2023 UNIVERSAL REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT

ALTAREIT

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A detailed summary is presented at each chapter entry.

2023 UNIVERSAL REGISTRATION DOCUMENT

Including the annual financial report

The Universal Registration Document was filed on 28 March 2024 with the French Financial Markets Authority (AMF), as the competent authority according to EU Regulation 2017/1129, without prior approval per Article 9 of the same regulation.

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

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

2023 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.

FINANCIAL AND ENVIRONMENTAL PERFORMANCE 2023

€2.45 bn
Revenue

€64.7M
Recuring operating income

€146
Net debt

0,18x
Gearing

URBAN TRANSFORMATION:
a huge market with strenghthened fundamentals

Around
€13 bn
pipeline value

44.7%
revenue aligned with european taxonomy

359 gCO_2e
Carbon intensity (volume emitted to generate €1 in revenue)

880,000 tCO_2e
Group carbon performance (scopes 1, 2 and 3)

−42.7%
CO_2 emissions since 2019 (−17.6% in 2023 vs. 2022)

Bobigny Cœur de Ville, Bobigny (93). Architects: TVK, CoBe, Lambert Lénack, Hardel Le Bihan. Architects, Barrault Pressacco and Bartolo-Contré. Delivery: 2025

LARGE RANGE OF RESIDENTIAL PRODUCTS

- **A comprehensive multi-brand range and national coverage:** high-end, mid-range and entry-level in the Paris Region and other regions
- **All customers:** private sector and social housing institutional investors, individual buyers and investors
- **All types of managed property:** senior, student, tourism, business
- **All rental investments:** Pinel, furnished non-professional rentals, historic buildings, etc.

STRATEGY 2023-2024

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


Entrance to the city, Villeneuve-la-Garenne (92), Architects: Valode & Pister. Delivery: end of 2026

No. 2
Residential developer

€2,250 m
new orders

ALL OFFICES

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

STRATEGY 2023-2024

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


emlyon business school, Lyon (69). Architect: PCA-Stream. Delivery: 2023

ALL LOGISTICS

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

STRATEGY 2023-2024

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


Bollène (84), 260,000 m² logistics park comprising 5 warehouses. Architects: Groupe Franc Architectures. Delivery: 2023-2025

Warehouse, Vitry-sur-Seine (94), urban logistics space. Renovation: 2024

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BUSINESS REVIEW

1.1 Operational performance

1.1.1 Residential

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

1.1.1.1 Adapting to the new cycle

A drastic change in cycle

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

An adjustment phase is necessary before the market returns to equilibrium. The Group intends to use this period to effect a profound transformation of its industrial model.

Rapid pro-active response

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

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

Operational activity was intense, with:

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

1.1.1.2 Activity of the year

Focus on reducing the offer from the previous cycle

New orders[3]

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

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

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

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

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

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

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

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

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

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

(6) Intermediate rental housing (LLI).

Notarised sales

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

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

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

Land acquisitions limited to projects fitting the current environment

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

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

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

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

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

Thorough review of the portfolio of land options[(2)]

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

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

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

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

At the end of this review:

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

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

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

New organisation of the brand portfolio

The Group is structured around several well-known brands to cover all residential products.

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

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

Accounting impacts in 2023

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

Developing "new generation" offer

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

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

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

Backlog

The backlog[(4)] at 1 January 2024 was €2.7 billion excl. tax, down -22% year-on-year.

1.1.2 Business property (BP)

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

1.1.2.1 Multiple areas of expertise

In Offices, the Group operates nationwide[(5)]:

- as developer in off-plan sales, BEFA and PDCs, with a particularly strong position in the "turnkey" user market and DPM contracts[(6)];
- as developer/investor or co-investor for certain assets to be repositioned (before disposal);
- on a wide range of products: head offices, multi-occupant buildings, high-rise buildings, business and industrial premises, hotels, schools and campuses.

In Logistics, the Group operates:

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

(1) See Financial results section.

(2) Signature of new land options.

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

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

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

(6) VEFA (off-plan sale), BEFA (off-plan lease), PDC (property development contract) and DPM (delegated project management).

Greater or lesser fall in values depending on rental appeal

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

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

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

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

In 2023, the Group reviewed the value of Landscape (La Défense), whoseamount is booked as a change in value as part of the non-recurring accounting cost booked in Property development. As a result, the residual risk on Landscape was reduced to zero.

1.1.2.2 Offices activity during the year

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

Offices/Grand Paris

- Signature of a 99-year emphyteutic lease with the French state for the acquisition and renovation of a complex at 185 rue Saint-Honoré (6,000 m², Paris 1st district) adjoining the Hôtel Regina.
- Start of three renovation projects (66,000 m²) *Louis Le Grand* (Paris 2nd arrondissement) in co-investment with JP Morgan Global Alternatives or *Valhubert,* the former headquarters of CACEIS (Paris 13th) for which the Group acts as delegated project Manager.
- Progress on building sites for the future head office of Swiss Life in La Défense (18,100 m²) and the offices in Bobigny Cœur de Ville (9,800 m²), both to be delivered in 2024, as well as the building located at *26 Champs-Elysées* under DPM contract.
- Delivery of *Le Visionnaire* for L'Oréal located in its historic headquarters at 14 rue Royale (4,200 m², Paris 8th arrondissement) and launch of renovation work on the façade of its global headquarters in Clichy.

Offices/Regional cities

- Signatures of several off-plan sales for a total of 24,000 m², of which *Claystone* and *Urbanclay* in Toulouse sold respectively to Quaero Capital and Midi 2i for which the projects were launched this year. In Bordeaux Belvédère, the Group sold *Mokusaï* to the Mutualité Sociale Agricole de la Gironde. In the south, the Group signed a VEFA (Sale in Future State of Completion or off-plan sales) with Naval Group for a building within the *Technopole de la mer* in Ollioules and sold the future student campus of ESSCA School of Management located in Aix-en-Provence to La Caisse d'Epargne, through its subsidiary CEPAC Foncière.
- Launch of 42,000 m² of building sites, including the future Alstom Sud development centre in Aix-en-Provence, *Feel good* near Nantes in Orvault, where a first building was sold to the SMABTP at the end of 2022.
- Delivery of *Emlyon business school campus* in the Gerland district (20,000 m² with a capacity of 7,800 people and 9,000 m² of green spaces). Multifunctional, hybrid and adaptable, it meets the new uses of higher education and aims for HQE (Excellent), BREEAM (Very Good), OSMOZ and R2S certifications.
- Deliveries of 53,000 m² of offices including *Amazing Amazons* within the major Euronantes project (19,700 m²), two buildings in the Bordeaux Belvédère district (10,400 m²) or *Newton St Charles* in Marseille (9,700 m²).

1.1.2.3 Logistics activity during the year

Large-scale logistics

In Large-scale logistics, the Group acts as a developer with limited risk-taking. At 31 December 2023, sites under construction or delivered represented a total of 354,000 m². They are already fully let through long-term leases to leading tenants on the basis of rents that provide the Group with a return higher than the market rate observed for this type of product.

2023 was marked by:

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

Urban logistics

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

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

1.2 Environmental performance

1.2.1 Taxonomy: new standard for environmental performance reporting

1.2.1.1 General principles

The Taxonomy Regulation[1] is a classification system for economic sectors to identify environmentally sustainable activities. It defines uniform criteria for each sector in the EU to assess their contribution to the six environmental objectives defined by the European Commission.

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

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

1.2.1.2 Eligibility of consolidated revenue

Eligibility of consolidated revenue

In 2023, 97.9% of Altareit[2] consolidated revenue related to the following activities which are european taxonomy eligible:

- "Construction of new buildings" at Property Development;
- "Renovation of existing buildings", notably at Histoire & Patrimoine;
- "Acquisition and ownership of buildings"[3].

Revenue alignment criteria

Alignment analysis is carried out at asset level. To be considered aligned, each project or asset contributing to revenue must be screened for six families of environmental criteria[4]:

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

Revenue 44.7% aligned

The alignment rate was 44.7% of consolidated revenue in 2023 (*vs* 43.0% in 2022).

(€ millions)	Construction	Renovation	Ownership	Group
Aligned revenue	**1,090.5**	**5.3**	**0**	**1,095.8**
% of consolidated revenue	47.1%	4.3%	-	44.7%

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

After reviewing the pre-screened candidates, 123 projects with comprehensive supporting documentation were considered aligned. They represent 44.7% of consolidated revenue for 2023, which is therefore aligned with the european taxonomy.

(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) At 31 December 2023, consolidated revenue amounted to €2,450.8 million, of which €52.3 million (2.1%) not eligible for taxonomy (relating for example to trustee activities) and €2,398.5 million eligible (97.9%).

(3) Corresponds to Comet's activity within the Richelieu headquarters.

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

Specific action plans on certain criteria

Specific work was carried out on certain particularly demanding criteria:

- **energy**: identification of aligned projects required a two-step approach. First, projects initiated before 2022 were screened to see if their energy performance was better than required by legislation at the time. Then, further life-cycle analyses (LCA) were carried out on this scope, to document full alignment with this criterion;
- **circular economy**: the contractual commitment of subcontractors to recycle at least 70% of material waste was not considered sufficient to validate the criterion in full. Significant work was done to collect and review service providers' waste registers or reporting to ensure their contractual obligations were effectively being met. The strict application of this criterion has led to the exclusion of a significant number of projects, particularly renovation projects where this contractual practice is less widespread due to the lower generation of waste. The renovation activity is thus the one with the lowest alignment rate despite its essentially more virtuous approach in terms of this criterion;
- **pollution**: compliance with this criterion requires not only documenting the application of the regulations in force by the Group and its suppliers, but also verifying that the Group does not market products containing "substances of very high concern" in concentrations greater than 0.1% as defined by the REACH regulation[(1)].

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

1.2.2 Carbon performance

Altareit has developed carbon accounting for all of its activities, making it possible to monitor its carbon performance with the same rigour as its accounting performance. The Group now has a set of relevant indicators that enable it to set ambitious decarbonisation targets and measure them reliably over time.

1.2.2.1 Altareit methodology

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

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

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

For Altareit, the GHG emissions reflect the Group's business lines:

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

Property Development

Altareit has developed an accounting approach for its carbon performance "on a percentage-of-completion" based on the same principles used to determine its accounting revenue:

- a carbon footprint was calculated for each project that contributed to revenue in 2023;
- construction-related emissions are recognised on a pro rata basis according to technical progress (excluding land) of each project;
- emissions related to the use of the asset are recognised on a pro rata basis according to commercial progress of each project.

Corporate

Altareit accounts for "Corporate" emissions based on the energy consumption of buildings (actual measurements). This consumption is then converted into greenhouse gas (GHG) emissions equivalent using a factor that varies depending on the carbon intensity of the energy consumed.

Corporate emissions mainly come from the energy consumption of the Group's headquarters and fuel consumption during business travel by its employees.

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

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

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

1.2.2.2 Results and analyses

Group carbon performance

In 2023, the Group's emissions (scopes 1, 2 and 3) represented 880 thousand tonnes, down -17.6% compared to 2022 (1,067 thousand tonnes) and -42.7% compared to 2019 (the benchmark year).

(in thousands of tCO_2e)	2023	2022	2019
Property Development	**876**	**1,065**	**1,533**
Residential	760	914	1,041
Business Property	83	102	315
Retail	33	49	177
Corporate	**4**	**2**	**3**
GROUP SHARE	**880**	**1,067**	**1,536**
o/w Construction	*594*	*708*	*804*
o/w Use	*282*	*356*	*729*
o/w Corporate	*4*	*2*	*3*

Out of a total emission of 880 thousand tonnes, 282 thousand tonnes (*i.e.* 32%) correspond to emissions that have not yet occurred (share related to the future use of the buildings under construction).

Continuous improvement of carbon performance

Group GHG emissions *(in thousands of tCO_2e)*		**Chge**
2022 GHG emissions	**1,067**	
Scope effect (Woodeum, etc.)	+65	+6%
Property Development - volume effect	-144	-13%
Property Development - reduction in carbon intensity	-103	-10%
2023 GHG EMISSIONS	**880**	**-18%**

The -18% decrease in emissions in 2023 is mainly due to the decrease in development activity (volume effect) due to the real estate crisis (-144 thousand tonnes).

The Group's progress in decarbonisation has helped to reduce emissions by -103 thousand tonnes, thanks to the reduction in carbon intensity per unit area (the amount of carbon needed to build and use one square meter of real estate).

Carbon intensity per unit area: -9.6% in 2023

The average carbon intensity per unit area decreased by -9.6% to 1,298 kg/m^2 in 2023 (compared to 1,436 kg/m^2 in 2022).

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

Economic carbon intensity

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

(in $gCO2_e$ /€)	2023	2022	2019
Carbon intensity	359	391	533

In 2023, 359 grammes of CO_2 were emitted to generate one euro in revenue, *i.e.* 8.3% less than in 2022 (-33% compared to 2019).

1.3 2023 consolidated results

The 2023 financial results of Altareit are marked by the real estate crisis, with a significant decrease in net income (FFO) by -83% compared to 2022, amounting to €23.0 million. This decline is characterized by:

- a limited contribution from the Residential sector, attributed to the implementation of an accelerated and proactive adaptation policy to the current context;
- no major transactions in the Office sector compared to 2022 (such as the Cyber Campus in MEE).

Altareit decided to close the previous cycle in its 2023 accounts. This is reflected in the recognition of an exceptional accounting charge for Property Development, as a change in value, of -€393.9 million euros[1], representing its market outlook.

Overall, the Group's net result is -€325.6 million in 2023.

(€ millions)	Residential	Business property	Diversification	Other Corporate	Funds from operations (FFO)	Changes in value, estimated expenses and transaction costs	Total
Revenue and ext. services.	**2,246.8**	**204.0**	**–**	**–**	**2,450.8**	**–**	**2 450,8**
Change *vs* 31/12/2022	-9%	-21%	-	-	-10%	-	-10%
Net property income	124.9	20.5	–	-	145.4	(3.2)	142,2
External services	29.1	8.0	–	-	37.1	–	37,1
Net revenue	**154.0**	**28.5**	**–**	**–**	**182.5**	**(3.2)**	**179,4**
Change *vs* 31/12/2022	-8%	-17%	-	-	-9%		-11%
Production held in inventory	142.0	10.6	-	-	152.6	-	152,6
Operating expenses	(233.2)	(22.4)	(5.9)	(0.7)	(262.2)	(24.4)	(286,6)
Net overhead expenses	**(91.2)**	**(11.8)**	**(5.9)**	**(0.7)**	**(109.6)**	**(24.4)**	**(134,0)**
Share of equity-method affiliates Income/loss on sale of assets - Diversification	(0.0)	(7.6)	(0.6)	–	(8.3)	4.7	(3,6)
Depreciation and amortisation (IFRS 16)						(18.1)	
Other depreciation, amortisation and transaction cost						(16.4)	
Exceptional accounting expense for Property Development[a]						(393.9)	(393,9)
Operating income	**62.8**	**9.1**	**(6.5)**	**(0.7)**	**64.7**	**(451.3)**	**(386,6)**
Change *vs* 31/12/2022	-60%	-82%	-	-	-69%		na
Net borrowing costs	(4.7)	(7.3)	-	-	(12.1)	(1.9)	(13,9)
Other financial results	(13.5)	(0.5)	-	-	(14.0)	(3.2)	(17,2)
Gains/losses in the value of financial instruments	-	-	-	-	–	(17.2)	(17,2)
Corporate Income Tax	0.2	0.3	-	-	0.5	108.5	108,9
Net income	**44.8**	**1.5**	**(2.8)**	**(0.1)**	**39.1**	**(365.1)**	**(325,9)**
Non-controlling interests	(16.1)	–	–	–	(16.1)	16.5	0,4
NET INCOME GROUP SHARE	**28.7**	**1.5**	**(2.8)**	**(0.1)**	**23.0**	**(348.6)**	**(325,6)**
Change vs 31/12/2022	*-74%*	*-95%*			*-83%*		
Diluted average number of shares					*1,748,351*		
NET INCOME GROUP SHARE PER SHARE					**13.16**		
Change vs 31/12/2022					*-83%*		

(a) Including -€312.2 million recognized in net property income in the consolidated financial statements and the consolidated income statement by segment.

(1) Figures before tax, i.e. -€293.4 million after tax.

Residential

(€ millions)	2023	2022	Change
Revenue by % of completion	2,217.7	2,458.5	-10%
Cost of sales and other expenses	(2,092.7)	(2,302.8)	
Net property income	**124.9**	**155.7**	**-20%**
% of revenue	5.6%	6.3%	
External services	29.1	11.4	
Production held in inventory	142.0	221.0	
Operating expenses	(233.2)	(241.5)	
Contribution of EM associates	(0.0)	9.2	
Operating income FFO	**62.8**	**155.8**	**-60%**
% of revenue	2.8%	6.3%	
Net borrowing costs	(4.7)	(8.6)	
Other financial results	(13.5)	(5.5)	
Corporate income taxes	0.2	(17.4)	
Non-controlling interests	(16.1)	(14.8)	
NET INCOME FFO	**28.7**	**109.5**	**-74%**

In the Residential sector, revenue (revenue recognized and external services) decreased by -9% to 2,246.8 million euros, primarily due to the drastic reduction in land acquisitions.

The operating income stood at 62.8 million euros (-60%). This decline is attributed to a volume effect (decrease in revenue and fees/ production stored) combined with a rate effect (price decrease on ongoing projects). The operating margin rate[1] is 2.8% (compared to 6.3% in 2022).

The Residential FFO amounted to 28.7 million euros, a decrease of -74%.

(1) Operating income FFO as a percentage of consolidated revenue.

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.

(€ millions)	2023	2022	Change
Revenue by % of completion	196.0	246.8	-21%
Cost of sales and other expenses	(175.5)	(224.5)	
Net property income	**20.5**	**22.4**	**-8%**
% of revenue	*10.5%*	*9.1%*	
External services	8.0	11.9	
Production held in inventory	10.6	15.4	
Operating expenses	(22.4)	(31.9)	
Contribution of EM associates	(7.6)	34.2	
Operating income FFO	**9.1**	**52.0**	**-82%**
% of revenue + ext. serv.	*4.5%*	*20.1%*	
Net borrowing costs	(7.3)	(6.5)	
Other financial results	(0.5)	(8.9)	
Corporate income taxes	0.3	(5.8)	
Non-controlling interests	–	–	
NET INCOME FFO	**1.5**	**30.8**	**-95%**

In Business Property, revenue decreased by -21% to 204 million euros.

The oprating income FFO amounted to 9.1 million euros, down by -82%. This result mainly comprises small-scale development operations, primarily in regional areas.

The net income FFO for Business Property amounted to 1.5 million euros, marking a decrease of -95%.

Exceptional accounting expense in Property Development: -€393.9 million

The Company's General Management approved the 2023 financial statements in light of a persistently unfavourable environment and consequently ran an exhaustive and in-depth review of all Property Development projects and made the necessary write-downs to carrying amounts.

On the strength of its particularly solid financial structure, Altareit decided to close out the previous cycle in its 2023 financial statements and to recognise an exceptional charge in nature and amount.

This charge, totalling -€393.9 million before tax, breaks down as follows[(1)]:

- -€190.2 million for study expenses and land depreciation related to the review of the Residential project portfolio;
- -€119.3 million for decreases in value on assets under construction or in the offering phase;
- -€37.4 million for partnership projects deemed risky;
- -€14.7 million for intangible assets related to brand restructuring;
- -€32.3 million mainly concentrated on Landscape in La Défense (in Business Property).

At the end of this review:

- approximately 90% of the research costs in inventories were expensed;
- the value of the land bank was adjusted by approximately -30%, to match their recovery value;
- the residual offer from the previous cycle was marked to market;
- the risk on Landscape (La Défense) was reduced to zero.

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

After tax, this charge was -€293.4 million.

(1) Please refer to the notes to the financial statements in the 2023 Consolidated Accounts, available on Altareit.com, under the finance section.

1.4 Financial resources

Highlights of the year

In 2023, Altareit pursued its objectives of reducing the working capital requirement of its Property development activity, maintaining a contained net debt, and strengthening its long-term resources.

Since January 1, 2023, Altareit has signed or renegotiated €538 million in bank financing, including €383 million in RCF[1] (Revolving Credit Facility) and €155 million in 5-year Term loans.

These corporate bank credits now include a clause aligning consolidated revenue with the european taxonomy[2] ("EU Taxonomy linked loan").

Available cash

At 31 December 2023, Altareit had available cash of €1,640 million (€2,074 million at 31 December 2022).

Available *(€ millions)*	**Cash**	**Unused credit lines**	**Total**
At Corporate level	508	969	1,477
At project level	82	81	163
TOTAL	**590**	**1,050**	**1,640**

Unused credit lines amount to €653 million in RCF[3], with an average maturity now standing at 4 years and 4 months (compared to 3 years and 4 months), with no maturity before June 30, 2027. As of 31 December 2023, no RCF has been drawn.

Altareit already has liquidity, primarily in the form of placed cash, to repay its 2025 bond maturity.

Short and medium-term financing

The Group has one NEU CP programme[4] (maturity less than or equal to one year) and one NEU MTN[5] programme (maturity greater than one year). At the date of publication, the outstanding amount of these programmes was nil.

Net debt[6]

(€ millions)	**31/12/2023**	**31/12/2022**
Corporate and bank debt	225	212
Credit markets	339	575
Debt on property development	141	158
Total gross debt	**705**	**945**
Cash and cash equivalents	(559)	(799)
Total net debt	**146**	**146**

As of 31 December 2023, Altareit's net debt remained stable at €146 million compared to the end of 2022. Gross debt was reduced by €240 million, notably with the full repayment of NEU CP and NEU MTN liabilities (€170 million and €52 million respectively at the end of 2022).

In 2023, Altareit acquired 100% ownership of Woodeum and completed two major acquisitions in Business Property (Paris Saint-Honoré and the large-scale logistics platform in Bollène).

(1) RCF (Revolving Credit Facilities).

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

(3) At the date of publication (including credit lines signed since 1 January 2024 for €75m).

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

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

(6) Net bank and bond debt.

Applicable covenants

The corporate debt is subject to the consolidated covenants of the Altarea Group, of which Altareit is a subsidiary at 99.85% (LTV ≤ 60%, ICR ≥ 2). As of the end of December 2023, the financial situation of the Group comfortably meets all the covenants stipulated in the various credit agreements.

Furthermore, the Property development debt secured by projects is subject to specific covenants for each project.

Lastly, Altareit's gearing ratio[1] stands at 0.18x as of the end of December 2023, compared to 0.25x at the end of June 2023, and 0.13x at the end of December 2022."

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

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

Financial ratings

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

Equity

Shareholders' equity for Altareit amounts to €807.1 million as of 31 December 2023, positioning Altareit as one of the most capitalized French developers.

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

2

CONSOLIDATED FINANCIAL STATEMENTS 2023

2.1 Financial statements

Consolidated balance sheet

(€ millions)	Note	31/12/2023	31/12/2022
Non-current assets		**737.6**	**816.4**
Intangible assets	7.1	340.2	314.2
o/w Goodwill		*218.5*	*197.4*
o/w Brands		*115.0*	*105.4*
o/w Customer relationships		*3.6*	*6.7*
o/w Other intangible assets		*3.1*	*4.6*
Property plant and equipment		24.0	22.4
Right-of-use on tangible and intangible fixed assets	7.2	123.8	137.7
Investment properties	7.3	58.0	57.7
o/w Investment properties in operation at fair value		*10.4*	*9.6*
o/w Investment properties under development and under construction at cost		*45.5*	*45.2*
o/w Right-of use on Investment properties		*2.1*	*2.8*
Securities and investments in equity affiliates	4.5	139.9	271.2
Non-current financial assets	4.6	28.6	13.3
Deferred taxes assets	5.3	23.1	0.0
Current assets		**3,015.8**	**3,461.4**
Trade and other receivables	7.4	1,090.9	1,116.9
Income credit	7.4	536.0	723.1
Current financial assets	7.4	785.3	740.2
Net inventories and work in progress		17.3	0.7
Contract assets	4.6	27.1	81.9
Cash and cash equivalents	6.2	559.2	798.6
TOTAL ASSETS		**3,753.4**	**4,277.7**

(€ millions)	Note	31/12/2023	31/12/2022
Equity		**807.1**	**1,145.0**
Equity attributable to Altareit SCA shareholders		**776.5**	**1,100.0**
Share capital	6.1	2.6	2.6
Other paid-in capital		76.3	76.3
Reserves		1,023.2	946.7
Income associated with Altareit SCA shareholders		(325.6)	74.4
Equity attributable to non-controlling interests in subsidiaries		**30.6**	**45.0**
Reserves associated with non-controlling interests in subsidiaries		31.0	30.2
Income associated with non-controlling interests in subsidiaries		(0.4)	14.8
Non-current liabilities		**786.2**	**847.9**
Non-current borrowings and financial liabilities	6.2	727.4	753.5
o/w Bond issues		*333.6*	*336.9*
o/w Borrowings from credit establishments		*259.8*	*267.5*
o/w Negotiable European Medium-Term Note		–	–
o/w Participating loans and advances from associates		*0.3*	*0.1*
o/w Lease liabilities		*133.8*	*149.0*
Long-term provisions	6.3	56.2	18.0
Deposits and security interests received		1.5	0.4
Deferred tax liability	5.3	1.0	76.0
Current liabilities		**2,160.0**	**2,284.9**
Current borrowings and financial liabilities	6.2	337.9	553.2
o/w Bond issues		*4.8*	*5.7*
o/w Borrowings from credit establishments		*60.2*	*88.7*
o/w Negotiable European Commercial Paper		–	*222.0*
o/w Bank overdrafts		*47.0*	*23.8*
o/w Advances from Group shareholders and partners		*207.6*	*194.9*
o/w Lease liabilities		*18.4*	*18.1*
Derivative financial instruments	9	0.7	0.0
Contract liabilities	7.4	257.0	351.4
Trade and other payables	7.4	1,564.1	1,374.4
Tax due		0.4	5.8
TOTAL LIABILITIES		**3,753.4**	**4,277.7**

Statement of consolidated comprehensive income

(€ millions)	Note	31/12/2023	31/12/2022
Revenue		2,413.7	2,705.4
Cost of sales		(2,248.6)	(2,389.5)
Other income		(89.3)	(104.3)
Net charge to provisions for current assets		(239.9)	(33.6)
Amortisation of customer relationships		(5.9)	(1.5)
Net property income	**5.1**	**(170.0)**	**176.6**
External services		38.3	24.4
Own work capitalised and production held in inventory		152.5	236.5
Personnel costs		(177.9)	(199.9)
Other overhead expenses		(105.4)	(98.3)
Depreciation expenses on operating assets		(23.3)	(22.9)
Net overhead expenses		**(115.9)**	**(60.1)**
Other income and expenses		(4.3)	(3.1)
Depreciation expenses		(1.6)	(0.5)
Transaction costs		(0.0)	(0.2)
Others		**(5.9)**	**(3.9)**
Change in value of investment properties		–	(0.3)
Net impairment losses on investment properties measured at cost		–	(10.3)
Net impairment losses on other non-current assets		(54.6)	0.1
Net charge to provisions		(36.6)	(1.3)
OPERATING INCOME BEFORE THE SHARE OF NET INCOME OF EQUITY AFFILIATES		**(383.0)**	**100.8**
Share in earnings of equity affiliates	4.5	(3.6)	42.2
OPERATING INCOME AFTER THE SHARE OF NET INCOME OF EQUITY AFFILIATES		**(386.6)**	**143.0**
Net borrowing costs	5.2	(13.9)	(8.9)
Financial expenses		*(27.1)*	*(14.9)*
Financial income		*13.1*	*5.9*
Other financial results	5.2	(14.0)	(14.4)
Change in value and income from disposal of financial instruments		(17.2)	2.0
Net gain/(loss) on disposal of investments		(3.2)	0.0
Profit before tax		**(434.9)**	**121.8**
Corporate income tax	5.3	108.9	(32.5)
NET INCOME		**(325.9)**	**89.3**
o/w Attributable to shareholders of Altareit SCA		**(325.6)**	**74.4**
o/w Attributable to non-controlling interests in subsidiaries		(0.4)	14.8
Average number of non-diluted shares		*1,748,351*	*1,748,412*
Net earnings per share attributable to shareholders of Altareit SCA (€)	**5.4**	**(186.21)**	**42.57**
Diluted average number of shares		*1,748,351*	*1,748,412*
Diluted net earnings per share attributable to shareholders of Altareit SCA (€)	**5.4**	**(186.21)**	**42.57**

Other comprehensive income

(€ millions)	31/12/2023	31/12/2022
NET INCOME	**(325.9)**	**89.3**
Actuarial differences on defined-benefit pension plans	0.5	2.0
o/w Taxes	*(0.2)*	*(0.7)*
Subtotal of comprehensive income items that may not be reclassified to profit	**0.5**	**2.0**
OTHER COMPREHENSIVE INCOME	**0.5**	**2.0**
CONSOLIDATED COMPREHENSIVE INCOME	**(325.4)**	**91.3**
o/w Net comprehensive income attributable to Altareit SCA shareholders	(325.0)	76.4
o/w Net comprehensive income attributable to non-controlling interests in subsidiaries	(0.4)	14.8

Consolidated cash flows statement

(€ millions)	Note	31/12/2023	31/12/2022
Cash flow from operating activities			
Total consolidated net income		**(325.9)**	**89.3**
Elimination of income tax expense (income)	5.3	(108.9)	32.5
Elimination of net interest expense (income) and dividends	5.2	27.9	23.0
Net income before tax and before net interest expense (income)		**(407.0)**	**144.8**
Elimination of share in earnings of equity-method affiliates	4.5	3.6	(42.2)
Elimination of depreciation and impairment		123.5	26.7
Elimination of value adjustments		17.2	8.6
Elimination of net gains/(losses) on disposals		3.3	1.0
Estimated income and expenses associated with share-based payments	6.1	1.0	(3.7)
Net cash flow		**(258.4)**	**135.1**
Tax paid		(21.0)	(25.5)
Impact of change in operational working capital requirement (WCR)	7.4	392.0	(126.2)
CASH FLOW FROM OPERATIONS		**112.6**	**(16.6)**
Cash flow from investment activities			
Net acquisitions of assets and capitalised expenditures		(0.9)	(1.8)
Gross investments in equity affiliates	4.5	(72.0)	(87.0)
Acquisitions of consolidated companies, net of cash acquired	4.3	4.8	(3.7)
Other changes in Group structure		0.2	6.1
Increase in loans and advances		(28.4)	(13.1)
Sale of non-current assets and reimbursement of advances and down payments		2.6	3.5
Disposals of equity affiliates	4.5	50.3	52.6
Disposals of consolidated companies, net of cash transferred		(0.2)	(0.5)
Reduction in loans and other financial investments		21.9	47.6
Net change in investments and derivative financial instruments		35.5	(46.9)
Dividends received		33.9	16.5
Interest income on loans		15.8	6.1
CASH FLOW FROM INVESTMENT ACTIVITIES		**63.6**	**(20.5)**
Cash flow from financing activities			
Share of non-controlling interests in the capital increase of subsidiaries		0.1	0.1
Capital increase		–	–
Dividends paid to minority shareholders of subsidiaries		(14.1)	(22.5)
Issuance of borrowings and other financial liabilities	6.2	125.9	216.4
Repayment of borrowings and other financial liabilities	6.2	(488.4)	(680.8)
Repayment of lease liabilities	6.2	(19.8)	(17.7)
Net sales (purchases) of treasury shares		(0.1)	(0.0)
Net change in security deposits and guarantees received		1.1	(0.2)
Interest paid on financial debts		(43.4)	(26.6)
CASH FLOW FROM FINANCING ACTIVITIES		**(438.8)**	**(531.2)**
CHANGE IN CASH BALANCE		**(262.6)**	**(568.3)**

Cash balance at the beginning of the year	**6.2**	**774.8**	**1,343.1**
Cash and cash equivalents		798.6	1,355.4
Bank overdrafts		(23.8)	(12.3)
Cash balance at period-end	**6.2**	**512.3**	**774.8**
Cash and cash equivalents		559.2	798.6
Bank overdrafts		(47.0)	(23.8)

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
AS OF 1 JANUARY 2022	**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	–	–	–	–	–	–
Others	–	–	(0.1)	(0.1)	(0.3)	(0.4)
AS OF 31 DECEMBER 2022	**2.6**	**76.3**	**1,021.2**	**1,100.0**	**45.0**	**1,145.0**
Net Income	–	–	*(325.6)*	*(325.6)*	*(0.4)*	*(325.9)*
Actuarial difference relating to pension obligations	–	–	*0.5*	*0.5*	–	*0.5*
Comprehensive income	**–**	**–**	**(325.0)**	**(325.0)**	**(0.4)**	**(325.4)**
Dividend distribution	–	–	–	–	*(14.1)*	*(14.1)*
Capital increase	–	–	*0.0*	*0.0*	*0.0*	*0.0*
Measurement of share-based payments	–	–	*0.8*	*0.8*	–	*0.8*
Elimination of treasury shares	–	–	*(0.1)*	*(0.1)*	–	*(0.1)*
Transactions with shareholders	**–**	**–**	**0.7**	**0.7**	**(14.1)**	**(13.4)**
Changes in ownership interests without taking or losing control of subsidiaries	–	–	0.2	0.2	0.1	0.3
Changes in ownership interests associated with taking or losing control of subsidiaries	–	–	–	–	–	–
Others	0.0	0.0	0.7	0.7	(0.0)	0.7
AS OF 31 DECEMBER 2023	**2.6**	**76.3**	**697.8**	**776.5**	**30.6**	**807.1**

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

2.2 Notes – Consolidated income statement by segment

(€ millions)	31/12/2023			31/12/2022		
	Funds from operations (FFO)	Changes in value, estimated expenses and transaction costs	Total	Funds from operations (FFO)	Changes in value, estimated expenses and transaction costs	Total
Revenue	2,217.7	–	2,217.7	2,458.5	–	2,458.5
Cost of sales and other expenses	(2,092.7)	(297.5)	(2,390.3)	(2,302.8)	(1.5)	(2,304.3)
Net property income	**124.9**	**(297.5)**	**(172.6)**	**155.7**	**(1.5)**	**154.2**
External services	29.1	–	29.1	11.4	–	11.4
Production held in inventory	142.0	–	142.0	221.0	–	221.0
Operating expenses	(233.2)	(19.8)	(253.0)	(241.5)	(19.9)	(261.4)
Net overhead expenses	**(62.1)**	**(19.8)**	**(81.9)**	**(9.1)**	**(19.9)**	**(28.9)**
Share of equity-method affiliates	**(0.0)**	**(3.7)**	**(3.7)**	**9.2**	**(1.0)**	**8.2**
Net depreciation, amortisation and provision	**–**	**(67.5)**	**(67.5)**	**–**	**(23.0)**	**(23.0)**
Transaction costs	**–**	**(0.0)**	**(0.0)**	**–**	**(0.5)**	**(0.5)**
Operating income - residential	**62.8**	**(388.6)**	**(325.8)**	**155.8**	**(45.9)**	**110.0**
Revenue	196.0	–	196.0	246.8	–	246.8
Cost of sales and other expenses	(175.5)	(17.9)	(193.4)	(224.5)	–	(224.5)
Net property income	**20.5**	**(17.9)**	**2.6**	**22.4**	**–**	**22.4**
External services	8.0	–	8.0	11.9	–	11.9
Production held in inventory	10.6	–	10.6	15.4	–	15.4
Operating expenses	(22.4)	(3.6)	(26.0)	(31.9)	(5.2)	(37.1)
Net overhead expenses	**(3.8)**	**(3.6)**	**(7.4)**	**(4.6)**	**(5.2)**	**(9.8)**
Share of equity-method affiliates	**(7.6)**	**10.1**	**2.5**	**34.2**	**0.2**	**34.4**
Net depreciation, amortisation and provision	**–**	**(47.1)**	**(47.1)**	**–**	**(1.0)**	**(1.0)**
Income/loss in the value of investment property	**–**	**–**	**–**	**–**	**(0.3)**	**(0.3)**
Operating income - business property	**9.1**	**(58.5)**	**(49.3)**	**52.0**	**(6.3)**	**45.7**
Net overhead expenses	**(5.9)**	**(1.0)**	**(6.9)**	**(0.9)**	**0.2**	**(0.7)**
Share of equity-method affiliates	**(0.6)**	**(1.7)**	**(2.4)**	**(0.2)**	**(0.2)**	**(0.4)**
Net depreciation, amortisation and provision	**–**	**(1.4)**	**(1.4)**	**–**	**(0.5)**	**(0.5)**
Income/loss in the value of investment property	**–**	**–**	**–**	**–**	**(10.3)**	**(10.3)**
Operating income - diversification	**(6.5)**	**(4.1)**	**(10.7)**	**(1.1)**	**(10.8)**	**(11.9)**
Others (Corporate)	(0.7)	(0.1)	(0.7)	(1.0)	0.2	(0.8)
OPERATING INCOME	**64.7**	**(451.3)**	**(386.6)**	**205.8**	**(62.7)**	**143.0**
Net borrowing costs	**(12.1)**	**(1.9)**	**(13.9)**	**(15.1)**	**6.1**	**(8.9)**
Other financial results	**(14.0)**	**–**	**(14.0)**	**(14.4)**	**–**	**(14.4)**
Change in value and income from disposal of financial instruments	**–**	**(17.2)**	**(17.2)**	**–**	**2.0**	**2.0**
Net gain/(loss) on disposal of investments	**–**	**(3.2)**	**(3.2)**	**–**	**0.0**	**0.0**
PROFIT BEFORE TAX	**38.7**	**(473.5)**	**(434.9)**	**176.3**	**(54.6)**	**121.8**
Corporate income tax	0.5	108.5	108.9	(23.3)	(9.3)	(32.5)
NET INCOME	**39.1**	**(365.1)**	**(325.9)**	**153.1**	**(63.8)**	**89.3**
Non-controlling interests	(16.1)	16.5	0.4	(14.8)	0.0	(14.8)
NET INCOME, GROUP SHARE	**23.0**	**(348.6)**	**(325.6)**	**138.2**	**(63.8)**	**74.4**
Diluted average number of shares	*1,748,351*	*1,748,351*	*1,748,351*	*1,748,412*	*1,748,412*	*1,748,412*
NET EARNING PER SHARE (*€/SHARE*), GROUP SHARE	**13.16**	**(199.36)**	**(186.21)**	**79.07**	**(36.50)**	**42.57**

In accordance with the principles described in note 2.3.21 "Operating Segments" of the accounting principles and in line with internal reporting, certain expenses, deemed exceptional due to their nature and amount, have been reclassified under the column "Changes in values, calculated charges, transaction fees." These expenses are detailed in note 4.1 "Significant Events".

2.3 Other information attached to the consolidated financial statements

DETAILED SUMMARY OF THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 real estate development and corporate real estate promotion sectors, holding 100% ownership of developers such as Cogedim, Pitch Immo, and Histoire & Patrimoine.

Altareit is 99.85% owned by the Altarea Group, whose shares are listed on the regulated market Euronext Paris, compartment A.

The consolidated financial statements for the year ended 31 December 2023 were approved by the Management on 27 February 2024 having been examined by the Supervisory Board.

NOTE 2 ACCOUNTING PRINCIPLES AND METHODS

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

2.1.1 Accounting standards

The accounting principles used in the preparation of the consolidated financial statements for the year are compliant with the IASB's (International Accounting Standards Board) IFRS standards and interpretations as adopted by the European Union as at 31 December 2023 and available on the website of the European Commission.

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

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

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

  IFRS 17 and its amendments are not applicable to the Group;
- Amendments to IAS 1 – Disclosure of material accounting policy information;
- Amendments to IAS 8 – Definition of accounting estimates;
- Amendments to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction.

  These amendments have no significant impact on the Group;
- Amendments to IAS 12 – International Tax Reform - Pillar 2 Model Rules.

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

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

None

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

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

These amendments are currently being analysed.

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

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

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

2.1.2 Other principles for presenting the financial statements

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 intragroup transactions are eliminated when the consolidated financial statements are prepared.

Balance sheet classification

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

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

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

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

2.2 Main estimations and judgements

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

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

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

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

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

- measurement of net property income and services using the percentage-of-completion method (see Note 2.3.17 "Revenue and revenue-related expenses");
- the valuation of inventories and work-in-progress (see notes 2.3.8 "Inventories" and 7.4.1 "Inventories and work-in-progress");
- measurement of goodwill and brands (please see Note 2.3.7 "Monitoring the value of non-current assets (excluding financial assets and investment properties) and losses of value" and 7.2 "Goodwill and other intangible assets").

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

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

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

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

The Group has, taken into account the reliable information available to it at the date of preparation of the consolidated financial statements regarding the impacts of these situations reflecting its vision of the market.

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 7.1 "Investment properties").

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

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

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

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

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

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

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

2.3 Accounting principles and methods of the Company

2.3.1 Equity investments of the Company and consolidation methods

For consolidation, the following standards apply:

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

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

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

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

Controlled entities

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

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

Entities subject to joint control

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

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

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

Entities subject to significant influence

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

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

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

Investments in associates are presented in accordance with IFRS 12.

2.3.2 Business combinations and goodwill

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

Goodwill:

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

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

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

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

2.3.3 Intangible assets

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

In accordance with IAS 38:

- acquired or created software is recognised at cost and amortised over its useful life, which is generally between 1 and 5 years;
- brands that meet the definition of intangible assets and were acquired separately or as a result of business combination are valued and their useful life estimated. Once they reach the end of this life they are amortised over its duration. If the useful life cannot be determined, they are tested for impairment where evidence of such impairment exists;
- customer relationship assets, which result from the identification of intangible assets acquired from property developers, are subject to amortisation at the rate at which the acquired order backlog is filled or, for the portion relating to acquired purchase options or those that can be amortised on a straight-line basis (*i.e.* duration relative to the normative operating cycle of the realization of a real estate program), at the rate at which development programmes are launched.

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

2.3.4 Property plant and equipment

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

2.3.5 Investment properties

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

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

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 the situation arises, the income statement records for the period:

- adjustments in the value of each property assessed at fair value under the line "Changes in fair value of investment properties"; and
- impairment losses of each property assessed at cost under the line "Net impairment losses of investment properties assessed 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 property is systematically included in assets held for sale.

The asset is measured at the lower of their net carrying amount and their fair value. The agreed amount is reduced by the costs of disposal.

For an operation to be considered discontinued, the Company determines, according to the facts and circumstances, whether or not there exists a single and coordinated plan to dispose of a major line of business or geographical area of operations.

2.3.7 Remeasurement of non-current assets (other than financial assets and investment properties) and impairment losses

In accordance with IAS 36, depreciable property, plant and equipment and amortisable intangible assets are tested for impairment whenever an internal or external indication of impairment is detected.

Goodwill and other intangible assets with an indeterminate life (such as brands) are tested for impairment at least once a year or more frequently if internal or external events or circumstances indicate that their value may have declined.

Goodwill is tested for impairment at each cash-generating units (CGUs) or, where applicable, groups of CGUs. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

To carry out this test, the net carrying amount of the assets directly related or allocated to the CGUs or groups of CGUs, including intangible assets and goodwill, is compared with the recoverable amount of these same CGUs or groups of CGUs, defined as the higher of the fair value (sale price net of costs likely to be incurred to make the sale) and their value in use.

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

The basic principles of the DCF method are:

- estimated cash flow (before tax) is derived from business plans generally covering five-year periods drawn up by Group management;
- the discount rate is determined on the basis of weighted average cost of capital; and
- terminal value is calculated as the sum to infinity of the discounted cash flows, which are determined on the basis of a normalised cash flow and a growth rate for the business line concerned. This assumed growth rate must be consistent with the growth potential of the markets in which the activity is conducted, as well as with the entity's competitive position in those markets.

The multiples approach *via* market comparables is based on determining a sample of comparable listed companies, for which a multiple is calculated and reapplied to those aggregates considered relevant.

The multiples approach *via* comparable transactions is based on selecting a panel of transactions in comparable companies and reapplying these to the aggregates considered relevant.

An impairment loss is recognised, if applicable, if the net carrying amount of the assets directly related to or attributable to the CGUs or groups of CGUs is higher than the recoverable amount of the CGU or group of CGUs and is written off in priority against goodwill (irreversible loss), then against other intangible assets and property, plant and equipment on a pro rata basis for their carrying amount (reversible loss).

