the roles of Manager of Altarea *and Altareit* in 2024 effectively capped at €1,200 thousand excl. tax (compared with €3,500 thousand excl. tax in 2023 and €4,000 thousand excl. tax in 2022)

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 Manager, also manages Altareit, which is a 99.85% owned subsidiary of the Company. In this respect, pursuant to the decisions taken by the Supervisory Board of Altareit, at the initiative of the Manager, who exceptionally waived part of his compensation for 2024 (see box above), and in accordance with the compensation policy to be put to the *ex ante* vote at the 2024 General Shareholders' Meeting, Altafi 2 will only receive a reduced fixed fee in 2024 of €600 thousand excl. tax (compared with €900 thousand excl. tax in 2023).

(1) *In 2023, 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 was 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 ceiling of €4,000 thousand excl. tax in 2022).*

Components of the Supervisory Board members' compensation for financial year 2024

WAIVER BY THE SUPERVISORY BOARD OF PART OF THE COMPENSATION OF ITS MEMBERS

In line with the Management's decision to waive part of its compensation in advance for 2024, given the difficulties experienced by the real estate sector and the impacts of the crisis on the Group's activities, the Supervisory Board decided to show its solidarity by voting, exceptionally, to reduce by one-third the compensation of the members of the Board and its Chairman for 2024, including for special missions.

	Compensation components Rules and criteria	Targets/Comments
Chairman of the Board	Fixed annual compensation Amount: €166,667 annual 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 Annual compensation exceptionally reduced by one-third compared to the previous financial year (€250,000) at the initiative of the Supervisory Board (see box above).
Supervisory Board members	Amount: €2,000 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 Amount per meeting exceptionally reduced by one-third compared to the previous financial year (€ 3,000 / meeting) at the initiative of the Supervisory Board (see box above). Incentive for attendance at meetings In accordance with the recommendations of the AFEP-MEDEF Code
Exceptional assignment entrusted to a Board member	€6,667 monthly	Support and advisory assignment to help develop the Property Development division entrusted by the Supervisory Board Amount reduced by one-third compared to the previous financial year (€10 thousand/meeting) at the initiative of the Supervisory Board (see box above)

6.4 Delegations granted for capital increases

6.4.1 Delegations given by the General Shareholders' Meeting of 8 June 2023 valid during the past financial year

Delegations	Expiry date	Maximum nominal amount	Use in 2023
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 08/12/2024	Up to a maximum of 10% of the share capital	See 7.1.2 below
Authorisation to reduce the share capital by cancelling shares purchased under the buyback programme	26 months 08/08/2025	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[(i)(ii)]	26 months 08/08/2025	€95 million for capital increases €750 million for debt securities	None
Authorisation to increase the share capital by capitalising premiums, reserves or profits	26 months 08/08/2025	€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 an offer to the public other than that referred to in Article L. 411-2 1 of the French Monetary and Financial Code[(i)(ii)(iii)]	26 months 08/08/2025	€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[(i)(ii)(iii)]	26 months 08/08/2025	€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[(i)(iv)]	18 months 08/12/2024	€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 08/08/2025	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[(i)]	26 months 08/08/2025	€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 ofoversubscription[(i)]	26 months 08/08/2025	-	None

Delegations	Expiry date	Maximum nominal amount	Use in 2023
Authorisations for the benefit of employees and senior management			
Increase in the capital reserved for members of an employee savings scheme(i)	26 months 08/08/2025	€10 million	See note(vii)
Free share plans(i)(v)	38 months 08/08/2026	750,000 shares	See 2.3.6.1 above
Stock option plans (share subscription or purchase)(i)(vi)	38 months 08/08/2026	350,000 shares	None
Share subscription warrants (BSA, BSAANE and BSAAR)(i)	18 months 08/12/2024	€10 million	None

(i) 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
(ii) Authorisation subject to an authorisation to increase the issue amount by an additional 15% in case of over-subscription
(iii) Delegation subject to an authorisation granted to Management to set issue price up to a maximum of 10% of the share capital per year
(iv) 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*
(v) Authorisation subject to a global ceiling of 750,000 shares, around 3.62% of share capital at 31 December 2023, of which a maximum of 250,000 shares for the executive corporate officers
(vi) Authorisation subject to a global ceiling of 350,000 shares, around 1.69% of share capital at 31 December 2023, of which a maximum of 100,000 shares for the executive corporate officers
(vii) This delegation is being used, as in 2024 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 2024. This also rescinded the delegation of a similar nature granted by the General Shareholders' Meeting of 24 May 2022, which was used in 2023 in connection with the capital increase reserved for employees of the Altarea Group through the FCPE RELAIS Altarea 2023 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 24 May 2022.

