2022 UNIVERSAL REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT

ALTAREIT

CONTENTS

A detailed summary is presented at each chapter entry.

2022 UNIVERSAL REGISTRATION DOCUMENT

Including the annual financial report

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

The Universal Registration Document was filed on 31 March 2023 with the Autorité des Marchés Financiers (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 reproduction of the official version of the Universal Registration Document including the 2022 annual financial report, which has been prepared in European Single Electronic Format (ESEF), filed with the AMF and is available on the Company's website and that of the AMF.

2022 ESSENTIAL

PURE PLAYER IN LOW CARBON PROPERTY DEVELOPMENT

AN UNRIVALLED PLATFORM OF REAL ESTATE SKILLS

A 99.85% subsidiary of Altarea, Altareit combines a unique know-how in Residential and Business Property development with Retail development in the mixed-use projects led by Altarea Group. In Residential (residential units and serviced residences), projects are developed for resale to third parties. In Business Property, the Group has also developed a role as medium-term investor to capture iconic development projects and create related value.

PERFORMANCE 2022

€2.7 bn
Revenue

€146 M
Net debt

€205.8 M
Recurring operating income

0.13 x
gearing

URBAN TRANSFORMATION:
a huge market with strenghthened fundamentals

€20.2 bn
pipeline value

52,920
residential units

21
large urban projects

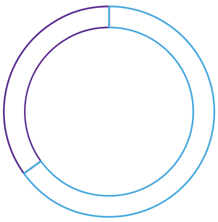
43%
2022 revenue aligned with european taxonomy

RESIDENTIAL

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

No. 2
developper in France
(nearly 10,000 units in 2022)

€2.7 bn
in new orders



VENTES :
65% Individuals
35% Institutional investors

€15.7 bn
on pipeline value

815 projects

Cogedim wins for the 6th year running best
"Customer Service of the Year 2023"

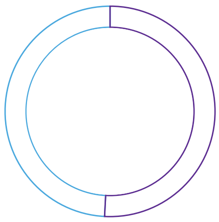
BUSINESS PROPERTY

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

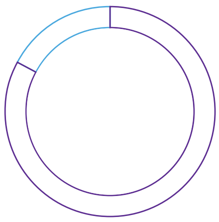
No. 1
developer in France

€4.4 bn
pipeline value

59 projects



51% in the Paris Region
49% in other regions



83% in Office
17% in Logistics

1 BUSINESS REVIEW

1.1 A pure player in low carbon property development in France

A 99.85% subsidiary of the Altarea Group, Altareit offers a skills platform covering all asset classes (residential, retail, offices, logistics, hotels, serviced residences, etc.), in order to respond effectively and comprehensively to the challenges of urban transformation.

Residential: Altareit is now the second-biggest developer in France[(1)], structured to be able to reach a potential of 18,000 units sold per year.

Business property: Altareit has developed a unique model that enables it to operate in a highly significant manner and with moderate risk on this market:

- as a property developer[(2)] for external customers with a particularly strong position on the turnkey users market;
- as a medium-term developer-investor in assets with a strong potential (prime location) to be redeveloped pending sale (*via* AltaFund[(3)]).

A unique positionning

Over the years, the Group has built up a unique platform of real estate skills for low-carbon urban transformation.

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

Altareit's know-how lies in developing low-carbon real estate products that integrate all these issues into a complex economic equation. The complementary nature of the Group's[(4)] 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.

Pipeline

At the end of 2022, Altareit has secured a huge portfolio of nearly 870 projects of more than 4.4 million m^2 with a potential value of more than 20.2 billion euros[(5)].

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

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

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

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

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

(3) AltaFund is a discretionary investment fund, created in 2011, of which Altareit is one of the contributors alongside leading institutional investors.

(4) Cogedim, Pitch Immo, Histoire & Patrimoine, Severini, Woodeum, Altarea Logistique, Altarea Entreprise, Cogedim Club, Altarea Solutions and Services.

(5) Potential value = market value at delivery dateResidential: offer for sale + portfolio incl. VAT. Business property: potential market value excl. transfer duties on the date of disposal for investment projects (at 100%), amount excl. VAT of off-plan sales/PDCs for the other development programmes (at 100%, or Group share for jointly owned projects), and capitalised DPM fees.

Primonial

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

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

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

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

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

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

1.2 Operational performance

1.2.1 Residential

1.2.1.1 Strategy

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

National geographic coverage

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

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

A multi-brand strategy

Complementary brands to cover the entire market

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

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

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

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

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

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

A multi-product strategy

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

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

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

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

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

1.2.1.2 2022 environment

Adaptation of commercial policy and land commitments management to the context

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

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

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

1.2.1.3 Activity of the year

Sourcing[(1)]

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

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

Building permits and land acquisitions

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

Commercial launches (retail sales)

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

Deliveries and projects under construction

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

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

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

New orders[1]

New orders	2022	%	2021	%	Chge
Individuals - Residential buyers	707	27%	667	22%	+6%
Individuals - Investment	1,015	38%	1,031	34%	-2%
Block sales	945	35%	1,340	44%	-29%
TOTAL IN VALUE *(€M INCL. VAT)*	**2,666**		**3,038**		**-12%**
Individuals - Residential buyers	2,000	20%	1,945	16%	+3%
Individuals - Investment	3,590	36%	3,866	34%	-7%
Block sales	4,428	44%	5,710	50%	-22%
TOTAL IN VOLUME (UNITS)	**10,018**		**11,521**		**-13%**

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

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

New orders by product range

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

Notarised sales

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

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

Stability in revenue by % of completion[2]

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

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

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

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

1.2.1.4 Outlook

Project pipeline

The pipeline of projects under development is composed of:

- properties for sale[1] (units available for sale);
- the land portfolio, which includes projects secured under a preliminary sale agreement (most of which are unilateral) and not yet launched. They become properties for sale when commercial launches take place.

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

Backlog

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

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

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

Management of real estate commitments

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

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

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

End of 2022:

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

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

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

(1) Value of units available for new orders.

1.2.2 Business property

1.2.2.1 Strategy

A developer/investor/asset manager model

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

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

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

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

Regional strategy

The Group is structured to address two complementary markets:

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

A wide range of products

Altareit has an offer covering all commercial property products:

- **offices:** headquarters, multi-occupancy buildings, high-rise buildings, covering all sizes (from 1,500 m² to 70,000 m²), all ranges (from prime to opportunistic) and all regions;
- **hotels:** all categories (from 1 to 4 stars), up to 700 rooms, in city centres or near transport hubs, independently or as part of large mixed-use projects;
- **campus and schools:** on behalf of higher education institutions (Grandes Écoles) or vocational schools (private and public);
- **logistics:** XXL platforms for distributors or e-commerce players, urban logistics for the last mile.

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

1.2.2.2 Pipeline

As the leading business property developer in France[5], Altarea manages a portfolio of 59 projects with a potential value estimated at close to €4.4 billion at the end of 2022 (at 100%).

At 31/12/2022	No.	Surface area at 100% *(m²)*	Revenue excl. VAT *(€m)*	Potential value at 100% *(€m excl. VAT)*
Investments[a]	3	102,000	361	1,189
Off-plan sales / PDCs[b]	53	1,239,000	2,983	2,983
DPM[c]	3	56,500	194	194
TOTAL	**59**	**1,397,500**	**3,538**	**4,366**
o/w Offices	*50*	*666,500*	*2,807*	*3,635*
o/w Logistics	*9*	*731,000*	*731*	*731*
o/w Regions	*46*	*1,069,300*	*2,218*	*2,218*
o/w Paris Region	*13*	*328,200*	*1,320*	*2,148*

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

(1) This development activity does not present any commercial risk: Altarea carries only a measured amount of technical risk.
(2) AltaFund is a discretionary investment fund, created in 2011, of which Altarea is one of the contributors alongside leading institutional investors.
(3) Resold rented or not.
(4) Through marketing, sale, asset and fund management contracts.

1.2.2.3 Activity of the year

Activity was intense for all product categories throughout the country.

Grand Paris

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

- in July, the sale to La Française REM of the **Campus Cyber** in Paris-la Défense, a 26,500 m² office building designed for new professional uses and developed according to the highest environmental standards[(1)]. This rare asset offers a secure and indexed return (a 10-year lease was signed with a consortium bringing together public authorities and large private groups specialising in cybersecurity);
- the delivery of the three office buildings within the large mixed-use project **Issy-Cœur de Ville**, certified BEPOS (positive energy building) and intended to house the headquarters of the Caisse Nationale de Prévoyance (CNP) as from early 2023. This frees up the CNP's historic headquarters located above the Montparnasse station, owned by Altarea and Caisse des Dépôts, which will undergo a complete restructuring over the coming years;
- the partial commercialisation of **Landscape** in La Défense to ManpowerGroup France, Vitogaz and Rubis Energie, thereby completing the largest transaction for a high-rise office building of the year;
- the start of the demolition work on the building located on the plot that will accommodate **Bellini**, the future headquarters of Swiss Life France in La Défense, acquired by Swiss Life Asset Managers at the end of 2021;
- the management of several new development projects, including the refurbishment of the former CACEIS headquarters in the immediate vicinity of the Paris-Austerlitz station for Crédit Agricole Assurances and **Le Central**, an office complex in the École polytechnique neighborhood in Palaiseau.

Regional cities

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

- the signing of numerous off-plan sales and PDCs (143,000 m²):
  - **KI** in Lyon (CPI), a mixed-use program of 29,400 m² combining retail, offices and residential units. Demolition work of the former CERA headquarters has started,
  - **Hill Side** in Toulouse with Tivoli Capital, which will set up a Newton Offices coworking space in this building targeting a double NF HQE™ Bâtiments Tertiaires and BREEAM certification,
  - **Porte Est** in Marseille with Erilia, a social enterprise for housing (ESH) and with SCPI Atlantique Mur Régions for a building intended to host INSEE,
  - **a mixed-use building** in Aix-en-Provence with Groupama Immobilier which will house offices, R&D laboratories and industrial workshops for Alstom;
- the management of seven new projects (170,000 m²), including the new *ESSCA campus* in Aix-en-Provence and several office projects in the Grand-Ouest region totaling 36,000 m². One of thses projects is *Feel Good* in Nantes, which was already the subject of an off-plan deal with SMABTP at the end of the year, a mixed program in Angers *(Amytis)*, consisting of 150 housing units and 5,800 m² of offices or in Rennes (8,000 m² of offices and 150 housing units);
- the delivery of several office buildings, including:
  - **#Community** Groupama's new campus in Mérignac near Bordeaux, sold to Atream,
  - **La Tannerie** in the Gerland district in Lyon, sold to the interim group LIP at the end of 2020,
  - as well as the first two buildings of the **Vert Pomone** project, a tertiary complex sold to SCPI Mur Régions, which will house the Esaip training centre and to the Nahema agency, a NATO subsidiary specialised in the development of military helicopter programs.

Logistics

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

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

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

Backlog

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

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

(1) NF HQE Exceptional, Effinergie+, Wiredscore Platinium, BREEAM "Excellent", Well Silver.

Pipeline under development at the end of December 2022

	Surface area *(m²)*	Property Development Type	Property Development Revenue *(€ millions excl. VAT)*[(a)]	Potential value at 100% *(€ millions excl. VAT)*[(b)]	Progress[(c)]
Landscape (La Défense)	70,100	Invest			Partially delivered/Let
Bellini (La Défense)	18,100	Invest			Under construction/Sold
Louis le Grand	13,800	Invest			Secured
Investments (3 projects)	**102,000**		**361**	**1,189**	
Belvédère (Bordeaux)	50,100	off-plan sale			Under construction
EM Lyon Business School (Lyon)	29,400	PDC			Under construction
Amazing Amazones - EuroNantes (Nantes)	19,700	off-plan sale			Under construction
Villeurbanne	13,000	off-plan sale			Under construction
Unedic (Marseille)	11,900	off-plan sale			Under construction
Haute Borne (Villeneuve d'Ascq)	11,900	off-plan sale			Under construction
Bobigny-La Place	9,800	off-plan sale			Under construction
Adriana (Marseille)	9,700	off-plan sale			Under construction
Jolimont (Toulouse)	4,300	off-plan sale			Under construction
PRD-Montparnasse (Paris)	56,200	PDC			Secured
Les Milles (Aix-en-Provence)	20,000	off-plan sale			Secured
Other Office projects (33 projects)	272,000	PDC/OPS			Secured
Sub-total Offices	**508,000**		**2,252**		
Technoparc (Collégien - Grand Paris)	8,600	off-plan sale			Under construction
Hexahub Occitanie (Beziers)	50,400	PDC			Under construction
Ecoparc Cotière (Lyon)	70,000	off-plan sale			Secured
Hexahub Ile-de-France (Seine et Marne)	68,200	PDC			Secured
Puceul (Nantes)	37,600	off-plan lease			Under construction
Other Logistics projects (4 projects)	496,200	PDC/OPS			Secured
Logistics sub-total	**731,000**		**731**		
"100% external" Property Development (53 projects)	**1,239,000**		**2,983**	**2,983**	
DPM (3 projects)	**56,500**	MOD	**194**	**194**	
TOTAL PROPERTY DEVELOPMENT PORTFOLIO (59 PROJECTS)	**1,397,500**		**3,538**	**4,366**	

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

1.3 Environmental performance: european taxonomy and carbon performance

1.3.1 Taxonomy: new standard for environmental performance reporting

1.3.1.1 General principles

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

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

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

1.3.1.2 Application to Altareit

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

Eligibility of consolidated revenue

In 2022, more than 99% of Altareit's consolidated revenue[(3)] related to the following activities which are european taxonomy eligible:

- "Construction of new buildings" at Property Development;
- "Renovation of existing buildings", notably at Histoire & Patrimoine;
- "Acquisition and ownership of buildings"[(4)].

Alignment calculation

To be considered sustainable ("aligned"), each project or asset contributing to Altarea's revenue must be screened for six environmental criteria[(5)]. For each criterion, high performance thresholds have been set, in particular for the "Energy" criterion, which is considered the area where the Group can make a "substantial contribution":

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

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

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

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

(3) In 2022, consolidated revenue was €2,729 million, of which €18 m (0.7%) was taxonomy ineligible (e.g. trustee activities) and €2,711 m was eligible (99%).

(4) Corresponds to "Comet" based in the Richelieu building.

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

Alignment rate

The alignment rate reaches 43% of consolidated revenue in 2022.

(€ millions)	Construction	Renovation	Ownership	Group
Aligned activities	**1,158**	**23**	**4**	**1,184**
% of consolidated revenue	45%	16%	100%	43%

Performance details by criterion

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

% of consolidated revenue	Construction	Renovation	Ownership	Group
Alignment rate	**45%**	**16%**	**100%**	**43%**
Energy	64%	100%	100%	64%
Climate	100%	100%	100%	100%
Water	88%	100%		88%
Circular economy	78%	28%		76%
Pollution prevention	90%	100%		91%
Biodiversity	100%			100%

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

An exemplary environmental approach

This performance reflects the exemplary approach by the Group, which is often a pioneer in environmental matters in Property Development:

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

1.3.1.3 Guidance

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

1.3.2 Carbon performance

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

1.3.2.1 Altareit methodology[2]

Scope (Scopes 1&2&3)

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

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

For Altareit, the GHG emissions measured are determined as follows:

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

Property Development

Carbon performance by percentage of completion

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

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

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

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

Emission factors

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

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

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

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

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

(1) Integration of the measurement principles of the new environmental regulations (mainly RE2020). Scope, comparability of financial years, audit trail.

(2) In the Extra-Financial Performance Statement (DPEF) section of its 2022 Universal Registration Document.

(3) International protocol proposing a framework for measuring, accounting and managing greenhouse gas emissions from private and public sector activities developed by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI).

(4) GHGs are gases in the atmosphere (carbon dioxide, nitrous oxide, methane, ozone, etc.) that absorb infrared radiation and redistribute it in the form of radiation that helps to retain solar heat (greenhouse effect).

(5) On behalf of third parties.

(6) Assimilated at the date of acquisition of the land.

(7) By way of illustration, the emission factors used for Residential range from 942 kgCO_2e/m^2 in 2019 to 915 kgCO_2e/m^2 in 2021 (construction) and 637 kgCO_2e/m^2 in 2019 to 598 kgCO_2e/m^2 in 2021 (use).

Corporate

"Corporate" emissions are calculated from the energy consumption of buildings (real measurements). This consumption is then converted into carbon emission equivalents using a factor whose level fluctuates depending on the carbon content of the energy consumed.

Corporate emissions are mainly due to the energy consumption of the Group's headquarters and the fuel consumption of its employees during business trips.

1.3.2.2 Results and analyses

Carbon performance

In 2022, the Group's emissions (scopes 1, 2 & 3) represented 1,067 thousand of tonnes of CO_2 equivalent (tCO_2e), down by 4.6% compared to 2021 and by 30.5% compared to 2019. Figures in the table below are expressed in Group share (economic carbon[(1)]).

In thousands of tCO_2e	2019	2020	2021	2022
Property Development				
Residential	1,041	982	907	914
Business Property	315	203	139	102
Retail	177	93	70	49
Corporate	3	2	2	2
GROUP IN Q/P	**1,536**	**1,281**	**1,118**	**1,067**
o/w Construction	*804*	*750*	*764*	*708*
o/w Use	*729*	*529*	*352*	*356*
o/w Corporate	*3*	*2*	*2*	*2*

Out of a total emission of 1,067 thousand tCO_2e, 356 thousand tCO_2e (*i.e.* 33%) correspond to emissions that have not yet taken place (share relating to the future use of the buildings over a period of 50 years).

Analysis

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

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

Carbon intensity

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

In gCO_2e/€	2019	2020	2021	2022
Carbon intensity	532	451	398	391

Since 2019, the Group has reduced its carbon intensity by 26.6% and by 1.7% in 2022, illustrating the ongoing decarbonisation of the property development business.

(1) *Emissions at 100% (managed carbon) represented 1,123 tCO_2e in 2022.*
(2) *PDC Richelieu, Kosmo, Bridge, Issy Cœur de Ville, Landscape, etc.*
(3) *Developed on its own behalf or for third parties (Issy Coeur de Ville, etc.).*

1.4 Consolidated results

In 2022, Altareit recorded a good financial performance despite the deterioration of the macroeconomic context that impacted the Residential. Consolidated revenue[(1)] at 31 December 2022 amounted to €2.7 billion, down slightly (-3.0%).

Operating income (FFO[(2)]) is stable at €205.8 million, with the growth in Business property (+148.5%) more than offsetting the decline in Residential (-15.3%).

Recurring net income (FFO), Group share, rose by 1.8% to €138.2 million, or €79.1 per share (+1.8%).

(€ millions)	**Residential**	**Business property**	**Diversification**	**Other Corporate**	**Funds from operations (FFO)**	**Changes in value, estimated expenses and transaction costs**	**Total**
Revenue and ext. services.	**2,469.9**	**258.7**	**–**	**–**	**2,728.6**	**–**	**2,728.6**
Change vs 31/12/2021	-1.1%	-17.2%	-	-	-3.0%	-	-3.0%
Net rental income	-	-	-	-			
Net property income	155.7	22.4	–	-	178.1	–	178.1
External services	11.4	11.9	–	-	23.3	–	23.3
Net revenue	**167.1**	**34.2**	**–**	**–**	**201.3**	**–**	**201.3**
Change vs 31/12/2021	-23.1%	-17.6%	-	-	-22.5%		-22.5%
Production held in inventory	221.0	15.4	-	-	236.5	-	236.5
Operating expenses	(241.5)	(31.9)	(0.9)	(1.0)	(275.2)	(24.9)	(300.1)
Net overhead expenses	**(20.4)**	**(16.5)**	**(0.9)**	(1.0)	(38.8)	**(24.9)**	**(63.7)**
Share of equity-method affiliates	9.2	34.2	(0.2)	–	43.2	(1.0)	42.2
Estimated expenses and transaction costs						(23.5)	(23.5)
Calculated expenses and transaction costs - Residential						(1.0)	(1.0)
Calculated expenses and transaction costs Business Property						(10.8)	(10.8)
Other						0.2	0.2
Operating income	**155.8**	**52.0**	**(1.1)**	**(1.0)**	**205.8**	**(62.7)**	**143.0**
Change vs 31/12/2021	-15.3%	+148.5%	-	-	+0.2%		-6.0%
Net borrowing costs	(8.6)	(6.5)	-	-	(15.1)	6.1	(8.9)
Other financial results	(5.5)	(8.9)	-	-	(14.4)	0.0	(14.3)
Gains/losses in the value of financial instruments	-	-	-	-	–	2.0	2.0
Corporate Income Tax	(17.4)	(5.8)	-	-	(23.3)	(9.3)	(32.5)
Net income	**124.3**	**30.8**	**(1.1)**	**(1.0)**	**153.1**	**(63.8)**	**89.3**
Non-controlling interests	(14.8)	–	–	–	(14.8)	0.0	(14.8)
NET INCOME GROUP SHARE	**109.5**	**30.8**	**(1.1)**	**(1.0)**	**138.2**	**(63.8)**	**74.4**
Change vs 31/12/2021	*-14.1%*	*X3.8%*			*+1.8%*		
Diluted average number of shares					*1,748,412*		
NET INCOME GROUP SHARE PER SHARE					79.07		
Change vs 31/12/2021					*+1.8%*		

(1) Revenue by % of completion basis (excluding external services).

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

Residential

(€ millions)	2022	2021	Variation
Revenue by % of completion	2,458.5	2,484.7	-1.1%
Cost of sales and other expenses	(2,302.8)	(2,280.9)	
Net property income - Residential	**155,7**	**203.8**	**-23.6%**
% of revenue	*6.3%*	*8.2%*	
External services	11.4	13.4	
Production held in inventory	221.0	177.7	
Operating expenses	(241.5)	(222.9)	
Contribution of EM associates	9.2	12.0	
Operating income - Residential	**155.8**	**184.0**	**-15.3%**
% of revenue	*6.3%*	*7.4%*	
Net borrowing costs	(8.6)	(12.8)	
Other financial results	(5.5)	(8.2)	
Corporate income taxes	(17.4)	(17.8)	
Non-controlling interests	(14.8)	(17.8)	
FFO RESIDENTIAL	**109.5**	**127.4**	**-14.1%**

The decrease in Residential operating income is due to the decline in the profitability of projects that contributed to 2022 revenue (almost stable at €2,458.5 million). This decrease is attributable to a deterioration in the business context at the end of the year, which led to an increase in the cost of operations (construction cost, labour cost, sales incentives).

In total, Residential FFO fell by 14.1% to €109.5 million.

Business Property

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

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

In €m	2022	2021	Variation
Revenue by % of completion	246.8	305.2	-19.1%
Cost of sales and other expenses	(224.5)	(271.0)	
Net property income - BP	**22.4**	**34.2**	**-34.6%**
% of revenue	*9.1%*	*11.2%*	
External services	11.9	7.4	
Production held in inventory	15.4	10.3	
Operating expenses	(31.9)	(26.0)	
Contribution of EM associates	34.2	(4.9)	
Operating income – BP	**52.0**	**20.9**	**x2.5**
% of revenue + ext. serv.	*20.1%*	*6.7%*	
Net borrowing costs	(6.5)	(8.0)	
Other financial results	(8.9)	(2.7)	
Corporate income taxes	(5.8)	(1.8)	
Non-controlling interests	–	(0.2)	
FFO BUSINESS PROPERTY	**30.8**	**8.2**	**X3.8**

2022 was marked by a high level of activity, both in the Paris Region (sale of Campus Cyber and the Manufacture de Reuilly in urban logistics) and in the regions. Operating income from Business Property was a record 52 million (x 2.5 compared to 2021), and FFO of €30.8 million (x 3.8) after tax.

1.5 Financial resources

Liquidity

At 31 December 2022, Altareit had available liquidity of €2,074 million (vs €2,409 million at 31 December 2021), broken down as follows:

Available *(€m)*	**Cash**	**Unused credit facilities**	**Total**
At Corporate level	370	794	1,164
At project level	558	352	910
TOTAL	**928**	**1,146**	**2,074**

Unused credit facilities amount to €783 million RCF[1], the average maturity of which is 3 years and 4 months, with no maturity coming due within the next 12 months.

Given the Group's liquidity situation on the one hand, and the maintenance of short-term access to the market on the other, no RCFs was drawn. The Group does not plan to use them in the short term.

Short and medium-term financing

As of 31 December 2022, Altareit has a NEU CP[2] programme of €170 million and a NEU MTN[3] programme of €52 million.

The total outstanding amounted to €222 million with an average maturity of 2 months.

Net debt

(€ millions)	**31/12/2022**	**31/12/2021**
Bank term loans	212	198
Credit markets[a]	575	913
Property Development debt	158	138
Gross bank and bond debt	**945**	**1,249**
Cash and cash equivalents	(799)	(1,355)
Net bank and bond debt	**146**	**(107)**

(a) This amount includes bond debt and €222 million from NEU CP and NEU MTN.

Credit rating

On 18 March 2022, the rating agency S&P Global confirmed its Investment Grade rating of Altarea Group and Altareit at BBB- with negative outlook. On 20 March 2023, the agency upgraded the Altarea Group's ratings outlook from "negative" to "stable" along with that of its listed subsidiary Altareit, which specialises in property development.

ICR (interest cover ratio)[4]

Altareit's ICR stood at 13.7x, compared with 9.9x at 31 December 2021.

(1) Revolving credit facilities (confirmed credit authorisations).
(2) NEU CP (Negotiable European Commercial Paper).
(3) NEU MTN (Negotiable European Medium-Term Note).
(4) ICR = Net FFO borrowing costs as a proportion of FFO over twelve months.

Covenants

The corporate debt is subject to the consolidated covenants of Altarea Group, of which Altareit is a 99.85% subsidiary (LTV ≤ 60%, ICR ≥ 2). Altarea meets these covenants with considerable headroom.

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

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

In addition, project-backed property development debt has specific covenants for each project.

Finally, Altareit's gearing[1] was 0.13x at the end of December 2022 compared to 0.10x at 31 December 2021.

Equity

Altareit's shareholders 'equity amounted to €1,145 million at 31 December 2022, making Altareit one of the most capitalized French developers.

(1) Net bond and bank debt as a proportion of consolidated equity.

2

CONSOLIDATED FINANCIAL STATEMENTS 2022

2.1 Financial statements

Consolidated balance sheet

(€ millions)	Note	31/12/2022	31/12/2021
Non-current assets		**816.4**	**803.9**
Intangible assets	7.1	314.2	304.1
o/w Goodwill		*197.4*	*192.1*
o/w Brands		*105.4*	*105.4*
of which Customer relationships		*6.7*	*-*
o/w Other intangible assets		*4.6*	*6.7*
Property plant and equipment		22.4	24.7
Right-of-use on property, plant and equipment	7.2	137.7	128.0
Investment properties	7.3	57.7	91.5
o/w Investment properties in operation at fair value		*9.6*	*9.2*
o/w Investment properties under development and under construction at cost		*45.2*	*78.7*
o/w Right-of use on Investment properties		*2.8*	*3.5*
Securities and investments in equity affiliates	4.5	271.2	239.2
Non-current financial assets	4.6	13.3	15.1
Deferred taxes assets	5.3	0.0	1.2
Current assets		**3,461.4**	**3,679.7**
Net inventories and work in progress	7.4	1,116.9	883.4
Contract assets	7.4	723.1	714.1
Trade and other receivables	7.4	740.2	690.0
Income credit		0.7	7.8
Current financial assets	4.6	(81.9)	29.0
Cash and cash equivalents	6.2	798.6	1,355.4
TOTAL ASSETS		**4,277.7**	**4,483.6**

(€ millions)	Note	31/12/2022	31/12/2021
Equity		**1,145.0**	**1,079.3**
Equity attributable to Altareit SCA shareholders		**1,100.0**	**1,026.1**
Share capital	6.1	2.6	2.6
Other paid-in capital		76.3	76.3
Reserves		946.7	874.9
Income associated with Altareit SCA shareholders		74.4	72.2
Equity attributable to non-controlling interests in subsidiaries		**45.0**	**53.2**
Reserves associated with non-controlling interests in subsidiaries		30.2	35.2
Income associated with non-controlling interests in subsidiaries		14.8	18.0
Non-current liabilities		**847.9**	**1,030.5**
Non-current borrowings and financial liabilities	6.2	753.5	947.9
o/w Bond issues		*336.9*	*496.8*
o/w Borrowings from credit establishments		*267.5*	*257.5*
o/w Negotiable European Medium Term Note		*-*	*52.0*
o/w Advances from Group shareholders and partners		*0.1*	*0.4*
o/w Lease liabilities		*149.0*	*141.3*
Long-term provisions	6.3	18.0	17.1
Deposits and security interests received		0.4	0.6
Deferred tax liability	5.3	76.0	64.9
Current liabilities		**2,284.9**	**2,373.8**
Current borrowings and financial liabilities	6.2	553.2	746.8
o/w Bond issues		*5.7*	*7.3*
o/w Borrowings from credit establishments		*88.7*	*65.6*
o/w Negotiable European Commercial Paper		*222.0*	*357.0*
o/w Bank overdrafts		*23.8*	*12.3*
o/w Advances from Group shareholders and partners		*194.9*	*288.2*
o/w Lease liabilities		*18.1*	*16.5*
Contract liabilities	7.4	351.4	168.1
Trade and other payables	7.4	1,374.4	1,443.9
Tax due		5.8	14.9
TOTAL LIABILITIES		**4,277.7**	**4,483.6**

Statement of consolidated comprehensive income

(€ millions)	Note	31/12/2022	31/12/2021
Revenue		**2,705.4**	**2,789.8**
Cost of sales		(2,389.5)	(2,438.9)
Other income		(104.3)	(102.7)
Net charge to provisions for current assets		(33.6)	(10.3)
Amortisation of customer relationships		(1.5)	-
Net property income	**5.1**	**176.6**	**237.9**
External services		24.4	21.9
Own work capitalised and production held in inventory		236.5	188.0
Personnel costs		(199.9)	(186.4)
Other overhead expenses		(98.3)	(87.4)
Depreciation expenses on operating assets		(22.9)	(22.5)
Net overhead expenses		**(60.1)**	**(86.4)**
Other income and expenses		(3.1)	(2.7)
Depreciation expenses		(0.5)	(0.1)
Transaction costs		(0.2)	(2.3)
Other		**(3.9)**	**(5.1)**
Change in value of investment properties		(0.3)	2.0
Net impairment losses on investment properties measured at cost		(10.3)	-
Net impairment losses on other non-current assets		0.1	(1.2)
Net charge to provisions for risks and contingencies		(1.3)	(1.2)
OPERATING INCOME BEFORE THE SHARE OF NET INCOME OF EQUITY-METHOD AFFILIATES		**100.8**	**146.0**
Share in earnings of equity-method affiliates	4.5	42.2	6.2
OPERATING INCOME AFTER THE SHARE OF NET INCOME OF EQUITY-METHOD AFFILIATES		**143.0**	**152.2**
Net borrowing costs	5.2	(8.9)	(22.6)
Financial expenses		*(14.9)*	*(25.0)*
Financial income		*5.9*	*2.3*
Other financial results	5.2	(14.4)	(10.9)
Change in value and income from disposal of financial instruments		2.0	-
Net gain/(loss) on disposal of investments		0.0	0.2
Profit before tax		**121.8**	**118.8**
Corporate income tax	5.3	(32.5)	(28.6)
NET RESULT		**89.3**	**90.3**
o/w Net income attributable to Altareit SCA shareholders		**74.4**	**72.2**
o/w Attributable to non-controlling interests in subsidiaries		14.8	18.0
Average number of non-diluted shares		*1,748,412*	*1,748,440*
Net earnings per share attributable to shareholders of Altareit SCA *(€)*	**5.4**	**42.57**	**41.32**
Diluted average number of shares		*1,748,412*	*1,748,440*
Diluted net earnings per share attributable to shareholders of Altareit SCA *(€)*	**5.4**	**42.57**	**41.32**

Other comprehensive income

(€ millions)	31/12/2022	31/12/2021
NET RESULT	**89.3**	**90.3**
Actuarial differences on defined-benefit pension plans	2.0	2.1
o/w Taxes	*(0.7)*	*(0.7)*
Subtotal of comprehensive income items that may not be reclassified to profit	**2.0**	**2.1**
OTHER COMPREHENSIVE INCOME	**2.0**	**2.1**
COMPREHENSIVE INCOME	**91.3**	**92.4**
o/w Net comprehensive income attributable to Altareit SCA shareholders	76.4	74.3
o/w Net comprehensive income attributable to non-controlling interests in subsidiaries	14.8	18.0

Consolidated cash flows statement

(€ millions)	Note	31/12/2022	31/12/2021
Cash flow from operating activities			
Total consolidated net income		**89.3**	**90.3**
Elimination of income tax expense (income)	5.3	32.5	28.6
Elimination of net interest expense (income) and dividends	5.2	23.0	33.4
Net income before tax and before net interest expense (income)		**144.8**	**152.3**
Elimination of share in earnings of equity-method affiliates	4.5	(42.2)	(6.2)
Elimination of depreciation and impairment		26.7	27.4
Elimination of value adjustments		8.6	(2.0)
Elimination of net gains/(losses) on disposals		1.0	(0.4)
Estimated income and expenses associated with share-based payments	6.1	(3.7)	(0.7)
Net cash flow		**135.1**	**170.3**
Tax paid		(25.5)	(18.1)
Impact of change in operational working capital requirement (WCR)	7.4	(126.2)	(100.7)
OPERATING CASH FLOW		**(16.6)**	**51.5**
Cash flow from investment activities			
Net acquisitions of assets and capitalised expenditures		(1.8)	(9.9)
Gross investments in equity affiliates	4.5	(87.0)	(48.1)
Acquisitions of consolidated companies, net of cash acquired	4.3	(3.7)	16.7
Other changes in Group structure		6.1	0.2
Increase in loans and advances		(13.1)	(31.7)
Sale of non-current assets and reimbursement of advances and down payments		3.5	3.1
Disposals of equity affiliates	4.5	52.6	27.4
Disposals of consolidated companies, net of cash transferred		(0.5)	1.8
Reduction in loans and other financial investments		47.6	20.8
Net change in investments and derivative financial instruments		(46.9)	0.0
Dividends received		16.5	23.7
Interest income		6.1	3.2
CASH FLOW FROM INVESTING ACTIVITIES		**(20.5)**	**7.3**
Cash flow from financing activities			
Share of non-controlling interests in the capital increase of subsidiaries		0.1	0.4
Capital increase		-	-
Dividends paid to minority shareholders of subsidiaries		(22.5)	(16.1)
Issuance of debt and other financial liabilities	6.2	216.4	701.4
Repayment of borrowings and other financial liabilities	6.2	(680.8)	(544.8)
Repayment of lease liabilities	6.2	(17.7)	(2.1)
Net sales (purchases) of treasury shares		(0.0)	0.0
Net change in security deposits and guarantees received		(0.2)	(1.0)
Interest paid		(26.6)	(34.8)
CASH FLOW FROM FINANCING ACTIVITIES		**(531.2)**	**103.0**
CHANGE IN CASH BALANCE		**(568.3)**	**161.9**

Cash balance at the beginning of the year	**6.2**	**1,343.1**	**1,181.2**
Cash and cash equivalents		1,355.4	1,185.1
Bank overdrafts		(12.3)	(3.9)
Cash balance at period-end	**6.2**	**774.8**	**1,343.1**
Cash and cash equivalents		798.6	1,355.4
Bank overdrafts		(23.8)	(12.3)

Changes in consolidated equity

(€ millions)	Share capital	Other paid-in capital	Reserves and retained earnings	Equity attributable to Altareit SCA shareholders	Equity attributable to non-controlling interests in subsidiaries	Equity
AT 1 January 2021	**2.6**	**76.3**	**871.0**	**949.8**	**52.1**	**1,002.0**
Net Income	-	-	*72.2*	*72.2*	*18.0*	*90.3*
Actuarial difference relating to pension obligations	-	-	*2.1*	*2.1*	-	*2.1*
Comprehensive income	**-**	**-**	**74.3**	**74.3**	**18.0**	**92.4**
Dividend distribution	-	-	-	-	*(16.1)*	*(16.1)*
Capital increase	-	-	-	-	*0.0*	*0.0*
Measurement of share-based payments Altarea SCA	-	-	*(0.5)*	*(0.5)*	-	*(0.5)*
Impact of Altarea SCA's share buyback to be delivered to employees	-	-	-	-	-	-
Elimination of treasury shares	-	-	*0.0*	*0.0*	-	*0.0*
Transactions with shareholders	**-**	**-**	**(0.5)**	**(0.5)**	**(16.1)**	**(16.6)**
Changes in ownership interests without taking or losing control of subsidiaries	-	-	-	-	-	-
Changes in ownership interests associated with taking or losing control of subsidiaries	-	-	2.4	2.4	(1.3)	1.1
Other	-	-	(0.0)	(0.0)	0.4	0.4
AT 31 DECEMBER 2021	**2.6**	**76.3**	**947.3**	**1,026.1**	**53.2**	**1,079.3**
Net Income	-	-	*74.4*	*74.4*	*14.8*	*89.3*
Actuarial difference relating to pension obligations	-	-	*2.0*	*2.0*	-	*2.0*
Comprehensive income	**-**	**-**	**76.4**	**76.4**	**14.8**	**91.3**
Dividend distribution	-	-	*(0.0)*	*(0.0)*	*(22.5)*	*(22.5)*
Capital increase	-	-	*(0.0)*	*(0.0)*	*0.1*	*0.1*
Measurement of share-based payments	-	-	*(2.6)*	*(2.6)*	-	*(2.6)*
Elimination of treasury shares	-	-	-	-	-	-
Transactions with shareholders	**-**	**-**	**(2.6)**	**(2.6)**	**(22.4)**	**(24.9)**
Changes in ownership interests without taking or losing control of subsidiaries	-	-	0.1	0.1	(0.4)	(0.3)
Changes in ownership interests associated with taking or losing control of subsidiaries	-	-	-	-	-	-
Other	-	-	(0.1)	(0.1)	(0.3)	(0.4)
AT 31 DECEMBER 2022	**2.6**	**76.3**	**1,021.2**	**1,100.0**	**45.0**	**1,145.0**

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

2.2 Notes – Consolidated income statement by segment

	31/12/2022			31/12/2021		
(€ 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
Revenue	2,458.5	-	2,458.5	2,484.7	-	2,484.7
Cost of sales and other expenses	(2,302.8)	(1.5)	(2,304.3)	(2,280.9)	-	(2,280.9)
Net property income	**155.7**	**(1.5)**	**154.2**	**203.8**	**-**	**203.8**
External services	11.4	-	11.4	13.4	-	13.4
Production held in inventory	221.0	-	221.0	177.7	-	177.7
Operating expenses	(241.5)	(19.9)	(261.4)	(222.9)	(20.9)	(243.8)
Net overhead expenses	**(9.1)**	**(19.9)**	**(28.9)**	**(31.8)**	**(20.9)**	**(52.7)**
Share of equity-method affiliates	**9.2**	**(1.0)**	**8.2**	**12.0**	**(0.6)**	**11.4**
Net depreciation, amortisation and provision	**-**	**(23.0)**	**(23.0)**	**-**	**(24.6)**	**(24.6)**
Transaction costs	**-**	**(0.5)**	**(0.5)**	**-**	**-**	**-**
Residential operating income	**155.8**	**(45.9)**	**110.0**	**184.0**	**(46.1)**	**137.9**
Revenue	246.8	-	246.8	305.2	-	305.2
Cost of sales and other expenses	(224.5)	-	(224.5)	(271.0)	-	(271.0)
Net property income	**22.4**	**-**	**22.4**	**34.2**	**-**	**34.2**
External services	11.9	-	11.9	7.4	-	7.4
Production held in inventory	15.4	-	15.4	10.3	-	10.3
Operating expenses	(31.9)	(5.2)	(37.1)	(26.0)	(5.2)	(31.2)
Net overhead expenses	**(4.6)**	**(5.2)**	**(9.8)**	**(8.3)**	**(5.2)**	**(13.5)**
Share of equity-method affiliates	**34.2**	**0.2**	**34.4**	**(4.9)**	**(0.3)**	**(5.2)**
Net depreciation, amortisation and provision	**-**	**(1.0)**	**(1.0)**	**-**	**(0.3)**	**(0.3)**
Income/loss in the value of investment property	**-**	**(0.3)**	**(0.3)**	**-**	**2.0**	**2.0**
Operating income – Business property	**52.0**	**(6.3)**	**45.7**	**20.9**	**(3.8)**	**17.2**
Net overhead expenses	(0.9)	0.2	(0.7)	1.0	(0.9)	0.1
Share of equity-method affiliates	(0.2)	(0.2)	(0.4)	(0.0)	-	(0.0)
Net depreciation, amortisation and provision	-	(0.5)	(0.5)	-	(0.0)	(0.0)
Income/loss in the value of investment property	-	(10.3)	(10.3)	-	-	-
Operating income – Diversification	**(1.1)**	**(10.8)**	**(11.9)**	**1.0**	**(0.9)**	**0.1**
Others (Corporate)	(1.0)	0.2	(0.8)	(0.7)	(2.3)	(3.0)
OPERATING INCOME	**205.8**	**(62.7)**	**143.0**	**205.2**	**(53.1)**	**152.2**
Net borrowing costs	**(15.1)**	**6.1**	**(8.9)**	**(20.8)**	**(1.8)**	**(22.6)**
Other financial results	**(14.4)**	**-**	**(14.4)**	**(10.9)**	**-**	**(10.9)**
Change in value and income from disposal of financial instruments	**-**	**2.0**	**2.0**	**-**	**-**	**-**
Net gain/(loss) on disposal of investments	**-**	**0.0**	**0.0**	**-**	**0.2**	**0.2**
PROFIT BEFORE TAX	**176.3**	**(54.6)**	**121.8**	**173.5**	**(54.7)**	**118.8**
Corporate income tax	(23.3)	(9.3)	(32.5)	(19.7)	(8.9)	(28.6)
NET RESULT	**153.1**	**(63.8)**	**89.3**	**153.9**	**(63.6)**	**90.3**
Non-controlling interests	(14.8)	0.0	(14.8)	(18.0)	0.0	(18.0)
NET INCOME, GROUP SHARE	**138.2**	**(63.8)**	**74.4**	**135.9**	**(63.6)**	**72.2**
Diluted average number of shares	*1,748,412*	*1,748,412*	*1,748,412*	*1,748,440*	*1,748,440*	*1,748,440*
NET EARNINGS PER SHARE *(€/SHARE)*, **GROUP SHARE**	**79.07**	**(36.50)**	**42.57**	**77.70**	**(36.39)**	**41.32**

2.3 Other information attached to the consolidated financial statements

SUMMARY

NOTE 1 COMPANY INFORMATION

Altareit 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).

Altareit is a significant player in the Residential and Business property segments, and has also full control over Cogedim, Pitch Immo and Histoire & Patrimoine.

Altareit is 99.85% controlled by the company Altarea, whose shares are admitted to trading on the regulated market Euronext Paris, Compartment A.

The consolidated financial statements for the year ended 31 December 2022 were approved by the Management on 28 February 2023 having been examined by the 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 2022 and available on the website of the European Commission.

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

The information relating to the financial year ended 31 December 2021, presented in the Universal Registration Document filed with the AMF on 29 April 2022 under number D.22-0396 is incorporated by reference.

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

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

These amendments have no significant impact for the Group.

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

None.

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

- amendments to IAS 8 – Definition of accounting estimates;
- amendments to IAS 1 – Disclosure of material accounting policy information;
- IFRS 9 and IFRS 16 – Accounting for lessor forgiveness of operating lease payments (September 2022);
- amendments to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;
- IFRS 15 – Principal *versus* agent: software reseller;
- IAS 7 – Demand deposits with restrictions on use;
- IFRS 9 and IAS 20 - TLTRO III;
- IAS 37 – Negative low emission vehicle credits;
- IFRS 17 – Insurance contracts (replacing IFRS 4), IFRS 17 and IFRS 9 – First-time adoption, comparative information; IFRS 17 – Profit recognition for annuity contracts; IFRS 17 and IAS 21 – Multi-currency groups of insurance contracts – IFRS 17 is not applicable to the Group;
- Special Purpose Acquisition Companies (SPAC): Classification of Public Shares as Financial Liabilities or Equity (IAS 32), Accounting for warrants at acquisition - This interpretation is not applicable to the Group.

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

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

2.1.2 Other principles for presenting the financial statements

Altareit 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 internal transactions and dividends are eliminated, according to the consolidation method, 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, certain income and expenses and concerning the information given in the notes to the financial statements.

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

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

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

- measurement of net property income and services using the percentage-of-completion method (see Note 2.3.17 "Revenue and revenue-related expenses");
- measurement of goodwill and brands (see Note 2.3.7 "Monitoring the value of non-current assets (excluding financial assets and investment property) and losses of value" and 7.1 "Intangible assets and goodwill").

And less significantly,

- measurement of share-based payments (see Notes 2.3.12 "Share-based payments" and 6.1 "Equity");
- measurement of financial instruments (see Note 8 "Financial risk management");
- measurement of investment properties (see Notes 2.3.5 "Investment properties" and 7.3 "Investment properties").

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

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

- measurement of rights of use, lease liabilities and contractual fees on investment property (see notes 2.3.18 "Leases", 7.3 "Right-of-use on tangible and intangible fixed assets" and 7.1 "Investment properties");
- measurement of deferred tax assets (see Notes 2.3.16 "Taxes" and 5.3 "Corporate income Tax");
- measurement of provisions (see 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 Notes 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.**

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

The exemplary approach of the Group, which is often a pioneer in environmental matters, is reflected in the following:

- taking into account energy and environmental regulations in advance and in a more stringent manner: development projects prior to 2022 were already targeting energy consumption levels 10% below regulatory requirements in Residential and at least 30% below in Business property in the Paris Region;
- systematic application for labels and certifications: NF Habitat HQE, HQE "Very Good" and/or BREEAM® "Very Good" at least for office buildings;
- generalisation of ambitious building site charters (low pollution, waste recovery, etc.);
- development of the quality of buildings constructed (modularity, multi-use, comfort, health, etc.) or managed.

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

2.3 Accounting principles and methods of the Company

2.3.1 Equity investments of the Company and consolidation methods

For consolidation, the following standards apply:

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

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

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

In 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 one year and five 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 their useful life is indefinite, they are written down when there is evidence of impairment.

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

Other customer relationships (customer relationships on regular contracts, contractual relationships) can 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 offices.

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.

If this is the case, the income statement records over the period:

- the value adjustments of each property measured at fair value on the line "Change in value of investment properties"; and
- impairment losses on each property measured at cost on the line "Net impairment losses on investment properties measured at cost".

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 asset 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 the level of cash-generating units (CGUs) or 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.

Tests are carried out by comparing the net carrying amount of assets directly related or attributable to CGUs or groups of CGUs, including intangible assets and goodwill, to the recoverable amount of the CGU or group of CGUs, defined as the higher of fair value (sale price net of any costs that may be incurred for the sale) and value in use.

The value in use of the CGU or of the grouping of several CGUs is determined using a multi-criteria method (which means we can then take the higher of value in use and fair value) based mainly on the discounted cash flow (DCF) method supported by stock-market comparison and transaction multiple methods.

The basic principles of the DCF method are:

- estimated cash flow (before tax) are derived from business plans generally covering five-year periods drawn up by Group management;
- the discount rate determined on the basis of a weighted average cost of capital; 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 prorata basis for their carrying amount (reversible loss).

Brands are tested individually. Their recoverable amount is determined using the royalty method. An impairment loss is recognised, if applicable, if the net book value of the brand is greater than its recoverable amount (reversible).

Sensitivity tables are created for all impairment tests carried out.

2.3.8 Inventories

Inventories relate to:

- programmes for third-party property development; and
- 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 (2019) for the financial year, the interest expenses which can be allocated to programmes are no longer incorporated into inventories connected with off-plan sale transactions or with property development contract (PDC) transactions. These inventories are in a position to be sold quickly and therefore no time is necessary for its development; the stored asset is therefore in saleable condition. Allocated interest expenses are recognised directly as expenses.

Inventories are carried at cost price, less the portion of the cost price recognised on a percentage-of-completion basis for off-plan sales or property development contract transactions. The cost price includes:

- the acquisition cost of land;
- construction costs (including VRD);
- all technical and programme management fees, whether internal or external to the Group; 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.
- Receivables relating to participating interests in equity-method affiliates are classified in the balance sheet under "Securities and receivables on equity-method affiliates". These receivables from companies accounted for by the equity-method have a short collectability term (linked to the operating cycle of the development business).
- 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 non-consolidated securities and are recognised at fair value through profit or loss.
- Equity instruments mainly comprise equity securities of non-consolidated companies. 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. For the shares of listed companies, this fair value is determined on the basis of estimation including, where necessary, the market indicators on the closing date. At each acquisition of equity securities, a similar analysis will be carried out to determine the Group's management intention.
- 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. After initial recognition, interest-bearing loans and borrowings are measured at amortised cost, using the effective interest rate method (presented in the income statement under "Cost of net debt"). 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 recognised at fair value, measured by reference to available observable or unobservable data.

For other 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.

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 (Plan Epargne Entreprise - 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 company savings plans are measured on the basis of market value.

2.3.13 Earnings per share

Undiluted net income per share (in €)

Undiluted net income per share is calculated by dividing net income (Group share) by the weighted average number of ordinary shares in issue during the period.

Diluted net income per share (in €)

Diluted net income per share is calculated by dividing net income (Group share) by the weighted average number of ordinary shares in issue adjusted for the dilutive effects of the options during the period.

The dilutive effect is calculated according to the "share buyback" method. Under this method, the funds received from the exercise of options are assumed to be applied first to repurchasing own shares at the market price. The market price is taken to be the volume-weighted average of average monthly prices of Altareit 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 ten years. The Group uses the Iboxx rate which stands at 3.10%;
- mortality table: women's table (TF) and men's table (TH) 2000-2002;
- reason for departure: depending on local laws and for France, voluntary retirement on the date of eligibility for full pension benefits;
- turnover: annual average turnover observed over the last three years, standing at between 4% and 8.30% depending on branch and age Group;
- long-term salary adjustment rate (including inflation): 2.7%.

Actuarial gains and losses and valuation adjustments are recorded directly in equity under "other comprehensive income".

The amount of the obligation determined using this method is then reduced by the value of any assets held to cover it (not applicable in this case).

Other post-employment benefits

These benefits are offered under defined-contribution pension plans. As such, the Group has no obligation except to pay its share of contributions. The expense corresponding to contributions paid is recognised in the income statement as incurred.

Severance pay

Where applicable, payments for termination of an employment contract are provisioned on the basis of the collective agreement.

Short-term benefits

Short-term benefits include in particular an incentive agreement for employees to share in the profit recorded by their economic and social unit, signed by the service companies of the Group that are members of the economic and social unit, and the works council. Benefits also include an employee profit-sharing plan applicable to the profit of the economic and social unit as required under French common law.

Short-term employee benefits including those arising from these profit-sharing plans are expensed as incurred.

2.3.15 Provisions and contingent liabilities

In accordance with IAS 37, a provision is recognised when an obligation to a third party will result in a likely outflow of resources without any equivalent benefits being received in consideration, and when the amount required to settle the obligation can be reliably estimated. The provision is maintained as long as the timing and amount of the outflow of resources are not known with precision.

In general, these provisions are not linked to the Group's normal operating cycle. Provisions are discounted when appropriate using a pre-tax rate of return that reflects the risks specific to the liability.

Non-current provisions consist mainly of provisions arising from litigation between the Group and third parties.

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

Income taxes are recognised in accordance with IAS 12.

The Group is subject to ordinary rules of corporate taxation.

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 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 profit margin on the Residential and Business property sectors.

For property development activities, the net property income is recognised in the Group's financial statements using the percentage-of-completion method.

All off-plan sales and property development contract (PDC) 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 non-completion).

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, and fees for marketing and other services (additional works acquirers).

Expenses includes personnel costs, general operating expenses (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 general operating expenses 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. The Group is concerned as a lessee.

Leases in the financial statements with the Company as lessee

Under IFRS 16, lessees will no longer distinguish between finance lease contracts and operating lease contracts.

For all leases defined as "rental contracts", this standard requires to recognise a right-of-use asset in the balance sheet statement of the tenants (as non-current assets) and a corresponding lease liability (as financial liabilities).

Leases entered into by the Group lying within the field of application of the standard mainly concern:

- property leases: the Group leases its offices in the majority of cities where it operates; and
- vehicle leases.

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 fixed assets (connected to its property and vehicle rental contracts) and a right-of-use for investment properties (linked to a contract, previously the finance lease contract) in return for lease liabilities;
- on the income statement, rents from rental contracts (previously entered under operating charges) are replaced by depreciation charges on the right-of-use or changes in the values of investment properties, and by interest charges. Rentals and rental charges still posted at 31 December correspond mainly to rental expenses (which, in accordance with the application of IFRS 16, are not restated);
- with regard to the cash flow statement, cash flows related to financing activities are impacted by the reimbursement of rental obligations and by interest charges.

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 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 mainly concern expenses related to lease obligations.

2.3.20 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.

2.3.21 Operating segments

IFRS 8 "Operating segments" requires the presentation of operating segments to reflect the Company's organisation and internal reporting system, which is presented in compliance with IFRS recognition and measurement principles. An operating segment represents an activity of the Company that incurs income and expenses and whose operating income is regularly reviewed by the Company's Management on the one hand and its operational Managers on the other. Each segment compiles its own individual financial information.

The Company's internal reporting is based on an analysis of the period's results in accordance with:

- funds from operations (FFO);
- changes in value (unrealised or realised), estimated expenses, and transaction costs.

According to these analytical criteria, operating income, including earnings from equity affiliates, is monitored on an operating segment basis.

In addition to operating income, asset book values (and certain related liabilities) are monitored by operating segment when they are directly related or can be allocated to a sector. They are considered economic assets of the sector in question.

The Company has the following operating segments:

- residential: residential property development;
- business property: the property development, services and investment business; and
- diversification.

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)

This measures the creation of wealth available for distribution from 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 property income for net incomes of the segment, including impairment of current assets for Residential and Business property;
- 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 concern expenses related to lease obligations.

Tax (FFO) is the tax due for the period excluding deferred tax 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 changes in value is Net income.

The main aggregates of the **funds from operations** monitored by the Group in internal reports are:

- **changes in value and estimated expenses**, which 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, including allowances relating to intangible assets or goodwill identified during business combinations, and rights of use over property, plant and equipment and intangible assets,
  - allowances for non-current provisions net of used or unused reversals;
- **transaction costs** include fees and other nonrecurring expenses incurred from Corporate development projects that are ineligible for capitalisation (*e.g.* expenses incurred from business combinations or equity investments, whether completed or not) or that are ineligible for inclusion under issuance costs (*e.g.* certain commissions incurred from capital management). Income and expenses outside the Company's going concerns are also included.

Also presented are **changes in value and income from disposal of financial instruments** representing adjustments in the value of financial instruments measured at fair value as well as the effect of discounting debt and receivables. Results from the disposal of financial instruments represent the balance for amounts incurred in the period from restructuring or cancelling financial instruments.

3. Non-controlling interests

The line relating to non-controlling interests corresponds to the share of net income attributable to minority shareholders of subsidiaries divided between the share of the funds from operations (FFO) and the share attributable to minority shareholders of subsidiaries of changes in value, estimated expenses, transaction costs and deferred tax.

In the case of exceptional transactions, the contracts are specifically analysed and the indicators presented above may in some cases be adjusted, *i.e.* reclassified to match their internal reporting presentation for greater clarity.