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

Sensitivity tables are created for all impairment tests carried out.

2.3.8 Inventories

Inventories relate to:

- programmes of property development projects (i) on behalf of third parties; and
- programmes where their nature or specific administrative situation prompts a decision to classify them as inventory (dealer's stock) or where a final decision to hold them in the portfolio has not been made.

In accordance with the clarification of IAS 23 (in 2019) for the financial year, the interest expenses which can be allocated to programmes are no longer incorporated into inventories connected with off-plan sales (VEFA) transactions or with property development contract (PDC) transactions. These inventories are in a position to be sold quickly and therefore no time is necessary for its development; the stored asset is therefore in saleable condition. Allocated interest expenses are recognised directly as expenses.

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

- the acquisition cost of land;
- construction costs (including roads and infrastructure work);
- all technical and programme management fees, whether internal or external to the Group; and
- related expenses associated directly with the construction programme.

Generally speaking, whenever the net realisable value of inventories and work in progress is less than the cost price, impairment losses are recognised.

2.3.9 Contract assets or liabilities

Further to the application of IFRS 15, the Group records a contract asset or liability in the statement of financial position in the context of the recording of contracts in the accounts on the percentage-of-completion method. The asset or liability corresponds to the amount generated by the ordinary activities based on off-plan sales or property development contracts, aggregated to date, for which the obligation to provide a service is fulfilled on a progressive basis, net of any client payments received to date. These are to a certain extent receivables not yet due, corresponding to any advances between collected calls for funds and the actual percentage of completion at the closing date. Within the statement of the financial position, the service is as follows:

- "Contract assets", if the receivables calculated on percentage of completion are greater than collected calls for funds;
- "Contract liabilities", if the receivables calculated on percentage of completion are less than collected calls for funds.

2.3.10 Financial assets and liabilities

The Group has chosen not to apply hedge accounting: the provisions of IAS 39 therefore apply in accordance with the transitional provisions of IFRS 9.

Application principles for IAS 32, IFRS 9 and IFRS 7 are as follows:

Measurement and recognition of financial assets and liabilities

- Trade and other receivables are measured at face value less any allowances for impairment. In accordance with IFRS 9, with regard to impairment, the Group applies a model based on expected losses, (expected credit losses based on the useful life of the receivables, itself based on the experience of the Group's historic credit losses) to its trade receivables (mainly Retail business).
- Receivables relating to participating interests in equity affiliates are classified in the balance sheet under "Securities and receivables on equity-method affiliates". For the Property Development transactions, receivables from companies accounted for by the equity method have a short collection period (in relation to the operating cycle of the Development). For Retail transactions, these receivables have a longer maturity in relation to the holding period of the underlying asset.
- Current financial assets mainly concern current account advances to minority shareholders of consolidated companies or deconsolidated companies. They are recognised at amortised cost. Non-current financial assets mainly concern securities not consolidated. They are recognised at fair value through profit or loss.
- Equity instruments mainly comprise equity securities of non-consolidated companies. For the shares of listed companies, their fair value is determined on the basis of estimation including, where necessary, the market indicators on the closing date. They are recognised as at fair value through profit or loss if they are held for trading; optionally, they may also be recognised at fair value in non-recyclable other comprehensive income (changes in fair value are registered in a separate equity line item under "other comprehensive income"). For unlisted securities, if the fair value cannot be reliably determined at each closing, they remain in the balance sheet at their initial fair value, *i.e.* at purchase price increased by transaction costs, adjusted by any gains or losses of value determined by an analysis of the proportionate share of the equity held.

  At each acquisition of equity securities, a similar analysis will be carried out to determine the Group's management intention.

- Derivative financial instruments (assets and liabilities) are considered as being held for trading. They are measured at fair value. The change in fair value of derivatives is recognised in the income statement (Line "Change in value and income from disposal of financial instruments").
- Cash as defined in IAS 7 includes liquid assets in bank current accounts and holdings in deposit accounts that are redeemable or tradable in the very short term (*i.e.* initial maturity of less than three months) and carry no significant risk of loss of value through fluctuations in interest rates. These deposits accounts are carried on the balance sheet at fair value. Their changes in the fair value are recognised in income, with a corresponding adjustment to cash. Cash must be available immediately for the needs of the Group or its subsidiaries.
- All borrowings and interest-bearing liabilities are initially recognised at fair value, less directly attributable transaction costs. Thereafter, they are carried at amortised cost using the effective interest rate method (presented in the income statements, line "Net borrowing costs"). Initial effective interest rates are determined by an actuary. In the event of renegotiation of financial liability contracts recognised at amortised cost; a study is carried out on a case-by-case basis to determine whether the renegotiation leads to a substantial change in the financial liability and therefore its derecognition or, alternatively, the maintenance of the financial liability on the balance sheet and the adjustment of its amortised cost through profit or loss.

Determination of the fair value of financial instruments (other than interest-bearing debt)

Financial assets and liabilities are initially recognised at the fair value of the price paid, including acquisition-related costs. After initial recognition, assets and liabilities are measured at fair value, estimated from the observable and unobservable inputs available.

For financial assets and liabilities such as OTC derivatives, swaps, caps, etc. that are traded on active markets (market composed of numerous transactions, continuously displayed and traded prices), fair value is estimated by an actuary using commonly accepted models and in compliance with guidance from IFRS 13 – Fair value measurement. A mathematical model is used to bring together calculation methods based on recognised financial theories. This takes into account the measurement of credit risk (or risk of default) of Altarea vis-à-vis its bank counterparties and the risk of its counterparties vis-à-vis Altarea (Credit Value Adjustment/Debit Value Adjustment). The Group applies the default probability calculation method used by the secondary market (according to estimated bond spreads of its counterparties).

Financial liabilities related to business combinations are measured at fair value at each reporting date based on the best estimate of the amounts to be paid discounted at the market rate.

The realisable value of financial instruments may differ from the fair value calculated at the closing date of each financial year.

2.3.11 Equity

Equity represents the residual value of assets, after liabilities have been deducted.

Issuance costs for equity securities including merger-related costs are deducted from the proceeds of the issue.

Own equity instruments that have been bought back (treasury shares) are deducted from equity. No gain or loss is recognised in income when own equity instruments of the Company are purchased, sold, issued or cancelled.

2.3.12 Share-based payments

Share-based payments are transactions based on the value of the securities of the issuing company: stock options, free share allocation rights and company savings plans (PEE).

These rights may be settled in equity instruments or cash: in the Group, all plans concerning Altarea shares must be settled in equity instruments.

In accordance with the provisions of IFRS 2, share-based payments to corporate officers or employees of Altarea (in compensation for their roles as corporate officers or employees of Altarea) or Group companies are accounted for in the financial statements as follows: the fair value of the equity instrument awarded is recognised in the income statement as a personnel cost, with a corresponding increase in equity if the plan is to be settled in equity instruments, or in a liability if the plan is to be settled in cash.

This personnel cost representing the benefit granted (corresponding to the fair value of the services rendered by the employees in their role as employees) is valued by an actuary at the award date using the binomial Cox-Ross-Rubinstein mathematical model and the Monte Carlo method calculated on the basis of a turnover determined over the last three years. This model is adapted to suit plans that provide for a vesting period and a lock-up period. The expense is spread over the vesting period. Share grant plans and employee investment plans are measured on the basis of market value.

2.3.13 Earnings per share

Undiluted net income per share (in €)

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

Diluted net income per share (in €)

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

The dilutive effect is calculated according to the "share buyback" method. Under this method, the funds received from the exercise of options are assumed to be applied first to repurchasing own shares at the market price. The market price is taken to be the volume-weighted average of average monthly prices of Altarea shares. The theoretical number of shares repurchased at this market price is subtracted from the total number of shares produced by the exercise of options. The number calculated using this method is then added to the average number of shares in issue to produce the denominator.

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

2.3.14 Employee benefits

In accordance with IAS 19 and amendments, employee benefits are recognised under "Personnel costs" in the income statement, with the exception of liability (or asset) revaluations recognised directly in equity and recorded in "Other comprehensive income".

Post-employment benefits

Benefits payable at retirement are paid to employees at the time of retirement based on length of service (capped according to the scales defined in the agreements applied by the Group) and their salary at retirement age. These benefits are part of the defined benefits plan, a plan to which the employer is formally or implicitly committed in an amount or a level of benefits and therefore bears the risk in the medium or long term.

A provision is recorded in the liabilities to cover all these pension commitments. It is regularly valued by independent actuaries according to the projected credit unit method and represents the probable present value of the vested rights taking into account salary increases until retirement, collective and Company agreements, the probability of retirement and the probability of survival.

The formula for the past service obligation can be broken down as follows:

Past service cost = (benefit rights acquired by the employee) X (probability that the entity will pay the benefits) X (discounting to present value) X (payroll tax coefficient) X (length of service to date/ length of service at retirement).

The provision is recognised and spread over the last few years of service of the employee until they reach the cap, taking into account any intermediate levels that apply.

The main assumptions used for estimating the pension obligation are as follows:

- discount rate: Rate of return on AA-rated corporate bonds *(euro zone)* with maturities of more than 10 years. The Group uses the Iboxx rate which stands at 3.40%;
- mortality table: Women's Table (TF) and Men's Table (TH) 2000-2002;
- reason for departure: depending on local laws and for France, voluntary retirement on the date of eligibility for full pension benefits;
- turnover: annual average turnover observed over the last 3 years, standing at between 5,3% and 7.40% depending on branch and age group;
- long-term salary adjustment rate (including inflation): 2.70%.

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

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

Other post-employment benefits

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

Severance pay

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

Short-term benefits

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

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

2.3.15 Provisions and contingent liabilities

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

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

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

Contingent liabilities correspond to:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or, because the amount of the obligation cannot be measured with sufficient reliability.

These contingent liabilities are not recognised on the balance sheet. A disclosure is made in the notes unless the amounts at stake can reasonably be expected to be small.

2.3.16 Corporate income tax

Income taxes are recognised in accordance with IAS 12.

The Group is subject to regular 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 net property income on the Residential and Business property sectors, plus the net property income on sales of projects related to the development business in the Retail sector.

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

All property development/off-plan sales and property development contract transactions are concerned by this method.

For these programmes, revenue from notarised sales is recognised, in accordance with IFRS 15 – Revenue from contracts with customers, in proportion to the percentage of completion of the programmes, measured by the total percentage of costs directly related to construction (including the cost of land) incurred in comparison to the total forecast budget (updated at each closing date) combined with the percentage of sales realised determined relative to budget total sales.

The event giving rise to recognition of percentage-of-completion revenue is thus the purchase of the land combined with the signature of deeds of sale (notarised sales).

Net property income on property development projects is measured according to the percentage-of-completion method based on the following criteria:

- project recorded by the other party to the contract;
- existence of documented projections reliable enough to provide a sound estimate of the overall economics of the transaction (selling price, stage of completion of construction work, no risk of noncompletion).

Losses on "new projects" are included in net property income.

Net overhead expenses correspond to income and expense items inherent in the business of the Group's service companies.

For each operating segment, income includes payments for services provided to third parties, such as delegated project management fees related to Property Development activities, rental management fees (syndicate agent, co-ownership management), and fees for marketing and other services, internal management fees (after elimination of intercompany profit margins – see note on investment properties or inventories).

Expenses includes personnel costs, overhead costs (miscellaneous fees, operating expenses, etc. excluding fixed rent paid which has now been restated in accordance with IFRS 16), as well as depreciation of operating assets. Capitalised production and production held in inventory is deducted from this amount.

Other income and expenses relate to Group companies that are not service providers. They mainly correspond to overhead costs and miscellaneous management fee income. Amortisation of intangible assets and depreciation of property, plant and equipment other than assets in operation are included in this line item.

2.3.18 Leases

Since the 1 January 2019, the Group applies IFRS 16 – Leases.

Leases in the financial statements with the Company as lessee

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

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

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

- 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 and intangible fixed assets (connected to its property and vehicle lease agreements) as consideration for its lease liabilities; and a right-of-use for investment properties (notably in relation to Temporary Occupation Authorisations) in exchange on the contractual fees on investment properties;
- in the income statement, rents from office and vehicle leases (previously recorded under operating expenses) are replaced by charges for depreciation of the right-of-use assets and by interest charges; land charges (AOT, BAC royalties), are replaced by changes in the value of investment properties and interest charges. Leases and rental fees entered at 31 December correspond mainly to variable rent due under certain lease agreements and to rental expenses (which, in accordance with the application of the standard, are not restated);
- on the cash flow statement, cash flows related to financing activities are impacted by the repayment of lease obligations and contractual fees on investment properties (within a single item "Repayment of lease liabilities") and interest expenses.

The change in amounts reflects new contracts or the end of contracts during the period. Moreover, during the lifetime of the agreement, lease liability and right-of-use asset may vary based on changes in the rent index defined in the leases. The main indexes are: the French national construction costs index, the French office rent index, the French commercial rent index and the French benchmark rent index.

2.3.19 Borrowing costs or costs of interest-bearing liabilities

The cost of net financial debt includes interest incurred on borrowings including the amortisation of issuance expenses, and other financial liabilities, income from loans and advances to participating interests, gains on sale of marketable securities and the impact of interest-rate swaps used as interest-rate hedges.

Other financial results include expenses related to rental obligations and contractual fees on investment properties.

2.3.20 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. An operating segment represents an activity of the Company that incurs income and expenses and whose operating income is regularly reviewed by the Company's Management on the one hand and its operational Managers on the other. Each segment prepares its own separate financial information.

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

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

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

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)

FFO measures the creation of wealth available for distribution through net income (Group share of FFO). Funds from operations are defined as net income, Group share (*i.e.* attributable to equity holders of the parent company), exclusive of changes in value, estimated expenses, and transaction costs.

The main aggregates of the **funds from operations** monitored by the Group for internal reporting purposes are:

- the net margin for net sectoral products including current asset impairments for Residential and Commercial Real Estate;
- net overhead expenses, which bring together all services that absorb part of the overheads and operating costs, including personnel costs, other operating expenses, other segment income and expenses and expenses covered by reversals of used provisions (including the restatement of fixed rents following application of IFRS 16 – Leases);
- share of funds from joint ventures or associates' operations.

Net borrowing costs are the net borrowing costs excluding estimated expenses which correspond in particular to the spreading of bond issue costs (shown in changes in value, estimated expenses and transaction fees).

Other financial results mainly correspond to expenses related to rental obligations.

Tax (FFO) is the tax due for the period excluding deferred taxes and excluding tax due relating to changes in value (exit tax, etc.).

2. Changes in value, estimated expenses, and transaction costs

These changes in value measure the value created or realised by the Company during the period.

The relevant indicator for monitoring value is the Net income.

The main **operational** aggregates monitored by the Group in internal reports are:

- **estimated expenses** include:
  - expenses or net allowances for the period related to share-based payments or other benefits granted to employees,
  - allowances for depreciation and amortisation net of reversals for non-current assets other than investment properties, including allowances relating to intangible assets or goodwill identified during business combinations, and right-of-use relating to tangible and intangible assets,
  - allowances for non-current provisions net of used or unused reversals;
- **transaction costs** include fees and other non-recurring expenses incurred from corporate development projects that are ineligible for capitalisation (*e.g.* expenses incurred from business combinations or equity investments, whether completed or not) or that are ineligible for inclusion under issuance costs (*e.g.* certain commissions incurred from capital management). Income and expenses outside the Company's going concerns are also included.

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

3. Non-controlling interests

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

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

NOTE 3 INFORMATION ON OPERATING SEGMENTS

3.1 Balance sheet items by operating segment

As of 31 December 2023

(€ millions)	Residential	Business Property	Diversification	Total
Operating assets and liabilities				
Intangible assets	314.9	21.5	3.7	340.2
Property plant and equipment	18.9	0.0	5.0	24.0
Right-of-use on tangible and intangible fixed assets	120.2	0.1	3.5	123.8
Investment properties	–	12.5	45.5	58.0
Securities and investments in equity affiliates	89.9	46.3	3.7	139.9
Operational working capital requirement	359.6	240.5	0.5	600.6
TOTAL OPERATING ASSETS AND LIABILITIES	**903.6**	**320.8**	**62.0**	**1,286.4**

As of 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 tangible and intangible fixed assets	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**

3.2 Consolidated income statement by operating segment

See consolidated income statement by segment in the notes to the financial statements.

3.3 Reconciliation of the statement of consolidated comprehensive income and of the consolidated income statement by segment

3.3.1 Statement of comprehensive income with the same breakdown as the income statement by segment

	31/12/2023			31/12/2022		
(€ millions)	Funds from operations (FFO)	Changes in value, estimated expenses and transaction costs (chg. val.)	Total	Funds from operations (FFO)	Changes in value, estimated expenses and transaction costs (chg. val.)	Total
Revenue	2,413.7	–	2,413.7	2,705.4	–	2,705.4
Cost of sales	(2,129.3)	(119.3)	(2,248.6)	(2,389.5)	–	(2,389.5)
Other income	(89.3)	0.0	(89.3)	(104.3)	–	(104.3)
Net charge to provisions for current assets	(49.6)	(190.2)	(239.9)	(33.6)	–	(33.6)
Amortisation of customer relationships	–	(5.9)	(5.9)	–	(1.5)	(1.5)
Net property income	**145.4**	**(315.4)**	**(170.0)**	**178.1**	**(1.5)**	**176.6**
External services	38.3	–	38.3	24.4	–	24.4
Own work capitalised and production held in inventory	152.5	–	152.5	236.5	–	236.5
Personnel costs	(160.7)	(17.3)	(177.9)	(182.8)	(17.1)	(199.9)
Other overhead expenses	(98.3)	(7.1)	(105.4)	(90.1)	(8.2)	(98.3)
Depreciation expenses on operating assets	–	(23.3)	(23.3)	–	(22.9)	(22.9)
Net overhead expenses	**(68.2)**	**(47.7)**	**(115.9)**	**(12.0)**	**(48.2)**	**(60.1)**
Other income and expenses	(4.2)	(0.1)	(4.3)	(3.6)	0.4	(3.1)
Depreciation expenses	–	(1.6)	(1.6)	–	(0.5)	(0.5)
Transaction costs	–	(0.0)	(0.0)	–	(0.2)	(0.2)
Others	**(4.2)**	**(1.7)**	**(5.9)**	**(3.6)**	**(0.3)**	**(3.9)**
Change in value of investment properties	–	–	–	–	(0.3)	(0.3)
Net impairment losses on investment properties measured at cost	–	–	–	–	(10.3)	(10.3)
Net impairment losses on other non-current assets	–	(54.6)	(54.6)	–	0.1	0.1
Net charge to provisions	–	(36.6)	(36.6)	–	(1.3)	(1.3)
OPERATING INCOME BEFORE THE SHARE OF NET INCOME OF EQUITY AFFILIATES	**73.0**	**(456.0)**	**(383.0)**	**162.5**	**(61.7)**	**100.8**
Share in earnings of equity-method affiliates	(8.3)	4.7	(3.6)	43.2	(1.0)	42.2
OPERATING INCOME AFTER THE SHARE OF NET INCOME OF EQUITY AFFILIATES	**64.7**	**(451.3)**	**(386.6)**	**205.8**	**(62.7)**	**143.0**
Net borrowing costs	(12.1)	(1.9)	(13.9)	(15.1)	6.1	(8.9)
Financial expenses	*(25.2)*	*(1.9)*	*(27.1)*	*(21.0)*	*6.1*	*(14.9)*
Financial income	*13.1*	–	*13.1*	*5.9*	–	*5.9*
Other financial results	(14.0)	–	(14.0)	(14.4)	–	(14.4)
Change in value and income from disposal of financial instruments	–	(17.2)	(17.2)	–	2.0	2.0
Gains or losses on disposals of equity interests	–	(3.2)	(3.2)	–	0.0	0.0
Profit before tax	**38.7**	**(473.5)**	**(434.9)**	**176.3**	**(54.6)**	**121.8**
Corporate income tax	0.5	108.5	108.9	(23.3)	(9.3)	(32.5)
NET INCOME	**39.1**	**(365.1)**	**(325.9)**	**153.1**	**(63.8)**	**89.3**
o/w Attributable to Altareit SCA shareholders	**23.0**	**(348.6)**	**(325.6)**	**138.2**	**(63.8)**	**74.4**
o/w Attributable to non-controlling interests in subsidiaries	(16.1)	16.5	0.4	(14.8)	0.0	(14.8)
Average number of non-diluted shares	*1,748,351*	*1,748,351*	*1,748,351*	*1,748,412*	*1,748,412*	*1,748,412*
NET EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF ALTAREIT SCA (€)	**13.16**	**(199.36)**	**(186.21)**	**79.07**	**(36.50)**	**42.57**
Diluted average number of shares	*1,748,351*	*1,748,351*	*1,748,351*	*1,748,412*	*1,748,412*	*1,748,412*
DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF ALTAREIT SCA (€)	**13.16**	**(199.36)**	**(186.21)**	**79.07**	**(36.50)**	**42.57**

3.3.2 Reconciliation of operating income between the two income statements

	31/12/2023					31/12/2022				
(€ millions)	Residential	BP[(a)]	Div.[(b)]	Others	Total	Residential	BP[(a)]	Div.[(b)]	Others	Total
Net property income	(172.6)	2.6	0.0	(0.0)	(170.0)	154.2	22.4	–	(0.0)	176.6
Net overhead expenses	(102.9)	(7.8)	(6.3)	1.1	(115.9)	(49.2)	(10.9)	(1.1)	1.1	(60.1)
Others	(2.0)	(0.1)	(2.0)	(1.8)	(5.9)	(2.4)	0.5	(0.1)	(1.9)	(3.9)
Value adjustments	(11.8)	(42.7)	–	(0.1)	(54.6)	0.1	(0.3)	(10.3)	(0.0)	(10.4)
Net charge to provisions for risks and contingencies	(32.7)	(3.9)	–	(0.0)	(36.6)	(0.9)	(0.4)	–	–	(1.3)
Share in earnings of equity-method affiliates	(3.7)	2.5	(2.4)	–	(3.6)	8.2	34.4	(0.4)	–	42.2
OPERATING INCOME	**(325.8)**	**(49.3)**	**(10.7)**	**(0.7)**	**(386.6)**	**110.0**	**45.7**	**(11.9)**	**(0.8)**	**143.0**

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

3.4 Revenue by geographical region and operating segment

	31/12/2023			31/12/2022		
(€ millions)	France	Others	Total	France	Others	Total
Revenue	2,217.7	–	2,217.7	2,458.5	–	2,458.5
External services	29.1	–	29.1	11.4	–	11.4
Residential	**2,246.8**	**–**	**2,246.8**	**2,469.9**	**–**	**2,469.9**
Revenue	196.0	–	196.0	246.8	–	246.8
External services	8.0	(0.0)	8.0	11.4	0.5	11.9
Business Property	**204.0**	**(0.0)**	**204.0**	**258.2**	**0.5**	**258.7**
Others	1.1	–	1.1	1.1	–	1.1
TOTAL	**2,451.9**	**(0.0)**	**2,451.9**	**2,729.3**	**0.5**	**2,729.8**

The Group operates mainly in France in 2023, as in 2022.

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

NOTE 4 MAJOR EVENTS AND CHANGES IN THE SCOPE OF CONSOLIDATION

4.1 Major events

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

- a lack of major Business property developments;
- a limited contribution from Residential, which had rolled out a policy of accelerated and proactive adaptation to the environment.

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

This charge, totalling -€393.9 million before tax, breaks down as follows:

- -190.2 million euros for study fees and land depreciation charges resulting from the review of the Housing project portfolio (refer to note 5.1 "Operating Result");
- -119.3 million euros for the decrease in value of assets under construction or on offer (refer to note 5.1 "Operating Result");
- -37.4 million euros for projects in partnerships deemed at risk (refer to note 6.3 "Provisions");
- -14.7 million euros for intangible assets related to brand reorganization (refer to note 7.2 "Intangible Assets and Goodwill"); and to note 5.1 "Operating Result");
- -32.3 million euros mainly concentrated on the operations Landscape in La Défense (refer to note 4.5 "Equity securities and loans to companies accounted for by the equity method").

Net income Group share amounts to -€325.6 million.

Residential

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

2023 saw intense operational activity in Residential with:

- the accelerated sell-off of offer under construction during the previous cycle in blocks and retail deals;
- land purchases restricted to projects that matched the environment, resulting in a drastic reduction in the number of land acquired. In 2023, the Group only bought land corresponding to "on-market" projects.

  Land acquisitions were significantly reduced with 63 sites acquired in 2023, compared to 167 in 2022. Combined with the sale of land already acquired at the end of 2022, the slowdown in land acquisitions in 2023 made it possible to reduce the Group's commitments;
- a review of the entire land portfolio leading to the massive abandonment of projects (including the dropping of some land options) or their repositioning, and ultimately to the abandonment of the corresponding study costs or land depreciation.

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

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

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

Business Property

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

Office exposure from the previous cycle was drastically reduced in the Paris region and book values adjusted accordingly. In 2023, the Group revalued the Landscape (La Défense) projects: residual risk has been reduced to zero.

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

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

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

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

Activity of the year

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

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

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

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

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

Primonial

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

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

In their claims in response of 21 November 2022 and 16 January 2023, the Primonial shareholder groups revised their pleadings, claiming damages of €119 for the Manager vendors and €588 for the investment funds.

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

Altarea filed new claims in response in July 2023, developing its arguments and increasing the amount of its claim against Primonial's vendors to approximately €330 million. The Primonial Vendors have not yet filed their response on the facts of the case.

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

(1) 260,000 m² developed in five tranches of which the Group took full control in 2023.

4.2 Scope

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

Company	Legal form	SIREN		31/12/2023			31/12/2022		
				Method	Interest	Integration	Method	Interest	Integration
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 MÉTROPOLE	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%	FC	100.0%	100.0%
ALTA FAUBOURG	SASU	444560874		FC	100.0%	100.0%	FC	100.0%	100.0%
PITCH PROMOTION	SAS	450042338		FC	100.0%	100.0%	FC	100.0%	100.0%
WATT	SNC	812030302		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%
BORDEAUX EB4AL	SCCV	835299835	joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
BORDEAUX ET1	SCCV	835300096	joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
HP	SAS	480309731		FC	100.0%	100.0%	FC	100.0%	100.0%
HISTOIRE ET PATRIMOINE DÉVELOPPEMENT	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 ET PATRIMOINE PARTENARIATS	SASU	452727985		FC	100.0%	100.0%	FC	100.0%	100.0%
HISTOIRE ET PATRIMOINE PROMOTION	SASU	792751992		FC	100.0%	100.0%	FC	100.0%	100.0%
HISTOIRE ET PATRIMOINE RÉNOVATION	SAS	394203509		FC	100.0%	100.0%	FC	100.0%	100.0%
TOURS DE L'ÉCHO DU BOIS	SCCV	882809080		FC	65.0%	100.0%	FC	65.0%	100.0%
BEZONS A3	SNC	880172317		FC	100.0%	100.0%	FC	100.0%	100.0%
CORMEILLES SEINE PARIS II	SCCV	919597468		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%
BOBIGNY COEUR DE VILLE	SNC	838941011		FC	100.0%	100.0%	FC	100.0%	100.0%
BORDEAUX EB2b	SCCV	834833352	affiliate	EM	50.0%	50.0%	EM	50.0%	50.0%
BOULOGNE-D'AGUESSEAU	SCCV	905135786		FC	100.0%	100.0%	EM	50.0%	50.0%
RUEIL ARSENAL LOT A2	SCCV	907596704		FC	100.0%	100.0%	EM	50.0%	50.0%
WOODEUM RÉSIDENTIEL	SAS	807674775		FC	100.0%	100.0%	EM	50.0%	50.0%
PITCH IMMO	SASU	422989715		FC	100.0%	100.0%	FC	100.0%	100.0%
ADN CLOT BEY	SAS	841150071		FC	100.0%	100.0%	FC	75.0%	100.0%
ARTCHIPEL	SCCV	841150071		FC	100.0%	100.0%	FC	100.0%	100.0%
DEODAT	SCCV	879171502		FC	51.0%	100.0%	FC	51.0%	100.0%
CLICHY ROGUET	SCCV	880090212		FC	51.0%	100.0%	FC	51.0%	100.0%
ROLLAND PETIT	SCCV	881927164		FC	51.0%	100.0%	FC	51.0%	100.0%
RUEIL HIGH GARDEN	SCCV	887670115		FC	100.0%	100.0%	FC	100.0%	100.0%

Company	Legal form	SIREN		31/12/2023			31/12/2022		
				Method	Interest	Integration	Method	Interest	Integration
BONDOUFLE ZAC DU GRAND PARC IG	SCCV	889279592		FC	51.0%	100.0%	FC	51.0%	100.0%
BRUGES TERREFORTS	SCCV	892 811 696		FC	100.0%	100.0%	FC	100.0%	100.0%
COGEDIM HAUTS DE FRANCE	SNC	420810475		FC	100.0%	100.0%	FC	100.0%	100.0%
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%
ASNIÈRES 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%
PARC DE FONTBELLEAU	SCCV	842493934		FC	51.0%	100.0%	FC	51.0%	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%
CLICHY 35 LANDY	SAS	908542772		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%
AIX HYPPODROME	SCCV	852642040		FC	80.0%	100.0%	FC	80.0%	100.0%
LYON 8 RUE CROIX BARRET	SCCV	849097522		FC	60.0%	100.0%	FC	60.0%	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%
HYRES JEAN MOULIN	SCCV	834036519		FC	100.0%	100.0%	FC	66.0%	100.0%
OLLIOULES SAINT ROCH 1	SCCV	901760520		FC	51.0%	100.0%	FC	51.0%	100.0%
CLICHY ROSE GUÉRIN	SCCV	885139188		FC	40.8%	100.0%	FC	40.8%	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%
LA GARENNE COLOMBES FOCH	SCCV	835014135		FC	50.1%	100.0%	FC	50.1%	100.0%
ISSY JEANNE D'ARC	SNC	850443508		FC	50.1%	100.0%	FC	50.1%	100.0%
ROMAINVILLE ROUSSEAU	SCCV	852604909		FC	51.0%	100.0%	FC	51.0%	100.0%
NOGENT 150 STRASBOURG	SCCV	887617967		FC	50.1%	100.0%	FC	50.1%	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	100.0%	100.0%
CHATENAY ROBINSON 4 CHEMINS	SCCV	894910082		FC	50.1%	100.0%	FC	50.1%	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%
SCCV ASNIERES -77 RUE DES BAS	SCCV	910066919		FC	51.0%	100.0%	FC	51.0%	100.0%

Company	Legal form	SIREN		31/12/2023 Method	31/12/2023 Interest	31/12/2023 Integration	31/12/2022 Method	31/12/2022 Interest	31/12/2022 Integration
Business Property									
ALTAREA COGEDIM ENTREPRISE PROMOTION	SNC	535056378		FC	100.0%	100.0%	FC	100.0%	100.0%
AF INVESTCO 7	SNC	798601936	affiliate	EM	30.1%	30.1%	EM	30.1%	30.1%
ALTA VAI HOLDCO A	SAS	424007425		FC	100.0%	100.0%	FC	100.0%	100.0%
SNC PROPCO ALTA PYRAMIDES	SNC	949047005		FC	75.0%	100.0%	NI	0.0%	0.0%
PASCALHOLDCO	SPPICAV	809845951	affiliate	EM	30.1%	30.1%	EM	15.1%	15.1%
PASCALPROPCO	SASU	437929813	affiliate	EM	30.1%	30.1%	EM	15.1%	15.1%
SAS 42 DERUELLE	SAS	920333127	joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
SCI FLF BÉZIERS	SCI	835282922		FC	100.0%	100.0%	FC	100.0%	100.0%
SAS COGEDIM OFFICE PARTNERS	SAS	491380101		FC	100.0%	100.0%	NI	0.0%	0.0%
SAS COP BAGNEUX	SASU	491969952		FC	100.0%	100.0%	NI	0.0%	0.0%
LOGISTIQUE BOLLENE	SNC	815193065		FC	100.0%	100.0%	EM	50.0%	50.0%

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

4.3 Changes in consolidation scope

(in number of companies)	31/12/2022	Acquisition	Creation	Sale	Absorption, dissolution, deconsolidation	Change in consolidation method	31/12/2023
Fully consolidated subsidiaries	398	8	41		(22)	41	466
Joint ventures[(a)]	128	1	7		(7)	(40)	89
Affiliates[(a)]	70	–	4		(7)	(1)	66
TOTAL	**596**	**9**	**52**	**–**	**(36)**	**–**	**621**

(a) Companies accounted for using the equity method.

Detail of net acquisitions of consolidated companies, net of cash

(€ millions)	31/12/2023	31/12/2022
Investments in consolidated securities	(21.6)	(15.2)
Liabilities on acquisition of consolidated participating interests	0.6	–
Cash of acquired companies	25.9	11.4
TOTAL	**4.8**	**(3.7)**

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

4.4 Business combinations

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

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

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

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

Assets and liabilities assumed by the Company were measured at fair value. When these amounts were recognised in the statement of financial position at the acquisition date, €44.2 million in intangible assets and goodwill was recognised.

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

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

4.5 Securities and investments in equity affiliates

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

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

(€ millions)	31/12/2023	31/12/2022
Equity-accounting value of joint ventures	24.4	52.4
Equity-accounting value of affiliated companies	3.6	28.6
Value of stake in equity-method affiliates	**28.0**	**81.0**
Receivables from joint ventures	40.6	84.6
Receivables from affiliated companies	71.3	105.6
Receivables from equity-method subsidiaries	**111.9**	**190.2**
TOTAL SECURITIES AND RECEIVABLES IN EQUITY AFFILIATES	**139.9**	**271.2**

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

- the acquisition of a 100% stake in Woodeum, now fully consolidated;
- the disposal of the Tour Eria; and
- the evolution of equity invested in the Landscape project in La Défense (the risk associated with this operation is thus reduced to zero in the Group's accounts as of 31 December 2023, impacting the line "Net impairment losses on other non-current assets" in the statement of comprehensive income and the line "Net provisions for depreciation and impairment" in Business Property in the Analytical Income Statement appendix).

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

(€ millions)	Joint venture	Affiliates	31/12/2023	Joint venture	Affiliates	31/12/2022
BALANCE SHEET ITEMS, GROUP SHARE:						
Non-current assets	110.6	4.1	114.7	143.0	138.3	281.3
Current assets	252.3	291.6	543.9	343.3	173.7	517.0
Total Assets	**362.9**	**295.7**	**658.6**	**486.3**	**312.0**	**798.4**
Non-current liabilities	113.5	134.0	247.5	101.4	140.1	241.5
Current liabilities	225.1	159.0	384.1	332.5	143.3	475.8
Total Liabilities	**338.5**	**293.0**	**631.5**	**433.9**	**283.4**	**717.4**
Net assets (equity-accounting basis)	**24.4**	**3.6**	**28.0**	**52.4**	**28.6**	**81.0**
SHARE OF INCOME STATEMENT ITEMS, GROUP SHARE:						
Operating income	**3.1**	**11.4**	**14.5**	**12.0**	**39.1**	**51.2**
Net borrowing costs	(2.2)	(10.1)	(12.3)	(1.5)	(4.2)	(5.7)
Other financial results	(5.2)	0.0	(5.2)	(3.8)	(0.2)	(4.0)
Proceeds from the disposal of investments	–	–	–	0.0	–	0.0
Net income before tax	**(4.3)**	**0.6**	**(3.7)**	**6.8**	**35.7**	**42.4**
Corporate income tax	0.7	(0.6)	0.1	0.0	(0.3)	(0.2)
Net income by equity method (after tax)	**(3.6)**	**0.0**	**(3.6)**	**6.8**	**35.4**	**42.2**
Non-Group net income	–	0.0	0.0	(0.0)	0.0	(0.0)
Net income, Group share	(3.6)	0.0	(3.6)	6.8	35.4	42.2

Group revenue from joint ventures amounted to €3.8 million, compared with €3.9 million for the year to 31 December 2022.

Group revenue from affiliates amounted to €4.5 million, compared to €8.2 million for the year to 31 December 2022.

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

Commitments given

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

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

Financial guarantees for the completion of works were given as part of the property development activity, and amounted to a share of €11.5 million at 31 December 2023.

4.6 Current and non-current financial assets

At 31 December 2023, current and non-current financial assets amounted to €55.7 million, compared with €95.2 million at 31 December 2022, and consist mainly of:

- non-consolidated securities (mainly "current"): €21.1 million compared with €49.3 million for 2022;
- deposits and guarantees paid on projects: €4.4 million, compared with €8.3 million for 2022;
- loans and receivables, recognised at amortised cost: €28.9 million, compared with €21.6 million for 2022.

NOTE 5 NET INCOME

5.1 Net property income

The Group's net property income was a negative €170.0 million in 2023 compared to a positive €176.6 million in 2022.

This item includes a one-off accounting expense of €312.2 million, corresponding to

- €190.2 million in write-downs of research costs and land bank following the review of the Residential and Business property development project portfolio;
- a €119.3 million decline in the price of projects under construction or under offer;
- a €2.7 million reduction in intangible assets related to the brand restructuring.

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

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

5.2 Cost of net financial debt and other financial items

5.2.1 Cost of net financial debt

(€ millions)	31/12/2023	31/12/2022
Bond and bank interest expenses	(22.5)	(20.3)
Interest on partners' advances	2.0	2.7
Interest rate on hedging instruments	4.5	–
Other financial income and expenses	4.0	2.5
FFO financial income and expenses	**(12.1)**	**(15.1)**
Spreading of bond issue costs and other estimated expenses[a]	(1.9)	6.1
NET BORROWING COSTS	**(13.9)**	**(8.9)**

(a) Deferral according to the amortized cost method of issuance costs of borrowings in accordance with IFRS 9 for 2023 (and the gain on the bond buyback (amount lower than par value) for 2022).

The interest charges on borrowings from credit institutions include the impact of spreading issuance costs according to the amortized cost method 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.

5.2.3 Impact of result of financial instruments

This item consists of a net expense of €17.2 million, mainly related to -€11.4 million in changes in the value of interest rate hedging instruments.

5.3 Corporate income tax

Analysis of tax expense

The tax expense is analyzed as follows (distribution between current and deferred taxes and breakdown by nature of deferred tax):

(€ millions)	31/12/2023	31/12/2022
Tax due	**0.5**	**(23.3)**
Tax loss carry forwards and/or use of deferred losses	28.3	(12.2)
Valuation differences	4.6	0.4
Fair value of investment properties	(0.8)	(0.7)
Fair value of hedging instruments	1.0	(0.2)
Net property income on a percentage-of-completion basis	32.5	(6.2)
Other timing differences	42.9	9.7
Deferred tax	**108.5**	**(9.3)**
TOTAL TAX INCOME (EXPENSE)	**108.9**	**(32.5)**

Effective tax rate

(€ millions)	31/12/2023	31/12/2022
Pre-tax profit of consolidated companies	**(431.3)**	**79.5**
Group tax savings (expense)	**108.9**	**(32.5)**
EFFECTIVE TAX RATE	**(25.25)%**	**(40.88)%**
Tax rate in France	*25.83%*	*25.83%*
Theoretical tax charge	**111.4**	**(20.5)**
Difference between theoretical and effective tax charge	**(2.5)**	**(12.0)**
Differences related to treatment of losses	*–*	*–*
Other permanent differences and rate differences	*(2.5)*	*(12.0)*

Deferred tax assets and liabilities

(€ millions)	31/12/2023	31/12/2022
Tax loss carry forwards	45.6	17.3
Valuation differences	(30.6)	(29.0)
Fair value of investment properties	(4.5)	(3.7)
Fair value of financial instruments	0.2	(0.4)
Income by percentage of completion	(35.4)	(68.0)
Other timing differences	46.8	7.6
NET DEFERRED TAX ON THE BALANCE SHEET	**22.1**	**(76.0)**

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

Deferred taxes relating to the activation of tax losses mainly relate to losses recognised in the tax consolidation group Altareit.

Deferred taxes are calculated at the rate of 25.83%, the rate set by the French Finance Act.

5.4 Earnings per share

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

Potential shares are treated as dilutive if their potential conversion into common shares would result in a decrease in earnings per share.

(€ millions)	31/12/2023	31/12/2022
Numerator		
Net income, Group share	(325.6)	74.4
Denominator		
Weighted average number of shares before dilution	1,748,351	1,748,412
Effect of potentially dilutive shares		
Stock options	–	–
Rights to free share grants	–	–
Total potential dilutive effect	–	–
Weighted diluted average number of shares	1,748,351	1,748,412
NET INCOME, GROUP SHARE, UNDILUTED PER SHARE *(€)*	**(186.21)**	**42.57**
NET INCOME, GROUP SHARE, DILUTED PER SHARE *(€)*	**(186.21)**	**42.57**

NOTE 6 LIABILITIES

6.1 Equity

6.1.1 Share capital, share-based payments and treasury shares

Share capital (in €)

(in number of shares and in €)	Number of shares	Nominal	Share Capital
Number of shares outstanding at 31 December 2021	**1,750,487**	**1.50**	**2,626,731**[(a)]
No changes during the fiscal year.			
Number of shares outstanding at 31 December 2022	**1,750,487**	**1.50**	**2,626,731**[(a)]
No changes during the fiscal year.			
NUMBER OF SHARES OUTSTANDING AT 31 DECEMBER 2023	**1,750,487**	**1.50**	**2,626,731**[(a)]

(a) The share capital includes an amount of €1,000 corresponding to the nominal value of the 10 shares allocated to the managing partner.

Capital management

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

Share-based payments

Share-based payments are transactions based on the value of Altarea SCA's securities, a listed company that controls Altareit.

Settlement can be made in equity instruments or in cash; however, plans related to Altarea SCA's shares will be exclusively settled in shares.

The gross expense recorded on the income statement for share-based payments was €14.1 million at 31 December 2023 compared to €16.0 million in 2022.

Free share grants

Award date	Number of rights awarded	Vesting date	Rights in circulation as at 31/12/2022	Awarded	Deliveries	Amendments to rights[(a)]	Rights in circulation as at 31/12/2023
Share grant plans on shares							
22 April 2020	27,364	22 April 2023	20,940		(20,924)	(16)	–
30 April 2021	45,125[(b)]	31 March 2024	37,628			(17,435)	20,193
4 June 2021	27,500[(b)]	31 March 2025	21,122			(12,872)	8,250
4 June 2021	45,500[(b)]	31 March 2025	12,208			(900)	11,308
4 June 2021	14,000[(b)]	31 March 2025	12,750			–	12,750
4 June 2021	23,700[(b)]	31 March 2025	3,995			(790)	3,205
1 March 2022	14,000[(b)]	31 March 2025	14,000			(10,025)	3,975
31 March 2022	66,931	1 April 2023	66,164		(65,743)	(421)	–
31 March 2022	20,983	1 April 2024	20,748			(393)	20,355
31 March 2022	47,890[(b)]	1 April 2024	46,265			(21,402)	24,863
30 April 2022	3,250[(b)]	31 March 2025	975			–	975
30 April 2022	1,250[(b)]	31 March 2025	1,250				1,250
25 July 2022	98 [(d)]	24 July 2024		98			98
12 September 2022	6,000[(b)]	31 March 2027	6,000				6,000
12 September 2022	40,000[(b)]	31 March 2029	40,000				40,000
1 October 2022	1,500[(b)]	31 March 2025	1,500			(1,050)	450
2 November 2022	900	2 November 2023	900		(800)	(100)	–
5 January 2023	1,500[(b)]	31 March 2029		1,500			1,500
31 March 2023	72,774	1 April 2024		72,774		(540)	72,234
31 March 2023	20,940	1 April 2025		20,940			20,940
31 March 2023	48,280[(b)]	1 April 2025		48,280		(12,720)	35,560
30 April 2023	2,525	30 April 2024		2,525			2,525
30 April 2023	41,000[(b)]	31 March 2028		41,000			41,000
30 April 2023	41,000[(b)]	31 March 2033		41,000			41,000
1 September 2023	6,600[(b)]	30 June 2029		6,600			6,600
1 September 2023	250	1 September 2024		250			250
1 September 2023	250	1 September 2025		250			250
TOTAL	**621,060**		**306,445**	**235,217**	**(87,467)**	**(78,664)**	**375,531**

(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 through direct offsetting in equity.