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6.4.2 Delegations requested from the next General Shareholders' Meeting 2024

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 premiums, reserves or profits	€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 a public offering 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 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 non-controlling shareholders or partners of subsidiaries or sub-subsidiaries of the Company subscribing by reinvesting all or part of the proceeds from sale of their stake in an Altarea Group company; or individuals or legal entities re-investing all or part of 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) 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 3.62% of share capital at 31 December 2023, 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 1.69% of share capital at 31 December 2023, 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 2024, 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 thus entitles its holder to a single 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 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 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 €316,865,818.46. It was divided into 20,736,822 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 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 appoint either one of their number or a single attorney as their 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.

Negotiability of 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 2023 financial year, granted by General Shareholders' Meetings, and their use during the course of the past financial 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 2023 to an executive corporate officer of the Company, *i.e.* to the Company's Manager, Altafi 2, in respect of these functions. It is noted that (i) Jacques Ehrmann, Chief Executive Officer of Altafi 2, benefits from free share allocation plans in respect of his offices at the subsidiaries of the Company (see 6.3.3.1 above), as do (ii) the members of the Supervisory Board representing employees and permanent 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 and corporate officers of the Group (who are not corporate officers of the Company) awarded the highest number of shares in 2023 received 117,715 free shares between them during the year, with a total value of €9,731 thousand (according to the method used for the consolidated financial statements). The vesting of a large portion of these shares is subject to demanding financial and extra-financial performance conditions over several years in line with the Group's objectives and strategy.

Stock options

There were no stock options to subscribe for or purchase shares of the Company outstanding at either 31 December 2023 or at 31 December 2022.

Potential impact on capital

Based on the number of shares comprising the share capital as of 31 December 2023, 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 theoretical potential dilution of 1.88%.

As of 31 December 2023	
Number of free shares awarded but not yet vested	529,557
Number of treasury shares held for allocation	131,197
Number of free shares net of treasury shares	398,360
Number of shares outstanding	20,736,822
Total theoretical number of shares after issue of all shares awarded	21,135,182

Treasury shares (autocontrôle)

There were no treasury shares held by subsidiairies (*i.e.* autocontôle) at the date of registration of this document.

7.1.2 Share buyback programme

At the Combined General Shareholders' Meetings of 24 May 2022 and 8 June 2023 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 24 May 2022 and on 8 June 2023 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. 22-10-62 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 2023:

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	1,122	1,122	1,430		213,783	€125.20
February	2,293	2,293	1,613	275	214,188	€127.40
March	6,144	6,144	2,213	2,000	216,119	€113.40
April	3,437	3,437	4,747	135,738	79,071	€118.80
May	4,236	4,236	3,754		79,553	€118.00
June	17,031	5,143	4,252	300	92,032	€101.60
July	8,057	6,249	4,985	250	94,854	€85.00
August	34,605	6,497	10,762		118,697	€90.70
September	10,415	9,915	4,942		124,170	€86.90
October	6,400	6,400	3,374		127,196	€67.20
November	18,021	5,481	7,518	1,200	136,499	€68.60
December	8,650	4,263	7,420		137,729	€80.00

(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.

For the full year 2023:

- 120,411 shares were purchased for a total price of €10,878,837, including:
  - 61,180 shares under the liquidity contract for a total price of €5,868,257, and
  - 59,231 shares to be allocated for a total price of €5,010,580;
- 57,010 shares were sold under the liquidity contract for a total price of €5,345,103 thousand; and
- 139,763 shares were transferred under free share allocation plans.

At 31 December 2023, Altarea held 137,729 treasury shares:

- the "treasury shares liquidity contract" account, which corresponds to objective (1) with 6,532 treasury shares; and
- the "shares held for allocation" account, which corresponds to objective (2) with 131,197 treasury shares.

For more information on the recognition and cost price of treasury shares, see Note 4.4 to the 2023 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 2023 financial statements that it renews the authorisation granted by the Meeting of 8 June 2023 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 buyback 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
30/03/2021	Capital increase by way of contribution in kind	39,277	€600,152.56	€4,639,399.24	17,315,116	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	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	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	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	Par value	€311,349,463.42
04/07/2023	Capital increase reserved for the FCPE (employee investment mutual fund)	25,684	€392,451.52	€1,721,084.84	20,401,488	Par value	€311,741,914.94
04/07/2023	Payment of scrip dividend	335,334	€5,123,903.52	€27,004,447.02	20,736,822	Par value	€316,865,818.46

Changes in 2023

Capital increase for the employee FCPE

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 €2,113,536.36, with a subscription price set at €82.29, after the discount, in accordance with the provisions of the law. The capital increase resulted in the creation of 25,684 new shares which were admitted for trading on Euronext Paris on 4 July 2023, the full quantity allocated to the FCPE, *i.e.* a nominal value increase of €392,451.52.