NOTE 3 INFORMATION ON OPERATING SEGMENTS

3.1 Balance sheet items by operating segment

At 31 December 2022

(€ millions)	Residential	Business property	Diversification	Total
Operating assets and liabilities				
Intangible assets	290.2	21.5	2.5	314.2
Property plant and equipment	22.4	0.0	0.0	22.4
Right-of-use on property, plant and equipment	122.8	0.1	14.8	137.7
Investment properties	-	12.5	45.2	57.7
Securities and investments in equity affiliates	179.0	83.1	9.1	271.2
Operational working capital requirement	839.1	19.4	(0.6)	858.0
TOTAL OPERATING ASSETS AND LIABILITIES	**1,453.4**	**136.6**	**71.0**	**1,661.0**

At 31 December 2021

(€ millions)	Residential	Business property	Diversification	Total
Operating assets and liabilities				
Intangible assets	282.3	21.5	0.3	304.1
Property plant and equipment	24.7	-	-	24.7
Right-of-use on property, plant and equipment	127.9	0.1	-	128.0
Investment properties	-	36.2	55.3	91.5
Securities and investments in equity affiliates	170.7	66.7	1.9	239.2
Operational working capital requirement	670.4	7.9	0.7	679.0
TOTAL OPERATING ASSETS AND LIABILITIES	**1,276.0**	**132.4**	**58.2**	**1,466.6**

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

	31/12/2022			31/12/2021		
(€ 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
Revenue	2,705.4	-	2,705.4	2,789.8	0.0	2,789.8
Cost of sales	(2,389.5)	-	(2,389.5)	(2,438.9)	-	(2,438.9)
Other income	(104.3)	-	(104.3)	(102.7)	-	(102.7)
Net charge to provisions for current assets	(33.6)	-	(33.6)	(10.3)	-	(10.3)
Amortisation of customer relationships	-	(1.5)	(1.5)	-	-	-
Net property income	**178.1**	**(1.5)**	**176.6**	**237.9**	**0.0**	**237.9**
External services	24.4	-	24.4	21.9	-	21.9
Own work capitalised and production held in inventory	236.5	-	236.5	188.0	-	188.0
Personnel costs	(182.8)	(17.1)	(199.9)	(167.9)	(18.5)	(186.4)
Other overhead expenses	(90.1)	(8.2)	(98.3)	(79.9)	(7.5)	(87.4)
Depreciation expenses on operating assets	-	(22.9)	(22.9)	-	(22.5)	(22.5)
Net overhead expenses	**(12.0)**	**(48.2)**	**(60.1)**	**(37.9)**	**(48.5)**	**(86.4)**
Other income and expenses	(3.6)	0.4	(3.1)	(1.9)	(0.9)	(2.7)
Depreciation expenses	-	(0.5)	(0.5)	-	(0.1)	(0.1)
Transaction costs	-	(0.2)	(0.2)	-	(2.3)	(2.3)
Other	**(3.6)**	**(0.3)**	**(3.9)**	**(1.9)**	**(3.2)**	**(5.1)**
Change in value of investment properties	-	(0.3)	(0.3)	-	2.0	2.0
Net impairment losses on investment properties measured at cost	-	(10.3)	(10.3)	-	-	-
Net impairment losses on other non-current assets	-	0.1	0.1	-	(1.2)	(1.2)
Net charge to provisions for risks and contingencies	-	(1.3)	(1.3)	-	(1.2)	(1.2)
OPERATING INCOME BEFORE THE SHARE OF NET INCOME OF EQUITY-METHOD AFFILIATES	**162.5**	**(61.7)**	**100.8**	**198.2**	**(52.2)**	**146.0**
Share in earnings of equity-method affiliates	43.2	(1.0)	42.2	7.1	(0.9)	6.2
OPERATING INCOME AFTER THE SHARE OF NET INCOME OF EQUITY-METHOD AFFILIATES	**205.8**	**(62.7)**	**143.0**	**205.2**	**(53.1)**	**152.2**
Net borrowing costs	(15.1)	6.1	(8.9)	(20.8)	(1.8)	(22.6)
Financial expenses	*(21.0)*	*6.1*	*(14.9)*	*(23.1)*	*(1.8)*	*(25.0)*
Financial income	*5.9*	*-*	*5.9*	*2.3*	*-*	*2.3*
Other financial results	(14.4)	-	(14.4)	(10.9)	-	(10.9)
Change in value and income from disposal of financial instruments	-	2.0	2.0	-	-	-
Gains or losses on disposals of equity interests	-	0.0	0.0	-	0.2	0.2
Profit before tax	**176.3**	**(54.6)**	**121.8**	**173.5**	**(54.7)**	**118.8**
Corporate income tax	(23.3)	(9.3)	(32.5)	(19.7)	(8.9)	(28.6)
NET RESULT	**153.1**	**(63.8)**	**89.3**	**153.9**	**(63.6)**	**90.3**
o/w Net income attributable to Altareit SCA shareholders	**138.2**	**(63.8)**	**74.4**	**135.9**	**(63.6)**	**72.2**
o/w Attributable to non-controlling interests in subsidiaries	(14.8)	0.0	(14.8)	(18.0)	0.0	(18.0)
Average number of non-diluted shares	*1,748,412*	*1,748,412*	*1,748,412*	*1,748,440*	*1,748,440*	*1,748,440*
NET EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF ALTAREIT SCA *(€)*	**79.07**	**(36.50)**	**42.57**	**77.70**	**(36.39)**	**41.32**
Diluted average number of shares	*1,748,412*	*1,748,412*	*1,748,412*	*1,748,440*	*1,748,440*	*1,748,440*
DILUTED NET EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF ALTAREIT SCA *(€)*	**79.07**	**(36.50)**	**42.57**	**77.70**	**(36.39)**	**41.32**

3.3.2 Reconciliation of operating income between the two income statements

	31/12/2022					31/12/2021				
(€ millions)	Residential	BP[(a)]	Div.[(b)]	Other	Total	Residential	BP[(a)]	Div.[(b)]	Other	Total
Net property income	154.2	22.4	-	(0.0)	176.6	203.8	34.2	0.0	(0.1)	237.9
Net overhead expenses	(49.2)	(10.9)	(1.1)	1.1	(60.1)	(72.5)	(15.0)	(0.0)	1.1	(86.4)
Other	(2.4)	0.5	(0.1)	(1.9)	(3.9)	(2.5)	1.4	0.1	(4.0)	(5.1)
Value adjustments	0.1	(0.3)	(10.3)	(0.0)	(10.4)	(1.2)	2.0	-	-	0.8
Net charge to provisions for risks and contingencies	(0.9)	(0.4)	-	-	(1.3)	(1.1)	(0.2)	-	-	(1.2)
Share in earnings of equity-method affiliates	8.2	34.4	(0.4)	-	42.2	11.4	(5.2)	(0.0)	-	6.2
OPERATING INCOME	**110.0**	**45.7**	**(11.9)**	**(0.8)**	**143.0**	**137.9**	**17.2**	**0.1**	**(3.0)**	**152.2**

(a) BP: Business property.
(b) Div.: Diversification.

3.4 Revenue by geographical region and operating segment

	31/12/2022			31/12/2021		
(€ millions)	France	Other	Total	France	Other	Total
Revenue	2,458.5	-	2,458.5	2,484.7	-	2,484.7
External services	11.4	-	11.4	13.4	-	13.4
Residential	**2,469.9**	**-**	**2,469.9**	**2,498.1**	**-**	**2,498.1**
Revenue	246.8	-	246.8	305.2	-	305.2
External services	11.4	0.5	11.9	6.9	0.4	7.4
Business property	**258.2**	**0.5**	**258.7**	**312.1**	**0.4**	**312.5**
Other	1.1	-	1.1	1.1	-	1.1
TOTAL	**2,729.3**	**0.5**	**2,729.8**	**2,811.3**	**0.4**	**2,811.7**

The Altareit Group operates mainly in France in 2022, as in 2021.

One client accounted for more than 10% of the Group's revenue in the Residential sector, *i.e.*, €414.1 million in 2022 and €489.5 million in 2021.

NOTE 4 MAJOR EVENTS AND CHANGES IN THE SCOPE OF CONSOLIDATION

4.1 Major events

Residential

Although the new residential market remains structurally undersupplied in relation to needs in most major cities, since the beginning of 2022, it has been constrained by numerous unfavourable factors both at the macroeconomic level (higher interest rates, usury rate, maximum occupancy cost ratio of 35% of income, inflation and purchasing power) and in geopolitics (war in Ukraine and energy shortages/pressures).

The conditions for accessing finance, demand and purchasing power for property eroded throughout the year, leading to a decline in sales in the last quarter, and affecting all customers: private individuals in main residences, individual investors and institutional buyers.

As a result, Altarea, whose sales were still growing in the third quarter of 2022, became more selective in its projects to prioritize the sale of ongoing projects and the development of the most profitable projects with the fastest disposal rates. This policy has led to the postponement of certain commercial launches and land acquisitions initially planned for the end of 2022.

Business Property

Grand Paris

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

- July sale to La Française REM of the Cyber Campus in Paris-la Défense, a 26,500 m^2 office building;
- the delivery of the three office buildings within the large mixed-use project Issy Cœur de Ville, certified BEPOS (positive energy building) and intended to house the head office of the Caisse Nationale de Prévoyance (CNP) as from early 2023;
- the partial letting of Landscape in La Défense to ManpowerGroup France, Vitogaz and Rubis Energie, thus completing the largest transaction for a high-rise office building of the year;
- the start of the demolition work on the building located on the plot that will house Bellini, the future headquarters of Swiss Life France in La Défense acquired by Swiss Life Asset Managers at the end of 2021;
- management of several new development projects, including the renovation of the former CACEIS head office near Paris-Austerlitz station on behalf of Crédit Agricole Assurances.

Regional cities

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

- the signing of numerous off-plan sales and PDCs, including KI in Lyon (PDC), the renovation of the former headquarters of CERA, and Hill Side in the Jolimont district of Toulouse with Tivoli Capital;
- management of seven new projects (170,000 m^2), including the new ESSCA campus in Aix-en-Provence, and several office projects in the Grand-Ouest region.

Buyback of bond issue

The Group successfully completed two buyback offers on the outstanding senior bond line and various other buybacks on the open market, for a total amount of €161.5 million. With these transactions, the Group was able to optimise its liquidity through proactive management of its liabilities on capital markets and so optimise its available cash and the volume and cost of its financial debt.

Primonial

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

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

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

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

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

4.2 Consolidation scope

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

Legal	Companies form	SIREN		31/12/2022 Method	31/12/2022 Interest	31/12/2022 Integration	31/12/2021 Method	31/12/2021 Interest	31/12/2021 Integration
ALTAREIT	SCA	552091050	parent company	FC	100.0%	100.0%	FC	100.0%	100.0%
Residential									
COGEDIM RÉSIDENCES SERVICES	SNC	394648455	joint venture	EM	65.0%	65.0%	EM	65.0%	65.0%
ALTAREA COGEDIM IDF GRANDE METROPOLE	SNC	810928135		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAREA COGEDIM GRANDS PROJETS	SNC	810926519		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAREA COGEDIM RÉGIONS	SNC	810847905		FC	100.0%	100.0%	FC	100.0%	100.0%
SEVERINI	SNC	848899977		FC	100.0%	100.0%	FC	100.0%	100.0%
XF Investment	SAS	507488815		FC	100.0%	100.0%	IN	0.0%	0.0%
ALTA FAUBOURG	SASU	444560874		FC	100.0%	100.0%	FC	100.0%	100.0%
Pitch Immo	SAS	450042338		FC	100.0%	100.0%	FC	100.0%	100.0%
MARSEILLE MICHELET	SNC	792774382		FC	100.0%	100.0%	FC	100.0%	100.0%
COEUR MOUGINS	SNC	453830663		FC	100.0%	100.0%	FC	100.0%	100.0%
ISSY COEUR DE VILLE	SNC	830181079		FC	100.0%	100.0%	FC	100.0%	100.0%
ISSY COEUR DE VILLE COMMERCES	SNC	828184028		FC	100.0%	100.0%	FC	100.0%	100.0%
HP	SAS	480309731		FC	100.0%	100.0%	FC	100.0%	100.0%
HISTOIRE & PATRIMOINE	SAS	480110931		FC	100.0%	100.0%	FC	100.0%	100.0%
MÉRIMÉE	SNC	849367016		FC	100.0%	100.0%	FC	100.0%	100.0%
HISTOIRE & PATRIMOINE	SASU	792751992		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAREA COGEDIM ZAC VLS	SNC	811910447		FC	100.0%	100.0%	FC	100.0%	100.0%
SAS VILLECRESNES D'ATTILY	SAS	843230483		FC	70.0%	100.0%	FC	70.0%	100.0%
BEZONS CŒUR DE VILLE A1 & A2-LOGEMENTS	SCCV	819929845		FC	100.0%	100.0%	FC	100.0%	100.0%
GIF MOULON A4	SCCV	830886115		FC	25.0%	100.0%	FC	25.0%	100.0%
BOBIGNY COEUR DE VILLE	SNC	838941011		FC	100.0%	100.0%	FC	100.0%	100.0%
TOULOUSE GUILLAUMET	SNC	841374390		FC	65.0%	100.0%	FC	65.0%	100.0%
MEUDON - PAUL DEMANGE	SCCV	853608511	joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
ALBIZZIA LYON CONFLUENCE	SCCV	882282056	joint venture	EM	30.0%	30.0%	EM	30.0%	30.0%
GARENNE FERRY FAUVELLES	SCCV	894504083	joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
PITCH IMMO	SASU	422989715		FC	100.0%	100.0%	FC	100.0%	100.0%
MAISONS ALFORT 2011	SNC	530224419	affiliate	EM	50.0%	50.0%	EM	50.0%	50.0%
LACASSAGNE BRICKS	SCCV	817783749	affiliate	EM	51.0%	51.0%	EM	51.0%	51.0%
PIN BALMA CHATEAU CAMAS	SCCV	821556230	joint venture	EM	55.0%	55.0%	EM	55.0%	55.0%
ARTCHIPEL	SCCV	841150071		FC	100.0%	100.0%	FC	100.0%	100.0%
RUEIL COLMAR	SCCV	851750968		FC	70.0%	100.0%	FC	70.0%	100.0%
CLICHY ROGUET	SCCV	880090212		FC	51.0%	100.0%	FC	51.0%	100.0%
L'ISLE D'ABEAU SAINT HUBERT	SCCV	851793596	joint venture	EM	47.5%	47.5%	EM	47.5%	47.5%
RUEIL HIGH GARDEN	SCCV	887670115		FC	100.0%	100.0%	FC	60.0%	100.0%
BONDOUFLE ZAC DU GRAND PARC FC	SCCV	889279592		FC	51.0%	100.0%	IN	0.0%	0.0%
LE CLOS DES VIGNES	SCCV	884097114		FC	51.0%	100.0%	FC	51.0%	100.0%
TOULOUSE ARÈNES ILOT 3.1 T1 AND T2	SAS	814795779	affiliate	EM	40.0%	40.0%	EM	40.0%	40.0%
COGEDIM HAUTS DE FRANCE	SNC	420810475		FC	100.0%	100.0%	FC	100.0%	100.0%

Legal	Companies form	SIREN		31/12/2022			31/12/2021		
				Method	Interest	Integration	Method	Interest	Integration
COGEDIM GESTION	SNC	380375097		FC	100.0%	100.0%	FC	100.0%	100.0%
COVALENS	SNC	309021277		FC	100.0%	100.0%	FC	100.0%	100.0%
COGEDIM PARIS MÉTROPOLE	SNC	319293916		FC	100.0%	100.0%	FC	100.0%	100.0%
ASNIERES AULAGNIER	SARL	487631996	joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
COGEDIM GRAND LYON	SNC	300795358		FC	100.0%	100.0%	FC	100.0%	100.0%
COGEDIM MÉDITERRANÉE	SNC	312347784		FC	100.0%	100.0%	FC	100.0%	100.0%
COGEDIM PROVENCE	SNC	442739413		FC	100.0%	100.0%	FC	100.0%	100.0%
COGEDIM MIDI-PYRÉNÉES	SNC	447553207		FC	100.0%	100.0%	FC	100.0%	100.0%
COGEDIM GRENOBLE	SNC	418868584		FC	100.0%	100.0%	FC	100.0%	100.0%
COGEDIM SAVOIES-LEMAN	SNC	348145541		FC	100.0%	100.0%	FC	100.0%	100.0%
COGEDIM AQUITAINE	SNC	388620015		FC	100.0%	100.0%	FC	100.0%	100.0%
COGEDIM ATLANTIQUE	SNC	501734669		FC	100.0%	100.0%	FC	100.0%	100.0%
COGEDIM LANGUEDOC ROUSSILLON	SNC	532818085		FC	100.0%	100.0%	FC	100.0%	100.0%
COGEDIM EST	SNC	419461546		FC	100.0%	100.0%	FC	100.0%	100.0%
COGEDIM	SASU	54500814		FC	100.0%	100.0%	FC	100.0%	100.0%
SAS SURESNES VENDOME	SAS	837535053		FC	50.1%	100.0%	FC	50.1%	100.0%
SAS CLICHY BORÉALES	SAS	879035939	affiliate	EM	30.0%	30.0%	EM	30.0%	30.0%
CLICHY 33 LANDY	SAS	898926308		FC	50.1%	100.0%	FC	50.1%	100.0%
MEYLAN PLM 1	SCCV	879562213		FC	55.0%	100.0%	FC	55.0%	100.0%
ANNEMASSE VALLEES	SCCV	844058289		FC	72.0%	100.0%	FC	72.0%	100.0%
LYON LES MOTEURS	SNC	824866388		FC	100.0%	100.0%	FC	100.0%	100.0%
COGIMO	SAS	962502068		FC	100.0%	100.0%	FC	100.0%	100.0%
MENTON HAUT CAREI	SCCV	829544303		FC	60.0%	100.0%	FC	60.0%	100.0%
CALCADE DE MOUGINS	SNC	833132426		FC	51.0%	100.0%	FC	51.0%	100.0%
HORLOGE GASTON ROUSSEL	SCCV	832294664		FC	51.0%	100.0%	FC	51.0%	100.0%
61-75 PARIS AVENUE DE FRANCE	SCCV	830917100	joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SURESNES BMV	SCCV	834261497		FC	50.1%	100.0%	FC	50.1%	100.0%
NEUILLY GALLIENI	SCCV	839954377		FC	70.0%	100.0%	FC	70.0%	100.0%
LES PANTINOISES LOT 6	SCCV	840317309		FC	50.1%	100.0%	FC	50.1%	100.0%
MONTREUIL D'ALEMBERT	SCCV	841085210		FC	100.0%	100.0%	FC	100.0%	100.0%
ASNIÈRES 94 GRÉSILLONS	SCCV	849115258		FC	51.0%	100.0%	FC	51.0%	100.0%
ROMAINVILLE ROUSSEAU	SCCV	852604909		FC	51.0%	100.0%	FC	51.0%	100.0%
ISSY GUYNEMER	SNC	891166209		FC	51.0%	100.0%	FC	51.0%	100.0%
BONDY TASSIGNY	SNC	892127432		FC	100.0%	100.0%	FC	70.0%	100.0%
CLICHY 132 BD JEAN JAURES	SCCV	890252513		FC	50.1%	100.0%	FC	51.0%	100.0%
SAINT MAUR CONDE	SCCV	897792156		FC	70.0%	100.0%	FC	70.0%	100.0%
MAISONS ALFORT MARTIGNY 18	SCCV	901641621		FC	70.0%	100.0%	FC	70.0%	100.0%
CLICHY RUE DU 19 MARS 1962	SNC	903468148		FC	50.1%	100.0%	FC	50.1%	100.0%
SCCV ASNIERES -77 RUE DES BAS	SCCV	910066919		FC	51.0%	100.0%	IN	0.0%	0.0%
Business Property									
ALTAREA COGEDIM ENTREPRISE PROMOTION	SNC	535056378		FC	100.0%	100.0%	FC	100.0%	100.0%
AF INVESTCO ARAGO	SNC	494382351	affiliate	EM	30.1%	30.1%	EM	30.1%	30.1%
AF INVESTCO 5	SNC	798601936	affiliate	EM	30.1%	30.1%	EM	30.1%	30.1%
AF INVESTCO 7	SNC	798601936	affiliate	EM	30.1%	30.1%	EM	30.1%	30.1%

Legal	Companies form	SIREN		31/12/2022 Method	Interest	Integration	31/12/2021 Method	Interest	Integration
ALTA VAI HOLDCO A	SAS	424007425		FC	100.0%	100.0%	FC	100.0%	100.0%
PASCALHOLDCO	SPPICAV	809845951	affiliate	EM	15.1%	15.1%	EM	15.1%	15.1%
PASCALPROPCO	SASU	437929813	affiliate	EM	15.1%	15.1%	EM	15.1%	15.1%
ISSY COEUR DE VILLE PROMOTION BUREAUX	SNC	829845536		FC	51.0%	100.0%	FC	51.0%	100.0%

The complete list of companies in the scope is available on request from the Investor Relations Department: investors@altarea.com.

4.3 Changes in consolidation scope

(in number of companies)	31/12/2021	Acquisition	Creation	Sale	Absorption, dissolution, deconsolidation	Change in consolidation method	31/12/2022
Fully consolidated subsidiaries	355	40	39		(40)	4	398
Joint ventures[(a)]	126	1	11		(6)	(4)	128
Affiliates[(a)]	65	1	5		(1)		70
TOTAL	**546**	**42**	**55**	**-**	**(47)**	**-**	**596**

(a) Companies accounted for using the equity method.

Detail of net acquisitions (disposals) of consolidated companies, net of cash

(€ millions)	31/12/2022	31/12/2021
Investments in consolidated securities	(15.2)	(1.1)
Liabilities on acquisition of consolidated participating interests	-	-
Cash of acquired companies	11.4	17.9
TOTAL	**(3.7)**	**16.7**

During the year, the Group notably:

- acquired 100% of a Toulouse-based developer;
- acquired new companies as part of the development of new activities, or as part of the development of Property Development operations.

In 2021, the Group acquired SNC Orgeval, which owns a building at cost.

4.4 Business combinations

End of July 2022, the Group, *via* its subsidiary Alta Penthièvre, acquired 100% of a Toulouse-based developer. As from this date, all subsidiaries are fully consolidated and its commercial performance is reported in the Residential business segment.

The acquisition price of this company was €11.5 million.

In accordance with IFRS 3 “Business combinations”, the Company’s assets acquired and liabilities assumed were measured at fair value. When these amounts were recognised in the statement of financial position at the acquisition date, €11.4 million in intangible assets and goodwill was recognised.

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

The consolidated Group contributes €12.5 million in Group revenue at 31 December 2022.

4.5 Securities and investments in equity affiliates

In application of IFRS 10, 11 and 12, the following are recognised under securities and receivables on equity affiliates, investments in joint ventures and associated companies, including receivables from these holdings.

4.5.1 Equity-method value of joint ventures and affiliates and related receivables

(€ millions)	31/12/2022	31/12/2021
Equity-method value of joint ventures	52.4	57.4
Equity-accounting value of affiliated companies	28.6	5.8
Value of stake in equity-method affiliates	**81.0**	**63.2**
Receivables from joint ventures	84.6	62.9
Receivables from affiliated companies	105.6	113.1
Receivables on investments in associates	**190.2**	**176.0**
TOTAL SECURITIES AND RECEIVABLES IN EQUITY AFFILIATES	**271.2**	**239.2**

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

(€ millions)	Joint ventures	Affiliates	31/12/2022	Joint ventures	Affiliates	31/12/2021
BALANCE SHEET ITEMS, GROUP SHARE:						
Non-current assets	143.0	138.3	281.3	128.8	171.0	299.8
Current assets	343.3	173.7	517.0	313.1	203.6	516.7
Total Assets	**486.3**	**312.1**	**798.4**	**441.9**	**374.6**	**816.5**
Non-current liabilities	101.4	140.1	241.5	89.1	181.2	270.3
Current liabilities	332.5	143.3	475.8	295.4	187.6	483.0
Total Liabilities	**433.9**	**283.4**	**717.4**	**384.5**	**368.8**	**753.3**
Net assets (equity-accounting basis)	**52.4**	**28.6**	**81.0**	**57.4**	**5.8**	**63.2**
SHARE OF INCOME STATEMENT ITEMS, GROUP SHARE:						
Operating income	**12.0**	**39.1**	**51.2**	**11.9**	**2.3**	**14.2**
Net borrowing costs	(1.5)	(4.2)	(5.7)	(1.4)	(3.9)	(5.3)
Other financial results	(3.8)	(0.2)	(4.0)	(2.6)	(0.5)	(3.1)
Proceeds from the disposal of investments	0.0	-	0.0	-	-	-
Net income before tax	**6.8**	**35.7**	**42.4**	**7.8**	**(2.0)**	**5.8**
Corporate income tax	0.0	(0.3)	(0.2)	0.6	(0.2)	0.4
Net income by equity method (after tax)	**6.8**	**35.4**	**42.2**	**8.4**	**(2.2)**	**6.2**
Non-Group net income	-	(0.0)	(0.0)	(0.0)	0.0	(0.0)
Net income, Group share	6.8	35.4	42.2	8.4	(2.2)	6.2

Group revenue from joint ventures amounted to €3.9 million for the year to 31 December 2022, compared with €17.4 million for 2021.

Group revenue from affiliates amounted to €8.2 million for the year to 31 December 2022, compared with €5.3 million at 31 December 2021.

4.5.3 Commitments given or received in connection with joint ventures (in Group share)

Commitments given

Cogedim Résidences Services undertook to pay rent in connection with the leasing of the Résidences Services Cogedim Club®. In the context of the application of IFRS 16, these contracts have been restated in the financial statements of the companies.

In exchange, Cogedim Résidences Services receives the lease payments of the sub-lessees, these continuing to be commitments.

In the case of property development activities for joint ventures, construction work completion guarantees were given for €63.3 million at 31 December 2022.

4.6 Current and non-current financial assets

At 31 December 2022, current and non-current financial assets amounted to €95.2 million, compared with €44.0 million at 31 December 2021, and consist mainly of:

- non-consolidated securities (mainly "current"): €49.3 million;
- deposits and guarantees paid on projects: €8.3 million (unchanged from 31 December 2021);
- loans and receivables, recognised at amortised cost: €21.6 million (*vs.* €31.5 million at 31 December 2021).

NOTE 5 NET INCOME

5.1 Net property income

The Altareit Group's net property income stood at €176.6 million in 2022 compared to €237.9 million in 2021.

The Residential Backlog of the fully-consolidated companies was €3,275 million at 31 December 2022.

The Business Property Development Backlog of the fully-consolidated companies was €349 million at 31 December 2022.

5.2 Cost of net financial debt and other financial items

5.2.1 Cost of net financial debt

(€ millions)	31/12/2022	31/12/2021
Bond and bank interest expenses	(20.3)	(23.1)
Interest on partners' advances	2.7	2.3
Other financial income and expenses	2.5	(0.0)
FFO financial income and expenses	**(15.1)**	**(20.8)**
Spreading of bond issue costs and other estimated expenses[a]	6.1	(1.8)
NET BORROWING COSTS	**(8.9)**	**(22.6)**

(a) Deferral in accordance with the amortised cost method of the issue costs of borrowings in accordance with IFRS 9, and of the buybacks of the bond line (amounts bought back below par).

Interest costs on loans from credit establishments include the effect of amortising issuance costs in accordance with IFRS 9.

5.2.2 Other financial results

Other financial results correspond in particular to interest expenses on rental obligations or royalties on investment properties.

5.3 Corporate income tax

Analysis of tax expense

Tax expense is analysed as follows (breakdown between current and deferred taxes, breakdown by nature of deferred tax):

(€ millions)	31/12/2022	31/12/2021
Tax due	**(23.3)**	**(19.7)**
Tax loss carry forwards and/or use of deferred losses	(12.2)	(19.2)
Valuation differences	0.4	0.0
Fair value of investment properties	(0.7)	(1.2)
Fair value of hedging instruments	(0.2)	0.0
Net property income on a percentage-of-completion basis	(6.2)	14.3
Other timing differences	9.7	(2.8)
Deferred tax	**(9.3)**	**(8.9)**
TOTAL TAX INCOME (EXPENSE)	**(32.5)**	**(28.6)**

Effective tax rate

(€ millions)	31/12/2022	31/12/2021
Pre-tax profit of consolidated companies	**79.5**	**112.6**
Group tax savings (expense)	**(32.5)**	**(28.6)**
EFFECTIVE TAX RATE	**(40.88)%**	**(25.38)%**
Tax rate in France	25.83%	27.37%
Theoretical tax charge	**(20.5)**	**(30.8)**
Difference between theoretical and effective tax charge	**(12.0)**	**2.2**
Differences related to treatment of losses	-	(1.0)
Other permanent differences and rate differences	(12.0)	3.3

Deferred tax assets and liabilities

(€ millions)	31/12/2022	31/12/2021
Tax loss carry forwards	17.3	29.6
Valuation differences	(29.0)	(27.2)
Fair value of investment properties	(3.7)	(3.0)
Fair value of financial instruments	(0.4)	(0.2)
Net property income on a percentage-of-completion basis	(68.0)	(60.8)
Other timing differences	7.6	(2.1)
NET DEFERRED TAX ON THE BALANCE SHEET	**(76.0)**	**(63.7)**

Deferred taxes relating to valuation differences correspond primarily to the brands held by the Group.

Deferred taxes relating to the recognition of tax losses are primarily for losses recognised in the Altareit tax group.

Deferred tax is calculated at the rate of 25.83%, the rate determined by the French Finance Act, 2022.

5.4 Earnings per share

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

Potential ordinary shares shall be treated as dilutive if the conversion in ordinary share implies a reduction in the result per share.

(€ millions)	31/12/2022	31/12/2021
Numerator		
Net income, Group share	74.4	72.2
Denominator		
Weighted average number of shares before dilution	1,748,412	1,748,440
Effect of potentially dilutive shares		
Stock options	-	-
Rights to free share grants	-	-
Total potential dilutive effect	-	-
Weighted diluted average number of shares	1,748,412	1,748,440
NON-DILUTED NET EARNINGS PER SHARE, GROUP SHARE *(€)*	**42.57**	**41.32**
DILUTED NET EARNINGS PER SHARE, GROUP SHARE *(€)*	**42.57**	**41.32**

NOTE 6 LIABILITIES

6.1 Equity

6.1.1 Share capital, share-based payments and treasury shares

Capital (€)

(In number of shares and in €)	Number of shares	Nominal	Share Capital
Number of shares outstanding at 31 December 2020	**1,750,487**	**1.50**	**2,626,731[(a)]**
No change in 2021			
Number of shares outstanding at 31 December 2021	**1,750,487**	**1.50**	**2,626,731[(a)]**
No change in 2022			
NUMBER OF SHARES OUTSTANDING AT 31 DECEMBER 2022	**1,750,487**	**1.50**	**2,626,731[(a)]**

(a) Share capital includes an amount of €1,000 which corresponds to the nominal value of the 10 shares attributed to the managing general partner.

Capital management

The aim of the Group's capital management is to ensure liquidity and optimise its capital structure.

Share-based payments

Payments in shares are transactions based on the value of the securities of Altarea SCA, a listed company which controls Altareit.

Payment can be made in equity instruments or in cash; however, plans for Altarea SCA shares will be settled exclusively in shares.

The gross expense recorded on the income statement for share-based payments was €16.0 million in 2022 compared to €15.3 million in 2021.

Free share grants

Award date	Number of rights awarded	Vesting date	Rights in circulation as at 31/12/2021	Awarded	Deliveries	Amendments to rights[(a)]	Rights in circulation as at 31/12/2022
Stock grant plans on Altarea shares							
19 March 2019	41,531	19 March 2022	18,452		(17,513)	(939)	
6 June 2019	1,355	20 March 2022	1,140		(940)	(200)	
21 April 2020	13,487	21 April 2022	13,168		(12,584)	(584)	
22 April 2020	27,364	22 April 2023	23,880			(2,940)	20,940
31 March 2021	93,605	1 April 2022	90,278		(87,240)	(3,038)	
30 April 2021	45,125[(b)]	31 March 2024	42,588			(4,960)	37,628
4 June 2021	27,500[(b)]	31 March 2025	27,500			(6,378)	21,122
4 June 2021	45,500[(b)]	31 March 2025	42,693			(30,485)	12,208
4 June 2021	14,000[(b)]	31 March 2025	14,000			(1,250)	12,750
4 June 2021	23,700[(b)]	31 March 2025	14,684			(10,689)	3,995
1 March 2022	14,000[(b)]	31 March 2025		14,000		-	14,000
31 March 2022	66,931	1 April 2023		66,931		(767)	66,164
31 March 2022	20,983	1 April 2024		20,983		(235)	20,748
31 March 2022	47,890[(b)]	1 April 2024		47,890		(1,625)	46,265
30 April 2022	3,250[(b)]	31 March 2025		3,250		(2,275)	975
30 April 2022	1,250[(b)]	31 March 2025		1,250		-	1,250
12 September 2022	6,000[(b)]	31 March 2027		6,000			6,000
12 September 2022	40,000[(b)]	31 March 2029		40,000			40,000
1 October 2022	1,500[(b)]	31 March 2025		1,500			1,500
2 November 2022	900	2 November 2023		900			900
TOTAL	**535,871**		**288,383**	**202,704**	**(118,277)**	**(66,365)**	**306,445**

(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.

Treasury shares

Treasury shares are eliminated and offset directly in equity.

6.1.2 Dividends proposed and paid

No dividend was distributed in 2022 for the 2021 financial year.

No dividend was distributed in 2021 for the 2020 financial year.

6.2 Net financial debt and guarantees

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

			"Non-cash" change					
(€ millions)	31/12/2021	Cash flow	Spreading of issue costs	Change in scope of consolidation	Present value adjustment	Change in method	Reclassification	31/12/2022
Private bond investment (excluding accrued interest)	496.8	(162.5)	1.2	1.6	(0.2)	-	-	336.9
Short- and medium-term instruments	409.0	(187.0)	-	-	-	-	-	222.0
Bank borrowings, excluding accrued interest and overdrafts	322.5	13.0	1.5	17.0	0.0	-	-	354.0
Net bond and bank debt, excluding accrued interest and overdrafts	**1,228.3**	**(336.5)**	**2.7**	**18.7**	**(0.1)**	**-**	**-**	**913.0**
Accrued interest on bond and bank borrowings	7.9	(0.0)	-	0.0	-	-	-	7.8
BOND AND BANK DEBT, EXCLUDING OVERDRAFTS	**1,236.1**	**(336.6)**	**2.7**	**18.7**	**(0.1)**	**-**	**-**	**920.8**
Cash and cash equivalents	(1,355.4)	556.8	-	-	-	-	-	(798.6)
Bank overdrafts	12.3	11.4	-	-	-	-	-	23.8
Net cash	**(1,343.1)**	**568.3**	**-**	**-**	**-**	**-**	**-**	**(774.8)**
NET BOND AND BANK DEBT	**(107.0)**	**231.7**	**2.7**	**18.7**	**(0.1)**	**-**	**-**	**146.0**
Group and partners' advances	288.6	(127.8)	-	34.3	-	-	-	195.0
Accrued interest on shareholders' advances	0.0	0.0	-	-	-	-	-	0.0
Lease liabilities	157.7	(17.7)	-	0.2	-	-	26.9	167.2
NET FINANCIAL DEBT	**339.3**	**86.2**	**2.7**	**53.2**	**-**	**-**	**26.9**	**508.2**

6.2.1 Net financial bond and bank debt

Group net financial bond and bank debt amounted to €146.0 million at 31 December 2022 compared to (€107.0) million at 31 December 2021.

Bank borrowings excluding accrued interest and bank overdrafts consisted essentially of:

- borrowings from credit establishments amounting to €216.4 million compared with €208.1 million at 31 December 2021;
- bank financing of development operations for €137.7 million compared with €114.4 million at 31 December 2021.

During the financial year, the Group notably:

- reduced its issues of securities (by €187 million during the year). The Group continued to make use of short- and medium-term resources *via* NEU-CP (issues up to one year) and NEU-MTN (issues in excess of one year) programmes;
- acquired through a public offer in June 2022, €99.6 million of Altareit bonds maturing in July 2025 with a coupon of 2.875%;
- acquired through a public offer in December 2022, €61.6 million of Altareit bonds maturing in July 2025 with a coupon of 2.875%.

Financing was not fully drawn at 31 December 2022.

The current account with Altarea SCA amounted to €112.2 million at 31 December 2022, compared to €219.5 million at 31 December 2021.

Changes in the scope of consolidation are mainly due to changes in the consolidation method of certain companies and the acquisition of the developer XF.

Borrowing costs are analysed in the note on earnings.

Net cash

Net cash amounted to €774.8 million, including cash equivalents (mainly term accounts - for €97.6 million) which are recorded at their fair value at each reporting date.

2

Breakdown of bank and bond debt by maturity

(€ millions)	31/12/2022	31/12/2021
< 3 months	302.0	138.9
3 to 6 months	3.2	95.2
6 to 9 months	27.9	114.2
9 to 12 months	7.0	93.8
Less than 1 year	**340.2**	**442.1**
2 years	89.2	129.0
3 years	402.8	86.2
4 years	56.4	540.1
5 years	60.0	56.0
1 to 5 years	**608.4**	**811.3**
More than five years	**-**	**-**
Issuance cost to be amortised	(4.0)	(5.0)
TOTAL GROSS BOND AND BANK DEBT	**944.6**	**1,248.5**

The portion of bond and bank debt at less than one year decreased due to the maturity schedule of NEU-CP programmes. The portion between one and five years decreased, notably following the buyback of bonds.

Schedule of future interest expenses

(€ millions)	31/12/2022	31/12/2021
< 3 months	2.3	1.0
3 to 6 months	2.4	0.9
6 to 9 months	8.3	8.4
9 to 12 months	2.4	0.9
LESS THAN 1 YEAR	**15.3**	**11.2**
2 years	16.3	17.4
3 years	12.8	15.6
4 years	0.0	14.7
5 years	4.8	-
1 TO 5 YEARS	**33.9**	**47.6**

These future interest expenses concern borrowings and financial instruments, and are presented exclusive of accrued interest not payable.

Breakdown of bank and bond debt by guarantee

(€ millions)	31/12/2022	31/12/2021
Mortgage commitments	131.8	114.4
Moneylender lien	9.9	10.8
Altarea SCA security deposit	204.0	200.0
Not guaranteed	602.9	928.3
TOTAL	**948.6**	**1,253.5**
Issuance cost to be amortised	(4.0)	(5.0)
TOTAL GROSS BOND AND BANK DEBT	**944.6**	**1,248.5**

Breakdown of bank and bond debt by interest rate

	Gross bond and bank debt		
(€ millions)	Variable rate	Fixed rate	Total
At 31 December 2022	600.1	344.5	944.6
At 31 December 2021	744.4	504.1	1,248.5

The market value of fixed rate debt stood at €304.0 million at 31 December 2022 compared to €534.0 million at 31 December 2021.

6.2.2 Lease liabilities

Lease liabilities are debts mainly relating to real estate leases and vehicle leases (respectively for the premises occupied and the vehicles used by Group employees) and the debt reclassified from the old finance lease contract.

These liabilities amounted to €167.1 million at 31 December 2022 compared to €157.7 million at 31 December 2021.

These obligations should be compared with the rights of use on property, plant and equipment and the rights of use on investment properties.

Breakdown of lease liabilities by maturity

(€ millions)	31/12/2022	31/12/2021
< 3 months	4.6	4.2
3 to 6 months	4.6	4.1
6 to 9 months	4.5	4.1
9 to 12 months	4.5	4.1
Less than 1 year	**18.1**	**16.5**
2 years	18.0	15.2
3 years	17.7	14.9
4 years	18.3	14.8
5 years	16.5	15.9
1 to 5 years	**70.5**	**60.8**
More than five years	**78.6**	**80.5**
TOTAL LEASE LIABILITIES	**167.1**	**157.7**

6.2.3 Items included in net debt in the cash flow statement

(€ millions)	Cash flow
Issuance of debt and other financial liabilities	216.4
Repayment of borrowings and other financial liabilities	(680.8)
Change in borrowing and other financial liabilities	**(464.4)**
Repayment of lease liabilities	(17.7)
Change in cash balance	(568.3)
TOTAL CHANGE IN NET FINANCIAL DEBT (TFT)	**(1,050.3)**
Net bond and bank debt, excluding accrued interest and overdrafts	(336.5)
Net cash	(568.3)
Group and partners' advances	(127.8)
Lease liabilities	(17.7)
TOTAL CHANGE IN NET FINANCIAL DEBT	**(1,050.3)**

6.3 Provisions

(€ millions)	31/12/2022	31/12/2021
Provision for benefits payable at retirement	8.9	10.4
Other provisions	9.1	6.7
TOTAL PROVISIONS	**18.0**	**17.1**

Provision for benefits payable at retirement was measured, as in previous financial years, by an external actuary. The valuation and accounting principles are detailed in the Company's accounting principles and methods. The main assumptions used to assess the commitment are the staff turnover rate, the discount rate and the salary increase rate: a variation of +/-0.25% of these last two criteria would not result in no significant impact.

Other provisions primarily cover:

- the risk of disputes arising from construction operations;
- the risk of the failure of certain partners;
- 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 Goodwill and other intangible assets

(€ millions)	Gross values	Amortisation and/or impairment	31/12/2022	31/12/2021
Goodwill	**441.1**	**(243.7)**	**197.4**	**192.1**
Brands	**105.4**		**105.4**	**105.4**
Customer relationships	**201.2**	**(194.4)**	**6.7**	**-**
Software applications, patents and similar rights	27.5	(23.4)	4.1	6.2
Leasehold right	0.3		0.3	0.3
Other	0.2	(0.0)	0.2	0.2
Other intangible assets	**28.0**	**(23.4)**	**4.6**	**6.7**
TOTAL	**775.7**	**(461.5)**	**314.2**	**304.1**

(€ millions)	31/12/2022	31/12/2021
Net values at beginning of the period	**304.1**	**303.3**
Acquisitions of intangible assets	0.1	2.7
Disposals and write-offs	(0.0)	(0.0)
Changes in scope of consolidation and other	13.6	0.3
Net allowances for depreciation	(3.5)	(2.1)
NET VALUES AT THE END OF THE PERIOD	**314.2**	**304.1**

Goodwill

Impairment tests were carried out on the basis of assumptions for the business in light of economic forecasts; these assumptions are based on historical data on Property Development.

The main assumptions used to calculate the enterprise value are as follows:

- the discount rate is between 9.25% and 9.75%;
- free cash flow over the horizon of the business plan is based on assumptions about business volumes and operating margin that take into account the financial and market assumptions known at the date of compilation;
- the perpetual growth rate is 2.25%.

At 31 December 2022, on the basis of these assumptions, the fair value of the economic assets in the Residential and Business property segments are greater than their net book value.

No impairment needs to be recorded in the financial statements.

Sensitivity of +/-1% on the discount rate and of +/-0.25% on the perpetual growth rate, would lead to valuations of the economic assets for the Residential segment and the Business property segment which remain greater than their book value as at 31 December 2022.

Brands

The Group has multiple brands, with a total value of €105.4 million, have an indefinite useful life and are thus not amortised.

The brands were tested and no impairment was recognised at 31 December 2022.

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

(€ millions)	Land and Constructions	Vehicles	Other	Gross right-of-use	Amort. Land and Constructions	Amort. Vehicles	Amort. Other	Total depreciation	Net right-of-use
At 31 December 2021	**152.8**	**4.2**	**0.7**	**157.6**	**(27.3)**	**(1.7)**	**(0.6)**	**(29.6)**	**128.0**
New contracts/Increases	25.5	1.6	-	27.2	(15.9)	(1.3)	(0.1)	(17.3)	9.9
Contract terminations/ Reversals	(2.6)	(1.2)	(0.5)	(4.3)	2.5	1.0	0.5	4.1	(0.2)
AT 31 DECEMBER 2022	**175.7**	**4.6**	**0.2**	**180.5**	**(40.7)**	**(2.0)**	**(0.2)**	**(42.9)**	**137.7**

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.

7.3 Investment properties

Investment properties concern:

- a shopping centre in Orgeval, measured at cost; and
- a right to use investment properties of a credit leasing agreement previously posted under IAS 17 in investment properties at cost and now valued according to IFRS 16.

The review of projects led to the recording of a provision for impairment and the transfer to inventory of certain projects whose nature had changed (property development project).

7.4 Operational working capital requirement

Summary of components of operational working capital requirement

			Flows		
(€ millions)	31/12/2022	31/12/2021	Created by the business	Changes in consolidation scope and transfer	Change in consolidation method
Net inventories and work in progress	**1,116.9**	**883.4**	**176.9**	**56.6**	**-**
Contract assets	**723.1**	**714.1**	**(34.8)**	**43.8**	**-**
Net trade receivables	303.5	285.5	6.4	11.6	-
Other operating receivables net	436.5	404.3	26.3	5.4	-
Trade and other operating receivables net	**740.0**	**689.9**	**32.7**	**17.0**	**-**
Contract liabilities	**(351.4)**	**(168.1)**	**(182.8)**	**(0.5)**	**-**
Trade payables	(904.5)	(967.4)	83.9	(20.4)	-
Other operating payables	(466.2)	(472.8)	50.3	(43.7)	-
Trade payables and other operating liabilities	**(1,370.7)**	**(1,440.2)**	**134.2**	**(64.1)**	**-**
OPERATIONAL WCR	**858.0**	**679.0**	**126.2**	**52.8**	**-**

NB: presentation excluding payables and receivables on the sale or acquisition of fixed assets.

The changes in the consolidation scope are related to the change in consolidation method of some entities.

7.4.1 Inventories and work in progress

(€ millions)	Gross inventories	Impairment	Net inventories
At 1 January 2021	**867.6**	**(21.7)**	**845.9**
Change	30.1	(0.3)	29.8
Increases	-	(4.5)	(4.5)
Reversals	-	10.0	10.0
Transfers to or from other categories	0.1	(0.1)	0.0
Change in scope of consolidation	2.2	(0.0)	2.1
At 31 December 2021	**899.9**	**(16.5)**	**883.4**
Change	187.3	0.6	187.8
Increases	-	(18.3)	(18.3)
Reversals	-	7.4	7.4
Transfers to or from other categories	23.7	0.5	24.2
Change in scope of consolidation	32.4	-	32.4
AT 31 DECEMBER 2022	**1,143.3**	**(26.4)**	**1,116.9**

The change in inventories is mainly due to changes in the Group's business.

The changes in the consolidation scope are related to the change in consolidation method of some entities.

7.4.2 Trade and other receivables

(€ millions)	31/12/2022	31/12/2021
Gross trade receivables	**304.8**	**286.8**
Opening impairment	(1.3)	(0.8)
Increases	(0.2)	(0.5)
Change in scope of consolidation	0.1	(0.2)
Reversals	0.1	0.2
Closing impairment	**(1.3)**	**(1.3)**
NET TRADE RECEIVABLES	**303.5**	**285.5**
Advances and down payments paid	45.9	36.9
VAT receivables	295.5	290.7
Sundry debtors	29.3	23.2
Prepaid expenses	58.5	45.9
Principal accounts in debit	8.8	8.6
Total other operating receivables gross	**438.1**	**405.3**
Opening impairment	**(1.0)**	**(1.1)**
Increases	(1.2)	(0.2)
Reversals	0.6	0.3
Closing impairment	**(1.6)**	**(1.0)**
NET OPERATING RECEIVABLES	**436.5**	**404.3**
TRADE RECEIVABLES AND OTHER OPERATING RECEIVABLES	**740.0**	**689.9**
Receivables on sale of assets	0.2	0.2
TRADE AND OTHER RECEIVABLES	**740.2**	**690.0**

Detail of trade receivables due

(€ millions)	31/12/2022
Total gross trade receivables	**304.8**
Impairment of trade receivables	(1.3)
TOTAL NET TRADE RECEIVABLES	**303.5**
Trade accounts to be invoiced	(36.9)
Trade accounts not due	(39.3)
TRADE ACCOUNTS RECEIVABLE DUE	**227.3**

(€ millions)	Total	On time	At 30 days	At 60 days	At 90 days	More than 90 days
Trade accounts receivable due	227.3	155.5	-	45.0	3.8	23.1

Trade receivables

Receivables on off-plan sales are recorded inclusive of all taxes *pro rata* the percentage-of-completion of property programmes. 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 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.

7.4.3 Trade and other payables

(€ millions)	31/12/2022	31/12/2021
TRADE PAYABLES AND RELATED ACCOUNTS	**904.5**	**967.4**
Advances and down payments received from clients	3.6	0.8
VAT collected	281.4	294.2
Other tax and social security payables	56.9	47.5
Prepaid income	2.7	2.6
Other payables	112.8	119.2
Principal accounts in credit	8.8	8.6
OTHER OPERATING PAYABLES	**466.2**	**472.8**
Amounts due on non-current assets	3.7	3.7
TRADE AND OTHER PAYABLES	**1,374.4**	**1,443.9**

NOTE 8 FINANCIAL RISK MANAGEMENT

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

At 31 December 2022

			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	**284.5**	**81.0**	**201.9**	**-**	**1.6**	**-**	**-**	**-**	**1.6**
Securities and investments in equity affiliates	271.2	81.0	190.2	-	-	-	-	-	-
Non-current financial assets	13.3	-	11.7	-	1.6	-	-	-	1.6
CURRENT ASSETS	**1,620.7**	**-**	**1,571.9**	**-**	**-**	**48.1**	**48.1**	**-**	**-**
Trade and other receivables	740.2	-	740.2	-	-	-	-	-	-
Current financial assets	81.9	-	33.7	-	-	48.1	48.1	-	-
Cash and cash equivalents	798.6	-	798.6	-	-	-	-	-	-
NON-CURRENT LIABILITIES	**753.9**	**-**	**-**	**753.9**	**-**	**-**	**-**	**-**	**-**
Borrowings and financial liabilities	753.5	-	-	753.5	-	-	-	-	-
Deposits and security interests received	0.4	-	-	0.4	-	-	-	-	-
CURRENT LIABILITIES	**1,927.7**	**-**	**-**	**1,927.7**	**-**	**0.0**	**-**	**0.0**	**-**
Borrowings and financial liabilities	553.2	-	-	553.2	-	-	-	-	-
Trade and other payables	1,374.4	-	-	1,374.4	-	-	-	-	-

(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 the accounting method (change in value through profit or loss or 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.

At 31 December 2021

			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	**254.3**	**63.2**	**186.9**	**-**	**4.2**	**-**	**-**	**-**	**4.2**
Securities and investments in equity affiliates	239.2	63.2	176.0	-	-	-	-	-	
Non-current financial assets	15.1	-	10.8	-	4.2	-	-	-	4.2
CURRENT ASSETS	**2,074.4**	**-**	**2,024.3**	**-**	**-**	**50.1**	**50.1**	**-**	**-**
Trade and other receivables	690.0	-	690.0	-	-	-	-	-	-
Current financial assets	29.0	-	29.0	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	1,355.4	-	1,305.3	-	-	50.1	50.1	-	-
NON-CURRENT LIABILITIES	**948.5**	**-**	**-**	**948.5**	**-**	**-**	**-**	**-**	**-**
Borrowings and financial liabilities	947.9	-	-	947.9	-	-	-	-	-
Deposits and security interests received	0.6	-	-	0.6	-	-	-	-	-
CURRENT LIABILITIES	**2,190.8**	**-**	**-**	**2,190.8**	**-**	**0.0**	**-**	**0.0**	**-**
Borrowings and financial liabilities	746.8	-	-	746.8	-	-	-	-	-
Derivative financial instruments	0.0	-	-	-	-	0.0	-	0.0	-
Trade and other payables	1,443.9	-	-	1,443.9	-	-	-	-	-

(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 the accounting method (change in value through profit or loss or 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 holds swaps and caps designed to hedge against interest rate risk on its variable rate financial debts.

The Group has not opted for the hedge accounting available under IFRS 9. Derivatives are carried at fair value.

Derivatives were valued by discounting future cash flows estimated according to interest rate curves at 31 December 2022.

Derivatives are held by Group companies consolidated using the equity method.

Management position

At 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	(344.5)	(338.3)	(337.7)	(0.3)	(0.1)	(0.0)
Floating-rate bank loans	(600.1)	(266.1)	(176.9)	(110.1)	(53.8)	-
Cash and cash equivalents (assets)	798.6	-	-	-	-	-
Net position before hedging	**(146.0)**	**(604.4)**	**(514.7)**	**(110.4)**	**(53.8)**	**(0.0)**
Swap	-	-	-	-	-	-
Cap	-	-	-	-	-	-
Total derivative financial instruments	**-**	**-**	**-**	**-**	**-**	**-**
NET POSITION AFTER HEDGING	**(146.0)**	**(604.4)**	**(514.7)**	**(110.4)**	**(53.8)**	**(0.0)**

At 31 December 2021

(€ millions)	31/12/2021	31/12/2022	31/12/2023	31/12/2024	31/12/2025	31/12/2026
Fixed-rate bond and bank loans	(506.4)	(499.1)	(499.1)	(500.0)	0.0	-
Floating-rate bank loans	(742.1)	(307.2)	(178.2)	(92.0)	(56.0)	-
Cash and cash equivalents (assets)	1,355.4	-	-	-	-	-
Net position before hedging	**107.0**	**(806.3)**	**(677.3)**	**(592.0)**	**(56.0)**	**-**
Swap	-	-	-	-	-	-
Cap	-	-	-	-	-	-
Total derivative financial instruments	**-**	**-**	**-**	**-**	**-**	**-**
NET POSITION AFTER HEDGING	**107.0**	**(806.3)**	**(677.3)**	**(592.0)**	**(56.0)**	**-**

Analysis of interest-rate sensitivity

The following table shows the interest-rate sensitivity (including the effect of hedging instruments) of the entire portfolio of floating-rate borrowings from credit establishments and derivative instruments.

	Increase/decrease in interest rates	Impact of the gain (-) or loss (+) on pre-tax	Impact on the value of the portfolio of the financial instruments
31/12/2022	+50	€-1.4 million	-
	-50	€+1.1 million	-
31/12/2021	+50	€-0.3 million	-
	-50	€+0.3 million	-

8.3 Liquidity risk

Cash

The Group had a positive cash position of €798.6 million at 31 December 2022, compared to €1,355.4 million at 31 December 2021. This represents its main tool for management of liquidity risk (see Note 6.2.1 "Net financial bond and bank debt").

Part of this cash is available for the subsidiaries that carry it: at 31 December 2022, this cash amounted to €427.6 million.

On this date, €371.0 million is available at Group level, which also has an additional €782.2 million of available cash and cash equivalents (in the form of unused confirmed corporate credit lines).

Covenants

As part of the Altarea Group, some covenants relate to consolidated indicators of Altarea.

The covenants the Group has to meet relate to €204 million in corporate bank loans.

The bond loan subscribed by Altareit SCA is also subject to leverage covenants (€338.5 million).

	Altarea Group covenants	31/12/2022	Consolidated Altareit covenants	31/12/2022
Loan To Value (LTV)				
Net bond and bank financial debt/re-assessed value of the Company's assets	< 60%	24.5%		
Interest Cover Ratio (ICR)				
Operating income (FFO column or cash flow from operations)/ Net borrowing costs (FFO column) of the Company	> 2	13.0		
Leverage				
Gearing: Net financial debt/Equity			≤ 3.25	0.1
ICR: EBITDA/Net interest expenses			≥ 2	13.7

Counterparty risk

In the course of its business, the Group is mainly exposed to counterparty risk to financial institutions. Credit and/or counterparty risks relate to cash and cash equivalents, any 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 or investments with leading financial institutions. The selected vehicles have a very limited risk profile and are monitored.

NOTE 9 RELATED PARTY TRANSACTIONS

Ownership structure of Altareit

(in percentage)	31/12/2022 % share capital and theoretical voting rights	31/12/2022 % actual voting rights	31/12/2021 % share capital and theoretical voting rights	31/12/2021 % actual voting rights
Altarea	99.63	99.75	99.63	99.75
Altarea France	0.11	0.11	0.11	0.11
Alta Faubourg[(a)]	0.11	-	0.11	-
Altarea Group controlling	*99.85*	*99.86*	*99.85*	*99.86*
Treasury Shares	0.01	-	0.01	-
Public	0.14	0.14	0.14	0.14
TOTAL	**100.0**	**100.0**	**100.0**	**100.0**

(a) Treasury shares whose voting rights may not be exercised in a General Shareholders' Meeting in line with the provisions of Article L. 233-31 of the French Commercial Code.

Related party transactions

The related parties are legal entities whose Directors are common with those of the Company.

The main related parties of the Group are:

- Altarea, the Group's holding company, and its subsidiaries, particularly those providing services;
- Altafi 2, non-partner Manager of the Company, chaired and controlled by Alain Taravella; Jacques Ehrmann is its Chief Executive Officer;
- companies controlled by Alain Taravella who hold shares in Altarea: AltaGroupe, AltaPatrimoine and Altager.

Altarea holds 99.63% of Altareit's share capital and voting rights directly, and 99.85% indirectly *via* Altarea France (wholly-owned by Altarea), and Alta Faubourg (wholly-owned subsidiary of Altareit), each of which holds 0.11% of Altareit's share capital and voting rights.

Transactions with these related parties come either from services provided by the Altareit group to related parties or from financing transactions (current accounts and guarantees). The amounts invoiced by the Altareit Group to the related parties are at normal market conditions.

Altarea has granted personal guarantees (in particular sureties and stand-alone guarantees) on behalf of Altareit for a total amount of up to €986.5 million. In addition, Altarea has directly invested 50% in AF Investco 4 for the redevelopment of a building alongside the AltaFund investment fund in which Altareit holds a 16.7% stake.

In order to formalise the services habitually provided to Altareit by Altarea, 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. Also, AltaGroupe signed a coordination agreement in 2022 with Altarea, Altareit and their subsidiaries and sub-subsidiaries, *inter alii*.

In addition, new management fees agreements were set up in 2021 to compensate the services provided by Altareit and Altarea Management (an Altarea subsidiary) 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.

(€ millions)	Altafi 2	Altarea and its subsidiaries	31/12/2022	31/12/2021
Non-current assets	-	3.1	3.1	3.0
Current assets	0.3	28.5	28.8	18.3
TOTAL ASSETS	**0.3**	**31.6**	**31.9**	**21.2**
Trade payables, current accounts and other payables[(a)]	0.8	124.6	125.4	228.5
TOTAL LIABILITIES	**0.8**	**124.6**	**125.4**	**228.5**

(a) Mainly the current account between Altareit SCA and Altarea SCA.

(€ millions)	Altafi 2	Altarea and its subsidiaries	31/12/2022	31/12/2021
Operating income	0.1	10.8	10.9	10.8
Operating expenses	(1.4)	(62.1)	(63.6)	(61.1)
OPERATING INCOME	**(1.4)**	**(51.3)**	**(52.7)**	**(50.3)**
Net borrowing costs	-	(2.1)	(2.1)	(1.9)
NET RESULT	**(1.4)**	**(53.4)**	**(54.8)**	**(52.2)**

Compensations of the Management Committee

In accordance with the Article 14 of the bylaws, Altareit pays the Manager, Altafi 2.

Management fixed compensation is €0.9 million for the year.