6.1.2 Dividends proposed and paid

No dividends were distributed in 2023 for the fiscal year 2022.

No dividends were distributed in 2022 for the fiscal year 2021.

6.2 Net financial debt and guarantees

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

			"Non-cash" change					
(€ millions)	31/12/2022	Cash flow	Spreading of issue costs	Change in scope of consolidation	Present value adjustment	Change in method	Reclassification	31/12/2023
Bond issues (excluding accrued interest)	336.9	(3.8)	0.5	–	–	–	–	333.6
Short- and medium-term negotiable securities	222.0	(222.0)	–	–	–	–	–	–
Bank borrowings, excluding accrued interest and overdrafts	354.0	(92.8)	1.4	53.8	0.1	–	–	316.5
Net bond and bank debt, excluding accrued interest and overdrafts	**913.0**	**(318.6)**	**1.9**	**53.8**	**0.1**	**–**	**–**	**650.1**
Accrued interest on bond and bank borrowings	7.8	0.1	–	0.3	–	–	–	8.2
BOND AND BANK DEBT, EXCLUDING OVERDRAFTS	**920.8**	**(318.5)**	**1.9**	**54.1**	**0.1**	**–**	**–**	**658.3**
Cash and cash equivalents	(798.6)	239.4	–	–	–	–	–	(559.2)
Bank overdrafts	23.8	23.2	–	–	–	–	–	47.0
Net cash	**(774.8)**	**262.6**	**–**	**–**	**–**	**–**	**–**	**(512.3)**
NET BANK AND BOND DEBT	**146.0**	**(55.9)**	**1.9**	**54.1**	**0.1**	**–**	**–**	**146.1**
Accrued interest on shareholders' advances	195.0	(43.9)	–	54.9	–	(0.0)	(0.0)	206.0
Lease liabilities	0.0	2.0	–	–	–	–	–	2.0
Contractual fees on investment properties	167.2	(19.8)	–	–	–	–	4.8	152.1
NET FINANCIAL DEBT	**508.2**	**(117.7)**	**1.9**	**108.9**	**–**	**(0.0)**	**4.8**	**506.1**

6.2.1 Net financial bond and bank debt

Group net financial bond and bank debt amounted to €146.1 million at 31 December 2023 compared to €146.0 million at 31 December 2022.

Bank borrowings, excluding accrued interest and overdrafts, consist notably of:

- borrowings from credit institutions amounting to €233.7 million, compared to €216.4 million as of 31 December 2022;
- bank financing for development operations amounting to €82.8 million, compared to €137.7 million as of 31 December 2022.

During the financial year, the Group notably:

- reduced to zero its issuances of negociable securities (a decrease of €222.0 million for the fiscal year). The Group stop to use short- and medium-term resources *via* NEU-CP (issues up to one year) and NEU-MTN (issues in excess of one year) programmes.

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

Not all financings are fully drawn as of 31 December 2023.

The current account payable to Altarea SCA amounts to €114.2 million as of 31 December 2023, compared to €112.2 million as of 31 December 2022.

Borrowing costs are analysed in the note on earnings.

Net cash

Net cash amounted to €512.3 million, including cash equivalents (mainly term accounts – for €35.4 million) which are recorded at their fair value at each reporting date.

Breakdown of bank and bond debt by maturity

(€ millions)	31/12/2023	31/12/2022
< 3 months	76.5	302.0
3 to 6 months	4.8	3.2
6 to 9 months	8.6	27.9
9 to 12 months	22.0	7.0
At less than 1 year	**111.9**	**340.2**
At 2 years	418.6	89.2
At 3 years	63.2	402.8
At 4 years	60.0	56.4
At 5 years	55.0	60.0
1 to 5 years	**596.9**	**608.4**
More than five years	**–**	**–**
Issuance cost to be amortised	(3.5)	(4.0)
TOTAL GROSS BOND AND BANK DEBT	**705.3**	**944.6**

The portion of short-term bond and bank debt decreases due to the schedule of NEU-CP programs.

Schedule of future interest expenses

(€ millions)	31/12/2023	31/12/2022
< 3 months	2.2	2.3
3 to 6 months	(1.6)	2.4
6 to 9 months	4.3	8.3
9 to 12 months	(1.2)	2.4
AT LESS THAN 1 YEAR	**3.7**	**15.3**
At 2 years	4.3	16.3
At 3 years	(1.2)	12.8
At 4 years	8.1	0.0
At 5 years	2.1	4.8
1 TO 5 YEARS	**11.9**	**33.9**

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

Breakdown of bank and bond debt by guarantee

(€ millions)	31/12/2023	31/12/2022
Mortgage commitments	82.8	131.8
Moneylender lien	3.3	9.9
Altarea SCA security deposit	223.0	204.0
Not guaranteed	399.7	602.9
TOTAL	**708.8**	**948.6**
Issuance cost to be amortised	(3.5)	(4.0)
TOTAL GROSS BOND AND BANK DEBT	**705.3**	**944.6**

Breakdown of bank and bond debt by interest rate

	Gross bond and bank debt		
(€ millions)	Variable rate	Variable rate	Total
As of 31 December 2023	365.4	339.8	705.3
As of 31 December 2022	600.1	344.5	944.6

The market value of fixed rate debt stood at €325.5 million at 31 December 2023 compared to €304.0 million at 31 December 2022.

6.2.2 Lease liabilities

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

These liabilities amounted to €152.1 million at 31 December 2023 compared to €167.1 million at 31 December 2022.

They are to be seen in light of the right-of-use assets on tangible and intangible assets.

Breakdown by maturity of lease liabilities

(€ millions)	31/12/2023	31/12/2022
< 3 months	3.3	4.6
3 to 6 months	5.0	4.6
6 to 9 months	5.1	4.5
9 to 12 months	5.0	4.5
At less than 1 year	**18.4**	**18.1**
At 2 years	21.6	18.0
At 3 years	19.1	17.7
At 4 years	16.7	18.3
At 5 years	17.1	16.5
1 to 5 years	**74.4**	**70.5**
More than five years	**59.3**	**78.6**
TOTAL LEASE LIABILITIES	**152.1**	**167.1**

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

(€ millions)	Cash flow
Issuance of borrowings and other financial liabilities	125.9
Repayment of borrowings and other financial liabilities	(488.4)
Change in borrowing and other financial liabilities	**(362.5)**
Repayment of lease liabilities	(19.8)
Change in cash balance	(262.6)
TOTAL CHANGE IN NET FINANCIAL DEBT (CFT)	**(644.9)**
Net bond and bank debt, excluding accrued interest and overdrafts	(318.6)
Net cash	(262.6)
Equity loans and Group and partners' advances	(43.9)
Lease liabilities	(19.8)
TOTAL CHANGE IN NET FINANCIAL DEBT	**(644.9)**

6.3 Provisions

(€ millions)	31/12/2023	31/12/2022
Provision for benefits payable at retirement	9.4	8.9
Other provisions	46.8	9.1
TOTAL PROVISIONS	**56.2**	**18.0**

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

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

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

Other provisions primarily cover:

- the risk of disputes arising from construction operations;
- the risk of default by certain co-developers, particularly given the current real estate crisis (especially in the current context of the real estate crisis, the Group recorded provisions of 37.4 million euros for projects in partnerships deemed at risk);
- 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	31/12/2023	31/12/2022
Goodwill	**462.2**	**(243.7)**	**218.5**	**197.4**
Brands	**127.0**	**(12.0)**	**115.0**	**105.4**
Customer relationships	**203.9**	**(200.3)**	**3.6**	**6.7**
Software applications, patents and similar rights	28.0	(25.4)	2.6	4.1
Leasehold right	0.3	(0.0)	0.3	0.3
Others	0.3	(0.1)	0.2	0.2
Other intangible assets	**28.7**	**(25.5)**	**3.1**	**4.6**
TOTAL	**821.7**	**(481.5)**	**340.2**	**314.2**

(€ millions)	31/12/2023	31/12/2022
Net values at beginning of the period	**314.2**	**304.1**
Acquisitions of intangible assets	0.2	0.1
Disposals and write-offs	(0.0)	(0.0)
Changes in scope of consolidation and other	45.4	13.6
Net allowances for depreciation	(19.6)	(3.5)
NET VALUES AT THE END OF THE PERIOD	**340.2**	**314.2**

Goodwill generated by the Property Development business

Goodwill relates to the various acquisitions made by the Group.

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

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

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

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

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

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

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

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

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

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

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

Brands

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

Impairment tests taking into account potential changes in the useful life were conducted, based on an assessment by an independent expert. The consequences of these tests were considered in the consolidated accounts as of 31 December 2023, with some resulting in impairment (approximately 12 million euros recorded in the statement of comprehensive income under the line "Net impairment losses on other non-current assets" and in the detailed income statement note under the lines "Net depreciation and provisions"). Furthermore, sensitivity tests on the values of other brands do not present a risk of impairment (+/-1% on the discount rate, +/-0.1% on the royalty rate).

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

(€ millions)	Land and Constructions	Vehicles	Others	Gross rights to use	Amort./ Dep. Land and Constructions	Amort./ Dep. Vehicles	Amort./ Dep. Others	Amort. (€ thousands)	Net rights to use
As of 31 December 2022	**175.7**	**4.6**	**0.2**	**180.5**	**(40.7)**	**(2.0)**	**(0.2)**	**(42.9)**	**137.7**
New contracts/Increases	17.5	2.6	–	20.2	(16.8)	(1.7)	(0.0)	(18.5)	1.7
Contract terminations/ Reversals	(18.3)	(1.1)	(0.2)	(19.5)	3.0	0.8	0.2	4.0	(15.5)
AS OF 31 DECEMBER 2023	**175.0**	**6.2**	**0.0**	**181.2**	**(54.5)**	**(2.9)**	**(0.0)**	**(57.4)**	**123.8**

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 include:

- a shopping center in Orgeval, assessed at cost; and
- a right-of-use on investment properties from a lease previously accounted for under IAS 17 as investment properties at cost and now valued according to IFRS 16.

7.4 Operational working capital requirement (WCR)

Summary of components of operational working capital requirement

(€ millions)	31/12/2023	31/12/2022	Flows: Created by the business	Flows: Changes in consolidation scope and transfer	Flows: Change in consolidation method
Net inventories and work in progress	**1,090.9**	**1,116.9**	**(158.3)**	**132.2**	**–**
Contract assets	**536.0**	**723.1**	**(370.3)**	**183.3**	**–**
Net trade receivables	286.7	303.5	(41.3)	24.5	–
Other operating receivables net	498.4	436.5	(40.2)	102.1	–
Trade and other receivables net	**785.2**	**740.0**	**(81.5)**	**126.6**	**–**
Contract liabilities	**(257.0)**	**(351.4)**	**94.4**	**–**	**–**
Trade payables	(1,086.5)	(904.5)	(129.3)	(52.6)	–
Other operating payables	(467.9)	(466.2)	253.0	(254.8)	–
Trade payables and other operating liabilities	**(1,554.5)**	**(1,370.7)**	**123.7**	**(307.4)**	**–**
OPERATIONAL WCR	**600.6**	**858.0**	**(392.0)**	**134.7**	**–**

Note: Presentation excludes receivables and liabilities on the sale or acquisition of fixed assets.

The decrease in working capital requirement is primarily related to the Residential activity.

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

7.4.1 Inventories and pipeline products

(€ millions)	Gross inventories	Impairment	Net inventories
As of 1 January 2022	**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
As of 31 December 2022	**1,143.3**	**(26.4)**	**1,116.9**
Change	(67.8)	(0.0)	(67.8)
Increases	–	(92.9)	(92.9)
Reversals	–	2.5	2.5
Transfers to or from other categories	0.2	–	0.2
Change in scope of consolidation	131.9	0.1	132.0
AS OF 31 DECEMBER 2023	**1,207.6**	**(116.7)**	**1,090.9**

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

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

7.4.2 Trade and other receivables

(€ millions)	31/12/2023	31/12/2022
Gross trade receivables	**288.2**	**304.8**
Opening impairment	(1.3)	(1.3)
Increases	(0.2)	(0.2)
Change in scope of consolidation	(0.0)	0.1
Reversals	0.0	0.1
Closing impairment	**(1.5)**	**(1.3)**
NET TRADE RECEIVABLES	**286.7**	**303.5**
Advances and down payments paid	48.4	45.9
VAT receivables	347.1	295.5
Sundry debtors	39.6	29.3
Prepaid expenses	53.9	58.5
Principal accounts in debit	20.3	8.8
Total other operating receivables gross	**509.3**	**438.1**
Opening impairment	**(1.6)**	**(1.0)**
Increases	(9.5)	(1.2)
Reversals	0.2	0.6
Other change	–	0.0
Closing impairment	**(10.8)**	**(1.6)**
NET OPERATING RECEIVABLES	**498.4**	**436.5**
TRADE RECEIVABLES AND OTHER OPERATING RECEIVABLES	**785.2**	**740.0**
Receivables on sale of assets	0.2	0.2
TRADE AND OTHER RECEIVABLES	**785.3**	**740.2**

Detail of trade receivables due

(€ millions)	31/12/2023
Total gross trade receivables	**288.2**
Impairment of trade receivables	(1.5)
TOTAL NET TRADE RECEIVABLES	**286.7**
Trade accounts to be invoiced	(43.0)
Non eligibles clients	(69.2)
TRADE ACCOUNTS RECEIVABLE DUE	**174.6**

(€ millions)	Total	On time	At 30 days	At 60 days	At 90 days	More than 90 days
Trade accounts receivable due	174.6	115.1	-	31.9	2.4	25.1

Trade receivables

The Group carries out a case-by-case analysis to assess the credit risk of its tenants in centres in operation, and to write down, if necessary, the receivables of tenants where there is evidence that the Company will not be able to collect all amounts due.

Trade receivables related to the Property Development business result from the transformation of contract assets (into receivables) as funds are called from customers under the Group's unconditional right to receive cash.

Advances and down payments paid

Advances and down payments correspond primarily to compensation for loss of use paid by the Group to the sellers of land when preliminary sales agreements are signed (for those not covered by guarantees) as part of its Property development business. They are offset against the price to be paid on completion of the purchase.

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

7.4.3 Trade and other payables

(€ millions)	31/12/2023	31/12/2022
TRADE PAYABLES AND RELATED ACCOUNTS	**1,086.5**	**904.5**
Advances and down payments received from clients	0.8	3.6
VAT collected	254.1	281.4
Other tax and social security payables	37.2	56.9
Prepaid income	7.6	2.7
Other payables	148.7	112.8
Principal accounts in credit	19.7	8.8
OTHER OPERATING PAYABLES	**467.9**	**466.2**
Amounts due on non-current assets	9.6	3.7
TRADE AND OTHER PAYABLES	**1,564.1**	**1,374.4**

Other payables

Other liabilities increased to €148.7 million compared to €112.8 million in 2022. This change is mainly due to:

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

NOTE 8 MANAGEMENT OF FINANCIAL RISKS

The Group is exposed to the following risks as part of its operational and financing activities: interest rate risk, liquidity risk, counterparty risk and currency risk. As the Group does not carry out any transactions in foreign currencies, it is not subject to currency risk.

8.1 Carrying amount of financial instruments by category

As of 31 December 2023

(€ millions)	Total carrying amount	Non-financial assets	Financial assets and liabilities carried at amortised cost		Financial assets and liabilities carried at fair value				
			Loans Receivables	Liabilities at amortised cost	Equity instruments	Assets and liabilities at fair value through profit and loss	Level 1[a]	Level 2[b]	Level 3[c]
NON-CURRENT ASSETS	**168.5**	**28.0**	**119.4**	**–**	**–**	**21.1**	**–**	**21.1**	**–**
Securities and investments in equity affiliates	139.9	28.0	111.9	–	–	–	–	–	–
Non-current financial assets	28.6	–	7.5	–	–	21.1	–	21.1	–
CURRENT ASSETS	**1,371.7**	**–**	**1,336.3**	**–**	**–**	**35.4**	**35.4**	**–**	**–**
Trade and other receivables	785.3	–	785.3	–	–	–	–	–	–
Current financial assets	27.1	–	27.1	–	–	–	–	–	–
Cash and cash equivalents	559.2	–	523.9	–	–	35.4	35.4	–	–
NON-CURRENT LIABILITIES	**729.0**	**–**	**–**	**729.0**	**–**	**–**	**–**	**–**	**–**
Borrowings and financial liabilities	727.4	–	–	727.4	–	–	–	–	–
Deposits and security interests received	1.5	–	–	1.5	–	–	–	–	–
CURRENT LIABILITIES	**1,902.7**	**–**	**–**	**1,902.0**	**–**	**0.7**	**–**	**0.7**	**–**
Borrowings and financial liabilities	337.9	–	–	337.9	–	–	–	–	–
Derivative financial instruments	0.7	–	–	–	–	0.7	–	0.7	–
Trade and other payables	1,564.1	–	–	1,564.1	–	–	–	–	–

(a) Financial instruments listed on an active market.
(b) Financial instruments whose fair value is determined using valuation techniques based on observable market inputs.
(c) Financial instruments whose fair value (in whole or in part) is based on non-observable inputs.
Equity instruments mainly comprise equity securities of non-consolidated companies. At each acquisition, an analysis is carried out to determine the Group's management intention, and therefore its accounting method (change in value through income or by OCI).
Cash and cash equivalents breakdown between cash presented under receivables and marketable securities presented as financial assets within Level 1 of the fair value hierarchy.

As of 31 December 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	–	–
Derivative financial instruments	–	–	–	–	–	–	–	–	–
Cash and cash equivalents	798.6	–	798.0	–	–	–	–	–	–
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	–	–	–	–	–
Derivative financial instruments	0.0	–	–	–	–	0.0	–	0.0	–
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 its accounting method (change in value through income or by OCI).
Cash and cash equivalents breakdown between cash presented under receivables and marketable securities presented as financial assets within Level 1 of the fair value hierarchy.

8.2 Interest rate risk

The Group holds a portfolio of swaps designed to hedge against interest rate risk on its financial debts.

Derivative instruments are measured and recognised at fair value in the balance sheet based on external valuations. Changes in the fair value of derivative instruments are always recognised in income. The Group has not opted for hedge accounting.

The derivative instruments were valued by discounting estimated future cash flows based on the interest rate curve as of 31 December 2023.

Position in derivative financial instruments

(€ millions)	31/12/2023	31/12/2022
Interest-rate swaps	(0.7)	–
TOTAL	**(0.7)**	**–**

Maturity schedule of derivative financial instruments (notional amounts)

(€ millions)	31/12/2023	31/12/2024	31/12/2025	31/12/2026	31/12/2027	31/12/2028
ALTAREIT paying a fixed rate – swap	–	–	–	–	–	–
ALTAREIT paying a fixed rate – swaption	500.0	–	–	–	–	–
ALTAREIT paying a fixed rate – cap	–	–	–	–	–	–
Total	**500.0**	**–**	**–**	**–**	**–**	**–**
AVERAGE HEDGE RATIO	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

Management position

As of 31 December 2023

(€ millions)	31/12/2023	31/122024	31/12/2025	31/12/2026	31/12/2027	31/12/2028
Fixed-rate bond and bank loans	(339.8)	(334.5)	(0.4)	(0.0)	0.0	0.0
Floating-rate bank loans	(365.4)	(258.9)	(174.3)	(111.4)	(51.4)	–
Cash and cash equivalents (assets)	559.2	–	–	–	–	–
Net position before hedging	**(146.1)**	**(593.4)**	**(174.7)**	**(111.5)**	**(51.4)**	**0.0**
Swap	–	–	–	–	–	–
Swaption	500.0	–	–	–	–	–
Cap	–	–	–	–	–	–
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS	**500.0**	**–**	**–**	**–**	**–**	**–**
NET POSITION AFTER HEDGING	**353.9**	**(593.4)**	**(174.7)**	**(111.5)**	**(51.4)**	**0.0**

As of 31 December 2022

(€ millions)	31/12/2022	31/12/2023	31/12/2024	31/12/2025	31/12/2026	31/12/2027
Fixed-rate bond and bank loans	(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)**

Analysis of interest-rate sensitivity

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

	Increase/decrease in interest rates	Impact of the gain (-) or loss (+) on pre-tax	Impact on the value of the portfolio of the financial instruments
31/12/2023	+50 bps -50 bps	-€0.6 million +€0.9 million	- -
31/12/2022	+50 bps -50 bps	-€1.4 million +€1.1 million	- -

8.3 Liquidity risk

Cash

The Group had a positive cash position of €559.2 million at 31 December 2023, compared to €798.6 million at 31 December 2022. This represents its main tool for management of liquidity risk (see Note 6.2.1 "Net financial bond and bank debt").

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

At 31 December 2023, the Group can also draw down an additional €795 million (in the form of unused confirmed corporate credit lines not allocated to development projects or operations), to use without restriction.

Covenants

Due to its affiliation with the Altarea Group, some covenants are related to consolidated indicators of the latter.

The covenants with which the Group must comply concern the listed corporate bond and bank loans, for €223 million.

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

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

Counterparty risk

In the course of its business, the Group is exposed to two main categories of counterparty: financial institutions and tenants. With regard to financial institutions, credit and/or counterparty risks relate to cash and cash equivalents, derivatives arranged to hedge interest rate risk, and the banking institutions with which these products are arranged. To limit this risk, the Group only arranges hedging with leading financial institutions. The selected vehicles have a very limited risk profile and are monitored.

NOTE 9 RELATED PARTY TRANSACTIONS

Ownership structure of Altareit

	31/12/2023		31/12/2022	
As a percentage	% share capital and theoretical voting rights	% actual voting rights	% share capital and theoretical voting rights	% actual voting rights
Altarea	99.63	99.76	99.63	99.75
Altarea France	0.11	0.11	0.11	0.11
Alta Faubourg*	0.11	–	0.11	–
Group Altarea	*99.85*	*99.87*	*99.85*	*99.86*
Treasury Shares	0.02	–	0.01	–
Public	0.13	0.13	0.14	0.14
TOTAL	**100.0**	**100.0**	**100.0**	**100.0**

* *Treasury shares, the voting rights attached to which cannot be exercised in the General Meeting in accordance with the provisions of Article L. 233-31 of the Commercial Code.*

Related party transactions

The related parties, in this particular case, are understood to be legal entities whose executives are shared with those of the Company.

The main related parties identified by the Group are:

- Altarea (the controlling holding company of the Altarea Group, of which the Company is a part) and its subsidiaries, including service providers;
- Companies controlled by Mr. Alain Taravella (founder and President of the Altarea Group) and his family, who hold stakes in Altarea: AltaGroupe, Alta Patrimoine, and Altager;
- Altafi 2, a non-shareholder Manager of the Company, chaired by Mr. Alain Taravella and wholly owned by AltaGroupe. Mr. Jacques Ehrmann is the CEO of Altafi 2.

Transactions with these related parties mainly involve services provided by the Altareit group to related parties or financing transactions (current accounts and guarantees). The amounts billed by the Altareit group to related parties are at normal market conditions.

Altarea has provided personal guarantees (including co-signing and standalone guarantees) on behalf of Altareit (and its subsidiaries) for an amount of up to a total of €1,018.5 million. Additionally, Altarea has directly invested 50% in the company AF Investco 4 for the restructuring of a building alongside the investment fund AltaFund, in which Altareit also invests[1]. As a result, Altareit indirectly holds 8.35% of the capital of AF Investco 4.

To formalize the services usually provided to Altareit by Altarea as the holding company, and to specify the services performed by Altarea, an animation agreement was concluded in 2017, with the previously applied conditions remaining unchanged. Additionally, an animation agreement was concluded in 2022 between AltaGroupe on one hand, and Altarea, Altareit, and their subsidiaries and sub-subsidiaries on the other.

Furthermore, management fee agreements have been established to remunerate the services provided by Altareit and Altarea Management (a subsidiary of Altarea) to the Group's companies. The remuneration for these management fees has been mutually agreed upon based on the cost of the services provided and is in line with market prices.

(€ millions)	Altafi 2	Altarea and subsidiaries	31/12/2023	31/12/2022
Non-current assets	–	3.7	3.7	3.1
Current assets	0.1	27.1	27.2	28.8
TOTAL ASSETS	**0.1**	**30.7**	**30.8**	**31.9**
Trade payables, current accounts, and other liabilities[a]	0.5	145.7	146.1	125.4
TOTAL LIABILITIES	**0.5**	**145.7**	**146.1**	**125.4**

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

(€ millions)	Altafi 2	Altarea and subsidiaries		31/12/2022
Operating income	0.1	16.0	16.1	10.9
Operation expenses	(1.3)	(61.8)	(63.1)	(63.6)
OPERATING RESULT	**(1.2)**	**(45.8)**	**(47.0)**	**(52.7)**
Net financial cost	–	(4.0)	(4.0)	(2.1)
NET RESULT	**(1.2)**	**(49.8)**	**(51.0)**	**(54.8)**

(1) In general, it holds 16.7% and 30.11% of AltaFund portfolios 1 and 2, respectively.

Compensations of the Management

Management compensation is received entirely by Altafi 2 in the form of fees.

The fixed remuneration of Management is €0.9 million for 2023.

The annual variable remuneration that may be paid is partly calculated proportionally to the consolidated net profit, Group's share, for the fiscal year beyond a certain predetermined threshold.

Additionally, another portion is contingent on achieving extra-financial objectives related to climate and human resources. As an indicative figure, it amounts to approximately 0.4 million euros as of 31 December 2023. These remuneration components were set by the Supervisory Board in accordance with the remuneration policy approved by the General Meeting on 8 June 2023.

Compensation of the Group's senior executives

(€ millions)	31/12/2023	31/12/2022
Gross wages[a]	1.8	1.1
Social security contributions	0.8	0.5
Share-based payments[b]	3.1	2.2
Number of shares delivered during the period	6,649	6,036
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	0.2
Post-employment benefit commitment	0.3	0.1

(a) Fixed and variable compensation.
(b) Charge calculated in accordance with IFRS 2.
(c) Pension service cost according to IAS 19, life insurance and medical care.
(d) Benefits in kind, directors' fees and other compensation vested but payable in the future (short- or long-term).
(e) Post-employment benefits, including social security costs.

(in number of rights on equity in circulation)	31/12/2023	31/12/2022
Rights to Altarea SCA's free shares grants	62,432	43,371

The information presented relates to the remuneration and benefits allocated to the key employees of the Group. It does not include the remuneration of the Management and that 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.

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 "Management of financial risks".

All other material commitments are set out below:

(€ millions)	31/12/2022	31/12/2023	Less than 1 year	From one to five years	More than five years
Commitments received					
Commitments received relating to financing (excl. borrowings)	**–**	**–**	**–**	**–**	**–**
Commitments received relating to Company acquisitions	**6.4**	**5.4**	**1.1**	**4.3**	**–**
Commitments received relating to operating activities	**12.9**	**12.8**	**12.6**	**0.1**	**0.0**
Security deposits received in the context of the Hoguet Act (France)	12.6	12.6	12.6	–	–
Security deposits received from tenants	0.3	0.2	–	0.1	0.0
TOTAL	**19.3**	**18.1**	**13.7**	**4.4**	**0.0**
Commitments given					
Commitments given relating to financing (excl. borrowings)	**–**	**–**	**–**	**–**	**–**
Commitments given relating to Company acquisitions	**13.6**	**3.5**	**0.3**	**3.2**	**–**
Commitments given relating to operating activities	**2,028.2**	**1,931.6**	**1,139.5**	**790.6**	**1.5**
Construction work completion guarantees (given)	1,809.9	1,730.1	1,061.0	669.1	–
Guarantees given on forward payments for assets	156.9	118.9	37.4	80.5	1.0
Guarantees for loss of use	43.5	81.0	40.9	39.6	0.5
Other sureties and guarantees granted	18.0	1.5	0.0	1.5	–
TOTAL	**2,041.8**	**1,935.1**	**1,139.8**	**793.7**	**1.5**

Commitments received

Commitments received relating to acquisitions/disposals

As part of its acquisition of the developer Severini, the Group received a commitment from the sellers to guarantee it until 31 January 2025 against any damage or loss up to €2 million, incurred by the Group as a result of the business activities, with a cause or origin predating 31 March 2018.

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

Commitments received relating to operating activities

Security deposits

Under the Hoguet Law, the Group benefits from guarantees received from specialized organizations as security for its real estate management and transaction activities.

Commitments given

Commitments made related to perimeter transaction

The main commitment, amounting to 3.5 million euros (firm commitment for identified transactions), is a commitment to subscribe to the capital of companies forming the AltaFund investment fund. The commitment varies based on subscriptions and/or redemptions during the period. Additionally, the Group may provide guarantees for liabilities or price adjustments in the sale of shares of subsidiaries and investments.

Commitments given relating to operating activities

Construction work completion guarantees

Completion guarantees are given to customers as part of off-plan sales and are provided on behalf of Group companies by financial institutions, mutual guarantee organisations or insurance companies.

They are reported in the amount of risk borne by the financial institution that issued the guarantee.

In return, Group companies give financial institutions a promise of mortgage security and an undertaking not to sell ownership units.

Guarantees on forward payments for assets

These guarantees mainly cover purchases of land or buildings for the Property Development business.

Guarantees for loss of use

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

Other commitments and guarantees

Other commitments and guarantees provided primarily include guarantees given to companies in the context of signing construction 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 new orders (or preliminary sales agreements) with its customers, the execution of which depends on whether the customers meet the conditions precedent, particularly with respect to their ability to secure financing.

As part of its Property Development business, the Group has a future offering consisting of unilateral preliminary sales agreements.

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

10.2 Contingent liabilities

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

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

Regarding the Primonial litigation, in agreement with its advisors, no provision has been recorded by the Group (see note 4.1 "Major events").

NOTE 11 **POST-CLOSING EVENTS**

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

NOTE 12 **APPOINTMENT OF STATUTORY AUDITORS**

	EY				Grant Thornton				Mazars				Other				Total			
	Amount		%		Amount		%		Amount		%		Amount		%		Amount		%	
(€ millions)	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Statutory audit, certification, examination of individual and consolidated financial statements																				
■ Altareit SCA	0.3	0.3	33%	36%	–	0.3	0%	66%	0.3	–	28%	0%	–	–	0%	0%	0.5	0.5	27%	34%
■ Fully consolidated subsidiaries	0.5	0.5	65%	63%	0.0	0.1	100%	14%	0.6	0.4	71%	100%	0.1	0.1	90%	100%	1.3	1.0	70%	62%
Services other than the certification of the financial statements																				
■ Altareit SCA	–	0.0	0%	1%	–	0.1	0%	20%	–	–	0%	0%	–	–	0%	0%	–	0.1	0%	5%
■ Fully consolidated subsidiaries	0.0	–	2%	0%	–	–	0%	0%	0.0	–	1%	0%	0.0	–	10%	0%	0.0	–	2%	0%
TOTAL	**0.8**	**0.8**	**100%**	**100%**	**0.0**	**0.4**	**100%**	**100%**	**0.9**	**0.4**	**100%**	**100%**	**0.2**	**0.1**	**100%**	**100%**	**1.9**	**1.6**	**100%**	**100%**

2.4 Statutory Auditors report on the Consolidated Financial Statements

Year ended the 31 December 2023

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 2023, as attached to this report.

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

Basis of the opinion

■ Audit guidelines

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

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

■ Independence

We carried out our audit mission in compliance with the independence rules provided for by the French Commercial Code and the ethics code of the Statutory Auditors on the period from 1 January 2023 at the date of issue of our report, and in particular we have not provided services prohibited by Article 5 (1) of Regulation (EU) No. 537/2014.

Basis for our assessments – Key audit matters

It is in this complex and evolving context that, pursuant to the provisions of Articles L. 821-53 and R. 821-180 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most important for the audit of the consolidated financial statements for the year, as well as the responses we have provided to address these risks.

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

Measurement of goodwill and brands

Risk identified	Our response
As of 31 December 2023, goodwill and brands were recorded in the balance sheet in a net carrying amount of €334 million, of which €219 million in goodwill mainly relating to the acquisitions of Cogedim, Woodeum, Pitch Promotion and Histoire & Patrimoine, and €115 million in goodwill mainly relating to the Cogedim, Woodeum, Pitch Promotion and Histoire & Patrimoine brands. Goodwill and brands are systematically tested for impairment every year, or more frequently if internal or external events or circumstances indicate a loss of value. For goodwill, as indicated in Note 2.3.7 to the consolidated financial statements, an impairment loss is recognised, if applicable, when the net carrying amount of the assets directly related or attributable to the cash generating unit (CGU) or group of CGUs is greater than the recoverable amount of the CGU. It is booked first to goodwill and then to other intangible assets and property, plant and equipment pro rata their carrying amount (as a reversible loss). The recoverable amount of the CGU or group of CGUs is defined as the highest amount between the sale price net of the costs which might be incurred in order to conduct the sale and the value in use of the CGU or group of CGUs. The determination of the recoverable amounts of each group of assets is tested using the discounted cash flow method, which requires the use of assumptions, estimates and assessments by the Group's management, backed up by peer comparisons and transaction multiples. Brands are tested individually. Their recoverable amount is determined using the royalty method. An impairment loss is recognised, if applicable, when the net carrying amount of the brand is greater than its recoverable amount. Given the amounts and sensitivity of these assets, particularly in the current real estate crisis, to changes in the data and assumptions on which the estimates are based, particularly the forecasts for cash flow and discount rates used, we considered the measurement of differences acquisition and brands as a key audit point.	We reviewed the process established by your Group for determining the recoverable amount of goodwill and brands, grouped into CGUs. The work also involved: ■ obtaining an understanding of the principles and method used to determine the recoverable amounts of the CGUs to which the goodwill is attached, as well as the corresponding net assets; ■ reconciling the net carrying amounts of the net assets attached to the CGUs tested with your Group's accounting data; ■ analysing, with the help of the valuation experts in our audit teams, the valuation models used as well as the long-term growth rates, discount rates and royalty rates applied in these models; ■ examining, through discussions with management, the main assumptions on which the budget estimates underlying the cash flows on which the valuation models are based. Accordingly, we have examined the operational assumptions applied by your group to reflect the consequences of the current real estate crisis in future cash flow projections; ■ verifying, on a sample basis, the arithmetical accuracy of the assessments used by your Group.

Valuation of inventories, revenue and net property income

Risk identified	Our response
At 31 December 2023, real estate inventories were recorded in the balance sheet for an amount of €1,091 million. Regarding net property income, the Group recognised a net property loss of -€170 million for financial year 2023. As indicated in Note 2.3.17 to the consolidated financial statements, revenue and costs of sales (net property income) are recognised in the Group financial statements in accordance with the percentage-of-completion method. All property development/off-plan sales and property development contract transactions are concerned by this method. For these programmes, revenue from notarised sales is recognised, in accordance with IFRS 15 "Revenue from contracts with customers", in proportion to the percentage of completion of the programme, as measured by the costs directly related to construction, including land, in view of the total budget and progress on marketing, determined relative to total sales budgeted. As indicated in Note 2.3.8 to the consolidated financial statements, inventories are carried at cost less the portion of the cost price recognised on a percentage-of-completion basis for off-plan sale or property development contract transactions. Impairment losses are recognised when the net realisable value of inventories and work in progress is less than the cost price. In view of the material nature of inventories, revenue and net property income in the Group's consolidated financial statements and the importance of the necessary judgements made by management for the recognition of these items, particularly in the current context of the real estate crisis, we considered the assessment of these items to be a key audit matter.	Our work mainly consisted of: ▪ obtaining an understanding of the process and controls implemented by management to prepare and update operating budgets; ▪ examining on a sample basis the assumptions made by management in estimating the profit on property developments, and notably assumptions regarding selling prices, land acquisition costs, construction costs, service fees and internal expenses; ▪ examining the most significant changes in income at completion through an interview with management; ▪ comparing the technical completion rates of developments representing significant revenue and costs (net property income) with external confirmations conducted by the main contractors for construction costs and notarised deeds for land costs. We also reconciled the commercial completion rates with notarised deeds by conducting specific tests of sales of the year. We also called on team members with particular expertise in information systems to perform tests of software controls related to the marketing process; ▪ review, through interviews with operational staff involved, on a sample basis, the material projects with margins lower or higher than the average margin of the Group's property development projects. With regard to significant onerous contracts, we examined the assumptions used to estimate the losses on completion corresponding to these contracts; ▪ testing, on a sample basis, the arithmetical accuracy of revenue and the associated net property income generated during the year and recorded in the consolidated financial statements using income at completion and rates of commercial and technical completion. The measurement of inventories for projects not yet available for sale and projects delivered was the subject of special attention. For projects not yet available for sale, we reviewed management's projections in light of our detailed scrutiny of the portfolio as part of the financial close and assessed the positions taken by management with regard to the valuation of these inventories. For projects that had been delivered, we compared the cost price of the unsold units with the projected selling prices and we took note of the analysis carried out by the financial controllers relating to the monthly disposal rates of the various brands.

Special verifications

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

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

Other verifications or information required by laws and regulations

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

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

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

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

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

Appointment of Statutory Auditors

We were appointed Statutory Auditors for the company Altareit at your General Shareholders' Meeting of 8 June 2023 in the case of MAZARS and 2 June 2008 in the case of ERNST & YOUNG Audit.

At 31 December 2023, the firm MAZARS was in the first year of its uninterrupted engagement and ERNST & YOUNG et Autres in its sixteenth year.

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. 821-55 of the French Commercial Code, our assignment as auditors is not to guarantee the viability or quality of the management of your company.

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

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

Paris-La Défense, 21 March 2024

The Statutory Auditors

MAZARS	**ERNST & YOUNG Audit**
Gilles Magnan Johanna Darmon	Jean-Roch Varon Soraya Ghannem

3

ANNUAL FINANCIAL STATEMENTS 2023

3.1 Income statement

Income statement (list)

Title *(€ thousands)*	**2023**	**2022**
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		
Recoveries of provisions (and depreciation/amortisation), expense reclassifications		
Other income	0.0	0.0
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	5,575.2	5,625.7
Taxes, duties and analogous payments	0.6	0.5
Salaries and wages		
Social security contributions		
Operating allowances		
Non-current assets: impairment provisions		
Non-current assets: impairment provisions		
Current assets: impairment provisions		
For risks and charges: allowances to provisions		
Other expenses	12.0	12.0
Operating expenses	**5,587.8**	**5,638.2**
OPERATING INCOME/(LOSS)	**(4,463.7)**	**(4,514.1)**
Joint transactions		
Profit or loss transferred		
Loss or profit transferred		
Financial income		
Financial income from investments	54,573.4	7,075.3
Income from other marketable securities and receivables on non-current assets		
Other interest and similar income	12,483.2	238.2
Reversals of provisions, impairment and expense reclassifications	77.6	24,816.1
Foreign exchange gains		
Net gains on the disposal of marketable securities	2,467.0	1,510.4
Financial income	**69,601.2**	**33,640.1**
Allowances for amortisation, impairment and provisions	3,335.5	27,640.7
Interest and similar expenses	37,601.9	21,728.5
Foreign exchange losses		
Net expenses on disposals of marketable securities	4,445.9	
Financial expenses	**45,383.3**	**49,369.2**
NET FINANCIAL INCOME/(EXPENSE)	**24,217.9**	**(15,729.2)**
PROFIT BEFORE TAX AND NONRECURRING ITEMS	**19,754.2**	**(20,243.3)**

Income statement (continued)

Title *(€ thousands)*	**2023**	**2022**
Exceptional income from operating items		
Exceptional income from capital transactions	368.0	12,898.2
Reversals of provisions, impairment and expense reclassifications		547.7
Exceptional income	**368.0**	**13,445.9**
Exceptional expenses on operating items	1.8	3.7
Exceptional expenses on capital transactions	79.9	4.0
Allowances for amortisation, impairment and provisions		
Exceptional expenses	**81.8**	**7.7**
Net exceptional income/(expense)	286.2	13,438.3
Employee profit-sharing		
Income tax	(15,633.4)	(8,234.9)
Total income	**71,093.3**	**48,210.1**
Total expenses	**35,419.4**	**46,780.2**
PROFIT/LOSS	**35,673.8**	**1,429.9**

3.2 Balance sheet

Assets

Title *(€ thousands)*	Gross Amount	Depr./Amort Provisions	31/12/2023	31/12/2022
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				
Others				
Property, plant and equipment in progress				
Advances and down payments				
Financial assets				
Investments	304,113.4	(116,701.4)	187,412.1	167,148.8
Investment-related receivables	757,814.1	(2,150.3)	755,663.8	840,256.8
Other long-term investments				
Loans				
Other non-current financial assets				
NON-CURRENT ASSETS	**1,061,927.5**	**(118,851.7)**	**943,075.9**	**1,007,405.7**
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	1,011.7		1,011.7	
Others	39,222.1		39,222.1	139,506.5
Marketable securities				
Marketable securities (including treasury shares: 131,191)	150.5	(21.8)	128.7	59,042.3
Cash and cash equivalents				
Cash and cash equivalents	124,973.8		124,973.8	75,416.8
Prepaid income and accruals				
Prepaid expenses	20.8		20.8	20.6
CURRENT ASSETS	**165,378.8**	**(21.8)**	**165,357.0**	**273,986.3**
Prepaid expenses				
Redemption premiums	254.5		254.5	428.7
Unrealised foreign currency translation assets				
GENERAL TOTAL	**1,227,560.8**	**(118,873.5)**	**1,108,687.4**	**1,281,820.6**

Liabilities

Title *(€ thousands)*	**2023**	**2022**
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
Others	4,778.6	4,778.6
Retained earnings	294,606.3	293,176.4
Net income/(loss) for the year	**35,673.8**	**1,429.9**
Investment grants		
Regulated provisions		
EQUITY	**414,286.9**	**378,613.1**
Provisions for contingencies		
Provisions for expenses	8.7	15.6
PROVISIONS	**8.7**	**15.6**
Proceeds from the issue of participating securities (titres participatifs)		
Conditional advances		
OTHER EQUITY		
Financial liabilities		
Convertible bond issues		
Other bond issues	339,308.4	344,204.4
Borrowings from credit establishments	225,045.5	205,359.4
Other borrowings and financial liabilities	127,535.6	347,190.8
Advances and down payments made for orders in progress		
Operating payables		
Trade payables and related accounts	2,321.3	2,087.0
Tax and social security payables	168.6	4,338.4
Other payables		
Amounts due on non-current assets and related accounts		
Other payables	12.3	12.0
Prepaid income and accruals		
Prepaid income		
PAYABLES	**694,391.7**	**903,192.0**
Translation differences – liabilities		
GENERAL TOTAL	**1,108,687.4**	**1,281,820.6**

3.3 Notes to the annual Financial statements

French Commercial Code, Articles L. 123-13 to L. 123-21 and R. 123-195 to R. 123-198, Decree No. 83-1020 of 29 November 1983, ANC Regulation No. 2014-03 on the General Accounting Plan as amended, notably by French Accounting Standards Authority (Autorité des Normes Comptables) regulations No. 2015-06 and 2016-07.

Altareit is controlled by Altarea with a 99.86% stake and hosts the Altarea Group's diversification and third-party 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 27 February 2024 following review by the Supervisory Board.

3.3.1 Major events during the financial year

Like the previous year, 2023 was marked by the war in Ukraine and a weakened economic outlook resulting in a rise in interest rates, increased cost of raw materials and problems with supply and the run-down of inventories. All of these factors were taken into account in the judgements and estimates made by Management for the preparation of the financial statements for the year ended 31 December 2023. However, the economic environment remains uncertain in 2024 and it is hard to assess its impact on the Company's activities and results, which would, in any event, have no impact on its viability as a going concern.

Primonial

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

Following the non-completion of the acquisition of Primonial, the Sellers (various groups of shareholders of Primonial (investment funds and Managers) summoned the Company and its indirect subsidiary, Alta Percier, before the Commercial Court of Paris, in order to obtain compensation for the damage they allegedly suffered.

Altarea and Alta Percier challenge such claims, which they believe are groundless. On the contrary, Altarea and Alta Percier consider that the Sellers are responsible for the failure to complete the transaction. Altarea is asking that they be ordered to pay damages in respect of the losses suffered by the Group. To this end, on 20 June 2022, Altarea and Alta Percier filed claims in response in a voluntary intervention before the Paris Commercial Court.