Payment of 2022 scrip dividend

The Company carried out a capital increase on the occasion of the payment of the 2022 dividend in accordance with the terms of the fourth resolution approved by the Combined General Shareholders' Meeting of 8 June 2023, with shareholders having the option to receive half of their dividend in shares. The issue price of the new shares subscribed for by shareholders wishing to receive their dividend in shares was €95.81, corresponding to 90% of the average listed opening price during the twenty trading days preceding the day of the Shareholders' Meeting (*i.e.* €117.56) less the amount of the dividend per share of €10.00 stipulated in the third resolution and rounded up to the nearest euro cent. At the end of the option exercise period, set from 14 to 23 June 2023 inclusive, a total of 335,334 shares had been subscribed. Given the rounded par value of €15.28 per share, the nominal amount of the capital increase resulting from the subscription of the new shares was €5,123,903.52.

The 335,334 new shares were created, delivered and admitted to trading on 4 July 2023. The cash dividend was paid to shareholders on the same day.

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 2023

	Theoretical shares and voting rights		Actual voting rights at General Shareholders' Meetings	
Shareholder	**Number**	**%**	**Number**	**%**
Founders' Concert[(a)]	9,418,526	45.42	9,418,526	45.72
Extended Concert[(b)]	9,437,504	45.51	9,437,504	45.82
Crédit Agricole Assurances Group	4,998,903	24.11	4,998,903	24.27
APG (ABP)[(c)]	1,378,816	6.65	1,378,816	6.69
Christian de Gournay and Opus Investment BV	329,278	1.59	329,278	1.60
Treasury Shares	137,729	0.66	-	-
FCPE	249,210	1.20	249,210	1.21
Public	4,205,382	20.28	4,205,382	20.42
TotaL	**20,736,822**	**100.00**	**20,599,093**	**100.00**

(a) Concert between (i) Alain Taravella, directly and indirectly holding 45.42% of the Company's share capital and theoretical voting rights alongside members of his family and (ii) Jacques Nicolet, directly and indirectly holding 0.05% of the Company's share capital and theoretical voting rights, since the takeover of Altarea in 2004. (see 7.1.6 and 7.3 below).
(b) Existing concert between the above-mentioned founders, on the one hand, and Jacques Ehrmann, on the other (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 2023 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 2023 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 3.54% 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 Act. 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 2023, to the Company's knowledge 2,420,186 shares[(1)] were pledged, representing 11.7% of the number of shares comprising the share capital.

(1) In particular, 2,411,275 shares pledged by AltaGroupe to Natixis.

Change in ownership structure over the past three financial years

Shareholder	31/12/2023 Number of shares	31/12/2023 % share capital and voting rights	31/12/2022 Number of shares	31/12/2022 % share capital and voting rights	31/12/2021 Number of shares	31/12/2021 % share capital and voting rights
Founders' Concert*	9,418,526	45.42	9,151,917	44.92	9,065,267	44.67
Extended Concert*	9,437,504	45.51	9,168,805	45.00	9,117,534	44.93
Crédit Agricole Assurances Group	4,998,903	24.11	5,003,920	24.56	5,003,920	24.66
APG (ABP)	1,378,816	6.65	1,438,606	7.06	1,438,606	7.09
Christian de Gournay and Opus Investment BV	329,278	1.59	329,278	1.62	329,278	1.62
Treasury Shares	137,729	0.66	214,091	1.05	205,406	1.01
FCPE	249,210	1.20	221,430	1.09	151,808	0.75
Public	4,205,382	20.28	3,999,675	19.63	4,046,719	19.94
Total	**20,736,822**	**100.00**	**20,375,804**	**100.00**	**20,293,271**	**100.00**

* *See 7.1.6 below.*

Threshold crossings

Legal threshold crossings during 2023

No declaration of threshold crossing was made to the AMF in 2023.

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

Nature of control of the Company

There is a disclosed concert between:

- Alain Taravella, and the companies AltaGroupe, Alta Patrimoine and Altager which he controls alongside members of his family, jointly holding 45.42% of the Company's share capital and theoretical voting rights at 31 December 2023 (see 7.3 below);
- Jacques Nicolet and the company Everspeed, which he controls, jointly holding 0.05% of the Company's share capital and theoretical voting rights at 31 December 2023; and
- Jacques Ehrmann, directly holding 0.09% of the Company's share capital and theoretical voting rights at 31 December 2023.