The annual variable compensation that may be paid is partly based on the consolidated net income, Group share, for the financial year, above a pre-set threshold and partly on the achievement of non-financial objectives related to the climate and human resources. For information purposes, it stood at €0.5 million in 2022. These compensation components were set by the Supervisory Board in accordance with the compensation policy approved by the General Shareholders' Meeting of 24 May 2022.

Compensation of the Group's salaried executives

(€ millions)	31/12/2022	31/12/2021
Gross wages[a]	1.1	1.6
Social security contributions	0.5	0.7
Share-based payments[b]	2.2	3.0
Number of shares delivered during the period	6,036	20,721
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	0.2	0.7
Post-employment benefit commitment	0.1	0.2

(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 costs.
(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 to Altarea SCA's free share grants)	31/12/2022	31/12/2021
Rights to Altarea SCA's bonus share grants	43,371	53,978

The information above refers to compensation and benefits granted to the main salaried executives in the Group. It does not include the compensation of the Management or of the Chairman and members of the Supervisory Board.

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.

All other material commitments are set out below:

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 "Financial risk management".

(€ millions)	31/12/2021	31/12/2022	less than one 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	**4.1**	**6.4**	**-**	**6.4**	**-**
Commitments received relating to operating activities	**8.1**	**12.9**	**12.6**	**0.3**	**0.0**
Security deposits received in the context of the Hoguet Act (France)	7.8	12.6	12.6	-	-
Security deposits received from tenants	0.3	0.3	-	0.3	0.0
TOTAL	**12.1**	**19.3**	**12.6**	**6.6**	**0.0**
Commitments given					
Commitments given relating to financing (excl. borrowings)	**-**	**-**	**-**	**-**	**-**
Commitments given relating to Company acquisitions	**33.7**	**13.6**	**-**	**13.6**	**-**
Commitments given relating to operating activities	**2,111.9**	**2,028.2**	**820.1**	**1,206.6**	**1.5**
Construction work completion guarantees (given)	1,883.6	1,809.9	694.4	1,115.4	-
Guarantees given on forward payments for assets	155.8	156.9	105.7	51.2	-
Minimum future rents to be received	61.1	43.5	16.6	25.4	1.5
Other sureties and guarantees granted	11.4	18.0	3.4	14.6	-
TOTAL	**2,145.6**	**2,041.8**	**820.1**	**1,220.2**	**1.5**

Commitments received

Commitments received relating to acquisitions/disposals

The Group benefits from liability guarantee(s) obtained in the context of the acquisition of subsidiaries and shareholdings. It thus received a maximum commitment of €2 million given by the sellers of Severini, the developer. This commitment guarantees any loss suffered by the Group related to the business activity and whose cause or origin is prior to 31 March 2018, and applies until 31 December 2025 inclusive.

As part of its acquisition of the developer XF, the Group received a liability guarantee from the sellers in the amount of €2.3 million expiring at the end of July 2025.

The Group and Woodeum Holding arranged a potential liquidity of their securities and secured the Group's ability to buy the balance of the shares not held, should it so wish. The Group has moreover received representations and warranties in the context of this investment.

Commitments received relating to operating activities

Security deposits

Under France's Hoguet Act, the Group holds security deposits received from specialist bodies guaranteeing its activities.

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 Business 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 main commitments concern an undertaking to subscribe for the capital of companies comprising the AltaFund investment fund in the amount of €13.6 million (firm commitment for identified projects). The commitment changes depending on subscriptions and/or redemptions during the period.

Otherwise, the Group can make representations and warranties or contingent consideration when disposing of shares in subsidiaries and affiliates.

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 for the Property Development business.

Guarantees for loss of use

Guarantees for loss of use as part of its Property Development activities, the Group signs preliminary sales agreements with landowners, the execution of which is subject to conditions precedent, including conditions relating to obtaining administrative authorisations. In return for their undertakings, landowners receive compensation for loss of use, which takes the form of an advance (carried on the asset side of the balance sheet) or a surety (an off-balance sheet liability). The Group undertakes to pay the compensation for loss of use if it decides not to buy the land when the conditions precedent are met.

Other sureties and guarantees granted

The other sureties and guarantees granted relate primarily to guarantees given to contractors at the signing of works contracts.

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 Residential property development, the Group signs reservation contracts (or preliminary sales agreements) with its customers, the execution of which depends on whether the customers meet the conditions precedent, particularly with respect to their ability to secure financing.

The Group has also a future offering consisting of unilateral preliminary sales agreements.

The amount of these commitments is shown in the business review.

10.2 Contingent liabilities

Correction proposals concerning the registration fees related to the sale by Alta Faubourg of the Semmaris shares in 2018 and 2020 were received in 2021 and 2022. As registration fees are guaranteed by Alta Faubourg, the risk, which amounted to €11.0 million in fees and late payment penalties, was borne by the Group. the Company had strong arguments to contest the adjustments, which had not been provisioned. In a letter dated 23 August 2022, the tax authorities abandoned all of the proposed adjustments.

No other new litigation or governmental, legal, or arbitration proceedings that are likely to have significant effects on the Company's financial position or profitability arose in the period, other than those for which a provision has been recognised (see Note 6.3 "Provisions") or for which the case is ongoing.

With regard to the Primonial litigation, in agreement with its legal counsel, no provision has been recorded by the Group (see Note 4.1 "Major events").

NOTE 11 **EVENTS AFTER THE CLOSING DATE**

On 21 February 2023, the Group, which already held 50% of Woodeum shares since July 2019, announced that it had acquired the remaining Woodeum share capital from WO2 Holding, and thus became the sole shareholder of France's leading brand in timber-frame low-carbon residential real estate. In a context of climate change and changing regulations, this acquisition confirms the Group's ambition to accelerate its transition to low-carbon housing, by giving Woodeum the extra resources to sustain its growth momentum.

NOTE 12 **STATUTORY AUDITORS' FEES**

	E&Y				Grant Thornton				Mazars				Other				Total			
	Amount		%		Amount		%		Amount		%		Amount		%		Amount		%	
(€ millions)	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Statutory audit, certification, examination of individual and consolidated financial statements																				
▪ Altareit SCA	0.3	0.0	36%	2%	0.3	0.1	66%	36%	-	-	0%	0%	-	-	0%	0%	0.5	0.1	34%	7%
▪ Fully-consolidated subsidiaries	0.5	1.1	63%	98%	0.1	0.1	14%	64%	0.4	-	100%	0%	0.1	0.1	100%	101%	1.0	1.3	62%	93%
Services other than the certification of the financial statements																				
▪ Altareit SCA	0.0	-	1%	0%	0.1	-	20%	0%	-	-	0%	0%	-	-	0%	0%	0.1	-	5%	0%
▪ Fully-consolidated subsidiaries	-	-	0%	0%	-	-	0%	0%	-	-	0%	0%	-	(0.0)	0%	-1%	-	(0.0)	0%	0%
TOTAL	**0.8**	**1.1**	**100%**	**100%**	**0.4**	**0.2**	**100%**	**100%**	**0.4**	**-**	**100%**	**0%**	**0.1**	**0.1**	**100%**	**100%**	**1.6**	**1.4**	**100%**	**100%**

2.4 Report by the Statutory Auditors on the consolidated financial statements

Year ended 31 December 2022

To the General Shareholders' Meeting of Altareit,

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 Altareit relating to the year ended 31 December 2022, as attached to this report.

In our opinion, the consolidated financial statements give a true and fair view of the result of operations in the elapsed year, and of the financial position and assets, at the end of the financial year of the companies and entities included in the consolidated group in accordance with IFRS standards as adopted by the European Union.

Basis of the Opinion

Audit guidelines

We conducted our audit in accordance with professional standards applicable in France. We believe that the information we obtained provides a reasonable basis for our opinion given below.

Our responsibilities under these standards are set out in the section entitled "Responsibilities of the Statutory Auditors as regards the audit of the consolidated financial statements" of this report.

Independence

We carried out our audit mission in compliance with the independence rules provided for by the French Commercial Code and the Code of Ethics of the Statutory Auditors on the period from 1 January 2022 at the date of issue of our report, and in particular we have not provided services prohibited by Article 5 (1) of Regulation (EU) No. 537/2014.

Basis for our assessments – Key points of the audit

Pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most important for the audit of the consolidated financial statements for the year, as well as the responses we have provided to address these risks.

Our assessments in this respect were made within the context of the audit of the consolidated financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion as to the items contained in these consolidated financial statements taken in isolation

Measurement of goodwill and brands

Risk identified	Our response
At 31 December 2022, goodwill and brands were recorded in the balance sheet in a net carrying amount of €302.8 million, of which €197.4 million in goodwill mainly relating to the acquisitions of Cogedim, Pitch Immo and Histoire & Patrimoine, and €105.4 million in goodwill mainly relating to the Cogedim, Pitch Promotion and Histoire & Patrimoine brands. Goodwill and brands are systematically tested for impairment annually, or more frequently if internal or external events or circumstances indicate a loss of value. Regarding goodwill, as stated in Note 2.3.7 to the consolidated financial statements, 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, then against other intangible assets and property, plant and equipment on a prorata basis for their carrying amount (reversible loss). The recoverable amount of the CGU or group of CGUs is defined as the higher of the sale price net of any selling costs 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, if the net carrying amount of the brand is greater than its recoverable amount. Given the amounts and sensitivity of these assets to changes in the data and assumptions on which the estimates are based, particularly the forecasts for cash flow and discount rates used, we considered the measurement of differences acquisition and brands as a key audit point.	We reviewed the process established by the Group for determining the recoverable amount of goodwill and brands, grouped into CGUs. The work also involved: ■ obtaining an understanding of the principles and methods 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 the Group's accounting data; ■ analysing, with the help of the valuation experts in our audit teams, the valuation models used as well as the long-term growth rates, discount rates and royalty rates applied in these models; ■ examining, through discussions with management, the main assumptions on which the budget estimates underlying the cash flows on which the valuation models are based. To this end, we compared the estimates of cash flow projections from previous periods to the actual results achieved; ■ testing, on a sample basis, the arithmetical accuracy of the assessments used by the Group.

Valuation of inventories, revenue and net property income

Risk identified	Our response
At 31 December 2022, real estate inventories were recorded in the balance sheet for an amount of €1,116.9 million. Net property income recognised for financial year 2022 was €176.6 million. As indicated in Note 2.3.17 to the consolidated financial statements, revenue and costs of sales (net property income) are recognised in the Group's consolidated 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 removed on a percentage-of-completion basis for off-plan sale or property development contract transactions. Impairment losses are recognised when the net realisable value of inventories and work in progress is less than the cost price. In view of the material nature of inventories, revenue and net property income in the Group's consolidated financial statements and the necessary judgements made by management for the recognition of these items, we considered the assessment of these items to be a key audit matter.	Our work mainly consisted of: ▪ obtaining an understanding of the process and controls implemented by management to prepare and update operating budgets; ▪ examining on a sample basis the assumptions made by management in estimating the profit on property developments, and notably assumptions regarding selling prices, land acquisition costs, construction costs, service fees and internal expenses; ▪ examining the most significant changes in income at completion through an interview with management; ▪ comparing the technical completion rates of developments representing significant revenue and costs (net property income) with external confirmations prepared 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; ▪ reviewing, through interviews with operational staff involved, the material projects with margins lower or higher than the average margin of the Group's property development projects. With regard to onerous contracts, we examined the assumptions used to estimate losses on completion for these contracts; ▪ checking, on a sample basis, the arithmetical accuracy of revenue and the associated net property income generated during the year and recorded in the consolidated financial statements using income at completion and rates of commercial and technical completion. The measurement of inventories for projects not yet available for sale and projects delivered was the subject of special attention. For developments not yet available for sale, we examined the existence of prospective profits, based on interviews with management. For projects delivered, we analysed the estimated selling prices of the units in inventory with the selling prices of the units recorded.

Special verifications

We also carried out specific verification, as required by law, of information relating to the Group provided in the Management Board's management report, in accordance with professional standards applicable in France.

We have no comments to report with respect to the fairness of their presentation and consistency with the consolidated financial statements.

Other verifications or information required by laws and regulations

Format of the consolidated financial statements included in the annual financial report

We have also verified, in accordance with the professional standards of the Statutory Auditors relating to the annual and consolidated financial statements presented according to the single European electronic information format, that this format defined by the European regulation is compliant with Delegate no. 2019/815 of 17 December 2018 in the presentation of the consolidated financial statements to be included in the consolidated financial report mentioned in I of Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of management. With regard to consolidated financial statements, our procedures include verifying that these financial statements comply with the format defined by the aforementioned regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements included in the annual financial report complies, in all material respects, with the single European electronic information format.

Due to the technical limitations inherent in the block tagging of consolidated financial statements using the European single electronic format, the content of certain tags in the notes to the financial statements may not be reproduced in the same way as in the consolidated financial statements attached to this report.

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 as Statutory Auditors of the Altareit company by your General Shareholders' Meeting on 2 June 2008.

At 31 December 2022, our two firms were in the fifteen uninterrupted year of their contract.

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.

The consolidated financial statements were approved by management.

Responsibilities of the Statutory Auditors as regards the audit of the consolidated financial statements

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole do not contain any material misstatements. Reasonable assurance means a high level of assurance, without forasmuch providing the guarantee that an audit conducted in compliance with industry standards systematically affords the detection of any significant anomaly. Anomalies may be the result of fraud or errors and are considered to be significant where it can be reasonably expected that, taken individually or together, they may influence the economic decisions of the users of the statements on the basis thereof.

As specified in Article L. 823-10-1 of the French Commercial Code, our assignment as auditors is not to guarantee the viability or quality of the management of your company.

In conducting an audit in compliance with industry standards in France, Statutory Auditors exercise their professional judgement throughout the said audit. Moreover:

- they identify and assess risks that the consolidated financial statements may contain significant anomalies, whether these are the result of fraud or errors, establish and implement auditing procedures in the face of such risks, and gather any evidence they deem sufficient and appropriate on which to base their opinion. The risk of failing to detect a material misstatement attributable to fraud is greater than that of a material misstatement resulting from error, since fraud may involve collusion, forgery, deliberate omissions, misrepresentation or circumventing internal control;
- they take note of the relevant internal control for the audit in order to establish appropriate audit procedures in the circumstances, and not to express an opinion on the effectiveness of internal control;
- they assess the appropriateness of accounting methods used and the reasonableness of the management's accounting estimates and the information relating to them provided in the consolidated financial statements;
- they assess the appropriateness of management's application of the going concern principle, and, depending on the evidence gathered, the existence or otherwise of significant uncertainty related to events or circumstances liable to undermine the Company's ability to continue as a going concern. This assessment is based on the evidence gathered up until the date of their report, not overlooking the fact, however, that subsequent circumstances or events may jeopardise capacity as a going concern. If it finds that there is significant uncertainty, it draws the attention of readers of its report to the information provided in the consolidated financial statements in respect of this uncertainty or, if this information is not provided or is not relevant, it issues a qualified certification or a refusal to certify;
- they assess the overall presentation of the consolidated financial statements and assess whether the consolidated financial statements reflect the underlying operations and events so as to give a true and fair view of them;
- as regards the financial information of the persons or entities included in the consolidation, they gather the evidence it deems sufficient and appropriate to express an opinion on the consolidated financial statements. It is responsible for the management, supervision and execution of the audit of the consolidated financial statements, as well as the opinion expressed on these financial statements.

Neuilly-sur-Seine and Paris-La Défense, 24 March 2023

The Statutory Auditors

GRANT THORNTON	ERNST & YOUNG Audit
French member of Grant Thornton International	
Pascal Leclerc	Jean-Roch Varon Soraya Ghannem

3

ANNUAL FINANCIAL STATEMENTS 2022

3.1 Income statement

Income statement (listed)

Title *(€ thousands)*	2022	2021
Sale of goods		
Sold production (goods and services)	1,124.1	1,124.1
Net revenue	**1,124.1**	**1,124.1**
Production held in inventory		
Production held in inventory		
Operating grants		
Reversals of provisions (and depreciation/amortisation), expense reclassifications		
Other income		
Operating income	**1,124.1**	**1,124.1**
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	5,625.7	3,499.0
Taxes, duties and analogous payments	0.5	0.7
Salaries and wages		
Social security contributions		
Operating allowances		
Non-current assets: depreciation and amortisation charges		
Non-current assets: impairment provisions		
Current assets: impairment provisions		
For risks and charges: allowances to provisions		
Other expenses	12.0	15.0
Operating expenses	**5,638.2**	**3,514.6**
OPERATING INCOME/(LOSS)	**(4,514.1)**	**(2,390.5)**
Joint transactions		
Profit or loss transferred		
Loss or profit transferred		
Financial income		
Financial income from investments	7,075.3	69,395.8
Income from other marketable securities and receivables on non-current assets		
Other interest and similar income	238.2	376.4
Reversals of provisions, impairment and expense reclassifications	24,816.1	
Foreign exchange gains		
Net gains on the disposal of marketable securities	1,510.4	
Financial income	**33,640.1**	**69,772.2**
Allowances for amortisation, impairment and provisions	27,640.7	291.0
Interest and similar expenses	21,728.5	21,265.7
Foreign exchange losses		
Net expenses on disposals of marketable securities		
Financial expenses	**49,369.2**	**21,556.6**
NET FINANCIAL INCOME (EXPENSE)	**(15,729.2)**	**48,215.5**
PROFIT BEFORE TAX AND NONRECURRING ITEMS	**(20,243.3)**	**45,825.0**

Income statement (continued)

Title *(€ thousands)*	**2022**	**2021**
Exceptional income from non-capital transactions		
Exceptional income from capital transactions	12,898.2	26.3
Reversals of provisions, impairment and expense reclassifications	547.7	
Exceptional income	**13,445.9**	**26.3**
Exceptional expenses on non-capital transactions	3.7	2.7
Exceptional expenses on capital transactions	4.0	0.1
Allowances for amortisation, impairment and provisions		
Exceptional expenses	**7.7**	**2.7**
	13,438.3	**23.5**
Employee profit-sharing		
Corporate income tax	(8,234.9)	(11,707.5)
Total income	**48,210.1**	**70,922.5**
Total expenses	**46,780.2**	**13,366.5**
PROFIT/LOSS	**1,429.9**	**57,556.0**

3.2 Balance sheet

Assets

Title *(€ thousands)*	Gross Amount	Depr./Amort Provisions	31/12/2022	31/12/2021
Uncalled subscribed capital				
Intangible assets				
Start-up costs				
Research and development expenditures				
Concessions, patents, licenses, trademarks, processes, software, rights and similar assets				
Goodwill				
Intangible assets in progress				
Advances and down payments				
Property plant and equipment				
Land				
Buildings				
Technical installations, plant and industrial equipment				
Other				
Property, plant and equipment in progress				
Advances and down payments				
Financial assets				
Investments	280,898.9	113,750.1	167,148.8	160,167.6
Investment-related receivables	842,289.7	2,032.8	840,256.8	1,012,886.8
Other long-term investments				
Loans				
Other non-current financial assets				
NON-CURRENT ASSETS	**1,123,188.6**	**115,782.9**	**1,007,405.7**	**1,173,054.4**
Inventories and pipeline products				
Raw materials and other supplies				
Production work in progress (goods and services)				
Intermediate and finished products				
Goods and merchandise				
Advances and down payments made on orders				
Receivables				
Trade receivables and related accounts				
Other	139,506.5		139,506.5	127,580.0
Called, unpaid subscribed capital				
Marketable securities				
Marketable securities (including treasury shares: 131,191.2)	59,042.3		59,042.3	10,108.6
Cash and cash equivalents				
Cash and cash equivalents	75,416.8		75,416.8	412,392.2
Accruals				
Prepaid expenses	20.6		20.6	18.9
CURRENT ASSETS	**273,986.3**		**273,986.3**	**550,099.6**
Deferred expenses				
Redemption premiums	428.7		428.7	886.1
Unrealised foreign currency translation assets				
GENERAL TOTAL	**1,397,603.6**	**115,782.9**	**1,281,820.6**	**1,724,040.1**

Liabilities

Title *(€ thousands)*	**2022**	**2021**
Capital (of which paid 2,626.7)	2,626.7	2,626.7
Discounts, merger premiums, contribution premiums	76,253.6	76,253.6
Valuation differences	58.4	58.4
Legal reserve	262.6	262.6
Statutory and contractual reserves		
Regulated reserves	26.8	26.8
Other	4,778.6	4,778.6
Retained earnings	293,176.4	235,620.4
Net income (loss) for the year	**1,429.9**	**57,556.0**
Investment grants		
Regulated provisions		
EQUITY	**378,613.1**	**377,183.1**
Provisions for contingencies		
Provisions for expenses	15.6	547.7
PROVISIONS	**15.6**	**547.7**
Proceeds from the issue of participating securities (titres participatifs)		
Conditional advances		
OTHER EQUITY		
Financial liabilities		
Convertible bond issues		
Other bond issues	344,204.4	507,267.4
Borrowings from credit establishments	205,359.4	200,461.0
Other borrowings and financial liabilities	347,190.8	631,953.3
Advances and down payments made for orders in progress		
Operating payables		
Trade payables and related accounts	2,087.0	481.4
Tax and social security payables	4,338.4	6,050.2
Other payables		
Amounts due on non-current assets and related accounts		
Other payables	12.0	15.0
Accruals		
Prepaid income		81.0
PAYABLES	**903,192.0**	**1,346,309.3**
Translation differences – liabilities		
GENERAL TOTAL	**1,281,820.6**	**1,724,040.1**

3

3.3 Notes to the annual financial statements

Articles L. 123-13 to L. 123-21 and R. 123-195 to R. 123-198 of the French Commercial Code, Decree 83-1020 of 29 November 1983, ANC Regulation 2015-05 of 2 July 2015 approved by the order of 28 December 2015 and ANC Regulation 2016-07 of 4 November 2016 approved by the order of 29 December 2016.

Altareit is controlled by Altarea with a 99.86% stake and hosts the Altarea Group's diversification and property development activities.

The Altareit company is listed on the Euronext Paris SA regulated market, Compartment A. Consolidated financial statements were drawn up for the first time for the financial year ended 31 December 2008.

Altareit has been the head of the consolidated tax group since 1 January 2009.

These notes are presented in thousands of euros. These annual financial statements were approved on 28 February 2023 following review by the Supervisory Board.

3.3.1 Major events during the financial year

The year 2022 was marked by the war in Ukraine and a deterioration in the economic outlook, particularly in the second half of the year, with the consequent emergence of inflationary pressures, rise in interest rates, increase in the price of raw materials and supply bottlenecks. All of these factors were taken into account in the judgements and estimates made by Management for the preparation of the financial statements for the year ended 31 December 2022. However, the economic environment remains uncertain in 2023 and it is hard to assess its impact on the Company's activities and results, which would, in any event, have no impact on its viability as a going concern.

Primonial

On 2 March 2022, Altarea informed the public that the acquisition of the Primonial Group could not be completed on the terms agreed. Altarea considers that the Vendors failed to comply with the provisions of the acquisition protocol signed in July 2021, which has now lapsed.

Given the non-completion of the Primonial acquisition, Altarea and Alta Percier, an indirect subsidiary of Altareit, were cited before the Paris Commercial Court by the vendors - different shareholder groups in Primonial (investment funds and managers) - seeking compensation for their alleged damages. Altarea and Alta Percier are contesting the claims, which they consider unfounded and, on the contrary, consider that it is the sellers who are responsible for the failure of the transaction. Altarea is asking that they be ordered to pay damages in respect of the losses suffered by the Group. To this end, on 20 June 2022, Altarea and Alta Percier filed claims in response in a voluntary intervention before the Paris Commercial Court.

In their claims in response of 21 November 2022 and 16 January 2023, the shareholder groups maintained and developed their pleadings, claiming damages of €118,988,650 for the manager vendors and €588,082,058.50 for the investment funds.

Altarea, having studied all the counter-claims, maintains its position that it has no liability as, it argues, the failure to complete the transaction was attributable to the vendors, and that they therefore cannot claim for damages that are wholly unfounded and without merit in fact and in law. Altarea and Alta Percier will develop their arguments in their forthcoming reply submissions.

At the publication date of the Company's annual financial statements, the case is ongoing. In agreement with its advisors, the Company did not recognise any provision.

3.3.2 Accounting principles, rules and methods

The annual financial statements have been prepared and presented in accordance with the provisions of applicable French laws and regulations. The annual financial statements are drawn up according to the 2014 accounting plan adopted by the CRC (Comité de Réglementation Comptable) in Regulation 2014-03 of 5 June 2014, amended by ANC Regulation 2016-07 of 4 November 2016 and approved by Ministerial Order on 29 December 2016.

The accounting principles and methods are identical to those applied when preparing the annual financial statements for the year ended 31 December 2021. No changes occurred with regard to the presentation of the financial statements.

The main methods used are described below.

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

Investment-related receivables or receivables 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 are constituted by Group receivables.

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 *pro rata* basis. Treasury shares held for grants to employees of the Company's subsidiaries are not subject to impairment insofar as the cost of such shares, which is equal to the cost of the shares plus any management fees, if applicable, will be passed on to these subsidiaries when granted. These rules comply with the provisions of CRC Regulation 2008-15 of 4 December 2008.

Other marketable securities

Term deposits are recognised in the balance sheet at their nominal value for the duration of the placings.

Loan arrangement costs

Loan arrangement costs are expensed. Bond redemption premiums are spread over the life of the bonds.

Provisions

In accordance with CRC Regulation 2000-06 on liabilities, a provision is a liability considered probable or certain representing an obligation that will cause an outflow of resources to a third party without equivalent consideration being received in exchange and of uncertain timing and amount.

3.3.3 Comments, figures and tables

3.3.3.1 Notes on balance sheet items – Assets

Financial assets

Gross non-current financial assets

Non-current financial assets *(€ thousands)*	31/12/2021	Increase	Decrease	31/12/2022
Participating interests	**248,782.8**	**32,116.1**		**280,898.9**
Financial receivables	**1,037,702.9**	**513,069.9**	**708,483.1**	**842,289.7**
Investment-related receivables	1,037,702.9	513,069.9	708,483.1	842,289.7
Loans and other fixed assets				
TOTAL	**1,286,485.7**	**545,186.0**	**708,483.1**	**1,123,188.6**

The change in "Investment-related receivables" is mainly due to the change in the following receivables: Alta Faubourg for €-41,058 thousand, Cogedim for €-156,022 thousand, Alta Penthièvre for €1,017 thousand, Alta Percier Holding for €634 thousand and SIAP Rome for €16 thousand.

The increase in "Participating interests" is due to the €29,816 thousand capital increase held by SAS Alta Penthièvre by capitalising debt and to equity investments in Altarea Investment Managers and Holdco Alta Pyramides of €2,000 thousand and €300 thousand, respectively.

The list of subsidiaries and participating interests appearing on the last page of this document shows the ownership interest in each subsidiary.

Receivables

Provisions for non-current financial assets

		Increases during the financial year	Decrease during the financial year		
Impairment *(€ thousands)*	**31/12/2021**	**Increases**	**Provisions no longer applicable**	**Provisions used in the period**	**31/12/2022**
Impairment of equity securities	88,615.2	25,134.9			113,750.1
Impairment of other non-current financial assets	24,816.1	2,032.8	24,816.1		2,032.8
Other impairment					
TOTAL	**113,431.3**	**27,167.7**	**24,816.1**		**115,782.9**

Receivables

Receivables *(€ thousands)*	Gross amount 2022	Provisions	Net amount 2022	Net amount 2021
Trade receivables and related accounts				
Other receivables	**139,527.2**		**139,527.2**	**127,598.9**
Personnel and related accounts				
Advances and down payments				
Government, other authorities: value added tax	289.9		289.9	402.5
Government, other authorities: sundry receivables				
Group and partners	138,766.6		138,766.6	127,177.6
Sundry debtors	450.0		450.0	
Prepaid expenses	20.6		20.6	18.9
TOTAL	**139,527.2**		**139,527.2**	**127,598.9**

Breakdown of receivables by maturity date

Receivables *(€ thousands)*	Gross amount 2022	Less than 1 year	1 to 5 years	More than 5 years
Trade receivables and related accounts				
Personnel and related accounts				
Advances and down payments				
Government, other authorities: value added tax	289.9	289.9		
Government, other authorities: sundry receivables				
Group and partners	138,766.6	138,766.6		
Sundry debtors	450.0	450.0		
Prepaid expenses	20.6	20.6		
TOTAL	**139,527.2**	**139,527.2**		

Accrued income

None.

Marketable securities

Marketable securities consist of a TRESO PLUS term deposit account for €12,014 thousand, treasury shares with a market value of €131 thousand and an equity portfolio of €46,896.

Marketable securities

Marketable securities *(€ thousands)*	31/12/2021	Increase	Decrease	Provisions	31/12/2022
TRESO PLUS term account	10,000.0	126,024.1	124,009.3		12,014.8
Treasury shares	108.6	224.6	202.0		131.2
Shares		60,120.6	13,224.3		46,896.3
TOTAL	**10,108.6**	**186,369.3**	**137,435.5**		**59,042.3**
No. of Shares	168	350	311		207
No. of Shares		2,329,142	557,779		1,771,363

At 31 December 2022, all treasury shares were for market-making purposes.

3.3.3.2 Notes on balance sheet items – Liabilities

Equity

Statement of changes in equity

Equity *(€ thousands)*	31/12/2021	Appropriation Capital	Capital reduction, issue costs	Increase Share capital and contributions	2022 results	31/12/2022
Share Capital	2,626.7					2,626.7
Share premium/additional paid-in capital/ revaluation differences	76,312.0					76,312.0
Legal reserve	262.6					262.6
General reserve	4,805.4					4,805.4
Retained earnings	235,620.4	57,556.0				293,176.4
Net income for the year	57,556.0	(57,556.0)			1,429.9	1,429.9
Investment grants						
Regulated provisions						
TOTAL	**377,183.1**				**1,429.9**	**378,613.1**

At 31 December 2022, share capital stood at €2,626.7 thousand divided into 1,750,487 shares with a par value of €1.50 each and ten General Partner shares with a par value of €100 each.

Provisions

Changes in provisions

		Increases during the financial year	Decrease during the financial year		
Provisions for contingencies and expenses *(€ thousands)*	31/12/2021	Increases	Reversals of unused provisions	Provisions used	31/12/2022
Provisions for litigation					
Provisions for fines and penalties					
Reversals of unused provisions	547.7			547.7	
Other provisions for contingencies and expenses		15.6			15.6
TOTAL	**547.7**	**15.6**		**547.7**	**15.6**

The provision of €547.7 thousand at 31 December 2021 related to a research tax credit disputed by the authorities. This provision was reversed in 2022 following settlement of the dispute.

Borrowings and other financial liabilities

Breakdown of payables by maturity date

Borrowings and other financial liabilities (€ thousands)	31/12/2022	Less than 1 year	1 to 5 years	More than 5 years	31/12/2021
Financial liabilities	**896,754.6**	**365,254.6**	**531,500.0**		**1,339,681.6**
Other bond issues	344,204.4	5,704.4	338,500.0		507,267.4
Bank borrowings	205,359.4	12,359.4	193,000.0		200,461.0
Other borrowings and financial liabilities	221,994.0	221,994.0			408,994.0
Group and partners	125,196.8	125,196.8			222,959.3
Other payables					
Accounts payable and other payables	**6,437.4**	**6,437.4**			**6,627.7**
Suppliers and related accounts	2,087.0	2,087.0			481.4
Employee-related and social security payables					
Tax payables	4,338.4	4,338.4			6,050.2
Amounts due on non-current assets and related accounts					
Other payables	12.0	12.0			15.0
Prepaid income					81.0
TOTAL	**903,192.0**	**371,692.0**	**531,500.0**		**1,346,309.3**

Other borrowings and financial liabilities correspond to treasury notes and medium-term negotiable securities.

At 31 December 2022, bank borrowings excluding accrued interest amounted to €204 million.

Redemption premiums on borrowings

Change in amortization of premiums (€ thousands)	31/12/2021	Increase	Decrease	31/12/2022
Redemption premiums on bonds	886.1		457.4	428.7
TOTAL	**886.1**		**457.4**	**428.7**

Table of payables in balance sheet line items

Expenses included in the balance sheet line items *(€ thousands)*	31/12/2022	31/12/2021
Borrowings and financial liabilities	7,032.5	7,727.7
Suppliers and related accounts	1,917.2	320.0
Amounts due on non-current assets and related accounts		
Taxes, duties and analogous payments		
Personnel costs		
Cash and cash equivalents, bank – expenses	31.2	0.7
Miscellaneous	12.0	15.0
TOTAL	**8,992.9**	**8,063.4**

3.3.3.3 Notes to the income statement

Revenue

Revenue breakdown

Revenue *(€ thousands)*	31/12/2022	31/12/2021
External services	1,124.1	1,124.1
Other		
TOTAL	**1,124.1**	**1,124.1**

Revenue is made up of management fees invoiced to Altarea Management for €1,124 thousand.

Operating expenses

Details of operating expenses

Operating expenses *(€ thousands)*	31/12/2022	31/12/2021
Current activity expenses	19.5	10.5
Miscellaneous fees	2,205.3	1,616.3
Advertising and public relations		50.0
Banking services and similar accounts	3,400.8	1,791.9
Taxes and duties	0.5	0.7
Depreciation, amortisation, provisions and impairment		
Other expenses	12.0	45.4
OPERATING EXPENSES	**5,638.2**	**3,514.6**

Miscellaneous fees include compensation for the management of Altafi 2 for a total amount of €1,426 thousand at 31 December 2022.

All transactions are governed by standard agreements on normal terms between the companies.

Banking services correspond mainly to commissions on guarantees given by Altarea as collateral for loans taken out by Altareit and commissions paid when new loans are arranged.

The total amount of directors' fees paid to members of the Supervisory Board in 2022 was €12 thousand and is recognised in "Other expenses".

Net financial income (expense)

Financial income statement

Financial instruments *(€ thousands)*	31/12/2022	31/12/2021
Financial income		
▪ Dividend		68,800.0
▪ Income from current accounts	7,075.3	595.8
▪ Other interest and similar income	238.2	376.4
▪ Reversals of provisions, impairment and expense reclassifications	24,816.1	
▪ Foreign exchange gains		
▪ Net gains on the disposal of marketable securities	1,510.4	
TOTAL	**33,640.1**	**69,772.2**
Financial expenses		
▪ Depreciation, amortisation and provisions	27,640.7	291.0
▪ Interest and similar expenses	21,728.5	21,265.7
▪ Foreign exchange losses		
▪ Net expenses on disposals of marketable securities		
TOTAL	**49,369.2**	**21,556.6**
NET FINANCIAL INCOME (EXPENSE)	**(15,729.2)**	**48,215.5**

Net financial expense of €-15,729.2 thousand mainly corresponds to €7,075 thousand of financial income on current accounts and interest on borrowings of €-21,728 thousand.

Allowances for depreciation, amortization and provisions net of reversals reflect an expense of €2,824.6 thousand, corresponding to net provisions on participating interests and related receivables, and €457 thousand for amortisation of the issue premium.

Exceptional income

Exceptional income statement

(€ thousands)	31/12/2022	31/12/2021
Exceptional income		
■ Exceptional income from non-capital transactions	12,895.4	
■ Exceptional income from capital transactions	2.9	26.3
■ Reversals of provisions and expense reclassifications	547.7	
TOTAL	**13,445.9**	**26.3**
Exceptional expenses		
■ Exceptional expenses on non-capital transactions	3.7	2.7
■ Exceptional expenses on capital transactions	4.0	0.1
■ Exceptional allowances for depreciation, amortisation and impairment		
TOTAL	**7.7**	**2.7**
EXCEPTIONAL INCOME	**13,438.3**	**23.5**

Exceptional income corresponds to a €548 thousand reversal of tax provisions and a €12,895 thousand net profit on Altareit's partial buyback of bonds it had issued.

3.3.3.4 Other information

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

No material transactions have been concluded by the Company with related parties that were not on an arm's-length basis.

Tax position

The Altareit company has been a member of a consolidated tax group since 1 January 2009 and is the head of that group.

The principle applied is that each subsidiary must recognise a tax expense in their accounts during the entire consolidation period, identical to the expense they would have recognised if they had been taxed separately.

The amount of the loss transferred to Altareit by its subsidiaries stood at €73,010 thousand at 31 December 2022.

Breakdown of tax expenses

(€ thousands)	Income before tax	Net income/ expense from tax consolidation	Corporation tax	Net result
Profit before tax and nonrecurring items	(20,243.3)	30,508.3	(22,273.4)	(12,008.3)
Exceptional income	13,438.3			13,438.3
TOTAL	**(6,805.0)**	**30,508.3**	**(22,273.4)**	**1,429.9**

The tax income recognised on 31 December 2022 is a net amount of €8,235 thousand. It consists of tax consolidation income of €30,508 thousand, corresponding to contributions from subsidiaries and a tax expense of €22,273 thousand.

Changes in deferred tax liabilities

	31/12/2021	Variations		31/12/2022
Reductions		+	-	
Social solidarity contribution				
Tax deficit	(136,851.7)		(42,763.9)	(94,087.7)
Total base	**(136,851.7)**		**(42,763.9)**	**(94,087.7)**
TAX OR TAX SAVINGS (25%)	**(34,212.9)**		**(10,691.0)**	**(23,521.9)**

The tax losses correspond to the combined losses of the member companies of the tax group.

Identity of the parent company consolidating the financial statements

The company Altareit is fully consolidated in the consolidated financial statements of Altarea SCA (RCS PARIS 335 480 877), whose registered office is at 87 rue de Richelieu -75002 Paris. This Company's consolidated financial statements are available at the Company's head office.

Post-closing events

None.

Financial instruments

None.

Off-balance sheet commitments

Commitments received

Altarea SCA has guaranteed loans contracted by Altareit for a total amount of up to €986.5 million.

Commitments given

Altareit SCA has stood surety for various Group companies for land forward payments and financial guarantees of completion. These guarantees account for €32 million at 31 December 2022.

3.3.3.5 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 granted	Earnings in the Financial year	Dividends received by the Company	Revenues excl. tax
SUBSIDIARIES (+50%)										
ALTA FAUBOURG	15,000.0	426,083.5	100.00%	44,294.3	44,294.3	392,862.8	392,862.8	29,924.4	0	
COGEDIM SAS	30,000.0	169,665.7	100.00%	(115,750.0)	(115,750.0)	421,559.4	421,559.4	24,588.2	0	
ALTA PENTHIEVRE	500.0	4,500.0	100.00%	118,399.0	4,801.5	25,834.7	25,834.7	(198.5)		
ALTA PERCIER HOLDING	1.0	66.7	100.00%	100.0		2,014.7		(2,095.8)		
SIAP ROME	37.0	1.0	99.99%	37.0		18.2		(58.3)		
Altarea Investment Managers	350.0	1,650.0	100.00%	2,000.0	2,000.0					
HOLDCO ALTA PYRAMIDES	50.0	250.0	100.00%	300.0	300.0					
AFFILIATES (10% TO 50%)										
SIAP HELSINKI	37.0		49.99%	18.5	3.0			(32.0)		
TOTAL				**280,898.9**	**167,148.8**	**842,289.7**	**840,256.8**			

3.4 Additional information on the annual financial statements

3.4.1 Summary of the Company's payment terms

At 31 December 2022	Article D. 441 I.-1°: Invoices received but not paid at the closing date of the financial year ended						Article D. 441 I.-2°: Invoices issued but not paid at the closing date of the financial year ended					
	0 days (indicative)	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and over**	**Total (-1 day and over)**	**0 days (indicative)**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and over**	**Total (-1 day and over)**
(A) Overdue categories												
Number of invoices included	2					1	-					-
Total amount of the invoices included (incl. VAT)	55,828	114,026	-	-	-	114,026	-	-	-	-	-	-
% of total amount of the invoices included (incl. VAT)	0.01%	0.03%	0.00%	0.00%	0.00%	0.03%						
% of total amount of purchases (incl. VAT) for the financial year							0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(B) Invoices excluded from (A) relating to overdue or unrecorded receivables and payables												
Number of invoices excluded	-						-					
Total amount of the invoices excluded (inclusive of VAT)	-						-					
(C) Benchmark payment terms used (contractual or legal terms)												
Benchmark payment terms used for to calculate overdue payments	Statutory payment terms						Statutory payment terms					

3.4.2 Results of the last five financial years

Type of indications	31/12/2022	31/12/2021	31/12/2020	31/12/2019	31/12/2018
Duration of the period (months)	12	12	12	12	12
CAPITAL AT END OF THE YEAR					
Share Capital	2,626.7	2,626.7	2,626.7	2,626.7	2,626.7
Number of shares					
▪ ordinary	1,750.5	1,750.5	1,750.5	1,750.5	1,750.5
▪ priority dividend					
Maximum number of shares to be created					
▪ by bond conversions					
▪ by subscription rights					
OPERATIONS AND RESULTS					
Revenue excl. tax	1,124.1	1,124.1	1,111.7	1,222.7	589.7
Income before tax, interest, depreciation and impairment	(4,528.1)	46,139.5	8,546.2	(12,697.0)	18,902.3
Corporate income tax	(8,234.9)	(11,707.5)	(10,510.4)	(16,247.9)	(16,098.8)
Employee participation					
Allowances depr./amort. and impairment	2,276.9	291.0	416.8	1,023.7	264.0
Net result	1,429.9	57,556.0	18,639.8	2,527.3	34,737.1
Distributed income					
EARNINGS PER SHARE					
Income after tax, interest, before depr./amort. and impairment	2.1	33.0	10.9	2.0	20.0
Income after tax, interest, depr./amort. and impairment	0.8	32.9	10.7	1.4	19.8
Dividend allocated					
EMPLOYEES					
Average employee workforce					
Payroll					
Amounts paid in benefits (social security, social welfare, etc.)					

3.5 Statutory Auditors' report on the annual financial statements

Year ended 31 December 2022

To the General Shareholders' Meeting of the Altareit company,

Opinion

In accordance with the mission assigned to us by your General Shareholders' Meeting, we have carried out the audit of the annual financial statements of Altareit relating to the year ended 31 December 2022, as attached to this report.

In our opinion, the financial statements give a true and fair view of the Company's operations during the financial year, as well as of the Company's assets, liabilities, and financial position at the end of the financial year, in accordance with the accounting principles generally accepted in France.

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 Code of Ethics of the Statutory Auditors on the period from 1 January 2022 at the date of issue of our report, and in particular we have not provided services prohibited by Article 5 (1) of Regulation (EU) No. 537/2014.

Basis for our assessments – Key points of the audit

It is in this complex and evolving context that, pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most important for the audit of the annual financial statements for the year, as well as the responses we have provided to address these risks.

The assessments thus made are based on the auditing of the annual financial statements, taken as a whole, and the opinion formed by ourselves as expressed above. We do not express an opinion on any aspects of these annual financial statements taken in isolation.

Evaluation of participating interests, investment-related receivables and loans

Risk identified	Our response
The participating interests, investment-related receivables and loans included on the balance sheet at 31 December 2022, a net total of €1,007 million, represent a significant balance sheet item (79% of assets). The participating interests are stated on the balance sheet at the cost of purchase or 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 explained in the Note 3.3.2 "Accounting principles, rules and methods", paragraphs "Participating interests" and "Receivables attached to investments", to the annual financial statements, 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, using sampling to test the mathematical accuracy of the formulas used to calculate book values; ▪ using sampling to recalculate the impairments recorded by the 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 provision for risk in the event that the 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, L. 22-10-10 and L. 22-10-9 of the French Commercial Code.

As regards the information provided pursuant to Article L. 22-10-9 of the French Commercial Code concerning compensation and benefits paid or awarded to corporate officers, as well as commitments made in their favour, we have verified their consistency with the financial statements or with the information used to prepare the financial statements and, if applicable, with the information collected by the Company from the companies controlled by it or in the consolidation scope. On the basis of this work, we confirm the accuracy and sincerity of this information.

As regards the information relating to items that your company deemed likely to have an impact in the event of a take-over bid or public exchange offer, provided pursuant to the provisions of Article L. 22-10-11 of the French Commercial Code, we have verified their compliance with the source documents that were forwarded to us. In light of this work, we have no comments on the said information.

Other information

Pursuant to applicable law, we have confirmed that the required information on acquisitions of the Company's shares and voting rights, along with 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 compliant with Delegate no. 2019/815 of 17 December 2018 in the presentation of the annual financial statements to be 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 as Statutory Auditors of the Altareit company by your General Shareholders' Meeting on 2 June 2008.

At 31 December 2022, our two firms were in the fourteenth uninterrupted year of their contract.

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.

These annual financial statements have been approved by management.

Responsibilities of the Statutory Auditors in auditing the annual financial statements

It is our responsibility to produce a report on the annual financial statements. Our aim is to obtain reasonable assurance that the annual financial statements, taken as a whole, contain no significant anomalies. Reasonable assurance means a high level of assurance, without forasmuch providing the guarantee that an audit conducted in compliance with industry standards systematically affords the detection of any significant anomaly. Anomalies may be the result of fraud or errors and are considered to be significant where it can be reasonably expected that, taken individually or together, they may influence the economic decisions of the users of the statements on the basis thereof.

As specified in Article L. 823-10-1 of the French Commercial Code, our assignment as auditors is not to guarantee the viability or quality of the management of your company.

In conducting an audit in compliance with industry standards in France, Statutory Auditors exercise their professional judgement throughout the said audit. Moreover:

- they identify and assess risks that the annual financial statements may contain significant anomalies, whether these are the result of fraud or errors, establish and implement auditing procedures in the face of such risks, and gather any evidence they deem sufficient and appropriate on which to base their opinion. The risk of failing to detect a material misstatement attributable to fraud is greater than that of a material misstatement resulting from error, since fraud may involve collusion, forgery, deliberate omissions, misrepresentation or circumventing internal control;
- they take note of the relevant internal control for the audit in order to establish appropriate audit procedures in the circumstances, and not to express an opinion on the effectiveness of internal control;
- they assess the appropriateness of accounting methods used and the reasonableness of the management's accounting estimates and the information relating to them provided in the annual financial statements;
- they assess the appropriateness of management's application of the going concern principle, and, depending on the evidence gathered, the existence or otherwise of significant uncertainty related to events or circumstances liable to undermine the Company's ability to continue as a going concern. This assessment is based on the evidence gathered up until the date of their report, not overlooking the fact, however, that subsequent circumstances or events may jeopardise capacity as a going concern. Should they conclude that there is significant uncertainty, they draw the attention of readers of their report to the information contained within the annual financial statements in relation to this uncertainty or, if such information is not supplied or is not relevant, certification will either be withheld or given with reservations;
- they assess the overall presentation of the annual financial statements and whether the latter reflect the operations and underlying events in such a way as to give a true and fair view of them.

Neuilly-sur-Seine and Paris-La Défense, 24 March 2023

The Statutory Auditors

GRANT THORNTON

French member of Grant Thornton International

Pascal Leclerc

ERNST & YOUNG Audit

Jean-Roch Varon Soraya Ghannem

3.6 Statutory Auditors' special report on related-party agreements

To the General Shareholders' Meeting of the Altareit 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 financial year.

We have taken the measures we deemed necessary in accordance with CNC professional guidelines relating to our audit.

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

We would like to inform you that no notice was given of any agreement previously approved by the General Shareholders' Meeting, that remained in effect during the past financial year.

Neuilly-sur-Seine and Paris-La Défense, 24 March 2023

The Statutory Auditors

GRANT THORNTON

French member of Grant Thornton International

Pascal Leclerc
Partner

ERNST & YOUNG Audit

Jean-Roch Varon
Partner

Soraya Ghannem
Partner

4

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Altareit is a 99.85% owned subsidiary of Altarea. Consequently, the Group applies Altarea's CSR strategy.

4.1 CSR at the heart of the Group's strategy

4.1.1 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	Income	Target	Change	Comments
Taxonomy	**Revenue**	**43%**	Revenue mostly aligned[a]	N/A	A satisfactory first year with disparities by brand that will be reduced in the future
Decarbonisation	**CO_2 emissions (scopes 1, 2 and 3)**	**1.4 tCO_2e/m^2 (-8% since 2019)**	-50%/m^2 on development activities in 2035[b]	↘	Altareit has been setting targets, which have been regularly updated, since 2017. In 2022, the Group accelerated the deployment of an organisation to manage their achievement
Proximity and density	**Percentage of surface areas under development less than 500 metres from public transport**	**99%**	Maintenance	=	Stable since 2016, demonstrating the Group's desire to offer well-connected operations
Regional development	**Percentage of building site purchases from local suppliers (less than 50 km)**	**72%**	Maintenance	=	Altareit monitors this indicator to strengthen its contribution to the local economy
Certifications and green value	**Percentage of Residential projects certified NF Habitat[c]**	**100%**	100% of Residential projects certified	=	Performance has been stable for seven years, reflecting the Group's continuous efforts to improve the quality of its operations
Customer satisfaction	**Result in the HCG/Les Échos customer relations ranking**	**1st place in the rankings**	Maintenance	↗	The Group has spent 3 years in the top 3 and is recognised as a benchmark in customer relations
Women's representation in management	**Percentage of women on the Management Committee**	**25%**	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% of Altarea Group**	40% minimum	=	Resizing teams as part of the Managerial responsibility project has been a mobility accelerator

(a) Constantly regulated.
(b) In living area (SHAB) for Residential, in floor area (SDP) for Business property and Retail.
(c) Excluding Severini, co-development, refurbishments and managed residences.

4.1.2 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 Altarea Group website);
- the risk analysis carried out as part of the preparation of the Altarea Group's DPEF in 2018;
- in 2020, an update of the priority issues, based on work done with the Group's senior executives. As such, twelve people were interviewed internally about their perception of macro-trends, stakeholder expectations and the Group's positioning;
- in 2022, a detailed analysis of challenges related to the european taxonomy.

The approach has been formalised since 2017 by the "Tous engagés !" programme. The latter is based on three main areas:

- working as a public interest partner for cities, to preserve and develop local regions;
- placing customers at the heart of actions, working for customer satisfaction across all business lines;
- capitalising on the excellence of talents, the Company's biggest asset, to support performance.

TOUS ENGAGÉS !

The group's CSR approach

THE CONVICTIONS

CITIES
Developing and preserving regions

CUSTOMERS
Customer satisfaction at heart of Altarea's actions

TALENTS
Excellence as a driver for performance

THE COMMITMENTS

Cities
- Develop desirable urban projects with a positive impact
- Working toward a resilient, low-carbon city
- Preserve natural spaces and promoting nature in the city
- Promote the circular economy

Customers
- Listen customers and deliver customer satisfaction
- Develop a desirable and comfortable city
- Enhance green value by rolling out ambitious certifications
- Be a beacon of best practice in business lines

Talents
- Support skills development
- Foster well-being in the working environment
- Encourage internal mobility and continue training

4.1.3 Governance and implementation of CSR

Organisation

The CSR Department is part of the Strategic marketing, CSR and innovation Department. It is made up of five employees and reports to an Executive Committee member. It has a cross-functional role in the Company's transformation, by monitoring CSR topics, training, and supporting operational staff on all types of projects. It also manages extra-financial communications.

The management process in place to progress and disseminate the approach is as follows:

- the CSR Department proposes CSR actions to Management and the Executive Committee;
- the CSR Department relies on the CSR Committee, which meets regularly to implement these actions. This network of around thirty coordinators represents each of the Group's business lines (Residential, Business property) and cross-functional departments (Human Resources, Innovation, Finance, Internal Control, etc.);
- a network of contacts within the business lines has been set up, with regular and formalised meetings, making it possible to monitor each person's subjects, and to coordinate and harmonise practices throughout the Group;
- *ad hoc* working groups are formed to focus on targeted and operational topics with special coordinators and other participants. In 2022, working groups were set up on climate issues (in-depth work on methods of measurement and trajectory), and the EU taxonomy;
- lastly, to stay close to its stakeholders, in 2021 the Group set up a network of operational CSR ambassadors, open to motivated employees in all brands and business lines, one of whose missions is to relay the CSR strategy of the Group.

The involvement of the entire company in extra-financial issues is also guaranteed by a financial incentive: in 2022, part of the management's variable compensation depended on extra-financial results. In addition, for the past two years, the Group's profit-sharing agreement as well as the long-term bonuses of Managers have included extra-financial criteria related to the climate, women's representation in management, internal mobility and customer satisfaction.

CSR team contact: developpementdurable@altarea.com

Relations with stakeholders

Due to the diversity of its activities and business lines, Altareit has connections with a wide range of stakeholders. The diagram below presents the main ones.

MAPPING OF ALTAREIT'S MAIN STAKEHOLDERS

Clients	Buyers of residential units and investors	Office users key accounts
CHALLENGES	Satisfy their expectations and advise them throughout the journey	Support performance and corporate culture
	4.3.1	4.3.1

Partners	Government and communities	Investors and analysts	Employees and applicants	Suppliers, service providers, subcontractors
CHALLENGES	Create long-term partnerships for regional revitalisation and development	Sustain the financial and extra-financial performance of the Group and its offering	Offer excellent career opportunities in an attractive setting	Make the Group's CSR challenges an integral part of its business relationships
	4.2.1	4.1	4.4	4.3.4 and 4.3.6

4.1.4 European taxonomy

The Taxonomy Regulation defines a common classification system (the european taxonomy) for use throughout the European Union to identify "sustainable" economic activities and accelerate the financing of the ecological transition. It defines uniform criteria for each sector to assess their contribution to the six environmental objectives defined by the European Commission:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems.

In 2022, non-financial companies must publish indicators from the consolidated financial statements (revenue, Capex and Opex), indicating for each indicator:

- the proportion concerned by the taxonomy: the eligibility rate;
- the proportion complying with European environmental criteria and minimum social guarantees: the alignment rate.

For the Altareit Group, the most significant indicator is revenue.

Activities concerned

In its various business lines, the Altareit Group is eligible for taxonomy within the meaning of the sectors "7.1 Construction of new buildings", "7.2 Renovation of existing buildings" and "7.7 Acquisition and ownership of buildings", which make a substantial contribution to the mitigation of climate change.

Breakdown of the EU taxonomy sectors by Altareit Group business line

	7.1. Construction of new buildings	7.2. Renovation of existing buildings	7.7. Acquisition and ownership of buildings
Residential	√	√	
Business Property	√	√	√

4

Revenue

Eligibility

In 2022, activities eligible for the european taxonomy represented 99% of the Altareit Group's revenue.

Share of 2022 consolidated revenue qualifying for taxonomy

	Group	7.1) Construction of new buildings	7.2) Renovation of existing buildings	7.7) Acquisition and ownership of buildings
A) Eligible activities *(€ millions)*	2,711	2,563	144	4
ELIGIBLE ACTIVITIES *VS.* GROUP REVENUE	99%	100%	100%	100%
B) Revenue *(€ millions)*	2,729	2,563	144	4

Revenue under sector "7.1 Construction of new buildings" comes from the Group's property development business in new buildings.

Revenue from "7.2 Renovation of existing buildings" comes from the renovation of old buildings (*i.e.* Histoire & Patrimoine), and the Group's real estate development business, in renovating Business Property.

Revenue from "7.7 Building acquisition and ownership" comes mainly from revenue generated at the head office (87 Richelieu).

Alignment

In financial year 2022, 43% of the Altareit Group's revenue was aligned with the taxonomy.

Alignment of 2022 consolidated revenue with taxonomy by sector

	Group	7.1) Construction of new buildings	7.2) Renovation of existing buildings	7.7) Acquisition and ownership of buildings
A) Eligible activities *(€ millions)*	2,711	2,563	144	4
ELIGIBLE ACTIVITIES *VS.* GROUP REVENUE	**99%**	**100%**	**100%**	**100%**
A.1) Aligned activities *(€ millions)*	1,184	1,158	23	4
ALIGNED ACTIVITIES *VS.* GROUP REVENUE	**43%**	**45%**	**16%**	**100%**
B) Non-eligible activities *(€ millions)*	18	-	-	-
NON-ELIGIBLE ACTIVITIES *VS.* GROUP REVENUE	**1%**	**0%**	**0%**	**0%**
C) Revenue *(€ millions)*	2,729	2,563	144	4

To calculate the Group's alignment rate, the Group analysed the six objectives defined by the European Commission in the Taxonomy.

In order to be qualified as "sustainable" and therefore aligned, the activity must meet the following conditions:

- substantially contribute to one or more of the six environmental objectives. For Altareit, the substantial contribution to the climate change mitigation objective was analysed;
- Do No Significant Harm (DNSH) to these objectives; and
- respect the minimum social guarantees.

With regard to minimum social guarantees, Altarea Group is a signatory of the United Nations Global Compact and its principles in the areas of human rights, labour, the environment and anticorruption, and also respects the rights set by the eight fundamental Conventions in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.

In addition, as part of its responsible purchasing approach, the Altareit Group has identified its risks on its supply chain, particularly in terms of human rights, and implements action plans to mitigate and prevent these risks (see 4.3.4).

Lastly, in compliance with the Sapin II law, Altareit has set up an internal whistleblowing system so employees can report any conduct or situations contrary to the Company's ethics code (see 4.3.6).