In their claims in response of 21 November 2022 and 16 January 2023, the Primonial shareholder groups revised their pleadings, claiming damages of €119 million for the Manager vendors and €588 million for the investment funds.

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

Altarea filed new claims in response in July 2023, developing its arguments and increasing the amount of its claim against Primonial's vendors to approximately €330 million. The Primonial Vendors have not yet filed their response on the facts of the case.

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

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 Regulations 2015-06 and 2016-07.

The accounting principles and methods are identical to those applied when preparing the annual financial statements for the year ended 31 December 2022. 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 transfer 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 prorata basis. Treasury shares held for grants to employees of the Company's subsidiaries are not subject to impairment insofar as the cost of such shares, which is equal to the cost of the shares plus any management fees, if applicable, will be passed on to these subsidiaries on delivery. These rules comply with the provisions of ANC Regulation No. 2014-03.

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 recognised directly as expenses. Bond redemption premiums are spread over the life of the bonds.

Provisions

In accordance with ANC Regulation 2014-03 on liabilities, a provision is a liability considered probable or certain representing an obligation that will cause an outflow of resources to a third party without equivalent consideration being received in exchange and of uncertain timing and amount.

3.3.3 Comments, figures and tables

3.3.3.1 Notes on balance sheet items – Assets

3.3.3.1.1 Financial assets

Gross financial assets (in thousands of euros)

Financial assets	31/12/2022	Increase	Decrease	31/12/2023
Participating interests	**280,898.9**	**23,270.0**	**55.5**	**304,113.4**
Financial receivables	**842,289.7**	**1,681,899.0**	**1,766,374.5**	**757,814.1**
Investment-related receivables	842,289.7	1,681,899.0	1,766,374.5	757,814.1
Loans and other fixed assets				
TOTAL	**1,123,188.6**	**1,705,169.0**	**1,766,430.0**	**1,061,927.5**

The change in "Investment-related receivables" is mainly due to the change in the following receivables: decrease in receivables to Alta Faubourg and Cogedim of €154,155 thousand and €18,034 thousand respectively, increase in receivables to Alta Penthièvre and Holdco Alta Pyramides of €38,097 thousand and €49,440 thousand respectively.

The increase in "Participating interests" is due to the €3,000 thousand capital increase in Altarea Invest Managers SAS and the acquisition of a 50% stake in the real estate debt fund ATREC for €20,270 thousand.

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

Provisions for financial assets (in thousands of euros)

		Increases during the financial year	Decrease during the financial year		
Impairment	31/12/2022	Increases	Reversals of unused provisions	Provisions used in the period	31/12/2023
Impairment of equity securities	113,750.1	3,003.8	52.5		116,701.4
Impairment of other non-current financial assets	2,032.8	135.7	18.2		2,150.3
Other impairment		21.8			21.8
TOTAL	**115,782.9**	**3,161.2**	**70.7**		**118,873.5**

3.3.3.1.2 Receivables and accruals

Receivables and accruals (in thousands of euros)

Receivables	Gross amount 2023	Provisions	Net amount 2023	Net amount 2022
Trade receivables and related accounts	**1,011.7**		**1,011.7**	
Other receivables	**39,242.9**		**39,242.9**	**139,527.2**
Personnel and related accounts				
Advances and down payments				
Government, other authorities: value added tax	215.8		215.8	289.9
Government, other authorities: sundry receivables	16,334.4		16,334.4	
Group and partners	22,671.7		22,671.7	138,766.6
Sundry debtors	0.2		0.2	450.0
Prepaid expenses	20.8		20.8	20.6
TOTAL	**40,254.5**		**40,254.5**	**139,527.2**

Breakdown of receivables and accruals by maturity date (€ thousands)

Receivables	Gross amount 2023	Less than 1 year	1 to 5 years	More than 5 years
Trade receivables and related accounts	1,011.7	1,011.7		
Personnel and related accounts				
Advances and down payments				
Government, other authorities: value added tax	215.8	215.8		
Government, other authorities: sundry receivables	16,334.4	16,334.4		
Group and partners	22,671.7	22,671.7		
Sundry debtors	0.2	0.2		
Prepaid expenses	20.8	20.8		
TOTAL	**40,254.5**	**40,254.5**		

3.3.3.1.3 Accrued income

Accrued income (€ thousands)

Accrued income included in the balance sheet line items	31/12/2023	31/12/2022
Accrued interest receivable	416.4	43.1
TOTAL	**416.4**	**43.1**

3.3.3.1.4 Marketable securities

Marketable securities include €150 million of treasury shares.

Marketable securities (€ thousands)

Marketable securities	31/12/2022	Increase	Decrease	Provisions	31/12/2023
TRESO PLUS term account	12,014.8		12,014.8		
Treasury shares	131.2	199.3	180.0		150.5
Shares	46,896.3	6,049.4	52,945.7		
TOTAL	**59,042.3**	**6,248.7**	**65,140.5**		**150.5**
Treasury shares	207	366	287		286
Number of shares	1,771,363	140,617	1,911,980		0

At 31 December 2023, all treasury shares were for market-making purposes.

3.3.3.2 Notes on balance sheet items – Liabilities

3.3.3.2.1 Equity

Statement of changes in equity (€ thousands)

Equity	31/12/2022	Allocation	Capital reduction, issue costs	Capital incr. & contributions	2023 income	31/12/2023
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
Available reserve	4,805.4					4,805.4
Retained earnings	293,176.4	1,429.9				294,606.3
Net income for the year	1,429.9	(1,429.9)			35,673.8	35,673.8
Investment grants						
Regulated provisions						
TOTAL	**378,613.1**				**35,673.8**	**414,286.9**

At 31 December 2023, 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.

3.3.3.2.2 Provisions

Changes in provisions (€ thousands)

Provisions for contingencies and expenses	31/12/2022	Increases during the financial year	Decrease during the financial year		31/12/2023
		Increases	Reversals of unused provisions	Provisions used in the period	
Other provisions for contingencies and expenses	15.6			6.9	8.7
TOTAL	**15.6**			**6.9**	**8.7**

3.3.3.2.3 Borrowings and other financial liabilities

Breakdown of payables by maturity date (€ thousands)

Borrowings and other financial liabilities	31/12/2023	Less than 1 year	1 to 5 years	More than 5 years	31/12/2022
Financial liabilities	**691,889.5**	**145,389.5**	**546,500.0**		**896,754.6**
Other bond issues	339,308.4	4,808.4	334,500.0		344,204.4
Bank borrowings	225,045.5	13,045.5	212,000.0		205,359.4
Other borrowings and financial liabilities					221,994.0
Group and partners	127,535.6	127,535.6			125,196.8
Other payables					
Accounts payable and other payables	**2,502.2**	**2,502.2**			**6,437.4**
Suppliers and related accounts	2,321.3	2,321.3			2,087.0
Employee-related and social security payables					
Tax payables	168.6	168.6			4,338.4
Amounts due on non-current assets and related accounts					
Other payables	12.3	12.3			12.0
Prepaid income					
TOTAL	**694,391.7**	**147,891.7**	**546,500.0**		**903,192.0**

Other borrowings and financial liabilities at 31 December 2022 correspond to treasury notes and medium-term negotiable securities.

At 31 December 2023, bank borrowings excluding accrued interest amounted to €223 million.

Redemption premiums on borrowings (€ thousands)

Change in amortisation of premiums	31/12/2023	31/12/2022
Redemption premiums on bonds	254.5	428.7
TOTAL	**254.5**	**428.7**

Table of payables in balance sheet line items (€ thousands)

Payables included in balance sheet line items	31/12/2023	31/12/2022
Borrowings and financial liabilities	6,845.3	7,032.5
Suppliers and related accounts	1,194.6	1,917.2
Amounts due on non-current assets and related accounts		
Taxes, duties and analogous payments		
Personnel costs		
Cash and cash equivalents, bank – expenses	6.6	31.2
Miscellaneous	12.0	12.0
TOTAL	**8,058.5**	**8,992.9**

3.3.3.3 Notes to the income statement

3.3.3.3.1 Revenue

Revenue breakdown (€ thousands)

	31/12/2023	31/12/2022
External services	1,124.1	1,124.1
Others		
TOTAL	**1,124.1**	**1,124.1**

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

3.3.3.3.2 Operating expenses

Details of operating expenses (€ thousands)

Operating expenses	31/12/2023	31/12/2022
Current activity expenses	16.4	19.5
Commissions and fees	1,967.8	2,205.3
Advertising and public relations	68.5	
Banking services and similar accounts	3,522.5	3,400.8
Taxes and duties	0.6	0.5
Depreciation, amortisation, provisions and impairment		
Other expenses	12.0	12.0
OPERATING EXPENSES	**5,587.8**	**5,638.2**

Commissions and fees include compensation for the management of Altafi 2 for a total amount of €1,290 thousand at 31 December 2023.

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 2023 was €12 thousand and is recognised in "Other expenses".

3.3.3.3.3 Net financial income/(expense)

Net financial income/(expense) (€ thousands)

Net financial income/(expense)	31/12/2023	31/12/2022
Financial income		
■ Dividends	11,297.3	
■ Income from current accounts	43,981.5	7,075.3
■ Other interest and similar income	11,777.8	238.2
■ Reversals of provisions, impairment and expense reclassifications	77.6	24,816.1
■ Foreign exchange gains		
■ Net gains on the disposal of marketable securities	2,467.0	1,510.4
■ Other financial income		
TOTAL	**69,601.2**	**33,640.1**
Financial expenses		
■ Depreciation, amortisation and provisions	3,335.5	27,640.7
■ Interest and similar expenses	37,523.3	21,728.5
■ Foreign exchange losses		
■ Net expenses on disposals of marketable securities	4,445.9	
■ Other financial expenses	78.6	
TOTAL	**45,383.3**	**49,369.2**
NET FINANCIAL INCOME/(EXPENSE)	**24,217.9**	**(15,729.2)**

Net financial income of €24,217.9 thousand mainly corresponds to €43,981.5 thousand of financial income on current accounts and €-37,523 thousand of interest and charges.

Allowances net of reversals to depreciation, amortisation and provisions represented an expense of €3,255.9 thousand. They correspond to net changes in provisions for equity investments and related receivables and €174 thousand of amortisation of the issue premium.

3.3.3.3.4 Exceptional income

Exceptional income statement (in thousands of euros)

Net exceptional income/(expense)	31/12/2023	31/12/2022
Exceptional income		
■ Exceptional income from operating items		
■ Exceptional income from capital transactions	368.0	12,898.2
■ Reversals of provisions and expense reclassifications		547.7
TOTAL	**368.0**	**13,445.9**
Exceptional expenses		
■ Exceptional expenses on operating items	1.8	3.7
■ Exceptional expenses on capital transactions	79.9	4.0
■ Exceptional allowances for depreciation, amortisation and impairment		
TOTAL	**81.8**	**7.7**
EXCEPTIONAL INCOME	**286.2**	**13,438.3**

Exceptional income corresponds to a €286.2 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

The Company did not carry out any significant transactions 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 €227,320 thousand at 31 December 2023.

Breakdown of tax expenses (€ thousands)

	Profit before tax	Net income/ expense from tax consolidation	Corporation tax	Net result
Profit before tax and nonrecurring items	19,754.2	14,941.5	691.9	35.387.6
Exceptional income	286.2			286.2
TOTAL	**20,040.5**	**14,941.5**	**691.9**	**35,673.8**

The tax income recognised on 31 December 2023 is a net amount of €15,633 thousand. It consists of tax consolidation income of €14,941.5 thousand, corresponding to contributions from subsidiaries and tax income of €691.9 thousand.

Changes in deferred tax liabilities

	31/12/2022	Variations		31/12/2023
Reductions		+	-	
Social solidarity contribution				
Tax deficit	(94,087.7)		101,737.5	(195,825.3)
Total base	**(94,087.7)**		**101,737.5**	**(195,825.3)**
TAX OR TAX SAVINGS (25%)	**(23,521.9)**		**25,434.4**	**(48,956.3)**

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 €950.4 million.

Commitments given

Altareit SCA has stood surety for various Group companies for land forward payments and financial guarantees of completion. These guarantees totalled €28.7 million at 31 December 2023.

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	341,717.4	100.00%	44,294.3	44,294.3	238,707.4	238,707.4	(98,905.9)	10,000.0	
COGEDIM SAS	30,000.0	54,009.7	100.00%	115,750.0	115,750.0	403,525.4	403,525.4	134,899.9		
ALTA PENTHIEVRE	500.0	(340.0)	100.00%	118,399.0	1,797.7	63,931.6	63,931.6	(3,844.6)		
ALTA PERCIER HOLDING	1.0	(2,160.1)	100.00%	100.0		2,150.3		(131.0)		
ALTAREA INVESTMENT MANAGERS	875.0	753.3	100.00%	5,000.0	5,000.0	59.5	59.5	(3,371.7)		302.8
HOLDCO ALTA PYRAMIDES	50.0	127.9	100.00%	300.0	300.0	49,439.9	49,439.9	(122.1)		
ALTAREA TIKEHAU REAL ESTATE CREDIT OPPORTUNITIES 1	40,000.0		50.00%	20,270.0	20,270.0					
AFFILIATES (10% TO 50%)										
TOTAL				**304,113.4**	**187,412.1**	**757,814.1**	**755,663.8**		**10,000.0**	

3.4 Additional information

3.4.1 Summary of payment terms

	Invoices received and issued but not paid at the closing date of the financial year ended (Article D. 441-6 I and A.441-2 of the French Commercial Code)											
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 and over	Total (1 day and over)	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 and over	Total (1 day and over)
(A) Overdue categories												
Number of invoices included	1						1					1
Total amount of the invoices included (incl. VAT)	1,126,667						674,448				337,225	337,225
% of total amount of purchases (incl. VAT) for the financial years	20.21%	0.00%	0.00%	0.00%	0.00%	0.00%						
% of total amount of revenue (incl. VAT)							60.00%	0.00%	0.00%	0.00%	30.00%	30.00%
(B) Invoices excluded from (A) relating to overdue or unrecorded receivables and payables												
Number of invoices excluded			-						-			
Total amount of the invoices excluded (incl. VAT)			-						-			
(C) Benchmark payment terms used (contractual or legal terms)												
Benchmark payment terms used for to calculate overdue payments			[contractual/legal]						[contractual/legal]			

3.4.2 Results of the last five financial years

Type of indications	31/12/2023	31/12/2022	31/12/2021	31/12/2020	31/12/2019
Duration of the period (months)	12	12	12	12	12
CAPITAL AT END OF THE YEAR					
Share Capital	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	1,124.1	1,111.7	1,222.7
Income before tax, interest, depreciation and impairment	23,298.4	(4,528.1)	46,139.5	8,546.2	(12,697.0)
Income tax	(15,633.4)	(8,234.9)	(11,707.5)	(10,510.4)	(16,247.9)
Employee participation					
Allowances depr./amort. and impairment	3,257.9	2,276.9	291.0	416.8	1,023.7
Net result	35,673.8	1,429.9	57,556.0	18,639.8	2,527.3
Distributed income					
EARNINGS PER SHARE					
Income after tax, interest, before depr./amort. and impairment	22.2	2.1	33.0	10.9	2.0
Income after tax, interest, depr./amort. and impairment	20.4	0.8	32.9	10.7	1.4
Dividend allocated					
EMPLOYEES					
Average employee workforce					
Payroll					
Amounts paid in benefits (social security, social welfare, etc.)					

Payroll = total of the sum of the 641 "employee compensation" accounts.
Amounts paid in employee benefits = sum of the 645 "social security and welfare expenses" and 647 "other social security contributions" accounts.

3.5 Statutory Auditors' report on the annual Financial statements

Year ended the 31 December 2023

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 Altareit's annual financial statements for the year ended 31 December 2023, as attached to this report.

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

Basis of the opinion

Audit guidelines

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

Our responsibilities pursuant to these standards are set out under the section of this report entitled "Responsibilities of the Statutory Auditors in auditing the annual financial statements".

Independence

We carried out our audit mission in compliance with the independence rules provided for by the French Commercial Code and the ethics code of the Statutory Auditors on the period from1 January 2023 at the date of issue of our report, and in particular we have not provided services prohibited by Article 5 (1) of Regulation (EU) No. 537/2014.

Basis for our assessments – Key audit matters

It is in this complex and evolving context that, pursuant to the provisions of Articles L. 821-53 and R. 821-180 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most important for the audit of the annual financial statements for the year, as well as the responses we have provided to address these risks.

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

Evaluation of participating interests, investment-related receivables and loans

Risk identified	Our response
The participating interests, investment-related receivables and loans included on the balance sheet at 31 December 2023, a net total of €943 million, represent a significant balance sheet item (85% of assets). Participating interests are carried on the balance sheet at their acquisition cost or at their transfer value and impaired on the basis of their value in use. Investment-related receivables and loans related to indirect equity holdings are carried at their contribution or nominal value. As explained in paragraphs "Participating interests" and "Receivables attached to investments" in Note 1.3.2 "Accounting principles, rules and methods" 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, on a sample basis, the mathematical accuracy of the formulas used to calculate book values; ■ recalculating, on a sample basis, the impairments recorded by your company. Over and above ascertaining the value in use of participating interests, our work also consisted in, where applicable: ■ assessing the recoverability of investment-related receivables and loans given the analysis performed on participating interests; ■ reviewing the need to account for a risk provision where your company is committed to bearing the losses of a subsidiary in negative equity.

Special verifications

We also carried out the specific verifications required by law and regulations, in accordance with professional standards applicable in France.

Information given in the management report and other documents addressed to shareholders, on the financial position and annual financial statements

We have no matters to report as to the true and fair nature and the consistency with the financial statements of the information provided in the management report and documents sent to shareholders concerning the Company's financial position and the annual financial statements.

We confirm the sincerity and consistency with the annual financial statements of the information related to the terms of payment referred to in Article D. 441-6 of the French Commercial Code.

Report on Corporate Governance

We attest to the existence, in the Supervisory Board report on Corporate Governance, of the information required under Articles L. 225-37-4 and L. 22-10-10 and L.. 22-10-9 of the French Commercial Code.

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

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

Other verifications or information required by laws and regulations

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

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

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

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

Appointment of Statutory Auditors

We were appointed Statutory Auditors for the company Altareit at your General Shareholders' Meeting of 8 June 2023 in the case of MAZARS and 2 June 2008 in the case of ERNST & YOUNG Audit.

At 31 December 2023, the firm MAZARS was in the first year of its uninterrupted engagement and ERNST & YOUNG et Autres in its sixteenth year.

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. 82155 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.

Paris-La Défense, 21 March 2024

The Statutory Auditors

MAZARS	**ERNST & YOUNG Audit**
Gilles Magnan Johanna Darmon	Jean-Roch Varon Soraya Ghannem

3.6 Statutory Auditors' special report on related-party agreements

To the General Shareholders' Meeting of Altareit,

As the Statutory Auditors of your Company, we hereby present you with our report on related-party agreements.

Our responsibility is to report to you, based on the information provided to us, the characteristics, the main terms and conditions, as well as the reasons justifying the interest for the Company, of the agreements brought to our attention or of which we may have become aware or discovered in the performance of our work, without expressing an opinion on their usefulness and appropriateness or determining the existence of any other agreements. It is your responsibility, pursuant to Article R. 226-2 of the French Commercial Code, to assess the Company's interest in entering into these agreements before deciding on whether to approve them.

It is also our responsibility to report to you, as provided by Article R. 226-2 of the French Commercial Code, information pertaining to the performance of agreements previously approved by the General Shareholders' Meeting and that remained in effect during the past year.

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

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.

Paris-La Défense, 21 March 2024

The Statutory Auditors

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

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	2023 results	Target	Change 2022-2023	Comment
Taxonomy	**Revenue alignment**	**44.7%**	Mostly aligned	↗	A high level of alignment supported by a limited assurance opinion on the Altarea Group's aligned revenue by EY, the Group's Statutory Auditor
Decarbonisation	**CO_2 emissions (scopes 1, 2 and 3)**	**Property Development: 1.3 tCO_2e/m^2 (-16% *vs.* 2019)**	-50% in 2035[(a)]	↘	Altareit has been setting targets, which have been regularly updated, since 2017. In 2023, the Group worked on the integration of more emission factors in its operations and the automation of the calculation.
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 determination to offer projects with good public transport links
Regional development	**Percentage of building site purchases from local suppliers (less than 50 km)**	**74%**	Maintenance	↗	Altareit monitors this indicator to strengthen its contribution to the local economy
Certifications and green value	**Percentage of Residential projects certified NF Habitat[(b)]**	**100%**	100% of Residential projects certified NF Habitat	=	Performance has been stable for eight years, reflecting the Group's continuous efforts to improve the quality of its operations
	Percentage of new Business Property projects certified HQE™ "Very Good" and/or BREEAM® "Very Good" or higher	**100%**	100% of new projects certified		
Customer satisfaction	**Result in the HCG/Les Échos customer relations ranking**	**1st place in the rankings**	Maintenance	=	The Group has spent 4 years in the top 3 and is recognised as a benchmark in customer relations
Women's representation in management	**Percentage of women on the Management Committee**	**26.7%**	60% of vacancies filled by women	=	The Group continues its actions to promote access for women to management positions
Internal mobility	**Percentage of positions filled internally**	**50.8%**	40% minimum	=	Resizing teams as part of the managerial responsibility project has been a mobility accelerator

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

4.1.2 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 website);
- the risk analysis carried out as part of the preparation of the Altarea Group's DPEF in 2018;
- in 2022, a detailed analysis of challenges related to the european taxonomy;
- in 2023, work to anticipate and gradually transition to the future sustainability report to be produced under the Corporate Sustainability Reporting Directive (CSRD).

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

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

TOUS ENGAGÉS !

Group's CSR approach

THE CONVICTIONS

CITIES
Developing and preserving regions

CUSTOMERS
Customer satisfaction at heart of actions

TALENTS
Excellence as a driver for performance

THE COMMITMENTS

Cities:
- Working toward a resilient, low-carbon city
- Preserving biodiversity and soil
- Promoting the circular economy
- Develop desirable urban projects with a positive impact

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 deployment of the CSR approach

Organisation

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

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

- the CSR Department proposes CSR actions to Management and the Executive Committee;
- the CSR Department relies on the CSR Committee, which meets regularly to implement these actions. This network of around forty coordinators represents each of the Group's business lines (Residential, Business property and New businesses) and cross-functional departments (Human Resources, Finance, Internal Control, etc.);
- a network of contacts within the business lines has been set up, with regular and formalised meetings, making it possible to monitor each person's subjects, and to coordinate and harmonise practices throughout the Group;
- *ad hoc* working groups are formed to focus on targeted and operational topics with special coordinators and other participants. In 2023, working groups were set up on climate issues (in-depth work on methods of measurement and trajectory), the EU taxonomy and the CSRD;
- in 2023, the CSR Department continued to work alongside the brands to align their CSR strategies with the Group's "Tous engagés !" approach;
- in 2022, for the first time, an ESG Supervisory Board was held focused on the topics of climate and the taxonomy, as well as extra-financial issues for the coming years;
- lastly, to stay close to its stakeholders, in 2021 the Group set up a network of operational CSR ambassadors, open to motivated employees in all brands and business lines, one of whose missions is to relay the CSR strategy of the Group.

The whole Company is engaged in extra-financial issues by a financial incentive: in 2023, part of the management's variable compensation depended on the extra-financial ratings and other CSR-related criteria, including at least one criterion related to the Company's climate objectives. In addition, for the past three years, the Group's profit-sharing agreement as well as the long-term bonuses of Managers have included extra-financial criteria related to the climate, women's representation in management, internal mobility and customer satisfaction.

CSR team contact: developpementdurable@altarea.com

Deployment of the CSR approach

Tools and thematic guides

Each year, the CSR Department produces and circulates tools and guides to raise awareness of employees of the various themes around sustainability and how to facilitate their inclusion. These guides notably cover cooperation with stakeholders with a positive impact (including the social and solidarity economy (SSE) sector), the circular economy, summer comfort, biodiversity and certifications and labels.

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

Awareness and training

One of the Group's strong convictions is that the Company's transformation on climate issues will only be achieved with the contribution of all employees. Multiple training courses on major CSR issues are available to all employees as soon as they join the Group. Formats are diversified to best address the selected topics with attractive and innovative teaching methods, suitable for everyone from generalist to expert. The Group has therefore decided to roll out, from 2021, an in-depth training course on 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 in 2022 and issues relating to climate change mitigation and adaptation;
- "The circular economy in property", seeking to promote circular economy solutions at every stage of the building's life cycle;
- "What is CSR at Altarea?", seeking to explain the strategic challenges of the Group's CSR approach and specifying the major topics; and
- "Insight to low-carbon solutions", seeking to present ways to improve greenhouse gases emissions in the property industry, both on materials and energy.

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

Relations with stakeholders

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

Clients	Buyers of residential units and investors	Office users key accounts
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	Marketing partners
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 company	Make the Group's CSR challenges a major part of its business relationships	Providing our sales partners with tools to better sell our products
	4.2.4	4.1	4.4	4.3.4 and 4.3.5	4.3.1

4.1.4 European taxonomy

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

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

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

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

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

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

Revenue

Reconciliation with consolidated data

Group revenue corresponds to consolidated net revenue as presented in accordance with IAS 1-82[2] excluding the following:

- joint ventures under IFRS 11;
- associates according to IAS 28 (but additional KPIs possible for equity-method affiliates provided a reconciliation is provided);
- revenue from discontinued operations and IFRS 5;
- grant-related income.

Revenue is made up of the following three items (see Note 1 "Financial statements"):

- Group revenue;
- gross rental income;
- external services.

Details of Group revenue *(€ thousands)*	2023	2022
TOTAL	**2,450.8**	**2,729.8**
o/w rental income	-	-
o/w revenue	2,413.1	2,705.3
o/w external services	37.7	24.5

Eligible revenue

Depending on its activities, the Altareit Group is eligible for taxonomy as defined for sectors "7.1. Construction of new buildings", "7.2. Renovation of existing buildings" and "7.7. Acquisition and ownership of buildings", as these sectors can make a substantial contribution to the goal of climate change mitigation.

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	✓	✓	✓

In 2023, activities eligible for the european taxonomy represented 97.9% of the Altareit Group's revenue. The eligible portion of each activity studied is calculated in relation to the Group's revenue for 2023.

Eligibility of 2023 consolidated revenue with taxonomy by sector

	Group	7.1. Construction of new buildings	7.2. Renovation of existing buildings	7.7. Acquisition and ownership of buildings
A. Eligible activities *(€ millions)*	2,398.5	2,304.8	87.8	5.9
ELIGIBLE ACTIVITIES *VS.* GROUP REVENUE	**97.9%**	**94.0%**	**3.6%**	**0.2%**
B. Non-eligible activities *(€ millions)*	52.3	8.5	33.3	-
NON-ELIGIBLE ACTIVITIES *VS.* GROUP REVENUE	**2.1%**	**0.3%**	**1.4%**	**0.0%**

(1) Altareit URD 2022: Alignment rate of the Group's consolidated revenue of 43.4%.

(2) As defined in Article 2 of Directive 2013/34/EU: amounts derived from the sale of products and the provision of services after deducting sales rebates and value added tax and other taxes directly linked to revenue.

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

The only external services qualifying under the EU taxonomy are those corresponding to:

- asset management fees for offices in which the Group holds shares;
- revenues related to the operation of the auditorium at 87, rue de Richelieu.

Thus:

- revenue under sector "7.1 Construction of new buildings" comes from the Group's property development business in new buildings (Residential, Tertiary and Retail);
- revenue under sector "7.2 Renovation of existing buildings" comes principally from the renovation of old buildings (*i.e.* Histoire & Patrimoine);
- revenue under sector "7.7 Acquisition and ownership of buildings" comes from the operation of the auditorium at 87, rue de Richelieu.

Revenue alignment

In the 2023 fiscal year, 44.7% of the Altareit Group's revenue was aligned with the taxonomy. It was subject to a limited assurance opinion by the Group's Statutory Auditors EY[1].

Alignment of 2023 consolidated revenue with taxonomy by sector

	Group	7.1. Construction of new buildings	7.2. Renovation of existing buildings	7.7. Acquisition and ownership of buildings
A. Eligible activities *(€ millions)*	2,398.5	2,304.8	87.8	5.9
ELIGIBLE ACTIVITIES *VS.* GROUP REVENUE	**97.9%**	**94.0%**	**3.6%**	**0.2%**
A.1. Aligned activities *(€ millions)*	1,095.8	1,090.5	5.3	-
ALIGNED ACTIVITIES VS. GROUP REVENUE	**44.7%**	**44.5%**	**0.2%**	**0.0%**
B. Non-eligible activities *(€ millions)*	52.3	8.5	33.3	-
NON-ELIGIBLE ACTIVITIES *VS.* GROUP REVENUE	**2.1%**	**0.3%**	**1.4%**	**0.0%**
C. Revenue *(€ millions)*	2,450.8	2,313.3	121.1	5.9

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

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

After studying the pre-screened projects and assets, 123 projects with exhaustive supporting documentation were considered aligned. Revenues from these projects make up 44.7% of aligned revenue.

In addition, in a cross-functional manner, in order to be qualified as "sustainable" and therefore aligned, the subject activity must respect the minimum social guarantees.

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

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

Altareit is a signatory of the United Nations Global Compact and its principles in the areas of human rights, labour, respect for the environment and anticorruption, and also respects the principles and rights set out by the eleven fundamental Conventions in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.

In addition, as part of its responsible purchasing approach, the Altareit Group has identified risks in its supply chain, particularly with regard to human rights due diligence. Purchasing processes will be remapped in greater detail in accordance with the CSRD in 2024.

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.

Alignment of 2023 consolidated revenue with taxonomy by criterion

	Share of revenue/Total revenue	
	Aligned with taxonomy by objective	**Eligible for taxonomy by objective**
CCM[a]	44.7%	97.9%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	3.6%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

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

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

Altareit's revenue alignment rate with taxonomy in 2023

FY 2023				Substantial contribution criteria						Do no significant harm (DNSH) criteria									
Economic activities	Codes	Revenue	Share of 2023 revenue	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Share of revenue aligned with taxonomy (A.1.) or eligible for taxonomy (A.2.) 2022	Category (enabling activity)	Category (transitional activity)
		€ millions	%	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1. Activities eligible for taxonomy and aligned																			
Construction of new buildings	CCM 7.1	1,090.5	44.5%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y	42.4%		
Renovation of existing buildings	CCM 7.2	5.3	0.2%	Y	N	N/EL	N/EL	N	N/EL	N/A	Y	Y	Y	Y	N/A	Y	0.8%		T
Acquisition and ownership of buildings	CCM 7.7	-	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	N/A	N/A	N/A	N/A	Y	0.1%		
Revenue from environmentally sustainable activities (aligned with taxonomy) (A.1.)		**1,095.8**	**44.7%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N/A**	**Y**	**Y**	**Y**	**Y**	**N/A**	**Y**	**43.4%**		
o/w enabling		-	0.0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0.0%	E	
o/w transitional		5.3	0.2%							N/A	Y	Y	Y	Y	N/A	Y	0.8%		T
A.2. Activities eligible for taxonomy but not environmentally sustainable (not aligned with taxonomy)																			
				EL; N/EL	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**										
Construction of new buildings	CCM 7.1	1,214.2	49.5%	EL	EL	N/EL	N/EL	N/EL	N/EL								51.5%		
Renovation of existing buildings	CCM 7.2	82.5	3.4%	EL	EL	N/EL	N/EL	EL	N/EL								4.5%		
Acquisition and ownership of buildings	CCM 7.7	5.9	0.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Revenue from activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy) (A.2)		**1,302.7**	**53.2%**	**0%**	**0%**	**0%**	**0%**	**0%**	0%								**56.0%**		
Total A (A.1. + A.2.)		**2,398.5**	**97.9%**	**100%**	**0%**	**0%**	**0%**	**3.6%**	0%								**99.3%**		
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
Revenue from activities not eligible for taxonomy (B)		52.3	2.1%																
Total A + B		**2,450.8**	100.0%																

Y (YES); N (NO); EL (ELIGIBLE); N/EL (NOT ELIGIBLE).

Capex

Reconciliation with consolidated data

Capex corresponds to the increase in the gross value of property, plant and equipment and intangible assets for the financial year, before impairment, depreciation, amortisation and any revaluation, including those resulting from revaluations and impairments, for the financial year in question excluding fair value adjustments. Also included is the increase in the gross value of property, plant and equipment and intangible assets resulting from business combinations;

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

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

Details of 2023 Group Capex *(€ millions)*	2023
Total	**27.1**
o/w Investment properties (measured at fair value)	
o/w Investment properties (measured at cost)	
o/w IAS 16 Property, plant and equipment	6.8
o/w IAS 38 Intangible assets	0.2
of which Right-of-use (land and buildings)	17.5
o/w Right-of-use (vehicles)	2.6

The Group's consolidated Capex used as the denominator for the eligibility and alignment calculation is €27.1 million.

Eligible Capex

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

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

4

	Group	6.5 - Transport by motorcycles, passenger cars and light commercial vehicles	7.6 - Installation, maintenance and repair of renewable energy technologies.	7.7. Acquisition and ownership of buildings
A. Eligible activities *(€ millions)*	26.9	2.6	0.8	23.5
ELIGIBLE ACTIVITIES *VS.* GROUP REVENUE	**99.2%**	**9.8%**	**3.1%**	**86.6%**
B. Non-eligible activities *(€ millions)*	0.2	0.0	0.0	0.0
NON-ELIGIBLE ACTIVITIES *VS.* GROUP REVENUE	**0.6%**	**0.0%**	**0.0%**	**0.0%**
C. Group Capex *(€ millions)*	27.1	2.6	0.8	23.5

In fiscal year 2023, activities eligible under the european taxonomy represented 99.2% of the Group's Capex. The eligible portion of each activity is calculated compared to the Group's 2023 consolidated capex.

Aligned Capex

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

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

In 2023, the Group's Capex alignment rate was 27.4%.

This alignment rate reflects our first investments in the photovoltaic business for €0.8 million.

Alignment of 2023 Capex with taxonomy by criterion

	Share of Capex/Total Capex	
	Aligned with taxonomy by objective	Eligible for taxonomy by objective
CCM[a]	27.4%	99.2%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

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

Alignment

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

Altareit Capex alignment rate with taxonomy in 2023

FY 2023		Year		Substantial contribution criteria						Do no significant harm (DNSH) criteria									
Economic activities	Codes	Capex	Share of 2023 Capex	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Share of Capex aligned with taxonomy (A.1.) or eligible for taxonomy (A.2.) 2022	Category (enabling activity)	Category (transitional activity)
		€ millions	%	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1. Activities eligible for taxonomy and aligned																			
Transport by motorcycles, passenger cars and light commercial vehicles	CCM 6.5	2.6	9.8%	Y	N	N/EL	N/EL	N	N/EL	N/A	Y	Y	Y	Y	Y	Y	0.0%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.8	3.1%	Y	N	N/EL	N/EL	N	N/EL	N/A	Y	Y	Y	Y	N/A	Y	0.0%		T
Acquisition and ownership of buildings	CCM 7.7	23.5	86.6%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	N/A	N/A	N/A	N/A	Y	38.5%		
Capex of environmentally sustainable activities (aligned with taxonomy) (A.1.)		**26.9**	**99.2%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N/A**	**Y**	**Y**	**Y**	**Y**	**N/A**	**Y**	**38.5%**		
o/w enabling		0.8	3.1%	100%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
o/w transitional		0.0	0.0%							N/A	Y	Y	Y	Y	N/A	Y	0.0%		T
A.2. Activities eligible for taxonomy but not environmentally sustainable (not aligned with taxonomy)																			
				EL; N/EL	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**										
Transport by motorcycles, passenger cars and light commercial vehicles	CCM 6.5	0.0	0.0%	EL	EL	N/EL	N/EL	EL	N/EL								4.0%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.0	0.0%	EL	EL	N/EL	N/EL	EL	N/EL								0.0%		
Acquisition and ownership of buildings	CCM 7.7	0.0	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								36.0%		
Capex of activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy) (A.2)		**0.0**	**0.0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**								**40.0%**		
Total A (A.1. + A.2.)		**26.9**	**99.2%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								**78.5%**		
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
Capex of activities not eligible for taxonomy (B)		0.2	0.6%																
Total A + B		**27.1**	**100.0%**																

Y (YES); N (NO); EL (ELIGIBLE); N/EL (NOT ELIGIBLE).

Opex

Reconciliation with consolidated data

Opex means all non-capitalised direct expenses related to:

- research and development;
- building refurbishment measures;
- short-term leases;
- maintenance and repairs;
- as well as any other direct expenditure related to the day-to-day maintenance of property, plant and equipment by the Company or by a subcontracted third party and which are necessary to ensure the continuous and efficient operation of these assets (*e.g.*: maintenance supplies, cost of employees assigned to maintenance, IT dedicated to maintenance).

Eligible and aligned Opex

In 2023, the Opex denominator was €3.3 million. This amount is broken down as follows:

Details of 2023 Group Opex *(€ millions)*	**2023**
Total	**3.3**
o/w maintenance and repair costs for the head offices	3.2
o/w external R&D fees	0.1

The total amount of this increase is less than 5% of the Group's operating expenses (€286.6 million). These operating expenses were not considered to be significant for Altareit's business model. They mainly correspond to the upkeep and maintenance of its shopping centres. The Group therefore applies the principle of exemption permitted by the regulations for this KPI.

Alignment of 2023 Opex with taxonomy by criterion

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

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

Altareit Opex alignment rate with taxonomy in 2023

Fiscal year 2023				Substantial contribution criteria						Do no significant harm (DNSH) criteria									
Economic activities	Codes	Opex	Share of Opex 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Share of Opex aligned with taxonomy (A.1.) or eligible for taxonomy (A.2.) 2022	Category (enabling activity)	Category (transitional activity)
		€ millions	%	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1. Activities eligible for taxonomy and aligned																			
Construction of new buildings	CCM 7.1	-	0%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y	0%		
Renovation of existing buildings	CCM 7.2	-	0%	Y	N	N/EL	N/EL	N	N/EL	N/A	Y	Y	Y	Y	N/A	Y	0%		T
Acquisition and ownership of buildings	CCM 7.7	-	0%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	N/A	N/A	N/A	N/A	Y	0%		
Opex of environmentally sustainable activities (aligned with taxonomy) (A.1.)		**-**	**0%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N/A**	**Y**	**Y**	**Y**	**Y**	**N/A**	**Y**	**0%**		
o/w enabling		-	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
o/w transitional		-	0%							N/A	Y	Y	Y	Y	N/A	Y	0%		T
A.2. Activities eligible for taxonomy but not environmentally sustainable (not aligned with taxonomy)																			
				EL; N/EL	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**										
Construction of new buildings	CCM 7.1	-	0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Renovation of existing buildings	CCM 7.2	-	0%	EL	EL	N/EL	N/EL	EL	N/EL								0%		
Acquisition and ownership of buildings	CCM 7.7	-	0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Opex of activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy) (A.2)		**-**	**0%**	**0%**	**100%**	**0%**	**0%**	**100%**	**0%**								**0%**		
Total A (A.1. + A.2.)		**-**	**0%**	**100%**	**100%**	**0%**	**0%**	**100%**	**0%**								**0%**		
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
Opex of activities not eligible for taxonomy (B)		3.3	100%																
Total A + B		**3.3**	100%																

Y (YES); N (NO); EL (ELIGIBLE); N/EL (NOT ELIGIBLE).

Specific action plans on certain criteria

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

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

  It should be noted beforehand that all marketers must inform their customers of the presence of any substance of very high concern (SVHC) on the candidate list in application of Article 59 and taking into account the criteria in REACH Regulation Article 576 that may be present at concentrations greater than 0.1%. For substances and mixtures, it is mandatory to report this information *via* safety data sheets (SDS) (Article 31 of REACH). For items, Article 33.17 does not specify the reporting method; as a general rule, the information is provided in the environmental and health declaration sheet (EHDS, French equivalent of the Environmental Product Declaration (EPD)) or in an independent certificate sent from the supplier to its customer (B to B). From the point of view of Cogedim as purchaser of the product, it follows from these obligations that the absence of information received from suppliers on the presence of SVHCs indicates that these substances are not *a priori* present.

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

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

  This additional detection methodology was based on a representative sample of products marketed by the Group. It provides assurance that the regulatory obligation to disclose SVHCs is correctly understood and applied by Group suppliers.

In practice, the Group drew up a significant representative sample of all product listings within the scope of our Cogedim brand, based on a risk analysis approach.

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

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

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

The main conclusions of this study are:

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

4

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

Next steps

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

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

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

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

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

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

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

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

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

(1) The Group's responsible purchasing charter is available on its website via the link below (in French): https://presse.altarea.com/assets/charte-achats-responsables.html.

(2) Notably through the Group Incentive Agreement.

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

4.1.5 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.

Pacte Mondial des Nations Unies and Sustainable development goals	Altarea Group is committed to the Pacte Mondial des Nations Unies corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anticorruption. Altarea Group decides its actions in light of the United Nations' Sustainable development Goals (SDGs).	WE SUPPORT UN GLOBAL COMPACT / SUSTAINABLE DEVELOPMENT GOALS
Paris Action Climat	Altarea Group has been a signatory to the Charte Paris Action Climat since 2015, and renewed its commitment to the City of Paris by signing the Paris Action Climat Biodiversity Pact in 2022. Altarea Group is committed to contributing to the development of a low-carbon economy and the strengthening of nature in Paris.	ParisActionClimat
OID	The Observatoire de l'Immobilier Durable (OID), the sustainable property observatory is an independent general interest association which seeks to promote sustainability in construction. The Group is a founding member. Since April 2023, Altarea Group has been a partner and member of the Strategy Committee of Label ID', an initiative of the OID and the Université de la Ville de Demain whose objective is to improve the skills of all real estate professionals on sustainable development issues. Lastly, the Group also contributes to the association's publications such as the OID Baromètre de l'immobilier responsable (Responsible real estate survey).	OID / Label'ID
Université de la Ville de Demain	Led by the Fondation Palladio, the Université de la Ville de Demain is a movement that aims to build an unprecedented mode of cooperation between public sector, private players and civil society to promote a low-carbon city for all (France Géoénergie. development of family boarding houses, etc.). Altarea Group is a founding member of this movement. Several initiatives cited in this chapter come from the reflections of the Université de la Ville de Demain.	UNIVERSITÉ DE LA VILLE DE DEMAIN
BIG	Altarea Group is also a founding member of the Biodiversity Impulsion Group (BIG) initiative, led by the OID, aimed at developing a common framework to improve the biodiversity footprint of real estate projects and better reconcile the urban and ecological functions of the regions.	BIG go big for nature
CIBI	Altarea Group is a member of the Conseil International Biodiversité et Immobilier (CIBI). As such, it signed the BiodiverCity® charter in 2018, committing to preserving the biodiversity of cities and integrating living things into all urban projects.	biodivercity
BBCA	Altarea Group is a member of the Bâtiment Bas Carbone (BBCA) association and takes part in working towards low-carbon construction.	BÂTIMENT BBCA BAS CARBONE

Booster du Réemploi	Altarea Group is a member of the Booster du Réemploi, an environmental transformation programme for companies that aims to structure and develop demand for reuse materials.	
Booster des ENR & R	Altarea Group is also a member of the Booster des Énergies Renouvelables et de Récupération, a programme that aims to kickstart use of local energies to create more resilient real estate.	
Paris & Co	In 2023, Altarea Group joined the "Vers une ville Low Tech" initiative of Paris & Co, the innovation agency for Paris and major cities in France. This network of partners is examining ways of designing the city in order to co-build efficient solutions and meet the major challenges of the century.	
Institut de la Transition Foncière	The Institut de la Transition Foncière is an association of stakeholders in sustainable land management. Altarea Group is a partner of this organisation alongside other companies, associations, research institutions and public operators.	
Net Zero Initiative 4 Real Estate	Altarea Group is participating in the Net Zero Initiative 4 Real Estate (NZI4RE) project, which aims to bring together real estate companies and experts to develop a practical guide to carbon neutrality for developers and planners.	
Professional bodies	The Group actively participates in discussions on CSR-related topics at the Fédération des Acteurs du Commerce dans les Territoires (formerly CNCC), the Fédération des Entreprises Immobilières (FEI) and the Fédération des Promoteurs Immobiliers (FPI).	
Charte de la diversité	The Altarea Group is committed to the fight against discrimination and has been a signatory of the Charte de la diversité since December 2013.	