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 2023, the members of the founders' concert group together held 45.42% 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 2023, the concert between the founders and Jacques Ehrmann, referred to in this document as the "extended concert", together held 45.51% 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 retail REIT sector; the specialist committees of the Supervisory Board, namely the Audit and CSR Committee, the Investment Committee and the Compensation and Nomination 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

Company officers and related parties declared the following securities transactions carried out in financial year 2023 to the Company:

Name	Title on transaction date	Type of transaction	Financial instrument	Aggregate volume	Total gross amount
AltaGroupe	Legal person linked to Alain Taravella, Chairman of Altafi 2, Manager	PSD	Shares	203,982	€19,543,515
Altager	Legal person linked to Alain Taravella, Chairman of Altafi 2, Manager	PSD	Shares	62,140	€5,953,633
Everspeed	Legal person related to Jacques Nicolet, Supervisory Board member	PSD	Shares	487	€ 46,659
Jacques Ehrmann	Chief Executive Officer of Altafi 2, Manager	Acquisition of free shares	Shares	6,286	-
		Sale	Shares	4,196	€462,254
		Subscription(a)	Shares of FCPE	4,934	€49,407
Predica	Supervisory Board member	Sale	Shares	5,016	€587,054
Catherine Leroy	Permanent representative of Alta Patrimoine, Supervisory Board member	Acquisition of free shares	Shares	615	-
		Subscription(a)	Shares of FCPE	137	€1,373
Marie-Catherine Chazeaux	Supervisory Board member representing employees	Acquisition of free shares	Shares	430	-
Nicolas Deuzé	Supervisory Board member representing employees	Acquisition of free shares	Shares	243	-
		Sale	Shares	246	€19,632
APG	Supervisory Board member	Sales	Shares	59,790	€6,996,877

PSD = Payment of the 2022 scrip dividend (see 7.1.1 above).

(a) Subscription of units in the RELAIS ALTAREA 2023 FCPE (employee mutual fund), invested in Altarea shares, as part of the capital increase reserved for Altarea Group employees and Managers carried out on 4 July 2023 (see 7.1.1 above).

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	€254,700,000	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 additional clause dated 27 May 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

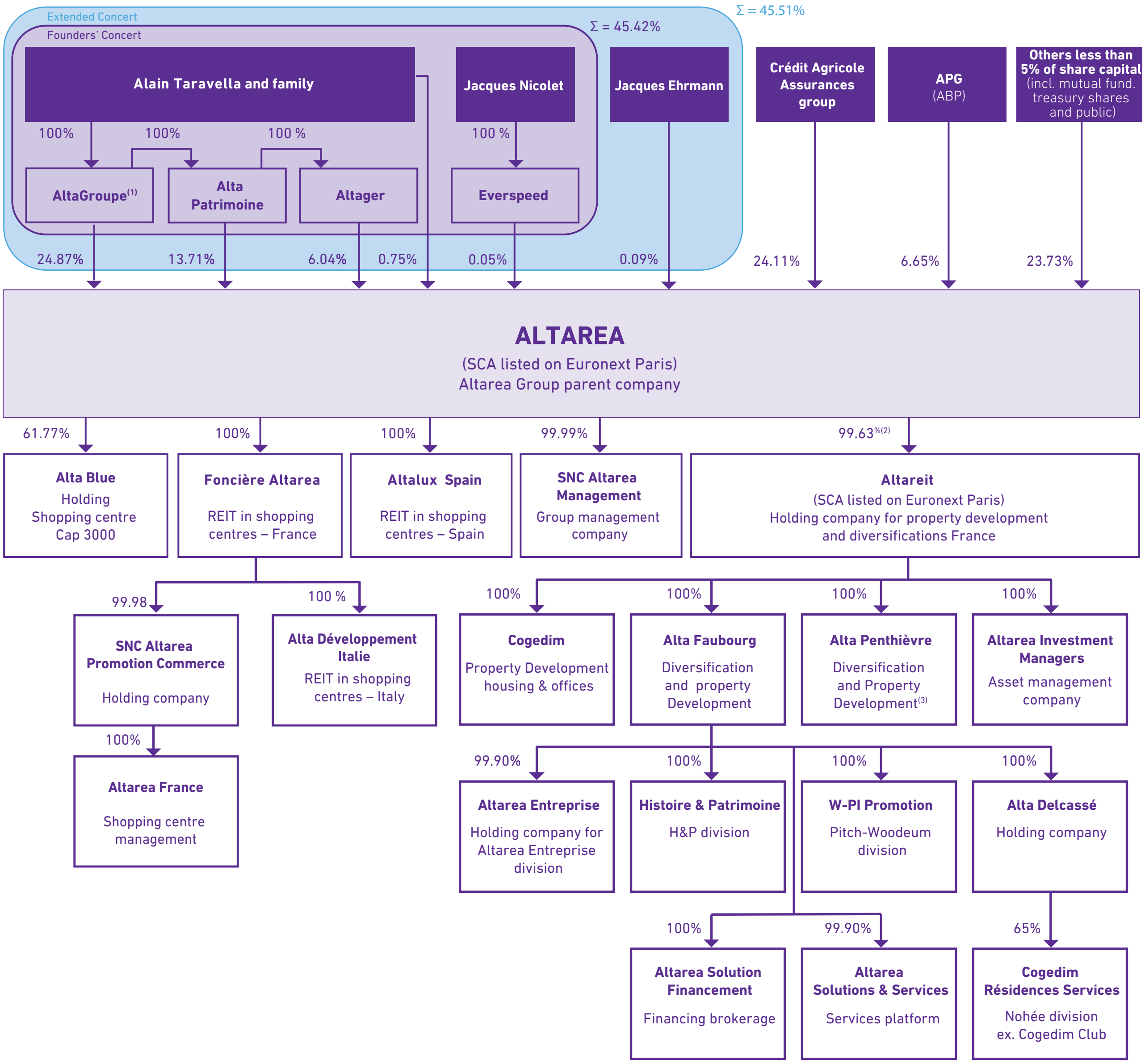
Altarea	
Listing market	Euronext Paris – Compartment A (Large Cap)
Codes	Ticker symbol: ALTA - ISIN: FR0000033219 Bloomberg: ALTAFP - Reuters: IMAF.PA
Legal Entity Identification code (LEI)	969500ICGCY1PD6OT783
Included in the indexes	CAC All Shares - CAC All-Tradable - CAC Mid & Small – CAC Small CAC Real Estate - IEIF REIT Europe
Deferred Settlement Service (French SRD)	Eligible
PEA/PEA PME	Non-eligible
ICB Sector classification	Retail REITs, 35102045