Alignment of 2022 consolidated revenue with taxonomy by sector and criterion(1)

	Group	7.1) Construction of new buildings	7.2) Renovation of existing buildings	7.7) Acquisition and ownership of buildings
A) Eligible activities *(€ millions)*	2,711	2,563	144	4
ELIGIBLE ACTIVITIES *VS.* GROUP REVENUE	**99%**	**100%**	**100%**	**100%**
A.1) Aligned activities *(€ millions)*	1,184	1,158	23	4
ALIGNED ACTIVITIES *VS.* GROUP REVENUE	**43%**	**45%**	**16%**	**100%**
#1 Climate change mitigation	64%	64%	100%	100%
#2 Climate change adaptation	100%	100%	100%	100%
#3 Water and marine resources	88%	88%	100%	
#4 Circular economy	76%	78%	28%	
#5 Pollution	91%	90%	100%	
#6 Biodiversity and ecosystems	100%	100%		
Minimum safeguards	YES	YES	YES	YES
B) Non-eligible activities *(€ millions)*	18	-	-	-
NON-ELIGIBLE ACTIVITIES *VS.* GROUP REVENUE	**1%**	**0%**	**0%**	**0%**
C) Revenue *(€ millions)*	2,729	2,563	144	4

The alignment rate obtained for each criterion taken individually is high (64% at Group level for the substantial criterion of climate change mitigation). The overall alignment rate is, however, reduced by the cumulative nature of the criteria: non-compliance with a single criterion invalidates the alignment of the project analysed. It is also important to note that not all of the DNSH principles are applicable to all activities (see table below "Taxonomy alignment rate of Altareit's revenue in fiscal year 2022").

In the sector "7.1 Construction of new buildings", the alignment rate was 45%.

In the sector "7.2 Building renovation", the main business of renovation of old buildings is very efficient from an environmental point of view. Old assets in the office and urban logistics sectors are reducing the alignment rate of this activity.

(1) The total percentage alignment on the substantial contribution and DNSH criteria is a weighted average of the percentage alignment of each business line as a proportion of its total revenue.

Altareit revenue alignment rate with taxonomy in 2022

				Substantial contribution criteria						DNSH criteria										
Economic activities	Codes	Revenue in absolute value	% revenue	#1 Climate change mitigation	#2 Climate change adaptation	#3 Water and marine resources	#4 Circular economy	#5 Pollution	#6 Biodiversity and ecosystems	#1 Climate change mitigation	#2 Climate change adaptation	#3 Water and marine resources	#4 Circular economy	#5 Pollution	#6 Biodiversity and ecosystems	Minimum safeguards	Percentage of revenue aligned in 2022	Percentage of Capex aligned in 2021	Enabling activities	Transitional activities
		€ millions		%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E/T	
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																				
A.1. Activities eligible for taxonomy and aligned																				
Construction of new buildings	7.1	1,158	42%	100%	0%	0%	0%	0%	0%	N/A	YES	YES	YES	YES	YES	YES	42%	N/A		
Renovation of existing buildings	7.2	23	1%	100%	0%	0%	0%	0%	0%	N/A	YES	YES	YES	YES	N/A	YES	1%	N/A		T
Acquisition and ownership of buildings	7.7	4	0%	100%	0%	0%	0%	0%	0%	N/A	YES	N/A	N/A	N/A	N/A	YES	0%	N/A		
Revenue aligned with taxonomy (A.1.)		1,184	43%	100%													43%	N/A		
A.2. Activities eligible for taxonomy but not aligned																				
Construction of new buildings	7.1	1,405	51%																	
Renovation of existing buildings	7.2	122	4%																	
Acquisition and ownership of buildings	7.7	-	0%																	
Revenue eligible but not aligned (A.2.)		1,527	56%																	
Total A (A.1. + A.2.)		2,711	99%																	
B. ACTIVITIES NON-ELIGIBLE FOR TAXONOMY																				
Non-eligible revenue (B)		18	1%																	
Total A + B		2,729	100%																	

Capex

Eligibility

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

- 7.7 "Acquisition and ownership of buildings";
- 6.5 "Transport by motorcycles, passenger cars and commercial vehicles".

In financial year 2022, activities eligible under the european taxonomy represented 94% of the Group's Capex.

Share of 2022 capex eligible for taxonomy

	Ref. Paragraph	Group	7.7) Acquisition and ownership of buildings	6.5) Transport by motorbikes, passenger cars and light commercial vehicles
A) Eligible Capex *(€ millions)*	4.1	27	26	2
ELIGIBLE CAPEX *VS.* GROUP CAPEX		**94%**	**89%**	**6%**
B) Non-eligible Capex *(€ millions)*	1	2		
ELIGIBLE *CAPEX* VS. GROUP CAPEX		**6%**		
C) Capex *(€ millions)*	7.2.2	29		

Alignment

In 2022, the Group's capex alignment rate was 0%.

Altareit Capex alignment rate with taxonomy in 2022

Economic activities	Codes	Capex in absolute value	% Capex	Substantial contribution criteria						DNSH criteria						Minimum safeguards	Percentage of capex aligned in 2022	Percentage of capex aligned in 2021	Enabling activities	Transitional activities
				#1 Climate change mitigation	#2 Climate change adaptation	#3 Water and marine resources	#4 Circular economy	#5 Pollution	#6 Biodiversity and ecosystems	#1 Climate change mitigation	#2 Climate change adaptation	#3 Water and marine resources	#4 Circular economy	#5 Pollution	#6 Biodiversity and ecosystems					
		€ millions		%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E/T	
A. CAPEX ELIGIBLE FOR TAXONOMY																				
A.1. Capex eligible for taxonomy and aligned																				
Transport by motorcycles, passenger cars and light commercial vehicles	6.5	-	0%	100%	0%	0%	0%	0%	0%	N/A	YES	N/A	YES	YES	N/A	YES	0%	N/A		T
Acquisition and ownership of buildings	7.7	17	39%	100%	0%	0%	0%	0%	0%	N/A	YES	N/A	N/A	N/A	N/A	YES	39%	N/A		
Capex aligned with taxonomy (A.1.)		17	39%	100%												YES	39%	N/A		
A.2. Capex eligible for taxonomy but not aligned																				
Transport by motorcycles, passenger cars and light commercial vehicles	6.5	2	4%																	
Acquisition and ownership of buildings	7.7	16	36%																	
Capex non-aligned with the taxonomy (A.2.)		17	40%																	
Total A (A.1. + A.2.)		34	79%																	
B. NON-ELIGIBLE CAPEX																				
Non-eligible Capex (B)		9	21%																	
Total A + B		44	100%																	

Opex

In 2022, the Opex denominator is €3 million. This amount is mainly composed of the maintenance and repair costs of the Group's head offices: €2.96 million.

The total amount of this increase is less than 5% of the Group's operating expenses (€300.6 million). These operating expenses were not considered to be significant for Altareit'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.

Altareit Opex alignment rate with taxonomy in 2022

Economic activities	Codes	Opex in absolute value	% opex	Substantial contribution criterion						DNSH criterion						Minimum safeguards	Percentage of opex aligned in 2022	Percentage of opex aligned in 2021	Enabling activities	Transitional activities
				#1 Climate change mitigation	#2 Climate change adaptation	#3 Water and marine resources	#4 Circular economy	#5 Pollution	#6 Biodiversity and ecosystems	#1 Climate change mitigation	#2 Climate change adaptation	#3 Water and marine resources	#4 Circular economy	#5 Pollution	#6 Biodiversity and ecosystems					
		€ millions		%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E/T	
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																				
A.1. Capex eligible for taxonomy and aligned																				
Opex aligned with taxonomy (A.1.)		-	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	YES	0%	N/A	N/A	N/A
A.2. Opex eligible for taxonomy but not aligned																				
Maintenance and repair costs for the Group's head offices		-	0%																	
External R&D fees		-	0%																	
Opex eligible but not aligned (A.2.)		-	0%																	
Total A (A.1. + A.2.)		-	0%																	
B. NON-ELIGIBLE OPEX																				
Non-eligible Opex (B)		3.0	100%																	
Total A + B		3.0	100%																	

An exemplary environmental approach

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

- taking into account energy and environmental regulations in advance and in a more stringent manner: development projects prior to 2022 were already targeting energy consumption levels 10% below regulatory requirements in Residential and at least 30% below in Business property in the Paris Region;
- systematic application for labels and certifications: NF Habitat HQE, HQE™ "Very Good" and/or BREEAM® "Very Good" at least for office buildings;
- generalisation of ambitious building site charters (low pollution, waste recovery, etc.);
- development of the quality of buildings built (modularity, multi-use, comfort, health, etc.) or managed: for example, Cogedim has defined 10 commitments taking into account well-being, air quality, material neutrality, reduction of CO_2 emissions, energy savings, lighting, thermal and acoustic comfort in its residential programmes.

4.1.5 Altarea Group is committed

Altarea Group is committed to external initiatives and actively participates in sector bodies that promote sustainable development, in particular to anticipate changes to sustainability regulations and exchange best practice.

United Nations Global Compact and Sustainable development goals	Altarea Group is committed to the United Nations Global Compact corporate responsibility initiative and its principles on human rights, labour, the environment and the fight against corruption. Altarea Group decides its actions in light of the United Nations' Sustainable development Goals (SDGs).	WE SUPPORT UN GLOBAL COMPACT SUSTAINABLE DEVELOPMENT GOALS
Paris Climate Action	Altarea Group has been a signatory to the Paris Climate Action Charter since 2015, and renewed its commitment to the City of Paris by signing the Paris Climate Action Biodiversity Pact in 2022. Through this renewal, Altarea Group is committed to contributing to the development of a fair and inclusive low-carbon society model and recognises the need to make its economic model compatible with the development of a low-carbon economy and the strengthening of the nature network in Paris.	ParisActionClimat
AdaptaVille	Altarea Group took part, alongside Agence Parisienne and other partners, in the launch of AdaptaVille, a platform of concrete solutions to help cities adapt to climate hazards.	ADAPTAVILLE
OID	(Observatoire de l'Immobilier Durable), the sustainable property observatory is an independent general interest association which seeks to promote sustainability in construction. The Group is a founding member. Altarea Group contributes in particular to publications such as the Responsible Real Estate Barometer.	OID
BIG	Altarea Group is a founding member of the Biodiversity Impulsion Group (BIG) initiative, led by the OID, aimed at developing a common framework to improve the biodiversity footprint of real estate projects and better reconcile the urban and ecological functions of the regions.	BIG go big for nature
CIBI	Altarea Group is a member of CIBI (Conseil International Biodiversité et Immobilier), the International Biodiversity and Real Estate Council. As such, it signed the BiodiverCity® Charter in 2018, committing to preserving the biodiversity of cities and integrating living things into all urban projects.	biodivercity
BBCA	Altarea Group is a member of the Low-Carbon Building Association and monitors the work moving towards low-carbon construction.	BÂTIMENT BBCA BAS CARBONE
Re-use Booster	Altarea Group is a member of the Re-use Booster (Booster du Réemploi), an environmental transformation programme for companies that aims to structure and develop demand for reuse materials through large-scale collective action.	Booster du Réemploi
Industry bodies	Altarea Group actively participates in discussions on CSR issues at the FEI (Fédération des Entreprises Immobilières) and FPI (Fédération des Promoteurs Immobiliers).	FEI FRANCE FÉDÉRATION PROMOTEURS IMMOBILIERS
Diversity Charter	The Altarea Group is committed to the fight against discrimination and has been a signatory of the Diversity Charter since December 2013.	CHARTE DE LA DIVERSITÉ

4.2 Working as a public interest partner for cities

Scope	Objectives/Commitments	2022 results	Change 2021/2022	Comments
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 relatively stable since 2016 in Residential and has improved in Business property. This demonstrates the Group's commitment to projects with good transport links, which offer convenience and low-carbon mobility
Business property		**100% of surface areas under development are less than 500 metres from public transport**	=	
Residential	Measure share of local purchases	**72% of building site purchases from local service providers (<50 km)**	=	In 2022, the calculation was refined to better reflect the Group's impacts
Property Development	Reduce the carbon intensity per unit area by around 50% between 2019 and 2035[(a)]	**1.4 tCO_2e/m^2 (-8% since 2019)**	↘	The Group has created a structure to manage and achieve this objective: ▪ full alignment of GHG reporting with financial reporting; ▪ levers of action adapted to each business line; ▪ Climate targets integrated into compensation, to involve all employees
Neighbourhoods	Systematise ecological diagnostics on new projects	**100% of projects have an ecological diagnostic**	=	The Group systematically calls ecologist to promote useful, high quality urban biodiversity
Residential		**81% of projects have an ecological diagnostic**	↗	In 2022, the Group continued to roll out ecological diagnostics

(a) In living area (SHAB) for Residential, in floor area (SDP) for Business property and Retail.

4.2.1 Develop desirable urban projects with a positive impact

As an urban developer, Altareit shapes the living environment of millions of users. This mission gives it a great responsibility for the future of the regions where it operates and creates the following challenges and opportunities:

- on the one hand, environmental issues (climate change, biodiversity, natural resources, etc.) are now taken for granted and a major concern for the Company;
- also, the phenomena of metropolisation and the transformation of family units are contributing to land pressure on certain territories: cities must become denser and more accessible to all to meet the needs of each; and
- diversity (social, intergenerational, etc.) and solidarity are essential to the cohesion of the regions.

These underlying trends have been exacerbated by the COVID-19 crisis. Responding to this is a key issue for Altareit; today, local authorities are looking for proposals that take account of these transformations and make a positive contribution to the regions. How the Group responds to these new challenges will determine its success.

Altareit is determined to be a public interest partner for cities. The Group's operations provide answers to two key challenges:

- the development of desirable urban projects: Altareit believes in a dense and diversified city, offering a mix of housing, tertiary activities (shops, offices, services, etc.), public services and leisure spaces. The resulting proximity creates conviviality and sustainability. It helps cut travel with the concept of the "quarter-hour city" and gives a more human dimension to cities; and
- support for and positive impact on the regions: Altareit's activities have a significant impact on employment and the Group supports both the local economy and social economy organisations.

The current profound social, societal and environmental changes are bringing in their wake changes to cities and buildings. Altareit is convinced that the response to these changes requires a positive transformation of cities and regions.

Desirable urban projects

The density and diversity of the city

The Group has developed a skills and development platform covering all classes of property assets. Altareit brings together all its know-how to design and build innovative large urban projects combining housing, offices, shops, leisure activities, hotels, etc. These projects are conducted in collaboration with local authorities, developers, private players, investors and individuals. They enable the Group to engage on issues around complex urban redevelopment and regional development.

The Group is involved with 21 mixed projects across France. All are large-scale, bold projects, the forerunners of the urban living environments of tomorrow.

ISSY CŒUR DE VILLE

Issy Cœur de Ville is a new 3-hectares district, close to Paris and public transport.

Built on the site of the former France Télécom research and development centre (CNET), the district is emblematic of "the quarter-hour city", where city services and amenities are within 15 minutes travel. It is also an urban lung with nearly 1,000 trees and shrubs.

Housing, offices, shops, services and public facilities are blended together to create a new focus for residents, employees and visitors. A geothermal loop, deployed by ENGIE Solutions teams, meets the energy needs of all buildings in the neighbourhood, minimising the use of fossil fuels and reducing greenhouse gases emissions fourfold compared to a gas network.

The key figures for this project are as follows:

- 13,000 m² of green spaces (including 1 urban forest);
- 100,000 m² of housing, offices and miscellaneous equipment;
- 17,000 m² of shops and services (35 shops and restaurants, 1 UGC cinema, 1 nursery, 1 school, etc.);
- a third space: the NIDA, providing social spaces and digital experiences;
- a service portal: Easy Village, which makes life easier for residents (reservation of shared spaces, parcel delivery, neighbourhood social network, etc.).

The other large urban projects under development by Altareit are presented in the Business review (see Chapter 1 of the Universal Registration Document – Business review 2022).

Aside from these large urban projects, the Group introduces mixed-use as early as possible in its projects. For example:

- by developing shops on the ground floor of buildings. These retail outlets help liven up the region and boost housing projects. Their marketing (notably to local firms) guarantees a mix of complementary retailers to suit neighbourhood life and which are sustainable as a result of an economic model developed upstream;
- by encouraging schemes promoting access to housing for all: the use of reduced VAT and the sale of housing to social landlords accounted for 42% of new orders for 2022;
- 73% of Business property projects are multi-use.

In addition to this diversity of uses, the Group strives to promote social and intergenerational diversity: by offering housing for all budgets, student residences and senior residences *via* its Cogedim Club® brand or by participating in the development of intergenerational housing, in partnership with Habitat et Humanisme.

Proximity to transport links

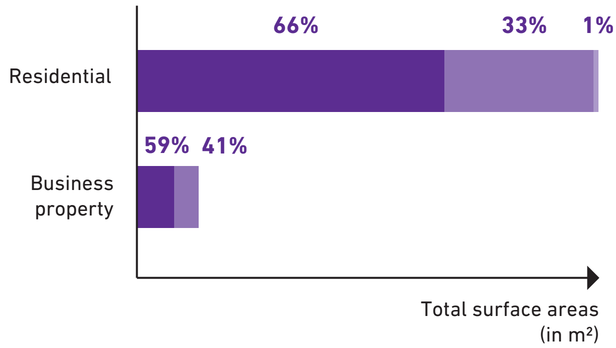
In Property Development, location and good connections to the transport network are crucial issues for the town planning of the future and the place of personal vehicles.

For Altareit, the main areas of work related to mobility are the movements of the occupants of the residential and office buildings sold. Therefore, for its new projects, in all its business lines, Altareit has been committed for several years to ensuring proximity to public transport networks, and to providing sustainable, practical and cost-effective mobility solutions (car sharing, shared parking, etc.).

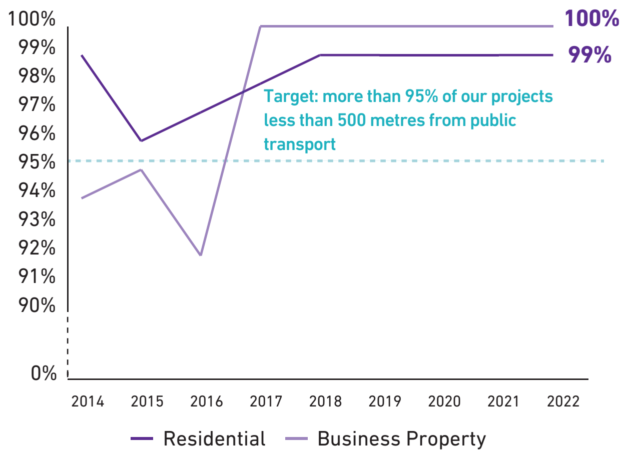
Residential and Business property

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 STOP



Urban projects with a positive impact

Altareit, supporting employment in France

As of 31 December 2022, the Group employed 1,552 people. It is a major customer (see 4.3.4) and therefore has a strong impact on employment in France. This is why Altareit has for several years been quantifying its indirect economic contribution in terms of employment and local development.

The Group's activities generate a significant volume of purchases, particularly in property development (construction, design and maintenance). Each direct job with Altareit in France supports 23 additional jobs in the French economy. So, nearly 40,000 jobs were directly supported by the Group's activity (purchasing, salaries, taxation, etc.) Based on actual purchasing and payroll data, the methodology is able to simulate socio-economic impacts:

- indirect jobs: jobs directly related to purchases of goods and services by the different Group entities; and
- induced jobs: jobs created by the consumption of direct and indirect employees in France.

Contribution to local economic development

Altareit intends to play a role in the economic development of the areas where it is established.

PERCENTAGE OF LOCAL PURCHASES IN DEVELOPMENT PROJECTS

The Group also promotes professional integration on construction sites. In 2022, 28% of Business property projects launched in the past two years had a professional integration clause. This figure is 100% in the Paris region.

Partnerships with positive impact players and contribution to the social economy

Altareit wants to develop partnerships with positive impact players. Among these, the Group pays particular attention to organisations in the social economy, for example in its retail programs: revitalization of the ground floor of buildings and creation of new neighbourhoods.

In 2022, to continue its work to raise awareness among Group employees, Altareit:

- held two learning expeditions in 2022, at Cycle Up (in the Paris region) and Eco'Mat 38 (in Isère), on the theme of reuse. These learning expeditions, filmed and then broadcast to all employees, aimed at presenting solutions that can be provided by social economy organisations;
- updated a guide to transitioning to action for employees. This document sets out specific ways to work with stakeholders to create positive impacts at every stage of projects. It brings together contacts on the themes of urban agriculture, nature in the city, services for residents, transitional urban planning, soft mobility and the circular economy and the social economy.

4.2.2 Energy and climate: developing 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, Altareit 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.

Altareit has set itself a target of a 50% reduction in the carbon intensity of its Property Development operations by 2030, and has put in place an organisation to manage and achieve this objective:

- full alignment of GHG reporting with financial reporting;
- levers of action adapted to each business line (see 4.2.2.3);
- integration of Climate objectives in compensation, to include all employees (both in the profit-sharing agreement and the bonus conditions for all Managers).

In 2022, Altareit reviewed the methodology for measuring its carbon performance, particularly in Property Development. Carbon emissions are now accounted for using the same data standards as its accounting revenue, with carbon accounted for on a "percentage-of-completion" basis.

The Group has also carried out in-depth work to standardise and improve the reliability of the methods used to calculate its GHG emissions. The historical data has been recalculated using a uniform method, and the Group has included the life-cycle analysis data in its calculation to be as close as possible to the actual.

This more robust method is documented in Section 4.5, and is a basis for monitoring the decarbonisation of the Group's activities. One of the major advances in the new method is full harmonisation with the financial scope, and a vision as close as possible to the reality of operations on the ground. Thus, the GHG emissions of operations are accounted for according to the progress of projects (construction emissions, the construction carbon index (ICc), are measured on the percentage completion of the works, and embedded emissions, the carbon energy index (ICe) are measured based on the progress of marketing).

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

Carbon intensity history

In gCO₂e/€	2019	2020	2021	2022
Carbon intensity	532	451	398	**391**

Since 2019, Altareit has reduced its carbon intensity by 26.6% and by 1.7% in 2022, illustrating the ongoing decarbonisation of the Group's activities. The Group's guidance is to continue reducing carbon intensity.

Altarea Group participates in sectoral discussions on climate issues through several organisations of which it is a member, in particular the Hub for low-carbon specifications (an initiative led by the French Institute for Building Performance (IFPEB)) and the RE2020 observatory. It is also committed to the Paris Climate Action Biodiversity agreement. The Group therefore undertakes to support the vision of a carbon-neutral city and 100% renewable energy in Paris by 2050.

Finally, adaptation to the effects of climate change is at the heart of policy-making, with the implementation of concrete climate resilience action plans, particularly in Residential.

4.2.2.1 Overview of Altareit's emissions

Altareit measures its carbon footprint according to the greenhouse gas Protocol (GHG Protocol) methodology, which is compatible with the French Bilan Carbone® assessment and ISO 14064.

History of the Group's carbon footprint by activity and scope

	Property Development												Corporate				TOTAL			
	Residential				Business property				Retail											
(tCO_2e)	2022	2021	2020	2019	2022	2021	2020	2019	2022	2021	2020	2019	2022	2021	2020	2019	2022	2021	2020	2019
Scope 1													898	793	792	825	898	793	792	825
Scope 2													572	514	538	565	572	514	538	565
Scope 3	914,120	907,185	982,452	1,041,000	101,740	139,078	203,421	314,926	48,769	69,734	93,016	177,619	1,247	1,101	1,100	1,146	1,065,877	1,117,098	1,279,989	1,534,691
TOTAL	**914,120**	**907,185**	**982,452**	**1,041,000**	**101,740**	**139,078**	**203,421**	**314,926**	**48,769**	**69,734**	**93,016**	**177,619**	**2,718**	**2,407**	**2,431**	**2,536**	**1,067,348**	**1,118,404**	**1,281,320**	**1,536,081**

Scopes 1 and 2 include energy consumed in office buildings as well as business travel by company car for corporate activities.

They are presented using a market-based approach. The latter uses the emission factor obtained from the energy supplier, and reflects a reduced carbon footprint in the case of the use of low-carbon energies. Conversely, the location-based method is based on the national emission factor, which is itself based on the sum of the emission factors of all energy production units (nuclear, wind, gas plant, etc.). The market-based and location-based breakdowns are shown below in 4.2.2.2.

Scope 1 amounts to 898 tCO_2e and scope 2 to 572 tCO_2e. This relatively low footprint can be explained by the Group's activities (mostly office work) and the low-carbon electricity mix in France. At its headquarters, the Group will use green energy from 2023.

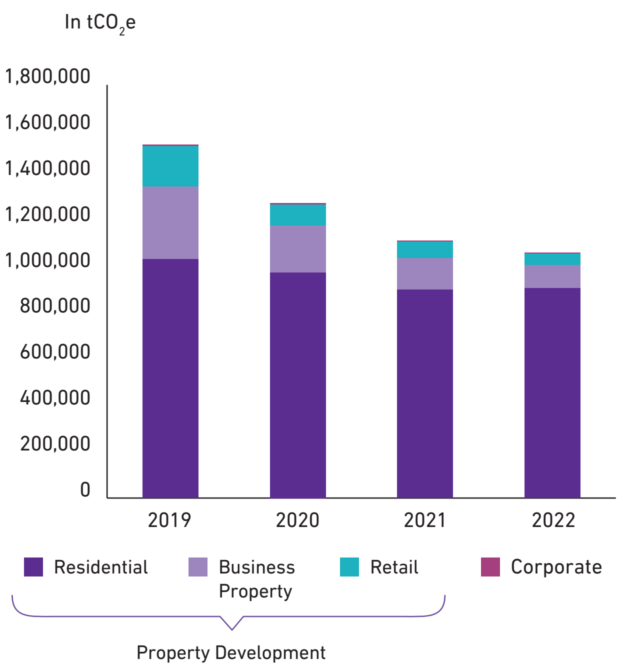
Scope 3 includes:

- for development activities, mainly the purchase of construction materials (immediate emissions) and the energy consumption of the occupants of the homes and offices sold by the Group, estimated over 50 years (embedded emissions); and
- for corporate, employee travel, excluding company cars (train/plane travel, mileage expenses, etc.).

The variations in total greenhouse gases emissions can be explained by two main factors:

- the Company's business activity (in particular the production of housing), because the new method for calculating GHG emissions is correlated with the progress of construction work and commercial marketing;
- the Group's efforts to decarbonise its activities (see analysis below).

CARBON FOOTPRINT HISTORY BY ACTIVITY

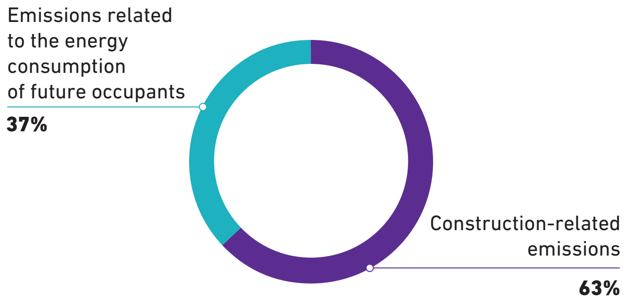


4.2.2.2 Analysis of emissions by activity

Property Development

Residential

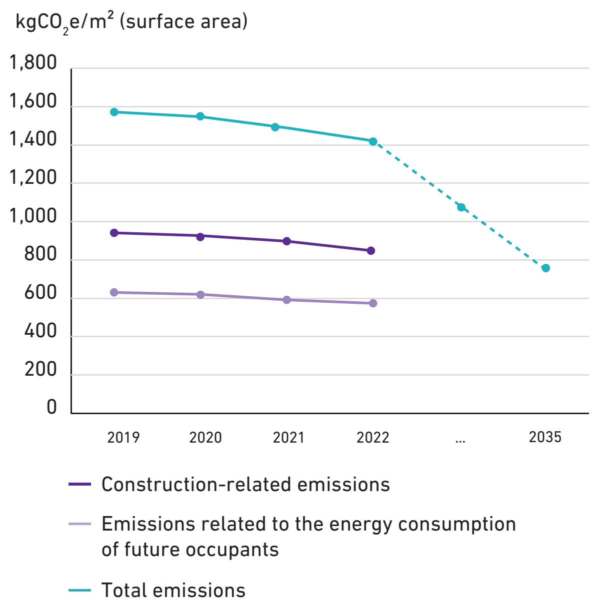
BREAKDOWN OF THE 2022 CARBON FOOTPRINT BY EMISSION CATEGORY FOR RESIDENTIAL



In 2022, approximately 63% of the Residential carbon footprint is composed of emissions relating to construction and 37% of emissions relating to the consumption of future occupants. These emissions all fall within scope 3.

It should be noted that emissions related to the consumption of future occupants included in the Residential carbon footprint have not yet occurred (share relating to the future use of the buildings over a period of 50 years).

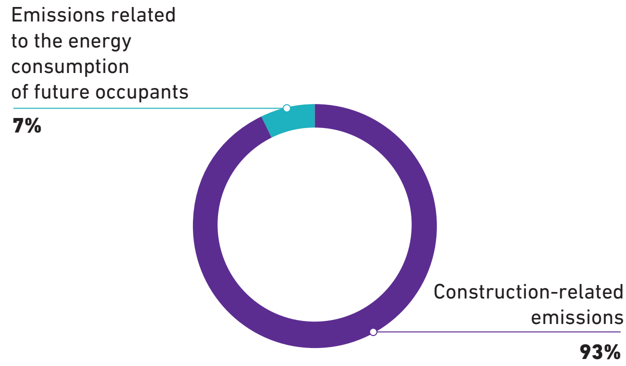
RESIDENTIAL CARBON INTENSITY PER UNIT AREA



Altareit committed to reducing the carbon footprint of its Residential operations, even before the new RE2020 environmental regulation came into force in January 2022. Anticipating these regulations has helped to significantly reduce the carbon intensity of projects since 2019, particularly emissions related to construction in the Residential business. The reduction will accelerate in coming years, with the implementation of numerous emissions reduction actions (see 4.2.2.3).

Business property

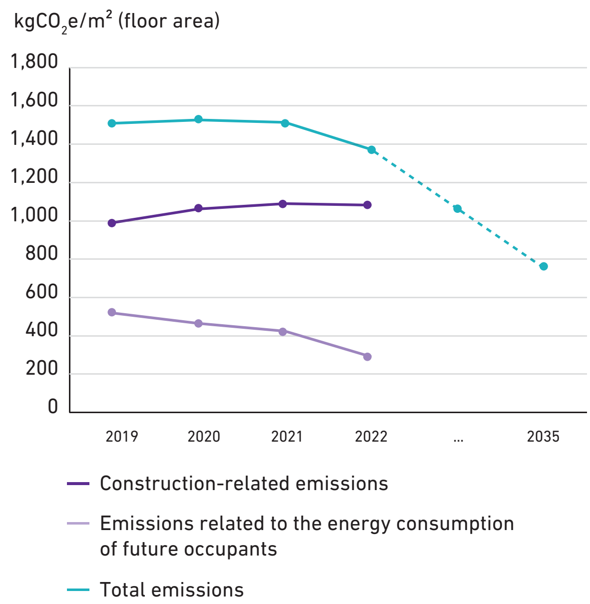
BREAKDOWN OF THE 2022 CARBON FOOTPRINT BY EMISSION CATEGORY FOR BUSINESS PROPERTY



In 2022, the carbon footprint of Business Property (entirely scope 3) is mainly composed of emissions related to project construction. This is due to the new methodology which counts the energy consumption of future occupants in proportion to the commercial completion rate.

It should be noted that emissions related to the consumption of future occupants included in the Business Property carbon footprint have not yet occurred (share relating to the future use of the buildings over a period of 50 years).

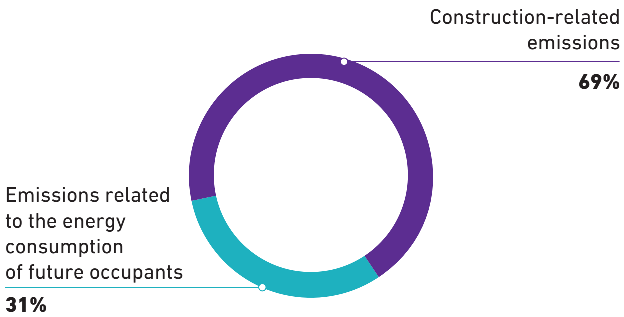
BUSINESS PROPERTY CARBON INTENSITY PER UNIT AREA



Like the approach taken for Residential projects, Altareit committed to reducing the carbon footprint of its Business Property projects, even before the entry into force of the RE2020. The reduction will accelerate in coming years, with the implementation of numerous emissions reduction actions (see 4.2.2.3).

Retail

BREAKDOWN OF THE 2022 CARBON FOOTPRINT BY EMISSION CATEGORY FOR THE RETAIL BUSINESS



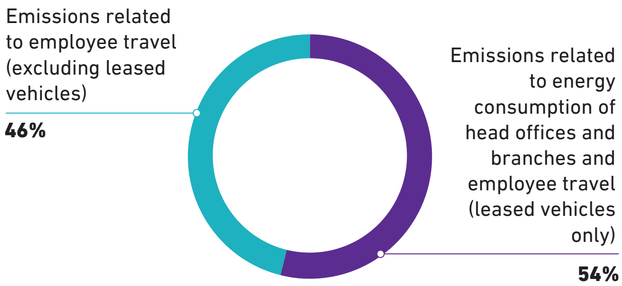
In 2022, the Retail carbon footprint (entirely scope 3) is mainly composed of emissions related to project construction (69%), while those related to future energy consumption of private areas are 31%.

It should be noted that emissions related to the consumption of future tenants included in the Retail carbon footprint have not yet occurred (share relating to the future use of the buildings over a period of 50 years).

Corporate

In 2020, the Group moved into a new head office, 87 Richelieu, a showcase for the Group's expertise in renovating office buildings to high environmental performance standards. Corporate emissions include those from the Paris and regional head offices and employee travel.

BREAKDOWN OF THE 2022 CORPORATE CARBON FOOTPRINT BY EMISSION CATEGORY



The figures below show 87 Richelieu's greenhouse gases emissions for 2022. They are also used to extrapolate GHG emissions for head offices in the regions. The calculations were based on 26,493 m^2 of surface area and 1,108 average FTE employees on permanent contracts in Richelieu.

Greenhouse gases emissions

	tCO_2e	$kgCO_2e/m^2$	$kgCO_2e$/ FTE
Market-based GHG emissions 2022	299	11.3	269.8
Market-based GHG emissions 2021	275	10.4	259.6
Location-based GHG emissions 2022	264	10.0	238.6
Location-based GHG emissions 2021	251	9.5	236.5

4.2.2.3 Altareit's approach to combating climate change

Mobilisation of the entire company

The Group uses all its skills to decarbonise its activities:

- it capitalises on its existing know-how: primarily through refurbishment rather than new construction, thanks to the experience of Altarea Entreprise and Histoire & Patrimoine. Also, by leveraging synergies with specialised players such as Woodeum, an expert in CLT timber construction;
- Altareit is trialling a number of low-carbon pilot projects: at Cogedim and Pitch Immo, around thirty projects representing 145,000 m^2 are now targeting performance that matches or exceeds RE2020 environmental standards by 2025. The methods used and the additional costs will be studied as part of the feedback;
- in addition, the Group is organising to meet the decarbonisation challenge: in 2021, 88% of employees were trained in climate issues affecting real estate, and the Climate objectives are included in everyone's compensation policies;
- lastly, the Group is working with its partners to better understand and make progress on decarbonisation: detailed analysis of LCAs to identify areas for action, review of framework agreements with the main suppliers, etc.

Reducing scope 1 and 2 emissions

Corporate

The figures below show the main consumption indicators for 87 Richelieu for 2022. The calculations were based on 26,493 m² of surface area and 1,108 average FTE employees on permanent contracts in Richelieu.

Head office energy consumption

	GWhpe	kWhpe/m²	kWhpe/FTE
2022 energy consumption	8.1	307	7,338
2021 energy consumption	8.2	309	7,721

Reducing scope 3 emissions

The Group's commitment to property development

-50% BY 2035 IN PROPERTY DEVELOPMENT

Altareit has committed to reducing the intensity of GHG emissions by surface area of its property development activities by 50% between 2019 and 2035.

This figure, which is regularly updated, is the result of a concerted approach to the business lines and has been validated by the Managers of each business unit as well as by Management. This Group target is both ambitious and economically and operationally sustainable.

Reducing the largest item: emissions from construction materials

65% of the Group's emissions come from the construction of new projects. This item is strategic and directly affects the Group's core design business. Since 2022, the new environmental regulation for 2020 (RE2020) has come into force and requires that construction materials do not exceed set carbon intensity ceilings. In addition, RE2020 has been accompanied by the general use of LCA, which enables Altareit to deepen feedback and improve the skills of the teams.

Reducing the footprint requires multiple solutions and involves a real transformation of design. Among them:

- energy efficient construction: refurbishment: the Histoire & Patrimoine subsidiary is dedicated to renovations, and the Business property activity has developed major expertise in creative restructuring, as evidenced by the 87 Richelieu building, the Group's new head office. Reusing the superstructure and foundations reduces emissions by around half; the circular economy is also an avenue for reducing resource consumption (see 4.2.4);
- the substitution of materials whose manufacture emits significant quantities of CO_2 with less carbon-intensive materials: wood (timber frame walls (TFW), timber frame façades (TFF), CLT, etc.), or concrete (wood-concrete, earthen concrete, "low-carbon" cement, etc.);
- innovative building design:
  - improve compactness to consume less materials, reduce infrastructure parking, etc.,
  - increase usage intensity to build less and make better use of buildings. Business property teams incorporate flexibilities to allow for changes in use, the privatisation or the opening of certain areas to open air at certain times of year for example (catering, auditorium, etc.). Residences for seniors are also open to business travellers, short family stays or students, maximising the use of surface area,
  - increase the lifespan by delivering high-quality projects that will last longer, and by anticipating future uses and building in reversibility. For example, the Group offers five-room apartments designed to be split into two apartments. From the design stage, the apartment incorporates the future possibility of having two independent doors, with two electrical panels and a load-bearing wall in the middle for sound insulation.

Reducing the second largest source of emissions: managing energy to reduce greenhouse gases emissions

Emissions related to the consumption of future occupants of offices and housing units sold by Altareit represent 33% of Group emissions.

This item represents a potentially significant source of avoided emissions, by applying the following approaches:

- building design is the first area of action, enabling good energy efficiency throughout the lifetime of the building and so lowering energy bills for occupants. The Group uses all available levers (bioclimatic design, envelope and insulation, high-performance equipment, consumption monitoring tools, etc.). A high energy efficiency level is a prerequisite for the projects developed by Altareit. All of the energy optimisation measures implemented are detailed under 4.2.2.3;
- the use of renewable energies when possible (geothermal energy, solar energy integrated into the building, wood-fired boiler room, etc.). In 2022, 69% of Business property projects used renewable energies and 37% generated them on-site;
- low-carbon energy supply: heat pumps, district heating;
- raising awareness among occupants and users: the final stage of the approach is that Cogedim teams systematically distribute the "Green Gestures" booklet to buyers, required for NF Habitat certification, which provides advice and tips on how to make the best use of your home (energy saving, summer comfort, etc.).

ISSY CŒUR DE VILLE: AN EXEMPLARY DISTRICT FOR CLIMATE TRANSITION AND ENERGY SAVING

Environmental performance is a key focus of the project, with:

- the creation of a district energy system: the entire district is supplied with heating, cooling and domestic hot water for housing by a private geothermal energy network;
- more than 70% of energy supplied by renewable energies: this high level is achieved thanks to the diversity of programmes. Centralised production makes it possible to pool needs between homes and offices and to recover waste energy;
- complementary innovative systems: cold storage as ice and use of domestic hot water production systems via digital boilers, recovering waste heat from remote servers;
- more than 3,000 m² 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 Altareit. Since 1 January 2022, RE2020 replaces RT2012. This new regulation sets more demanding energy standards than RT2012 and includes targets for carbon performance and summer comfort in operation. On a number of projects, Altarea Group has exceeded the standard.

The energy efficiency has been systematically improved for refurbishment projects.

Business property

For all projects under development, the Group seeks to achieve a level of energy consumption that outperforms the applicable thermal regulations. Thus, in 2022, 97% of Business property projects exceed regulatory requirements by more than 30%.

As in Residential, RE2020 came into force in 2022 and sets demanding standards. What is more, in 2022, energy savings exceeded the applicable regulations by an average of 49% (by surface area). These figures have been stable since 2017, reflecting the Group's ongoing commitment.

Finally, a commissioning process was made standard for 100% of Business property projects under development as of 2014, to ensure the proper functioning of technical equipment, notably systems responsible for heating/cooling production and output, and the achievement of planned performance.

Going further: being a key player in the low-carbon city

A simulation carried out in 2018 indicates that the movements of occupants of the homes and offices sold by the Group could emit 4.5 $MtCO_2e$ over 50 years (not included in the Group's carbon footprint).

To contribute to reducing these emissions within its scope of responsibility, Altareit designs operations to reduce the use of high-carbon mobility:

- the choice of land is the primary action lever: in accordance with its development strategy the Group selects sites with good public transport links (see indicators under 4.2.1);
- the programme can be enhanced by Altareit's offer of sustainable mobility solutions. In Residential, the Group undertakes to design and equip the bicycle sheds of its projects to high quality standards, with a location adapted for ease of use, secure closing systems, a tyre-pumping and repair station and a water point. In Business property, for example, more than 200 parking spaces pre-equipped with charging stations for electric vehicles have been developed in the Paris region, and precautionary measures are systematically taken to allow them to be installed during the first phase of operation. Similarly, throughout France, the Group's projects offer the best mobility solutions for local regions.

Internally, the main focus is on action to reduce emissions from the Company car fleet and roll out the mobility plan at the Group's new head office: a limited number of parking spaces and a mobility pack.

4.2.2.4 Adapting projects to the impacts of climate change

Over the past five years, Altareit 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.

For each of the regions where it operates, Altareit conducted a forward-looking study of local climate changes and the physical impacts of weather events on buildings, construction sites, lifestyles and the comfort of occupants.

On this basis, the Group designed and rolled out an action plan on adaptation, involving the technical, product, CSR and customer teams, among others. As a result a detailed guide to summer comfort solutions was published in 2020 for the Residential business. In 2022, this guide was completely revised to match the technical solutions with the requirements of RE2020. RE2020 came into force in 2022 and sets new requirements for summer comfort.

Finally, the Group is also working to combat the urban heat island phenomenon, for example by incorporating permeable coverings or vegetation, a source of cooling. For example, the KI project (in Lyon) includes various adaptation solutions: 2,075 m^2 of planted spaces are planned, as well as the recovery and reuse of rainwater for watering green spaces. A cooling system has also been developed for the core of the building.

4.2.2.5 Awareness and training

One of Altareit's strong convictions is that the Company's transformation on climate issues will only be achieved with the contribution of all employees. Thus, prior to the deployment of carbon road maps by activity, Altareit decided to roll out, from 2021, an in-depth training course on the subject of climate and CSR. This e-learning course, both informative and fun, is composed of five modules:

- "Climate change", seeking to raise employees' awareness of climate change and the link to Group strategy;
- "RE2020, key principles", seeking to explain the relationship between the RE2020 environmental regulations which came into force from 2022 and issues relating to mitigation and adaptation to climate change;
- "The circular economy in property", seeking to promote circular economy solutions at every stage of the building's life cycle;
- "What is CSR at Altarea?", seeking to explain the strategic challenges of the Group's CSR approach and specifying the major topics; and
- "Insight to low-carbon solutions", seeking to present ways to improve greenhouse gases emissions in the property industry, both on materials and energy.

In 2022, this training course was continued and is available to all Group employees. It is also part of the on-boarding process for new recruits. Also concerning training, a new module entitled "4 minutes on the circular economy" was created in 2022 and made available to all.

Other training sessions are planned for 2023: awareness-raising, more technical focus on specific topics, experience sharing, meetings with players offering innovative solutions, learning expeditions, etc.

Two learning expeditions were run by the CSR Department in 2022 on the theme of the circular economy. The first was held at Cycle Up, in Saint Ouen, devoted to the opportunities for reuse of materials from demolition sites. The second, near Grenoble, to visit and meet the stakeholders of the EcoMat38 site, a platform for the reuse of construction materials located near Grenoble.

4.2.2.6 TCFD compliance

Climate risk is a subject of particular attention within the Group. The table below shows the report according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

1. Governance

Supervision of climate issues by Management

Climate-related topics are supervised and managed by a member of the Executive Committee. Management discusses these issues with this member of the Executive Committee and the CSR team several times during the year. Four ad *hoc meetings* were held in 2021. As 2021 was marked by the updating of objectives relating to mitigation issues, five additional meetings were organised with the departments of each Group business unit.

At these meetings, management is:

- informed of key issues, new issues and new risks;
- called upon to make decisions about the transformation of the Company on climate issues;
- informed at least once a year on performance trends and the achievement of objectives.

Organisation of the assessment and management of climate-related risks

Mitigation and adaptation issues are integrated to the Group's risk mapping and the resulting strategic decision-making. For example, adaptation issues have been added to the brief of the Commitment Committees in Residential Property Development.

The CSR team, which reports to a member of the Executive Committee, is in charge of climate issues, including risk analysis:

- in 2019, an in-depth assessment of physical risks was carried out on the areas where development projects are located;
- also in 2019, the ESG risk analysis carried out for the Altarea Group's DPEF included an analysis of climate risks. It is updated every year;
- the Group's risk mapping includes climate risk. This mapping is managed by the Risk Department, presented to Management and the Executive Committee, and used to decide corrective and preventative action plans;
- in 2020, specific work was carried out on the risks related to mitigation issues: the identification of levers for reducing emissions with initial financial figures. The analysis was further developed in 2021 with short- and medium-term estimates and a detailed analysis of low-carbon sectors.

2. Strategy

Short-, medium- and long-term risks and opportunities, and impact of these risks on strategy and operations

Altareit's business, city building, is a long-term business. Every day, the Group's teams reconcile short-term issues, such as obtaining building permits or managing real estate projects, with longer-term perspectives, such as questions of the city of tomorrow, the construction methods of the future or the uses of future residents.

The Group therefore systematically considers the long-term consequences of its choices, since the "products" that it puts on the market – buildings and neighbourhoods – are intended to last at least 50 years (and possibly be modified at the end of 10 years, as it is usually within this period that the first renovation takes place). This long-term approach also applies to the consideration of climate issues.

With this in mind, Altareit has identified the climate-related risks that could have a material impact on its activities, at different times. The potential impacts can be financial, but also physical or strategic (with financial consequences as well).

Risk analysis

Climate-related risks	Potential impacts for the Group	Actions taken
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 gases emissions and by future regulations (including taxation and more stringent standards). In particular, identification of risks: ■ regulatory: RE2020, carbon taxation, increasing reporting obligations; ■ market: increasing demands from customers or elected officials; ■ reputation: linked to the significant impact of the sector.	**Short- and medium-term:** ■ increased design and construction costs (new materials and new techniques); ■ increased investment in operations; ■ access to markets and land more difficult due to increased environmental requirements. **Medium- and long-term:** ■ decreased attractiveness of operations.	■ programming systematic testing of new low-carbon solutions and feedback with costing; ■ anticipation of costs in business plans; ■ systematic certification and testing of new labels arriving on the market; ■ regulatory watch; ■ monitoring the expectations of stakeholders: local authorities, elected officials, individual customers, investors, etc.; ■ culture of agility; ■ policy of partnership with key low-carbon players (Woodeum); ■ diversification of the offer and skills ("skills platform"), with subsidiaries specialising in low-carbon construction (such as rehabilitation).

Risk analysis

Climate-related risks	Potential impacts for the Group	Actions taken
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.	**Short- and medium-term:** ■ loss of comfort for occupants, with a particular risk for senior residences; ■ construction delays; ■ additional costs related to different construction methods. **Medium- and long-term:** ■ impairment of property development activities.	■ risk mapping based of the areas where it operates, and targeted action plans: in-depth analyses of the risks of the effects of climate change on its activities, with a special focus on the intensification of weather events (heatwaves, floods, drought, violent winds, etc.) and their repercussions for lifestyles and the built environment (according to two IPCC scenarios: one optimistic (RCP4.5), and one pessimistic (RCP8.5)); ■ summer comfort approach in housing design; ■ anticipation of costs in business plans; ■ permanent monitoring by product teams to adapt the offer.
Opportunities	Since 2010, the Group has addressed climate issues by a process of measurement and target-setting. It has a wide range of expertise in the field and so stands to gain from its head start at a time when regulations are becoming stricter and customer expectations are increasingly demanding.	■ watch: see above; ■ maintaining a "head start" on all climate-related issues, a calculation methodology that measures climate data in parallel with financial data, etc.

Focus on products and services

In the short term, the entry into force of RE2020 requires a general change in the design of buildings, with a low-carbon approach, even greater energy efficiency and summer comfort conditions. Another short-term risk is the uncertainty related to the revision phases of future thresholds and the associated calculation methods. Like the rest of the industry, Altareit must be agile when it comes to announcing changes.

In the long-term, the entire property sector will have to undergo an in-depth transformation by designing:

- low-carbon or even carbon-neutral neighbourhoods and buildings that produce energy, etc.;
- neighbourhoods and buildings resilient to the physical impacts of climate change.

Altareit's responses:

Altareit is anticipating future developments by multiplying low-carbon experiments and building up expertise in ways to reduce its footprint: low-carbon materials (wood, bio-sourced), renewable energies, district heating systems, design optimisation, innovative heating methods, etc. Building on these experiences, the Group will be able to gradually adapt to new restrictions, in particular the increasingly ambitious thresholds of RE2020.

Longer term, the Group has many strengths that allow it to carry out an in-depth transformation:

- a strong culture of experimentation and entrepreneurship that enables local teams to develop their skills;
- strong agility and adaptability, as demonstrated by its response to the pandemic in 2020;
- developing internal R&D, in conjunction with the technical, innovation and CSR teams.

Focus on the supply chain

In the short-term, in order to adapt to RE2020 in particular, Altareit will have to use new materials and new service providers capable of delivering the low-carbon buildings expected.

In the longer term, Altareit 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.

Altareit's responses:

Altareit 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.

In the longer term, the aim is to review the economic model, by inventing new value creation formats.

Altareit'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.

In the longer term, the innovation team is working on establishing new *business models*, compatible with climate issues, particularly with regard to the intensity of use and flexibility of buildings.

Link between climate and value creation

Altareit has taken stock of climate issues and the expectations of stakeholders (investors, citizens, elected officials). The Group's *license to operate* will depend heavily in years to come on its ability to produce resilient low-carbon projects. Likewise, access to capital could be easier for low-carbon operations. In fact, the value creation of the Company is already closely linked to the climate.

The Group's numerous experiments in the regions aims to prepare it to meet the new climate requirements of the market, whether in terms of reducing its footprint or designing buildings adapted to new climate conditions.

Finally, the Group is constantly on the lookout for green financing. It is already taking climate issues into account in its acquisition and divestment policies: for example, in 2019 the Group created a strategic partnership with Woodeum, a major player in timber construction, to anticipate demand for low-carbon construction.

A strategy resilient to climate scenarios

Altareit is well aware of the challenges related to the climate transition and the transformations this will entail. However, the Group has the necessary strengths to face future developments: continuous acquisition of skills on the subject of low carbon, awareness-raising among teams, excellent agility, anticipation of financial requirements. The Group's strategy therefore seems compatible with the various climate scenarios, even if this will involve business transformations in the medium-term. In any case, the Group's market is huge, whatever the climate challenges (need for housing, work, consumption, etc.). This market is not threatened by climate issues. However, the Group is doing everything it can to guarantee its access to this market by its agility and its ability to anticipate the climate shocks of tomorrow. This underpins the resilience of its corporate strategy.

3. Risk management

Process for identifying and managing climate-related risks and integration into the Group's risk management processes

Climate risks are included in the Group's risk mapping, which is revised every three years. This mapping covers all of the Group's business lines as well as corporate functions. As such, climate risks are subject to a detailed classification, and are assessed by incidence and impact (financial, legal, image, etc.). The Group's Managers are asked to assess these risks, and results are fed back to the Executive Committee and Management. Decisions to manage these risks are thus taken by the Executive Committee, which determines the policies and actions to be implemented. Details of this mapping are not public.

This mapping focuses on current risks (regulatory, physical, market, etc.). In addition, the CSR team monitors emerging risks (emission limits, related risks related to access to materials or to biodiversity, etc.). These topics are included in the Altarea Group DPEF, but not in the Group risk mapping as long as they are emerging.

4. Indicators and targets

This chapter describes the indicators tracked by the Group. 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 projects, etc. The methodologies used are presented in Chapter 4.5.

The objectives associated with these indicators are presented next to each indicator and in the summary table at the beginning of this chapter.

The Group is committed to setting science-based targets *in order* to comply with the objective of maintaining global warming below 1.5°C.

Since 2019, Altarea's GRESB rating, which includes a significant component related to indicators has had a significant impact on management's variable compensation. Lastly, in 2021, Altareit:

- defined a new greenhouse gases emissions reduction target for its scope 3;
- incorporated, with the agreement of the social partners, targets relating to climate issues in the profit-sharing agreement and the bonus conditions for Managers until 2023.

4.2.3 Preserving natural spaces and promoting nature in the city

Combatting urban sprawl and the artificialisation of the soil and protecting biodiversity, including in the urban environment, are big issues for local communities. Against a background of extinctions of species and deteriorating natural environments, local and national regulatory pressure is rising, as are public expectations.

The presence of nature in the city is also a factor of well-being for residents. The COVID-19 pandemic highlighted the vital role of the natural environment to citizens' physical and mental well-being.

Altareit structures its approach around the notion of "useful nature", which means the nature dimension of a real estate project cannot be solely aesthetic but must offer additional positive externalities: lasting biodiversity, sense of well-being, refreshing power, etc.

The Group's action is organised around the following principles:

- preserving natural spaces and avoiding artificialisation and waterproofing thanks to land use and open land;
- protecting existing biodiversity and develop high-quality, interconnected green spaces through widespread use of ecologists;
- using vegetation to prevent the effects of climate change, in particular local flooding and the effects of urban heat islands;
- promoting nature in the city for the well-being and comfort of customers and users.

In addition, the Group's activities do not release directly toxic discharge or pollution into the environment or water. On building sites, the Group has its service providers sign a low-nuisance building site charter to ensure that they control their waste, and other risks of pollution.

Lastly, Altarea Group participates in sectoral initiatives and discussions. In March 2018 the Group signed the International Biodiversity & Property Council (IBPC)'s BiodiverCity® charter under which it is required to protect biodiversity in cities and incorporate the natural world in any urban project. Since 2021, Altareit and several urban and regional players launched the applied research and collective action programme Biodiversity Impulsion Group (BIG) with the aim of developing a common framework of standards for indicators and measurement tools and improving the biodiversity footprint of real estate projects.

FOCUS ON ISSY COEUR DE VILLE, A CERTIFIED NEIGHBOURHOOD

In 2022, the Group inaugurated the new Issy Coeur de Ville district, a mixed-use neighbourhood comprising housing, a senior citizen's residence, offices, shops, leisure areas and public facilities. This new district is certified as WELL Community standard, BiodiverCity®, HQE™ and BREEAM®, demonstrating the Group's ambition to create sustainable real estate projects, where nature has its place in the city. It includes a 7,000 m² urban forest and 13,000 m² of green spaces.

Combatting artificialisation

Altareit's activity is mainly located in areas that are already urbanised. The Group favours urban densification and urban redevelopment rather than urban sprawl and the artificialisation of soils, as evidenced by the number of projects to refurbish or redevelop neighbourhoods and development areas.

Its subsidiary Histoire & Patrimoine has specialised for more than 15 years in restoring old buildings throughout France. In addition, in 2022, 39% of the Group's Business property projects in the Paris Region were refurbishments.

Urban redevelopment allows efficient land use and represents an opportunity to reintroduce nature in the city. The Group ensures this by paying particular attention to the quality of the green spaces created, in particular open ground, and to limiting waterproofing.

Protection of biodiversity

The Group pays particular attention to maintaining or enhancing the fauna and flora present. Biodiversity is systematically taken into account in all projects thanks to the Group's ambitious certification strategy.

For large projects, already closely regulated, the Group always exceeds requirements with in-depth studies and action plans. The use of an independent ecologist is systematic in neighbourhood projects and has also been generalised for projects subject to BREEAM® certification. For each of these projects, the ecologist carries out an ecological diagnosis to identify ecologically important areas of the site or those to be reconstructed. This work makes it possible to organise the project around these areas, whilst preserving or creating links to surrounding ecological spaces. The creation of ecological corridors supports qualitative and sustainable urban biodiversity. Ecologist recommendations are subsequently included in the project management specifications for preserving the ecology of the site. All district projects and 81% of Residential projects have an ecological diagnostic.

Finally, the BiodiverCity® requirements can be used in addition to environmental certifications such as HQE™ and BREEAM®. They impose more demanding requirements for biodiversity in a property development. In 2022, the Group received the BiodiverCity award for Committed Client, coming 3rd in the overall ranking of 26 projects. This award recognises clients who, by integrating the BiodiverCity® approach into many projects, make the living world part of their ambitions, and commission projects that meet the biodiversity challenge.

Combatting the effects of climate change

As part of its actions to protect natural spaces and biodiversity, the Group is focusing its choices on solutions that also contribute to the fight against the effects of climate change.

With an effective rainwater management plan, planted areas, in particular open ground, make it possible to limit discharges into networks. In addition, vegetation limits urban heat islands thanks to its cooling power.

Nature in the city and well-being

Altareit is convinced that the presence of nature in the city is an important factor in the well-being of its inhabitants and users. The Group is working on the concept of biophilic design in its projects.

The balance between buildings and green spaces allows natural light to come through and offers nice views, enhancing the comfort felt by users. The COVID-19 pandemic, with its successive lockdowns, has reinforced the importance of this balance in the city. For several years, the Group has paid particular attention to its projects' links to the outside world as part of its quality approach. In 2022, 97% of housing units have access to a private outdoor space (see 4.3.2).