4.2 Working as a public interest partner for cities

Scope	Objectives/Commitments	2023 results	Change 2022-2023	Comment
Property Development	Reduce intensity per unit area by 50% between 2019 and 2035[a]	**1.3 tCO_2e/m^2 (-16% *vs.* 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 large urban projects have an ecological diagnostic**	=	The Group systematically refers to an ecologist to promote useful, high quality urban biodiversity
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 Business property. This demonstrates the Group's commitment to projects with good transport links, which offer convenience and low-carbon mobility
Business property		**100% of surface areas under development are located less than 500 metres from public transport**		
Residential	Measure share of local purchases	**74% of building site purchases from local service providers (<50 km)**	=	In 2022, the calculation was refined to better reflect the Group's impacts

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

4.2.1 Energy and climate: develop a resilient, low-carbon city

The climate emergency demands profound transformations in the way cities operate, to move towards more resource-efficient and resilient urban models. A specific responsibility weighs on buildings and construction, which are among the most energy-intensive and greenhouse gas-emitting sectors in France.

In addition, the consequences of climate change are already noticeable, with an intensification of climate phenomena: storms, heat peaks, heat waves made worse in cities by the phenomenon of heat islands. These weather events affect buildings and user comfort. They can impact the built environment, networks, construction sites and the quality of city life.

Today, 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 2035, and has put in place an organisation to manage and achieve this objective:

- full alignment of GHG reporting with financial reporting;
- levers of action adapted to each business line;
- climate targets integrated into compensation, to involve all employees (both in the profit-sharing agreement and 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. Project emissions are derived either from life cycle analyses (LCA) – for 17% of operations – or from standard data based on the year of the project.

Since the beginning of 2023, Altareit has undertaken significant work to expand scope 3 to include previously unreported types of emissions, in particular for Corporate activities. The Group is now able to report 8 of the 15 categories identified by the GHG Protocol.

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).

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

4.2.1.1 Overview of Altareit's emissions

Altareit measures its carbon footprint in accordance with the greenhouse gas Protocol (GHG Protocol) methodology.

Group emissions in 2023

Total Group emissions[a]	tCO_2e
Scope 1	1,226
Scope 2 market based	532
Scope 2 location based	425
Scope 3	878,176
TOTAL MARKET BASED	**879,935**
TOTAL LOCATION BASED	**879,828**

(a) Property Development and Corporate scope.

Scopes 1 and 2 (market based approach) include energy consumed in office buildings as well as business travel by company car.

This relatively low footprint can be explained by the Group's activities (mostly Property Development work) and the low-carbon electricity mix in France. In addition, Altareit mainly uses electricity guaranteed from renewable sources at its head office.

Concerning scope 3, the Group includes seven categories identified by the GHG protocol:

- purchased goods and services;
- downstream leased assets;
- capitalised assets (Capex of assets);
- business travel;
- commuting;
- waste created by the business;
- use of products sold (ICe);
- end of life of finished products.

Property development emissions 2023

	In tCO_2e			
CO_2 emissions	Total	Residential	Business property	Retail
Scope 1	1,226	1,133	74	20
Scope 2 market based	532	492	32	9
Scope 2 location based	425	393	26	7
Scope 3	878,176	762,178	82,602	33,396
Of which purchased goods and services (category 1 of the GHG Protocol)	552,110	465,701	64,619	21,790
Of which use of assets sold over 50 years (category 11 of the GHG Protocol)	282,178	259,271	12,979	9,928
Of which other ICc issues	41,557	35,053	4,864	1,640
Of which emissions allocated to Corporate	2,331	2,153	141	37
TOTAL MARKET BASED	**879,935**	**763,803**	**82,708**	**33,424**
TOTAL LOCATION BASED	**879,828**	**763,704**	**82,702**	**33,422**

Scope 3 emissions in Property Development in 2023 break down as:

- 86% in Residential;
- 9% in Business Property;
- 4% for ground-floor Retail.

They are recognised by technical[1] and sales percentage of completion compared to revenue for the activity.

(1) Calculation of technical progress excluding land purchase.

4.2.1.2 Change in Altareit's emissions

	In tCO_2e			
Total Group emissions	**2023**	**2022**	**2019 - Reference year**	**Change 2023/2019**
Scope 1	1,226	898	825	48.6%
Scope 2 market based	532	572	565	-5.8%
Scope 2 location based	425	506	515	-17.4%
Scope 3	877,277	1,065,877	1,534,691	-42.8%
Sub-total market based	**879,036**	**1,067,348**	**1,536,081**	**-42.8%**
Sub-total location based	**878,929**	**1,067,282**	**1,536,031**	**-42.8%**
Scope effect (Woodeum, etc.)		*65,307*	*98,838*	
Scope 3 adjustment	*899*	*461*	*423*	
TOTAL MARKET BASED	**879,935**	**1,133,116**	**1,635,342**	**-46.2%**
TOTAL LOCATION BASED	**879,828**	**1,133,049**	**1,635,292**	**-46.2%**

The Group's total greenhouse gas emissions have decreased by 42.8% since 2019.

Taking into account the following effects (*pro forma* calculation):

- scope effects (notably consolidation of Woodeum);
- effects related to methodological changes (scope 3 adjustment to Corporate scope).

GHG emissions have decreased by 46.2% since 2019.

This decrease is due to three main factors:

- voluntary reduction efforts to move towards the decarbonisation of the Group's activities detailed in 4.2.1.5;
- the new requirements of RE2020;
- the reduction in the Company's economic activity (particularly production of housing).

Group emissions in tCO_2e		**Chge**
GHG emissions 2022	**1,067,348**	
Scope effect (Woodeum, etc.)	65,307	6%
Scope 3 adjustment	461	0%
Property Development - volume effect	-144,285	-13%
Property Development - reduction in carbon intensity	-108,896	-10%
GHG EMISSIONS 2023	**909,568**	**-16%**

Thus, the 16% decrease in emissions in 2023 *vs.* 2022 is mainly due to the decrease in development activity (volume effect) due to the real estate crisis (-144 thousand tonnes).

The Group's progress in decarbonisation has helped to reduce emissions by -112 thousand tonnes, thanks to the reduction in carbon intensity per unit area between 2022 and 2023 (the amount of carbon needed to build and use one square meter of real estate).

Carbon intensity ratios

Carbon intensity is the amount of greenhouse gases emitted to produce one square metre of surface area or generate one euro in revenue. Comparing emissions to revenue makes it possible to measure the decoupling between the creation of economic value and GHG emissions, a fundamental principle of low-carbon growth.

	2023	2022	2019	Change 2023/2019
Group: emissions to revenue, in gCO_2e/€	359	391	533	-32.6%
Residential: intensity per unit area, in $kgCO_2e/m^2$	1,302	1,422	1,572	-17.2%
Business property: intensity per unit area, in $kgCO_2e/m^2$	1,275	1,372	1,509	-15.5%

Since 2019, Altareit has reduced its carbon intensity by 33% in terms of gCO_2e/€, illustrating the ongoing decarbonisation of the Group's activities.

In the Residential scope, the surface area intensity decreased by 17.2% to 1,302 $kgCO_2e/m^2$. This level reflects the average carbon weighting of our inventory of projects. The percentage-of-completion methodology, resulting in the taking into account of an inventory of projects based mainly on average carbon weightings scheduled in RT 2012.

This improvement in carbon intensity is also linked to the exit from old projects (with no emissions or no longer emitting this year), with high carbon weightings (average intensity of 1,512 $kgCO_2e/m^2$) and the integration of new projects (with no emissions or not yet emitting last year) that are more efficient (1,173 $kgCO_2e/m^2$ on average), for which LCA data were included in the 2023 calculation.

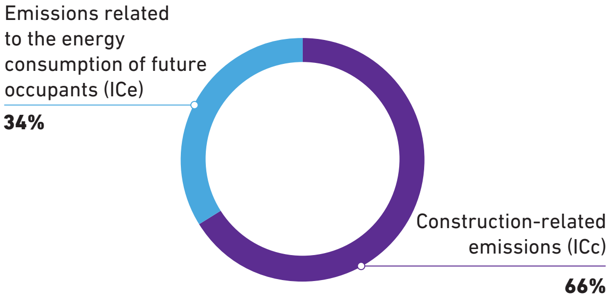
Change in development emissions

	In tCO_2e								
	Residential			Business property			Retail		
Property Development	2023	2022	2019 - Reference year	2023	2022	2019 - Reference year	2023	2022	2019 - Reference year
Scope 1	1,133	826	751	74	61	62	20	11	12
Scope 2 market based	492	526	469	32	39	39	9	7	8
Scope 2 location based	393	465	426	26	35	35	7	6	7
Scope 3	762,178	915,267	1,042,043	82,602	101,825	315,012	33,396	48,785	177,636
Of which purchased goods and services (category 1 of the GHG Protocol)	465,701	539,661	537,601	64,619	87,917	138,921	21,790	31,119	71,890
Of which use of assets sold over 50 years (category 11 of the GHG Protocol)	259,271	333,839	462,934	12,979	7,206	165,548	9,928	15,308	100,319
Of which other upstream issues	35,053	40,620	40,465	4,864	6,617	10,456	1,640	2,342	5,411
Of which emissions allocated to Corporate	2,153	1,146	1,043	141	85	86	37	15	17
TOTAL MARKET BASED	**763,803**	**916,619**	**1,043,263**	**82,708**	**101,926**	**315,113**	**33,424**	**48,803**	**177,656**
TOTAL LOCATION BASED	**763,704**	**916,558**	**1,043,220**	**82,702**	**101,921**	**315,109**	**33,422**	**48,802**	**177,655**

The 18% reduction in GHG emissions in Property Development between 2022 and 2023 is partly explained by a volume effect for 7% (reduction in Property Development) and partly by the progress on decarbonisation of the Group's operations with a rate effect of 11% (decrease in carbon intensity per unit area) on the period. A small part of this rate effect is due in particular to the inclusion of actual LCA in the calculation of 2023 emissions.

4.2.1.3 Focus on Residential Property Development emissions

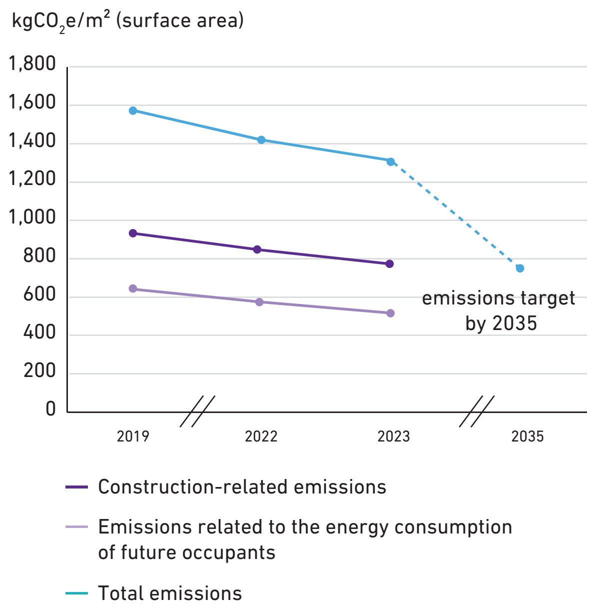
BREAKDOWN OF THE 2023 CARBON FOOTPRINT BY EMISSION CATEGORY FOR RESIDENTIAL



In 2023, the carbon footprint of the Residential business is composed for scope 3 of emissions calculated *via* life cycle analyses on projects. 66% of these come from emissions relating to construction (mainly materials purchases) and 34% from emissions relating to the consumption of future occupants.

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

CHANGE IN RESIDENTIAL CARBON INTENSITY PER UNIT AREA



The 8% decrease in intensity per unit area for housing between 2023 and 2022 is due to an 11% decrease in emissions from the energy consumption of future occupants and a 7% decrease in emissions from construction (including purchases of materials).

Altareit committed to reducing the carbon footprint of its Residential operations, even before RE2020 came into force in January 2022. Anticipating these regulations has helped to significantly reduce the carbon intensity of projects since 2019, particularly emissions related to construction in the Residential business. The reduction will accelerate in coming years, with the implementation of numerous emissions reduction actions (see 4.1.2.5).

4.2.1.4 Focus on Corporate emissions

Emissions from the Group's head offices and employee travel total 4,090 tCO_2e.

Scope 3 has been adjusted to include the following types of emissions: waste, purchases of consumables and commuting by employees.

Corporate emissions are reallocated to each activity in proportion to the workforce.

4.2.1.5 Altareit's approach to combating climate change

Mobilisation of the entire company

The Group wants to become the leader in low-carbon urban transformation:

- with the Woodeum x Pitch merger, Altareit has created a major player in low-carbon construction, notably with cross-laminated timber (CLT) frame construction. The brand is committed to producing RE2028 projects at least starting this year;
- Altareit also has major know-how in refurbishment, thanks in particular to the experience of Altarea Entreprise and Histoire & Patrimoine;
- in addition, the Group is organising to meet the decarbonisation challenge: in 2021, 88% of Altarea Group employees were trained in climate issues affecting real estate, and the Climate objectives are included in everyone's compensation policies.

Reducing scope 1 and 2 emissions

Corporate

The figures below show the main consumption indicators for 87 Richelieu, the Altarea Group's registered office.

Head office energy consumption

	Unit	2022	2023	Unit	2022	2023
Electricity	GWhfe	3.14	2.89	GWhpe	7.23	6.65
Heating network	GWhfe	0.80	0.70	GWhpe	0.80	0.70
Cooling network	GWhfe	1.11	0.92	GWhpe	1.11	0.92
TOTAL	**GWhfe**	**5.04**	**4.51**	**GWhpe**	**9.13**	**8.26**
Intensity per unit area	kWhfe/m^2	190	170	kWhpe/m^2	345	312
Average consumption per employee	kWhpe/FTE	4,552	3,712	kWhpe/FTE	8,238	6,807

Reducing scope 3 emissions

THE GROUP'S COMMITMENT TO PROPERTY DEVELOPMENT

-50% by 2035 in Property Development

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

66% of the Group's emissions are related to construction materials. This item is strategic and directly affects the Group's core design business.

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

- renovation: the Histoire & Patrimoine subsidiary is dedicated to renovations, and the Business property activity has developed major expertise in restructuring, particularly in the Paris Region, as evidenced by the 87 Richelieu building, the Group's new head office. Reusing the superstructure and foundations reduces emissions by around half;
- economical building design: improving their compactness to consume less materials;
- the substitution of materials whose manufacture emits significant amounts of CO_2 using less carbon-intensive materials, such as biosourced materials (wood in particular) or more low-carbon concretes (wood-based concrete, earthen concrete, "low-carbon" cement, etc.). This leverage is particularly true for the Group's new brand Woodeum x Pitch, a major player in low-carbon construction, in particular. *via* CLT timber frame construction. The brand is committed to producing RE2028 projects at least starting this year;
- since 2022, RE2020 has come into force for new Residential projects and requires that construction materials do not exceed set carbon intensity ceilings. This has been accompanied by the general use of LCA, which enables the Group to deepen feedback and improve the skills of the teams.
- the development of high-quality, modular and reversible projects that help to save resources and so reduce the carbon footprint (see 4.2.3).

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

Emissions related to the consumption of future occupants of projects sold by Altareit represent 31% of Group emissions.

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

- building design is the first area of action, enabling good energy efficiency throughout the lifetime of the building and so lowering energy bills for occupants and users. The Group uses all available levers (bioclimatic design, envelope and insulation, high-performance equipment, consumption monitoring tools, etc.). A high energy efficiency level is a prerequisite for the projects developed by Altareit;
- low-carbon energy supply: heat pumps, district heating;
- the use of renewable energies when possible (geothermal energy, solar energy integrated into the building, wood-fired boiler room, etc.). In 2023, 69% of Business property projects used renewable energies and 37% generated them on-site;
- raising awareness among occupants and users: to expand the system: the Residential teams distribute a booklet to all buyers, with practical advice for better use of the home (energy savings in particular)..

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

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

- the creation of a district energy system: the entire district is supplied with heating, cooling and domestic hot water for housing by a private geothermal energy network;
- more than 70% of energy supplied by renewable energies: this high level is achieved thanks to the diversity of programmes. Centralised production makes it possible to pool needs between homes and offices and to recover waste energy;
- complementary innovative systems: cold storage as ice and use of domestic hot water production systems *via* digital boilers, recovering waste heat from remote servers;
- more than 3,000 m^2 of photovoltaic panels on the roofs of the three offices complexes.

Residential

A high energy efficiency level is a prerequisite for the projects developed by Altareit. Since 1 January 2022, RE2020 has replaced the old RT2012. This new regulation sets more demanding energy standards than the RT2012, and is intended to accompany targets for carbon emissions linked to the energy consumption of projects. In some projects, the Group goes beyond the regulations to anticipate future regulatory thresholds.

The energy efficiency has been systematically improved for refurbishment projects.

Business property

As in Residential, RE2020 came into force in 2022 for new projects and sets demanding standards. In addition, for projects not subject to RE2020, the Group seeks to achieve a superior level of energy consumption to the applicable regulations.

Thus, in 2023, 99% of Business property projects exceed regulatory requirements by more than 30%. What is more, in 2023, energy savings exceeded the applicable regulations by an average of 44% (by surface area). These figures have been stable since 2017, reflecting the Group's ongoing commitment.

Finally, there is a universal commissioning process to ensure the proper commissioning of technical equipment (in particular heat and cooling production and emission systems) and the achievement of planned performance.

Going further: a key player in low-carbon cities

To contribute to reducing the emissions related to the travel of the occupants and users of its projects and assets within its scope of responsibility, Altareit designs projects to reduce the use of high-carbon mobility:

- the choice of land is the primary action lever: in accordance with its development strategy the Group selects sites with good public transport links (see indicators under 4.2.4);
- the programme can be enhanced by Altareit's offer of sustainable mobility solutions. For instance, Cogedim undertakes to design and equip the bicycle sheds of its projects to high quality standards, with a location adapted for ease of use, secure closing systems, a tyre-pumping and repair station and a water point. Internally, the main focus is on action to reduce emissions from the Company car fleet and roll out the mobility plan at the Group's head office: a limited number of parking spaces and a mobility pack.

4.2.1.6 Adapting projects to the impacts of climate change

In recent years, 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.

In addition to the analyses carried out at Group level, individual brands now systematically conduct adaptation studies for each project (in particular concerning physical risks), using dedicated tools (Bat-ADAPT (Observatoire de l'Immobilier Durable), Resilience (CERQUAL), etc.).

In addition, since 2020, Cogedim has designed and rolled out an adaptation action plan, involving the technical, product, CSR and customer teams, among others. This detailed guide to summer comfort solutions was fully revised in 2022 to bring technical solutions into line with RE2020 requirements including new rules on summer comfort.

Lastly, the Group is also working on combating the phenomenon of urban heat islands, by incorporating for some projects permeable surfaces and green spaces, which have a cooling effect. For example, the KI project (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.

4.2.1.7 TCFD compliance

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

1. Governance

Supervision of climate issues by Management

Climate-related topics are supervised and managed by a member of the Executive Committee. Management discusses these issues with this member of the Executive Committee and the CSR team several times during the year.

At these meetings, management is:

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

Organisation of the assessment and management of climate-related risks

Mitigation and adaptation issues are integrated to the Group's risk mapping and the resulting strategic decision-making.

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

- the Group's risk mapping includes climate risk. This mapping is managed by the Risk Department, presented to Management and the Executive Committee, and used to decide corrective and preventative action plans. The Climate risk map was updated in 2023;
- as part of the preparation of its transition plan, the Group monitors risks related to mitigation issues. As part of the application of RE2020 and the anticipation of the various thresholds, the Group has thus quantified the short- and medium-term impact of the decarbonisation of its Residential production;
- in 2019, an in-depth assessment of physical risks was carried out on the areas where development projects are located. In 2023, the Group rolled out physical risk studies across all its programmes.

2. Strategy

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

Altareit defines the short-, medium- and long-term maturities according to the CSRD criteria:

- Short-term (1 year);
- Medium-term (1 to 5 years);
- Long-term (more than 5 years).

Altareit's business, city building, is a long-term business. The Group therefore systematically considers the long-term consequences of its choices, since its buildings and neighbourhoods are intended to operate for at least 50 years. This long-term approach also applies to the consideration of climate issues.

With this in mind, 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 risks	Potential impacts for the Group	Actions taken
Transition risks As the property and construction sector is responsible for around a quarter of emissions in France, it is directly concerned by the requirement to reduce greenhouse gases emissions and by future regulations. The risks are: ■ regulatory: RE2020, carbon taxation, increasing reporting obligations; ■ market: increasing demands from customers or elected officials; ■ reputation: linked to the significant impact of the sector.	**Short- and medium-term** Increased design and construction costs (new materials and new techniques); ■ Access to markets and land more difficult due to increased environmental requirements. **Medium- and long-term** ■ Decreased attractiveness of operations; ■ Companies with no transition plan find it harder to access debt.	■ Ongoing definition of short-, medium- and long-term carbon trajectories for each business line; ■ Anticipation of costs in business plans; ■ Regulatory watch; ■ Monitoring the expectations of stakeholders: local authorities, elected officials, individual customers, investors, etc.; ■ Acquisition of a major player in low-carbon construction, Woodeum, subsequently merged with Pitch Immo to create a leading player in low-carbon real estate; ■ Development of energy renovation skills (Histoire & Patrimoine, Jouvence, etc.); ■ Strategic diversification into New businesses (renewable energies, data centers, urban logistics, etc.).
Physical risks associated with the impact of climate change Climate change is causing an increase in climate phenomena (extreme weather, heat waves and peaks, etc.) that affect cities, buildings and their residents.	**Short- and medium-term** ■ Loss of comfort for occupants, with a particular risk for senior residences; ■ Construction delays; ■ Fewer building permits issued (particularly in water-stressed areas); ■ Additional costs related to different construction techniques. **Medium- and long-term** ■ Impairment of property development activities.	■ An in-depth assessment of physical risks was carried out in 2019 on the areas where development projects are located (according to two IPCC scenarios: one optimistic (RCP4.5), and one pessimistic (RCP8.5). In 2023, the Group rolled out physical risk studies for all its Property development programs; ■ Summer comfort approach in Cogedim's housing design; ■ Permanent monitoring by product teams to adapt the offer.
Opportunities	**Short- and medium-term** ■ Capture markets (customer demand for environmentally-friendly buildings); ■ Capture financing through borrowings linked to sustainable low-carbon performance (sustainability loans).	■ Increased contact with the entire sales network to highlight low-carbon and ecological projects (in-depth training of salespeople, more systematic rating of programmes' CSR characteristics, etc.); ■ Altarea Group signed the first "EU Taxonomy linked loan" in the French real estate sector, with Crédit Agricole Corporate and Investment Bank. This is a €200 million corporate bank loan with a five-year term and includes a clause aligning revenue with the european taxonomy that may result in a bonus (or penalty) margin based on performance.

Focus on products and services

The RE2020 and its various thresholds impose a generalised change in the design of buildings, with a low-carbon approach, even greater energy efficiency and summer comfort conditions. In the medium to long term, the entire property sector will have to undergo an in-depth transformation by designing:

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

Altareit's responses:

Altareit has created a leader in low-carbon real estate with the Woodeum x Pitch merger. In addition, in all its brands, the Group is anticipating future developments by multiplying low-carbon experiments: low-carbon materials (wood, bio-sourced), use of renewable energies, implementation of local heating networks, design optimization, innovative heating methods, etc. Building on these experiences, the Group will be able to gradually adapt to new restrictions, in particular the increasingly ambitious thresholds of RE2020.

Altarea Group is also a member of many innovative low-carbon transformation initiatives, such as the Renewable Energy and Recovery Booster and the Booster du réemploi, which keep it up to date with best market practice.

Focus on the supply chain

In the short-term, in order to adapt to RE2020 in particular, the Group 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.

Link between climate and value creation

Altareit has taken stock of climate issues and is positioning itself as a leader in low-carbon real estate. *The Group's license* to operate will depend heavily in years to come on its ability to produce resilient low-carbon projects. Likewise, access to capital could be easier for low-carbon operations. In fact, the value creation of the Company is already closely linked to the climate.

Finally, the Group is constantly on the lookout for green financing. It is already taking climate issues into account in its acquisition or divestment policies: Altareit is positioning itself in new activities related to the energy transition, such as the development of renewable energies and energy renovation. The Altarea Group also signed the first EU Taxonomy linked loan in the French real estate *sector with Crédit Agricole* Corporate and Investment Bank.

A strategy resilient to climate scenarios

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, 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. The Altareit market is huge and is not threatened by climate issues (housing, work, etc.). However, the Group is doing everything it can to guarantee its access to this market by its agility and its ability to anticipate the climate shocks of tomorrow. This underpins the resilience of its corporate strategy.

3. Risk management

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

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

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

Additional work in preparation for the CSRD was started in 2023.

4. Indicators and targets

The indicators monitored are detailed in this chapter. They include a carbon assessment for scopes 1, 2 and 3 for all business lines, and specific indicators related to the energy or climate performance of projects, etc. The methodologies applied are presented in Chapter 4.5.

4.2.2 Preserving biodiversity and soil

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

The presence of nature in the city is also a major factor of well-being for residents. The services provided by natural areas, such as limiting the heat island effect and cooling buildings, are prominent customer expectations.

Altareit structures its approach around the concepts of services provided by nature and co-benefits: sustainable welcome for biodiversity, sense of well-being, refreshing effect, etc.

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

- preserving natural spaces and avoiding artificialisation and waterproofing thanks to good land use, densification and open land;
- protecting existing biodiversity and developing high-quality, interconnected green spaces through widespread use of ecologists;
- promoting nature in the city to prevent the effects of climate change, particularly heat islands in the city, and provide well-being and comfort to customers and users;
- having a good management of water resources, allowing infiltration and promoting permeable spaces.

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

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

FOCUS ON THE QUARTIER DES HIRONDELLES IN ANNECY

With 675 new housing units, including 226 social housing units, the creation of the Quartier des Hirondelles is a major urban transformation operation for Annecy. By committing to developing green and shared spaces, preserving biodiversity and managing natural resources responsibly, Cogedim reconciles a sustainable vision of architecture and the daily well-being of its residents. The presence of channels to collect rainwater, the care taken in landscaping and the creation of soft or exclusively pedestrian traffic routes are concrete examples of this. The buildings were designed to promote harmonious dialogue with nature, sometimes enacted on their roofs and floors.

Preserving natural spaces and avoid 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 2023, 62% of the Group's Business property projects in the Paris Region were refurbishments.

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

Altarea Logistique's business can be a source of significant soil artificialisation. Although it is a land-intensive business, Altarea Logistique systematically compensates by going beyond regulations in creating habitats and roosts on the land around its projects to preserve species, restore wetlands and support local agriculture. For example, at the Bollène site, the project covers more than 26 hectares. After consultation with the prefecture, the Regional Department for the Environment, Planning and Housing of the PACA region and the Departmental Office for Territories, a compensation of 20 hectares was carried out.

From 2024, Cogedim will systematically measure the biotope area factor (BAF) on its projects. This factor defines the proportion of green surface area (planted or good for the ecosystem) out of the total surface area of a plot under consideration for a construction project (new or renovation). This will enable the Group to measure and control its artificialisation.

Protecting biodiversity and ecosystems

The Group pays particular attention to maintaining or enhancing the fauna and flora present.

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

These requirements also apply to the Group's new activities, such as Logistics, which draws on ecologists' input. For the Bollène project, flora and fauna inventories have made it possible to identify protected bird species in the work area. and work was done in conjunction with ecologists to recreate habitats for these species. A range of work was done in collaboration with ecologists to make the building sites less disruptive for these species by recreating their natural habitats or reducing light exposure.

Fostering nature in the city

Vegetation limits urban heat islands thanks to its cooling power. 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 COVID-19 pandemic, with its successive lockdowns, has reinforced contact with nature in the city. For several years, the Group has paid particular attention to its projects' links to the outside world as part of its quality approach. 98% of the housing units Cogedim launched in 2023 have access to a private outdoor space (see 4.3.2).

Finally, setting up relaxation areas and encouraging the presence of local wildlife makes it possible to reinforce the convivial and educational dimensions of a neighbourhood. In Montpellier, for example, the Orion Sky programme offers a shared roof terrace with trees.

Promoting water infiltration

Cogedim has undertaken to create permeable parking spaces so that water can feed through into the soil.

PRESERVING BIODIVERSITY IN TOULOUSE

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

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

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

4.2.3 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 in its projects (use of alternative channels, extension of the lifespan of buildings, intensification of their use, etc.).

The construction sector also plays a major role in the consumption of natural resources (sand, metals and minerals, timber, water, etc.).

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

- design: the most important phase as the aim is to find a solution that balances the environmental impact of resources used (refurbishment, recycling, reuse, etc.) and a building's capacity to avoid early obsolescence (energy performance, evolving and reversible architecture, ease of deconstruction, etc.);
- construction: reducing waste generated at construction sites, sorting, reusing and promoting recycled or local materials;
- operation: reducing consumption (energy, water, etc.) and waste generation in the operational phase, sorting and reusing residual waste, extending the building's useful life whilst intensifying and diversifying its uses to sustain its economic value;
- end-of-life: increase the life of the building by allowing for changes of use. Where conversion to new use is impossible, a diagnostic is conducted to decide whether the best solution is refurbishment or demolition.

(1) "Waste, key figures" published in April 2022 – Agence de l'Environnement et de la Maîtrise de l'Énergie (ADEME). France generated 342 million tonnes of waste in 2018.

Residential and Business property

Renovation

In Residential, Histoire & Patrimoine has specialised for nearly 20 years in the renovation and restoration of old buildings throughout France. The façades and supporting framework of buildings are always preserved, unless there is a proven structural problem. In 2023, this activity represented nearly 230,000 m² of refurbishments in progress or completed during the year. The Group's other Residential brands also engage in occasional renovations, when the project lends itself to it.

In Business Property, renovations are more frequent in the Paris Region, where they accounted for 62% of projects in 2023 (by surface area), a figure that has exceeded 30% since 2015.

Reuse

BOOSTER DU RÉEMPLOI

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

Altarea Group joined this initiative in 2020. The partnership with the Booster meant the Group could explore the options for reuse in a wide range of projects, including Residential, stations and Business property programmes.

In parallel with this work on specific projects, Cogedim and the CSR Department worked in 2023 on internal guidelines to promote the reuse of materials in the common areas of its projects.

In addition to actions related to the Re-use Booster, Altareit regularly reuses certain materials (excavated soil, crushed concrete, etc.) for backfill.

Use of renewable materials

The Group uses sustainable materials in some projects. All Woodeum's projects are built of Cross-Laminated Timber (CLT) from sustainably managed forests. In the Group's other brands, projects occasionally use bio-sourced materials.

Reduction, sorting and recovery of construction waste

Altareit began a process to improve its site waste management several years ago. This process has resulted in the development of low-nuisance site charters, which must be signed by companies working on the Group's building sites and which aim to reduce the volumes of waste and improve waste sorting and recovery.

Complementing this approach to improving practices, the Group is gradually improving the quality of reporting related to waste, in line with the Taxonomy objective of 70% minimum material recovery. Thus, in 2023, Cogedim struck a partnership with Waste Marketplace to encourage transparency in the monitoring of waste from its building sites.

In 2023, all projects under development were covered by their own clean site charter.

90% of waste from Business property building sites is recovered, of which 82% is material(1)

Energy savings

The Group develops energy-efficient projects, sometimes using renewable energies (see 4.2.1). This helps save energy and, ultimately preserve resources.

Responsible water management

The Group recognises the crucial importance of the sustainable management of water resources in protecting nature and biodiversity. Aware of the growing challenges related to water stress in certain regions, the Group is committed to taking measures to minimise its impact on aquatic ecosystems.

With this in mind, Altareit is implementing a series of actions to reduce its water consumption and promote the responsible use of this precious resource. As such, since 1 January 2023, all homes have water-efficient equipment and installations.

In addition, the Group is raising awareness of water conservation among its internal and external stakeholders.

Quality, modularity and reversibility of projects

The Group is developing high-quality (see 4.3.2 and 4.3.3) modular projects. Similarly, some projects, particularly in Business property, are reversible: the building can be transformed to change its use, without needing to be demolished and rebuilt. This reduces the risk of project obsolescence and contributes to saving the economy of the resources used in their construction.

Corporate

Waste generated by the head office

The operating contracts at the Altarea Group's head office, 87 Richelieu, include ambitious CSR clauses on building management and monitoring of consumption and waste, including a zero-plastic policy.

The figures below show waste data for the head office.

Quantity, sorting and recovery of head office waste

	2022	2023
Total amount of waste produced (t)	**58.57**	**60.47**
Total amount of waste produced (kg/m²)	2.21	2.28
Total amount of waste produced (kg/FTE)	52.86	49.81
Total quantity of waste sorted andrecovered as material (t)	**30.97**	**30.32**
Share of waste sorted and recovered as material	53%	50%
Total quantity of waste incinerated withenergy recovery (t)	**27.60**	**30.16**
Share of waste incinerated with energy recovery	47%	50%

The ratios for the quantity of waste produced are in line with the average for offices(2).

(1) Indicator coverage rate: 31%.

(2) Observatoire de l'Immobilier Durable - Baromètre de la performance énergétique et environnementale - December 2023.

Water consumption at the head office

The Altarea Group's head office has water-efficient equipment; the figures below show its water consumption data.

Head office water consumption

	2022	2023
Water consumption (m^3)	**14 ,999**	**9,137**
Water consumption (m^3/m^2)	0.57	0.34
Water consumption (m^3/FTE)	14.00	7.53

The water consumption ratios for 2023 are in line with the average consumption for offices[(1)] (the excess water consumption in 2022 was due to a leak).

4.2.4 Develop desirable urban projects with a positive impact

As an urban developer, Altareit shapes the living environment of millions of users and bears considerable responsibility for the future of the regions where it operates. This is in the context of the following challenges and opportunities:

- first, environmental issues (climate change, biodiversity, natural resources, etc.) are a major concern for society;
- second, the phenomena of metropolisation and the transformation of family units are contributing to land pressure on certain territories: cities must become denser and more accessible to meet the needs of all and everyone; and
- finally, diversity (social, intergenerational, etc.) and solidarity are essential to the cohesion of the regions.

Providing solutions to these underlying trends is an essential challenge for Altareit if it is to meet the expectations of local authorities and make a positive contribution to regional transformations.

Despite the profound upheavals rocking the real estate sector in 2023, the Group is adapting thanks to its integrated model, its operational agility and its robust balance sheet. In these circumstances, how the Group responds to these new challenges will determine its success.

With the mission of putting the general interest of the city at the heart of its projects, the Group's operations meet two key challenges:

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

Desirable urban projects

The density and diversity of the city

The Group has developed a skills and development platform covering all classes of property assets. With its integrated model and its global vision of urban issues, Altareit is able to meet all the needs of the city.

THE TOULOUSE GUILLAUMET NEIGHBOURHOOD

The Quartier Guillaumet urban renewal project, which the Group is co-developing with Crédit Agricole Immobilier, is located on a former military industrial wasteland, previously occupied by the Toulouse Aeronautical Test Centre. Launched in 2018, the project was the subject of an ambitious consultation process. More than 1,000 local residents or associations took part, contributing to the design of the district. Five guiding principles were then adopted:

- reconnection of the site with the surrounding neighbourhoods;
- preservation of green spaces;
- conservation of the site's sporting heritage;
- creation of a central neighbourhood;
- preservation of the site's memory.

The key figures for this project are as follows:

- 1,200 housing units;
- 8,500 m^2 of offices;
- 5,800 m^2 of shops and services;
- 5.9 hectares of green spaces (including a 1-hectare public garden);
- 9,000 m^2 of facilities open to the public (including a nursery, sports facilities, eco-responsibility and event venues).

The Group introduces diversity at the earliest possible stage in its developments. For example:

- by developing shops on the ground floor thanks to the AltaProximité team. These retail outlets help liven up the region and boost housing projects. AltaProximité's marketing (notably to local firms) guarantees a mix of complementary retailers to suit neighbourhood life and which are sustainable as a result of an economic model developed upstream;
- by promoting access to housing for all, which in 2023 meant reviewing our housing formats to make them more attractive and closer to customer expectations, particularly in terms of size (more compact). The Group also works with social landlords: the reduced VAT offer and sale of housing to social landlords represented 52% of new orders in 2023.

(1) *Observatoire de l'Immobilier Durable - Baromètre de la performance énergétique et environnementale - December 2023.*

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

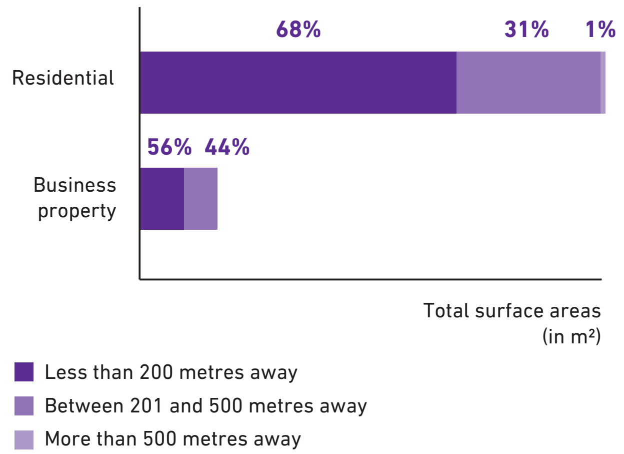
Proximity to transport links

Projects' location and the good connections to transport links are crucial issues.

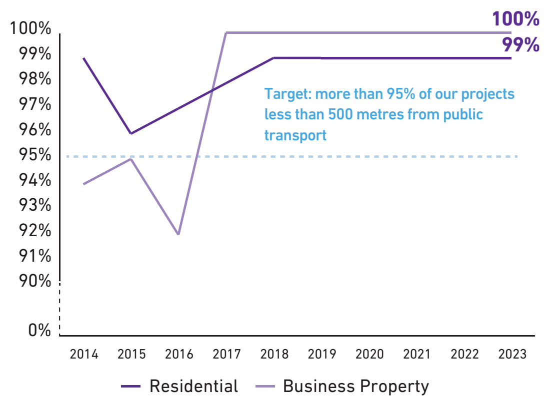
For its new projects, in all its business lines, the Group is committed to ensuring proximity to public transport networks, and to providing sustainable, practical and cost-effective mobility solutions (car-sharing, shared parking, etc.).

Since 2014, the Group has set itself the goal of always developing its new projects less than 500 metres from a public transport network.

PROXIMITY OF PROJECTS TO PUBLIC TRANSPORT



PERCENTAGE OF PROJECTS LESS THAN 500 METRES FROM A PUBLIC TRANSPORT LINK

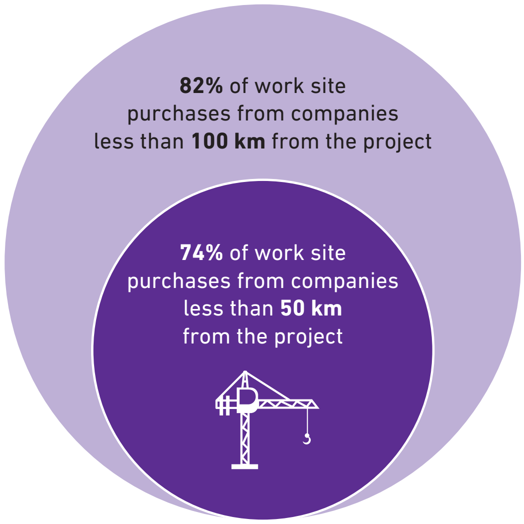


Urban projects with a positive impact

Contribution to the local economy

The Group contributes to the local economy, particularly in its Property Development activities.

SHARE OF LOCAL PURCHASES IN RESIDENTIAL BUILDING SITES



Partnerships with positive impact players and contribution to the social and solidarity 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.

At the end of 2023, as part of the Bobigny Cœur de Ville project, the Group launched a call organisations in the social and solidarity economy to move into three retail units in the district. The offer is open to any body with an offer that complements the existing and commercial dynamics of the city centre.

Lastly, also in 2023, to further promote awareness about SSE among Group employees, the Group held a learning expedition at Recyclo'Bat (in the Toulouse region), on the theme of reuse. This learning expedition aimed to present solutions to promote the circular economy in real estate projects.

4.2.5 Sponsorship and partnerships

Group sponsorship policy

Altarea's philanthropy policy applies to Altareit. In 2023, Altareit continued to publicise and apply its sponsorship and partnership policy, in line with its desire to make a positive impact in its regions, around three main themes which, in particular, strengthen the Group's local ties:

- contributing to economic development of the regions by strengthening links to the local social fabric (associations, social enterprises, social economy, etc.) to enhance the positive impacts of its activities on the local economy, particularly jobs (see 4.2.4);
- social initiatives: use the Group's skills to help the most disadvantaged by promoting access to housing and supporting charities that create social cohesion locally;
- support for culture and artistic creativity, bringing art to a wider public, anchoring the Group's property projects in their cultural context.

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

Contribution to local economic development

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

Also launched by the 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. The Altarea Group participates in five working groups. In addition, as every year, an auditor from the Group participates in the training program of the Institut Palladio.

Social actions – Long-standing partnership with Habitat et Humanisme

In 2023, Altarea Group continued its commitment to Habitat et Humanisme in four areas:

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

The involvement of the Group's employees in this partnership makes it possible to bring it to life. This year, two events were held as part of the Heure Solidaire volunteering campaign. In Lyon, six of the Group's employees gave their time to help with the Escale Solidaire d'Habitat et Humanisme Lyon 3, to exchange views, to build relationships with isolated people and to help volunteers. In Paris, the Group involved its partner Opéra Comique in this event and offered a guided tour of the opera house to around twenty residents of Habitat et Humanisme for the Paris Region. This visit was an opportunity for these people to discover the world of the opera house and its culture. This event is fully in line with the Group's desire to provide access to culture to all.

Supporting culture and culture for all

Altarea Group is committed to promoting all forms of artistic expression.

In 2023, the Group renewed its commitment to the Opéra Comique. This meant Group employees could enjoy guided tours of the Opéra Comique and get tickets for performances at discounted prices.

Altarea Group is also a partner of the Bouffes du Nord theatre.

"Tous engagés pour vos projets solidaires"

The "Tous engagés pour vos projets solidaires" initiative was launched in 2022 and run for a second time in 2023. This initiative, which is directly linked to the Group's CSR approach, aims to provide funding for employees' personal solidarity initiatives that are not part of a professional project.

Employees wishing to propose a solidarity initiative are invited to submit a written proposal, which then goes to a jury for assessment according to an evaluation grid. The jury is made up of employees from the Group's various business lines and CSR ambassadors.

The first edition recognised the initiatives of three employees and awarded a "special" mention to a fourth project. The associations "Bénévoles du Monde", "Eau de Coco", "Petits frères des pauvres" and "Pensez Grand, Allez Loin" all received a donation which helped finance part of their activities in conjunction with the employees concerned. The launch of the second edition was also an opportunity to review these winning projects and their progress.

The "Tous engagés pour vos projets solidaires" initiative will be held again in 2024.

4.3 Placing the customer at the heart of actions

Scope	Objectives/Commitments	2023 results	Change 2022-2023	Comment
Group	Work to satisfy customers across all our business lines	**Top of the HCG/ Les Échos customer relations rankings**	=	In the top three for three years, the Group is recognised as a benchmark in customer relations, for the speed and quality of responses to customers. In 2024, it took first place in the ranking for the second consecutive year
Residential	100% of new projects certified NF Habitat[a]	**100% of new projects certified**	=	The objectives are met The ambitious strategy of certification is complemented by the most recent or innovative certifications in order to guarantee the building's green value
Business property	100% of new projects certified at least HQE™ "Very good" and/or BREEAM® "Very Good"	**100% of new projects certified**	=	

(a) Excluding Woodeum, Severini, co-development, renovations and managed residences.

4.3.1 Dialogue in the service of customer and user relationships

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

The rise in interest rates and trend in the economy in 2022 brought to an end a ten-year upswing in the property cycle and 2023 marked a low point for the Residential with a sharp drop in volumes sold and prices. The Residential sector has therefore entered a transition period that is set to last into 2024, or beyond depending on the economic and political environment.