	2019	2020	2021	2022	2023
Market capitalisation (at 31/12)	€3,381,904,305	€2,477,355,313	€3,401,152,220	€2,571,426,464	€1,658,945,760
Number of shares traded	523,174	1,844,456	1,747,595	1,301,771	1,218,297
Capital traded	€97,070,770	€244,421,181	€294,659,497	€183,155,445	€116,053,927
Highest	€205.00	€210.00	€203.35	€171.40	€132.00
Lowest	€163.40	€103.20	€130.89	€119.00	€67.00
Latest	€202.50	€143.40	€167.60	€126.20	€80.00

2023	Highest price	Lowest price	Latest	Number of shares traded	Amount of Capital traded
January	€132.00	€125.00	€125.20	74,990	€9,603,084
February	€130.80	€124.40	€127.40	54,355	€6,918,239
March	€128.00	€107.80	€113.40	103,728	€12,240,005
April	€122.00	€112.60	€118.80	56,742	€6,690,384
May	€120.20	€113.80	€118.00	77,135	€9,044,462
June	€121.00	€98.60	€101.60	108,845	€11,775,282
July	€106.80	€84.30	€85.00	102,040	€10,212,634
August	€90.70	€78.90	€90.70	159,134	€13,340,533
September	€94.00	€84.00	€86.90	69,191	€6,208,151
October	€87.90	€67.00	€67.20	100,350	€7,544,402
November	€78.10	€67.50	€68.60	154,586	€10,989,406
December	€80.90	€67.80	€80.00	157,201	€11,487,345

(Source: Euronext)

7.3 Simplified organisation chart as of 31 December 2023



(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) Nation Data Center (NDC), Sopregi & Sopregim, and the XF division are owned by Alta Penthièvre.
(4) W-Pi Promotion (formerly Pitch Promotion) merged Woodeum, Financière SPL and Severini Pierres et Loisirs as of 31 December 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 2023 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:

- equity investments in AIFs managed by Altarea Investment Managers:
  - Alta Convictions, SCPI with variable capital, up to 99% of the share capital, and
  - Alta Momentum, a civil partnership with variable capital, representing 50% of the share capital;
- acquisition of a 25% stake in SNC Propco Alta Pyramides.