Finally, setting up relaxation areas and encouraging the presence of local wildlife makes it possible to reinforce the convivial and educational dimensions of a neighbourhood.

PROTECTING BIODIVERSITY IN TOULOUSE

Special importance is given to nature in the project at the former Centre d'Essais Aéronautiques de Toulouse (CEAT).

The collaborative work carried out with the ecologist will reduce the waterproofing of the site by 17% and means that half of the area is open ground. Small animal habitats and corridors will be installed to protect local fauna. They will also be preserved during the works thanks to an adapted construction schedule and the installation of alternative habitats.

Lastly, the neighbourhood greening plan will make it possible to combat heat islands in order to provide a pleasant living environment for residents and users.

4.2.4 Promoting the circular economy and resource conservation

The construction sector (building and public works) accounts for 70% of waste produced in France[1]. Given this situation, the Group has launched a long-term investigation into better management and use of natural resources, the reuse or limitation of waste, as well as the integration of eco-design practices (use of alternative channels, extension of the lifespan of buildings, intensification of their use, etc.).

The circular economy, which is the opposite of the linear economy (produce, consume, destroy), is a virtuous way to make the most of resources and reduce the environmental impacts of property throughout the life cycle of a building:

- design: the most important phase as the aim is to find a solution that balances the environmental impact of resources used (refurbishment, recycling, reuse, etc.) and a building's capacity

(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.

to avoid early obsolescence (energy performance, evolving and reversible architecture, ease of deconstruction, etc.);

- construction: reducing waste generated at construction sites, sorting, reusing and promoting recycled or local materials;
- operation: reducing consumption (energy, water, etc.) and waste generation in the operational phase, sorting and reusing residual waste, extending the building's useful life whilst intensifying and diversifying its uses to sustain its economic value;
- end-of-life: increase the life of the building by allowing for changes of use. Where conversion to new use is impossible, a diagnostic is conducted to decide whether the best solution is refurbishment or demolition.

Residential and Business property

Refurbishment and recycled materials

Due to its presence in urban areas, Altareit confronts the issues of density and age of the urban fabric. The Group systematically favours refurbishment, which consumes less materials and produces less waste than complete demolition-reconstruction. If the Group carries out a demolition, it ensures that the materials are reused *in situ*, wherever possible, or that they are made available to other stakeholders on material exchange platforms.

In Residential, one of the Group's brands, Histoire & Patrimoine has specialised for more than 15 years in the refurbishment and restoration of old buildings throughout France. The façades and supporting framework of buildings are always preserved, unless there is a proven structural problem. In 2022, this activity represented nearly 220,000 m^2 of refurbishments in progress or completed during the year.

In Business property, the Group has developed unique expertise which means its refurbished buildings achieve energy and comfort performance levels equal to those of its new buildings. Refurbishments represent 39% of real estate projects in the Paris Region (by surface area), and more than 30% since 2015.

RE-USE BOOSTER

Launched in 2019, this sector initiative brings together customers (project Managers, project Managers, contractors, etc.) with the aim of organising, structuring and massifying the supply and demand of reuse materials in the real estate sector.

Altarea Group joined this initiative in 2020. In 2022, the partnership with the Booster meant the Group could explore the options for reuse in a wide range of projects, including Residential, stations and Business property programmes. This commitment was reflected in the #Community project, Groupama's new regional headquarters in Mérignac. In this exemplary operation, nearly 2,800 m^2 of false floors, more than 500 m^2 of carpet and some of the tiles were reused.

As an illustration of the Group's expertise in mixed-use neighbourhoods, the "Jardin des Pépinières" project in Rouen also benefits from this support. This site, now occupied by disused "glass and steel" buildings, will be transformed into a living neighbourhood and the issue of reuse has been integrated into the project. Structured feedback makes it possible to extend new practices more widely.

Low-waste construction sites

Hazardous waste is not produced directly by the Group's activities. On construction sites, the Group's service providers may have to deal with hazardous waste, particularly in the case of demolitions/refurbishments. For example, by signing a clean site charter, this waste must be treated correctly. In 2022, 93% of projects under development were covered by their own clean site charter.

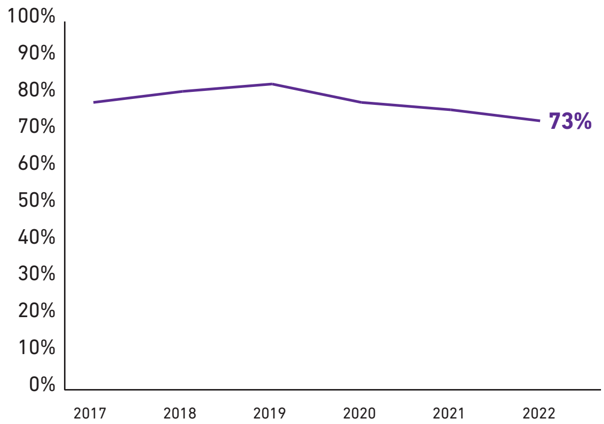
84% of waste from Business property building sites is recovered, of which 62% is material

Altarea Group is committed to various sector initiatives by participating in working groups and through partnerships, in particular the Reuse Booster.

Intensification of use and reversibility

The Group's multi-business model means it can deliver mixed-use projects at neighbourhood scale. The same multi-use approach can be applied to buildings. The Group incorporates adaptable and multi-use spaces, making buildings flexible and scalable over time and so reducing the risk of obsolescence.

PROPORTION OF BUSINESS PROPERTY PROJECTS THAT ARE MULTI-USE



Corporate

Waste generated by the head office

In 2020, the Group moved into its new head office, 87 Richelieu. The operating contracts include ambitious CSR clauses on building management and monitoring of consumption and waste, including a zero-plastic policy.

The figures below show waste data for the head office.

Waste generated at the head office and percentage of recovery

	Tonnes	kg/m^2	kg/FTE	Percentage of waste recovered
2022 generated waste	58.57	2.21	52.86	100%
2021 generated waste	60.60	2.29	57.17	99%

4.2.5 Sponsorship and partnerships

Group sponsorship policy continues

Altarea's philanthropy policy applies to Altareit. In 2022, the Group continued to publicise and apply its philanthropy and sponsorship policy, in line with its desire to make a positive impact in its regions, around three main themes which, in particular, strengthen the Group's local ties:

- contributing to economic development of the regions by strengthening links to the local social fabric (associations, social enterprises, social economy, etc.) to enhance the positive impacts of its activities on the local economy, particularly jobs (see 4.2.1);
- social initiatives: use the Group's skills to help the most disadvantaged by promoting access to housing and supporting charities that create social cohesion locally;
- support for culture and artistic creativity, bringing art to a wider public, anchoring the Group's property projects in their cultural context.

The Group's sponsorship and partnership strategy is governed by an internal procedure. This was set up as a third-party assessment procedure and implemented in collaboration with the Internal Control Department. The Group's employees received a sponsorship and partnership best practice guide outlining the Group's sponsorship strategy and procedure.

Contribution to local economic development

The Group continued its sponsorship of the Fondation Palladio, of which it is a founding member. The Fondation Palladio is a forum for thinking about building the city of tomorrow and its living spaces.

Also launched by the Palladio Foundation, the Université pour la Ville de Demain (UVD) has set up collective initiatives to accelerate the actions of real estate professionals toward climate transition. Altarea Group is very active and involved, participating in five working groups. In addition, as every year, an auditor from Altarea Group participates in the training program of the Palladio Institute.

Social actions – Long-standing partnership with Habitat et Humanisme

In 2022, Altarea Group renewed its commitment to Habitat et Humanisme by signing a new sponsorship contract for a period of three years. This partnership will focus on four areas:

- financial support for real estate projects, including collective housing (particularly intergenerational and inclusive housing), projects for the elderly (care/residential), or projects with exemplary sustainability;
- the financing of three salaried positions at Habitat et Humanisme;
- Altarea Group'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.

The Altarea Group 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 Group financed temporary housing for families during the lockdown. In 2022, in the context of the war in Ukraine, the Group mobilised to provide housing in Cogedim Club® for Ukrainian families.

The involvement of the Group's employees in this partnership is an important element in bringing it to life. Thus, in 2022, during the Solidarity Hour, employees took part in a sponsored run using the app km for change which collected donations for the charity. Employees were also able to take part in a *Fresque du Logement* workshop, run in coordination with the Habitat et Humanisme teams in the Paris Region. This collaborative workshop helped participants understand the issues with access to social housing, raised awareness of the work done by Habitat et Humanisme and stimulated debate around the issue.

Finally, at the end of this event, an e-book written in 2021 on the long-standing partnership between Altarea Group and Habitat et Humanisme was sent out to all employees.

Supporting culture and culture for all

The Altarea Group is committed to constantly promoting talents in all forms of artistic expression (sculpture, painting, music, etc.).

In 2022, the Group renewed its commitment to the Opéra Comique. The sponsorship programme meant Group employees could enjoy guided tours of the Opéra Comique, tickets for performances and discounted prices. This sponsorship is based on the Group's desire to promote culture for all.

"Tous engagés" to solidarity projects

In 2022, the CSR Department launched the "Tous engagés pour vos projets solidaires" (all committed to your solidarity projects) initiative. This initiative, which is directly linked to the Group's CSR approach, aims to provide funding for employees' personal solidarity initiatives that are not part of a professional project.

The jury is made up of employees from the Group's various business lines and CSR ambassadors. A first call for projects was launched in December 2022.

4.3 Placing the customer at the heart of actions

Scope	Objectives/Commitments	2022 results	Change 2021-2022	Comments
Group	Work to satisfy customers across all our business lines	**Top of the HCG/Les Échos customer relations rankings**	↗	In the top three for three years, the Group is recognised as a benchmark in customer relations, for the speed and quality of responses to customers. In 2022, it took first place in the rankings
Residential	Commitment to customer satisfaction	**Customer Service of the Year Award for the 6th consecutive year**[a]	=	This award recognises the efforts made for several years to support customers
Residential	A quality guarantee: 100% of projects certified NF Habitat[b]	**100% of projects certified NF Habitat**	=	The Group has been 100% NF Habitat certified for seven years, reflecting its continuous efforts to strive for quality
Neighbourhoods	Develop pleasant living spaces	**Development of two WELL Community Standard neighbourhoods, including Issy Cœur de Ville, the first pilot project in France**	=	As a result of these projects, the Group plans to build up its expertise when it comes to quality of life in neighbourhoods
Business property	100% of new projects certified at least HQE™ "Very good" and/or BREEAM® "Very Good"	**100% of new projects certified**	↗	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	Strengthen the digital connectivity of projects	**100% of projects in the Paris region are working towards a digital connectivity label**	=	The Group continues to offer long-term performance to its customers with regard to technology

(a) Property Development category – BVA Group survey – Viseo CI – More information on escda.fr.
(b) Excluding Severini, co-development, refurbishments and managed residences.

4.3.1 Dialogue in the service of customer and user relationships

The changing structure of households, new forms of work and mobility, the growth of the collaborative economy – social and technological changes are transforming customers' ways of life and habits. They are looking for custom solutions and desire a special relationship with their contact throughout the buying experience.

Altarea Group is committed to changing its offers so that they continue to meet customer needs and expectations. To do so, the Group is strengthening its relationships with its customers. There are formal methods for dialogue and measuring satisfaction in each business line: surveys and studies, live or digital interactions, etc. Customer satisfaction is the Group's prime objective, which puts its excellence and creativity at their service.

WE ARE ALL INVOLVED IN PROVIDING CUSTOMER SATISFACTION

Customer satisfaction guides the Group's action. The Group has created and deployed a wide-ranging training programme for all its employees. The aim is to raise awareness and regularly emphasise the role of each individual in customer satisfaction.

The Group's commitment is reflected in its continuous process of listening to and analysing customers' perceptions and expectations, which guide the evolution of the solutions and services offered.

To encourage the creation of new services, an internal competition was launched this year. Dozens of ideas were submitted from the field. The most promising ones will be trialled and then deployed nationwide.

The Net Promoter Score, one of the criteria for extra-financial profit-sharing

Since 2015, Cogedim has been measuring its Net Promoter Score (NPS), an international indicator that assesses customer satisfaction with a brand. This has increased by 25 points in eight years.

Since 2021, this indicator has been taken into account in the calculation of the Group's profit-sharing agreement. In addition to financial criteria, the agreement includes extra-financial criteria aligned with the Group's strategy, in particular the trend of Cogedim's NPS. In 2022, the Group wanted to engage all its employees in serving customers and also included Histoire & Patrimoine and Pitch Immo in this approach.

Residential

Customer Service takes care of customer satisfaction at each step of the buying experience. In-house procedures are dedicated to dialogue and monitoring satisfaction at each step.

Dialogue with customers

The customer journey is based on a human and personalised relationship at each stage of the project with several systems:

- a dedicated contact for more than ten years: the customer relationship Manager accompanies each customer from the signature at the notary to delivery. After the keys are handed over, an after-sales service Manager, also specifically designated, takes over for nearly ten years and ensures continuity of support for the customer in managing guarantees. Each customer is supported for approximately 13 years;

- a personalised online space: from the time the home is reserved until the end of the guarantees, the customer can log into their online space to monitor the progress of project stages achieved and pending, consult their detailed schedule and access their document library. A mailbox, practical sheets and FAQs (for example: personalisation, progress of building sites, visits, etc.) give the answers to their questions;
- the national network of Cogedim stores: the Cogedim store is a place dedicated to supporting customers in the personalisation of their homes. Customers can view show apartments, browse the choice of materials and equipment as well as customisation packs and enjoy an immersive digital experience. This makes it easier to imagine themselves in their future home. Since 2016, several Cogedim stores have opened in Paris, Bordeaux, Toulouse, Marseille, Lyon and Nantes.

The Group has partnered up with Sourdline, the leading call centre for the deaf and hard-of-hearing. The customer may thus interact with each contact along the customer path thanks to the presence of an interpreter, *via* webcam, chat or in-person.

Finally, future residents are given a guide on green habits just before they move in to give them tips on improving their comfort (air quality, noise, comfort in summer, planting, etc.) and reducing their environmental impact (energy and water consumption, sorting waste, etc.).

Measuring and monitoring customer satisfaction

The Group conducts an annual survey to measure the satisfaction of its customers at each stage of the journey. The goal is to better understand their expectations and any possible shortcomings encountered during the buying experience. Questions range across a large spectrum of subjects from customer trust at the time of purchase to the endorsement rate at the end of the experience.

The endorsement rate is considered as the indicator that best sums up the customer experience since it measures his or her attachment to the brand by rating the likelihood of their recommending Cogedim. The Group has set as a goal to reach a 70% recommendation rate for each of its regional offices. In 2022, the Group recorded an increase of 13 points since 2015.

In addition, the Customer Services Department monitors spontaneous comments by customers on its Immodvisor platform. This independent platform records and checks the comments submitted by customers. In 2017, over 8,000 comments were checked. They have a satisfaction rate of 90% and a recommendation rate of 97%.

Lastly, mystery investigation is also carried out across the territory, with tests at both physical sites and in sales offices, but also in exchanges by email or *via* social media.

EFFORTS REWARDED

For the sixth consecutive year, the Group was awarded "Customer Service of the Year 2023"[1] for the Cogedim brand, in the category of Property Development. Since 2007, this award rewards French companies that place the quality of the customer relationship at the centre of their concerns. This award assesses the quality of customer relations with mystery shoppers (telephone, email or questionnaire, internet sites and social media).

In January 2023, the Group took first place in the Les Echos 2023 customer relations ranking carried out by HCG. This multi-sector ranking sets the customer services of the 200 biggest companies in France against each other by testing all of their channels: telephone, letter, email, website and social media.

Cogedim Club® Residences

Altarea Group develops and manages Cogedim Club® senior residences designed to meet the specific needs of seniors. To best adapt to their expectations, the Group used several means that combine market research, satisfaction surveys and field analysis.

Each of the residences has a team dedicated to listening to the needs of residents in their daily routine. Once a month, a meeting is organised between resident tenants in each of the residences in order to listen to their needs and expectations. The following subjects are addressed: life in the apartments and common areas, services and overall satisfaction. Short-term residents are also questioned through satisfaction surveys.

These *in situ* measures make it possible to understand the level of residents' satisfaction and their level of facility use and identify desired changes. A half-yearly meeting is organised with the management of Cogedim Club® and allows for a discussion about areas for improvement or necessary changes with the agreement of occupants of the residences. The information gathered also serves to modify specifications for future Cogedim Club® projects.

Each year, a satisfaction survey is carried out among all tenants of the open residences. Thus, in 2022, 93% of residents are satisfied with being in a Cogedim Club® residence.

In addition, Cogedim Club® conducts annual marketing studies to better understand the expectations of seniors, anticipate changes in the market and adapt the offer accordingly. The information gathered also serves to modify specifications for future Cogedim Club® projects.

Business property

In a context of rapidly changing work patterns and employee expectations in terms of their working environment, the Group listens to its partners and users.

Altareit proposes a customised offer, by designing offices that promote team productivity and the comfort and well-being of employees.

In 2019, the Group structured its offering by creating the entity Altarea Entreprise Studio with the aim of providing a coherent and efficient response to changing uses and new ways of working so as to offer users innovative products and meet their requirements. Its remit is to design buildings that are able to evolve through time due to their architecture, technical design but also their services.

Altarea Entreprise Studio operates upstream of operations, determining requirements and uses and anticipating new ways of working and designing the office of the future with multiple uses. In particular, in its thinking it incorporates phenomena such as the fragmentation of working methods and coworking and the office building as a means of boosting the appeal of the employer's brand.

(1) Property Development category – BVA Group survey – Viseo CI – More information on escda.fr.

4.3.2 Quality of life and well-being in operations

A project's quality of life and well-being are factors that create both social bonds for users and appeal for communities that have roots in sustainable urban development.

The interior design of buildings is also key, with increasing demands from customers in terms of comfort, health and safety, which include temperature, acoustics, air quality, lighting, uses, aesthetics, etc.

Finally, each activity has its own challenges:

- in Residential, the ease of use and quality of equipment helps ensure the heritage value of the property over the long-term for investors;
- in Business property, comfort and well-being are key factors in attracting employees, investors and users.

In all its real estate transactions, Altareit accords particular attention to the quality of city life by going beyond applicable regulations in proposing added value to the user. It therefore deploys means to improve the customer experience with regard to well-being by drawing on external certifications (for example, WELL) and internal requirements.

The Group focuses on three components of comfort and well-being in each activity and for each project:

- quality of the location: the Group opts for proximity and density. Its projects are located at less than 500 metres from public transportation to promote user access and mobility;
- intrinsic quality of the building: air quality, acoustics, lighting, aesthetics, but also quality of use of the building and flexibility, so that it is adaptable to current as well as future uses;
- additional services provided by the project to complement those already offered locally. Altareit uses its skills and multi-product know-how to develop, for example, a nursery, quality food stores, a leisure offer, etc. The Group also pays particular attention to the place of nature in the city, recognised as a source of well-being by users by developing buildings open to the outside and green relaxation areas.

Large mixed-use projects

Thanks to its unique multi-activity positioning, Altareit combines all the skills and services to design large mixed-use urban projects combining housing, shops, offices, etc. By working with local authorities, developers and other private actors, the Group is developing balanced neighbourhoods that are adapted to the needs of residents and users. The Group makes sure it offers a range of services, both diversified in the scale of the project and complementary to the offerings already present nearby.

Working on the scale of a neighbourhood also allows the Group to offer quality public spaces, mixing green spaces and recreation areas. The Group pays particular attention to the place of nature in the city (see 4.2.3).

ISSY CŒUR DE VILLE: WELL PILOT NEIGHBOURHOOD

The quality of life in the neighbourhood is recognized by the WELL Community Standard. Issy Cœur de Ville is one of the first French projects to be certified by this label.

Residential

The Group is developing healthy and comfortable residential buildings that favour social bonding and conviviality. To achieve this, it relies on the NF Habitat and HQE certification process and its team of interior designers. The Group also pays particular attention to natural comfort solutions and air quality.

HEALTH IN RESIDENTIAL: THE TEN COGEDIM COMMITMENTS

In 2021, Cogedim conducted an unprecedented study to analyse the close relationship that French people see between their housing and their health.

The survey also looked at possible solutions to be deployed in housing to meet expectations. The main conclusions of this study are:

- strong awareness of the impact of housing on health, strengthened by the health crisis:
  - 83% of French people believe that their home has a significant impact on their health,
  - 72% consider that the health crisis has made them aware of the importance of their housing for their health,
  - 9 out of 10 French people recognise that the quality of housing has a strong impact on the three pillars of health according to the WHO definition: physical, mental and social health;
- 1 in 2 French people have already moved or are planning to do so to improve their health;
- air quality, the presence of outdoor spaces and temperature control are the priority expectations of French people for healthy housing.

Echoing this study, the Group has made additional quality commitments for its homes developed under the Cogedim brand. Thus, since 1 July 2021, all new projects must meet 10 high-quality criteria based on the following three pillars:

- health: air quality, summer comfort, natural light and acoustic comfort;
- well-being: spaces adapted to remote working, larger outdoor spaces that can be converted, fitting out bicycle storage facilities;
- eco-responsibility: biodiversity promoted in collective outdoor spaces, use of sustainable materials, reduced CO_2 emissions, energy and water savings.

NF Habitat and user comfort

The NF Habitat standard exceeds the regulatory requirements in matters of health and safety, and focuses particularly on making pleasant, practical and comfortable places to live, with requirements regarding acoustic quality, visual comfort, proximity to services and public transportation, etc. (see 4.3.3).

Moreover, plans for apartments are checked by the Group's team of interior designers to guarantee their practicality: easy circulation, "practical" amenities thanks to the appropriate position of electrical outlets and sufficient space for furniture.

Lastly, special attention is paid to links to the outside world.

97% of Cogedim homes have access to a private outdoor space and nearly 85% of the balconies have a surface area greater than or equal to 10% of the home.

Natural comfort solutions

In a context of climate change, the Group has integrated the concept of summer comfort, even before the RE2020 obligations. Today, at Cogedim, a tool has been set up to help teams choose the solutions to adopt in terms of summer comfort around several families of solutions: design (shape and orientation of the building), structural buildings (façade coverings, mobile shading systems, roofs, etc.), technical systems (ventilation, etc.), interior fittings (insulation, etc.), exterior fittings (revegetation, soil permeabilization, etc.) and user awareness.

Indoor air quality

The issue of air quality is key in residential property. Altareit approaches the problem in a global manner: by imposing health criteria in the choice of materials and the installation of equipment and by supporting buyers in a healthy and responsible occupying process. At Cogedim, 100% of products and materials are at least labelled A, or even A+ for all interior finishing materials (paint, floor coverings, etc.). In addition, the quality of ventilation systems is audited.

For example, Altareit is rolling out the IntAIRieur label on several projects, including Carré Rabelais in Tours (37). This new measure commits all businesses working on the site to respect the guidelines in order to preserve the indoor air quality of residential units under construction. Once the project is finalised, two manuals are provided to users: one to the occupants and one to the Manager. These documents will guide them in the building's daily use and during maintenance operations.

Cogedim Club® Residences

In the context of its Cogedim Club® residences for seniors, the Group adapted its offer to their specific needs by especially favouring the quality of social bonding, one of the principal selection criteria for future residents.

The range of residences combines adapted residential units, a programme of varied entertainment and a location in the city centre close to transportation, shops, health services and cultural programmes. Activities are organised with local bodies such as schools to promote intergenerational ties.

The promotion programme resumed in 2022 and became more interesting throughout the network. In order to meet the needs of residents and set up new activities, the new Cogedim Club® residence Issy Cœur de Ville in Issy-les-Moulineaux is an experimental laboratory for developing new services. For example, an engineering student is housed in the residence and dedicates time to support seniors in mastering IT tools, thus creating an intergenerational social bond and the transmission of knowledge. New services around culture and music are tested. In the Cogedim Club® in Villejuif and Boissy, well-being classes, themed dinners, tea dances and cultural conferences are organized in the residences and also offered to external retired seniors in order to promote diversity.

The Book Club, set up three years ago, is in turn open to neighbours. Every two months, residents receive books selected by a neighbourhood bookstore. The bookseller then comes into the residence to take part in discussions with residents about their reading.

As for quality, the fixtures and furniture in residential units are carefully selected with suppliers to adapt to the constraints of ageing (floorings, level of foundations and bedding, sanitary facilities). They comply with ergonomic recommendations.

Finally, the Group gradually rolled out the VISEHA label in its residences. This label attests to the quality of the services offered in the senior residences (see 4.3.3).

Business property

In a world of work increasingly marked by remote working and nomadism, the workplace must be welcoming, comfortable and conducive to conviviality. Altareit develops very high-quality workspaces by placing well-being at the heart of its projects. The Group supports each of its customers in this area with a particular focus on flexibility and biophilic design.

Systematic approach to well-being

The theme of well-being has been integrated for many years through BREEAM® or HQE™ certifications.

The Group may also seek an additional well-being label such as WELL or Osmoz. These standards, respectively American and French, place the user and health at the heart of real estate projects. The topics covered range from the quality of the physical environment (air, light, etc.) to conviviality and social interactions.

New ways of working

To respond to the new uses of Business property, the Group is developing interior spaces that are less isolated, more flexible, leaving more room for natural light and vegetation.

In support of the digitisation of activities and communications, the Group offers first-class digital connectivity based on the most demanding standards such as those of WiredScore and Ready2Services (see 4.3.3).

4.3.3 Labels and certifications, creators of green value

The increasing importance of customer demands with regard to comfort and use as well as the tightening of environmental regulations have pushed the notion of green values to the forefront in the real estate sector. It represents the ability of a building to avoid regulatory obsolescence, or of use, and is thus a guarantee of its sustainability over time. To maintain or advance a building's green value, certifications and labels have gradually become the market norms.

Altarea Group 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 project type, whilst seeking to outperform market standards;
- the strong willingness to offer the most recent, ambitious and innovative labels and certifications on broader matters than environmental performance (WELL, BiodiverCity® WiredScore, etc.) in order to stay ahead in all of its activities.

Residential

NF Habitat Certification and its HQE™ approach

Since 2016, the Group has been committed to NF Habitat certification and its HQE™ approach. 100% of the Group's housing units are NF Habitat certified[1]. This certification is a benchmark for the essential qualities of the housing units and common areas of the building. It is reflected in concrete daily benefits: a healthy interior, safe and pleasant for living, controlled expenses, but also a respect for the environment. It covers a certain number of design criteria: size of glazed spaces, water-saving equipment, etc.

Regarding environmental and energy performance, the Group is going further by applying for NF Habitat HQE certification (more demanding than NF Habitat in environmental terms) for over half of its production, or other additional environmental certificates.

In 2022, **54%** of Residential projects are applying for NF Habitat HQE certification.

Some projects may benefit from supplemental certification efforts. The Cœur de Ville project in Bobigny, for instance, already committed to Écoquartier labelling, at the community's initiative, is a pilot project of the new HQE™ Performance standard. The Group is thus participating in defining new standards of reference in terms of sustainable urban development.

VISEHA label and Cogedim Club® residences

To improve transparency as regards the quality of services offered in serviced residences for seniors, the professionals of the sector, among them Cogedim Club® have created a label called VISEHA (*Vie Seniors & Habitat*). This certificate, awarded by the professional associations SNRA and SYNERPAS RSS in collaboration with Afnor Certification, is the first to assess and certify the quality of senior serviced residences.

To obtain this label, the residences had to meet 12 criteria relating to the quality of the property and the services offered by the residences, preconditions for the financial health and reliability of the operator, and a programme of events. The criteria are intended to provide greater clarity as to the offer, not only in terms of quality but also with a view to the sector's structure as it grows, always with the satisfaction of residents as the central concern.

With 20 certified residences at the end of 2022, Cogedim Club® is fully signed up to this quality and commitment process, continuing to offer a property and service offering that is increasingly adapted to independent seniors looking for a warm and secure living environment. In 2023, the objective is to continue certifying residences during the year until the entire network is certified.

Obtaining this certification is a recognition of and testament to the know-how of the Cogedim Club® teams, in supporting people through the loss of autonomy and home care.

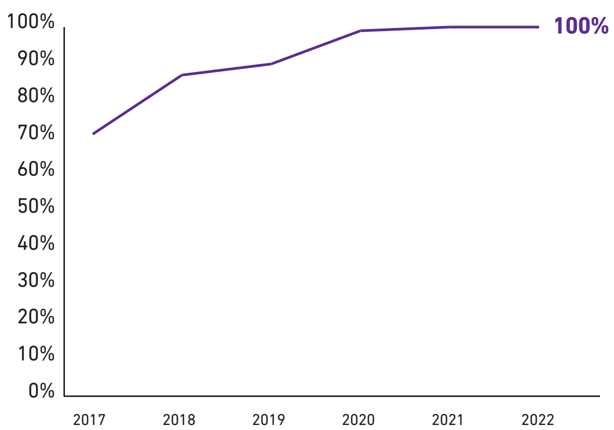
Business property

All Business property projects benefit from a systematic certification process, HQE™ and/or BREEAM®, respectively the French standard and the European standard with regard to the environmental performance of buildings.

100% of new projects certified at least HQE™ "Very good" and/or BREEAM® "Very Good"

In addition, the Group seeks to guarantee long-term technological performance in its buildings.

PERCENTAGE OF PROJECTS IN THE PARIS REGION TARGETING A DIGITAL CONNECTIVITY LABEL



(1) *Excluding Severini, co-development, refurbishments and managed residences.*

4.3.4 Responsible purchases and supplier relationships

Altareit is a major buyer in various sectors. Most of the Group's purchases are linked to construction, of which more than one third is for shell structures, the remainder being spread over all the other items such as electricity, heating/ventilation/air conditioning, plumbing, etc.

The societal impact of these purchases is strong, due to their volume and the variety of economic sectors concerned. As a result, Altareit 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.

The approach, developed in conjunction with the Group's various business lines and subsidiaries, provides for:

- generalised actions (deployment of a Group responsible purchasing charter);
- adapted systems, by type of purchase (CSR clauses in calls for tenders and contracts, training, audits, etc.); and
- working to build a responsible and sustainable relationship with suppliers.

The responsible purchasing charter

A responsible purchasing charter covering social requirements, health and safety, the fight against corruption, respect for personal data and consideration of environmental issues was drafted in 2019 and updated in 2020. Since 2020, it has been gradually applied to all Group purchases, in particular to Property Development activities. A clause to this effect has been added to the general clauses and consultation regulations, which are systematically used for works contracts.

To accelerate its deployment, the CSR team held awareness-raising sessions on responsible purchasing and training on the objectives and use of the charter for all the Group's subsidiaries. The charter comes with a note, explaining it to suppliers and subcontractors. It helps clarify the content and objectives of the charter and to talk about it to the various stakeholders.

Finally, the charter is accessible to all on the Altarea Group website.

Adapted systems, by type of purchase

The implementation of adapted systems (contractual clauses, actions deployed on building sites, etc.) by type of purchase began with a detailed mapping of the Group's purchases, which was then supplemented by an identification of the major risks (safety, social and environmental risks) 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.

Safety on construction sites

The safety of all workers on construction sites is a major priority for the Altarea Group. Safety issues are addressed at different levels: contractually, through actions on the ground, awareness-raising and internal and external audits.

From a contractual point of view, the issue of safety is the subject of numerous clauses in contracts. They relate in particular to the obligations and responsibilities of the various stakeholders to guarantee the safety of all on the construction sites.

At an operational level, in order to manage safety on construction sites, the Group relies on the project Manager and health and safety protection (H&S) coordinator who is responsible for managing joint working on safety on-site. Particular attention is paid by the Group to ensure that the resources allocated to the H&S coordinator are systematically in line with the high level of urgency required. Prevention specialists also work on large-scale projects.

It should also be noted that the Group took part in the creation of a club at the Caisse Régionale d'Assurance Maladie d'Île-de-France (CRAMIF) dedicated to the subject of safety for project Managers. The work of this club feeds into the Group's safety considerations. For example, at Cogedim, the project management and CSPS contracts have been updated to include the main recommendations of the CRAMIF and the Caisse d'Assurance Retraite and de la Santé au Travail (CARSAT).

In addition, the Group conducts training and awareness-raising actions for its employees, partners and journeymen to encourage best practices (awareness-raising campaigns, training days, reminder of best safety practices through dedicated posters, etc.).

Finally, in terms of reporting, data is collected across the Group's scope of direct responsibility which makes it possible to monitor site practices in a process of continuous improvement. Substantial reporting of Residential activities is used to report data on construction site accidents to the national level. Based on this increase, it was decided to publish an indicator that takes into account the volume of activity: the number of accidents per 1,000 homes, which stands at 2.76 for 2022. In Business property, in 2022, the frequency rate of construction site accidents was 10 (compared to an industry average of 28.1) and the severity rate was 1 (compared to 2.4).

The fight against illegal work

The fight against illegal work is another major issue in the construction sector, identified as a priority for the Group. Altareit has implemented numerous processes and actions at different levels to combat these practices.

First of all, like safety requirements, the issue of combating illegal work is the subject of many strict clauses in contracts. These clauses relate in particular to contractual, social and tax requirements relating to the employment of personnel. They also relate to the use of subcontractors and requirements to post information informing all on-site workers of the applicable regulations and their rights. These documents are translated if necessary to make them accessible to as many people as possible.

In addition, the Group uses the recognised external service provider "Attestation Légale" to collect, archive and manage all the regulatory certificates required by companies to sign contracts and approve the various subcontractors. These checks make it possible to identify at-risk service providers and so only use partners with practices that meet Altarea's requirements.

In the field, personal access control systems on construction sites help to combat illegal work. Lastly, random audits, carried out by an independent organisation, aim to ensure that the personnel working on the site are indeed those previously declared and authorised.

Site nuisance

A low-nuisance building site charter attached to the works contracts requires, within a contractual framework, compliance with commitments relating to all nuisances that may occur on a building site:

- reduction of nuisances caused to local residents (dust, sludge, noise, delivery and parking of vehicles, change to the local traffic plan, site surroundings, etc.);
- reducing the risk of soil and air pollution during construction;
- sorting and reduction of site waste going to landfill;
- protection of nature and biodiversity; and
- management of water and energy resources.

In addition, the site charter also imposes requirements relating to the social and organisational aspects of the site (secure access to the site, etc.).

A responsible and sustainable relationship with suppliers

In a context of increased competition in the construction market, a major challenge for Altarea Group is to establish a lasting relationship with its suppliers. To do this, in addition to the ongoing dialogue within the framework of operations, various actions have been put in place to nurture this trusting partnership relationship.

Ecovadis assessments

Altarea Group launched an evaluation process of some of its suppliers *via* the Ecovadis platform, to measure the level of progress with regard to CSR. Through this approach, the Group seeks to support its suppliers in their progress on the significant environmental and social issues affecting their business, in order to reduce the areas of risk in its supply chain.

Since 2017, assessments have focused on suppliers of Cogedim housing equipment (sanitaryware, electrical equipment, heating, etc.). They have been mandatory for new suppliers since 2019 and reassessments have been monitored continuously since 2020. These assessments make it possible to identify areas of work by type of product (for example, FSC or PEFC certification of timber for floors, etc.). In 2021, a new assessment campaign was launched with the Group's general contracting partners.

Supplier regulations

In 2020, the Group launched a reverse factoring solution, in partnership with a bank. The purpose of this programme is to support suppliers in their financing and cash flow issues.

In addition, the supplier management and invoice processing processes were fully digitised in 2020 and 2021. This helps to limit the risk of fraud and streamline the payment process.

Economic dependency

Altareit makes more than half of its construction purchases with several major players in the sector, which limits the potential for economic dependence. In addition, the Group has put in place a process to control economic dependence in other types of purchases.

4.3.5 New uses and innovation

The real estate industry develops products that have lasting effects on cities. However, the practices and expectations of city residents and users are changing rapidly with new social and societal expectations. Altareit and its brands constantly seek to anticipate the demands and uses French citizens make of their cities, by developing their property and service offers and solutions. Our goal is to give investors, individuals, companies and users buildings or neighbourhoods that are highly user-friendly and offer a practical, resource-efficient living environment that is rich in experience to maintain their long-term appeal.

A development team dedicated to innovative projects

Altareit has an innovation department that facilitates the emergence of new products and services at the Group's operating departments so they can offer a practical and high-quality urban living environment to city dwellers and improve the Altarea Group's financial and extra-financial performance. This department has the following objectives:

- develop new property services and offers to better satisfy customers;
- implement new internal tools to increase the Group's productivity;
- stimulate the innovation culture of the teams to support the transformation of the Group's business lines.

The Innovation team, comprising five persons, with multiple and complementary skills, has both a watching brief to identify promising innovations and a support role in their deployment throughout the Group. It organises events that introduce specific innovations for property, makes digital tools available and connects employees with innovative external structures.

To make its offers and projects more attractive and increase productivity, the team can call on a network of innovative partners who expand Altareit's skills platform and shorten the time to market. These include partnerships with the Paris & Co incubator, the Urban Lab and the French Proptech movement. This network, which is continually being developed by sourcing new partners, enables the Altarea Group to identify and integrate solutions with higher added value for its business lines.

Develop new property services and offers to better satisfy customers

The Innovation team is creating opportunity files that evaluate the technical, financial and legal consequences of identified innovative projects and products. The goal is to identify the right innovations and the simplest to implement, to clear potential roadblocks and facilitate their deployment.

Issy Cœur de Ville

Issy Cœur de Ville is a project designed by the Valode & Pister agency as an urban laboratory in tune with the ambitions set by Altareit and the municipality of Issy-les-Moulineaux. This eco-district redefines the notion of diversity by offering a new living experience with 12 interlinking property uses: housing, shops, offices, services, cinema, a wide range of restaurants, public facilities, a third space, urban forest, etc.). Issy Cœur de Ville has been able to experiment with innovative methods and uses to invent a new destination space, oriented towards the public interest and open to all.

Altareit took a participatory approach to design in order to start from the expectations of local people and include proposals from innovative players to co-build the project with them. A digital consultation was launched with local residents to establish their expectations. More than 500 local residents took part and suggested a mutual support solution for neighbours and connected parcel boxes to exchange goods, points that were taken up and implemented in the district. Likewise, a call for projects called Issy Open Design led to the selection of a dozen non-profits and young innovative companies who will contribute to the experiential programming of Nida, the *Nid d'Idées d'Avenir* (nest of future ideas), the third space in Issy Cœur de Ville designed and developed by Altareit.

NIDA, AN INNOVATIVE THIRD SPACE

The delivery of the Issy Cœur de Ville eco-district heralds the opening of Nida: the new emblematic destination in the eco-district. The space evolved from a rich cross-fertilisation of different partners: architects, creatives, operator, public interest bodies, charities, young companies, etc., coming together to offer a unique space that is alive with activity every day of the week, morning to night. The Nida is the place where creation, innovation and sustainable and desirable ways of living meet. This new multi-public space offers a programme of cultural and other events giving a creative and optimistic vision of the future. It thus becomes a new destination, open to everyone and used as part of Isseans' daily lives as a public interest space full of life and new discovery.

WiredScore and Ready2Services labels

To guarantee long-term technological performance in its buildings, Altareit was one of the first groups to take an interest in the WiredScore and Ready2Services (R2S) labels. WiredScore assesses the quality of internet connectivity, infrastructure and the building's potential connectivity. R2S has a complementary approach which aims to make buildings compatible with future technologies and uses.

READY2SERVICES (R2S) LABEL

The R2S label has as its goal to support the digital revolution in buildings, to make them more adaptive, pleasant for living, serviceable and interoperable. It offers innovative thinking based on upgradability and the openness of systems to combat obsolescence, optimise operation and make services accessible to the occupants. Its standard requires that the building must be able to connect to any exterior network and accommodate future innovations by using communication protocols that communicate with each other.

The Group's "87 Richelieu" head office in Paris is certified WiredScore and R2S. In 2022, 100% of Business property projects in the Paris Region (by surface area) sought a digital connectivity label such as WiredScore or R2S.

Implement new internal tools to increase the Group's productivity

Altareit is integrating its approach to innovation into the business and enriching it with external partnerships.

Altawiki

In order to help connect operational development teams with innovative projects outside the Company, the innovation team has launched Altawiki, a collaborative tool that now lists over 1,500 of the Group's innovative partners and suppliers. The platform lists several hundred start-ups and structures in the social economy that contribute to shaping the city of tomorrow. This platform makes it possible to easily motivate them to respond to tenders or involve them in projects under development.

Digitisation of rental management activities and co-ownership syndicates

In order to improve customer experience and satisfaction, the Innovation Department worked with the Altarea Gestion Immobilière team to identify and implement new digital solutions that could make the rental management business easier for our investor clients and improve reporting processes and the handling of residents' requests to condominium Managers.

Stimulate the innovation culture of the teams to support the transformation of Altareit's business lines

The innovation team supports the operational teams to facilitate the emergence of new products and services. This culture of innovation should make it possible to identify innovative solutions to transform the Group's working methods and business lines.

New forms of housing

Altarea Group is keen to develop real estate products that match the new lifestyles of French people. This is why the Group has since 2018 been developing co-living residences in collaboration with players such as FlatnYou, Kley, WellowHouse and Urban Campus. More recently, it has investigated a new form of housing called "senior co-living". This allows our seniors to share their living aids and escape isolation.

Impact of remote working on real estate

Altareit is committed to understanding the changes in society and adapting its products to these changes. For this reason, a study to identify the consequences of the democratisation of remote working for residential and tertiary property was conducted in 2021 in partnership with Xerfi. The study made it possible to adapt the housing being developed by the Group to provide modular spaces for remote working, and also to anticipate this trend in our property strategies. The remote working study is updated every year.

Development method Building information modelling

Finally, 100% of Business property projects in the Paris region have been developed using the building information modelling or BIM method. This method involves virtual modelling of the physical and functional characteristics of a building. The digital model makes it possible to better control construction costs and to facilitate operation of the building.

4.3.6 Professional ethics

Values and ethics

All Altarea Group employees and corporate officers must comply with the principles established in the ethical charter and the IT charter, appended to the internal rules of procedure. Any breach of these provisions may thus constitute an offence subject to disciplinary sanction. These charters, which are available on the Group's intranet site and systematically appended to the employment contracts of new hires, covers all aspects of the relations between Altarea Group and its stakeholders, employees, customers/tenants, service providers/suppliers, as well as best practices for internal ways of working, including:

- respect for confidentiality and the duty of discretion;
- rules a publicly listed company must respect concerning the use of inside information;
- duty of loyalty and conflicts of interest;
- respect for the law and applicable regulations;
- respect for the environment and Corporate Social Responsibility policy;
- respect for the principle of integrity and zero tolerance for unethical practices.

New employees are systematically reminded of the Group's stated rules, values and principles during induction days. The questions addressed relate to business ethics and health and safety.

In addition, any employee who is unsure how to behave in a particular situation can refer their situation to their Manager or to the Ethics Officer. The consultation with the Ethics Director and their advice are confidential under the ethical charter.

Fight against fraud, money laundering, the financing of terrorism and corruption

Altareit's General Management reaffirmed its commitment to the Group's compliance approach and to the implementation of a policy of zero tolerance towards bad practices and total rejection of corruption and trafficking of influence in all its forms.

This approach embodied by the introduction and implementation of:

- the mapping of corruption risks;
- dedicated training delivered face-to-face, remotely or in the form of e-learning;
- third-party integrity assessment processes;
- anti-money laundering and anticorruption clauses included in all contracts;
- a professional ethics whistleblowing system;
- an Ethics Officer, a Compliance Officer and a TRACFIN reporter/correspondent for the entire Group.

The Group's anti-corruption policy is restated in its Ethical Charter, which was updated at the end of 2022. The policy aims primarily to set out the values and rules of conduct to be observed, and to guide employees in their daily activities regarding any ethical questions or conflicts of interest they may be confronted with. For example, hiring contractors or service providers with a relationship with the Group for personal use is prohibited without the approval of the Ethics Director. The following principles must also be mutually enforced in relations with authorities and customers: any act that is likely to be construed as an attempt to corrupt is prohibited and is to be reported. Any payment or acceptance of illicit funds is strictly forbidden in the conduct of Group operations. Where there is doubt as to the legality of a payment, the Ethics Director must be consulted immediately for their opinion.

In order to support the proper and full deployment of the Group's approach to business ethics, an awareness campaign on violations that concern neglecting the duty of probity was conducted for those employees identified as being the most exposed and should soon be repeated. Also, with the help of a specialist law firm, courses were held on different sorts of corruption, conflicts of interest, the peddling of influence, favouritism and the criminal repercussions associated therewith, particularly in relations with the public sector. This awareness campaign continues on a regular basis by means of messages issued to employees by senior executives at events such as seminars, committee meetings as well as at induction days for new arrivals. E-learning modules on the Sapin II law and the fight against corruption were introduced in 2020. They must be monitored by Altarea Group employees. To date, 2,102 employees (including apprentices and interns) have been trained, *i.e.* 84% of the workforce.

Moreover, the Legal Department ensures that clauses specific to anticorruption legislation are included in contracts with third parties.

On the date on which this document was filed, no cases of non-compliance with internal policies had been identified and no fine linked to corruption had been paid. Similarly, the Group has not been subject to any court judgements for environmental issues or for lacking minimum social guarantees in its business.

In accordance with the law and in order to display greater transparency in the relations and interests between companies and public officials, the Group has been registered with the digital directory of the High Authority for Transparency in Public Life (HATVP) since 2018. A declaration of activities of representatives of interests is filed each year.

As part of its activities, Altareit uses the services of many external companies. Their selection is governed by formal provisions and generally established in tenders (no monopoly of a service provider, limited use of multi-year contracts, etc.). At the Group's most recent update to its risk mapping, the risk of fraud, though limited, was assessed as being slightly greater in terms of impact. This was due to increased media coverage of fraud cases and the increase in "fake President" and "changed bank details" scams which the Group is a target of. To ensure that these fraudulent attempts are unsuccessful, awareness-raising messages are regularly distributed to the most exposed populations, and training is provided to the accounting and financial departments. An e-learning course on "fake President" and "changed bank details" is mainly targeted on the accounting and financial departments. 117 employees trained to date, *i.e.* 70% of the target population.

Finally, through its management activities on behalf of third parties and transactions, Altarea Group is subject to the fifth European Directive (combating money laundering and the financing of terrorism). As such, the Legal Department ensures that clauses specific to anticorruption legislation are included in the relevant contracts. The Group has KYC procedures in place, which are monitored by the Compliance Department. Any payment or transfer for which the origin of the funds is undocumented is subject to an in-depth analysis and information to the TRACFIN reporter who is responsible for reporting the suspicion to TRACFIN. An e-learning course on the fight against money laundering must also be taken by employees of the relevant functions within the Altarea Group. 327 employees trained to date, *i.e.* 83% of the target population.

4.4 Talent at the service of the Group's growth

4.4.1 HR strategy and governance

"Be clear-headed in the present, be confident in the future" (Alain Taravella -2023 annual message)

Despite the disruptive shocks of 2022, the Group is maintaining its ambition to be the best real estate company. Putting people at the centre is the key to our past, current and future success and remains a central pillar of the Group's strategy, backed by the support and commitment of the Human Resources Department. As a genuine business partner, the HR Department continued with its action plan, combining proximity and pooled expertise to support the brands.

It has a modern and innovative policy for an ever more engaging employee experience. It is guided by organisational, managerial, social and societal issues, but also by the need to attract and retain loyal employees, to be a leader in its practices and remain a benchmark employer in its market.

With this in mind and following the employee engagement survey conducted at the end of 2021 with consultancy KANTAR, Altarea Group launched programs to meet employee requests:

- share the strategy more widely with "Les cafes du Comex"

  Jacques Ehrmann, Group Chief Executive Officer, and the other members of the Executive Committee set up special moments of dialogue with small groups. These took place in hybrid format throughout the year with the aim of strengthening open and direct communication between General Management and employees, regardless of their job or level in the organisation.

  Each of these meetings is a time of real discussion and listening, and an opportunity to present an overview of what is happening in the Group, its strategy, its results and its projects, as well as to hear the expectations of employees, their experiences in the Company and to answer all their questions;
- valuing employees with the "Champions Programme"

  Sponsored by Karine Marchand, Group HR Director and Jacques Ehrmann, the programme was launched in June 2022. Led by Managers, it aims to showcase employees who are usually less visible because of their responsibilities, but who have achieved exceptional individual or collective actions or performance.

  13 champions were nominated, approved and presented at the Altarea Group Managers' Committee meeting in October 2022;
- supporting the Group's cross-functionality through the Altarea/emlyon certification process

  This was the third year the process was held and the second in partnership with emlyon. Employees presented bold and innovative projects to drive forward the Altarea Group's business strategy, in front of a jury drawn from within and outside the Company. This presentation closed a demanding nine-month process on the theme of "Influencing the future", resulting in the certification of 17 employees from all of the Altarea Group's business lines and brands;
- enhance the employee compensation package

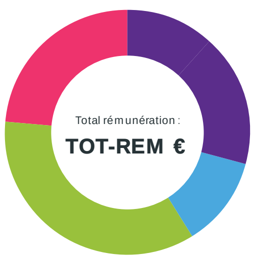
  The compensation package at the Altarea Group has several strands (including a free share programme for employees) which, for the first time, were summarised in an Individual Social Report (ISR).

ALTAREA

- Edito
- **Rémunération**
- Protection sociale
- Epargne salariale & FCPE
- Actionnariat salarié
- Formation & temps de travail
- Avantages
- Contact

RÉMUNÉRATION

Votre rémunération globale brute est composée d'éléments de différentes natures : rémunération fixe, rémunérations variables individuelles et collectives, rémunération différée et autres avantages sociaux.



ÉVOLUTION DE VOTRE SITUATION

	2021	1er semestre 2022
Salaire fixe annuel	AI_2021	AI_2022
Véhicule de fonction	VOIT_2021	VOIT_2022
Prime de performance	P_PERF_2021	P_PERF
Actions gratuites	AGA_21	AGA_22

REMUNERATION FIXE	REM_FIX €
• Salaire de base contractuel 2022	SAL_BASE €
• Heures supplémentaires fixes	H_SUP_FIX €
• Prime d'ancienneté 2022	P_ANC €

REMUNERATION VARIABLE INDIVIDUELLE	REM_VAR_IND €
• Commissions *	COMM €
• Valorisation de la performance (mars 2022)	P_PERF €
• Heures supplémentaires *	H_SUP_FIX €
• Primes d'astreinte *	P_ASTR €
• Prime Macron (mars 22)	P_MACRON €
• Primes opérationnelles *	P_OP €
• Primes de parrainage *	P_PARRAIN €
• Bonus en AGA **	BONUS_AGA €
• Bonus moyen terme ***	BMT €

RÉMUNÉRATION VARIABLE COLLECTIVE	REM_VAR_COLL €
• Participation au titre de 2021 ****	PART €
• Intéressement au titre de 2021 ****	INT €
• Abondement 2022	MED_TRAV €

AUTRES AVANTAGES	AVANT €
• Transport	TRANS €
• Avantage en nature voiture	AV_NAT_VOIT €
• Avantage en nature logement	AV_NAT_LOG €
• Médaille du travail	MED_TRAV €

*Juillet 21 à juin 22
** attributions 2022 x 140 €
*** attributions 2022 x 160 €
**** attribué en 2022

4.4.2 Recruitment and development of talents

Change in the Group's headcount

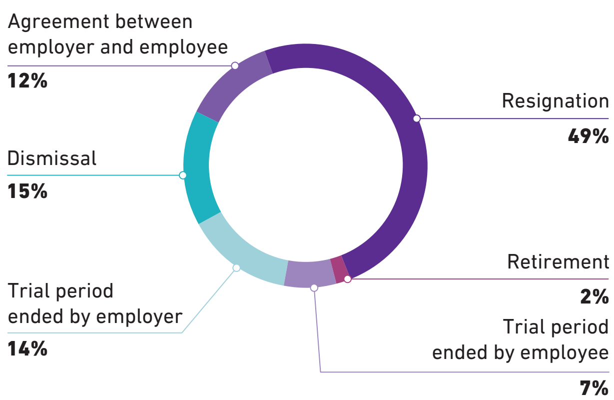
Scope	Objectives/Commitments	2022 results	Change 2021-2022	Trend comments
Group	Ensure the retention of our talents	**Departure rate of 15.8%**	↗	2021: 14.9% Despite the context, the departure rate is largely under control
Group	Systematise exit interviews	**An "Exit Form" was produced and handed out at exit interviews**	N/A	The generalisation of these interviews means management now has access to a qualitative summary of the different areas of expertise

Amid strong competition, the focus was on valuing our internal talent and external recruitment by creating a cascade effect. In 2022, for the third consecutive year, 50% of positions in the Altarea Group were filled through internal mobility.

In addition, the Group recruited 325 new talents who joined the Group on open-ended contracts, confirming its attractiveness and competitive advantages in a tight market. As of the end of 2022, 98% of employees were on open-ended contracts. The Group is maintaining its commitment to long-term jobs.

In 2022, the departure rate within the Group reached 15.8%, and, although it is being successfully controlled amid a tight market for human resources, remains an issue to watch at all levels of the organisation.

REASONS FOR EMPLOYEE DEPARTURE



The main cause for departure of employees on open-ended contracts is resignation. As a response, the Group has renewed and strengthened its induction programme and rolled out exit interviews. These various initiatives are part of a set of employee retention measures which include staying close and listening on a daily basis, offering career opportunities *via* internal mobility, skills development, cross-functional jobs, and sharing value creation.

The employee experience at the centre of attention

Recruitment policy

Altarea Group has a recruitment policy that emphasises the entrepreneurial spirit linked to the very foundation of the Group and always anchored in our practices, as well as fundamental values such as the principle of non-discrimination, integrity and business ethics, diversity and intergenerational balance, seeking to identify and recruit employees who will be able to fully develop in our organisations and our culture.

As complementary partners, the HR department and operating departments work together to hold forums or student fairs that promote careers in real estate, conduct partnerships with schools, manage job dating events, celebrate employees (the first developer to take part in the *gueules de l'emploi* online exhibition).

The Group seeks to constantly improve practices and tailor them to expectations. For the fifth consecutive year it was awarded the Happy Trainees and Youth Engagement certificates, and, for the third consecutive year, Top Employers certification.

Specifically, in 2022, the Altarea Group took part in several actions/student forums:

- **engineer profile forums**: 1st participation in the CentraleSupelec and HEI forums, repeated attendance at the ESTP engineers' forum.

One of the programme graduates has written an Article in a magazine for alumni of INSA engineers. The Group is listed in the École des Ponts and Polytechnique directories;

- **general profile actions**: A job dating event took place to recruit young talents at the Richelieu head office. As every year, the Group was present at one of the flagship events in our sectors: the *Forum des Métiers de l'Immobilier et de la Ville*. Some operational employees took part in the curricula of programmes for students from the IESEG or the Master 246 of Paris Dauphine.

For the second consecutive year, the Altarea Group renewed its partnership with CentraleSupelec. This partnership serves a dual purpose: the students open up new ideas about housing and the Group enables engineers to explore careers in real estate.

Since 2021, the SmartRecruiters tool has been used to improve the distribution and processing of job offers to employees and external candidates. In 2022, more than 40,000 applications were received by Altarea Group, more than 30% of recruitment done through multicast. Almost 40% of work-study interns found their post by replying to advertisements. 100% of Managers also have continuous access to applications related to their job offer. It is an effective and operational support tool for finding the Group's new talent as simply as possible and directly developing the employer brand.

Talent development

Access to employment by young people and older people

INCREASE IN THE NUMBER OF WORK-STUDY STUDENTS AND CONVERSION RATE

- In 2022, Altarea Group increased its number of work-study students by 12.9% and reduced interns by 21.7% compared to 2021.
- In 2022, the conversion rate of work-study students and interns (open-ended or fixed-term contracts) at Altarea Group was 32.4% (29.6% in 2021).

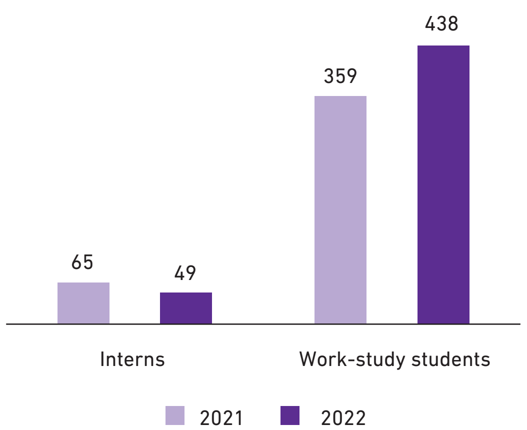
As a responsible company, the Group sees access to employment for young people and older people as a priority, to facilitate sustainable integration into employment and guarantee the transmission of knowledge between generations. Preferred target: young people under the age of 27 and employees over the age of 55.

At 31 December 2022, 36% of the workforce was over 50 or under 30 (16% and 20% of the total workforce, respectively). 23 employees over the age of 50 were hired on open-ended employment contracts in 2022 (20 in 2021).

Work-study programs are another major channel of recruitment, further strengthened this year with 438 work-study students, compared to 359 in 2021, a record number achieved without sacrificing high standards of supervision and training for these young professionals. Internships and work-study programmes provide a rich pool of candidates for the Group's vacancies, and nearly 60 young people were offered an open-ended or fixed-term contract at the end of their programme.

The Group hopes to play a leading societal role by training these young employees in both know-how and behaviour in a corporate setting to facilitate their transition into professional life. To help them assimilate the learning programme, in addition to mentors and buddies, recruits get information kits sent out pre-hiring and can attend the Group's dedicated "Inte des AS" seminars (six sessions in 2022 with 237 participants). Lastly, talents remain in touch with Management through dedicated opportunities for discussion with the members of the Executive Committee (nine discussion sessions in 2022, for 146 young talents in the Altarea Group).