Profound upheavals are destabilising the real estate sector. Residential and Business property are facing a deep crisis and Altareit needs to adapt its products in both areas to meet new customer expectations.

Thanks to its integrated model, its operational agility and a robust financial balance sheet, the Group is able to adapt to the profound upheavals shaking the property sector and deliver offers that are consistently tailored to the market. The Group has responded by developing a "new generation" Residential offering that is affordable, low-carbon and profitable, while continuing its regional expansion and strengthening its multi-brand and multi-product strategy to meet the new expectations of customers. A similar adaptation of the offer is also taking place in the office market.

Altareit is committed to changing its offers so that they continue to meet customer needs and expectations. To do so, the Group is strengthening its relationships with its customers. In each business, consultation systems and satisfaction assessments have been formalised: surveys and studies, face-to-face or digital interactions, etc. Customer satisfaction is Altareit's priority objective and it puts excellence and creativity at their service.

WE ARE ALL INVOLVED IN PROVIDING CUSTOMER SATISFACTION

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

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

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

Since 2015, the Group has been measuring its Net Promoter Score (NPS), an international indicator that assesses customer satisfaction with a brand.

Since 2021, this indicator has been taken into account in the calculation of Altarea 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 results of NPSs at Cogedim, Pitch Immo and Histoire & Patrimoine.

Residential

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

Dialogue with customers

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

- a dedicated contact for more than ten years: the customer relationship Manager accompanies each customer from the signature at the notary to delivery. After the keys are handed over, an after-sales service Manager, also specifically designated, takes over for nearly ten years and ensures continuity of support for the customer in managing guarantees. Each customer is supported for approximately 13 years;
- a personalised online customer space: from the time the home is reserved until the end of the guarantees, the customer can log into their online space to monitor the progress of project stages achieved and pending, consult their detailed schedule and access their document library. A mailbox, practical sheets and FAQs (for example: personalisation, progress of building sites, visits, etc.) give the answers to customer questions;
- the national network of Cogedim stores: the Cogedim store is a place dedicated to supporting customers in the personalisation of their homes. Customers and visitors can explore actual-size apartments and experiment with materials and equipment, customisation packs and immersive digital experiences, etc. helping them to imagine life in their future homes. Since the Paris store in 2016, several Cogedim stores have opened in France, most recently in Rouen in 2023.

CLUB COGEDIM

Cogedim commits to its customer by offering them personal service through Club Cogedim. The Club has been available on the customer space since June 2023 and its aim is to make life easier for customers, help them improve their home and live their best life every day. It takes customer support to a new level, beyond just being able to track progress of off-plan sales.

As soon as the notarial deed is signed customers can sign in to access offers from professionals, as well as benefits and discounts at major retailers (Back Market®, Maisons du Monde®, Samsung®, etc.)

Cogedim has partnered with Sourdline, the leading call centre for the deaf and hard-of-hearing. so customers can interact with any of their contacts along the customer path through a French sign-language interpreter, by webcam, chat or in-person.

Finally, a user guide is given to future residents shortly before they move in. It contains essential information about their home (moving, equipment manuals, guarantees) and advice on "green actions" to improve their comfort (quality of air, noise, summer comfort, greening, etc.) and reduce their environmental impact (energy and water consumption, waste sorting, etc.).

Raising awareness among our marketing partners

To adapt to the Residential market environment, Altareit is committed to creating a low-carbon, affordable and profitable "new generation" offer. Customers are increasingly interested in environmental issues and Altarea is adapting its communications and sales techniques in: the CSR Department and the Group's Residential brands contribute to CSR awareness-raising and training for marketing partners (independent financial advisors, banking networks, etc.).

Measuring and monitoring customer satisfaction

The Group conducts an annual survey to measure the satisfaction of its customers at each stage of the journey. The goal is to better understand their expectations and any possible shortcomings encountered during the buying experience. The questions cover a wide range of subjects and make it possible to measure several indicators such as the NPS, the recommendation rate or the performance rate.

The endorsement rate is considered as the indicator that best sums up the customer experience since it measures his or her attachment to the brand by rating the likelihood of their recommending the brand. Cogedim has set as a goal to reach a 70% recommendation rate for each of its regional offices. By 2023 it had achieved a 14 point increase compared to 2015.

In addition, the Customer Services Department monitors comments by customers on its Immodvisor platform. This independent platform records and checks the comments submitted by customers. In 2017, over 10,000 comments were checked. Cogedim has a satisfaction rate of 91% 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, telephone or social media.

EFFORTS REWARDED

In January 2024, the Group took first place in the Les Échos 2024 customer relations ranking carried out by HCG for the second consecutive year. This multi-sector ranking sets the customer services of the 200 biggest companies in France against each other by testing all of their channels: telephone, letter, email, website and social media.

Résidences Nohée (formerly Cogedim Club)

The Group develops and manages senior residences; formerly Cogedim Club, the brand was renamed Nohée in November 2023. These residences are designed to meet the specific needs of seniors. To best adapt to their expectations, the Group used several means that combine market research, satisfaction surveys and field analysis. Each residence has a team dedicated to listening to the needs of residents in their daily routine. Once a month, a meeting is organised between resident tenants in each of the residences in order to listen to their needs and expectations. The following subjects are addressed: life in the apartments and common areas, services and overall satisfaction. Short-stay residents are also surveyed *via* satisfaction questionnaires.

These on-site measures help us understand residents' level of satisfaction and how they are using the facilities and to identify desired changes. A half-yearly meeting is organised with the management of Nohée and allows for a discussion about areas for improvement or necessary changes with the agreement of occupants of the residences. The information gathered also serves to modify specifications for future Nohée projects.

As part of its rebranding, Nohée is committed to providing the best possible support to future residents. From now on, in addition to assistance for moving to the residence, it is a "vacuum-house" assistance that is offered to future residents, in order to allow them to move more serene into their Nohée residence.

Each year, a satisfaction survey is carried out among all tenants of the open residences. Thus, in 2023, 93% of residents are satisfied with being in a Nohée residence.

In addition, Nohée conducts annual marketing studies to better understand the expectations of seniors, anticipate changes in the market and adapt the offer accordingly. The information gathered also serves to modify specifications for future Nohée projects.

Business property

In a context of rapidly changing work patterns and employee expectations in terms of their working environment, Altareit listens to its partners and users. The Group has a customised offering, designing offices that promote team productivity and the comfort and well-being of staff.

In 2019, the Group structured its offering by creating the entity Altarea Entreprise Studio with the aim of responding consistently and efficiently to changes in use and new ways of working. To offer users innovative products that meet their expectations, Altarea Entreprise Studio works upstream on projects to define needs and uses and imagine buildings that can evolve over time in architecture, technical design and also services.

4.3.2 Quality of life and well-being in projects

Quality of life and well-being issues are specific to each activity:

- in Residential, the ease of use and quality of equipment helps ensure the heritage value of the property over the long-term for investors;
- in Business property, comfort and well-being are key factors in attracting employees, investors and users.

The Group focuses on two components of quality of life and well-being in each activity and for each project:

- quality of the location: the Group opts for proximity and density. Its projects are located at less than 500 metres from public transportation to promote user access and mobility;
- intrinsic quality of the building: air quality, acoustics, lighting, aesthetics, but also quality of use of the building and flexibility, so that it is adaptable to current as well as future uses.

Residential

The Group develops healthy and comfortable residential buildings. To achieve this, it notably relies on the NF Habitat and HQE™ certification process and its team of interior designers. The Group also pays particular attention to comfort solutions and air quality.

NF Habitat and user comfort

The NF Habitat standard exceeds the regulatory requirements in matters of health and safety, and focuses particularly on making pleasant, practical and comfortable places to live, with requirements regarding acoustic quality, visual comfort, proximity to services and public transportation, etc. (see 4.3.3).

Moreover, plans for Cogedim apartments are checked by the 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, etc.

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 moving process, particularly by giving future residents user guides. At Cogedim, 100% of products and materials are labelled at least A, or even A+ for all interior finishing materials (paint, floor coverings, etc.).

COGEDIM IS COMMITTED

Since 2021, Cogedim has made new commitments for its housing, particularly with regard to quality of life and well-being. For example:

- outside space: 98% of Cogedim homes launched in 2023 have access to a private outdoor space and nearly 92% of these spaces have a surface area of at least 10% of the home;
- mobility: the projects have secure bike sheds with tyre-inflation and repair points.

Residences Nohée

In the context of its Nohée (formerly Cogedim Club) residences for seniors, the Group adapted its offer to their specific needs by especially favouring the quality of social bonding, one of the principal selection criteria for future residents.

The range of residences combines adapted housing, a varied programme of entertainments and a city-centre location. Nohée is committed to developing intergenerational links for residents in its homes. This takes many forms: opening up certain activities and services to local residents outside the residence. Nohée has also developed a partnership with Colibree Intergeneration, a website dedicated to intergenerational cohabitation between young people under the age of 30 and people over the age of 60, throughout France. This means that, at Nohée, students can benefit from a moderate rent in the residences in exchange for services and time spent with the residents. 12 residences joined this initiative in 2023.

Business property

In a world of work increasingly marked by remote working and nomadism, the workplace must be welcoming, comfortable and conducive to conviviality. Altareit develops very high-quality workspaces by placing well-being at the heart of its projects.

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 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.

4.3.3 Labels and certifications, creators of green value

Labels and certifications contribute to the longevity and value of assets over time.

Altareit is committed to a strategy of ambitious, innovative and sustainable certification, specific to each of its activities. Labels and certifications are thus chosen depending on:

- the relevance of the applicable standards and assessment method;
- stakeholder expectations for each type of project;
- the determination to offer, for certain projects, ambitious and innovative labels and certifications on subjects that go beyond environmental performance (WELL, BiodiverCity®, WiredScore, etc.).

Residential

NF Habitat Certification and its HQE™ approach

Since 2016, the Group has committed to NF Habitat certification and its HQE™ approach; 100% of the Group's new housing is NF Habitat certified[1] This certification is a benchmark for the essential qualities of the housing units and common areas of the building. It is reflected in concrete daily benefits: a healthy interior, safe and pleasant for living, controlled expenses, but also a respect for the environment. It covers a certain number of design criteria: size of glazed spaces, water-saving equipment, etc.

Regarding environmental and energy performance, the Group is going further by applying for NF Habitat HQE certification (more demanding than NF Habitat in environmental terms) for over half of its production, or other additional environmental certificates.

46% of Cogedim and Pitch Immo projects launched in 2023 are applying for NF Habitat HQE certification.

Some projects may benefit from supplemental certification efforts. The Group is thus helping define new benchmark standards for sustainable urban development.

Bâtiment Bas Carbone Label (BBCA)

The BBCA label, launched in 2016, has become a benchmark for exemplary carbon footprint in a new or renovated building. It is a way to measure and report on CO_2 emissions avoided throughout the building's life cycle and how far a building applies best practice on the circular economy and carbon storage. 100% of Woodeum projects are BBCA certified.

VISEHA label and Nohée (formerly Cogedim Club) residences

To improve transparency as regards the quality of services offered in serviced residences for seniors, the professionals of the sector, among them Nohée, have created a label called VISEHA (Vie Seniors & Habitat).

The label considers 12 criteria relating to the quality of the property and the services offered by the residences, preconditions for the financial health and reliability of the operator, and a programme of events. These numerous rating points seek to capture the issue of quality, with the satisfaction of residents as a central concern.

Nohée applies a quality and commitment system and had 24 certified residences at the end of 2023. The objective is to continue the certifying eligible residences during the year.

Business property

All Business property projects go through a certification process.

100% of new projects certified at least HQE™ "Very good" and/or BREEAM® "Very Good"

4

4.3.4 Responsible purchases and supplier relationships

Altareit is a major customer, a large part of whose purchases are related to construction (structural work, 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 Group'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, freely available on the Altarea Group website, covering social requirements, health and safety, the fight against corruption, respect for personal data and consideration of environmental issues is gradually being applied to all of the Group's purchases.

The charter comes with a note, explaining it to suppliers and subcontractors. It helps clarify the content and objectives of the charter and to talk about it to the various stakeholders.

Adapted systems, by type of purchase

The implementation of adapted systems (contractual clauses, actions deployed on building sites, etc.) by type of purchase began with a 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.

(1) Excluding Woodeum, Severini, XF Habitat, co-development, renovations and managed residences.

Safety on construction sites

The safety of all workers on building sites is a priority for Altareit. 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 building sites, the Group relies on the project Manager and health and safety protection (H&S) coordinator who is responsible for managing joint working on safety on-site. Particular attention is paid by the Group to ensure that the resources allocated to the H&S coordinator are systematically in line with the high level of urgency required. At Cogedim, the project management and CSPS contracts have been updated to include the main recommendations of the Caisse Régionale d'Assurance Maladie d'Île-de-France (CRAMIF) and the Caisse d'Assurance Retraite and de la Santé au Travail (CARSAT). Prevention specialists also work on large-scale projects.

In addition, the Group conducts training and awareness-raising actions for its employees, partners and journeymen to encourage best practices (awareness-raising campaigns, training days, reminder of best safety practices through dedicated posters, etc.).

Finally, in terms of reporting, data is collected across the Group's scope of direct responsibility which makes it possible to monitor site practices in a process of continuous improvement. At Cogedim, a substantial reporting process compiles data on building site accidents at national level. Based on this increase, it was decided to publish an indicator that takes into account the volume of activity: the number of accidents per 1,000 homes under construction, which stands at 1.66 for 2023. In Business property, in 2023, the frequency rate of construction site accidents was 14.5 (compared to an industry average of 28.1) and the severity rate was 0.2 (compared to 2.4)[1].

The fight against illegal work

The fight against illegal work is another major issue in the construction sector, identified as a priority for the Group. 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 Altareit'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 addition to the continuous communications in the course of projects, various initiatives are in place to nurture a lasting partnership with suppliers and encourage them in their own CSR approach.

Ecovadis assessments

The 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

Since 2020, the Group has operated a reverse factoring solution, in partnership with a bank. The purpose of this programme is to support suppliers in their financing and cash flow issues.

Supplier management processes are also fully digitised. This helps to limit the risk of fraud and streamline the payment process.

Economic dependency

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.

(1) Coverage rate for these indicators: 50%.

4.3.5 Professional ethics

Values and ethics

All 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 Altareit and its stakeholders, employees, customers/tenants, service providers/suppliers, as well as best practices for internal ways of working, including:

- respect for confidentiality and the duty of discretion;
- rules a publicly listed company must respect concerning the use of inside information;
- duty of loyalty and conflicts of interest;
- respect for the law and applicable regulations;
- respect for the environment and Corporate Social Responsibility policy;
- respect for the principle of integrity and zero tolerance for unethical practices.

New employees are systematically reminded of the Group's stated rules, values and principles during induction days. The questions addressed relate to business ethics and health and safety.

In addition, any employee who is unsure how to behave in a particular situation can refer their situation to their Manager or to the Ethics Officer. The consultation with the Ethics Director and their advice are confidential under the ethical charter.

Prevention and fight against corruption

Altarea Group's General Management reaffirmed its commitment to the Group's compliance approach and to the implementation of a policy of zero tolerance towards bad practices and total rejection of corruption and trafficking of influence in all its forms.

This approach embodied by the introduction and implementation of:

- an anti-corruption policy reflected in the Group's ethics charter, which defines the values and rules of conduct to be respected;
- regularly updated mapping of corruption risks;
- dedicated training delivered face-to-face, remotely or in the form of e-learning, which has been taken by 88% of employees;
- third-party integrity assessment processes;
- anti-corruption accounting controls;
- anti-corruption clauses included in all contracts;
- a professional ethics whistleblowing procedure;
- annual declaration of the lobbying activities by representatives of interest.

Combatting money laundering and the financing of terrorism

The Group has KYC procedures in place, which are monitored by the Compliance Department.

Any payment or transfer for which the origin of the funds is undocumented is subject to an in-depth analysis and information to the TRACFIN reporter who is responsible for reporting the suspicion to TRACFIN.

An e-learning course dedicated to the fight against money laundering is also to be carried out by employees of the relevant functions within the Group with a success rate of 73% in 2023.

Combatting fraud

At the Group's most recent update to its risk mapping, the risk of fraud, though limited, was assessed as being slightly greater in terms of impact. This was due to increased media coverage of fraud cases and the increase in "fake President" and "changed bank details" scams for which the Group, like any Group, may be targeted. To ensure that these fraudulent attempts are unsuccessful, awareness-raising messages are regularly distributed to the most exposed populations, and training is provided to the accounting and financial departments. An e-learning course on "fake President" and "changed bank details" scams is aimed mainly at the accounting and financial services (success rate of 73% in 2023) and as from January 2024 to all new hires/employees.

Protection of Personal Data

The Data Protection Officer (DPO) ensures the dissemination of a culture respectful of the processing of the personal data of our customers, employees and other stakeholders in accordance with the General Data Protection Regulation (GDPR). The DPO supports operational teams in implementing projects with a privacy-by-design approach and keeps a register of processing, personal rights and data breaches or incidents.

On the date this document was filed, no cases of non-compliance with internal policies had been identified and no legal proceedings for corruption had been taken against the Group. Similarly, the Group has not been subject to any proceedings or court judgements for environmental issues or for lacking minimum social guarantees in its business.

4.4 Talent at the service of the Group's growth

4.4.1 HR strategy and governance

"In the face of difficulties, it is our convictions [...] that have always made us successful and will enable us to bounce back from the crisis and emerge even stronger" (Alain Taravella -2024 message).

Despite the disruptive shocks of 2023, the Group is maintaining its ambition to be the leader in low-carbon urban transformation in France. Placing people at the centre of past, present and future success remains a key pillar of the Group's strategy, underpinned by the support and commitment of the Human Resources Department, which has continued its action plan, combining proximity and pooled expertise at the service of the brands.

It has a modern and innovative policy for an ever more engaging employee experience. It is guided by organisational, managerial, social and societal issues, but also by the need to attract and retain loyal employees, to be a leader in its practices and remain a benchmark employer in its market.

During 2023, the Human Resources Department took some significant initiatives. These aim to shape a more dynamic and inclusive business environment while anticipating the Group's future challenges. At the heart of this approach, the adaptation of business lines has been key, focusing on internal mobility and the integration of New businesses within the Group. At the same time, the Group has strengthened its commitment to inclusion with concrete actions such as promoting gender equality, including parity in the real estate business, professional insertion of young people and intergenerational initiatives. Finally, training remains a fundamental priority, with a particular focus on essential skills in a rapidly changing sector.

In an inflationary context, the Group sought to maintain employees' purchasing power by general pay rises and the value-sharing bonus.

All of which testifies to the HR Department's determination to build a professional environment where every employee can find the resources they need to flourish and fully contribute to collective success.

4.4.2 Recruitment and development of talents

Change in the Group's headcount

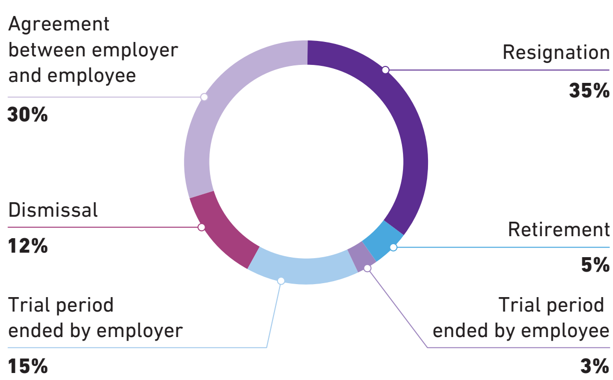
Scope	Objectives/Commitments	2023 results	Change 2022-2023	Trend comment
Group	Ensure the retention of our talents	**Departure rate of 14.5%**	↘	2022: 15.8% Despite the context, the departure rate is largely under control, down compared to 2022, 2021 and 2019 (reference year)
Group	Group Systematise exit interviews	**An "Exit Form" was produced and handed out at exit interviews**	N/A	The generalisation of these interviews means management now has access to a qualitative summary of the different areas of expertise

In a context of the real estate crisis, the promotion of internal mobility is an adaptive and sustainable strategy. The priority was therefore on making the most of our in-house talent and generating external recruitment by creating a cascade effect. In 2023, for the fourth consecutive year, more than 50% of positions in the Altarea Group were filled through internal mobility.

In addition, 203 new talents were recruited and joined the Group on open-ended contracts, confirming the attractiveness of all the Group's businesses. As of the end of 2023, 99% of employees were on open-ended contracts. The Group is maintaining its commitment to long-term jobs.

In 2023, the departure rate within the Group was 14.5%, and, although it is being successfully controlled in a tight market for human resources, remains an issue to watch at all levels of the organisation.

REASONS FOR EMPLOYEE DEPARTURE



The main cause for departure of employees on open-ended contracts is resignation. The Group has renewed and strengthened its induction programme and rolled out exit interviews. These various initiatives are part of a set of employee retention measures which include staying close and listening on a daily basis, offering career opportunities *via* internal mobility, skills development, cross-functional jobs, and sharing value creation.

The employee experience at the centre of attention

Recruitment policy

Altarea's recruitment policy emphasises the entrepreneurial spirit that goes back to the Group's foundation and remains rooted in its business practice. Fundamental values such as non-discrimination, integrity, business ethics, diversity and intergenerational support make it possible to identify and recruit employees who can flourish over time in the Group's structures and culture.

The HR Department works with operational staff to lead student forums and fairs promoting careers in real estate, partner with schools, run job-dating events and celebrate employee commitments.

The Group seeks to constantly improve practices and tailor them to expectations. For the fifth consecutive year it was awarded the Happy Trainees and Youth Engagement certificates, and, for the third consecutive year, Top Employers certification.

Specifically, in 2023, the Group took part in several actions/student forums:

- **engineer profile forums**: Participation in the CentraleSupelec, HEI and ESTP forums;
- **general profile events**: The Talents and Careers division launched a new event for young people who want to learn more about the real estate business. In May 2023, Orient'i'mmo welcomed around fifty guests to present the Group and its business lines;
- the Group took part in the latest Forum des Métiers de l'Immobilier et de la Ville. Some operational employees took part in the curricula of programmes for students from the IESEG or the Master 246 of Paris Dauphine and GESIIC. The HR Department also held a morning for Masters students studying MUI (Urban and Property Management) in an intimate format at the head office with a meeting with professionals and a tour of the head office.

For the third consecutive year, the Group renewed its partnership with CentraleSupelec. This partnership is useful in two ways: first, students bring in new thinking on housing and, second, the Group can introduce engineers to the Group's New businesses: data centers, Renewable Energies, Asset Management.

The Talents and Careers division has formalised its relationship with the HEI school through a new partnership. This initiative has connected around twenty HEI alumni working for the Group and brought them together in social events as a way to build links and strengthen ties between the Group's subsidiaries.

In addition to the special relationships with partner schools, the HR Department continues to promote its work-study and internship research on LinkedIn and other job sites such as Jobteaser, so pushing it out more widely to schools and universities in France.

Talent development

Access to employment by young people and older people

As a responsible company, the Group sees access to employment for young people and older people as a priority, to facilitate sustainable integration into employment and guarantee the transmission of knowledge between generations. Preferred target: young people under the age of 27 and employees over the age of 55.

At 31 December 2023, 37% of the workforce was over 50 and under 30 (20% and 17% of the total workforce, respectively). 10 employees over the age of 50 were hired on open-ended employment contracts in 2023 (23 in 2022).

Work-study programs continue to be a major factor in promoting the integration of young people. In 2023, the Altarea Group had welcomed 466 work-study students, including 286 in the workforce, by the end of the recruitment campaign in October 2023. 57 interns of more than three months also joined the Group during their training course.

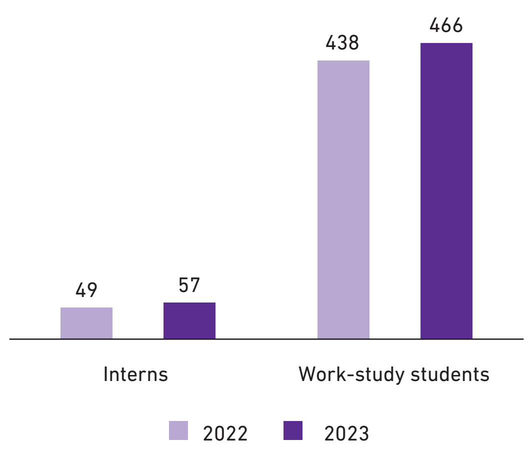
22 young people were offered an open-ended or fixed-term contract at the end of their internships or work-study programs.

The Group hopes to play a leading societal role by training these young employees in both know-how and behaviour in a corporate setting to facilitate their transition into professional life. To help them assimilate the learning programme, in addition to mentors and buddies, recruits get information kits sent out pre-hiring and can attend dedicated "Inte des AS" seminars.

Since 2018, more than 100 Altarea Group employees have been trained as mentors. This year, 35 buddies agreed to support the Group's young volunteers as mentors.

For the first time this year, the Group invited volunteer employees to participate in a debate on intergenerational issues. An opportunity for participants to reflect on their career aims after the age of 55. In parallel with this initiative, the Group contracted Silver Up to offer employees support services for their pension savings at preferential rates and held internal information sessions to clarify the specifics of the pension reform.

CHANGE IN THE NUMBER OF INTERNS AND WORK-STUDY STUDENTS



Happy Trainees 2023

The Group continued to interview young talents (work-study students, interns) about their experiences within the Group. This survey of confidential responses is run by the service provider Choose my Company. For the sixth consecutive year, Altarea obtained the Happy Trainees label, awarded based on the opinions of work-study students and interns.

Nearly **89%** of our work-study students and interns recommend Altarea Group

87.9% of respondents said their onboarding had been a success

86.4% are proud of the Group

And **86%** approve of the Company's projects

Youth employment award

This year, Altarea received the Emploi des Jeunes award, given by Option Finances and Le Figaro Emploi, in recognition of its overall policy to train and integrate young people.

Lastly, Altarea Group's Graduate Program ran again on an equal basis with the fifth intake welcoming 4 people in October.

The talents in this process (recruited on open-ended contracts) come from Grandes Écoles and rotate six months during 18 months in the Group's various business lines. Since the first intake in 2019, 30 young people have been through this programme and 24 are now working in all of the Group's sectors in jobs such as programme Manager, analyst, asset Manager or development Manager.

Compensation and value sharing

The compensation policy remains broad and generous despite the real estate crisis. The Altarea Group wanted to protect the purchasing power of employees by allocating a significant budget for salary increases and paying two value-sharing bonuses. It also rewards individual and collective performance by renewing performance bonus levels and strengthens "Tous En Actions!" an original and attractive employee shareholding programme.

Scope	Objectives/Commitments	2023 results	Change 2022-2023	Trend comment
Group	Develop value sharing, particularly through employee shareholding	**1,617 current employees hold Altarea Group shares either directly or indirectly (through the FCPE).**	N/A	The Cash Actions scheme, which allows employees to take their bonus in the form of free Altarea Group shares, proved very popular with a participation rate of 68%

Purchasing power

To cope with persistent inflation in 2023, the Group has taken significant measures to support the purchasing power of employees.

Altarea Group budgeted €4 million to increase base salaries. It also decided to pay two value-sharing bonuses of up to €6,000 to reward the commitment and efforts of employees in this tough environment and also to support purchasing power.

In addition, the transport subsidy was raised to 75% in 2023 and a deal was struck with insurers to freeze the level of contributions for supplementary health and disability insurance.

A bonus policy recognising employee commitment

The awarding of bonuses is a managerial act that acknowledges actual performance and the achievement of individual objectives.

In addition, although overall objectives were missed, the Altarea Group nonetheless decided to recognise employees' efforts by awarding bonuses. The "Tous en Actions!" scheme was expanded so that all employees on open-ended contracts can be involved in Altarea Group's development and results by becoming a shareholder of the Group if they so wish.

To involve Managers more closely in Altarea 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 Altarea Group's strategy.

At 31 December 2023, 76% of the Altarea Group workforce was a shareholder of the Group. These shareholdings represent 4.1% of the capital.

The year 2023 was marked by the renewal of the capital increase reserved for employees. This employee shareholding scheme offered Group employees a discount on the reference price of Altarea shares; dividends on Altarea shares are reinvested in the FCPE (employee share fund), increasing the value of their shares.

Since 2021, Altarea Group has included non-financial criteria in the incentive agreement, two of which relate to the "Employees" component; one on the number of women in management bodies and a second on the share of positions filled through internal mobility. In 2023, Altarea achieved a rate of 34.9% for the female indicator and a rate of 50.8% for positions filled by internal mobility.

Fair pay

In addition to promoting gender equality, Altarea is committed to respecting fair pay between men and women.

As such, in accordance with the law on the professional future and its implementing decree, the entities that make up the Group have measured the indicators defined by the "gender equality" index in accordance with applicable regulations.

The scores obtained for each company based on the results at 31 December 2023 are as follows:

- Cogedim Services Operations: 94/100;
- Histoire & Patrimoine Economic and Social Unit: 90/100;
- Pitch Promotion Economic and Social Unit: 89/100;
- Cogedim Economic and Social Unit: 88/100;
- Woodeum: 80/100.

It should be noted that the multitude of business lines that make up the Group explains the dispersion of compensation levels by activity. These scores are therefore merely indicative. In addition, the compensation of Managers is supplemented by a variable portion of pay, depending on the nature of the function performed and the level of responsibility.

As part of its salary process, Altarea sets aside a budget dedicated to closing the pay gap between women and men in equivalent positions which is rolled over year to year. This issue is monitored monthly and indicators are presented to the relevant bodies.

4.4.3 Working environment

Working environment where life is good

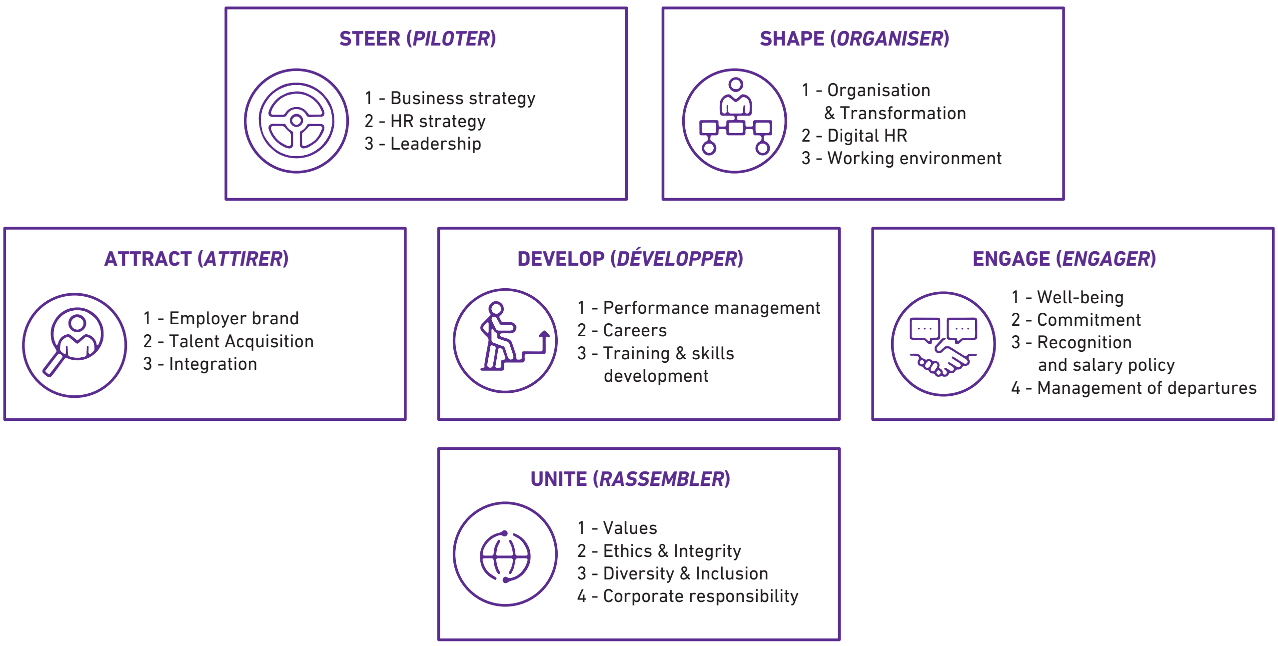
Top Employer 2023

The Group is again certified as a Top Employer in 2023.

The Top Employers Institute has been evaluating companies' human resources and management practices. As a unique and independent observer, the Institute has certified more than 2,052 organisations in 121 countries for over 30 years.

Top Employers certified organisations are committed to providing the best possible working environment for their employees through innovative human resources practices that prioritise human capital.

The Top Employers Institute has assessed and rated all the programmes that Altarea offers to its employees. Its survey covered six major HR areas, divided into 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.



Employee safety, health and well-being

Scope	Objectives/Commitments	2023 results	Change 2022-2023	Trend comment
Group	Extend the Altawellness offering	**A more diversified offer**	Consolidation	Altawellness has developed its "Caregivers" offer Increase in the support available to employees by profile (parents, caregivers, etc.)
Group	Manage absenteeism	**The absenteeism rate for 2023 is 2.51%**	↘	The absenteeism rate remains below 3%

The attention paid to the health, safety, well-being and quality of life and working conditions of employees is part of the Company's culture, helping maintain mental well-being and employee engagement.

Guides and tutorials are available in digital modules for all Managers and/or employees on the Digital Academy.

The Altawellness brand

In September 2018, the Group created the Altawellness brand, an approach designed to take a holistic view of employees and offer them handy solutions to take care of their physical and mental health.

It is reflected in the provision of service platforms and online modules accessible to all on the Digital Academy, face-to-face events promoting the sharing of experiences and remote "Live" formats, and events such as conferences and webinars.

The programme was significantly strengthened in 2023, particularly in terms of support for employees based on their needs (parents, caregivers). Altawellness initiatives are as follows:

- webinars led by health experts (fight against sedentary lifestyle, nutrition, stress management, etc.);
- special actions during Quality of Life at Work Week, Pink October and Movember;
- vaccination campaigns (flu vaccination: more than 160 employees vaccinated at head office);
- possibility to access personal services on preferential terms to facilitate the daily life of employees (cleaning, childcare, tutoring, etc.);
- social and family support service providing support on personal issues (close relatives dependents, divorce, over-indebtedness, illness, etc.).

As a follow-up to the signing of the Parenthood Charter (June 2021), Altawellness distributed its first Altawellness fact sheet listing the Group's parenting support systems. The end of the summer holiday season is an opportunity to remind employees of Worklife services' parenting strand: childcare, tutoring, etc.

These actions aim to promote a work environment and a managerial culture enabling employees to reconcile professional and personal life, while enjoying real quality of life at work, a source of humanly sustainable performance.

THE GROUP REMAINS DETERMINED TO SUPPORT OUR EMPLOYEES

In June 2023, the Academy team proposed a new learning experience (see box 4.4.4 Talent and skills management), the new resources available have made it possible to expand the training offers in health, safety and well-being at work.

Training modules were offered as part of:

- preventative health campaign (July 2023): a summary sheet was sent to all Group employees;
- Pink October;
- Tobacco free month;
- Movember; and
- the week for the employment of people with disabilities.

All the modules offered as part of the events above are available on the home page of the digital learning platform, and highlighted in the "Trend of the Month" section.

Occupational health

The Group's activities do not pose a high risk to the health and safety of employees.

Ongoing initiatives to promote a safe working environment and ensure the health, well-being and quality of working life of employees include regular updating the single document on occupational risk assessment and raising awareness of precautionary measures and personal protective equipment for employees working on building sites.

For World Health Day, Altawellness organised a preventative hearing session offering its first hearing screening campaign in Richelieu.

The HR Department has also put in place, at Group level, recommendations concerning posture and work spaces in consultation with the occupational doctor and the CSEs and health and/or safety committees (CSSCTs).

Employees and their beneficiaries enjoy complete and quality supplementary healthcare and disability coverage, which has been renewed, thus maintaining a high level of guarantees while reducing costs.

HR innovation: For the first time, a team from the HR Department received training in how to identify mental health disorders (2 days of training, 19 HR employees trained). This is a first aid training course to support and provide the most appropriate initial support to the people concerned.

Cultural and sporting issues

In accordance with Act 2022_296 of 2 March 2022, Altarea takes cultural and sporting issues into account when determining the Company's business strategy. The HR Department, *via* the Altawellness offer, encourages employees to use the resources at their disposal to improve their own physical and mental well-being thanks in particular to the budgets for social and cultural activities and infrastructure (health and fitness area).

Thus, Altarea encourages its employees to exercise and participate in sports: a gym at the Richelieu head office, subscriptions to online courses for the Regions, awareness-raising campaigns on physical and mental health, well-being advice for employees, and workshops on various topics such as nutrition or physical exercise.

Absenteeism

Absenteeism is the subject of an exhaustive and detailed review each year, with an analysis of each reason by entity.

For 2023, the absenteeism rate remains low, as historically observed (less than 3%).

The absenteeism rate indicator is calculated using the ratio between days of absence (excluding holidays and public holidays) and the number of calendar days worked.

Equality, diversity and disability

The Group promotes integration and diversity in its recruitment policy and the management of its employees' careers through attentiveness to all potential factors of discrimination (gender, age, disability). Quality social dialogue and respect for the fundamental conventions of the International Labour Organization supplement this policy of diversity and equal opportunities.

Since December 2013, the Group has been a signatory of the Diversity Charter and all new employees are made aware of this commitment (welcome booklet, induction seminar). A Diversity adviser coordinates the Group's policy in its various areas: gender parity, initiatives aimed at young people and seniors, consideration of disability, and socio-professional diversity.

The Group has renewed its partnerships with the following organisations: "Elles Bougent": which helps introduce middle and high school students to careers as engineers and technicians. Group employees with a technical or scientific background can become mentors for the organisation and other employees who wish to get involved can play a support role in promoting careers among young secondary school students. The Group currently has 15 employees committed to the organisation with six new sign-ups this year.

The Academy then published a digital module "Becoming a sponsor/ relay Elles Bougent".

"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.

CONTINUOUS COMMITMENT TO DIVERSITY

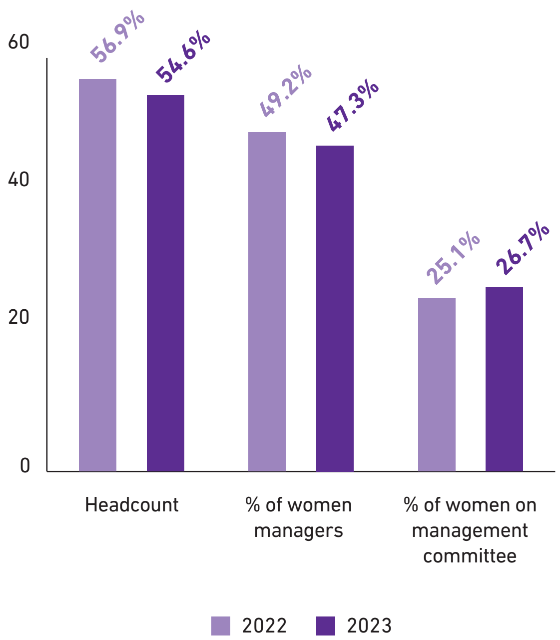
In 2023, Altarea committed to supporting the "Viens voir Mon Taf" association. The aim of this partnership is to offer a third-year internship (five-day introductory internship) to students without a professional network. Every employee who brought in an intern from their personal network was matched up with a young recruit signed up to the "Viens voir Mon Taf" scheme.

From October to the end of December, seven secondary school students have already been welcomed within the Group. This scheme will continue in 2024.

Digital awareness-raising training courses are available to all employees: "Good non-discrimination practices" and "Let's play diversity".

Scope	Objectives/Commitments	2023 results	Change 2022-2023	Trend comment
Group	Promote youth employment	**Work-study students make up 14.4% of the workforce**	↘	The Group has strengthened its commitment to young people
Group	Promote gender equality	**Women represent 26.7% of members of the Managers committee**	↗	The Group continues its actions to promote access for women to management positions

PROMOTING EQUALITY AT WORK



The Group has always striven to guarantee the same opportunities for men and women in all aspects of their professional and personal life, seeing gender equality as a factor for collective enrichment and social cohesion. Since 2021, the Group made a strong commitment to the promotion of women in management by signing the Gender Equality Charter in partnership with the Cercle des Femmes de l'Immobilier. Each entity has therefore renewed and intensified its action plans on gender equality in 2023, confirming the Group's desire and commitment to maintain measures to promote diversity, including:

- the continuation of the "employee" extra-financial incentive criterion underlining the Group's determination to support equal opportunities between men and women, in particular by promoting the promotion and access of women to management positions, and capitalise on talent by supporting internal mobility;
- the drive for equality at public events such as Crescendo integration seminars;
- during recruitment, partner firms and departments are made aware and undertake to systematically shortlist a man and a woman.

In December 2021, the Group signed the charter of commitment to gender parity and gender equality in companies and organisations in the real estate sector, reflecting its convictions. Promoting gender equality in the workplace is self-evidently essential for the Group to imagine real estate projects that match the social, societal, environmental and corporate governance challenges of today and tomorrow.

In 2023, the Group put this into practice by holding the first multi-year "Cafés des Altaréennes" meetings. The aim is to encourage meetings between women in the Group (all professions, ages and responsibilities). These events are an opportunity to bring employees together to share and discuss topics such as work-life balance and professional responsibilities. The informal environment gives the Group's women a chance to share their professional and personal experiences.

Disability policy

In 2023, 29 employees were declared as workers with disabilities.

As every year, an internal communication campaign and awareness-raising modules were offered during European Week for the Employment of People with Disabilities led by the Group Disability officer.

ESATs (*Établissement et service d'aide par le travail*, organisations working to bring disabled people into the workforce) are used to provide a range of services (*e.g.* purchase of supplies).

Dialogue with employee representatives

The quality of employee dialogue is always a key focus of the Group's employee relations policy.

Management and social partners hold regular discussions, always in conjunction with the occupational health services, to maintain optimal organisation and working conditions for employees.

Each decision involves consultation with the CSEs and the CSSCTs, where they exist, and is managed at Group level. An *ad hoc* body, a "CSE for brands" has been set up at Group level, bringing together all CSEs. Its purpose is to present and discuss issues common to all Group entities. Each CSE is regularly informed and consulted on plans to set up new organisations, strategy, direction and new projects.

In collaboration with the members of the CSEs, the head office nurse and the occupational physician, the HR Department is drawing up its policy for the prevention notably of psychosocial risks by regularly updating its handouts and strengthening its policy on well-being and quality of life and conditions at work.

In addition, harmonisation continues within the Group with a regular update of its Common Social Base to integrate the new Group companies so that all employees always have the best social benefits.

Thus, in addition to a common employee regulation and a harmonised compensation policy, the HR Department is continuing its labour relations policy *via* the conclusion of collective agreements at Group level (Incentive Agreement, PEE employee savings plan, profit-sharing agreement, PERCOL, Right to Disconnect Charter, Ethics Charter, Code of Conduct, IT Charter, Teleworking Charter) or similar action plans (Equality at work and QVCT). This approach aims to:

- strengthen the principle of solidarity and complementarity within the Group;
- develop existing synergies within Altarea;
- promote professional mobility between brands and activities.

Since 2021, the Management and Group CSEs have had an inter-company social and cultural activities committee (CASCI) so that all employees can benefit from joint social initiatives including sports activities. The first actions were held in 2022, thanks in particular to a sport-for-all grant, and included various events or offers throughout the year.

Because of the size of the entities in Italy and Spain, formal mechanisms of employee representation are not required under local regulations. Dialogue takes the form of direct discussions between employees, the Deputy Director and the Human Resources Department.

Teleworking charter

Since 2018, the Group has had in place a teleworking charter that strikes a balance between efficiency, work-life balance and CSR. Remote working forms part of a QLWL approach, alongside CSR and Sustainable development concerns.

Since 2021, a Charter has been in place extending the conditions for remote working, offering flexibility to employees and taking into account their professional and personal situations. The Group adapted successfully, demonstrating agility in arranging for remote, face-to-face and hybrid working formats. During the COVID pandemic a number of tools were made available to Managers and employees, including the remote worker kit and training modules on how to manage remotely and a team work management tool. In 2023 the Group introduced measures to support caregivers and pregnant women.