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)]	Payment date	Number of shares eligible for dividend	Total amount distributed	Dividends per share	Amount eligible for tax relief[(b)]	Option for payment in scrip dividend	Portion of dividend payable in shares	Option rate for PSD[(c)]
2020	26/07/2021	17,220,977	€163.6 m	€9.50	€2.58	✓	50%	92%
2021	31/05/2022	20,194,052	€196.9 m	€9.75	€1.98	-	-	-
2022	04/07/2023	20,297,300	€203.0 m	€10.00	€4.29	✓	50%	32%

(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 €2.46 million in respect of financial year 2020, €2.95 million in respect of financial year 2021 and €3.04 million in respect of financial year 2022.

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 payment date 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 retail REIT (SIIC) regime, dividends paid historically and the Group's financial position, results and growth outlook.

The Supervisory Board of the Company has decided to propose to the next General Shareholders' Meeting to be held in 2024 to approve the financial statements for the year ended 31 December 2023, the distribution of a dividend of €8 per share in respect of that 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
- 25% payment in cash and 75% in shares[(1)].

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.

For the 2024 fiscal year, the amount of the dividend and how it is to be paid will depend on the pace of implementation of the roadmap, Altarea's results and its financial position.

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 2023.

(1) The new shares created by the exercise of this option will be issued at a price of 90% of the average opening price in the twenty trading days immediately preceding the day of the 2024 General Shareholders' Meeting, less the amount of the dividend per share and rounded to the nearest euro cent.

8

ADDITIONAL INFORMATION

8.1 Company information

8.1.1 History and developments

1994
Altarea 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 (SIIC)** 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 as the APG pension fund took a stake in 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-APG-Predica, of Aldeta, a company that owned the regional **CAP3000** shopping centre in Nice.

2011
Creation in partnership with APG 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**.

2017
Delivery of the **Large urban project** in 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** (developer in Nouvelle-Aquitaine) and 50% of **Woodeum** (French leader in wood and low-carbon residential development).

Signature of two **Retail partnerships with Crédit Agricole Assurances**.

2020
Launch of **Altarea Solutions & Services**[4].

Delivery of **87 Richelieu**, the Altarea 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 travel retail in railway stations and Alta Retail Parks).

2022
Acquisition of **Nation Data Center (NDC)**, developing a network of sovereign, local and eco-responsible data centers in France.

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.

CAP3000 wins the "**Best shopping centre**" in the world at the Mipim awards 2022, following completion of its extension-renovation with the premium mall "**Corso**".

Building permit definitely obtained for retail outlets at **Paris-Austerlitz station**.

Altarea created **Altarea Logistique**[6] and completed its first urban logistics project with the Manufacture de Reuilly, in Paris's 12th arrondissement.

Pitch Immo wins the **Cité Internationale de la Gastronomie** project in Paris-Rungis.

Renewal of the long-standing partnership with **Habitat & Humanisme** to participate in the fight against poor housing.

(1) See 4.1.1 of this document.
(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".
(6) The Group's new brand to support its growth strategy in the huge market for logistics platforms.

The Group's Cogedim brand is voted best "**Customer Service of the Year**" for the sixth consecutive year.

2023

Merger of Pitch Immo and Woodeum (in which the remaining 50% of the share capital was acquired by Altarea), to create the French leader in low-carbon real estate development, thanks to the complementary strengths of these two brands.

Development of **Altarea Energies Renouvelables**[7].

The Group expands its ambitions in the **serviced residences for seniors**[8].

Delivery of the new **emlyon business school campus** in Lyon, multifunctional, hybrid and adaptable, responding to new uses in higher education and research.

Signature of an agreement with SNCF Gares & Connexions for the renewal and development of the commercial offering of the **Paris-Est station**.

Creation of a **European real estate debt platform** with Tikehau Capital.

Creation of the portfolio management company **Altarea Investment Managers**, licensed by the AMF to manage assets on behalf of third parties, and launch of its first **SCPI (real estate investment fund): Alta Convictions**.

Histoire & Patrimoine, a leader in the renovation of heritage real estate, expands its market to include all existing real estate with the launch of its **Jouvence** programme to meet the urgent needs of housing energy renovation and preservation of existing buildings.

EXTRA-FINANCIAL ACHIEVEMENTS IN 2023:

- Cogedim, a brand of the Group, **takes first place in the HCG France – Les Echos customer relations rankings** for the second consecutive year.
- The Group is once again recognised as a "**Top Employer France**"[9].
- Altarea wins **the EasyBourse jury award for listed corporate citizenship** with its Issy Cœur de Ville project.
- Arrangement of a €200 million corporate bank loan for a period of five years which for the first time includes a clause to align revenue with the **european taxonomy**.
- As a leader in low-carbon urban transformation and a key player in sustainable cities, the Group publishes its second **Climate Report** confirming its commitment to climate issues related to cities and low-carbon real estate.

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).