CHANGE IN THE NUMBER OF INTERNS AND WORK-STUDY STUDENTS



Happy Trainees 2023

The Altarea Group continued to interview young talents (work-study students, interns) about their experiences within the Group. This confidential survey is conducted by the service provider Choose my Company. For the fifth consecutive year, Altarea Group obtained the Happy Trainees label, awarded based on the opinions of work-study students and interns.

Nearly 90% of our work-study interns recommend the Altarea Group

- 86% of respondents say they "have a stimulating experience", i.e. +8% compared to our competitors;
- 86% find a purpose within Altarea Group;
- 85.5% believe they have progressed professionally during their experience.

Lastly, the Graduate Programme was revamped to include:

- a third class in February for six people;
- a fourth class in September with a group of nine. The talents in this process (recruited on open-ended contracts) come from Grandes Écoles and rotate six months during 18 months in the Group's various business lines. Since the first class in 2019, 19 young people have joined this programme and now hold positions such as Programme Manager, Analyst and Head of Development Asset Management.

Compensation and value sharing

The salary review was an opportunity to define broad and generous terms and conditions, presented individually in the Individual Social Report (ISR) that employees received for the first time in November 2022. This informative and educational tool gives each employee a complete overview of their compensation package and benefits.

The compensation policy remains aggressive and targeted with an increased budget allocating €4 million for base salaries. It also rewards individual and collective performance by renewing performance bonus levels and strengthens "Tous En Actions!", an original and attractive employee shareholding programme.

Salary policy

Scope	Objectives/Commitments	2022 results	Change 2021-2022	Trend comments
Group	Develop value sharing, particularly through employee shareholding	**1,365 employees present directly or indirectly (via FCPE) hold Group shares**		**The capital increase reserved for employees was very popular with a record participation rate of nearly 75% in the Altarea Group**

In an uncertain context, the Group continued to adapt its salary policy to recognise individual performance.

A bonus policy acknowledging success

The awarding of bonuses is a managerial act that acknowledges actual performance and the achievement of individual objectives.

In a context of crisis and high-impact geopolitical tensions, the Group maintained its commitments to employees and wanted to reward performance in 2021 to recognise the unwavering commitment of employees. The "Tous en Actions!" programme was expanded so that all employees on open-ended contracts can be involved in the Group's development and results by becoming a shareholder of the Group if they so wish.

To involve Managers more closely in the Group's success, a medium-term bonus scheme, over two years, equivalent to €10 million, was set up. It consists of the allocation of free shares subject to financial and extra-financial performance conditions aligned with the Group's strategy.

At 31 December 2022, 80% of the Altarea Group workforce was a shareholder of the Group. These shareholdings represent 3.93% of the capital.

The year 2022 was marked by the renewal of the capital increase reserved for employees. This employee shareholding scheme has enabled Group employees to benefit from a discounted share price; matching by the Company; any dividends from Altarea shares reinvested in the FCPE (employee investment mutual fund), thus increasing the value of their shares. This scheme was overwhelmingly popular with employees of all subsidiaries, with a record attendance rate of nearly 75% of the Altarea Group.

Last year, Altarea Group included extra-financial criteria in the profit-sharing agreement. As CSE does not have a profit-sharing agreement, it is not included in the scope subject to these criteria. Of these, two concern the "Employee" component; one on the number of women in management bodies and a second on the proportion of positions filled internally. In 2022, Altarea Group achieved a rate of 31% for the female indicator and a rate of 50% for positions filled internally.

Fair pay

In addition to promoting gender equality, Altarea Group is committed to respecting fair pay between men and women.

As such, in accordance with the law on the professional future and its implementing decree, the entities that make up the Group have measured the indicators defined by the "gender equality" index in accordance with applicable regulations.

The scores obtained for each company based on the results at 31 December 2022 are as follows:

- Cogedim Economic and Social Unit: 89/100;
- Histoire & Patrimoine Economic and Social Unit: 91/100;
- Pitch Promotion Economic and Social Unit: 88/100;
- Cogedim Services Operations: 94/100.

It should be noted that the multitude of business lines that make up the Group explains the dispersion of compensation levels by activity. These scores are therefore merely indicative. In addition, the compensation of Managers is supplemented by a variable portion of pay, depending on the nature of the function performed and the level of responsibility.

As part of its salary process, Altarea Group sets aside a budget dedicated to closing the pay gap between women and men in equivalent positions which is rolled over year to year.

4.4.3 Working environment

Working environment where life is good

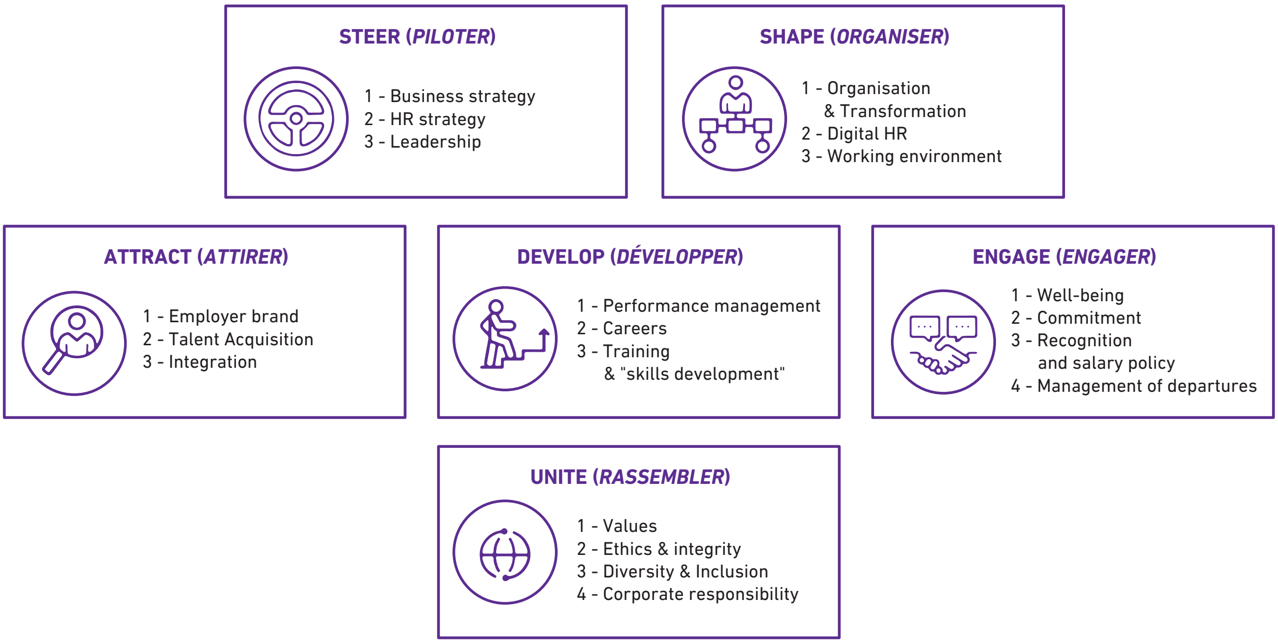
Top Employer 2023

The Group is certified Top Employer 2023.

The Top Employers Institute has been evaluating companies' human resources and management practices. As a unique and independent observer, the Institute has certified more than 2,052 organisations in 121 countries over 30 years. Top Employers certified organisations are committed to providing the best possible working environment for their employees through innovative human resources practices that prioritise human capital.

The Top Employers Institute has assessed and rated all the programmes that the Altarea Group offers to its employees. Its survey covered six major HR areas, divided into twenty themes such as the talent management strategy, the working environment, talent acquisition, training and skills development, well-being at work, and diversity and inclusion.

The score obtained by the Group for this second certification increased by five points, highlighting the continuous improvement and commitment of the Human Resources Department and Managers for the well-being of employees.



Employee safety, health and well-being

Scope	Objectives/Commitments	2022 results	Change 2021-2022	Trend comments
Group	Extend the Altawellness offering	**A more diversified offer**	↗	Altawellness has developed its "Caregivers" offer
Group	Manage absenteeism	**The absenteeism rate for 2022 is 3.03%**	N/A	The absenteeism rate remains at 3%

The attention paid to the health, safety, well-being and quality of life and working conditions of employees has become part of the Company's culture, helping maintain mental well-being and employee engagement.

Guides and tutorials are available in digital modules for all Managers and/or employees on the Digital Academy.

The Altawellness brand

In September 2018, the Altarea Group created the Altawellness brand, an approach designed to take a holistic view of employees and offer them handy solutions to take care of their physical and mental health.

It is reflected in the provision of service platforms and online modules accessible to all on the Digital Academy, face-to-face events promoting the sharing of experiences and remote "Live" formats, and events such as conferences and webinars.

The programme was significantly strengthened in 2022, particularly in terms of support for carers. The Altawellness initiatives are as follows:

- webinars led by health experts (fight against sedentary lifestyle, nutrition, stress management, etc.);
- specific actions during the Quality of Life at Work Week, Pink October and Movember with innovative demonstrations for the detection of different cancers;
- vaccination campaigns (flu vaccination: more than 125 employees vaccinated at head office);
- possibility to access personal services on preferential terms to facilitate the daily life of employees (cleaning, childcare, tutoring, etc.);
- social and family support service providing support on personal issues (close relatives dependents, divorce, over-indebtedness, illness, etc.).

In line with the signing of the Parenthood Charter (June 2021), Altawellness offered more webinars on the theme of parenthood. As part of the Sensational Week (see box 4.4.4 "A sustained learning dynamic") three conferences were held: "Emotions make sense" given by the head office nurse for parents of young children, and "How to manage screens without shouting" as well as "Being a father today" hosted by the Nathan organisation. The end of the summer holiday season is an opportunity to remind employees of Worklife services' parenting strand: childcare, tutoring, etc

These actions aim to promote a work environment and a managerial culture enabling employees to reconcile professional and personal life, while enjoying real quality of life at work, a source of humanly sustainable performance.

THE GROUP REMAINS DETERMINED TO SUPPORT OUR CAREGIVER EMPLOYEES

In the first stage, when an employee receives assistance, the following information is sent to them:

- the contact details of our partner Worklife. Employees can contact the organisation for assistance, referral to organisations appropriate to their circumstances and support with administrative matters. This process is completely confidential and bound by professional secrecy. It is a free service offered by the Altarea Group;
- the contact details of the Richelieu Health Division, which is also available every day to listen to employees with personal issues.

It is possible to use the day donation scheme (94 Altarea Group employees took part in this scheme).

Providing flexibility: flexible working hours, flexible conditions for leave and time off, and adapted remote working.

Information on the support services available to carers insured with the Group's mutual insurance company.

In the second stage, when an employee's caring responsibilities seem to heavily impact their professional daily life, on a case-by-case basis and in collaboration with the HR Director, the Group proposes applying the procedure of the MyTeamily partner (consultation providing time to talk through issues and advice, leading to referral to an appropriate and highly personalised process).

The first event on the theme of carers was held during Sensational Week in the form of a presentation by MyTeamily, a partner of the Group. Then on Carers day in October.

Occupational health

The Group's activities do not pose a high risk to the health and safety of employees.

Ongoing initiatives to promote a safe working environment and ensure the health, well-being and quality of working life of employees include regularly updating the single document on occupational risk assessment and raising awareness of precautionary measures and personal protective equipment for employees working on building sites.

The HR Department has also put in place, at Group level, recommendations concerning posture and work spaces in consultation with the occupational doctor and the CSEs and health and/or safety committees (CSSCTs).

Employees and their beneficiaries enjoy complete and quality supplementary healthcare and disability coverage, which has been renewed, thus maintaining a high level of guarantees while reducing costs.

Cultural and sporting issues

In accordance with Act 2022_296 of 2 March 2022, the Altarea Group takes cultural and sporting issues into account when determining the Company's business strategy. The HR Department, *via* the Altawellness offer, encourages employees to use the resources at their disposal to improve their own physical and mental well-being thanks in particular to the budgets for social and cultural activities and infrastructure (health and fitness area).

Thus, Altarea encourages its employees to exercise and participate in sports: a gym at the Richelieu head office, subscriptions to online courses for the Regions, awareness-raising campaigns on physical and mental health, well-being advice for employees, and workshops on various topics such as nutrition or physical exercise.

Absenteeism

Absenteeism is the subject of an exhaustive and detailed review each year, with an analysis of each reason by entity.

The absenteeism rate remains below 3% and is stable compared with previous years.

Equality, diversity and disability

The Group promotes integration and diversity in its recruitment policy and the management of its employees' careers through attentiveness to all potential factors of discrimination (gender, age, disability). Quality social dialogue and respect for the fundamental conventions of the International Labour Organization supplement this policy of diversity and equal opportunities.

Since December 2013, the Group has been a signatory of the Diversity Charter and all new employees are made aware of this commitment (welcome booklet, induction seminar). A Diversity adviser coordinates the Group's policy in its various areas: gender parity, initiatives aimed at young people and seniors, consideration of disability, and socio-professional diversity.

CONTINUOUS COMMITMENT TO DIVERSITY

The Altarea Group renewed its partnerships and invited as guests to the head office:

- Elles Bougent: which offers high school students the opportunity to discover careers in the engineering and technical professions and dare to dream.

The Academy then published a digital module "Becoming a sponsor/relay Elles Bougent".

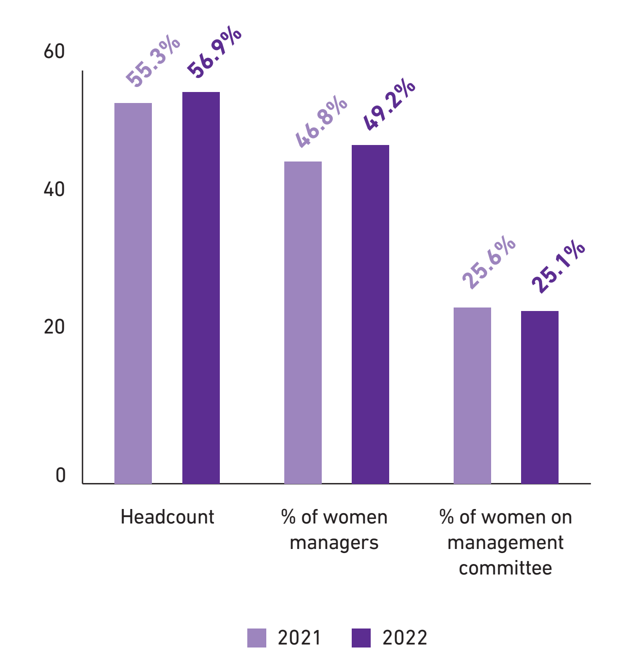
Altarea Group also took part in the Smart City Week on Wednesday 12 October 2022, welcoming around 20 young girls in their third year who found out about the Group and spoke to female employees who think about the city of tomorrow.

- "Our neighbourhoods have talents": their goal is to create bridges and forge special links between the business world and young graduates at risk of unemployment. The Academy also offered a digital module on how to "Become an NQT mentor" so that employees can get information and become mentors or sponsors.

Digital awareness-raising training courses are available to all employees: "Good non-discrimination practices" and "Let's play diversity".

Scope	Objectives/Commitments	2022 results	Change 2021-2022	Trend comments
Group	Promote youth employment	**Work-study students make up 16.3% of the workforce**	↗	**The Group has strengthened its commitment to young people**
Group	Promote gender equality	**Women represent 25.1% of members the Managers Committee**	=	**The Group continues its actions to promote access for women to management positions**

PROMOTING GENDER EQUALITY



The Group has always striven to guarantee the same opportunities for men and women in all aspects of their professional life, seeing gender equality as a factor for collective enrichment and social cohesion. At the end of 2021, the Group made a strong commitment to the promotion of women in management by signing the Gender Equality Charter in partnership with the *Cercle des Femmes de l'Immobilier*. Each entity has therefore renewed and intensified its action plans on gender equality in 2022, confirming the Group's desire and commitment to maintain and build on measures to promote gender equality in all actions, including:

- the quest for equality during public events such as Crescendo integration seminars;
- during recruitment, partner firms and departments are made aware and undertake to systematically shortlist a man and a woman;
- the continuation of the "employee" extra-financial incentive criterion underlining the Group's determination to support equal opportunities between men and women, in particular by promoting the promotion and access of women to management positions, and capitalise on talent by supporting internal mobility.

In December 2021, the Group signed the charter of commitment to gender parity and gender equality in companies and organisations in the real estate sector, reflecting its convictions. Promoting gender equality in the workplace is self-evidently essential for the Group to imagine real estate projects that match the social, societal, environmental and corporate governance challenges of today and tomorrow. Progress on this for the employees of the Altarea Group means further developing the power of working together, strengthening operational efficiency, bringing diversity to all levels of the organisation and strengthening commitment among all the generations that make up the Company, in accordance with our commitments made under the Diversity Charter.

Disability policy

In 2022, 23 employees were declared as workers with disabilities.

In addition, ESATs (*Établissements et Services d'Aide par le Travail*, organisation working for insertion of the disabled into the workforce) are used to provide a range of services (purchase of supplies).

As every year, an internal communication campaign as well as events and awareness-raising workshops were run during European Week for the Employment of People with Disabilities: sales organised at the head office by an ESAT, information webinars, a challenging quiz on the Digital Academy, etc.

Dialogue with employee representatives

The quality of employee dialogue is always a key focus of the Group's employee relations policy.

Management and social partners hold regular discussions, always in conjunction with the occupational health services, to maintain optimal organisation and working conditions for employees.

Each decision involves consultation with the CSEs and the CSSCTs, where they exist, and is managed at Group level. Each CSE is regularly informed and consulted on plans to set up new organisations and new projects.

In collaboration with the members of the CSEs, the head office nurse and the occupational physician, the HR Department is drawing up its policy for the prevention notably of psychosocial risks by regularly updating its handouts and strengthening its policy on well-being and quality of life and conditions at work.

In addition, harmonisation work continues within the Group with an update of its Common Social Base in 2022 to incorporate the Group's new companies so that all employees will continue to receive the best social benefits and to facilitate intra-group mobility.

The HR Department is pursuing its policy on labour relations and the striking of similar collective agreements/action plans and Charters at Group level (profit-sharing, employee savings plan, employee profit-sharing, Group Percol, Professional equality and QLWL, right to disconnect and Ethical rules).

In 2021, the Management and Group CSEs agreed to set up an inter-company social and cultural activities committee (CASCI) so that all employees can benefit from joint social initiatives, notably sports. The first actions were held in 2022, thanks in particular to a sport-for-all grant, and included various events or offers throughout the year.

Because of the size of the entities in Italy and Spain, formal mechanisms of employee representation are not required under local regulations. Direct dialogue is promoted between employees, the Deputy Director and the Human Resources Department.

Teleworking charter

Since 2018, the Group has had in place a teleworking charter that strikes a balance between efficiency, work-life balance and CSR. Remote working forms part of a QLWL approach, alongside CSR and Sustainable development concerns.

In 2021, a Charter extending the conditions for remote working, offering flexibility to employees and taking into account their professional and personal situations. The Group adapted successfully, demonstrating agility in arranging for remote, face-to-face and hybrid working formats. In 2022, a number of tools have been made available to Managers and employees, including the remote worker kit and training modules on how to manage remotely and a team work management tool. The end of the year was marked by the extension of the Charter for 2023.

Other initiatives

The policy of exceptional leave time for life events will form part of the common social platform. Rules more favourable than those of the collective agreement are thus accorded to employees during important life events.

Work-life balance is also an important issue at the Altarea Group. Beyond numerous existing actions (voluntary part-time working, birth or adoption-related leave, family-related leave, parental leave for childcare, leave to care for a sick child, etc.), the conditions for maternity and paternity leave were improved. Since 2018, employees continue to be paid their gross salary with no condition of length of service for maternity leave and after one year with the Company for paternity leave, now extended to 25 days. 2022 was marked by the introduction of an option to donate sick days to support employees in need.

Additional support measures were put in place in the context of the health crisis through a new social and parental support service providing advice on personal issues.

Finally, measures to control the management of IT and communication technology tools made available to employees were reaffirmed. In particular on respect for private life. Each employee has the right to disconnect outside the business hours in which they normally do their work in compliance with a minimum daily and weekly rest period provided for by law, except in exceptional circumstances. The Group has reaffirmed its commitment to the right to disconnect through the adoption of a Charter on the right to disconnect for all its entities.

Compliance with the eight ILO conventions

The Group has committed to complying with the eight fundamental conventions of the International Labour Organisation and ensures they are applied in its operations, particularly in relation to:

- the 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.

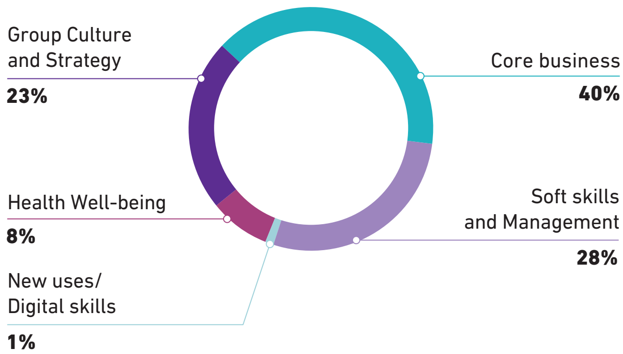
The Group also complies with corporate principles in the area of children's rights. Lastly the Group's ethical charter reiterates the reciprocal rights and duties of employees and the Company and stresses the principle of regulatory and legal compliance. It is available on the intranet and part of the new employee welcome package.

4.4.4 Talent and skills management

Scope	Objectives/Commitments	2022 results	Change 2021-2022	Trend comments
Group	Continue skills development according to the needs of the business line and develop the employability of employees	**98.72% of Altarea Group employees engaged in at least one learning action**	↘	In 2021, the Digital Academy hosted mandatory CSR training courses. The digital learning aspect fell back in 2022. Altarea Group plans to expand its content with a catalogue of digital training courses in 2023 to boost attendance. In addition, 94% of training hours were delivered "in synchronous mode" (face-to-face and video sessions)

In 2022, to support the development of employee skills, the HR Department introduced a face-to-face strand for its training in business lines, management, soft skills, etc.

BREAKDOWN OF ALTAREA GROUP TRAINING COURSES BY SKILLS DEVELOPMENT 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 2022 with a large-scale tailor-made programme revolving around the development of projects serving the Group's business challenges.

17 employees from all Altarea Group brands took part in this session. This second year with emlyon, the participants were mobilised into a "project team" working on an "Altarea Oriented" theme, drawing on the modules on Strategy, Finance, Leadership and backed by the mentoring of internal sponsors and personalised coaching both collectively and individually.

These projects were presented in the presence of Alain Taravella and Jacques Ehrmann as well as Executive Committee members and Managers. Each team supported its project with conviction and earned its certification.

The Group is continuing this project by inviting a third cohort of employees to take the emlyon certification program in 2023.

The "Talent Developer" Academy: a learning company vision

The "Learning & development" model supported by the Academy created in 2017 relies on the diversity of learning methods: face-to-face, distance learning, synchronous or asynchronous. This hybrid approach, supported by a learning business vision, had been anticipated well before the health crisis to meet the challenges of developing skills and so attracting and retaining talents.

Since March 2020, the Academy has rolled out its digital platform to all Group employees, with a wide choice of *à la carte* modules for distance learning. Employees can access all the strategic themes in the Group's skills development plan: Group culture & strategy, core business, soft skills & management, digital skills and health, safety and well-being in connection with Altawellness, the Group's offer which includes all actions in terms of quality of life at work.

The Academy continued to put out its regular Newsletters to share news and programmes related to training and skills development with all Group employees.

A learning dynamic sustained

Nearly 3,864 training days were recorded in 2022. Frequent learning moments and the provision of an accessible digital platform encourage a learning culture and support knowledge of the business lines and internal mobility initiatives.

> The inauguration of Issy Cœur de Ville was an opportunity to invite employees on several urban expeditions. The aim was to discover and take ownership of one of the Group's emblematic projects and to take time to share reflections with colleagues and instil pride in belonging.

The Altarea Group's training investment represented 3.1% of the payroll (incorporating the entire apprenticeship policy since 2020), an investment that is still significant to finance large-scale actions such as "core business" training, which remain in the majority to support career development.

As part of its continuous improvement approach, the Talent division has innovated by designing a multi-format event, combining a job fair with Quality of Life and Working Conditions week, and family &

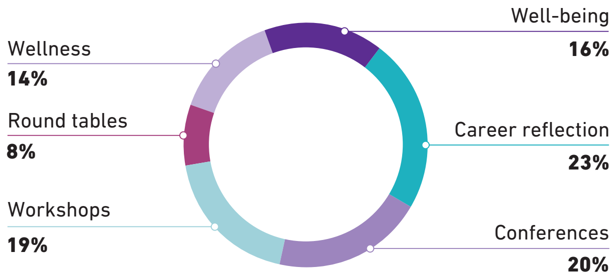
friends day, etc. All these events share the feature that they put the employee at the centre.

The event was called "Sensational Week", dedicated to Meaning at Work (national theme of the Quality of Life at Work week). Events included inspiring presentations, business round tables, learning workshops, moments to talk about careers and other beneficial events. For the first time, the Richelieu Headquarters opened its doors to employees' families for a giant buffet. A convivial shared occasion which was much appreciated by the many attending, young and old.

RECORD PARTICIPATION IN SENSATIONAL WEEK:

More than 715 participations in the various events from Altarea Group (more than 315 individual participants).

DISTRIBUTION OF PARTICIPATION IN THE EVENTS OF THE "SENSATIONAL WEEK" BY THEME



Continuous improvement of the integration process

The induction process has not been forgotten. 100% of new employees had access to the onboarding module on the Digital Academy, and 211 employees were invited to attend the Crescendo seminar.

Since 2022, a pre-boarding module is now offered to new hires to enable them to plan for their next position.

INCREASINGLY PERSONALISED INTEGRATION

In April, the seminar "(Re)discovering Cogedim" was launched. Devised by the Talents & Development team, this day for employees who joined during Covid (2020-2021) allows employees of the Cogedim brand to attend presentations by Management, take part in interactive career workshops and network.

More than 100 participants at three sessions in 2022.

Mobility and promotions

Scope	Objectives/Commitments	2022 results	Change 2021-2022	Trend comments
Group	Promote/Contribute to employee mobility	**50% of positions in the Altarea Group filled through internal mobility and promotion**	↘	Resizing teams as part of the managerial responsibility project has been a mobility accelerator

The Group continued our committed policy in terms of mobility and internal promotion in 2021.

In 2022, 50% of Altarea Group positions were filled internally.

Within the Group, 193 employees were involved in 219 transfers and promotions.

To drive this internal mobility policy, we carry out individual and collective actions.

Employees express their plans and desire for mobility to their Manager during their annual review. The information is collected and studied. HR mobility committees meet monthly and include the subsidiary HR departments. Their objective is to monitor movements and oversee connections between the employees' projects and the positions to be filled.

Employees receive a monthly Altajobs newsletter containing news from the Group in terms of jobs and mobility. To remind everyone of best practice in terms of mobility, a training programme accessible *via* the Group's Digital Academy was developed. This 15-20 minute module gives the right advice to employees who are interested in accelerating their career within the Group.

This newsletter showcases initiatives to encourage internal promotion and mobility. In 2022, there were two main initiatives:

- a first season of podcasts with 15 employees from the Altarea Group recorded talking about what interested and motivated them about their current job;
- 7-10 minutes per podcast, which can be listened to at work, on public transport or at home to find out about the jobs of colleagues;
- a 100% digital solution that walks employees through a reflection on their career. Jobmaker guarantees confidentiality to employees and offers them the opportunity to conduct a sort of skills assessment on their own. The tool helps them to think through their plans and to better communicate their experience and projects to their Managers or at internal mobility interviews. This solution ran from June until October 2022 and was rerun. To date, more than a hundred employees have signed up to use it.

This year, to continue promoting the real estate business, the Group partnered with a service provider to take part in a web exhibition called *Gueules de l'Emploi*. Ten employees from all brands were featured in the exhibition. The quality of the photos and the desire to promote values such as work, commitment and pride in belonging led the Group to transform this digital version into a physical exhibition at the Richelieu head office for three weeks at the end of the year. The exhibition, sponsored by the founding President, was a great success, putting people at the heart of the business.

4.4.5 Key social indicators

		Unit	2021	2022
TOTAL HEADCOUNT	TOTAL HEADCOUNT END OF MONTH	No.	1,540	1,552
Breakdown by type of contract	Number of employees on open-ended contracts	No.	1,500	1,526
	Number of employees on fixed-term contracts	No.	40	26
	Percentage of women in the total headcount	%	55%	57%
Breakdown by country	Percentage of employees in France	%	100%	100%
Breakdown by age group	Under 30	%	18%	20%
	30 to 50	%	66%	64%
	Over 50	%	16%	16%
Breakdown by status	Percentage of employees in management positions	%	77%	77%
	Percentage of employees in non-management positions	%	23%	23%
Recruitment	Number of new hires on open-ended contracts	No.	254	325
	Percentage of women hired on open-ended contracts	%	58%	62%
	Percentage of Managers hired on open-ended contracts	%	76%	77%
	Number of fixed-term contract hires	No.	130	138
	Number of work-study contracts	No.	202	228
Departures	Number of departures of employees on open-ended contracts excluding mobility and administrative transfers	No.	220	234
	Total departure rate	%	14.90%	15.80%
	Non-managerial departure rate	%	15.30%	21.20%
	Executive departure rate	%	14.80%	14.20%
Reasons for Departure	Percentage of resignations	%	41%	49%
	Percentage of dismissals	%	22%	15%
	Percentage of agreements between employer and employee	%	26%	15%
	Percentage of retirements or early retirements	%	3.00%	2.00%
	Percentage of probation periods ended by employer	%	4%	14%
	Percentage of probation periods ended by employee	%	4%	7%
Organisation of working time	FTE permanent/fixed-term in FTE	No.	1,488.91	1,540.25
	Average headcount end of month open-ended contracts of working time	No.	1,476	1,479
	Number of theoretical hours worked excluding overtime	No.	2,382,256	2,691,888
	Turnover rate	%	16.20%	19.50%
Gender equality	Percentage of women among management-level employees	%	46.80%	49.20%
	Percentage of women on the managing executives committee	%	25.60%	25.10%
Disabilities	Number of employees having reported a disability	No.	21	23
Antidiscrimination	Number of interns over the period	No.	65	49
	Number of work-study contracts during the period	No.	359	438
Organisation of employee-management dialogue	Number of employee representatives	No.	56	60
	Percentage of employees covered by a collective agreement	%	100%	100%
Fixed compensation	Average gross annual employee compensation - excluding variable compensation and employer contributions	€	€57,117	€55,004
	Average gross annual compensation of non-managers - excluding variable compensation and employer contributions	€	€32,738	€32,728
	Average gross annual compensation of executives - excluding variable compensation and employer contributions	€	€63,731	€60,974

		Unit	2021	2022
Training	Total expenditure on training	€	€3,518,796	€3,592,684
	Percentage of employees who completed at least one training course during the year	%	100%	97.5%
	Number of training days per year	No.	3,677	3,864
	Average training expenditure per employee trained	€	€1,991	€1,970.75
Promotions	Number of employees promoted in the year	No.	114	147
	Percentage of employees promoted in the year	%	7.70%	9.50%
Mobility	Number of employees having benefited from one or more forms of mobility	No.	81	72
	Percentage of employees having benefited from one or more forms of mobility	%	5.50%	4.60%
	Percentage of vacancies filled as a result of mobility	%	24.20%	15.60%
Absenteeism/Accidentology	Rate of absenteeism excluding maternity leave/paternity leave/other causes	%	2.90%	3.03%
	Number of occupational illnesses	No.	1	0
	Number of workplace accidents (with work stoppages excluding accidents on the journey to and from work)	No.	8	9
	Frequency rate of workplace accidents		0.01	6.69
	Severity rate of workplace accidents		0.03	0.11

4.5 Methodology

Altarea Group published its Declaration on Extra-Financial Performance (DPEF) for the fourth year. Altareit voluntarily published a CSR performance report, as it is not under the obligation to do so.

This Chapter 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 CSR performance report

To identify its extra-financial risks the Group used existing resources: the materiality analysis (see the Altarea Group website), the Group risk mapping (updated in 2019 – see Chapter 5 of the Universal Registration Document—and in line with the risks identified in the Altarea Group DPEF), and the main trends developed in the integrated strategic report. The risks analysed are the gross risks, before the mitigation measures taken by the Group.

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 Risks and Internal Control Department for the Group'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 Altarea Group's DPEF.

4.5.2 Reporting scope and calculation methodology

Reporting covers nearly all of Altareit's Property Development activities, as well as the operations of its registered office.

The scope of social reporting includes all of the Group's fully integrated legal entities with a payroll that is not nil.

Altareit drew on recognised national and international guidelines to produce its internal reporting guidelines and extra-financial communication.

The Group's extra-financial reporting is compatible with the European Public Real Estate Association (EPRA) "Best Practices Recommendation on Sustainability Reporting", published in September 2011 and the GRI G4 Construction & Real Estate Sector Supplement (CRESS) sector supplement.

Residential and Business property

Scope of reporting

The Group's Property Development business consists of:

- Residential: Cogedim, Pitch Immo, Severini (included in Pitch Immo), Histoire & Patrimoine and Woodeum;
- Business property: Office activities (under the Altarea Entreprise, Cogedim and Pitch Immo brands) and Logistics.

Unless otherwise stated, the indicators published in this report relate to:

- Residential: all brands, excluding Woodeum;
- 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 to 30 September of the reporting year.

Methodological details related to the calculation of certain indicators

Share of local purchases

This indicator covers the Residential business, excluding the Histoire & Patrimoine subsidiary. It is calculated for all projects delivered from 1 October of the year preceding the reporting year to 30 September of the reporting year.

NF Habitat certifications

This indicator covers Residential, excluding the Severini and Histoire & Patrimoine subsidiaries. It is calculated for all transactions declared to the certifying body CERQUAL from 1 January to 31 December of the reporting year.

Greenhouse gases emissions (GHG)

The scope of reporting for the development activity includes all projects contributing to net financial income from 1 January to 31 December in the reference year. The calculation of GHG emissions per project is based on the percentage-of-completion accounting rules and financial consolidation rules (see Chapter 2 of the Universal Registration Document).

In the case of Property development, the emission factors used for new housing and offices from financial year 2022 comply with the environmental regulations for 2020 (RE2020). Projects subject to this regulation undergo a life cycle analysis (LCA) to identify two indicators related to GHG emissions from each building (in $kgCO_2e/m^2$):

- IC construction: this reflects the GHG emissions produced during the construction phase of projects under development;
- IC energy: this reflects the GHG emissions produced during the operation phase of projects under development (energy for tenants) over 50 years.

For projects within the property development reporting scope outside the scope of application of RE2020, the factors used are based on data from market benchmarks (ADEME, E+C- standards) and research consultancies for projects representative of groups of buildings.

These factors, multiplied by the regulatory surface area of a project (living area (SHAB) for Residential, floor area otherwise), make it possible to calculate the GHG emissions generated by this operation. In order to harmonise the accounting of GHG emissions with the Group's economic activity:

- the emissions related to the construction of each project are calculated using the IC construction index and the technical progress of the project carried out during the financial reporting period;
- the emissions related to the operation of each project are calculated using the IC energy index and the marketing progress of the project carried out during the financial reporting period.

This method ensures that all GHG emissions are accounted for in each operation delivered and fully sold.

Corporate

Scope of reporting

The scope of corporate reporting includes the contributions of Altarea Group's head office at 87 rue de Richelieu, in Paris, plus the contributions of the regional offices. Environmental data for Altarea's head office are available for the calendar year. The environmental data for all the Altarea Group's other regional headquarters are extrapolated on the basis of the FTEs of the head office and the Group.

Methodological details related to the calculation of GHG emissions

Emissions related to business travel include trips in company vehicles and business trips in personal vehicles.

One of the Group's challenges for future publications is to be able to include emissions related to employees' business travel by train and plane.

The GHG emissions factors in the case of corporate activity reflect the GHG emissions per unit of energy consumed in the seats and fuel consumed during business travel during the extra-financial reporting period. These reference factors are provided by ADEME, as well as the Association of Issuing Bodies (AIB) for the market-based method, for the reference year.

4.5.3 The CSR management system

Deployment of the CSR approach: General Management System (GMS)

In order to disseminate best practices across all of its activities, Altareit has implemented management systems suited to each business line which, overall, constitute the Group's General Management System (GMS). The implementation of this GMS facilitates access to the requirements of qualitative and environmental certification guidelines whilst developing employee skills.

GROUP GENERAL MANAGEMENT SYSTEM

Residential	Business Property
Guide of best practices for Residential properties **NF Habitat** **NF Habitat HQE**	EMS office projects **BREEAM®** **HQE™**
Additional tools: training on regulatory changes and certifications, biodiversity guide, SSE guide, well-being guide, summer comfort guide, etc.	

Tools to complement EMS

Tools and thematic guides

Each year, the CSR Department produces and circulates tools and guides to raise awareness of employees of the various themes around sustainability and how to facilitate their inclusion. These guides cover, for example, cooperation with stakeholders with a positive impact (including the social and solidarity economy sector), the circular economy, summer comfort, biodiversity and certifications and labels.

Awareness and training

In general, employees regularly attend training sessions, at the initiative of the various Group departments, in particular when the regulations change.

Multiple training courses on the Group's major CSR issues are available to employees. Formats are diversified to best address the selected topics with attractive and innovative teaching methods, suitable for everyone from generalist to expert. For example, to meet the time constraints of employees, the plan includes very short e-learning modules.

Altarea Group employees are also made aware of CSR issues through the network of operational CSR ambassadors. This network is open to employees of all brands and all business lines, and one of its missions is to disseminate the Group's CSR strategy.

A number of learning expeditions are also organised to inspire employees.

Finally, each year, on the occasion of social economy month, the Group conducts an awareness-raising campaign for all employees on the cooperation with social economy organisations (see 4.2.1).

4.5.4 European taxonomy

Taxonomy principles and methods

The alignment of the reported indicators with the taxonomy was investigated at asset level, which in Development, means each project (building or group of buildings). Also for development projects, the date considered is the filing date of the building permit when referring to national regulations.

In addition, it was considered that the Property development business was eligible under activity "7.2 Renovation of existing buildings" by extrapolation from the proposed description of activity "7.1 Construction of new buildings", given that these two activities are distinguished only by the nature of the final building (new or existing).

As the european taxonomy is subject to change, if the criteria applying to multi-year assets change, these changes are not applied retrospectively. They only impact new projects for which the building permit was filed after 31 December 2022.

The items reported in this chapter are based on:

- the consolidated financial statements for the year ended 31 December 2022 based on the Finance tools;
- Note 1 to the 2022 URD "Financial statements";
- for Capex, Note 3 to the 2022 URD: Chapters "7.1 Investment properties" and "7.3 Right-of-use assets on property, plant and equipment and intangible assets".

Revenue

- Group revenue corresponds to consolidated net revenue as presented in accordance with IAS 1-82[1] excluding the following:
  - joint ventures under IFRS 11,
  - associates according to IAS 28 (but additional KPIs possible for equity-method affiliates provided a reconciliation is provided),
  - revenue from discontinued operations and IFRS 5,
  - grant-related income;
- Revenue is made up of the following three items (see Note 1 "Financial statements"):
  - Group revenue,
  - external services.
- Regarding external services, only those corresponding to asset management fees for offices in which the Group holds shares and revenues related to the operation of the auditorium at 87 rue de Richelieu are eligible.

Capex

- Capex corresponds to the increase in the gross value of property, plant and equipment and intangible assets for the financial year, before impairment, depreciation, amortisation and any revaluation, including those resulting from revaluations and impairments, for the financial year in question excluding fair value adjustments. Also included is the increase in the gross value of property, plant and equipment and intangible assets resulting from business combinations.
- Note: the Capex indicator also covers long-term leases and leases (right-of-use assets under IFRS 16).
- The Capex indicator covers the following items:
  - right-of-use assets for investment properties,
  - net asset acquisitions and capitalised expenses,
  - right-of-use on tangible and intangible fixed assets.

Opex

Opex means all non-capitalised direct expenses related to:

- research and development;
- building refurbishment measures;
- short-term leases;
- maintenance and repairs;
- as well as any other direct expenditure related to the day-to-day maintenance of property, plant and equipment by the Company or by a subcontracted third party and which are necessary to ensure the continuous and efficient operation of these assets (*e.g.*: maintenance supplies, cost of employees assigned to maintenance, IT dedicated to maintenance).

(1) As defined in Article 2 of Directive 2013/34/EU: amounts derived from the sale of products and the provision of services after deducting sales rebates and value added tax and other taxes directly linked to revenue.

4.6 Independent verifier's report on a selection of extra-financial information

Year ended the 31 December 2022

To the General Shareholders' Meeting,

Further to your request and in our capacity as an independent verifier, we present our report with a view to expressing a limited assurance opinion on the extra-financial information for the year ended 31 December 2022 as detailed in Appendix 1 (the "Information"), prepared by the entity using the extra-financial reporting procedures for 2022 (the "Guidelines").

Limited assurance conclusion on the Information

Based on the procedures we have implemented, as described in the section "Nature and scope of the work on the Information", and the information we have collected, no significant anomaly has come to our attention that causes us to believe that the Information has not been prepared, in all significant respects, in accordance with the Guidelines.

Preparation of Information

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 management report.

Limitations inherent in the preparation of the Information

The Information may be subject to inherent uncertainty due to the state of scientific or economic knowledge and the quality of external data used. Certain information is sensitive to the methodological choices, assumptions or estimates used to prepare it.

The entity's responsibility

As part of this voluntary approach, the entity is responsible for:

- selecting or establishing appropriate criteria for the preparation of the Information;
- preparing the Information, in accordance with the Guidelines;
- putting in place the internal controls that it deems necessary to prepare Information that is free from material misstatement, whether due to fraud or error.

Responsibility of the independent auditor

It is our role in response to the entity's request, based on our work, to express a limited assurance conclusion that the Information is fairly presented, in all material aspects, in accordance with the Criteria.

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.

However, it is not our responsibility to express an opinion on the entire management report relating to the financial year ended 31 December 2022, and in particular on the entity's compliance with applicable legal and regulatory provisions.

Applicable professional doctrine

We conducted the work described below in accordance with ISAE 3000 (revised)[1] and professional standards applicable in France.

Independence and quality control

Our independence is defined by the Code of Ethics 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, the ethical requirements and French professional guidance.

Means and resources

Our verification work mobilised the skills of six people and took place between September 2022 and March 2023 on a total duration of intervention of about nine weeks.

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;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we consulted documentary sources and conducted interviews to corroborate the qualitative information presented in Appendix 1;
- on quantitative information, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data, and
  - tests of details, using sampling techniques, 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 at the level of the consolidating entity (Altareit SCA) and at the Juilly Boarding School site (housing project) for environmental indicators;
- we assessed the overall consistency of the extra-financial information with our knowledge of all the entities included in the scope of consolidation.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, 17 March 2023

The Independent Auditor

EY & Associés

Philippe Aubain

Partner, Sustainable Development

(1) ISAE 3000 (revised) – Assurance engagements other than audits or reviews of historical financial information.

Appendix 1: verified information

Social Information

- The total headcount.
- The absenteeism rate.
- The departure rate.
- The proportion of employees who participated in at least one training course during the year.
- The number of training days.
- The representativeness of women in management.
- The number of work-study students recruited during the year.
- The rate of positions filled through mobility and internal promotion.
- The development of recruiting, integrating and training systems for employees.
- Promotion of diversity and equality of chances.
- Strengthening well-being and quality of life at work.

Environmental Information

- The share of areas exceeding the requirements of thermal regulations on office and residential projects.
- Group CO_2 emissions (scopes 1 and 2 as well as the evaluation made of scope 3).
- The share of projects with an ecological diagnosis.
- Levels sought or obtained in BREEAM®.
- A reduction in the direct footprint.
- Update of the decarbonisation strategy.
- Use of energies that emit less greenhouse gases.
- Improving the energy efficiency of projects.
- Limiting exposure to climate change.
- Site waste recovery and reduction of raw materials' consumption.
- Development of activities linked to wood construction.
- Preservation of existing biodiversity.
- Strengthening the Group's innovation culture.

Societal Information

- Percentage of locally sourced purchases by building sites.
- Customer satisfaction index.
- The proportion of sites promoting well-being and comfort of users (NF Habitat and WELL certifications for Residential and Business Property activities).
- The share of surface areas under development less than 500 meters from a transport network (urban integration).
- The employment footprint (direct, indirect and induced jobs).
- Progress of the responsible purchasing approach.
- Progress of the circular economy approach.
- Safety on construction sites.
- The contribution to the economic development of the territories and to local employment.
- Dialogue with customers.
- The implementation of wellness and comfort approaches in each business line.
- Strengthening green value and environmental quality (quality, labels and certifications).

5

RISK MANAGEMENT

5.1 Organisation of internal control and risk management

5.1.1 Objectives set for internal control and risk management

In accordance with AMF guidelines, the 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 internal controls is the Altarea Group, which comprises the company Altarea and all companies that it controls in the meaning of Article L. 233-3-I of the French Commercial Code, including the Altareit Group 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 Altareit Group internal control system relies on:

- organisation by business and by regional subsidiaries, with a system in place with regard to delegating powers and responsibilities;
- a definition of the missions and responsibilities of the governance bodies (see 6.2.3 "Supervisory Board");
- procedures and *modus operandi* specific to the business and objectives of the Group's different business lines, with separation of functions and tasks;
- a human resources and skills-management policy, based on a strategic training plan and a shared approach revolving around annual appraisals.

The Altarea Group, to which Altareit and its subsidiaries belong, also has internal information dissemination tools, including an intranet, procedural notes, instructions and closing schedules.

Risk management system

The main risks of the Altarea Group, and therefore of the Altareit Group, are the subject of detailed presentations made to the Altarea 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 Altareit 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 of the Altarea Group, of which the Altareit Group is a part, sets out the 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. The charter is available on the Group intranet site and a copy is systematically distributed to every employee when recruited;
- 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 new regulatory requirements.

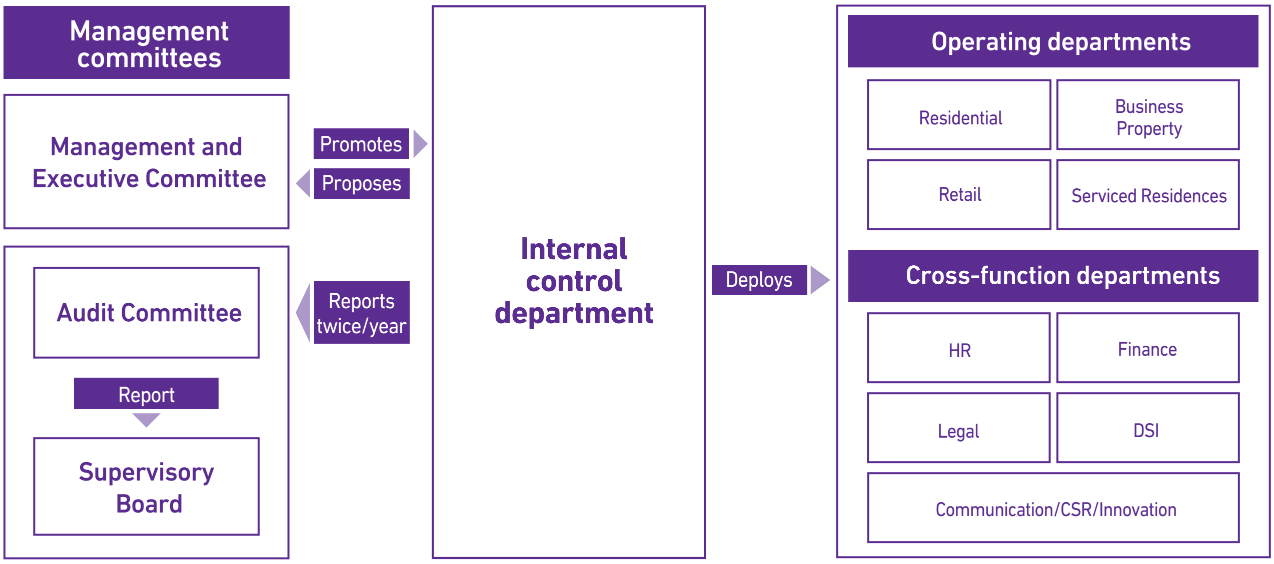
5.1.2.3 Management of the Group's internal control

Internal control and risk management is everybody's business, from employees right up to the governance bodies.

The general organisation of internal control is part of the remit of the Management of the Altarea Group, of which Altareit and its subsidiaries are a part, which, to exercise its responsibilities, has put in place an Executive Committee that meets on a regular basis. 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.

As specified in Section 6.2.3.2 "Working methods, preparation and organisation of the Board's work", Section "Specialist committees" of this document, by virtue of Article L. 823-20 1° of the French Commercial Code, the Company, as an entity controlled according to the terms of Article L. 233-16 of the French Commercial Code by a company (Altarea) that is itself subject to the provisions of Article L. 823-19 of the French Commercial Code, is exempt from the obligation to constitute an Audit Committee.

However, the Altarea Group Audit Committee assists the Altareit Supervisory Board with its role of supervising and controlling the Altarea Group as a whole, including the Altareit Group.



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 Altarea Supervisory Board's specialised committees;
- to monitor regulatory obligations relating to internal control;
- to identify and assist the various departments in mapping risks;
- to define or help departments in defining operational procedures;
- to review the rules applying to the Company's operating commitments, and compile existing procedures and standardise them if needed;
- to perform all compliance checks to ensure procedures are respected.

To fulfil its duties, the Internal Control Department also draws upon:

- specialised advisory and consulting firms;
- a number of contacts within the Group to monitor and control operational risks and commitments.

In addition, every Altareit Group employee is encouraged to make proposals to keep the internal control system effective and up to date. Operational Managers ensure that processes are in line with objectives assigned to them.

5.1.3 Procedures relating to the preparation and processing of the Group's accounting and financial information

The Group is particularly sensitive to the reliability of the budget processes, the correct consolidation of accounting data and the quality of the financial data published. The Statutory Auditors, the Audit Committee and Supervisory Board closely monitor the clarity of the financial information and compliance of the accounting methods used. The Altareit Group therefore considers the risks associated with the preparation of financial information to be moderate, given all the processes in place.

Finance Committee

In order to control the financial and accounting risks that may arise, Operational Finance Committee meetings are held every two weeks and are attended by Management, the CFO, Deputy CFO and the Managers concerned, depending on the agenda. During these committees, the Group Finance Department discusses current financial issues.

Accounting and financial structure and main internal control procedures

(i) Accounting and financial organisation

In order to enable controls at every level, the Altareit Group accounting and finance teams are structured by divisions (Group holding company and Property Development division).

The Group Finance Department is responsible for:

- the keeping of individual company accounts by Group employees for each operating subsidiary;
- the preparation of the Group's consolidated financial statements with dedicated teams.

The Group Finance Department is responsible for the quality and reliability of all the published or regulatory accounting information: consolidated financial statements (IFRS), parent company financial statements (French Standards) and the Company's forward-looking information (law of 1984). This department is in charge of coordinating the relationship with the Statutory Auditors for the whole Group and at every half-yearly and annual reporting date it prepares an activity report consistent with the accounting information.

Within the operating divisions, accounting and financial monitoring is carried out by management controllers in charge of reviewing the results of each operating subsidiary.

(ii) Principal control procedures

The principal control procedures used for the purposes of preparing the accounting and financial information are as follows:

- formalised budget control and planning process taking place four times a year (a full BP in the fourth quarter and three updates in the following quarters), with comparison of actual data and budget data validated by the management activities and the Group. This process facilitates preparation and inspection of half-year and full-year Group financial statements. The main components are discussed with the Statutory Auditors prior to each period-end;
- a vertical procedure for data reporting from various operating departments (period-end timetables and instructions, quarterly meetings, dashboards for information sharing), with audits carried out by the operating management controllers before the information is sent to the Group Finance Department; cross-functional control procedures (consistency checks and reconciliation of operating management/accounting and budgeted/actual figures, inter-company 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 analyse key indicators (revenue and net bank and bond debt),
  - periodic reporting by operational subsidiaries to Management and Executive Management;
- documentation of the harmonised closing process for the various activities:
  - consolidation and accounting procedures manual, formalisation of the follow-up of appeals and disputes,
  - Group accounting chart with a glossary and table enabling comparison between the local accounting and Group accounting, notes including off-balance sheet commitments and taxes;
- audit of the accounts of the 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) 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.

(ii) Account consolidation software

SAP BFC – Business Financial Consolidation – consolidation software package is used by the Altarea Group, of which the Altareit Group is a part. The structure of this package allows close 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 will lead to checks and controls conducted each quarter by reconciliation with the data from the Property Development division (operating budgets, aggregating sales) and/or budgetary (net income).

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.

(iii) Software for financial planning and budget reporting

SAP BPC – Business Planning Consolidation – software for financial planning and budget reporting has been implemented for the whole Altarea Group and hence Altareit. This software uses operating data from business line systems to generate consolidated budget data. Estimated consolidated information is compared with actual figures imported from the system used to prepare the consolidated financial statements (SAP BFC). Any material differences are justified.

(iv) Cash flow software

The Group uses cash management software and a banking communication tool that are automatically interfaced with the corporate accounting software, thus enabling the automated transfer of short-term accounting forecasts to cash management or automatic recognition of certain data transmitted to accounting.

All of the Group's flows are secured with the EBICS TS protocol. This module is interfaced with all of the Group's ERPs, thus enabling the provision of account statements and other information statements to the ERPs or the secure transfer of payment and direct debit files from the ERPs to the banking communication system.

To prevent risks affecting cash management, the cash management teams reconcile bank balances and analyse changes in the cash balance for all divisions on a daily basis: reconciliation of banking data with short-term forecasts, checking of balances and analysis of daily changes in banking positions.

5.1.4 Managing interest rate and counterparty risk

The Altarea Group's debt, to which Altareit and its subsidiaries belong, mainly consists of fixed-rate bonds, short-term commercial paper (Neu CP) and medium-term notes (Neu MTN) at fixed or variable rates and bank loans (mortgage and corporate) at fixed or variable interest rates.

The 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 therefore lead to an increase in interest expenses.

The Group adopts a prudent interest rate risk management policy, designed to preserve the funds from operations generated by the property development activity 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, the 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 Altarea Group, to which the Altareit Group belongs, 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 are mapped, setting out potential risks and making it possible to identify areas requiring priority action. The mapping was reviewed in 2022 to better meet the obligations arising from the Sapin II law;
- an ethics charter setting out the principles and values that must guide the behaviour and actions of the Group's employees in their work. This charter was updated and presented to the employee representative bodies at the end of 2022. It includes a section on the fight against corruption and reiterates the applied policy of zero tolerance towards bad practices and the total rejection of corruption and influence peddling in all its forms;
- a professional ethics alert system open to Group employees and to external and occasional staff, enabling them to report any situation of non-compliance with the ethics charter;
- disciplinary measures that may be taken in the event of corruption or breach of the ethics charter, in accordance with the Group's principle of zero tolerance;
- a process for assessing the integrity of third parties adapted to the specific characteristics of the activities and subsidiaries. This process is regularly reviewed in order to assess its effectiveness and make the necessary improvements;
- mandatory e-learning modules for all Group employees. At 31 December 2022, more than 85% of Group employees had completed the training.

Periodic awareness campaigns target the employees identified as the most vulnerable. For example, with the help of specialist law firms we were able to hold courses on the different types of corruption, conflicts of interest, the peddling of influence, favouritism and the potential criminal repercussions, particularly in relations with the public sector.

(1) *The financial instruments used are detailed in Note 8, "Financial risk management", of Section 2.3 "Other information attached to the consolidated financial statements" of this Registration Document.*

Transparency in public life

In accordance with the law and in order to display greater transparency in the relations and interests between companies and public officials, the Altarea Group, to which the Altareit Group belongs, has been registered with the digital directory of the High Authority for Transparency in Public Life (HATVP) since 2018. It therefore files national and, since 1 July 2022, local declarations on the activities of interest representatives (lobbyists) every year.

Combatting money laundering and the financing of terrorism

The prevention mechanism is primarily based on:

- a systematic inclusion of anti-money-laundering clauses in contracts with third parties;
- a process for assessing the level of risk of customers and business partners, particularly in Residential real estate *via* a due diligence tool and a review of documentation;
- a TRACFIN reporter/correspondent for the entire Group;
- training and raising the awareness of employees most exposed to risk, *via* the deployment of an e-learning programme.

Protection of Personal Data

For business purposes, the Group, through its different entities, processes personal data collected from third parties such as its customers, partners, prospects and/or its employees so that it can provide them with better services.

The Data Protection Officer (DPO) ensures that the processing of personal data within the Group complies with the General Data Protection Regulation (GDPR). A mapping of data processing has been developed and the following actions are carried out on a daily basis:

- keeping records of processing, personal rights and data breaches;
- awareness-raising actions for employees (online and face-to-face) and support for operational teams in the implementation of projects with a "privacy by design" approach;
- procedures, in coordination with the Head of information systems security, to guarantee the security and confidentiality of data within the Group and with partners.

In general, the DPO ensures the dissemination of a culture respectful of personal data protection.