Other initiatives

The policy of exceptional leave time for life events will form part of the common social platform. Rules more favourable than those of the collective agreement are thus accorded to employees during important life events.

Work-life balance is also an important issue at Altarea. Beyond numerous existing actions (voluntary part-time working, birth or adoption-related leave, family-related leave, parental leave for childcare, leave to care for a sick child, etc.), the conditions for maternity and paternity leave were improved. Since 2018, employees continue to be paid their gross salary with no condition of length of service for maternity leave and after one year with the Company for paternity leave, now extended to 25 days. Each year, employees who need time off can use the day donation scheme *via* campaigns organised by the HR Department.

Altarea employees also have access to a social and parental support service where they can receive advice on personal issues.

Finally, measures to control the management of IT and communication technology tools made available to employees were reaffirmed. Notably, when it comes to work-life balance, each employee has the right to disconnect outside the business hours in which they normally do their work in compliance with a minimum daily and weekly rest period provided for by law, except in exceptional circumstances. The Group has reaffirmed its commitment to the right to disconnect through the adoption of a Charter on the right to disconnect for all its entities.

Compliance with the eleven ILO conventions

The Group has committed to complying with the eleven fundamental conventions of the International Labour Organisation and ensures they are applied in its operations, particularly in relation to:

- 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.

Altarea Group also complies with corporate principles in the area of children's rights. In the case of the Retail division (Altarea Commerce), the Group is only present in the countries (France, Spain and Italy) that have ratified these fundamental conventions and transposed them into their domestic labour law. Lastly the Group's ethical charter reiterates the reciprocal rights and duties of employees and the Company and stresses the principle of regulatory and legal compliance. It is supplemented by a Code of Conduct and infographics enabling a better understanding of the various employees. It is available on the intranet and attached to the onboarding file for new hires.

4.4.4 Talent and skills management

Scope	Objectives/Commitments	2023 results	Change 2022-2023	Trend comment
Group	Continue skills development according to the needs of the business line and develop the employability of employees	**100% of Altarea Group employees engaged in at least one learning action**	↗	In 2023, the Academy expanded its online training offer thanks to a partnership with Edflex (content curation service provider).

To refresh its offering and better adapt to the current environment of crisis, the Academy is proposing a training policy that has been revamped and renewed in 2023 to adapt to new challenges.

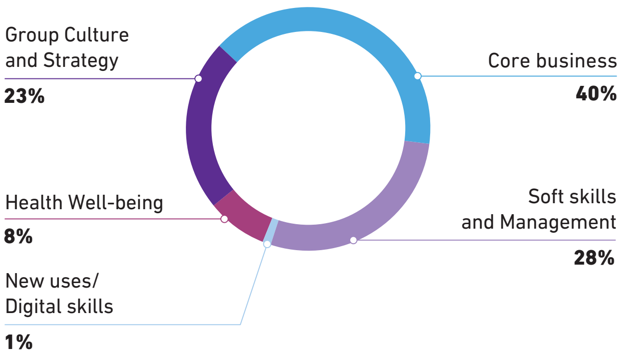
Implementing the policy resulted in an augmented Academy: a new partnership with Edflex in June 2023 to offer training on more than 230 themes fed by the curation of content integrated to the Group's Learning Management System making it the world's first school for low-carbon urban transformation.

The training menu is delivered by a community of business ambassadors (voluntary internal expert trainers).

Four pillars for skills development were also reviewed:

- understand: business challenges, sector and regulatory context;
- develop: support for key soft skills;
- transmit: passing on skills and knowledge;
- reinvent yourself: training for new professions.

BREAKDOWN OF 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 2023 with a large-scale tailor-made programme revolving around the development of projects serving Altarea Group's business challenges.

18 employees from all Altarea Group brands took part in this session. This third year with emlyon, the participants were mobilised into a "project team" working on an "Altarea Oriented" theme, drawing on the modules on Strategy, Finance, Leadership and backed by the mentoring of internal sponsors and personalised coaching both collectively and individually.

These projects were presented in the presence of Alain Taravella and Jacques Ehrmann as well as Executive Committee members and Managers. Each team supported its project with conviction and earned its certification. Since it was first run in 2018, this programme has developed as a learning system, evolving from an initially results-oriented programme into a Test & Learn and "Awareness of the path travelled" approach. This has made it possible to build up a learning community offering value-added projects for the Group in a highly disrupted real estate sector.

The "Talent Developer" Academy: a learning company vision

The "Learning & development" model supported by the Academy created in 2017 relies on the diversity of learning methods: face-to-face, distance learning, synchronous or asynchronous. This hybrid approach, supported by a learning business vision, had been anticipated well before the health crisis to meet the challenges of developing skills and so attracting and retaining talents.

Since March 2020, the Academy has rolled out its digital platform to all Group employees, with a wide choice of à la carte modules for distance learning. Employees can go there to find all the strategic directions of the Group's skills development plan: Group culture & strategy, core business, soft skills & management, digital skills and health, safety and well-being.

The Academy continued to put out its regular Newsletters to share news and programmes related to training and skills development with all Group employees.

A sustained learning dynamic

In June 2023, the Altarea Academy unveiled its new "Augmented Digital Academy" offer, conceived in line with its continuous improvement approach to continue supporting employees in developing their skills on a daily basis. Designed to meet the needs of a constantly changing world, this revolutionary learning experience offers a flexible and dynamic approach, thanks to a partnership with Edflex which has unlocked resources tailored to current needs and a flexible learning offer with many formats available (videos, podcasts, articles, etc.).

CYBERSECURITY AWARENESS FOR ALL

In June 2023, the Human Resources Department supported the Security Department in conducting its cybersecurity awareness campaign. Group employees were invited to take the module before September. More than 80% of participants have completed their training course.

5,026 training days were recorded in 2023 for the Altarea Group. Frequent learning moments and the provision of an accessible digital platform encourage a learning culture and support knowledge of the business lines and internal mobility initiatives.

The Group's training investment represented 3.1% of the payroll (incorporating the entire apprenticeship policy since 2020), an investment that is still significant to finance large-scale actions such as "core business" training, which remain in the majority to support career development.

A dynamic integration process

The induction process has not been forgotten. 100% of new employees had access to the onboarding module on the Digital Academy.

Since 2022, a pre-boarding module is now offered to new recruits to enable them to see themselves in their new position.

In 2024, the Group has rethought its onboarding programme as a learning journey.

Mobility and promotions

Scope	Objectives/Commitments	2023 results	Change 2022-2023	Trend comment
Group	Promote/Contribute to employee mobility	**50.8% of positions filled through internal mobility and promotion**	=	Resizing teams as part of the managerial responsibility project has been a mobility accelerator

The Group continued our committed policy in terms of mobility and internal promotion.

In 2023, 50.8% of Altarea Group positions were filled internally. Within the Group, 179 employees were involved in 193 transfers and promotions.

To drive this internal mobility policy, we carry out individual and collective actions.

Employees express their plans and desire for mobility to their Manager, notably during their annual review. The information is collected and studied. HR mobility committees meet monthly and include the subsidiary HR Departments. Their objective is to monitor movements and oversee connections between the employees' projects and the positions to be filled.

Employees receive a monthly Altajobs newsletter containing news from the Group in terms of jobs and mobility. To remind everyone of best practice in terms of mobility, a training programme accessible *via* the Group's Digital Academy was developed. This 15-20 minute module gives the right advice to employees who are interested in accelerating their career within the Group.

This newsletter showcases initiatives to encourage internal promotion and mobility. In 2023, there were two main initiatives:

- a second season of podcasts with 19 employees recorded talking about what interested and motivated them about their current job in addition to the original 15 from season 1;
- these are 7-10 minute podcasts available on the Digital Academy to learn about the jobs of colleagues;
- a 100% digital solution that walks employees through a reflection on their career: Jobmaker. This platform guarantees confidentiality to employees and offers them the opportunity to conduct a sort of skills assessment on their own. The tool helps them to think through their plans and to better communicate their experience and projects to their Managers or at internal mobility interviews. This solution, initiated in June 2022, has been renewed for the years 2023 and 2024. To date, more than a hundred employees have signed up to use it.

Promoting the Group's business lines among employees also means getting to know each other through social events. This year, the HR Department held another Sensational Week on the theme "Re-employment in all its varieties". This was a week of events at the end of June, composed of conferences, discussions and moments of conviviality around three themes: REnature spaces, REcycle materials and REconnect generations. The multiple events attracted more than 500 people who registered for events and 250 guests for Family & Friends Days. A photo competition was also launched and led to an exhibition of the 52 photos of the 38 participants at the Richelieu head office. Employees from all subsidiaries and all levels of responsibility took part. Winners were picked through three votes: the employees' vote, the Executive Committee's vote and the choice expert who supported the HR Department on this photo competition project.

4.4.5 Key social indicators

			2022	2023
TOTAL HEADCOUNT	**TOTAL HEADCOUNT END OF MONTH**	**NO.**	**1,552**	**1,670**
Breakdown by type of contract	Number of employees on open-ended contracts	No.	1,526	1,656
	Number of employees on fixed-term contracts	No.	26	14
	Percentage of women in the total headcount	%	57%	55%
Breakdown by country	Percentage of employees in France	%	100%	100%
	Percentage of employees in Italy	%	0%	0%
	Percentage of employees in Spain	%	0%	0%
Breakdown by age group	Under 30	%	20%	17%
	30 to 50	%	64%	63%
	Over 50	%	16%	20%
Breakdown by status	Percentage of employees in management positions	%	77%	80%
	Percentage of employees in non-management positions	%	23%	20%
Recruitment	Number of new hires on open-ended contracts	No.	325	203
	Percentage of women hired on open-ended contracts	%	62%	55%
	Percentage of Managers hired on open-ended contracts	%	77%	67%
	Number of fixed-term contract hires	No.	138	64
	Number of work-study contract hires	No.	228	211
Departures	Number of departures of employees on open-ended contracts excluding mobility and administrative transfers	No.	234	246
	Total departure rate	%	15.8%	14.5%
	Non-Manager departure rate	%	21.2%	21.2%
	Manager departure rate	%	14.2%	12.8%
Reasons for Departure	Percentage of resignations	%	49%	35%
	Percentage of dismissals	%	15%	12%
	Percentage of agreements between employer and employee	%	15%	30%
	Percentage of retirements or early retirements	%	2.0%	4.9%
	Percentage of probation periods ended by employer	%	14%	15%
	Percentage of probation periods ended by employee	%	7%	3%
Organisation of working time	Open-ended/fixed-term in FTE	No.	1,540.25	1,658.50
	Average headcount end of month open-ended contracts	No.	1,479	1,700.75
	Number of theoretical hours worked excluding overtime	No.	2,691,888	3,087,515
	Turnover rate	%	19.5%	13.1%

			2022	2023
Gender equality	Percentage of women among management-level employees	%	49.2%	47.3%
	Percentage of women on the managing executives committee	%	25.1%	26.7%
Disabilities	Number of employees having reported a disability	No.	23	29
Antidiscrimination	Number of interns during the period	No.	49	57
	Number of work-study contracts during the period	No.	438	466
Organisation of employee-management dialogue	Number of employee representatives	No.	60	76
	Percentage of employees covered by a collective agreement	%	100%	100%
Fixed compensation	Average gross annual employee compensation - excluding variable compensation and employer contributions	€	€55,004	€57,949
	Average gross annual compensation of non-Managers - excluding variable compensation and employer contributions	€	€32,728	€33,602
	Average gross annual compensation of managers - excluding variable compensation and employer contributions	€	€60,974	€64,182
Training	Total expenditure on training	€	€3,592,684	€3,914,012
	Percentage of employees who completed at least one training course during the year	%	97.5%	N/A
	Number of training days per year	No.	3,864	4,177
	Average training expenditure per employee trained	€	€1,970.75	N/A
Promotions	Number of employees promoted in the year	No.	147	120
	Percentage of employees promoted in the year	%	9.5%	7.1%
Mobility	Number of employees having benefited from one or more forms of mobility	No.	72	73
	Percentage of employees having benefited from one or more forms of mobility	%	4.6%	4.3%
	Percentage of vacancies filled as a result of mobility	%	15.6%	26.4%
Absenteeism/ Accidentology	Rate of absenteeism excluding maternity leave/paternity leave/other causes	%	3.03%	2.51%
	Number of occupational illnesses	No.	0	0
	Number of workplace accidents (with work stoppages excluding accidents on the journey to and from work)	No.	9	8
	Frequency rate of workplace accidents		6.69	2.59
	Severity rate of workplace accidents		0.11	0.13

4.5 Methodology

Altarea Group publishes its Declaration on Extra-Financial Performance (DPEF) each year. Altareit voluntarily published its 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 Altarea Group website), the Group risk mapping (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 Altarea 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

The Group drew on recognised national and international guidelines to produce its internal reporting guidelines and extra-financial communication.

The scope of social reporting includes all of the Group's fully consolidated legal entities with a payroll that is not nil.

Residential and Business property

Scope of reporting

The Group's Property Development business consists of:

- in Residential: Cogedim, Pitch Immo, Severini (included in Pitch Immo), Groupe XF (included in Pitch Immo), Woodeum and Histoire & Patrimoine;
- in Business property: Office activities (under the Altarea Entreprise, Cogedim and Pitch Immo brands) and Logistics.

Unless otherwise stated, the indicators published in this report relate to:

- in Residential: all brands, excluding Groupe XF;
- in Business property: Offices only.

Similarly, unless otherwise stated, the Residential and Business property indicators are calculated on a rolling annual basis. They relate to all projects under construction or delivered from 1 October of the year preceding the reporting year at 30 September of the reporting year.

Methodological details related to the calculation of certain indicators

Share of local purchases

This indicator covers Residential, excluding Groupe XF and Histoire & Patrimoine. It is calculated for all projects delivered from 1 October of the year preceding the reporting year at 30 September of the reporting year.

NF Habitat certifications

This indicator covers Cogedim Residential and Pitch Immo Residential. It is calculated for all transactions declared to the certifying body CERQUAL from 1 January to 31 December of the reporting year.

Greenhouse gases emissions (GHG)

The scope of reporting for the Property Development activity includes all projects (including Groupe FX projects) contributing to net financial income (expense) 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 note 2 in Chapter 2 of the Universal Registration Document).

In the case of Property development, the emission factors used for new housing and offices from financial year 2022 comply with the environmental regulations for 2020 (RE2020). Projects subject to this regulation undergo a life cycle analysis (LCA) to identify two indicators related to GHG emissions from each building (in $kgCO_2e/m^2$):

- IC construction: this reflects the GHG emissions produced during the construction phase of projects under development;
- IC energy: this reflects the GHG emissions produced during the operation phase of projects under development (energy for tenants) over 50 years.

For projects within the property development reporting scope outside the scope of application of RE2020, the factors used are based on data from market benchmarks (ADEME, E+C- standards) and research consultancies for projects representative of groups of buildings.

These factors, multiplied by the regulatory surface area of a project (SHAB – Habitable surface area – for housing, SU – Useful surface area otherwise), make it possible to calculate the GHG emissions generated by this operation. In order to harmonise the accounting of GHG emissions with the Group's economic activity:

- the emissions related to the construction of each project are calculated using the IC construction index and the technical progress of the project carried out during the financial reporting period;
- the emissions related to the operation of each project are calculated using the IC energy index and the marketing progress of the project carried out during the financial reporting period.

This method ensures that all GHG emissions are accounted for in each operation delivered and fully sold. In addition, the GHG emissions from building site waste constituting a part of the ICc are separated from the "Purchased goods and materials" category of the GHG Protocol.

Corporate

Scope of reporting

The scope of corporate reporting includes the contributions of the Group's head office at 87 Rue de Richelieu, in Paris. Environmental data for the Group's head office are available for the calendar year.

Methodological details related to the calculation of GHG emissions

Scopes 1 and 2

Scopes 1 and 2 for Corporate activities include business travel by company car as well as energy consumed in all head offices. Employee fuel and energy consumption during the extra-financial reporting period are recovered and then converted into GHG emissions using reference factors provided by the French Environment and Energy Management Agency (ADEME) for the market based approach and by the Association of Issuing Bodies (AIB) for the method location-based approach.

Scope 3

This scope includes emissions related to business travel, in particular train and plane journeys, as well as business travel in personal vehicles.

Other scope 3 emissions items were taken into account in order to integrate 7 of the 15 categories identified by the GHG Protocol. For Corporate, they correspond to the consumption of water, waste, purchases of consumables and commuting by Group employees. This last calculation is based on the employee's postal code and an INSEE study which gives the average annual GHG emissions of commuting trips by department of residence in 2019[1].

(1) *Sources: SDES-INSEE, Mobility of People survey 2018-2019; INSEE, 2019 population census, additional use; Metric.OSRM distance calculator, © contributors to Open StreetMap and the OSRM project.*

4.5.3 European taxonomy

Regulatory framework

European Commission texts serving as reference:

- REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
- ANNEX I supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by defining the technical examination criteria to determine the conditions under which an Economic activity is considered to contribute substantially to the mitigation of climate change and to determine whether economic activity causes significant harm to any of the other environmental objectives;
- FAQ on REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020, of 19 December 2022;
- Delegated Regulation (EU) 2021/2 139 of the European Commission of 4 June 2021;
- Delegated Regulation 2023/2485 of 27 June 2023 amending Delegated Regulation (EU) 2021/2139 with additional technical review criteria to determine the conditions under which certain economic activities can be considered as contributing substantially to the mitigation of climate change or adaptation to this and if these activities do not cause significant harm to any of the other environmental objectives

The European Commission presented a methodology (the taxonomy) for reporting investments in economic activities considered to be sustainable. The aim is to facilitate investments that contribute to achieving Europe's environmental objectives:

a) climate change mitigation: CCM;

b) climate change adaptation: CCA;

c) sustainable use and protection of Water and Marine Resources: WTR;

d) transition to a Circular Economy: CE;

e) pollution prevention and control: PPC;

f) protection and restoration of biodiversity and ecosystems (BIO) {t1}{/t1}{t2}{/t2}{t3}{/t3}.

The european taxonomy is applied to the Group's consolidated scope. It makes it possible to assess the proportion of activities that are sustainable or contribute to the ecological transition.

Taxonomy principles and methods

The alignment of the reported indicators with the taxonomy was investigated at asset level, which in Development, means each project (building or group of buildings).

For development projects, the date considered is the filing date of the building permit when referring to national regulations.

Altareit's Property Development activity is eligible for the Taxonomy activities "7.1 Construction of new buildings" and "7.2 Renovation of existing buildings" since the Group carries out projects and also major renovations *via* Histoire & Patrimoine.

For this fiscal year, each project aligned within the meaning of the taxonomy was the subject of an exhaustive collection and review of supporting documents (see 4.1.6 details of the eligibility and alignment methodology for assets/projects).

Substantial contribution criteria (SCC) #1a: climate change mitigation

Property Development: new construction

SCC #1: NZEB -10%

The european taxonomy requires buildings to reach a threshold of primary energy consumption that meets the nearly zero energy building (NZEB) standard -10%.

For assets subject to RT2012 (building permits filed before 1 January 2022 for residential and before 1 July 2022 for the tertiary sector), this threshold corresponds to the RT2012-10%[1].

For assets for which the building permit was obtained after 1 January 2022 for residential and after the 1 July 2022 for the tertiary sector, RE2020 standards are strict enough to reach the consumption threshold set by the european taxonomy.

If not all the buildings in a multi-building project reach the RT2012-10% threshold, then the aligned revenue of this project is calculated pro rata the number of aligned units.

Activities concerned: Property Development

Scope: Residential and non-residential

SCC #2: Airtightness and thermal integrity tests

Regarding airtightness, the Group applies the regulation literally. The criterion is reviewed asset by asset for buildings of more than 5,000 m².

Regarding thermal integrity, RT2012 and RE2020 require proven and traceable quality control processes during construction to guarantee the thermal integrity of buildings, for residential and tertiary sectors.

Thermal integrity and airtightness tests are therefore carried out on buildings (upstream of the purchase order) and the results of these tests are systematically reviewed.

This system therefore meets the criterion for thermal integrity.

Activities concerned: Property Development

Scope: Residential and non-residential

SCC #2: Life cycle assessment

The european taxonomy requires the performance of a Life Cycle Assessment (LCA) applying a robust and broadly applicable method, which facilitates the comparison of results between and within sectors.

The LCA prescribed by EN 15978 (RT2012) and the LCA recommended by RE2020 both meet this criterion.

Additional LCAs were carried out retrospectively on assets subject to RT2012.

The criterion is therefore reviewed asset by asset for buildings of more than 5,000 m².

Activities concerned: Property Development

Scope: Residential and non-residential

(1) Recommendations from the DGLAN/DHUP.

Property Development: renovation

SCC #1: Renovation in accordance with the requirements for major renovations

All of the Group's major renovations meet the requirements of the Global RT or the item-by-item RT applicable to this type of project. These requirements apply those of the European directive on the energy performance of buildings, thus validating the criterion as a whole, once a building permit is filed and validated.

Histoire & Patrimoine's renovation projects for historic buildings divide into two categories:

- buildings built before 1948: compliance with the existing RT by item;
- buildings built after 1948: compliance with the Decree of 13 June 2008.

Activities concerned: renovation

Scope: Residential and non-residential

DNSH #2 Climate change adaptation

In 2018, Altareit Group commissioned a study to analyse the exposure of its activities to the effects of climate change, including one specifically looking at Residential Property Development in France. Several risks were analysed: heat waves, droughts, land movements, floods, intense precipitation, storms and marine submersion for all regional sites. The conclusions of this study enabled each of the brands to take specific actions to secure and address the most systematic risks (heat, drought, intense rainfall & flooding and Shrinkage-Swelling of Clays). Cogedim, for example, has decided to proactively address the subject of summer comfort and has defined its own "Summer comfort" approach taking into account the risks and opportunities concerning the "customer" aspects (gain or loss of product appeal). This point is one of the 10 Commitments of the Cogedim brand published in July 2021. Similarly, G2AVP and G2PRO geotechnical studies on swelling and removal of clays were already systematic in our projects. When boreholes identify clays, the foundations of the projects concerned are designed and calculated accordingly. With regard to the risks related to intense rainfall and flooding, our projects strictly apply the PLU rules. Specifically, they comply strictly with the PPRI and accordingly make arrangements for operations by casing the subsoil, raising technical rooms or accesses and, for the most at-risk buildings, installing cofferdams.

In 2023, the Group also launched a retrospective review of all of its projects affected by the taxonomy alignment calculation to verify their compliance. This assessment was carried out either with the Coequal resilience software, updated as a support tool for meeting the challenges of the european taxonomy, or with the Bat-ADAPT[1] and their detailed analysis according to the RCP2.6, 4.5 and 8.5 scenarios. Following this, a note specifying the main adaptations to make to respond to these risks was drafted and evidence of their completion collected.

Activities concerned: Property Development, renovation

Scope: Residential and non-residential

DNSH #3: water

DNSH 3A: Water leaks

The Group applies the text literally. This criterion is reviewed asset-by-asset in the non-residential segment.

With the exception of residential projects, which are subject to the transitional regime (market position based on our knowledge of the market) for the fiscal year according to the date of filing of the LTB.

Activities concerned: Property Development, renovation

Scope: Residential and non-residential

(1) *https://r4re.resilience-for-real-estate.com/resilience/analysis*

DNSH #3b: Protection of water resources

National regulations cover this criterion: all assets are in the IOTA nomenclature (Water Act):

- the LEMA law (2006) is the French transposition of the WFD (Water Framework Directive of 2000: Directive 2000/60/EC) which forms the basis for Article 2 22) 23) of Regulation (EU) 2020/852, on which the DNSH #3b is itself based;
- the French LEMA Act (Water Act) concerns projects coming under the IOTA nomenclature (all installation projects, structures, works or activities): all projects are obliged to submit a Water Act filing ({[i]}dossier du Loi de l'Eau{/[i]}, DLE);
- the LEMA Act meets this taxonomy criterion.

Activities concerned: Property Development

Scope: Residential, non-residential

DNSH #4: Circular economy

DNSH #4a: Waste recovery

Limits waste production

Operators must limit the production of waste in construction and demolition processes, in accordance with the European protocol for the treatment of construction and demolition waste. These elements are included in the SOGEDs (building site waste organisation and management plans), which are systematically integrated into our internal processes and the building site charters signed by partners in our projects.

Recovery of waste materials above 70%

Property Development: new construction

Two items of documentation make it possible to align our assets under development:

1. when work on the building site has not yet begun, suppliers and partners working on our building sites sign site charters providing for the sorting and recovery of 70% of material waste, excluding hazardous waste other than soil and stones classified as non-hazardous;
2. if work on the building site has begun, there is a paper trail (review of site waste registers or a certificate from the sorting and treatment centre) to show that the total material waste recovered since construction and/or demolition work started is greater than 70% of the total waste generated by the site, excluding hazardous waste.

Property Development: renovation

For old buildings under renovation, most of the waste generated comes from the cleaning of old or abandoned buildings in poor sanitary condition and with limited possibilities for waste recovery, *i.e.* Almost all are contaminated with lead or pests due to the time when the buildings were built. Systematic PEMD diagnostics on assets greater than 1,000 m^2 enable us to estimate the maximum volume that can be recovered.

Activities concerned: Property Development, renovation

Scope: Residential and non-residential

DNSH #4b: circular economy design and construction techniques

This criterion requires us to assess the design of our assets and construction techniques by demonstrating that they are either more resource-efficient or more adaptable or flexible, or can be more easily dismantled for reuse and recycling.

Each asset is accordingly reviewed on the basis of one of the following three sub-criteria:

1. resource efficient;
2. adaptable or Flexible;
3. dismantlable.

A report is produced, asset by asset, providing proof of its alignment with one of the three sub-criteria.

Activities concerned: Property Development, renovation

Scope: Residential and non-residential

DNSH #3: water

DNSH #5a: products hazardous to health

The POP regulations for persistent organic pollutants, EC 1102/2008 of 22 October 2008 for mercury, EC 1005/2009 of 16 September 2009 for substances that deplete the ozone layer, and Regulation 1907/2006 entered into force in 2007 for REACH substances, meet this taxonomy criterion.

The Group is also expected to demonstrate that it does not market products containing substances of very high concern as candidates for authorisation under the REACH regulation (Article 59 (1) of Regulation (EC) No. 1907/2006).) entered into force in 2007.

Several processes make it possible to meet this last criterion:

1. all marketers must inform their customers of the presence of Substances of Very High Concern (SVHCs, included in the candidate list in application of Article 59 and taking into account the criteria of Article 57[1] of the REACH Regulation) present at concentrations greater than 0.1%. Thus, as the purchaser of the product and in the absence of information received from suppliers on the presence of SVHC, Altareit considers that the products purchased are SVHC-free;
2. for risk management purposes and in order to verify the reliability of the Group's processes, Altareit has chosen to go further by carrying out a specific verification on a representative sample of products and materials used in the construction of its projects (sample taken from Cogedim brand projects). A specialist firm audited the alert processes for hazardous products and its report highlighted the reliability of the notification process (reporting and escalation). The criterion can therefore be considered as fully met[2].

Activities concerned: Property Development, renovation

Scope: Residential and non-residential

DNSH #5b: carcinogenic formaldehyde and VOCs

For carcinogenic VOCs (benzene), French law imposes the same threshold as the taxonomy (see the Order of 30 April 2009 on the conditions for the marketing of construction and decoration products containing substances that are carcinogenic, germ cell mutagenic or toxic for reproduction, category 1 or 2).

For formaldehydes, the taxonomy thresholds correspond to product labels A and A + (see the Decree of 19 April 2011 on the labelling of construction products).

This criterion is verified on an asset-by-asset basis.

Activities concerned: Property Development, renovation

Scope: Residential and non-residential

DNSH #5c: soil pollution analysis

The French ALUR Act requires that, on land listed in the SIS[3] registry of potentially contaminated land (Article L. 556-2 of the French Environmental Code) and on land that has housed a classified facility that has been permanently shut down and regularly rehabilitated (Article L. 556-1 of the French Environmental Code), the project commissioner provides in the building or development permit application a certificate guaranteeing that a soil study has been carried out and that it has been taken into account in the design of the construction or subdivision project by a design office certified in the field of polluted sites and soils. The ALUR law therefore covers this criterion by requiring a soil analysis and that it is taken into account in the project.

In addition, for all BUs, such an analysis is systematically carried out if there is any doubt about the history of the soil.

Activities concerned: Property Development

Scope: Residential and non-residential

DNSH #5d: noise, dust and pollutants

The Group has instigated building site charters in addition to the Public Health Code (Article R. 1 336-10) relating to noise and Order 2020-700 of 10 June 2020 on the monitoring of polluting gas and polluting particles emissions, allowing the achievement of this DNSH criterion.

This criterion is verified on an asset-by-asset basis.

Activities concerned: Property Development, renovation

Scope: Residential and non-residential

DNSH #6: Biodiversity

DNSH #6a: Environmental impact assessment

The French Environmental Code (Article R. 1 22-2, Section 29) defines the cases for which an environmental impact assessment is necessary and meets the taxonomy criterion.

This criterion is verified on an asset-by-asset basis.

Activities concerned: Property Development (excluding Renovation)

Scope: Residential and non-residential

DNSH #6b: non-buildable areas

The local urban planning plans (PLUs) as well as the national urban planning regulations meet this taxonomy criterion.

Activities concerned: Property Development

Scope: Residential and non-residential

Limitations of the work done

The Information may be subject to inherent uncertainty in the state of scientific or economic knowledge and in the quality of the external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates used to prepare it, in particular this year, the use of:

- a study carried out by an external service provider to address the criterion related to substances on the REACH regulation candidate list as well as the choice of material/product samples and suppliers;
- specific tools for the criterion of climate risk adaptation: CERQUAL resilience tool or Bat-ADAPT by the Observatoire de l'immobilier durable (OID).

(1) The following substances may be included in Annex XIV in accordance with the procedure provided for in Article 58: a) substances meeting the criteria for classification as carcinogenic substances, category 1A or 1B, in accordance with Annex I, section 3.6, of Regulation (EC) 1272/2008; b) substances meeting the criteria for classification as mutagenic substances on germ cells, category 1A or 1B, in accordance with Annex I, Section 3.5 of Regulation (EC) No 1272/2008; c) substances meeting the criteria for classification as substances toxic for reproduction, category 1A or 1B, having adverse effects on sexual function and fertility or on development, in accordance with Annex I, Section 3.7 of the Regulation (EC) 1272/2008; d) substances that are persistent, bioaccumulative and toxic in accordance with the criteria set out in Annex XIII of this Regulation; e) substances that are very persistent and very bioaccumulative, in accordance with the criteria set out in Annex XIII of this Regulation; f) substances, - such as those with endocrine disrupting properties or those with persistent, bioaccumulative and toxic or very persistent and very bioaccumulative properties, which do not meet the criteria referred to in points d) or e) - for which it is scientifically proven that they may have serious effects on human health or the environment that give rise to a level of concern equivalent to that caused by the use of other substances listed in points a) to e) and which are identified on a case-by-case basis, in accordance with the procedure set out in Article 59.

(2) For details of the treatment of this criterion see chapter 4.1.6 "European taxonomy", in the paragraph "Specific action plans on certain criteria".

(3) A piece of land is listed in the Soil Information Sector (SIS) if the land registry parcels that make it up are totally or partially affected by pollution known to the state services.

4.6 Independent verifier's report on a selection of extra-financial information

Year ended the 31 December 2023

To the General Shareholders' Meeting,

Following the request made to us, we carried out a limited assurance engagement on a selection of non-financial information detailed in Appendix 1 (the "Information") with regard to the Entity's procedures (the "Guidelines") presented in its Universal Registration Document for the year ended 31 December 2023.

Limited assurance conclusion

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 available in the management report.

Limitations inherent in the preparation of the Information

As mentioned in the methodological note of the Universal Registration Document, the Information may be subject to inherent uncertainty in the state of scientific or economic knowledge and in the quality of the external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates used to prepare it.

The entity's responsibility

The Entity's management is responsible for:

- selecting or establishing appropriate criteria to prepare the Information;
- preparing the Information in accordance with the Guidelines;
- designing and 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

We are responsible for:

- based on our work, expressing a limited assurance conclusion that the Information has been prepared, in all material respects, in accordance with the Guidelines;
- expressing an independent opinion based on the audit evidence we have obtained;
- communicate our conclusion to the General Shareholders' Meeting of Altareit.

As we are responsible for formulating an independent opinion 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 2023, and in particular on the Entity's compliance with applicable legal and regulatory provisions.

Professional standards applied

Our work described below was carried out in accordance with the international standard ISAE 3000 (revised) - Assurance engagements other than audits or reviews of historical financial information published by the IAASB (International Auditing and Assurance Standards Board).

Independence and quality control

Our independence is defined by the IESBA Code of Ethics (International Code of Ethics for Professional Accountants (including Independence Standards)).

In addition, we apply the International Standard on Quality Management 1 which involves defining and implementing a quality control system including documented policies and procedures to ensure compliance with ethical rules, professional standards and applicable laws and regulations.

Means and resources

Our verification work mobilised the skills of seven people and took place between September 2023 and February 2024 over a total duration of 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: In particular, we have:

- obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understand ability, with due consideration of industry best practices, where appropriate;
- verified the implementation of a collection, compilation, processing and control process aimed at ensuring the completeness and consistency of the Information;
- consulted the documentary sources used and conducted interviews with the persons concerned in order to analyse the deployment and application of the Guidelines;
- implemented analytical procedures on the Information and verified, on a sample basis, the calculations and the consolidation of the Information;
- tested the Information on a sample of representative entities selected based on their activity, contribution to the consolidated Information, location and a risk analysis. This work was carried out at the level of the consolidating entity (Altareit SCA) and on the Bobigny Cœur de Ville (Cogedim Logement) and Osmose (Pitch) Residential construction projects for environmental indicators;
- conducted interviews to verify the correct application of the procedures, and carried out in-depth detailed tests on the basis of sampling, consisting of verifying the calculations made and reconciling the data with the supporting documents.

The procedures performed for a limited assurance engagement are less extensive than those required for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than that which would have been obtained if a reasonable assurance engagement had been performed.

Paris-La Défense, 21 March 2024

The Independent Auditor

EY & Associés

Thomas Gault

Partner, Sustainable development

Appendix 1: verified information

Social Information

- The total headcount.
- The absenteeism rate.
- The departure rate.
- Percentage of employees who benefited from at least one learning initiative.
- The representativeness of women in management.
- The number of work-study students recruited during the year.
- The number of training days.
- The rate of positions filled through mobility and internal promotion.
- Recruitment and development of talents.
- Strengthening the working environment.
- Talent and skills management.

Environmental Information

- Group CO_2 emissions (scopes 1 and 2 as well as the evaluation made of scope 3).
- Carbon intensity per m^2 and *vs.* revenue for Property Development.
- Altarea's approach to combating climate change.
- Use of energies that emit less greenhouse gases.
- Improving the energy efficiency of projects.
- Adapting projects to the impacts of climate change.
- Promoting the circular economy and resource conservation.
- Preservation of biodiversity and soil.

Societal Information

- Percentage of locally sourced purchases at Residential building sites.
- The proportion of new Residential projects certified NF Habitat.
- Share of new Business Property projects certified BREEAM® and HQE™.
- The share of surface areas under development less than 500 metres from a transport network.
- Progress of the responsible purchasing approach and supply chain and supplier relationships.
- Promoting the circular economy and resource conservation.
- Development of urban projects with a positive impact.
- Safety on construction sites.
- Dialogue in the service of customer and user relationships.
- Quality of life and well-being in projects.
- Labels and certifications, creators of green value.

5 RISK MANAGEMENT

5.1 Organisation of internal control and risk management

5.1.1 Objectives set for internal control and risk management

In accordance with AMF guidelines, the 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 appraisals.

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.

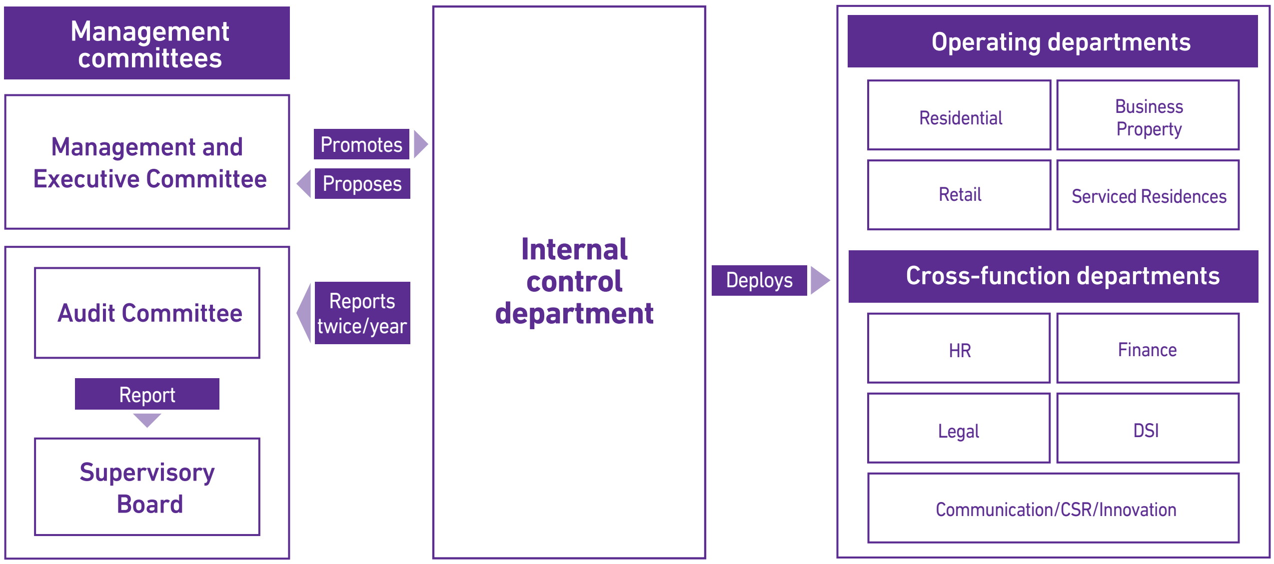
5.1.2.3 Internal control and risk management

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 committee meetings, 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 prepare financial statements and 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. This software is in the process of being replaced by CCH Tagetik. Estimated consolidated information is compared with actual figures imported from the system used to prepare the consolidated financial statements (SAP BFC). Any material differences are justified.

(iv) Cash flow software

The Group uses cash management software that incorporates banking communication software that is automatically interfaced with the corporate accounting software, thus enabling the automated transfer of short-term accounting forecasts to cash management or automatic recognition of certain data transmitted to accounting.

All of the Group's flows are secured with the EBICS TS protocol. This module is interfaced with all of the Group's ERPs, thus enabling the provision of account statements and other information statements to the ERPs or the secure transfer of payment and direct debit files from the ERPs to the treasury system.

To prevent risks affecting cash management, the cash management teams reconcile bank balances and analyse changes in the cash balance for all divisions on a daily basis: reconciliation of banking data with short-term forecasts, checking of balances and analysis of daily changes in banking positions.

5.1.4 Managing interest rate and counterparty risk

The Altarea Group's debt, 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 thus lead to an increase in interest expenses.

The Group applies a prudent interest rate risk management policy, designed to safeguard current cash flows from the Property Development business 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.

(1) The financial instruments used are detailed in Note 8, "Management of financial risks", of Section 2.3 "Other information attached to the consolidated financial statements" of this Registration Document.

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 mapping, reviewed in 2022, setting out potential risks and making it possible to identify areas requiring priority action;

- an ethics charter setting out the principles and values that must guide the behaviour and actions of the Group's employees in their work. It was released in 2023, includes a section on the fight against corruption and reiterates the policy of zero tolerance towards bad practices and the total rejection of corruption and influence peddling in all its forms;
- a professional ethics alert system open to Group employees and to external and occasional staff, enabling them to report any situation of non-compliance with the ethics charter;
- disciplinary measures that may be taken in the event of corruption or breach of the ethics charter, in accordance with the Group's principle of zero tolerance;
- a process for assessing the integrity of third parties adapted to the specific characteristics of the activities and subsidiaries. This process is regularly reviewed in order to assess its effectiveness and make the necessary improvements. Compliance clauses reiterating the Group's commitments on ethics and compliance are also included in contracts with third parties;
- the accounting Managers and Compliance Department conduct accounting checks on manual entries, unusual movements and transactions considered risky;
- mandatory e-learning modules for all Group employees. At 31 December 2023, more than 88% of Group employees had completed the training.

Periodic awareness campaigns target the employees identified as the most vulnerable. For example, with the help of specialist law firms we were able to hold courses on the different types of corruption, conflicts of interest, the peddling of influence, favouritism and the potential criminal repercussions, particularly in relations with the public sector.

Transparency in public life

The Altarea Group, to which Altareit belongs, has been registered with the French lobbying transparency body the Haute Autorité pour la Transparence de la Vie Publique (HATVP) since 2018 and files an annual declaration of the activities of its representatives at national and local levels. Employees likely to have interactions with public officials are regularly made aware of reporting obligations.

Combatting money laundering and the financing of terrorism

The prevention mechanism is primarily based on:

- a systematic inclusion of anti-money-laundering clauses in contracts with third parties;
- implementation of a process for assessing the level of risk of customers and business partners, particularly in Residential real estate business *via* a due diligence tool and a review of documentation, notably to verify the identity or third parties and the source of funds;
- reporting any doubtful transaction to the TRACFIN reporter/correspondent;
- training and awareness-raising for employees at greatest risk *via* the deployment of an e-learning and face-to-face training programmes.

Protection of Personal Data

The Altareit Group, through its various subsidiaries, processes the personal data of its customers, prospects and partners as well as its employees to provide them with the best and ever more innovative services.

Altareit is particularly careful with regard to the collection and processing of this data and a key concern is compliance with data-protection regulations, including in particular (i) the latest version in force of Act 78-17 of 6 January 1978 relating to data processing, files and freedoms and (ii) Regulation (EU) No. 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, known as the General Data Protection Regulation (GDPR), which came into force on 25 May 2018.

Compliance with regulations is part of the Group's quality and trust-building systems and is characterised by:

- the creation of a data governance system with a Data Protection Officer (DPO) reporting to the Risk Prevention Department and responsible for ensuring personal data processing within the Group complies with regulations;
- the mapping of processing operations so as to update the processing register as required by the GDPR;
- continuous awareness-raising on data security and confidentiality issues within the Group so teams can (i) provide increased protection, confidentiality and security of the data they process in the course of their business and (ii) work with the DPO upstream of each project involving the processing of personal data to respect the principle of "privacy by design". These awareness-raising sessions, carried out in tandem with the Head of Information Systems Security (RSSI), take place both at the head office and in the regions. A GDPR e-learning module is also available to all employees;

- the digitisation of the data processing register and privacy impact reports;
- the regular updating of its websites to comply with regulations, particularly on tracers/cookies;
- the introduction of a procedure so that data subjects can exercise their rights to access, rectification, deletion, limitation, opposition and portability in an effective manner *via* the DPO. The DPO keeps and updates registers of rights and complaints as well as a register of breaches and incidents;
- the strengthening of contractual clauses with co-contractors to include adequate guarantees on compliance with their obligations to protect and secure personal data;
- regular updates of data protection news to the departments concerned as part of the regulatory watch process.

Combatting fraud

To limit the risk of misappropriation of funds, all cash and financial flows undergo special security procedures (banking delegations; rules for opening, modifying and closing bank accounts; daily reconciliation of banking movements with accounting entries; separation of tasks between the Accounting Department and the Treasury Department); limitation of the number of signatories of payments; review of access rights in the systems.

Every external attempted fraud observed by the teams (*e.g.* fake President, change of bank details, recruitment fraud) is reported to the Risk Prevention Department which sends out regular reminders about the methods used by scammers and the right things to do to avoid them. Any case of proven fraud is automatically reported to the police services. A course on fake President fraud and bank details fraud has been set up for staff most exposed to these risks.

5.1.6 Legal and arbitration proceedings

The Group is party to a certain number of disputes that arise in the normal course of its business.

The Company is not aware of any government, legal or arbitration procedure, pending or threatened, that over the last 12 months could have, or has had, a material impact on the Company and/or Group's financial position or profitability other than those for which a provision has been booked (see Note 6.3 "Provisions" in Chapter 2.3 "Other information attached to the consolidated financial statements" of this document) or which the Company has contested or is preparing to contest (see Note 5.3 "Income Tax", 6.3 "Provisions" or 10.2 "Contingent liabilities" in Chapter 2.3 "Other information attached to the consolidated financial statements" of this document) and the legal dispute with the shareholders of Primonial mentioned below.