(7) *To help address the new challenges of climate change, the Group has turned to photovoltaic solar power and is playing its part in the energy transition through a local and secure energy supply, to distribute low-carbon electricity.*

(8) *With (i) the creation of ARIAS (Altarea Résidences Intergénérationnels avec Services), a multi-brand and multi-offer division that delivers a range of housing solutions with services, (ii) the acquisition of Sopregi/Sopregim, the main operator of Les Hespérides senior residences and (iii) the repositioning of the Cogedim Club brand, now renamed Nohée.*

(9) *Certification awarded by the Top Employers Institute.*

8.1.2.4 Registered 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 registered 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,
  - 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 Shareholder subject to Withholding, on the one hand, and the sums to be paid by the Company in its favour, on the other hand. Thus, the sums deducted from the profits of the Company exempt from corporate income tax pursuant to Article 208 C II of the French General Tax Code must, for each share held by said shareholder subject to Withholding, be paid to it pursuant to the aforementioned distribution decision or a share buyback, will be reduced by the amount of the levy due by the Company for 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 others with more than €1 billion in market capitalisation besides 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[2]:
  - in Residential[3]: Nexity, Bouygues Immobilier, Vinci Immobilier, Groupe Pichet, Icade Promotion, Kaufman & Broad, Procivis, Bassac et Sogeprom,
  - in Business property: Icade Promotion, BNP Paribas Real Estate, Sogeprom, 6th Sens Immobilier, Caudard Breille Group, Bouygues Immobilier, Eiffage Immobilier, Nexity and Linkcity.

(1) Source: Institut de l’Épargne Immobilière & Foncière: Euronext IEIF SIIC France, index nomenclature as of 31 december 2023 (www.ieif-indices.com).

(2) In global business volume in millions of euros -2022 ranking -2023 Developers Ranking (34th ed.) - Innovapresse - pages 18 and 22. Altarea being ranked second by business volume in Residential and fourth by business volume in the Business Property (offices, retail, hotels and business/logistics premises).

(3) Including the Serviced Residences business.

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.

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 together accounted for 18% of total rental income (excl. VAT) at 31 December 2023. Out of these, none accounted for more than 10% of rental income.

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 2023, with €360 million (see Note. 4.4 to the consolidated financial statements in Chapter 2.3 of this document). The ten largest customers accounted for 32% 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, 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 313, 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

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 of current 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.

Pursuant to the provisions of the new Article L. 821-40 of the French Commercial Code and Presidential Order 2023-1142 of 6 December 2023 notably as regards the publication and audit of sustainability information that the Company will have to publish, starting next year for the financial year ending on 31 December 2024, the next General Shareholders' Meeting to be held in 2024 will be asked to appoint, with immediate effect, the firms Mazars and Ernst & Young et Autres, co-Auditors of the Company, to audit the sustainability information as part of their audit duties for their remaining term of office, *i.e.* until the end of the Ordinary General Shareholders' Meeting called in 2028 to approve the financial statements for the financial year ending 31 December 2027.

8.4 Documents and information

8.4.1 Documents incorporated by reference

In compliance with Article 19 of Regulation (EU) 2017/1129 of 14 June 2017, the following information is incorporated into this Universal Registration Document by reference:

- 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 316 of the 2021 Universal Registration Document filed with the Autorité des Marchés Financiers on 29 April 2022 under number D. 22-0403;
- the consolidated financial statements and corresponding audit report provided on pages 115 and 170, the annual financial statements and corresponding audit report provided on pages 177 and 198, as well as the management report provided on page 371 of the 2022 Universal Registration Document filed with the Autorité des Marchés Financiers on 24 March 2023 under number D. 23-0151;

The parts of the 2021 Universal Registration Document and the 2022 Universal Registration Document not mentioned above are either not applicable for the investor or are covered elsewhere in this Universal Registration Document.

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 Real estate appraisers report

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 2023.

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 2022 (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).

Conditions of the appraisal

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 bad 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 believed 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 received information on energy consumption, BREEAM-in-use certifications, the exposure of assets to climate risks, the presence of sources for the production of renewable energy on the various sites and have taken these factors into account in our valuations.