Combatting fraud

To mitigate risks of fraud or embezzlement, procedures have been set up for cash and cash flows to ensure that they are secure (bank powers; rules for opening, modifying and closing bank accounts; daily reconciliation of bank transactions with accounting entries; and separation of functions between the Accounting Department and the Cash Management Department). In addition, the number of authorised signatories for payments is limited.

Every external attempted fraud observed by the teams (*e.g.* fake President, change of bank details, recruitment fraud) is reported to the Risk Prevention Department which sends out regular reminders about the methods used by scammers and the right things to do to avoid them. Face-to-face and e-learning training courses 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 10.2 "Provisions" in Chapter 2.3 "Other information attached to the consolidated financial statements" of this document) or which the Company has contested or is preparing to contest (see Note 5.3 "Income Tax", 6.3 "Provisions" or 10.2 "Contingent liabilities" in Chapter 2.3 "Other information attached to the consolidated financial statements" of this document) and the legal dispute with the shareholders of Primonial mentioned below.

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

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

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

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

As of the date of registration of this document, the proceedings are ongoing.

5.2 Risk factors and risk control systems

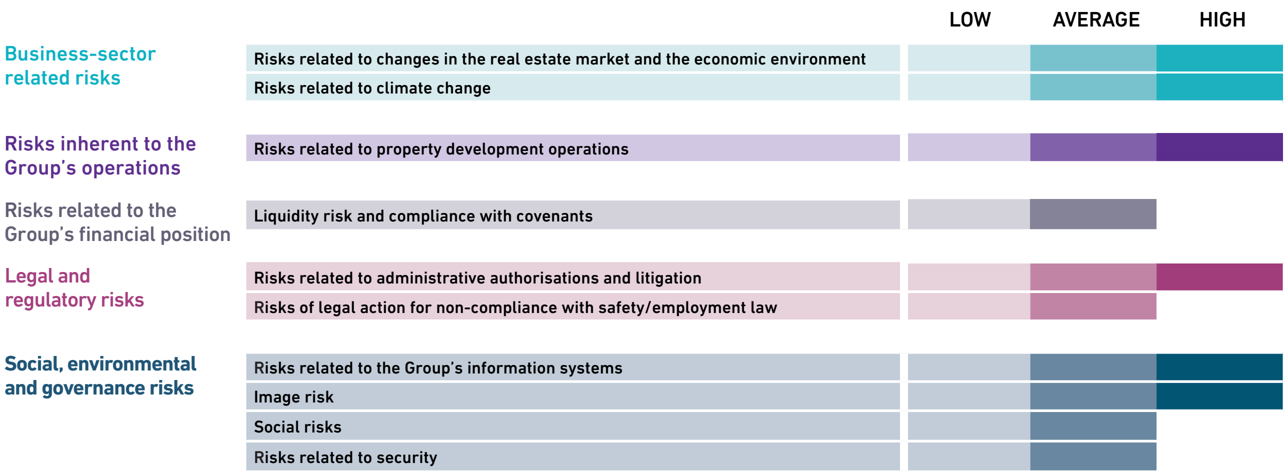
The Altarea Group, of which the Company is a subsidiary, took steps to identify the main categories and the most significant risks, presented in what the Group considers to be the order of decreasing importance within each category. The five categories identified are as follows:

- 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.

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 business.

SUMMARY OF SIGNIFICANT NET RISKS SPECIFIC TO THE GROUP



5.2.1 Industry risks

5.2.1.1 Risks related to changes in the real estate market and the economic environment

Risk factors	Risk control systems
Disruption of the business model Many negative factors are at work, both economic (higher interest rates, usury rate, maximum debt ratio of 35% of income, inflation and purchasing power) and geopolitical (war in Ukraine and energy shortages), affecting all customers (individuals in main residence, individual investors and institutional buyers) with unfavourable impacts on the Group's activity, including our operational business model. The Group must also take account of the many different sectors in which it operates (Residential and Business property and serviced residences). Each of these sectors has its own cycle and own exposure to endogenous and exogenous variables. In addition, changes in consumption habits and consequently in user and consumer requirements, and the emergence of new players arriving on the market each year, are pushing the Group to maintain a permanent dynamic of innovation. These changes which are out of the Group's control could have an adverse impact on its business.	The changes in these markets, the economy and the competitive environment are closely monitored by the Management and the Executive Committee of Altarea, the parent company of Altareit and the Executive Management, which implements the strategy and policies designed to anticipate and limit these risks. In light of the economic challenges, based on appropriate analyses and the agility of its teams, the Altarea Group is putting in place a system that will enable it to meet the demands of clients and reduce its risks by being more selective in its projects. The Altareit Group's positioning in several segments of the real estate market enables it to optimise its risk/return profile by diversifying its risks, something that its single-sector competitors cannot afford. In its approach to innovation and in order to meet the demands of users and consumers who are much more sensitive to the environmental challenges of our time, the Group commits to doing everything possible to make homes a source of well-being, with a positive impact on health and the environment. In addition, in residential real estate, Altarea, through Altarea Solutions & Services, has developed a comprehensive range of services for all of the Group's Residential brands in order to meet the needs of its customers: commercial support, financing brokerage, rental management, trustee and transaction services as well as an option to invest in bare title or usufruct separately. The Group is also developing a wide range of serviced residences: senior residences, student residences, business tourism residences, executive residences, etc.
Unstable tax regulations Unfavourable changes in tax incentives (Pinel, PTZ+, Malraux, etc.) and tax and duties on property cannot be ruled out. Such a change could have a significant impact on the property development business and therefore on Altareit's results.	The Altareit Group has, in recent years, refocused its REIT prospection to provide a property offering tailored to these tax incentives and, more generally, developed "entry-level and mid-range" programmes to propose affordable acquisition prices corresponding to market demands. It is also geographically located in high-demand areas that benefit from these systems. 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. Tax regimes and obligations are controlled by the Altarea Group Finance Department.

5.2.1.2 Risks related to climate change

Risk factors	Risk control systems
Transition risks As the property and construction sector is responsible for around 25% of emissions in France, it is directly concerned by the requirement to reduce greenhouse gas emissions and by regulations (including taxation and more stringent standards, such as environmental regulation RE2020 which came into force in 2022). It is facing increasing requirements in terms of low-carbon design from regulations, customers and stakeholders.	The Group is fully aware of the need to contribute to climate change mitigation and has anticipated the regulatory constraints linked to climate change, whether for the reduction of emissions, a possible carbon tax or new building standards. It measures its carbon footprint across its entire scope (scopes 1, 2 and 3 as defined by the *greenhouse gas Protocol*) and implements a global approach to reducing its carbon footprint: ▪ programming systematic testing of new low-carbon solutions and feedback with costing; ▪ anticipation of costs in business plans systematic certification and testing of new labels arriving on the market; ▪ regulatory watch; ▪ monitoring the expectations of stakeholders: local authorities, elected officials, individual customers, investors, etc.; ▪ training and culture of agility; ▪ policy of partnership with key low-carbon players; ▪ diversification of the offer and skills ("skills platform"), with subsidiaries specialising in low-carbon construction (such as rehabilitation).
Physical risks associated with the impact of climate change Climate change is causing an increase in climate phenomena (extreme weather, heat waves and peaks, etc.) that affect cities and their inhabitants. Property is affected by these risks but is also a source of solutions.	In 2018, Altareit conducted an in-depth analysis concerning its exposure to climate risks concerning its assets and its development operations, with a detailed approach studying each location in France: ▪ risk mapping of the portfolio and the areas where it operates, and targeted action plans; ▪ summer comfort approach in housing design; ▪ anticipation of costs in *business plans*; ▪ training and permanent monitoring by product teams to adapt the offer.

The Group's overall progress approach is detailed in the nonfinancial performance statement in Chapter 4 of this Universal Registration Document, in particular in the chapter on the TCFD.

5.2.2 Risks related to property development operations

Risk factors	Risk control systems
There are many development risks. They include in particular: ■ an administrative risk related to the difficulties of obtaining planning permission, environmental authorisations and possible appeals 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 competition risk, affecting in particular the acquisition of land, 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 6.2.3.2 of this Universal Registration Document), and also through several more operational committees: 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 sale. 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 requests are submitted to a specialised law firms.

5.2.3 Risks related to the Group's financial position: liquidity and compliance with covenants

Risk factors	Risk control systems
Altarea, to which Altareit and its subsidiaries belong, finances part of its investments and growth through bank financing and part through the capital markets. Altarea might not always have the desired access to capital markets or the banking market. This situation could result from a financial crisis affecting the banking sector, the bond or equity markets, a serious deterioration in the property market or any change in Altarea's businesses, financial position or shareholder structure which affects investors' perception of the Group's credit quality or attractiveness as an investment. Some of the credit facilities agreed between Altarea and its banks are subject to early repayment clauses primarily linked to compliance with financial ratios or the occurrence of clearly identified events. Failure to meet these commitments or obligations could result either in default or potential default that would mainly result in early repayment of all or part of the outstanding amounts. This situation could produce an unfavourable impact on the Company's business and financial position, particularly its growth.	The operational management of liquidity and financing is carried out by the finance and treasury department. The Group's available liquidity amounted to €3 billion, of which €1.2 billion in cash and €1.8 billion in undrawn bank credit lines, which are the first tools called on to manage liquidity risk. The budget process for cash management and projected cash flow analysis also provides a way to anticipate and hedge these risks. The 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
The Altareit Group's activities are governed by a large number of specific French and European requirements. The Company must comply with urban planning law and regulations (local urban plans prepared by local councils and laws and regulations on administrative authorisations), construction (ten-year guarantees for the structure and a statutory two-year guarantee for fittings) and the environment (concerning soil pollution in particular). As the vendor of property products, the Altareit Group is subject to common law with regard to the selling to individuals: the ten-day cancellation right of buyers as specified in Article L. 271-1 of the Building and Housing Code, special rules for off-plan sales, the Consumer Code and the section relating to the protection of property buyers set out in the SRU Law. Changes in the regulatory framework might oblige the Group to adapt its business or strategy, which might result in a negative impact in terms of its results, or slow down or even prevent the development of some projects. 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, as Altareit is listed on Euronext Paris, it is subject to the constraints of stock market law, in particular in terms of transparency and the processing of information, particularly in the context of financial transactions, under the supervision of the Autorité des Marchés Financiers. Failure to comply with these requirements would expose these companies to penalties and could damage their image.	**Property Legal Department** The Property Legal Department provides support for first-stage development of projects and the acquisition of land for property projects (whether buying land directly or buying a land-owning company) and asset management. It also monitors compliance with current regulations as well as obtaining the permits necessary for the Group to conduct its business. These services mainly concern urban planning law (commercial operating permits, building permits), and construction and commercial lease laws, as well as, in general, all aspects of property law, intellectual property, consumer law and insurance. 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 Altarea and Alta Percier (indirect subsidiary of Altareit and hence of Altarea), before the Commercial Court of Paris, in order to obtain compensation for the damage they allegedly suffered. Altarea and Alta Percier challenge such claims, which they believe are groundless. On the contrary, Altarea and Alta Percier consider that the Sellers are responsible for the failure to complete the transaction. Altarea thus requests that the Sellers be ordered to pay damages (dommages et intérêts) for the damages suff ered by the Group. To this end, Altarea and Alta Percier filed a brief in response (conclusions en réponse) and in voluntary intervention (intervention volontaire) before the Commercial Court of Paris on 20 June 2022.

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

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

On the date of publication of the Group's annual financial statements, the case is ongoing.

In agreement with its advisors, no provision has been recorded by the Group (see Chapter 2.3 "Other information attached to the consolidated financial statements – Note 10.2" of this Universal Registration Document).

5.2.4.2 Risk of legal action for non-compliance with safety/employment law

Risk factors	Risk control systems
Based on the large number of property projects underway, the Altarea Group is a major builder. In a situation where it is increasingly difficult to find approved construction companies able to handle complex projects, as the project Manager, the Group's liability could be incurred should an accident occur. Indeed, site employees carrying out construction work are potentially exposed to this type of risk.	To prevent the risk of accidents, especially on building sites, or *at the* very least to limit the occurrence and severity of any accidents, action has been taken which includes the systematic use of specialist safety operators (Health and Safety Coordinator), audits and ad hoc site checks. In addition, the Group ensures it complies with its legal obligations as a project Manager: monitoring the construction companies to ensure they are meeting their contractual obligations, checking the subcontractors' approval applications are complete and all administrative documents are properly updated.

5.2.5 Social, environmental and governance risks

5.2.5.1 Risks related to 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 Altareit 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. Altareit could be exposed to a risk of involving liability and damage to its image.	Management of IT risks within the Altarea Group, to which the Altareit Group belongs, is carried out by the Head of Information Systems Security (RSSI) and includes: ▪ monitoring compliance with the security policy meeting the needs of the Group; ▪ the development of a cybersecurity culture within the Company, through communications, awareness-raising and training for employees; ▪ the integration of IT security upstream of projects, by supporting the business line application Managers from the design phase and by including security and personal data protection clauses in all contracts with publishers/partners/service providers; ▪ the implementation of best practice and procedures for managing users and business applications, and the periodic review of rights, in coordination with the IT Department; ▪ the ongoing deployment of a specific cyber-crisis procedure integrated into the existing strategic crisis management policy. Within the IT Department, the Head of Operational Security (RSO) works in close collaboration with the RSSI. His role is to implement the cyber policy, the analysis of the various IT security components and events, and the deployment of new IT monitoring tools. In 2021, the IT Department defined a new operational IT continuity plan in 2022. A procedure for reporting cyber incidents allows optimised processing of events according to their severity. In addition, aware of the importance of system security, the IT department and the security department carry out security audits, including intrusion tests, configuration audits, and phishing campaigns, covering the entire Group scope. The results give rise, depending on the criticality of the vulnerabilities they reveal, to obligations to take corrective action through the creation of remedial plans or security recommendations. These remediation plans are monitored on a monthly basis. In addition, the Group strengthened its network access strategy by deploying a dual authentication mechanism for its users and by deploying a server obsolescence and patch management programme. Lastly, the Group takes out insurance to cover cyber risks.

5.2.5.2 Image risks

Risk factors	Risk control systems
The growing use of social media increases the risk of exposure to criticism or negative messages and accelerates their dissemination. The Group could therefore be confronted with situations/events (construction site accidents, delivery delays, customer and employee dissatisfaction, major disputes, identity theft, regulatory non-compliance, etc.) whose impacts could damage its reputation and its image vis-à-vis its stakeholders.	To prevent this, a guide to the good use of social media at work has been developed and distributed to the Group's employees. In addition, the Group has monitoring, detection and reaction mechanisms, mainly involving tools distributed to employees, to anticipate and manage its image and reputation risks: ▪ social media monitoring by community Managers; ▪ daily monitoring of disputes and complaints, including assessment of reputational impact; ▪ a crisis unit and crisis communication plan which all employees are familiar with and corresponding training for Managers; ▪ conducting customer satisfaction surveys in the Residential division, at two key points in the purchasing process, and monitoring the recommendation rate (Cogedim received the Customer Service of the Year award for the sixth consecutive year); ▪ monthly meetings organised with tenants of serviced residences.

5.2.5.3 Social risks

Risk factors	Risk control systems
The Group's ambitious goals are partly dependent on its Human Capital. If Altareit could no longer attract the best profiles and ensure that the competencies of Group employees are up to date with best practice and able to face new challenges, it could have a negative impact on its business and results. The competitive environment and its own targets for development of new markets expose the Group to challenges related to the integration and training of new employees, and the retention of all its human capital. The new recruits are from very varied backgrounds. It is therefore necessary to assist each individual to rapidly assimilate not only the specific requirements, regulations and constraints applicable to the real estate business, but also to share what makes our Company original, and its strategic priorities, objectives and corporate culture. Some key positions are held by Directors whose departure could affect the Group. It cannot be guaranteed that the Group will be able to retain these Directors, and some of them could also take advantage of their retirement rights, which would have a negative effect on business.	To address these social risks, Altarea Group, to which Altareit belongs, is piloting, through a number of action plans, a human resources policy that is led and implemented by committed professionals combining operational proximity and expertise to support employees: ▪ in terms of recruitment: the diversification of recruitment sources and techniques, the involvement and complementarity of action in the recruitment processes of both operational Managers and HR teams, combined with the strong emphasis on internal mobility and the pool of work-study students, make it possible to satisfy the Group recruitment needs; ▪ in terms of induction: induction is one of the most important aspects of HR policy. A formalised onboarding interview and a collective *seminar* combining *onboarding* and re-onboarding are essential steps to help employees make a success of their new positions within the Group. On this occasion, the members of the Executive Committee explain and share their vision of the business; ▪ in terms of training: the Group's "learning company" vision seeks to make everyone an actor in and author of their professional career through a "Talent Developer Academy", based on a strategic skills development plan defined around the issues affecting each business line. The Group finances large-scale actions such as career paths, Managerial programmes including a course on psychosocial risks, a collaborative digital academy offering numerous modules on corporate culture, business techniques and soft skills. Supporting young people through ever greater numbers of work-study contracts is also a major challenge for the Group; ▪ in terms of loyalty: the Group's salary policy through the "Tous en Actions!" programme today showcases the performance recognition system and allows everyone to build a significant portfolio. The Group has a committed policy in terms of mobility and internal promotion through individual and collective actions (professional interviews, business lines forum, career site showing online vacancies, etc.). Significant attention is paid to the environment and working conditions, as illustrated by the Group's head office designed for the well-being of employees. The "Altawellness" offer also provides access to a complete range of services: Health space at the head office (care, vaccinations, prevention 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 Security risks

Risk factors	Risk control systems
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 the Group's image, particularly with regard to urban real estate projects and the operation of serviced residences. Such events are likely to adversely affect the Group's financial capacity, damage its image, result in lost business or engage the responsibility of the Company towards its stakeholders or to compromise the confidence of third parties.	The Group Security Department defines, deploys, controls and adapts the overall security policy based on these 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 to monitor in real time the existence and evolution of threats to the Group's building sites or employees; ▪ employee safety training and awareness raising, and support for the construction departments and the operation departments of serviced residences; ▪ crisis management: a defined policy, alert tools and procedures and employee awareness.

5.3 Insurance

5.3.1 General policy for insurance coverage

The goal of the Altarea Group policy concerning insurance, and consequently, the Altareit Group, is to protect its assets and employees. The Insurance Department, within the Group's Real Estate Legal Department, is tasked with:

- the coordination of insurance programmes for the French Group structure of consolidated operations, in collaboration with local teams and insurance brokers;
- the identification and quantification of insurable risks;
- the monitoring and implementation of insurance coverage;
- coordinating actions with the Group's insurance brokers;
- all business line claims management, bearing in mind that claims management remains decentralised within each activity.

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 Altarea Group for the benefit of Altareit for the financial year 2022. These policies were valid at the time of publishing this report. However, these policies should not be considered as permanent, because of evolving risks and activities to be covered, loss history and Group decisions to adjust its coverage. The Group considers that these guarantees take into account the nature of the risks incurred by Altarea and its subsidiaries and that they are proportionate to the capacity of current offers on the insurance market for corporate structures of similar size and activities.

For the financial year 2022, the overall budget for the Altarea Group's main insurance policies (excluding social coverage, Spain and Italy, but including construction insurance) was estimated at over €20 million.

- **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.
- **Land or offices acquired awaiting work to begin on construction sites**: the Altareit Group has taken out unoccupied property insurance, as part of a comprehensive damages policy provided by Chubb.
- **Professional liability insurance**: Altareit and its subsidiaries hold professional liability insurance policies with various insurance firms, including GENERALI and MMA.
- **Miscellaneous insurance policies**: other insurance covers various rented offices, automobile fleets, computer equipment and ten-year builder liability. Finally, AXA provides a "senior executive and corporate officer civil liability" insurance policy, and CHUBB provides a "cyber policy".

6

CORPORATE GOVERNANCE

6.1 Framework of the report and reference code

This report on Corporate Governance has been prepared by the Supervisory Board with the assistance of the Group Finance Department who contributed to writing it. It was adopted by the Board at its meeting on 28 February 2023.

The Company chose the MiddleNext corporate governance Code (the "MiddleNext" Code) as its code of reference. The Supervisory Board once again observed and noted the elements presented in the "Vigilance points" section of the MiddleNext Code in its updated version of September 2022. The Company applies the recommendations of the said Code, provided they are appropriate to its legal status as a *société en commandite par actions* (partnership limited by shares).

In partnerships limited by shares:

- it is overseen by Management and not by a collegiate body, Management Board or Board of Directors;
- the financial statements are approved by Management and not by a collegiate body;
- 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 also 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 recommendations of the MiddleNext Code, which the Company has not been able to implement, specifically because of its legal form and the existence of an internal control function and an Audit Committee within its reference shareholder, Altarea SCA, are the absence of an Audit Committee and the fact that the Board met less than four times in 2022 (see Section 6.2.3.2 below).

In addition, the Supervisory Board did not consider it useful to set up a committee specialising in CSR, as issues relating to the Group's Corporate Social Responsibility are, if necessary, examined directly by the Supervisory Board in plenary session. In this respect, the Company has demonstrated for many years that CSR is at the heart of its corporate strategy, in particular through the generalisation in 2009 of NF Habitat certification in Residential and "Green Star -5 stars" status awarded to the Altarea Group for the 7th consecutive year by GRESB (see Section 4.1 above).

Accordingly, no training plan for its members has been put in place by the Supervisory Board, who may benefit from the information provided and any measures taken by the Supervisory Board of the parent company, Altarea, of which they are all members.

6.2 Composition and practices of the administrative, management and supervisory bodies

Altareit is a French partnership limited by shares.

It comprises two categories of partners:

- a General Partner, with unlimited liability for the Company's debts to third parties;
- limited Partners who are in the same position as shareholders of a public limited company: their shares may be traded under the same conditions and their liability is limited to the amount of their contribution.

It is run by Management while the Supervisory Board is responsible for ongoing control over the Company's management. Altareit thus has a two-tier governance structure.

6.2.1 Management

Composition

The sole Manager of the Company is Altafi 2. The Chairman of Altafi 2 is Alain Taravella, Chairman and Founder of the Altarea Group to which the Company belongs. Jacques Ehrmann, Manager of Altarea Management, a wholly owned subsidiary of Altarea, was appointed Chief Executive Officer of Altafi 2 with effect from 1 July 2019.

Altafi 2

Manager

Altafi 2 is a simplified joint-stock company (*société par actions simplifiée*), with its head office in Paris (75002) – 87 rue de Richelieu, registered in the Paris Trade and Companies Register under the number 501 290 506, wholly owned by AltaGroupe, itself controlled by Alain Taravella.

The Chairman of Altafi 2 is Alain Taravella, Chairman and Founder of the Altarea Group. Jacques Ehrmann, who joined the Altarea Group as Chief Executive Officer of Altarea, was appointed Chief Executive Officer of Altafi 2 with effect from 1 July 2019. Alain Taravella's sons, Gautier and Matthieu Taravella are also Chief Executive Officers of Altafi 2 since 21 February 2019.

Altafi 2 was appointed Manager of the Company by decision of the general partners of 21 December 2011, effective 2 January 2012. It was reappointed for a further ten years, expiring on 2 January 2032, in accordance with the provisions of Article 13.7 of the Articles of Association. Altafi 2 does not directly hold any shares in the Company.

Altafi 2 has been Co-Manager of Altarea since 21 December 2011, of which it is the sole general partner. Since 25 September 2019, it has also been the Manager and sole general partner of NR21, a listed subsidiary of Altarea.

Alain Taravella

Chairman of Altafi 2

Alain Taravella is a French citizen, born in Falaise (Calvados) in 1948. He is a graduate of HEC (École des Hautes Études Commerciales). From 1975 to 1994, Alain Taravella held various positions within the Pierre & Vacances Group, of where he was appointed Chief Executive Officer in 1985.

In 1994, he founded the Altarea Group, which he has been managing since. He was Co-Manager of Altarea from 26 June 2007, when the Company transformed into a partnership limited by shares (société en commandite par actions), until 12 December 2022, and continues to represent Altarea as Chairman of Atlas and Altafi 2, which are respectively Manager and General Partner of Altarea.

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 as General Secretary of Hôtels Méridien in 1989. He then joined the Executive Management of Euro Disney (1995-1997) and Club Méditerranée (1997-2002). In 2003 he joined the Casino Group as CEO for property and development, where he led the creation of Mercialys and Green Yellow, where he held the position of Chairman and Chief Executive Officer for seven years. In 2013, Jacques Ehrmann joined Carrefour Group's executive management, where he was notably Executive Director for Portfolio, Development and Innovation. He added to this position that of Chairman and Chief Executive Officer of Carmila SIIC, a retail REIT specialising in shopping centres, in April 2014, and took over as head of the Carrefour Group's Mergers and Acquisitions Department in 2015. In July 2019, Jacques Ehrmann joined the Altarea Group as Chief Executive Officer of Altarea, and more specifically, as Manager of Altarea Management, a wholly-owned subsidiary. He is also, since March 2019, Chairman of the National Council of Shopping Centres (CNCC), which in 2022 became the Fédération des Acteurs du Commerce dans les Territoires.

List of corporate offices held at 31 December 2022

	Other corporate offices held at 31 December 2022		Corporate offices expired over the last five years
Executive officers	**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] ■ Representative of Atlas, Manager: Altarea♦■[a] ■ Representative of Altafi 3, Manager: SIAP Rome♦ ■ Observer on the Supervisory Board: Woodeum SAS♦	■ Chairman: Altafi 2; Altafi 3; Atlas; Altafi 5; Altafi 6; Altafi 7; Altager; AltaGroupe (Chair of Alta Patrimoine) ■ Permanent Representative of Altarea, Director: Semmaris; MRM■ ■ Representative of Alta Patrimoine, Manager: SNC ATI; SCI Matignon Toulon Grand Ciel; SNC Altarea Commerce ■ Representative of Altafi 3, Manager: SIAP Paris and SIAP Helsinki	■ Co-Manager: Altarea♦■ ■ Chairman: Alta Patrimoine; Foncière Altarea SAS♦ ■ Manager: Altarea Entreprise Holding♦; ■ Chairman of the Supervisory Board: Cogedim SAS♦; Altarea France SNC♦ ■ Director: Pitch Promotion SA♦; Pitch Promotion SAS♦ ■ Representative of Altarea, Chairman: Alta Delcasse♦; Alta Rungis♦; Alta Développement Italie♦; Alta Mir♦ ■ Representative of Altarea, Co-Manager of foreign companies: Alta Spain Archibald BV♦•, Alta Spain Castellana BV♦•, Altalux Spain♦•; Altalux Italy♦•
Jacques Ehrmann Chief Executive Officer of Altafi 2	■ Manager: Altarea Management SNC♦; Cogedim Gestion (SNC)♦ ■ Representative of Altafi 2, Manager: Altarea♦■[a]; NR21♦■; Altareit♦■[b] ■ Supervisory Board member: Woodeum SAS♦	■ Chief Executive Officer: Altafi 2 (SAS) ■ Member of the Management Board: Frojal (SA) ■ Chairman: Tamlet (SAS) ■ Supervisory Board member: Edmond de Rothschild (France) ■ Co-Manager: Jakerevo (SCI) and Testa (SC) ■ Chairman: Fédération des Acteurs du Commerce dans les Territoires (formerly CNCC - Conseil national des Centres Commerciaux)	■ Chairman and Chief Executive Officer and Strategic and Investment Committee member: Carmila■ ■ Chief Executive Officer: Carmila SAS; ■ Chairman: Cogedim SAS♦ ■ Manager: Cogedim Développement♦; Cogedim Entreprise♦; Cogedim Citalis♦ ■ Supervisory Board member: Financière SPL♦ ■ Director: Edmond de Rothschild SA; Atacadao SA■• (Brazil); Carrefour Property España• (Spain); Carrefour SA• (Turkey); Pitch Promotion SAS♦ ■ Chairman of the Board of Directors: Carrefour Property Italia• (Italy) ■ Member of the Executive Management Committee and the Appointments Committee: Adialéa (SAS) ■ Member of the Strategy Committee and the HR Committee, Chairman of the Audit Committee: Atacadao SA■• (Brazil) ■ Supervisory Board member: Frojal (SA)

(a) Altarea is notably Chair of Alta Blue♦ (Chair of Aldeta♦) and Foncière Altarea♦, Manager of Foncière Altarea Montparnasse♦, Director of MRM■ and Semmaris, and a member of the Supervisory Committee of Altarea Investment Managers♦.
(b) Altareit is notably Chair of Cogedim♦ (Chair of Alta Richelieu♦and Cogedim Office Partners♦), Alta Faubourg♦ (Chair of Pitch Promotion SAS♦and Financière SPL♦), Alta Penthièvre♦ (Chair of Altacom♦), Alta Percier♦ and Alta Percier Holding♦. It is also a member of the Supervisory Board of SIAP Helsinki, SIAP Rome♦ and SIAP Paris and the Supervisory Board of Altarea Investment Managers.

The Company share capital and voting rights held by Alain Taravella and Jacques Ehrmann as at 31 December 2022 are listed in Section 7.3.1 below.

♦ Altarea Group company ■ Listed company • Foreign company.

Appointment and termination of office (Article 13 of the Articles of Association)

Altareit is managed and administered by one or more Managers, who may or may not be general partners. 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 sole Manager shall be renewed. 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 a unanimous decision of the general partners. If the Manager is also a general partner, such a decision may be taken by a unanimous decision of the other general partners; each Manager may also be removed from office under the conditions provided 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 compensation 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)

The Manager, or if there are several Managers, each of them 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 these 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 Manager(s) shall have a duty of care in running the Company's affairs.

6.2.2 General Partner

Identity

Altafi 3 is a simplified joint-stock company (*société par actions simplifiée*) with registered office at 87 rue de Richelieu in the 2nd Arrondissement of Paris, Paris Trade and Companies Register no. 503 374 464, and is wholly owned by AltaGroupe, itself controlled by Alain Taravella. Alain Taravella is the Chairman of Altafi 3.

Altafi 3 was appointed as general partner of the Company by the Combined General Shareholders' Meeting of 2 June 2008 without any limit on duration. As of 31 December 2022, it did not hold any other office, with the exception of the general partner of SIAP Rome, SIAP Paris and SIAP Helsinki, and has not held any office that has expired during the last five years.

Altafi 3 does not directly hold any shares in the Company.

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.

The status of General Partner shall be lost in the cases provided for by law.

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 (60) 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, if the General Partner should lose their status as such, they (or, where applicable, their heirs or assigns) will have their General Partner shares converted into shares in the Company. The number of Company shares they receive shall be based on a valuation of the net assets of the Company and a valuation of the rights of the General Partner and the Limited Partners in light of their respective rights to dividends. For the purposes of this clause, the value of the rights of the General Partner and Limited Partners shall be determined in accordance with the provisions of Article 1843-4 of the French Civil Code. 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 Committee (see 6.3 below);
- approve the annual financial statements and, where applicable, the consolidated financial statements to be submitted for shareholder approval, unless the General Partner(s) are also all Managers;
- authorise in advance the proposal of any resolution to the General Meeting of Shareholders, 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 and (ii) the appointment of Statutory Auditors.

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.

Under Article 29 paragraph 4 of the Company's Articles of Association, the general partner is entitled to a priority dividend equal to 1.5% of the annual dividend.

6.2.3 Supervisory Board

6.2.3.1 Composition

Composition at 31 December 2022

Name	Age	Gender	First appointed	Latest reappointment	Expiration of term[(a)]	Independent	Compensation Committee	Attendance[(b)]
Christian de Gournay *Chairman of the Board*	70		07/05/2014	19/05/2020	2026	√	-	100%
Éliane Frémeaux *Independent member*	81		26/02/2019	29/06/2021	2027	√	Chairman	100%
Jacques Nicolet *Member of the Board*	66		02/06/2008	19/05/2020	2026		Member	100%
Léonore Reviron *Member of the Board*	37		26/02/2019	29/06/2021	2027		-	100%

(a) Year of the Ordinary General Shareholder' Meeting.
(b) Attendance rate at the meetings of the Supervisory Board and its committees in the 2022 financial year.

At 31 December 2022, the Supervisory Board had no members representing employees and no other members than those listed above. The Supervisory Board of its leading shareholder, Altarea SCA, comprises two employees representing the employees of the Altarea Group (to which the Company belongs), including a representative appointed by the Social and Economic Committee of the Cogedim ESU.

No change in the composition of the Board has occurred since 1 January 2022, with the exception of the resignation of Dominique Rongier from his office as member of the Supervisory Board approved by the Supervisory Board on 22 February 2022. Éliane Frémeaux, an independent member, was appointed as a member of the Compensation Committee to replace Dominique Rongier, and as Chairwoman of the Committee to replace Jacques Nicolet, in accordance with the new recommendations of the MiddleNext Code.

Representation of women and men

At 31 December 2022, the Supervisory Board was composed of four members, with two women and two men.

Average age of the members

At 31 December 2022, the average age of the Board members was 63.

Independent members

On 21 February 2017, the Board adopted the new definition of independence proposed by the MiddleNext Code, which is characterised by the absence of any significant financial, contractual, family or close relationship likely to affect the independence of its judgement, namely:

- not having been, over the last five years, and not currently being an employee or executive corporate officer of the Company or any company in its group;
- not having been, over the last two years, and not currently being in a significant business relationship with the Company or its group (customer, supplier, competitor, service provider, creditor, banker, etc.);

- not being a reference shareholder of the Company or holding a significant percentage of the voting rights;
- not having any close relationship or close family ties with a corporate officer or a reference shareholder;
- not having been a Statutory Auditor of the Company during the last six (6) years.

Since its meeting of 7 March 2011, the Supervisory Board has reviewed the situation of Board members annually with regard to the independence criteria of the MiddleNext Code. During its review of the criteria for the independence of its members at its meeting held on 28 February 2023, the Supervisory Board noted that Christian de Gournay and Éliane Frémeaux met the independence criteria put forward by the MiddleNext Code on that date. As a result, the Company complies with the recommendation of the MiddleNext Code, since the Board has at least two independent directors.

It is made clear that on the date of this document, more than one-third of the Supervisory Board of Altarea, the parent company of the Company, is composed of independent members, and that investments made by the Company and its subsidiaries are reviewed by Altarea's Supervisory Board, directly or through its Investment Committee or the Chairman of said committee according to the size of the transaction.

Presentation of Board members

Christian de Gournay

Independent Chairman of the Supervisory Board

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 then served as Chairman of the Management Board of Cogedim from 2003 to 2014, until his appointment as Chairman of the Supervisory Boards of Altarea and Altareit became effective.

Main position held:

Chairman of the Altarea Supervisory Board

Other offices held at 31/12/2022:

Within the Group:

- Chairman of the Supervisory Board of SCA: Altarea♦■; NR21♦■

Outside the Group:

- Manager: SCI Schaeffer-Erard
- Director: Opus Investment BV●

Corporate offices expired over the last five years:

None

Nationality
French

Age
70 (1952)

Business address
c/o Altarea
87 rue de Richelieu
75002 Paris

Shares held at 31/12/2022
1

Date of first appointment
7 May 2014

Current term expires
AGM 2026

6

♦ *Altarea Group company* ■ *Listed company* ● *Foreign company.*

Éliane Frémeaux

Independent member of Supervisory Board
Chairwoman of the Compensation Committee

Eliane Frémeaux was a partner in the Notary firm of SCP Thibierge & Associés until 18 October 2012. A Chevalier of the French Legion of Honour, Éliane Frémeaux is a member of the Legal Studies Institute of the Conseil Supérieur du Notariat. She was a member of the Joint Ownership Commission representing the Conseil Supérieur du Notariat at the Chancellery and of the Commission on Polluted Sites and Soils within the Conseil Supérieur des Installations Classées. She is a member of honour of the Circle of Women Real Estate Professionals (Cercle des Femmes de l'Immobilier) and a Member of the association René Capitant des Amis de la Culture Juridique Française (René Capitant Association of Friends of French Legal Culture). Eliane Frémeaux is a regular participant in many seminars and conferences in France and abroad, primarily on topics related to corporate law, credit issues, finance leases, joint ownership, public domain, taxation and business and estate transfer, as well as the environment.

Main position held:

Member of Altarea Supervisory Board

Other offices held at 31/12/2022:

Within the Group:

- Member of the Supervisory Board of SCA: Altarea♦■; NR21♦■

Outside the Group:

- Co-Manager: SCI Palatin

Corporate offices expired over the last five years:

None

Nationality
French

Age
81 (1941)

Business address
c/o Altarea
87 rue de Richelieu
75002 Paris

Shares held at 31/12/2022
5

Date of first appointment
26 February 2019

Current term expires
AGM 2027

Jacques Nicolet

Member of the Supervisory Board and the Compensation Committee

From 1984 to 1994, Jacques Nicolet served successively as Programme Director, Development Director and Senior Executive Vice-President of the Pierre & Vacances Group. In 1994, he co-founded the Altarea Group, of which he has successively been Senior Executive Vice-President and, since its transformation into a partnership limited by shares, Chairman of the Supervisory Board until 2014. He created and headed the Everspeed group, active in the automotive sector in France and abroad.

Main position held:

Member of Altarea Supervisory Board

Other offices held at 31/12/2022:

Within the Group:

- Member of the Supervisory Board of SCA: Altarea♦■; NR21♦■

Outside the Group:

- Chairman of SAS: Everspeed[(a)]; Ligier Automotive (Manager of SCI Innovatech); Damejane Investissements; Ecodime
- Manager: SCI Damejane; SNC JN Participations
- Chairman of the Board of Directors and/or Director of foreign companies: Everspeed Connection●; HP Composites Spa●

Corporate offices expired over the last five years:

- Chairman of the Board of Directors and/or Director of foreign companies: Carbon Mind Srl●; HPC Holding●

Nationality
French

Age
66 (1956)

Business address
Everspeed -3 rue Bellanger
92300 Levallois Perret

Shares held at 31/12/2022
1

Date of first appointment
2 June 2008

Current term expires
AGM 2026

♦ *Altarea Group company* ■ *Listed company* ● *Foreign company.*

(a) *Everspeed is Chair of SAS (Circuit du Maine; Everspeed Asset; Everspeed Media; DPPI Media; DPPI Production; Onroak Automotive Classic; SAS Proj 2018; Everspeed Composites), Chief Executive Officer of Les 2 Arbres SAS, Manager of SCI Immotech and Chair of the foreign company Ecodime Italia Srl.*

Léonore Reviron

Independent member

Léonore Reviron is a graduate of EDHEC Business School. From 2008 to 2011, she was a financial audit Manager at Ernst & Young. In 2011, Léonore Reviron joined a listed REIT Group, where she served as a corporate financial analyst until 2013, when she became a financial risk Manager. She currently holds the position of Project Manager at the consulting, accounting and statutory audit firm, Pluriel Consultants.

Main position held:

Project Manager at Pluriel Consultants

Other offices held at 31/12/2022:

Within the Group:

- Member of the Supervisory Board of SCA: Altarea♦■; 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 31/12/2022
1

Date of first appointment
26 February 2019

Current term expires
AGM 2027

♦ *Altarea Group company* ■ *Listed company* • *Foreign company.*

6.2.3.2 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 Executive Management;
- sets out the appropriation of earnings, dividend distributions, and dividend payment procedure (cash or scrip) to be proposed to the General Shareholders' Meeting;
- in accordance with the law, it prepares a report for the Ordinary General Shareholders' Meeting convened to approve the Company's financial statements: the report is made available to the shareholders at the same time as the management report and the financial statements for the period in question;
- draws up an annual corporate governance report, 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 by the Company and submits it to the shareholders;
- appoints an Acting Manager if none of the existing Managers and General Partners are able to serve.

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.

It also has an important role in terms of compensation for corporate bodies:

- it is consulted by the general partner(s) on the management compensation policy;
- it determines the compensation policy for Board members;
- it determines the elements of compensation for management and Board members.

For the exercise of these prerogatives, it firstly consults the Compensation Committee established by it.

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.

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.

Meeting location – Management attendance

Meetings are held at the Company's registered office, located at 87 rue de Richelieu in Paris (75002).

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 and gives a business review.

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.

Supervisory Board members can discuss matters freely amongst themselves on a regular formal or informal basis, without the presence of Management.

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.

Minutes of the meetings

The minutes of meetings of the Supervisory Board 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 has adopted specific rules of procedure, which include rules of ethics, thus complying with the recommendations of the MiddleNext Code to which the Company refers. These rules of procedure, which were updated at the meeting of 22 February 2022 to take into account the new version of the MiddleNext Code released in September 2021:

- summarise the rules governing the composition of the Board in accordance with Article 15 of the Company's Articles of Association;
- define the independence criteria of the members of the Board in accordance with the recommendations of the MiddleNext Code to which the Company refers (see Section 6.2.3.1. above);
- summarise the duties of the members of the Board, such as compliance with the law, regulations and Company's Articles of Association, and the rules relating to respect for the Company's interests, fairness, competition and confidentiality;
- summarise the Board's missions, its functioning, the arrangements for participation in meetings as well as the rules for quorum and majority relating to decisions, arrangements for allocation of directors' attendance fees (see Section 6.3.3.2 below);
- define the rules for constituting specialist committees and their operating arrangements (see Section 6.2.3.2 below).

Supervisory Board meetings and work in 2022

In 2022, the Supervisory Board met twice to review the annual and half-yearly financial statements. This was considered a sufficient frequency by the Board in its annual assessment, in view of the missions assigned to it in a partnership limited by shares. The Board considers that the frequency and duration of Board meetings allow for an in-depth examination and discussion of matters falling within its competence, which differs significantly from that of a Board of Directors or Supervisory Board of public limited companies.

The attendance rate was 100% in 2022.

During these meetings, the Board primarily discussed the following topics:

Meeting of 22 February 2022

- management's activity report for the financial year 2021 and review of the draft parent company and consolidated financial statements for the year;
- appropriation of income proposed to the Meeting;
- Say on Pay: opinion on the compensation policy for the Management, approval of the compensation policy for the Supervisory Board and setting of the compensation components of these bodies for 2022 subject to the approval of the above-mentioned policies by the General Shareholders' Meeting;
- review of the agenda and the text of the draft resolutions to be submitted to the Combined General Shareholders' Meeting; preparation of the Supervisory Board's report to the General Shareholders' Meeting;
- corporate governance items: annual review of the functioning and preparation of the Board's work; review of the independence criteria for members of the Board and the Compensation Committee; approval of the Supervisory Board's report on corporate governance; information on the update of the MiddleNext Code; update of the Supervisory Board's rules of procedure;
- annual deliberation on the Company's policy on gender equality;
- review of the social and environmental report;
- attendance fees;
- review of forecast management documents;
- review of related-party agreements and review of the criteria for determining unrestricted agreements provided for in the internal charter on related-party agreements and commitments.

Meeting of 28 July 2022

- examination of the draft half-year financial statements at 30 June 2022;
- examination of the half-year management report and the forward-looking management documents.

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*).

Audit Committee

By virtue of the provisions of Article L. 823-205 of the French Commercial Code, the Company, as an entity controlled according to the terms of Article L. 233-16 of the French Commercial Code by a company (Altarea) that is itself subject to the provisions of Article L. 823-19 of the French Commercial Code, is exempted from the obligation to constitute an Audit Committee.

Investment Committee

The Supervisory Board reviewed the need to set up such a committee within its Board, given that the investments made by the Company's subsidiaries are already scrutinised by Altarea's Supervisory Board, either directly or by its Investment Committee or Chairman, depending on the size of the transaction. It concluded that the constitution of such a committee was not necessary.

Compensation Committee

The Company has set up a Compensation Committee to issue any opinion on the setting or modification of management compensation. It also issues an opinion on the compensation of the members of the Board.

- Committee members:

As of the date of this Registration Document, the Compensation Committee is made up of two members, Jacques Nicolet and Éliane Frémeaux, the latter being an independent member of the Supervisory Board and the Compensation Committee (see Section 6.2.3.1., above). The Committee is chaired by Éliane Frémeaux.

- Proceedings – Minutes:

The Supervisory Board meeting of 7 March 2011 set the rules of operation for the Compensation Committee, which are similar to those governing the operation of the Supervisory Board.

Thus, the Committee is quorate when at least half of the members are present. Decisions are taken by simple majority of members present or represented. A present member can only represent one absent member upon presentation of a valid proxy. In the event of a tie, the Chairman's vote is casting.

- Work of the Committee:

On 21 February 2022, the Compensation Committee issued a favourable opinion on the management compensation policy established by the general partner. It also issued a proposal on compensation policy for the Supervisory Board and on the elements of compensation for Management and Supervisory Board members, to be set pursuant to these policies, subject to their adoption at the General Shareholders' Meeting. The Supervisory Board meeting held on 22 February 2022 adopted the Committee's proposals without amendment.

The General Shareholders' Meeting of 24 May 2022 voted in favour of the compensation policies for the Management and Supervisory Board for 2022.

Evaluation of the Board's work

At its meeting of 28 February 2023, Board members were asked by the Chairman to comment on the operation and preparation of the work of the Supervisory Board and the Compensation Committee. The Board unanimously agreed that these were satisfactory.

6.2.4 Executive Management

6.2.4.1 General Management

Altareit is a *société en commandite par actions* (partnership limited by shares) and its management is carried out by Altafi 2 as Manager (see Section 6.2.1 above), which, in particular, defines the Group's strategic priorities.

6.2.4.2 Operating departments

In addition to the executives and corporate officers listed above, comprising Management, Chairman and members of the Supervisory Board, the main operational Managers of the Group, made up of Altareit and its subsidiaries, are, at 31 December 2022, Adrien Blanc, Manager of Altarea Entreprise Management, Vincent Ego, Chief Executive Officer of Cogedim, Alexis Moreau, Chief Executive Officer of Pitch Immo, Rodolphe Albert, Chairman of Histoire et Patrimoine, Julien Pemezec, Chief Executive Officer of Woodeum, and Baptiste Borezee, in charge of Strategy, M&A and Group Services, and as such Chairman of Altarea Investment Managers.

6.2.5 Additional information

6.2.5.1 Absence of conflicts of interest

The Company maintains important relations for its business and development with its main shareholder, Altarea, which is a company controlled by Alain Taravella. In addition, since 2 January 2012, the Group has been managed by the Altafi 2 company, chaired and controlled by Alain Taravella. The Company's general partner is Altafi 3, a company held by AltaGroupe.

The Company judges that at present these relations do not create any conflict of interest, and that on the date of filing of this Registration Document, there is no conflict of interest between the duties of the Managers and Supervisory Board members with regard to the Company, and their private interests or their other duties.

Moreover, the Statutory Auditors have not observed and/or have not been informed of any regulated agreement between the Company and its executive officers, corporate officers and shareholders holding more than 10% of voting rights in the Company, during the 2022 financial year or during a previous financial year, the effects of which would have continued during the 2022 financial year.

6.2.5.2 Convictions, bankruptcies, prosecutions

To the Company's knowledge and in view of the information at its disposal, none of the Co-Managers or the Company's Supervisory Board members has, in the past five years:

- been convicted of any fraud;
- been the subject of a bankruptcy, receivership or liquidation order;
- been the subject of any prosecution or of any official public sanction imposed by statutory or regulatory authorities (including designated professional bodies).

6.2.5.3 Agreements entered into between an executive officer or a significant shareholder and subsidiaries

Except for agreements relating to current transactions and conducted on arm's length terms, no agreement has been concluded between an executive officer or a major shareholder and Company subsidiaries in the past financial year.

6.2.5.4 Procedure for assessing current agreements

At its meeting of 2 March 2020, the Supervisory Board adopted an internal charter on related-party agreements and commitments. This charter is part of:

- the procedure for the regular assessment of current agreements entered into on arm's length terms introduced by Law No. 2019-486 of 22 May 2019 on the growth and transformation of companies (Pacte Law) and codified in Article L. 22-10-12 of the French Commercial Code, applicable to partnerships limited by shares (SCAs) whose shares are admitted to trading on a regulated market pursuant to Article L. 226-10 of the Code; and
- AMF recommendation No. 2012-05 of 2 July 2012, amended on 29 April 2021, and specifically its proposition no. 4.1.

The purpose of the charter is twofold:

- to provide a reminder of the regulatory framework applicable to related-party agreements and commitments and to provide details of the valuation methodology and procedure applied internally by the Company to classify the various agreements;
- to implement a procedure to regularly assess agreements relating to current transactions entered into on arm's length terms, ensuring that persons directly or indirectly affected by such agreements take no part in the assessment.

It takes into account the study by the Compagnie Nationale des *Commissaires aux Comptes* (CNCC) on related-party and current agreements published in February 2014.

The charter applies to all French companies in the Altarea Group whose shares are admitted to trading on a regulated market, including Altareit.

6.3 Compensation of administrative, management and supervisory bodies

6.3.1 Principles and rules

6.3.1.1 Management

The Order of 27 November 2019 on compensation for corporate officers of listed companies, implementing the Pacte Act of 22 May 2019, brings in new rules applicable to partnerships limited by shares listed on a regulated market, as of the General Shareholders' Meeting called to approve the 2019 financial statements.

Pursuant to these rules, codified in Articles L. 22-10-76 *et seq.* of the French Commercial Code, management compensation must be determined in accordance with a compensation policy describing all the components of fixed and variable compensation and explaining the decision-making process followed for its determination, review and implementation.

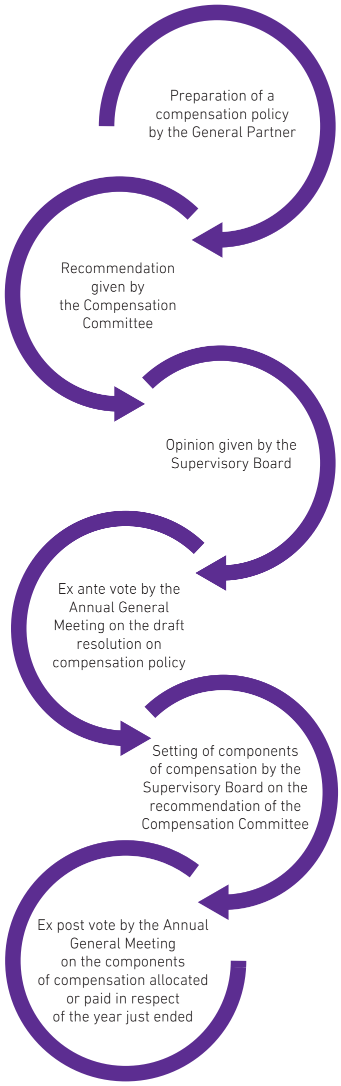
This compensation policy must be established each year by the General Partner after consulting the Supervisory Board acting on the recommendation of the Compensation Committee.

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 Articles of Association, the General Shareholders' Meeting can allocate annual compensation to Supervisory Board members solely for their duties as members of the Supervisory Board. The amount of compensation paid is included in general operating expenses. The Supervisory Board divides this amount among its members as it deems appropriate. Supervisory Board members are also entitled to the reimbursement of all expenses, travel costs and costs of any kind incurred in the Company's interests.

Also, in application of the new rules above (see Section 6.3.1.1 above), brought in by the Order of 27 November 2019, the Supervisory Board now draws up, on an annual basis, a compensation policy for its members which is put to vote at the General Shareholders' Meeting. 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 Combined General Shareholders' Meeting of 26 June 2009 decided to fix the total amount of compensation to be distributed among the members of the Supervisory Board at €200,000, until further decision by the Meeting.

The Supervisory Board, at its meeting held on 21 February 2017, decided to allocate to natural person members or permanent representatives of legal entity members, with the exception of (i) those who receive compensation from the Company, from its parent company Altarea or from one of their subsidiaries as employee or executive corporate officer, and (ii) the Chairman, an amount of Directors' attendance fees of €1,500 for each meeting at which they will have been present.

This method of allocating directors' fees is in accordance with the MiddleNext Code, which recommends that attendance of members is taken into account, along with the time they spend on their duties, including their potential attendance on committees.

At its meeting of 22 February 2022, the Supervisory Board, on the recommendation of the Compensation Committee, decided, subject to the adoption of the compensation policy submitted to the vote of the General Shareholders' Meeting of 24 May 2022, to maintain in 2022 the compensation components of the Board members previously set in 2017.

The Supervisory Board meeting of 28 February 2023 noted that a total amount of €12,000 had been allocated to the members entitled to receive them for the financial year 2022 in application of these terms and conditions. No other compensation was paid to Supervisory Board members by the Company for their offices on the Board. Following the recommendation of the Compensation Committee, which met on 21 February 2023, the Board decided to propose to the Shareholders to renew in full for the financial year 2023, the compensation policy for its members approved by the General Shareholders' Meeting of 24 May 2022 (see 6.3.2.2 below).

6.3.2 Compensation policy for the financial year 2023

In accordance 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 2023 Annual Ordinary Shareholders' Meeting will be called to vote on the compensation policy for Management and Supervisory Board members for financial year 2023.

On 28 February 2023 the components of this policy, described below, were drawn up by the Supervisory Board, for compensation of its members, and by the general partner, after consulting the Supervisory Board, for compensation of Management, the Supervisory Board having acted after consultation of the Compensation Committee.

The compensation policy for corporate officers must be in the Company's interests, competitive and in line with Company strategy, helping to ensure its long-term viability and support its financial and extra-financial performance.

6.3.2.1 Management compensation policy

The Management compensation policy for 2023 described below was drawn up by the General Partner and approved unanimously at the Supervisory Board meeting of 28 February 2023, after reviewing the Compensation Committee's proposals:

- the determination of the elements of the management compensation, as fees, is the responsibility of the Supervisory Board and based on the proposals of the Compensation Committee, taking into account the principles set out in the MiddleNext Code;
- the Supervisory Board and Compensation Committee will take into consideration all market practice studies (benchmarks) and exceptional events in the financial year;
- management compensation, paid in the form of fees, is made up of fixed annual compensation. Variable compensation, established in compliance with the recommendations of the MiddleNext Code, may also be stipulated;

- the fixed annual compensation must enable management to provide a continuous, high quality service to the Company and its Group. Generally, it should be reviewed at relatively long intervals and take into account the other compensation components, primarily fixed components, paid by other companies belonging to the Company's Group for their duties and responsibilities at these companies. For the 2023 financial year, it must be set in a range between €900,000 and €2,000,000, taking into account the above;
- variable compensation must be conditional on the Group's 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 set the precise quantifiable and qualitative criteria used to determine the management's variable compensation.

  The quantifiable criteria must be simple, relevant and in line with corporate strategy. They must be preponderant. They must 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) or consolidated net income.

  The qualitative criteria must be specific and primarily tied to the Group's priority sustainable development and Corporate Social Responsibility targets. When qualitative criteria are used, the qualitative component of the variable annual compensation must be capped. The variable compensation tied to the qualitative criteria can be between 35% and 100% of the annual fixed compensation.

  The variable or exceptional components allocated for the financial year cannot be definitively paid to management before they have received the approval of the General Shareholders' Meeting (*ex post* vote) and the consent of the General Partner;
- if there is more than one Manager, they decide how to distribute the compensation amongst themselves. The principle of awarding a global management compensation is set out in Article 14 of the Company's Articles of Association;
- if applicable, any natural persons, legal representatives of the legal persons in the Company's management, who are called upon to perform duties not related to management of the Company, can be paid under the terms of a corporate mandate by the subsidiary in question. The fixed components, and any variable components (including bonus shares), of this compensation must be decided on the basis of the duties and responsibilities involved;
- the components of management compensation must be sufficiently competitive to attract and retain the best people and talent and best align the interests of the beneficiaries with those of the shareholders to further long-term value creation. Where applicable, the experience of the beneficiaries and the market practices of comparable companies are also taken into account;
- they are examined each year to check that they are still in line with the Company's strategy and current situation and the Compensation Committee will take care to ensure the performance conditions are appraised on the same basis over several years and the quantitative criteria of the variable composition take precedence over the qualitative criteria.

6.3.2.2 Compensation of the Supervisory Board members

Following the recommendation of the Compensation Committee, the Supervisory Board has decided to renew in full for 2023, the policy for its members adopted by the 2022 General Shareholders' Meeting for the prior year:

- the compensation of the members of the Supervisory Board consists of compensation allocated on the basis of participation in meetings of the Board and its specialised committees, the maximum amount of which is voted by the General Shareholders' Meeting and the distribution of which is decided by the Supervisory Board, in accordance with the recommendations of the MiddleNext Code. It must encourage members to take an active part in the Supervisory Committee's work;
- the Chairman of the Supervisory Board receives fixed compensation from Altarea, the Company's parent company. As this compensation is global and exclusive of any other compensation, he will not receive any compensation from the Company. The Chairman of the Supervisory Board has no annual or multi-annual variable compensation and does not benefit from any long-term incentive plan in the form of stock options or performance shares;
- 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 amount of the global envelope for compensation of the members of the Supervisory Board, fixed at €200,000 by the General Shareholders' Meeting of 26 June 2009, constitutes an overall ceiling which will remain unchanged for the 2023 financial year, unless otherwise decided by the General Shareholders' Meeting;
- Supervisory Board members may also be reimbursed for all reasonable costs and expenses incurred while undertaking their duties if they provide all the necessary supporting documents.

6.3.3 Information on compensation for financial year 2022

Pursuant to the provisions of Article L. 22-10-77 of the French Commercial Code, the 2023 General Shareholders' Meeting will be called upon to approve the components of compensation paid or allocated in respect of the 2022 financial year through:

- a general resolution on all compensation paid to corporate officers; and
- two separate resolutions for the Management and the Chairman of the Supervisory Board, it being recalled that the latter receives no compensation or benefits from the Company in respect of his duties.