Urban planning

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 31/12/2023

Appraiser	Appraised assets	Legal regime	Number of appraisals carried out	Number of assets visited during the December 2023 season	Fair value excluding transfer taxes at 31/12/2023 at 100% *(€ millions)*	% value vs. portfolio
Cushman & Wakefield Valuation France	Shopping centres and malls Retail parks Travel retail	Full ownership/ Co-ownership/AFUL	11	6	1,028	26.2%
		Temporary Occupation Authorisation, Construction lease Occupancy agreement	3	2	358	9.1%
Jones Lang LaSalle	Shopping centres and malls Retail parks Travel retail	Full ownership/Co-ownership/ AFUL	10	10	1,107	28.2%
		Temporary Occupation Authorisation, Construction lease Occupancy agreement	2	2	102	2.6%
CBRE Valuation	Shopping centres and malls Retail parks	Full ownership/ Co-ownership/AFUL	5	0	1,328	33.8%
		Temporary Occupation Authorisation, Construction lease Occupancy agreement	0	0	0	0.0%
					3,924	**100%**

Confidentiality and disclosure

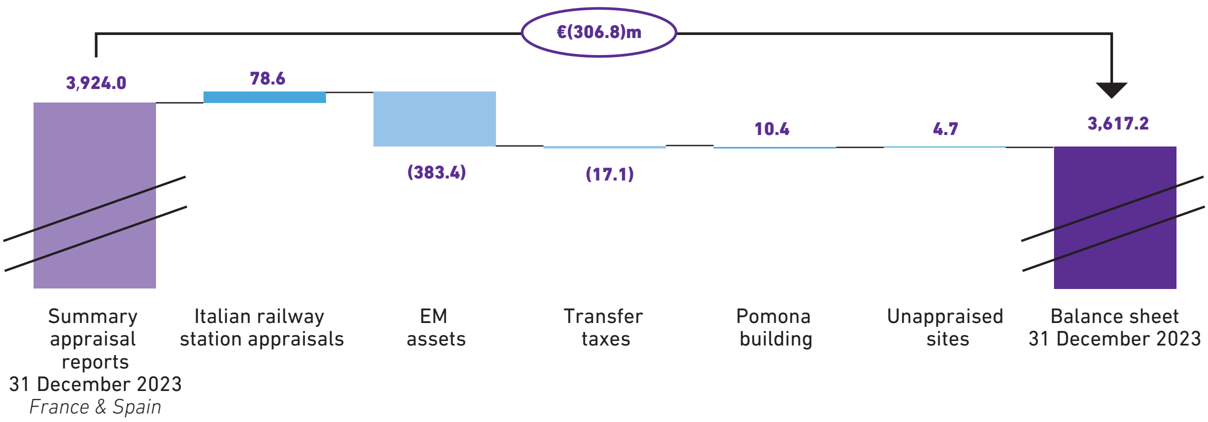
Finally, in accordance with our standard practice, we confirm that our valuation reports are confidential and are addressed solely to the Company. Accordingly, we accept no liability to third parties. This report, or an extract thereof, may not be published or reproduced in any document, declaration, 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	Marc Guillaume
Chairman	Director	International Partner
JLL Expertises	**CBRE Valuation**	**Cushman & Wakefield Valuation France**

Reconciliation of value of assets under management with carrying amount

In accordance with ESMA recommendations, the €306.8 million difference between the carrying amount of the buildings in the consolidated balance sheet (€3,617.2 million) and the appraisal value of the assets in the summary real estate appraisal report prepared by the independent appraisers and reproduced above (€3,924.0 million) is reconciled as follows:

- +€78.6 million corresponding to the appraisal value of the Italian railway stations not included in the summary report (separate report);
- -€383.4 million related to equity-method affiliates;
- -€17.1 million related to the application of standard rates instead of the reduced rate used in appraisals on restructured or built assets;
- +€10.4 million corresponding to the value of the Pomona building, not included in the summary report (different scope);
- +€4.7 million due to sites not appraised at 31 December 2023.



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.

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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)

SHON: Surface de plancher hors œuvre nette (surface area net of utility space)

Chge.: Change

A

APPRAISAL VALUE - RETAIL: Value of assets under management including transfer duties (at 100% or Group share).

AVERAGE COST OF DEBT: 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).

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 (*Évolution 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 quality of the Group's assets over the medium and long term.

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.

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).

FINANCIAL VACANCY: Estimated rental value of vacant units as a share of total rental portfolio.

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 NET ASSET VALUE: 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 RENTAL INCOME ON LIKE-FOR-LIKE SCOPE: Net rental income (including contributions to the marketing fund, re-billing of works and landlord 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.

NET DEBT TO EBITDA: Net bond and bank borrowings over FFO operating income.

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 sale revenue incl. Tax.

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 (POTENTIAL VALUE): Market value at delivery date. Retail: potential market value including transfer 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 + assets under management 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.

PIPELINE (SURFACE AREA): Total surface area expressed in square metres of all projects under development for all Group activities.

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).

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.

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 building sites).

RESIDENTIAL SUPPLY: Preliminary sales agreements for land, signed and valued as residential new orders (incl. Tax).

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 (DEU in French).

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.

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