Summary of compensation due to each executive corporate officer in office during the 2022 financial year as well as the shares and options granted to them

Altafi 2, Sole Manager *(€ thousands)*	**Financial year 2021**		**Financial year 2022**	
	Amount due	**Amount paid**	**Amount due**	**Amount paid**
Fees due/paid by Altareit	1,197	1,000	1,466	1,097
of which fixed fee	*1,000*	*1,000*	*900*	*900*
of which variable fees				
• *variable compensation linked to the CSR performance criterion*[(a)]			*350*	
• *variable compensation linked to the economic performance criterion*[(b)]	*197*		*216*	*197*
of which exceptional compensation				
of which benefits in kind				
of which directors' fees				
Value of options allocated				
Value of performance shares allocated				
Stock subscription or purchase options exercised				
Compensation of all kinds[(c)] received from companies controlled by the Company[(d)] or from companies that control the Company				
→ Fees due/paid by Altarea (Altareit's parent company)	2,011	1,500	1,355	1,781
of which fixed fee paid by Altarea	*1,000*	*1,000*	*900*	*900*
of which variable fees paid by Altarea[(e)]*:*				
• *variable compensation linked to the CSR performance criterion*	*500*	*500*	*350*	*350*
• *variable compensation linked to the economic performance criterion*	*511*[(f)]	-	*105*[(g)]	*511*[(f)]
TOTAL	**3,208**	**2,500**	**2,821**	**2,858**

(a) Variable compensation based on qualitative non-financial criteria set by Altareit in 2022 - €350 thousand in variable fees due (paid in 2023) under this item out of a maximum €350 thousand, based on the proportions and extent of achievement of the following criteria:
• climate theme (50%): deployment of the decarbonisation strategy in property development activities
→ target 100% achieved: €175 thousand due, paid in 2023
• human resources management (25%): quality of team management
→ target 100% achieved: €87.5 thousand due, paid in 2023
• human resources management (25%): quality of social dialogue
→ target 100% achieved: €87.5 thousand due, paid in 2023
(b) Annual variable fees due in respect of the financial year in question and paid the following year by Altareit, corresponding to 1.5% of the consolidated net income attributable to Altareit Group in excess of €60 million.
(c) Including stock subscription or purchase options, performance shares.
(d) Within the meaning of Article L. 233-16 of the French Commercial Code.
(e) The variable fees owed by Altarea, the Company's parent company, for the financial years 2021 and 2022 include:
a portion based on a quantitative criterion linked to the Altarea Group's economic performance: FFO per share. Its amount excluding tax is equal to a progressive percentage of a portion of the amount of FFO per share for the financial year, multiplied by the average number of diluted shares for the financial year:
• in 2021: 1.5% on the portion of FFO per share from €12.50 to €15.00 and 3% on the portion of FFO per share exceeding €15.00 - No variable compensation below FFO per share of €13.00;
→ €511 thousand excl. tax due in respect of the 2021 financial year (paid in 2022)
• in 2022: 1.5% on the portion of FFO per share from €13.00 to €15.50 and 3% on the portion of FFO per share exceeding €15.50 - No variable compensation below FFO per share of €12.50;
→ €105 thousand excl. tax due in respect of the 2022 financial year (paid in 2023)
a portion linked to a qualitative criterion depending on the Group's CSR performance: the GRESB GREEN STAR ranking.
• In 2021: €250 thousand in the event of a four-star rating, and €500 thousand excluding tax in the event of a five-star rating. No variable compensation paid for a rating lower than 4 stars.
→ €500 thousand excl. tax due in respect of the 2021 financial year (paid in 2021): five-star rating achieved
• in 2022: €175 thousand in the event of a four-star rating, and €350 thousand excluding tax in the event of a five-star rating. No variable compensation paid for a rating lower than 4 stars.
→ €350 thousand excl. tax due in respect of the 2022 financial year (paid in 2022)
No other compensation is paid by Altarea's subsidiaries, apart from Altareit.
(f) Amount of €511 thousand due for the variable portion of the compensation for 2021 linked to the economic performance criterion of FFO per share for 2021, paid in 2022 by Altarea, the Company's parent company (see note (a) above).
(g) Amount of €105 thousand due for the variable portion of the compensation for 2022 linked to the economic performance criterion of FFO per share for 2022, paid in 2023 by Altarea, the Company's parent company (see note (a) above).

The values in the above table are the fees paid exclusively to the legal person Altafi 2 whose executive officers receive no compensation. Thus they do not reflect the personal compensation of Alain Taravella, Chairman of Altafi 2 which is wholly owned by AltaGroupe. Each year, AltaGroupe incurs current operating expenses, which in financial year 2022 totalled approximately €1.7 million. AltaGroupe pays four people in total.

Compensation received by non-executive corporate officers in office during financial year 2022

The Company paid the members of the Supervisory Board a total of €12,000 in compensation for attendance at meetings of the Board and its Compensation Committee during the 2022 financial year (see Section 6.3.1.3 above). The Chairman of the Supervisory Board receives fixed compensation from Altarea, the Company's parent company. As this compensation is global and exclusive of any other compensation, he will not receive any compensation from the Company.

		Amount paid for financial year 2021	Amount paid for financial year 2022
Christian de Gournay Chairman of the Supervisory Board	Compensation in respect of attendance	-	-
	Other compensation[(a)]	€250,000	€250,000
Éliane Frémeaux Member of the Supervisory Board	Compensation in respect of attendance	€3,000	€3,000
	Other compensation[(b)]	€27,000	€21,000
Jacques Nicolet Member of the Supervisory Board	Compensation in respect of attendance	€4,500	€4,500
	Other compensation[(b)]	€12,000	€15,000
Léonore Reviron Member of the Supervisory Board	Compensation in respect of attendance	€3,000	€3,000
	Other compensation[(b)]	€24,000	€21,000
Dominique Rongier Member of the Supervisory Board *until 21 February 2022*	Compensation in respect of attendance	€4,500	€1,500
	Other compensation[(b)]	€30,000	€21,000

(a) Compensation paid by Altarea, parent company of the Company, for the office of Chairman of the Supervisory Board of Altarea.
(b) Compensation paid by Altarea, parent company of the Company, for serving on the Supervisory Board of Altarea.

Other information about financial instruments giving access to the Company's share capital and other option instruments concerning each of the Company's executive corporate officers

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 by the Company or by any other Group company.

Stock options exercised during the financial year by each corporate executive officer

No stock option granted by the Company itself or another company in the Group was exercised during the elapsed financial year by executive corporate officers.

Free shares allocated to each corporate officer

No free shares were allocated during the financial year to the corporate officers by the Company or by any other Group company.

Free shares allocated to each corporate officer that became available

No free shares have been granted during the previous financial years to corporate officers, whether by the Company or another company in the Group.

History of stock options granted to corporate officers

No stock options were allocated to the executive corporate officers by the Company or by any other Group company.

History of free share allocations

No bonus share plan has been put in place by the Company.

Group employees do, however, benefit from the "Tous en actions!" plan set up by the parent company, Altarea, for all employees holding a permanent contract with a company in the Group, which includes the Company and its subsidiaries (see Section 5.5.3.1.1 and Note 6.1 in the notes to the consolidated financial statements in Section 2.3 of this document).

Other information on financial instruments giving access to the Company's share capital and other option instruments concerning the top ten employees excluding corporate officers and options exercised by them

During the 2022 financial year, no stock subscription or purchase options were in effect.

Employment contracts, supplemental pension plans, severance or other termination payments or benefits and noncompetition compensation payable to the executive corporate officers

Executive corporate officers	Employment contract		Supplemental pension plans		Benefits or advantages due or that may become due by virtue of cessation or a change in duties		Payments related to a noncompetition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Altafi 2 Sole Manager		X		X		X		X

Other information

Pursuant to the provisions of Article L. 22-10-9, 6° and 7°, of the French Commercial Code[1], the table below shows 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 charges, of Altarea Group employees (of which the Company and its subsidiaries), other than corporate officers, on a full-time equivalent basis;
- the annual change in Management fees and the compensation of the Chairman of the Supervisory Board in view of the Group's performance.

In accordance with Afep's recommendations, resulting from the "Compensation multiples guidelines" updated in February 2021, it is specified that for the calculations of these ratios:

- the scope taken into account includes Altarea and all of its direct and indirect subsidiaries included in its scope of consolidation within the meaning of Article L. 233-16 of the French Commercial Code[2];
- the compensation of corporate officers, included in the numerator, includes all compensation paid or awarded in respect of the financial year in question, by Altareit and its parent company Altarea, 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).

(1) Introduced by the Order of 27 November 2019 on the compensation of corporate officers of listed companies, pursuant to the French Pacte Law of 22 May 2019.

(2) No separate ratio is published for Altarea, as it has few employees and is not representative of the Altarea Group's overall workforce.

	2018	2019	2020	2021	2022
Management (fees)					
Annual change in fees paid *(including the variable portion due paid in the financial year in respect of the previous financial year)*		4.9%	-40.4%	-25.4%	14.3%
Ratio to median employee salary	55.8	55.5	35.0	23.3	27.6
Ratio to average employee salary	46.0	45.8	28.9	19.2	22.8
Change in ratio compared to the previous financial year		*-0.57%*	*-36.93%*	*-33.40%*	*18.45%*
Chairman of the Supervisory Board					
Annual change in compensation paid		-8.3%	-9.1%	-	-
Ratio to median employee salary	3.1	2.7	2.6	2.3	2.4
Ratio to average employee salary	2.6	2.2	2.2	1.9	2.0
Change in ratio compared to the previous financial year		*-13.09%*	*-3.87%*	*-10.78%*	*3.61%*
Group performance					
FFO Group share *(€ millions)*	276	293	230	264	275
Change compared to the previous financial year		*6.2%*	*-21.5%*	*15.0%*	*4.16%*
Consolidated revenue *(€ millions)*	2,406	3,109	3,056	3,030	3,013
Change compared to the previous financial year		*29.2%*	*-1.7%*	*-0.8%*	*-0.6%*
Employees					
Change in average employee compensation of the Altarea Group compared to the previous financial year		5.5%	-5.4%	12.1%	-3.5%
Change in the number of Group employees (FTE) compared to the previous financial year		3.5%	1.9%	-2.2%	13.4%

For Management, note that a comparison should be drawn between (i) the annual fixed fees paid by Altareit and its parent company Altarea to Altafi 2, a legal person that pays no compensation to its executive officers and is part of a group that pays its own operating costs and expenses and (ii) the salaries of natural persons. As such, these ratios are not a true reflection of the discrepancies between compensation paid to 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.

6.3.4 Compensation conditions for the financial year 2023

Pursuant to the provisions of Article L. 22-10-76 of the French Commercial Code, the Supervisory Board determines and allocates the components of compensation to corporate officers in accordance with the voting policy adopted by the General Shareholders' Meeting (*ex ante* vote).

At its meeting of 28 February 2023, it established the compensation policy for members of the Supervisory Board for the current financial year and gave its favourable opinion to the management compensation policy established by the general partner, on recommendations from the Compensation Committee. These compensation policies, set out in Section 6.3.2 above, will be put to the *ex ante* vote of the Ordinary General Shareholders' Meeting of 2023.

Accordingly, subject to the approval of these compensation policies for 2023 by the General Shareholders' Meeting, the Supervisory Board, on proposal of the Compensation Committee, agreed the following components of Management compensation, in the form of fees, and of compensation of the members of the Supervisory Board for this financial year.

The Ordinary General Shareholders' Meeting called to approve the 2023 financial statements, which will take place in 2024, will be asked to vote (i) on a draft resolution containing the information about the compensation components allocated or paid for this financial year and (ii) on separate draft resolutions relating to the compensation components allocated or paid to the Chairman of the Supervisory Board and Management for the said financial year. Any variable or exceptional components allocated for the past financial year just passed cannot be definitively paid to a beneficiary until the components of the beneficiary's compensation have been approved by the General Shareholders' Meeting and received the consent of the General Partner.

Components of Management compensation for financial year 2023

Compensation components	Rules and criteria	Targets/Comments
Fixed fee	Annual amount: €900,000 excl. tax Payable quarterly	Compensation enabling the recipients to provide a continuous, high quality service to the Company and its Group. Consistency and stability compared to the fixed compensation of the previous financial year. In line with the market practices of comparable companies identified with the help of specialist consultants. Takes into account the compensation paid to Altafi 2 by Altarea, Altareit's parent company, for the functions and responsibilities exercised in this company.
Annual variable fee	Two components: ▪ A portion linked to a quantitative financial criterion: Amount excluding tax equal to a progressive percentage of a portion of the amount of consolidated net income, Group share, for the current financial year: • 1.5% on the portion of the consolidated net income Group share exceeding €60 million; • No fees if consolidated net income Group share is less than €60 million. ▪ A portion linked to a quantitive financial criterion: Total amount excluding tax capped at €350 thousand excluding tax and weighted according to the achievement of targets related to climate and human resources: • 50%, i.e. €175 thousand excl. tax, subject to the deployment of the decarbonisation strategy in property development activities; • 25%, i.e. €87.5 thousand excl. tax, subject to the quality of team management; • 25%, i.e. €87.5 thousand excl. tax, subject to the quality of the employee dialogue.	A significant portion of managements' fees is linked to the Group's financial and extra-financial performance. Quantitative portion linked to one of the main financial indicators the Group habitually uses in its financial communication. Qualitative portion of variable compensation capped and based on extra-financial performance related to sustainable development and social and environmental responsibility. Consistent criterion in line with the Company's strategy, with specific pre-set targets aligned with the interests of employees and shareholders, taking into account the Group's growth in activity.
Compensation cap	Total cumulative amount of fixed and variable fees in respect of the duties of Manager of Altareit and Altarea (see below) in 2023 capped at €3.5 million excl. tax A corresponding limit on the total variable portion of 94% of total fixed compensation	Rigorous application of the principles of measurement and completeness, including: ▪ taking into account all compensation paid by companies in the Altarea Group, to which Altareit belongs; ▪ lowering the overall cap on compensation by 12.5% (€0.5 million) compared to the previous financial year.

Management does not receive variable multi-year compensation, long-term profit sharing, benefits in kind, severance or non-competition payments or a pension plan.
It should be noted that Altafi 2, Co-Manager, also forms part of the management of Altarea, the parent company of Altareit. As such, in 2023 Altafi 2 will receive a fixed fee of €900 thousand excl. tax, plus any variable fees linked to the Group's financial and extra-financial performance, it being recalled that the total amount of fixed and variable fees received by Altafi 2 as Manager of Altarea and Altareit in 2022 cannot exceed €3.5 million excl. tax.

Components of the Supervisory Board members' compensation for financial year 2023

	Compensation components Rules and criteria	Targets/Comments
Chairman of the Board	No compensation	Total amount exclusive of all other Altarea Group compensation, taken from the total compensation allocated to the Supervisory Board by the General Shareholders' Meeting. Coherent with the duties and responsibilities of the Chairman of the Board. Stable compensation. Complies with the market practices of comparable companies and the recommendations of the MiddleNext Code.
Supervisory Board members	€1,500 for each actual attendance at meetings of the Board and its specialist committees 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 any employee representatives, who receive compensation under the terms of an employment contract or a corporate office within the Altarea Group or are paid for an exceptional assignment entrusted to them by the Supervisory Board.	Main variable portion. Incentive to attend meetings. Complies with the market practices of comparable companies and the recommendations of the MiddleNext Code.

6.4 Delegations concerning a share capital increase

6.4.1 Delegations given by the General Shareholders' Meeting of 24 May 2022 valid during the past financial year

Delegations	Duration/ Expiration date	Maximum nominal issue amount	Use in 2022
Share buyback programme			
Authorisation to proceed with share buybacks at a maximum price per share of €1,000 and for a maximum total amount of €80 million	18 months 24/11/2023	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 24/07/2024	Up to a maximum of 10% of the share capital per 24-month period	None
Authorisations with preservation of preferential subscription rights			
Issue of ordinary shares and/or equity securities giving access to other securities and/or marketable securities giving access to equity securities to be issued by the Company or a related company(i)(ii)	26 months 24/07/2024	€50 million for capital increases €200 million for debt securities	None
Authorisation to increase the share capital by capitalising reserves	26 months 24/07/2024	€50 million	None
Authorisations without preferential subscription rights			
Issue of ordinary shares and/or equity securities giving access to other securities and/or securities giving access to equity securities to be issued by the Company or a related company, as part of a public offering other than that referred to in Article L. 411-2 1 of the French Monetary and Financial Code(i)(ii)(iii)	26 months 24/07/2024	€50 million for capital increases €200 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 24/07/2024	€50 million and 20% of the share capital per year for capital increases €200 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 24/11/2023	€20 million for capital increases €100 million for debt securities	None
Issue of ordinary shares that may be combined with securities giving access to the Company's share capital as remuneration for contributions in the form of securities(i)	26 months 24/07/2024	10% of the capital	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 24/07/2024	€50 million for capital increases €200 million for debt securities	None
Global Ceiling and other authorisations			
Setting the aggregate nominal ceiling of the authorisations to the management	-	€50 million for capital increases €200 million for debt securities	-
Option to increase the amount issued by 15% in the event of oversubscription(i)	26 months 24/07/2024	-	None
Authorisations for the benefit of employees and senior management			
Increase in the capital reserved for members of an employee savings scheme(i)	26 months 24/07/2024	€100,000 for capital increases €500,000 for debt securities	None
Free share plans(i)(v)	38 months 24/07/2025	65,000 shares	None
Stock option plans (share subscription or purchase)(i)(v)	38 months 24/07/2025	65,000 shares	None
Share subscription warrants (BSA, BSAANE and BSAAR)(i)	18 months 24/11/2023	€100,000	None

(i) Authorisation subject to a nominal global ceiling of €50 million for a capital increase by the issue of new shares and €200 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 the minority shareholders of subsidiaries or sub-subsidiaries of the Company subscribing by reinvestment of the sale price of their stake in a Group company; or individuals or legal entities re-using the sale price of a portfolio of real estate assets or the securities of a company operating as a REIT or property developer or holding investments in companies active in asset management or distribution; or holders of securities issued by a subsidiary or a sub-subsidiary of the Company pursuant to Article L. 228-93 of the French Commercial Code.
(v) Authorisation subject to a global ceiling of 65,000 shares, representing around 3.71% of share capital at 31 December 2022, of which a maximum of 20,000 shares for the executive corporate officers.

The authorisations in the above table supersede those of the same type granted by the General Shareholders' Meeting of 29 June 2021.

6.4.2 Delegations requested from the next annual General Shareholders' Meeting 2023

Delegations	Maximum nominal issue amount	Duration
Share buyback programme		
Authorisation to proceed with share buybacks at the maximum unit price €1,000 per share and for a maximum amount of €80 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)	€50 million for capital increases €200 million for debt securities	26 months
Authorisation to increase the share capital by capitalising reserves	€50 million	26 months
Authorisations without 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, 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)	€50 million for capital increases €200 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, as part of a public offering referred to in Article L. 411-2 1° of the French Monetary and Financial Code(b)	€50 million and 20% of the share capital per year for capital increases €200 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 categories of persons(b)(c)	€20 million for capital increases €100 million for debt securities	18 months
Authorisations granted to Management to set the issue price for capital increases without preferential subscription rights(b)	10% of the capital	26 months
Issue of ordinary shares, which may be accompanied by securities giving access to the Company's share capital, to remunerate contributions in kind of securities(b)	10% of the capital	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)	€50 million for capital increases €200 million for debt securities	26 months
Global Ceiling and other authorisations		
Setting the aggregate nominal ceiling of authorisations to the management at €50 million for share issues and at €200 million for marketable securities representing debt in the Company	€50 million for capital increases €200 million for debt securities	26 months
Option of increasing the amount of an issue in case of over subscription(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)	€100,000 for capital increases €500,000 for debt securities	26 months
Free share plans(b)(d)	65,000 shares	38 months
Stock option plans (share subscription or purchase)(b)(d)	65,000 shares	38 months
Share subscription warrants (BSA, BSAANE and BSAAR)(b)	€100,000	18 months

(a) See Section 7.1.2 below.
(b) Authorisation subject to the issue ceilings (€50 million for capital increases and €200 million for debt securities).
(c) 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 a 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 centers; 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.
(d) Authorisation subject to a specific global ceiling of 65,000 shares (representing some 3.71% of the share capital at 31 December 2022), of which a maximum of 20,000 shares for the executive corporate officers.

It should be noted that the delegations presented in the above table would rescind, if adopted by the 2023 General Shareholders' Meeting, 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 through an intermediary in the General Shareholders' Meetings, regardless of the number of shares they possess, upon proof of their identity and their ownership of the shares by registering their shares, in their name, or in the name of their registered intermediary, within the periods and conditions stipulated by law and regulations. However, Management may shorten or even do away with the periods set forth in law if it is to the benefit of all shareholders.

Legal entities may take part in General Shareholders' Meetings through their legal representatives or any other person duly appointed for this purpose by their legal representatives.

Double voting rights

The Company's shares do not carry double voting rights. Indeed, applying the option provided for in Article L. 225-123 of the French Commercial Code, the Combined General Shareholders' Meeting of 5 June 2015 voted to exclude double voting rights for shareholders registered for more than two years. Each share therefore entitles its holder to one vote.

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 identification in accordance with the law and regulations, except for the Ordinary General Shareholders' Meeting held to approve the financial statements.

Chairman – Bureau

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, 7.1.3 and 7.1.4 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:

- 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 7.1.3 "Threshold crossings" below);
- with the exception of decisions relating to (i) the election, resignation or dismissal of members of the Supervisory Board and (ii) the appointment of the Statutory Auditors, no resolution may be adopted at an Ordinary General Shareholders' Meeting without the prior 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 the rights to control are not exercised by employees.

Agreements between shareholders that may result in restrictions on the transfer of shares and the exercise of voting rights (shareholders' agreements)

To the Company's knowledge, there are no agreements between shareholders that could result in restrictions on the transfer of shares and the exercise of the Company's voting rights.

Rules applicable to the appointment and replacement of Managers

The rules applicable to the appointment and replacement of Managers are detailed in Article 13 of the Company's Articles of Association (see 6.2.1 above), which states that the appointment and dismissal of Managers comes under the exclusive competence of the General Partners.

Rules applicable to the amendment of the Articles of Association

Amendments to the Company's Articles of Association may not be adopted without the prior unanimous agreement of the General Partner(s). However, if there are more than one General Partners, the resolutions required to decide on the transformation of the Company into a public limited company shall only require the prior approval of a majority of them.

Powers of the Management to issue or buy back shares

The General Shareholders' Meeting has granted Management delegated powers and authorisations to decide, with the agreement of the General Partners, on capital increases or share buybacks as described above in 6.4 above.

Agreements entered into by the Company that are amended or terminated in the event of a change of control of the Company

With the exception of certain bank or bond financing agreements that include customary change of control clauses, there are no agreements entered into by the Company that would be amended or terminated in the event of a change in control of the Company as referred to in Article L. 22-10-11 9 of the French Commercial Code.

Agreements providing for compensation as a result of a takeover or exchange offer

No agreement provides for compensation for Management or employees if they resign or are dismissed without real and serious cause or if their employment ends due to a takeover or exchange offer.

7

CAPITAL AND OWNERSHIP STRUCTURE

7.1 General information about the share capital

7.1.1 Share capital – Form and negotiability of shares

Amount of share capital (Article 6 of the Articles of Association)

As of the date of this document, the share capital was €2,625,730.50 of a nominal value, divided into €1,750,487 shares with €1.50 par value, fully paid-up and all of the same class. The ten existing General Partner (*commandité*) shares with a par value of €100 are held by Altafi 3.

Changes to the share capital of the Company during the course of the last three years

The Company's share capital has not changed during the last three years.

Changes to the share capital and the respective rights of the various categories of shares

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.

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 above may, in accordance with the provisions of the law, have their voting rights and dividend rights suspended or disqualified.

The Company may at any time and at its own expense ask its clearing organisation for information about the name or corporate name, nationality and address of holders of securities conferring the right to vote at Shareholders' Meetings either immediately or in the future, as well as the number of securities held and any restrictions attached thereto.

The shares are indivisible for the purposes of the Company.

Joint-owners of shares shall accordingly be represented for the Company's purposes by one of the owners or by a person appointed by the owners as their sole representative. In the event of disagreement, the representative will be appointed by order of the presiding judge of the commercial court in summary proceedings at the request of the most diligent joint-owner.

Trading in the shares (Article 11 of the Articles of Association)

The shares may be traded without restriction save for any provisions to the contrary set out in law, regulations or the Articles of Association.

Authorisations involving the share capital

The information concerning delegations valid during the 2022 financial year, granted by General Shareholders' Meetings, and their use during the course of the past financial year is provided in the Supervisory Board report on Corporate Governance included under Chapter 6 of this document.

Shares giving access to share capital

At the date of filing this document, no securities giving access to the share capital had been issued by the Company.

Free share allocations

The Company has not allocated any of its share capital under bonus share plans. On the other hand, and as mentioned in 2.3 (Note 6.1.1 to the consolidated financial statements) in the chapter of this document, the employees of its subsidiaries benefit from free share plans relating to Altarea shares.

Stock options

At 31 December 2022, as at 31 December 2021, there were no outstanding stock options.

Treasury shares

There were no treasury shares at 31 December 2022, with the exception of the 1,881 shares representing 0.11% of the Company's share capital held by Alta Faubourg, a wholly-owned subsidiary (see Section 6.3.3 below).

7.1.2 Share buyback programme

At the Combined General Shareholders' Meeting of 29 June 2021 and that of 24 May 2022, the shareholders authorised the Company to purchase its own shares up to a maximum of 10% of the shares comprising the share capital and up to a total of €80 million, at a maximum price per share set at €1,000.

Pursuant to these authorisations, Management decided to implement a share buyback programme on 29 June 2021 and that of 24 May 2022 for the following purposes, in order of precedence:

(1) acting as a market maker on the security's secondary market and/or ensuring the share's liquidity by means of an investment services provider acting independently under a liquidity contract in line with a Code of Ethics recognised by the AMF;

(2) allocating shares to employees and corporate officers in accordance with conditions set forth by law, particularly under a stock option plan, a free share plan or a company savings plan or employee shareholding plan;

(3) delivery of shares upon the exercise of rights attached to debt securities or equity securities entitling their holders to be allocated shares of the Company;

(4) cancellation of all or part of the shares acquired;

(5) custody and subsequent delivery of shares in respect of payment, exchange or otherwise, under transactions pursuant to Article L. 225-209 para. 6 of the French Commercial Code and more specifically external growth transactions instigated by the Company, on the understanding that the number of shares acquired by the Company in this way may not exceed 5% of its share capital;

(6) allocation in whole or in part of the shares thus acquired upon the performance of any transaction in line with the regulations in force.

A description of these share buyback programmes was published in accordance with Articles 241-1 *et seq.* of the AMF's General Regulation. The Company publishes a monthly summary of transactions in its own shares pursuant to these authorisations.

At 31 December 2022, Altareit held 207 treasury shares, all allocated to target (1) market making and share liquidity.

Treasury share buybacks conducted in the 2022 financial year:

Month	Number of shares purchased	Number of shares sold	Balance of treasury shares	Price at end of month
January	47	22	193	€645
February	26	47	172	€685
March	38	26	189	€650
April	19	19	184	€650
May	30	22	192	€645
June	25	23	194	€640
July	29	29	194	€640
August	23	23	194	€640
September	26	23	197	€635
October	26	21	202	€630
November	39	25	216	€620
December	24	33	207	€625

Over the whole of 2022, 352 shares were purchased for a total price of €224,580, and 313 shares were sold for a total price of €200,885.

Additional details on treasury shares held by the Company are given in Note 6.1.1 to the consolidated financial statements in Section 2.3 in this document.

The Ordinary General Shareholders' Meeting called to approve the financial statements for the 2022 financial year will be asked to renew the authorisation to proceed with share buybacks granted by the General Shareholders' Meeting of 24 May 2022, with identical ceilings.

As previously stated, these acquisitions, disposals and transfers may be conducted by all means compatible with the law and regulations in force, including through the use of derivative financial instruments and through block sales and purchases. Shareholders will be explicitly asked to authorise share buybacks from corporate officer shareholders.

7.1.3 Share capital breakdown

Ownership at 31 December 2022

	Shares and theoretical voting rights		Actual voting rights at General Shareholders' Meetings	
Shareholder	Number	%	Number	%
Altarea	*1,744,062*	*99.63%*	*1,744,062*	*99.75%*
Altarea France	*1,919*	*0.11%*	*1,919*	*0.11%*
*Alta Faubourg**	*1,881*	*0.11%*	*N/A*	*N/A*
Total Altarea control	**1,747,862**	**99.85%**	**1,745,981**	**99.86%**
Treasury Shares	207	0.01%	N/A	N/A
Public	2,418	0.14%	2,418	0.14%
TOTAL	**1,750,487**	**100.00%**	**1,748,399**	**100.00%**

* *Treasury shares whose voting rights may not be exercised in a General Shareholders' Meeting in line with the provisions of Article L. 233-31 of the French Commercial Code.*

To the Company's knowledge, no significant change has occurred in the capital breakdown since 31 December 2022 and no shareholders currently hold, directly or indirectly, alone or in concert, more than 5% of the share capital and voting rights. The Company does not know the exact composition of its ownership at all times, as some of its shares are held in bearer form.

The ten existing General Partner (*commandité*) shares with a nominal value of €100 are held by Altafi 3.

Employee shareholders

In accordance with the provisions of Article L. 225-102 of the French Commercial Code, it is specified that to the knowledge of the Company, at 31 December 2022, none of the Company's shares were held by the employees of the Company and of the companies related to it as defined by Article L. 225-180 of the French Commercial Code.

However, it is specified that shares in the parent company, Altarea, are held by employees of the Company and its group.

The shares held by employees of Altarea and of companies related to it as defined by Article L. 225-180 of the French Commercial Code, including those of the Altareit group, represent 3.19% of the shares making up the share capital of Altarea.

It must be emphasised that this percentage does not express the proactive nature of the employee shareholder policy implemented by Altarea's Management since the listing of the Altarea Group 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 bonus share plans authorised by the General Shareholders' Meeting since the Macron Law, of 6 August 2015, took effect. 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 the gains accrued by an increase in the Altarea share price.

Pledges of Company shares

As far as the Company is aware, no pledges concerning its shares were in force as at 31 December 2022.

Change in ownership structure over the past three financial years

	31/12/2022		31/12/2021		31/12 /2020	
Shareholder	Number of shares and DDV	% of the capital	Number of shares and DDV	% of the capital	Number of shares and DDV	% of the capital
Altarea	*1,744,062*	*99.63%*	*1,744,062*	*99.63%*	*1,744,062*	*99.63%*
Altarea France	*1,919*	*0.11%*	*1,919*	*0.11%*	*1,919*	*0.11%*
*Alta Faubourg**	*1,881*	*0.11%*	*1,881*	*0.11%*	*1,881*	*0.11%*
Total Altarea control	**1,747,862**	**99.85%**	**1,747,862**	**99.85%**	**1,747,862**	**99.85%**
Treasury Shares	207	0.01%	168	0.01%	236	0.01%
Public	2,418	0.14%	2,457	0.14%	2,389	0.14%
TOTAL	**1,750,487**	**100.00%**	**1,750,487**	**100.00%**	**1,750,487**	**100.00%**

* *Treasury shares whose voting rights may not be exercised in a General Shareholders' Meeting in line with the provisions of Article L. 233-31 of the French Commercial Code.*

Threshold crossings

Legal threshold crossings during 2022

In 2022, no filings were made with the Autorité des Marchés Financiers reporting the crossing of thresholds.

Disclosure of statutory threshold crossings (Article 12 of the Articles of Association)

In addition to the legal declaration obligations concerning threshold crossings, the Articles of Association specify that all other natural persons or legal entities acting alone or in concert with another party or parties and who hold or cease to hold a fraction of the capital, voting rights or securities giving future access to the capital of the Company equal to or greater than one per cent (1%) or a multiple of this fraction up to 50% of the capital shall notify the Company by registered letter, no later than the fourth trading day after the threshold crossing, of the total number of shares, voting rights or securities giving future access to the capital, which it possesses directly or indirectly, or jointly.

Any shares or securities that have not 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 per cent (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.

7.1.4 Control of the Company and shareholders' agreements

Control of the Company

Altarea has a controlling shareholding in the Company; Altarea is a *Société en commandite par actions* (a French partnership limited by shares), with its head office at 87 rue de Richelieu – 75002 Paris, registered under number 335 480 877 RCS Paris.

Altarea holds, directly and indirectly, through Altarea France and Alta Faubourg which it controls, 99.85% of the capital and theoretical voting rights of Altareit.

The Company considers that the control is not exercised in an abusive manner.

Shareholders' Agreement

At the date of this document, the Company had no knowledge of a shareholders' agreement.

7.1.5 Company officers and related-party transactions in Company shares

During 2022, Company officers and related parties declared the following securities transactions to the Company:

Name	Title on transaction date	Transaction	Financial instrument	Aggregate volume	Total gross amount
Jacques Ehrmann	Chief Executive Officer of Altafi 2, Co-Manager	Acquisition	Debt securities[(a)]	2	€178,772

(a) Bonds admitted to trading on Euronext Paris under ISIN Code FR0013346814.

7.1.6 Bonds not giving access to the share capital

Issue date	Issue amount	Subscription rate	Nominal amount outstanding	Date of maturity	Interest	Market	ISIN
02/07/2018	€350,000,000	Entirely subscribed	€338,500,000	02/07/2025	2.875%	Euronext Paris	FR0013346814
07/07/2020	€80,000,000	Entirely subscribed					
23/10/2020	€70,000,000	Entirely subscribed					

Bonds issued on 07/07/2020 and 23/10/2020 were assimilated upon issue and comprised a single issue with the existing bonds issued on 02/07/2018.

The bond issue contracts shown in the table above contain a change of control clause.

7.2 Market in the Company's financial instruments

Altareit	
Listing market	Euronext Paris - Compartment A
Average number of shares	1,750,487
Par value per share	€1.50
Codes	Mnemonic: AREIT – ISIN: FR0000039216 Bloomberg: AREITFP – Reuters: AREIT.PA
Legal Entity Identification code (LEI)	96950040APTHOKN99645
Listings	CAC All Shares – CAC Real Estate
Deferred Settlement Service (French SRD)	Eligible
PEA	Eligible
PEA SME	Non-eligible
ICB Sector classification	Real Estate Holding & Development

	Market capitalisation	Share price high	Share price low	Latest Share price	Number of shares traded	Capital traded
2018	€770 million	€600	€276	€440	895	€389,959
2019	€928 million	€600	€434	€530	563	€286,426
2020	€851 million	€560	€470	€486	625	€311,384
2021	€1,115 million	€720	€470	€655	726	€419,784
2022	**€1,094 million**	**€700**	**€600**	**€625**	**465**	**€299,585**

2022	Share price high	Share price low	Latest Share price	Number of shares traded	Amount of capital traded
January	€655	€635	€645	74	€47,640
February	€700	€640	€685	62	€41,730
March	€685	€640	€650	50	€32,785
April	€650	€645	€650	21	€13,640
May	€650	€640	€645	30	€19,365
June	€655	€635	€640	31	€19,935
July	€650	€635	€640	37	€23,870
August	€640	€640	€640	24	€15,360
September	€645	€635	€635	28	€17,905
October	€635	€630	€630	26	€16,385
November	€630	€600	€620	44	€27,120
December	€640	€600	€625	38	€23,850

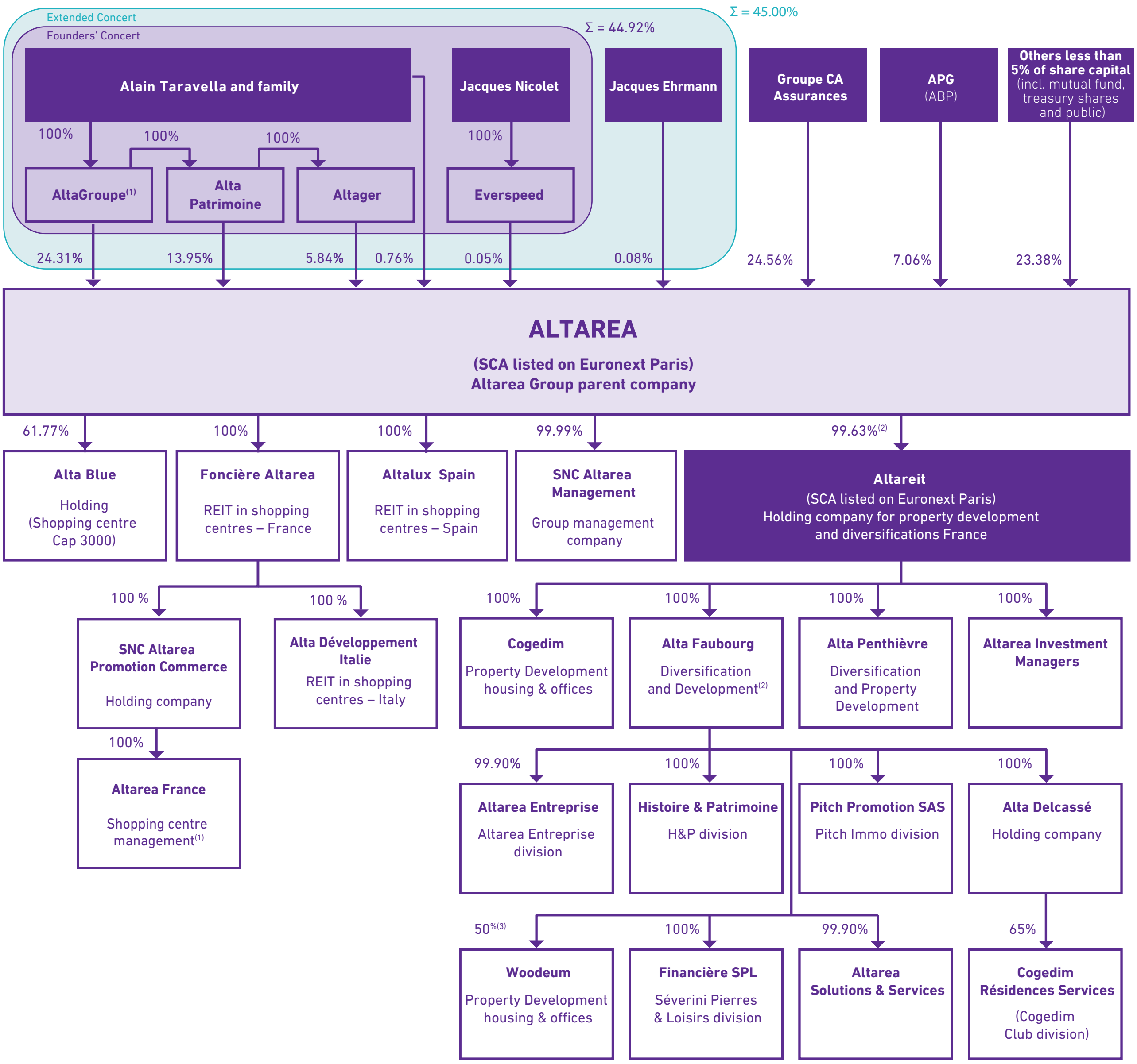
(Source: Euronext)

7.3 Simplified organisation chart

7.3.1 The issuer and its Group

The Company is controlled by Altarea, parent company of the Altarea Group, itself controlled by its founding shareholders, namely Alain Taravella, his family and AltaGroupe, Alta Patrimoine and Altager, which he controls, on the one hand and, on the other, Jacques Nicolet and the Everspeed company he controls, Jacques Ehrmann, Manager of Altarea Management and Chief Executive Officer of Altafi 2, having joined the founders' concert in August 2019.

The organisational structure below presents the situation of Altareit and its subsidiaries in the Altarea Group at 31 December 2022, with regard to the Altarea Group and to the shareholders who control it in addition to the relations with Altareit's principal sister companies in France and abroad.



(1) AltaGroupe holds 100% of the share capital and voting rights of Altafi 2 (General Partner of Altarea and Manager of Altareit) and Altafi 3 (General Partner of Altareit).
(2) Altarea holds a direct stake in Altareit. Including indirect shareholdings, Altarea holds 99.85% of the share capital of Altareit, via the subsidiaries Altarea France (holding 0.11% of the share capital of Altareit) and Alta Faubourg (holding 0.11% of the share capital of Altareit) - treasury shares whose voting rights cannot be exercised at a General Meeting in accordance with the provisions of Article L.233-31 of the French Commercial Code).
(3) Alta Faubourg's stake in the share capital and voting rights of Woodeum was increased to 100% on 21 February 2023.

7.3.2 Important subsidiaries

As at the date of this document the Company's main subsidiaries are as follows (the percentage corresponds to the direct Altareit shareholding in the capital of each of its subsidiaries).

Name	Activities	Location of the business	% share capital
Cogedim	Property Development division: Office property and Residential	France	100%
Alta Faubourg	Diversification and Property Development division	France	100%

The main data concerning the subsidiaries and associates of the Company is presented in Section 3.3.3.5 of this document.

The list of the main companies included in the Company's scope of consolidation is presented in Note 4.2 to the consolidated financial statements in Chapter 2 of this document.

The Company centralises the Group's cash surpluses.

Note 8 to the consolidated financial statements sets out details of the main financial instruments and market risks as well as information about the main bank covenants. The main assets and borrowings are carried by the subsidiaries that conduct the corresponding business operations.

During the 2022 financial year, the Company did not acquire any equity stakes in France, except for the subscription for 100% of the shares in the simplified joint-stock company (*Société par actions simplifiée*) Altarea Investment Managers on its creation.

7.4 Dividend policy

7.4.1 Dividends paid over the past three financial years

No dividends were distributed in the last three financial years ended 31 December 2019, 2020 and 2021 respectively.

Article 29 paragraph 4 of the Company's Articles of Association stipulates that "the general partner is entitled to a priority dividend equal to 1.5% of the annual dividend paid".

Since no dividend was paid during the last three financial years, the general partner, Altafi 3, did not receive a priority dividend for the said financial years.

7.4.2 Dividend distribution policy

The Company's policy consists of having the equity required to ensure its pipeline development. It is therefore not currently planned to propose the payment of distributable amounts to shareholders.

As such, Management will propose to the General Shareholders' Meeting called to approve the financial statements for 2022, the allocation of distributable income to retained earnings, to allow the Company to continue to have access to the capital required for its development.

7.4.3 Expenditures and fees under Article 39-4 of the French General Tax Code

No expense or fee that is non-deductible for tax purposes within the meaning of Article 39-4 of the French General Tax Code was incurred in 2022.

8

ADDITIONAL INFORMATION

8.1 Company information

8.1.1 History and developments

2007-2008
Takeover of Altareit, a listed vehicle[1], by Altarea, a listed real estate company specialising in shopping centres, and subsequent launch by Altarea of a simplified takeover bid, equivalent to a buyout offer to the non-controlling interests[2].

When taking control of Altareit, the intention stated by the initiator was to use this listed company in order to diversify the Altarea property assets portfolio in the sectors where its expertise, combined with the knowledge and know-how of Cogedim, opened up promising prospects. Accordingly, at the end of December 2008, Altarea transferred to Altareit all of the shares in the two Altarea Group entities operating outside its core business as a shopping centre REIT. Altareit thus became the parent company of Cogedim, a historical property developer in France, and of Alta Faubourg, which hosts all of the Altarea Group's diversification and property development activities.

2009
The Group embraces the ecology and sustainable development challenge through an approach which has achieved NF Logement Démarche HQE® certification for all types of residential property.

2011
Altareit has created AltaFund, a Business property investment vehicle, in partnership with several leading international investors.

2013
Delivery of the first Cogedim Club®[3]. The Group also develops halls of residence for students, business tourism, etc.

2014
Acquisition of Histoire & Patrimoine[4].

Partnership with Crédit Agricole Assurances in the company operating Cogedim Club® residences.

2016
Acquisition of Pitch Promotion.

Exceeds target of selling 10,000 units per year.

2017
Delivery of the large mixed-use project Place du Grand Ouest in Massy.

2018
Sale of the Kosmo building in Neuilly-sur-Seine (global headquarters of Parfums Christian Dior) and 87 Richelieu in Paris (Altarea Group head office).

First S&P Global credit rating: BBB (stable).

2019
Acquisition of Severini (developer in Nouvelle-Aquitaine).

Acquisition of 50% of Woodeum (low-carbon residential developer), the remainder acquired in February 2023.

Acquisition for redevelopment of the former CNP Assurances head office above Paris-Montparnasse station.

2020
Launch of Altarea Solutions & Services[5'].

Delivery of 87 Richelieu, the Altarea Group's new head office, which won the Grand Prix Simi 2020[6], and Convergence in Rueil-Malmaison, Danone's new global headquarters.

2021
Altareit joins compartment A of Euronext Paris.

Delivery of the Bridge office buildings in Issy-les-Moulineaux (new Orange head office, WiredScore "Platinum" certified) and Eria in La Défense (future Cybersecurity division).

2022
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.

Delivery of CNP Assurance's new head office in Issy-les-Moulineaux.

Pitch Immo wins the tender for the Cité Internationale de la Gastronomie Paris-Rungis project.

ON THE NON-FINANCIAL LEVEL IN 2022:

- Cogedim, a brand of the Group, is ranked first in the HCG France - Les Echos customer relations rankings and voted best "Customer Service of the Year" for the 6th consecutive year.
- The Group is once again recognised as a "Top Employer France[7]" and confirms, for the 7th consecutive year, its GRESB "Green Star -5 stars" status[8].
- Renewal of the long-standing partnership with Habitat & Humanism to participate in the fight against poor housing.

(1) *Given the planned changes, Fromageries F Paul Renard changed its name to Altareit, converting it into a société en commandite par actions (a French partnership limited by shares), amended its corporate purpose and transferred its registered office to Paris.*

(2) *Formerly known as Fromageries F Paul Renard, Altareit was previously a subsidiary of the Bongrain group, its cheese making activity having been transferred to another company in this group at the end of 2007.*

(3) *The Group's Serviced Residences line for active seniors.*

(4) *Specialist in the rehabilitation of assets and tax exemption products (Malraux, historical monuments, land deficit, etc.).*

(5) *In-house value-added service platform to support customers and partners throughout their residential real estate project.*

(6) *In the category "Renovated office building or particularly innovative redevelopment".*

(7) *Certification awarded by the Top Employers Institute.*

(8) *With a score of 90/100, Altarea confirms its place among the European leaders in sustainable development by ranking 3rd in the GRESB 2022 at the European level.*

8.1.2 General information

8.1.2.1 Company name (Article 3 of the Articles of Association)

The Company's name is: Altareit.

8.1.2.2 Legal form – Applicable legislation (Article 1 of the Articles of Association)

Altareit 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 2 June 2008. Altareit is a company incorporated in France, governed by French law and in particular by the provisions of Book II of the French Commercial Code. Altareit is not governed by any other particular legislation or regulations.

8.1.2.3 Head office (Article 4 of the Articles of Association)

The registered office of Altareit is located at 87 rue de Richelieu -75002 Paris.

Its telephone number is: +33 (0)1 56 26 24 00.

Altareit is hosted by its sub-subsidiary Cogedim Gestion, which itself holds a commercial lease for the premises of its registered office.

8.1.2.4 Date of constitution and lifespan of the Company (Article 5 of the Articles of Association)

The Company was founded on 16 June 1955 and, in accordance with the provisions of Article 5 of its Articles of Association, has a duration of 99 years with effect from its incorporation on 19 August 1955, unless extended or dissolved early.

8.1.2.5 Corporate purpose (Article 2 of the Articles of Association)

The Company's corporate purpose is:

- principal purpose:
  - the acquisition of all land, property rights or buildings, including through a construction lease or a leasing arrangement, and any and all assets and rights that may constitute an accessory or appendix to said property assets,
  - the construction of offices and all transactions directly or indirectly related with building these offices,
  - operating and creating value through letting these properties;
- holding investments through the persons referred to in Article 8 and in paragraphs 1, 2 and 3 of Article 206 of the French General Tax Code, and more generally acquiring shareholdings in all companies whose main purpose is the letting of rental property assets in addition to operating, managing and assisting such persons and companies as well as investing in all other types of companies or group ventures, created or to be created and including holding companies;
  - subsidiary purpose,leasing all types of property,
  - exceptionally, the transfer by disposal, contribution or merger of the assets of the Company,
  - and more generally all property, asset, civil, retail, industrial or financial transactions deemed to be of use for the development of the aforementioned purpose or which might facilitate its exercise, in particular by borrowing and the related constitution of all types of guarantee or collateral.

8.1.2.6 Identifying information

The Company is registered at the Paris Trade and Companies Registry under registration number 552 091 050.

The Siret (Company Registration Number) number of the Company is 552 091 050 00104 and its business code is 4110A.

The Company's legal entity identification code (LEI) is 9695004OAPTHOKN99645.

It is listed in Compartment A of Euronext Paris (ISIN code: FR0000039216 – Mnemonic: ALTA).

8.1.2.7 Financial year (Article 28 of the Articles of Association)

The financial year begins on 1 January and ends on 31 December.

8.1.2.8 Statutory distribution of profits and any liquidation surplus (Article 29 and 30 of the Articles of Association)

The Company's distributable profit as defined by law is available for distribution by the 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.

The General Shareholders' Meeting may also resolve to distribute sums from other reserves available to it, providing that the law so permits.

The Ordinary General Shareholders' Meeting, voting to approve the financial statements for the year, may decide to give each shareholder the option of receiving all or part of the dividend in cash or in ordinary shares issued by the Company, in accordance with applicable law and regulations.

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.

In the event of the liquidation of the Company, the net proceeds of liquidation, after settling liabilities, shall be shared between the limited partners and the general partners, up to 98.5% for the limited partners and up to 1.5% to the general partners.

8.2 Other information

8.2.1 Competitive situation

The business review (Chapter 1 of this document) gives quantitative information on the Altareit Group's businesses and services, along with their trends, competitive landscape, and results.

Main competitors[1]: the ten leading property operators, which include the Altarea Group, of which Altareit forms part, are:

- in the Residential property development sector[2]: Nexity, Vinci Immobilier, Bouygues Immobilier, Groupe Pichet, Alila, Kaufman & Broad, Adim, Icade Promotion, and Procivis;
- in the Business property development sector: Vinci Immobilier, Nexity, Icade Promotion, Groupe Duval, Linkcity, Groupe WO2, 6e Sens Immobilier, GA Smart Building and Eiffage Immobilier.

8.2.2 Absence of material changes in the financial or business position

Since 1 January 2022, with the exception of what appears, where applicable, in Note 11 to the consolidated financial statements (Section 2.3 of this document) the Company has not experienced any significant changes in its financial or commercial position.

8.2.3 Information that can affect the Company's businesses or profitability

In terms of development (Residential and Business Property), one client alone accounted for more than 10% of the division's revenue at 31 December 2022, with €414 million (see Note 3.4 to the consolidated financial statements in Chapter 2.3 of this document). The ten largest customers accounted for 30% of total revenue.

The attention of the reader is drawn to the significant risks to which the Company is exposed and which are detailed in Section 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 and 5.2.1.1), as well as the dispute mentioned in paragraph 5.1.6 above relating to legal and arbitration proceedings.

(1) In global business volume in millions of euros -2020 Award -2021 Developers' ranking (33rd edition) - Innovapresse - pages 23 and 31.

(2) Including the Serviced Residences business.

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, 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 205, 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	Date of first appointment	Start and term of current appointment	Appointment expires
Auditor[(a)]			
Ernst & Young Audit Tour First – 1 place des Saisons -92400 Courbevoie Represented by Jean-Roch Varon and Soraya Ghannem	2 June 2008	19 May 2020 6 financial years	GSM on the accounts for the financial year 2025
Grant Thornton[(b)] 29 rue du Pont -92200 Neuilly-sur-Seine Represented by Pascal Leclerc	2 June 2008	19 May 2020 6 financial years	AGM called to approve the 2025 financial statements[(c)]

(a) The terms of office of the Alternate Statutory Auditors, IGEC and Auditex, which expired at the end of the General Shareholders' Meeting of 19 May 2020, were not renewed at the Meeting, but replaced, in accordance with the provisions of Article L. 823-1 of the French Commercial Code as amended by Law 2016-1691 of 9 December 2016.

(b) Grant Thornton took over AACE Île de France's term of office from 31 July 2017. AACE Île de France, official Statutory Auditors of the Company since 2 June 2008 was dissolved without liquidation and its assets were transferred to Grant Thornton on 31 July 2017. Consequently, AACE Île de France's term of office of Statutory Auditors has been continued by Grant Thornton since 31 July 2017. The General Shareholders' Meeting of 15 May 2018 (i) took note of the changed legal circumstances of AACE Île de France and the continuation as official Statutory Auditors of Grant Thornton and (ii) took note of the termination of the office of alternate Statutory Auditors held by Grant Thornton.

(c) Grant Thornton having informed the Company that it will resign with effect from the end of the General Shareholders' Meeting held in 2023 to approve the financial statements for the financial year ended 31 December 2022, it will be proposed to the said General Meeting to take note thereof and to appoint as replacement, for the remainder of the term of office, the firm Mazars.

The Company's Statutory Auditors are members of Compagnie Nationale des Commissaires aux Comptes.

8.4 Documents and information

8.4.1 Documents incorporated by reference

In compliance with Article 19 of Regulation (EU) 2017/1129, the following information is incorporated into this Universal Registration Document by reference:

- the consolidated financial statements and corresponding audit report provided on pages 23 and 68, the annual financial statements and corresponding audit report provided on pages 73 and 87, as well as the management report provided on page 7 of the 2020 Universal Registration Document filed with the Autorité des Marchés Financiers on 26 March 2021 under number D. 21-0207;
- the consolidated financial statements and corresponding audit report provided on pages 21 and 66, the annual financial statements and corresponding audit report provided on pages 71 and 86, as well as the management report provided on page 7 of the 2021 Universal Registration Document filed with the Autorité des Marchés Financiers on 29 April 2022 under number D. 22-0396.

Those elements of the 2020 and 2021 Universal Registration Documents not covered above are either not applicable to investors or 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.altareit.com (headings Finance/Regulatory information and Publications). 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 of the data in this Universal Registration Document comes 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.

Cross-reference tables

Universal Registration Document cross-reference table

The cross-reference table below can be used to identify the information required by Annexes 1 and 2 of the Delegated Regulation (EC) 2019/980 of 14 March 2019.

Headings of Annexes 1 and 2 of the Delegated Regulation of 14 March 2019		Section	Page
1	**Persons responsible**		
1.1	Identity of the persons responsible	8.3.1	201
1.2	Statement by persons responsible	8.3.2	201
1.3	Appraisers' declaration	N/A	
1.4	Statement relating to third-party information	8.4.3	202
1.5	Declaration without prior approval of the competent authority	AMF insert	1
2	**Statutory Auditors**	**8.3.3**	201
3	**Risk Factors**	**5.2**	155 to 161
4	**Information about the issuer**		
4.1	Company name and business name	8.1.2.1	199
4.2	Place, registration and legal entity identification code (LEI)	8.1.2.6	199
4.3	Date of constitution and lifespan of the Company	8.1.2.4	199
4.4	Registered office and legal form, legislation applicable, country of origin, address and telephone number of the head office, website with a disclaimer	8.1.2 -8.4.2	199 -202
5	**Business overview**		
5.1	Principal activities	1.1	8 to 16
5.2	Main markets	1.1	8 to 16
5.3	Exceptional events	1.1 -2.3.4.1	8 to 16 -46
5.4	Strategy and objectives	1.1 -1.2.1.1 -1.2.2.1	8 -10 -14
5.5	Issuer's dependency on patents, licences, contracts or new manufacturing processes	N/A	
5.6	Statement on competitive position	1.1. -1.2.1.1 -8.2.1	8 -10 -200
5.7	Investments		
5.7.1	High-value investments made	1.2.2.3	15 -16
5.7.2	Main investments underway or which the issuer intends to make in the future	1.2.2.2	14
5.7.3	Joint ventures or affiliates likely to have a major impact	2.3.4.2 -2.3.4.5	47 to 50
5.7.4	Environmental issues	4	97 to 148
6	**Organisational structure**		
6.1	Brief summary of the Group	7.3	195
6.2	List of significant subsidiaries	2.3.4.2 -7.3.2	47 to 49 -196
7	**Review of financial position and income**		
7.1	Financial position	1	8 to 24
7.2	Operating income/(loss)	1.4	21 -22
8	**Cash flow and capital resources**		
8.1	General information about the share capital	1.5 -2.3.6	23 -24 -53 to 57
8.2	Cash flow	2.1 -2.3.6.2.3	30 -57
8.3	Borrowing requirements and funding structure	1.5 -2.3.7.4	23 -24 -59 to 61
8.4	Restrictions on the use of capital resources	2.3.6.2 -2.3.8.3	54 to 57 -65
8.5	Anticipated sources of funds	1.5 -2.3.8.3	23 -24 -65
9	**Regulatory environment**	**5.1.5 -5.2.1 -5.2.2 -5.2.4 -5.2.5**	153 to 154 -156 to 161
10	**Trend information**		
10.1	Material trends and changes since the end of the previous financial year	2.3.11 -8.2.2	70 -200
10.2	Events that may have a material impact on the outlook	8.2.3	200
11	**Profit forecasts or estimates**	**N/A**	

Cross-reference table of the annual financial report
(Articles 222-3 of the AMF General Regulation and L. 451-1-2 of the French Monetary and Financial Code)

Cross-reference table for the management report
(Articles L. 225-100-1, L. 232-1 and L. 233-26 of the French Commercial Code)

Designed **&** published by LABRADOR +33 (0)1 53 06 30 80

www.altareit.com

ALTAREIT