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

Following the non-completion of the acquisition of Primonial, the Sellers (various groups of shareholders of Primonial (investment funds and Managers) summoned the Company and its indirect subsidiary, Alta Percier, before the Commercial Court of Paris, in order to obtain compensation for the damage they allegedly suffered. Altarea and Alta Percier challenge such claims, which they believe are groundless. On the contrary, Altarea and Alta Percier consider that the Sellers are responsible for the failure to complete the transaction. Altarea is asking that they be ordered to pay damages in respect of the losses suffered by the Group. To this end, on 20 June 2022, Altarea and Alta Percier filed claims in response in a voluntary intervention before the Paris Commercial Court. In their claims in response of 21 November 2022 and 16 January 2023, the Primonial shareholder groups revised their pleadings, claiming damages of €119 million for the Manager vendors and €588 million for the investment funds.

Altarea, having studied all the counter-claims, maintains its position that it has no liability as, it argues, the failure to complete the transaction was attributable to the vendors, and that they therefore cannot claim for damages that are wholly unfounded and without merit in fact and in law. Altarea filed new claims in response in July 2023, developing its arguments and increasing the amount of its claim against Primonial's vendors to approximately €330 million. The Primonial Vendors have not yet filed their response on the facts of the case.

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

5.2 Risk factors and risk control systems

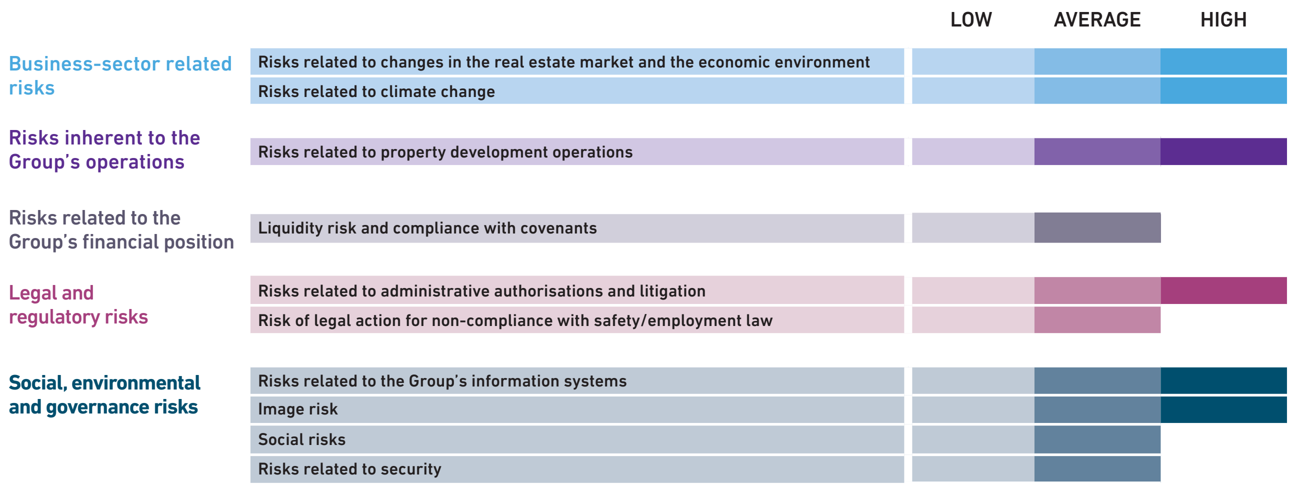
The Altarea Group, of which the Company is a subsidiary, took steps to identify the main categories and the most significant risks, presented in what the Group considers to be the order of decreasing importance within each category. The five categories identified are as follows:

- industry risks;
- risks associated with the Group's activities;
- risks related to the Group's financial position;
- 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 The Group operates in several business sectors (residential, retail, business property and serviced residences), each of which has its own cycle and its own exposure to endogenous and exogenous factors. The real estate sector is facing a deep crisis caused, among other things, by the tightening of credit conditions including rises in interest rates and the usury rate, a maximum occupancy cost ratio of 35%, inflation and squeezed consumer purchasing power, rising energy prices, supply difficulties related to the war in Ukraine. These events and issues have affected all our customers (private individuals in their main residence, individual investors and institutional buyers) with an unfavourable impact on the Group's activity and consequently on its results. In addition, changes in consumption habits and consequently in user and consumer requirements, and the emergence of new players arriving on the market each year, are pushing the Group to maintain a permanent dynamic of innovation. These changes which are out of the Group's control could have an adverse impact on its business and consequently on its results.	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 the impact of 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 by developing partnerships with social landlords and institutional customers. As part of its innovation agenda and to meet the demands of users and consumers, who are much more sensitive to the environmental challenges of our time, the Group is committed to making every effort to make housing a source of well-being, with a positive impact on health and the environment. In addition, in Residential real estate, the Group has developed a comprehensive range of services for all of the Group's Residential brands in order to meet the needs of its customers: commercial support, financing brokerage, rental management, trustee and transaction services as well as an option to invest in bare title or usufruct separately.
Unstable tax regulations 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 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: ■ positioning as a leader in low-carbon property, notably with the merger of its Woodeum and Pitch Immo brands to create a low-carbon developer, and expertise in low-carbon construction (such as renovation). The Group is also positioning itself in New businesses related to the low-carbon transition, such as energy renovation; ■ programming systematic testing of new low-carbon solutions and feedback with costing; ■ cost forecasts in business plans, systematic certification and testing of new labels arriving on the market; ■ regulatory watch; ■ monitoring the expectations of stakeholders: local authorities, elected officials, individual customers, investors, etc.; ■ training and culture of agility.
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. In 2023, the Group has expanded this approach by introducing systematic physical risk analyses for its Property Development projects.

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 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 have an adverse impact on the Company's financial position and business, and in particular its future development.	The operational management of liquidity and financing is carried out by the Finance and Treasury Department. The Group's available liquidity amounted to €1.6 billion, of which €0.6 billion in cash and €1 billion in undrawn bank credit lines, which are the first tools called on to manage liquidity risk. The budget process for cash management and projected cash flow analysis also provides way to anticipate and hedge these risks. The Group thus ensures credit lines are always available, financing sources diversified and the maturities of the main debts staggered. Furthermore, compliance with the commitments and obligations granted to financial institutions under the terms of credit agreements is closely monitored by the Group, including *bank* covenants[1].

(1) See Note 8 "Financial risk management" to the consolidated financial statements (Chapter 2.3 of this Universal Registration Document).

5.2.4 Legal and regulatory risks

5.2.4.1 Risks related to administrative authorisations and litigation

Risk factors	Risk control systems
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 a seller of real estate products, the Altareit Group is subject to the common law on sales to private individuals: buyers have a 10-day right to withdraw under Article L. 271-1 of the French 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 to the regulatory framework could require the Group to adapt its business or strategy, which may have negative impacts in terms of results or slow down or even prevent the development of certain 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, the Group recently launched a new asset management company specialising in the management of real estate funds: Altarea Investment Managers. As such, it is subject to the supervision of the French Financial Markets Authority (Autorité des Marchés Financiers). In addition, 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 stock market law or the French Monetary and Financial Code would expose these companies to sanctions and could damage their image.	**Property Legal Department** The Property Legal Department provides support for first-stage development of projects and the acquisition of land for property projects (whether buying land directly or buying a land-owning company) and asset management. It also monitors compliance with current regulations as well as obtaining the permits necessary for the Group to conduct its business. These services mainly concern urban planning law (commercial operating permits, 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 the Company and its indirect subsidiary, Alta Percier, before the Commercial Court of Paris, in order to obtain compensation for the damage they allegedly suffered. Altarea and Alta Percier challenge such claims, which they believe are groundless. On the contrary, Altarea and Alta Percier consider that the Sellers are responsible for the failure to complete the transaction. Altarea is asking that they be ordered to pay damages in respect of the losses suffered by the Group. To this end, on 20 June 2022, Altarea and Alta Percier filed claims in response in a voluntary intervention before the Paris Commercial Court.

In their claims in response of 21 November 2022 and 16 January 2023, the Primonial shareholder groups revised their pleadings, claiming damages of €119 million for the Manager vendors and €588 million for the investment funds.

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

Altarea filed new claims in response in July 2023, developing its arguments and increasing the amount of its claim against Primonial's vendors to approximately €330 million. The Primonial Vendors have not yet filed their response on the facts of the case.

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

In agreement with its advisors, no provision has been recorded by the Group (see Chapter 2.3 "Other information attached to the consolidated financial statements - Note 10.2" of this Universal Registration Document).

5.2.4.2 Risk of legal action for non-compliance with safety/employment law

Risk factors	Risk control systems
Based on the large number of property projects underway, the Altarea Group is a major builder. In a situation where it is increasingly difficult to find approved construction companies able to handle complex projects, as the Project Manager, the Group's liability could be incurred should an accident occur. Indeed, site employees carrying out construction work are potentially exposed to this type of risk.	To prevent the risk of accidents, especially on building sites, or *at the* very least to limit the occurrence and severity of any accidents, action has been taken which includes the systematic use of specialist safety operators (Health and Safety Coordinator), audits and ad hoc site checks. In addition, the Group ensures it complies with its legal obligations as a Project Manager: monitoring the construction companies to ensure they are meeting their contractual obligations, checking the subcontractors' approval applications are complete and all administrative documents are properly updated.

5.2.5 Social, environmental and governance risks

5.2.5.1 Risks related to 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; ▪ application audits by external expert partners; ▪ the ongoing deployment of a specific cyber-crisis procedure integrated into the existing strategic crisis management policy. Within the IT Department, the Head of Operational Security (RSO) works in close collaboration with the RSSI. His role is to implement the cyber policy, the analysis of the various IT security components and events, and the deployment of new IT monitoring tools. These analyses, carried out jointly by the Risk Prevention Department and the IT Department, give rise to remediation plans or recommendations for security. In 2021, the IT Department defined a new IT continuity plan which became operational in 2022. A procedure for reporting cyber incidents allows optimised processing of events according to their severity. In addition, the Group strengthened its network access strategy by deploying a dual authentication mechanism for its users and by deploying a server obsolescence and patch *management programme*. Lastly, the Group takes out insurance to cover cyber risks.

5.2.5.2 Image risk

Risk factors	Risk control systems
The Group could therefore be confronted with events (construction site accidents, delivery delays, customer and employee dissatisfaction, major disputes, identity theft, regulatory non-compliance, service quality failings, etc.) whose impacts could damage its reputation and its image vis-à-vis its stakeholders. Also, the growing use of social media increases the risk of exposure to criticism or negative messages and accelerates their dissemination.	To prevent this, a guide to the good use of social media at work has been developed and distributed to the Group's employees. In addition, the Group has monitoring, detection and reaction mechanisms, mainly involving tools distributed to employees, to anticipate and manage its image and reputation risks: ▪ social media monitoring by Community Managers; ▪ daily monitoring of disputes and complaints, including assessment of reputational impact; ▪ a crisis unit and communication plan familiar to all employees and corresponding training for Directors; ▪ conducting customer satisfaction surveys in the Residential division, at two key points in the purchasing process, and monitoring the recommendation rate (Cogedim received the Customer Relations Champion award for the second consecutive year); ▪ monthly meetings organised with tenants of serviced residences.

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 context of the crisis affecting the real estate sector and the objectives of developing new markets (energy renovation, asset management) expose the Group to challenges related to the integration and training of new employees, and the retention of human capital as a whole. 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; ▪ regarding integration: a formalised onboarding interview and a collective seminar combining onboarding and re-onboarding are essential steps to help employees make a success of many 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; ▪ regarding retention: the Group has a committed policy in terms of mobility and internal promotion through individual and collective actions (professional interviews, business lines forum, career site showing online vacancies, etc.). Significant attention is paid to the environment and working conditions, as illustrated by the Group's head office designed for the well-being of employees. The "Altawellness" offer also provides access to a complete range of services: Health space at the head office (care, vaccinations, preventative actions), personal services, social and family support, etc.; ▪ in terms of succession: an annual talent review updates the Group's talent pool and succession plan. Appraisals, coaching and certification courses are used to support strategic positions.

5.2.5.4 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 five points: ▪ a policy adapted to the Group's assets based in particular on physical measures and processes for reporting information or access management, controls of sensitive areas, video surveillance, etc.; ▪ constant interaction with national and local police services 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 whole Group, working with local teams and insurance brokers;
- the identification and quantification of insurable risks;
- the monitoring and implementation of insurance coverage;
- coordinating actions with the Group's insurance brokers;
- all business line claims management, bearing in mind that claims management remains decentralised within each activity.

Summary of insurance coverage The Group relies on the assistance of brokers specialised in risk management specific to each activity. It works only with reputable insurance companies.

5.3.2 Summary of insurance coverage

The following guarantees have been updated and correspond to the principal insurance policies taken out by the Altarea Group for the benefit of Altareit for the financial year 2023. 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 2023 financial year, the overall budget for the Altarea Group's main insurance policies is estimated at more than €18 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 QBE and MMA.
- **Miscellaneous insurance policies:** other insurance covers various rented offices, automobile fleets, computer equipment and ten-year builder liability. Finally, AXA provides a "senior executive and corporate officer civil liability" insurance policy, and CHUBB provides a "cyber policy".

6

CORPORATE GOVERNANCE

6.1 Framework of the report and reference code

This report on Corporate Governance has been prepared by the Supervisory Board, in accordance with Articles L. 226-10-1 and L.22-10-78 of the French Commercial Code, with the assistance of the Group Finance Department who contributed to writing it. It was adopted by the Board at its meeting on 27 February 2024.

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 2023 (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.

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 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 dual governance structure.

6.2.1 Management

Composition

The Company is managed by a single Manager, Altafi 2, whose Chairman is Alain Taravella, Chairman and Founder of Altarea Group of which Altareit is a part, and whose Chief Executive Officer is Jacques Ehrmann.

Altafi 2

Manager

Altafi 2 is a simplified public limited company whose registered office is 87 rue de Richelieu, Paris (75002), registered with the Paris Trade and Companies Registry under number 501 290 506, whose capital is wholly owned by AltaGroupe, itself controlled by Alain Taravella and his family.

Alain Taravella is the Chairman of Altafi 2. Jacques Ehrmann was appointed Chief Executive Officer of Altafi 2 from 1 July 2019. Alain Taravella's sons, Gautier and Matthieu Taravella are also Chief Executive Officers of Altafi 2 since 21 February 2019.

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.

In addition, Altafi 2 is the General Partner of Altarea and its listed subsidiary NR21.

Alain Taravella

Chairman of Altafi 2

A French national, Alain Taravella was born in Falaise (14) in 1948. He is a graduate of HEC (École des Hautes Études Commerciales). From 1975 to 1994, Alain Taravella held various positions within the Pierre & Vacances Group, of where he was appointed Chief Executive Officer in 1985.

In 1994, he founded the Altarea Group, which he has been managing since.

Alain Taravella is a Chevalier de la Légion d'Honneur.

Jacques Ehrmann

Chief Executive Officer of Altafi 2

Jacques Ehrmann, a French citizen, was born in 1960. A graduate of HEC (École des Hautes Études Commerciales), he began his career at Hôtels Méridien of which he was General Secretary from 1989 to 1995. He then joined the Executive Management of Euro Disney (1995-1997) and Club Méditerranée (1997-2002). In 2003 he joined the Casino Group as 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 of Altarea. He has also been Chairman of the Fédération des Acteurs du Commerce dans les Territoires from 2019 to 2023.

List of corporate offices held at 31 December 2023

	Other corporate offices held at 31 December 2023		
Executive officers	**Within the Group**	**Outside the Group**	**Corporate offices expired over the last five years**
Altafi 2 Manager	▪ General Partner of SCA: Altarea♦■(1); NR21♦■ ▪ *Manager of SCA*: Altareit♦■(2)	-	-
Alain Taravella Chairman of Altafi 2	▪ *Representative Altafi 2, Manager*: Altarea♦■(1); NR21♦■; Altareit♦■(2)	▪ *Chairman:* Altafi 2; Altafi 3; Atlas; Altafi 5; Altafi 7; Altager; AltaGroupe (Chairman of Alta Patrimoine) ▪ *Permanent Representative of Altarea, Director*: Semmaris; ▪ *Representative of Alta Patrimoine, Manager*: SNC ATI; SCI Matignon Toulon Grand Ciel; SNC Altarea Commerce	▪ *Co-Manager*: Altarea♦■ ▪ *Chairman*: Foncière Altarea SAS♦; Altafi 6 ▪ *Chairman of Supervisory Board:* Altarea France SNC♦ ▪ *Director*: Pitch Promotion SAS♦ ▪ *Representative of Altarea, Chair*: Alta Développement Italie♦; Alta Mir♦ ▪ *Representative of Altarea, Co-Manager of foreign companies*: Alta Spain Archibald BV♦●, Alta Spain Castellana BV♦●, Altalux Spain♦●; Altalux Italy♦● ▪ *Representative of Atlas, Co-Manager*: Altarea♦■ ▪ *Representative of Altafi 3, Manager*: SIAP Rome♦; SIAP Paris; SIAP Helsinki
Jacques Ehrmann Chief Executive Officer of Altafi 2	▪ *Manager*: Altarea Management SNC♦; Cogedim Gestion (SNC)♦ ▪ *Representative of Altafi 2, Manager*: Altarea♦■(1); NR21♦■; Altareit♦■(2)	▪ *Chief Executive Officer*: Altafi 2 ▪ *Member of the Management Board*: Frojal ▪ *Chairman*: Tamlet ▪ *Supervisory Board member*: Edmond de Rothschild (France) ▪ *Co-Manager*: Jakerevo (SCI) and Testa (SC) ▪ *Permanent representative of Frojal, Supervisory Board member*: Lefebvre Sarrut	▪ *Chairman and Chief Executive Officer and Strategic and Investment Committee member*: Carmila■ ▪ *Chief Executive Officer*: Carmila SAS; ▪ *Chairman*: Cogedim SAS♦ ▪ *Manager*: Cogedim Développement♦; Cogedim Entreprise♦; Cogedim Citalis♦ ▪ *Supervisory Board member*: Financière SPL♦; Woodeum SAS♦ ▪ *Director*: Edmond de Rothschild SA; Atacadao■● (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, HR Committee, Chairman of the Audit Committee*: Atacadao SA■● (Brazil) ▪ *Chairman*: Fédération des Acteurs du Commerce dans les Territoires (formerly CNCC)

(1) Altarea is notably Chair of Alta Blue♦ (Chair of Aldeta♦) and Foncière Altarea♦, Manager of Foncière Altarea Montparnasse♦, Director of M.R.M■ and Semmaris, Supervisory Committee member of Altarea Investment Managers♦ and Supervisory Board member of SCPI Alta Convictions.

(2) Altareit is notably Chair of Cogedim♦ (Chair of Alta Richelieu♦ and of Cogedim Office Partners♦), Alta Faubourg♦ (Chair of W-Pi Promotion♦), Alta Penthièvre♦ (Chair of Altacom♦), Alta Percier♦ and Alta Percier Holding♦. It is also a member of the Supervisory Committee of Altarea Investment Managers♦.

The Company share capital and voting rights held by Alain Taravella and Jacques Ehrmann as at 31 December 2023 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 fixed compensation set out in Article 14 of the Articles of Association, on a pro rata basis until the date of loss of such status, together with reimbursement of expenses of any kind to which they are entitled.

During the lifetime of the Company, any new Manager shall be appointed unanimously by the General Partners, without requiring the approval or recommendation of the Supervisory Board or of the collective body of shareholders.

Powers (Article 13 of the Articles of Association)

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 and his family. 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 2023, it did not hold any other office and has not held any office that has expired during the last five years with the exception of its previous role as managing general partner of SIAP Rome, SIAP Paris and SIAP Helsinki.

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 and Nomination 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 2023

Name	Age	Gender	First appointed	Latest reappointment	Expiration of term[(a)]	Independent	Compensation Committee	Attendance[(b)]
Christian de Gournay *Chairman of the Board*	71		07/05/2014	19/05/2020	2026	√	-	100%
Éliane Frémeaux *Independent member*	82		26/02/2019	29/06/2021	2027	√	Chairman	100%
Jacques Nicolet *Member of the Board*	67		02/06/2008	19/05/2020	2026		Member	100%
Léonore Reviron *Member of the Board*	38		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 2023 financial year.

At 31 December 2023, 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 2023.

Representation of women and men

At 31 December 2023, the Supervisory Board was composed of four members, with two women and two men.

Average age of the members

At 31 December 2023, the average age of the Board members was 64.

Independent members

The Supervisory Board has adopted the 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.

The Supervisory Board reviews the status 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 27 February 2024, 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 members.

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 31/12/2023:

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
71 (1952)

Business address
c/o Altarea
87 rue de Richelieu
75002 Paris

Shares held at 31/12/2023
1

Date of first appointment
7 May 2014

Current term expires
AGM 2026

Éliane Frémeaux

Independent member of the Supervisory Board

Chairwoman of the Compensation Committee

Éliane Frémeaux was a partner in the Notary firm of SCP Thibierge & Associés until 18 October 2012. Éliane Frémeaux is a Chevalier de la Légion d'Honneur and a member of the Legal Studies Institute of the Conseil Supérieur du Notariat. She was a member of the Joint Ownership Commission representing the Conseil Supérieur du Notariat at the Chancellery and of the Commission on Polluted Sites and Soils within the Conseil Supérieur des Installations Classées. She is a member of honour of the Circle of Women Real Estate Professionals (Cercle des Femmes de l'Immobilier) and a Member of the association René Capitant des Amis de la Culture Juridique Française (René Capitant Association of Friends of French Legal Culture). Éliane Frémeaux has contributed to numerous conferences and seminars in France and abroad, mainly on topics related to company law, financing and business transfers, co-ownership, urban planning and the environment.

Main position held:

Member of Altarea Supervisory Board

Other offices held at 31/12/2023:

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
82 (1941)

Business address
c/o Altarea
87 rue de Richelieu
75002 Paris

Shares held at 31/12/2023
5

Date of first appointment
26 February 2019

Current term expires
AGM 2027

♦ *Altarea Group company* ■ *Listed company* ● *Foreign company*

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 with Alain Taravella the Altarea Group, of which he has successively been Senior Executive Vice-President and, since its transformation into a partnership limited by shares, Chairman of the Supervisory Board until 2014. He created and manages the Everspeed group, which is active in the mobility sector in France and internationally via Ligier Automotive, HP Composites and Ecodime.

Main position held:

Chairman of the Everspeed Group

Other offices held at 31/12/2023:

Within the Group:

- Member of the Supervisory Board of SCA: Altarea♦■; NR21♦■

Outside the Group:

- Chairman of SAS: Everspeed; Ligier Automotive (Manager of SCI Innovatech); Ecodime
- Manager: SCI Damejane; SNC JN Participations; Damejane Investissements
- Chairman of the Board of Directors and/or Director of foreign companies: Everspeed Connection●; HP Composites Spa●

Corporate offices expired over the last five years:

- Chairman of the Board of Directors and/or Director of foreign companies: Carbon Mind Srl●

Nationality
French

Age
67 (1956)

Business address
Everspeed -3 Rue Bellanger
92300 Levallois Perret

Shares held at 31/12/2023
1

Date of first appointment
2 June 2008

Current term expires
AGM 2026

Léonore Reviron

Supervisory Board member

Léonore Reviron is a graduate of EDHEC Business School and chartered accountant. From 2008 to 2011, she was a financial audit Manager at Ernst & Young. In 2011, Léonore Reviron joined a listed REIT Group, where she served as a corporate financial analyst until becoming a financial risk Manager. In 2017, she joined the consulting, accounting and audit firm Pluriel Consultants.

Main position held:

Project Manager at Pluriel Consultants

Other offices held at 31/12/2023:

Within the Group:

- Member of the Supervisory Board of SCA: Altarea♦■; NR21♦■

Outside the Group:

- Permanent representative of Alta Patrimoine, Supervisory Board member of Altareit♦■
- Permanent representative of ATI, Supervisory Board member of Altarea♦■

Corporate offices expired over the last five years:

None

Nationality
French

Age
38 (1985)

Business address
c/o Altarea
87 rue de Richelieu
75002 Paris

Shares held at 31/12/2023
1

Date of first appointment
26 February 2019

Current term expires
AGM 2027

♦ Altarea Group company ■ Listed company ● Foreign company

(1) Everspeed is Chair of SAS (Circuit du Maine; Everspeed Asset; Onroak Automotive Classic; Everspeed Composites), Chief Executive Officer of Les 2 Arbres SAS, and Chair of the Board Ecodime Italia Srl.

6.2.3.2 Board procedures, preparation and organisation of work tasks and responsibilities

Tasks and responsibilities

The Supervisory Board is responsible for overseeing the Company's management on a continual basis.

As part of its duties it notably:

- reviews the annual and half-year financial statements prepared by the Management;
- sets out the appropriation of earnings, dividend distributions, and dividend payment procedure (cash or scrip) to be proposed to the General Shareholders' Meeting;
- prepares the legally required report for the Annual Ordinary General Meeting called to approve the Company's financial statements: the report is made available to the shareholders at the same time as the management report and the financial statements for the year in review;
- draws up 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 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 2023

In 2023, 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 2023.

During these meetings, the Board primarily discussed the following topics:

Meeting of 28 February 2023:

- management's activity report for the financial year 2022 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 2023 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;
- annual deliberation on the Company's policy on gender equality;
- review of the social and environmental report;
- 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 27 July 2023:

- examination of the draft half-year financial statements at 30 June 2023;
- 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. 821-68 5° 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. 821-67 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 document, the Compensation Committee is composed of two members, Jacques Nicolet and Eliane Frémeaux, the latter being an independent member. The Committee is chaired by Éliane Frémeaux.

- Proceedings – Minutes:

The Supervisory Board meeting 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 27 February 2023, 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 adopted the Committee's proposals without modification.

The General Shareholders' Meeting of 8 June 2023 voted in favour of the compensation policies for the Management and Supervisory Board for 2023.

Evaluation of the Board's work

At its meeting of 27 February 2024, 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 manager represented by Alain Taravella and Jacques Ehrmann, the main operational managers of the Group formed by Altareit and its subsidiaries are, at 31 December 2023, Adrien Blanc, Manager of Altarea Entreprise Management, Vincent Ego, Chief Executive Officer of Cogedim, Rodolphe Albert, Chairman of Histoire et Patrimoine, Julien Pemezec, Chief Executive Officer of W-PI Promotion, 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 relationships for its business and development with its main shareholder, Altarea, which is a company controlled by AltaGroupe whose share capital is held by Alain Taravella and his family. In addition, since 2 January 2012, the Group has been managed by the Altafi 2 company, chaired and controlled by Alain Taravella and his family. 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 2023 financial year or during a previous financial year, the effects of which would have continued during the 2023 financial year.

6.2.5.2 Convictions, bankruptcies, prosecutions

To the Company's knowledge and in view of the information at its disposal, no member of the Company's Supervisory Board members or management has, in the past five years:

- been convicted of fraud;
- been associated with a bankruptcy, receivership, liquidation or placing of companies under administration;
- been the subject of any prosecution or of any official public sanction imposed by statutory or regulatory authorities (including designated professional bodies);
- been disqualified by a court from serving on the administrative, management or supervisory bodies of an issuer of financial instruments or from participating in the management or conduct of such an issuer's business.

6.2.5.3 Agreements entered into between an executive officer or a significant shareholder and subsidiaries

Except for agreements relating to current transactions and conducted on arm's length terms, no agreement has been concluded between an executive officer or a major shareholder and Company subsidiaries.

6.2.5.4 Procedure for assessing current agreements

The Supervisory Board has adopted an internal charter on related-party agreements and commitments, which follows:

- the procedure for the regular assessment of current agreements entered into on arm's length terms introduced by Act no. 2019-486 of 22 May 2019 on the growth and transformation of companies (Pacte Act) and codified in Article L. 22-10-12 of the French Commercial Code, applicable to partnerships limited by shares (SCAs) whose shares are admitted to trading on a regulated market pursuant to Article L. 226-10 of the Code; and
- AMF recommendation no. 2012-05 of 2 July 2012, amended on 29 April 2021, and specifically its proposition no. 4.1.

The purpose of the charter is twofold:

- to provide a reminder of the regulatory framework applicable to related-party agreements and commitments and to provide details of the valuation methodology and procedure applied internally by the Company to classify the various agreements;
- to implement a procedure to regularly assess agreements relating to current transactions entered into on arm's length terms, ensuring that persons directly or indirectly affected by such agreements take no part in the assessment.

It takes into account the study by the Compagnie Nationale des Commissaires aux Comptes (CNCC) on related-party and current agreements published in February 2014.

The charter applies to all French companies in the Altarea Group whose shares are admitted to trading on a regulated market, including Altareit.

6.3 Compensation of management and supervisory bodies

6.3.1 Principles and rules

6.3.1.1 Management

In accordance with the regulations applicable to partnerships limited by shares listed on a regulated market, management compensation is determined according to a compensation policy which sets out all its fixed and variable components and explains the decision-making process followed in its determination, revision and implementation.

This compensation policy must be established each year by the General Partner after consulting the Supervisory Board acting on the recommendation of the Compensation and Nomination Committee.

A draft resolution is then submitted for the approval of the General Shareholders' Meeting each year and each time the ordinary compensation policy is changed significantly (ex-ante vote). If the resolution is not approved, the most recently approved compensation policy continues to apply and a revised compensation policy is submitted at the next Ordinary General Shareholders' Meeting.

The compensation components themselves will then be determined, allocated or decided by the Supervisory Board in application of the compensation policy approved by the General Shareholders' Meeting. In exceptional circumstances, it is possible to waive the application of the compensation policy if this exemption is temporary, in line with the Company's interests and necessary to guarantee the Company's sustainability or viability.

The shareholders will be consulted at a General Shareholders' Meeting on the compensation components actually paid or allocated to the Managers (*ex post* vote).

6.3.1.2 Supervisory Board

In accordance with the regulations applicable to partnerships limited by shares listed on a regulated market, the Supervisory Board sets a compensation policy for its members each year which is submitted for approval to the General Shareholders' Meeting (*ex ante* vote).

The individual components of the compensation for the members of the Supervisory Board are then determined, allocated or decided by the Supervisory Board in application of the compensation policy approved by the General Shareholders' Meeting.

The shareholders will be consulted at a General Shareholders' Meeting (*ex-post* vote) on the compensation components actually paid or allocated to the Managers.

6.3.2 Compensation policy for the financial year 2024

In 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 2024 Ordinary General Shareholders' Meeting will be called to vote on the compensation policy for Management and Supervisory Board members for financial year 2024.

On 27 February 2024 the components of this policy, described below, were drawn up by the Supervisory Board, for compensation of its members, and by the general partner, after consulting the Supervisory Board, for compensation of Management, the Supervisory Board having acted after consultation of the Compensation Committee.

The compensation policy for corporate officers must be in the Company's interests, competitive and in line with Company strategy, helping to ensure its long-term viability and support its financial and extra-financial performance.

6.3.2.1 Management compensation policy

WAIVER BY THE MANAGEMENT OF PART OF ITS COMPENSATION

Given the difficulties experienced by the real estate sector and the impacts of the crisis on the Group's activities, the Management informed the Chairman of the Supervisory Board that it has decided to waive one third of its fixed annual compensation for the 2024 financial year and to waive in advance any variable compensation that may be awarded in respect of that fiscal year. The Supervisory Board has set the components of management compensation taking these principles into account (see 6.3.4 below).

The Management compensation policy for 2024 described below was drawn up by the General Partner and approved unanimously at the Supervisory Board meeting of 27 February 2024, 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;

The Management has, in view of the crisis in the real estate sector, expressed a wish that its fixed annual compensation for the 2024 financial year be reduced by one third on an exceptional basis (see insert above), its amount for 2024 is set at €600,000 excluding tax.

- 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 mainly 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.

  Qualitative criteria must be precisely defined and must in particular be based on objectives for Sustainable development and Corporate Social Responsibility, to which the Group attaches great importance. 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:

As, in view of the crisis in the real estate sector, the Management wishes to waive in advance, on an exceptional basis, any variable compensation that may be due in respect of the 2024 financial year (see insert above), the Supervisory Board may decide *ab initio* not to determine any variable compensation for that year.

- if there is more than one Manager, they decide how to distribute the compensation amongst themselves. The principle of awarding a global management compensation is set out in Article 14 of the Company's Articles of Association;
- if applicable, any natural persons, legal representatives of the legal persons in the Company's management, who are called upon to perform duties not related to management of the Company, can be paid under the terms of a corporate mandate by the subsidiary in question. The fixed components, and any variable components (including free shares), of this compensation must be decided on the basis of the duties and responsibilities involved;
- the components of management compensation must be sufficiently competitive to attract and retain the best people and talent and best align the interests of the beneficiaries with those of the shareholders to further long-term value creation. Where applicable, the experience of the beneficiaries and the market practices of comparable companies are also taken into account;
- they are examined each year to check that they are still in line with the Company's strategy and current situation and the Compensation Committee will take care to ensure the performance conditions are appraised on the same basis over several years and the quantitative criteria of the variable composition take precedence over the qualitative criteria.

6.3.2.2 Compensation policy of the Supervisory Board members

WAIVER BY THE SUPERVISORY BOARD OF PART OF THE COMPENSATION OF ITS MEMBERS

In line with the Management's decision to waive part of its compensation for 2024 in advance, given the difficulties experienced by the real estate sector and the impacts of the crisis on the Group's activities, the Supervisory Board decided to show its solidarity by voting the reduction by one-third all components of compensation for the members of the Board (see 6.3.4 below).

Following the recommendation of the Compensation and Nomination Committee, the Supervisory Board has decided to renew, for the financial year 2024, the compensation policy for its members for the financial year 2023 voted by the General Shareholders' Meeting of 8 June 2023 as follows:

- 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 overall budget set at the General Shareholders' Meeting for compensation of the members of the Supervisory Board, including the Chairman of the Board, is unchanged at €200,000 and constitutes an overall ceiling;
- Supervisory Board members may also be reimbursed for all reasonable costs and expenses incurred while undertaking their duties if they provide all the necessary supporting documents.

6.3.3 Information on compensation for financial year 2023

Pursuant to the provisions of Article L. 22-10-77 of the French Commercial Code, the 2024 General Shareholders' Meeting will be called upon to approve the components of compensation paid or allocated in respect of the 2023 financial year through:

- a general resolution on all compensation paid to corporate officers; and
- 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 2023 financial year as well as the shares and options granted to them

Altafi 2, Sole Manager *(€ thousands)*	FY 2022		FY 2023	
	Amount due	**Amount paid**	**Amount due**	**Amount paid**
Fees due/paid by Altareit	**1,466**	**1,097**	**1,250**	**1,466**
of which fixed fee	*900*	*900*	*900*	*900*
of which variable fees				
• *variable compensation linked to the CSR performance criteria*[a]	*350*		*350*	*350*
• *variable compensation linked to the economic performance criteria*[b]	*216*	*197*	*0*	*216*
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)**	**1,355**	**1,781**	**1,075**	**1,005**
of which fixed fee paid by Altarea:	*900*	*900*	*900*	*900*
of which variable fees paid by Altarea:				
• *variable compensation linked to the CSR performance criteria*[e]	*350*	*350*	*175*	*0*
• *variable compensation linked to the economic performance criteria*[f]	*105*	*511*[g]	*0*	*105*
TOTAL	**2,821**	**2,858**	**2,325**	**2,471**

(a) Variable compensation based on qualitative non-financial criteria - €350 thousand in variable fees due (paid the following year) 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% met in 2022 and 2023: €175 thousand due;
- *human resources management (25%): quality of team management*
→ target 100% met in 2022 and 2023: €87.5 thousand due;
- *human resources management (25%): quality of social dialogue*
→ target 100% met in 2022 and 2023: €87.5 thousand due.

(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) Variable portion of fees due/paid by Altarea linked to quantitative criteria depending on the Group's CSR performance:
- *in 2022, fees of a maximum of €350 thousand subject to GRESB GREEN STAR ranking: amount equal to €175 thousand in the event of a four-star ranking, and €350 thousand in the event of a five-star ranking. 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 2023)
- *in 2023, fees of a maximum €350 thousand, half conditional on the environmental sustainability of the Group's activities (progressive amount based on successive thresholds for the share of the Group's consolidated revenue aligned with the european taxonomy) and half on the Group's carbon performance (progressive amount based on thresholds for the greenhouse gas emissions from the Group's activities in 2023 in tonnes of CO2 equivalent/consolidated revenue)*
→ €175 thousand excl. tax due in respect of the 2023 financial year (to be paid in 2024), with both targets having been achieved at 50%.

(f) Variable portion of fees due/paid by Altarea linked to quantitative criteria depending on the Altarea Group's economic performance: FFO per share. The amount excluding tax is equal to a progressive percentage of a portion of FFO/share for the fiscal year, multiplied by the average diluted number of shares for the fiscal year (1.5% of the portion of FFO/share from €13.00 to €15.50 and 3% of the portion above €15.50 - No variable compensation due below an FFO/share of €13.00):
→ €105 thousand excl. tax due in respect of the 2022 financial year (paid in 2023);
→ no fees due for fiscal year 2023 (threshold of €13.00 FFO/share not reached).
(g) 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.

The values in the above table are the fees paid exclusively to the legal person Altafi 2 whose executive officers receive no compensation. Thus they do not reflect the personal compensation of Alain Taravella, Chairman of Altafi 2 which is wholly owned by AltaGroupe. Each year, AltaGroupe incurs current operating expenses, which in financial year 2023 totalled approximately €1.6 million. AltaGroupe pays five people in total.

Compensation received by non-executive corporate officers in office during financial year 2023

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 2023 financial year[1]. 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 2022	Amount paid for financial year 2023
Christian de Gournay Chairman of the Supervisory Board	Compensation in respect of attendance	0	0
	Other compensation[(a)]	€250,000	€250,000
Éliane Frémeaux Supervisory Board member	Compensation in respect of attendance	€3,000	€4,500
	Other compensation[(b)]	€21,000	€21,000
Jacques Nicolet Supervisory Board member	Compensation in respect of attendance	€4,500	€4,500
	Other compensation[(b)]	€15,000	€12,000
Léonore Reviron Supervisory Board member	Compensation in respect of attendance	€3,000	€3,000
	Other compensation[(b)]	€21,000	€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 allocated 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 7.1.3 and Note 6.1 in the notes to the consolidated financial statements in Section 2.3 of this document).

(1) €1,500 for each meeting of the Board and of specialist committees attended to natural person members and permanent representatives of legal entity members, with the exception of the Chairman of the Board, whose fixed compensation paid by Altarea is global, and persons receiving compensation paid under an employment contract or corporate office within the Altarea Group or for a special mission entrusted by the Supervisory Board.

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 2023 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 officers 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, 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 Altarea Group's performance.

In accordance with AFEP's recommendations, resulting from the "Compensation multiples guidelines" updated in February 2021, it is specified that for the calculations of these ratios:

- the scope taken into account includes Altarea and all of its direct and indirect subsidiaries included in its scope of consolidation within the meaning of Article L. 233-16 of the French Commercial Code[1];
- the compensation of corporate officers, included in the numerator, 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) No separate ratio is published for Altareit, which has no employees.

	2019	2020	2021	2022	2023
Management (fees paid by Altarea and Altareit)					
Annual change in fees paid (including the variable portion due in respect of financial year N-1 and paid in N)		-40.4%	-25.4%	14.3%	-1.3%
Ratio to median employee salary	55.5	35.0	23.3	27.6	29.1
Ratio to average employee salary	45.8	28.9	19.2	22.8	24.0
Change in ratio compared to the previous financial year		*-36.93%*	*-33.40%*	*18.45%*	*5.52%*
Chairman of the Supervisory Board					
Annual change in compensation paid		9.1%	-	-	-
Ratio to median employee salary	2.7	2.6	2.3	2.4	2.6
Ratio to average employee salary	2.2	2.2	1.9	2.0	2.1
Change in ratio compared to the previous financial year		*-3.87%*	*-10.78%*	*3.61%*	*6.91%*
Altarea Group performance					
FFO Group share (€ millions)	293	230	264	275	101
Change compared to the previous financial year		*-21.5%*	*15.0%*	*4.16%*	*-63.8%*
Consolidated revenue (€ millions)	3,109	3,056	3,030	3,013	2,712
Change compared to the previous financial year		*-1.7%*	*-0.8%*	*-0.6%*	*-10%*
Employees					
Change in average employee compensation of Altarea Group compared to the previous financial year		-5.4%	12.1%	-3.5%	-6.5%
Change in the number of Altarea Group employees (FTE) compared to the previous financial year		1.9%	-2.2%	13.4%	0.7%

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 2024

Pursuant to the provisions of Article L. 22-10-76 of the French Commercial Code, the Supervisory Board meeting of 27 February 2024, on the proposal of the Compensation and Nomination Committee, determined the components of compensation of corporate officers for the 2024 financial year as follows, subject to and in accordance with the compensation policies put to the 2024 General Shareholders' Meeting (*ex ante* vote), and having been informed of the Management's wish to waive part of their compensation given the difficulties the real estate sector and the impacts of the crisis on the Group's activities.

The Ordinary General Shareholders' Meeting called to approve the 2024 financial statements will be asked to vote *ex post* (i) on a draft resolution containing the information about the compensation components allocated or paid for this financial year and (ii) on separate draft resolutions relating to the compensation components allocated or paid to the Chairman of the Supervisory Board and Management for the said financial year.

Components of Management compensation for financial year 2024

WAIVER BY THE MANAGEMENT OF PART OF ITS COMPENSATION

Given the difficulties experienced by the real estate sector and the impacts of the crisis on the Group's activities, the Management informed the Chairman of the Supervisory Board that it has decided to waive one third of its fixed annual compensation for the 2024 financial year and to waive in advance any variable compensation that may be awarded in respect of that fiscal year, both within the Company and at its parent company Altarea. The Supervisory Board has set the components of management compensation taking these principles into account.

Compensation components	Rules and criteria	Targets/Comments
Fixed fee	Annual amount: €600,000 excl. tax Payable quarterly	Fixed annual compensation exceptionally reduced by one-third compared to the previous financial year (€900 thousand) at the initiative of Management (see box above).
Annual variable fee	None.	No variable compensation for the 2024 financial year as, exceptionally, the Management opted to waive it in advance (see box above).
Compensation cap	Total cumulative amount of fees for the Manager of Altarea and Altareit in 2024 set at €1,200 thousand excl. tax Decrease in overall compensation for 2024 by 18% compared to 2023	No overall ceiling to be set for 2024: with no annual variable compensation (see box above), the total cumulative amount of fees for the roles of Manager of Altarea *and Altareit* in 2024 effectively capped at €1,200 thousand excl. tax (compared with €3,500 thousand excl. tax in 2023 and €4,000 thousand excl. tax in 2022).

Management does not receive variable multi-year compensation, long-term profit sharing, benefits in kind, severance or non-competition payments or a pension plan.

It should be noted that Altafi 2, Manager, also forms part of the management of Altarea, the parent company of Altareit. In this respect, pursuant to the decisions taken by the Supervisory Board of Altareit, at the initiative of the Manager, who exceptionally waived part of his compensation for 2024 (see box above), and in accordance with the compensation policy to be put to the *ex ante* vote at the 2024 General Shareholders' Meeting, Altafi 2 will only receive a reduced fixed fee in 2024 of €600 thousand excl. tax (compared with €900 thousand excl. tax in 2023).

Components of the Supervisory Board members' compensation for financial year 2024

WAIVER BY THE SUPERVISORY BOARD OF PART OF THE COMPENSATION OF ITS MEMBERS

In line with the Management's decision to waive part of its compensation in advance for 2024, given the difficulties experienced by the real estate sector and the impacts of the crisis on the Group's activities, the Supervisory Board decided to show its solidarity by voting, exceptionally, to reduce by one-third the compensation of its members.

Compensation components	Rules and criteria	Targets/Comments
Chairman of the Board	No compensation	Total compensation paid by the parent company, Altarea, excluding any other compensation within the Group, taken from the total compensation package for Supervisory Board members allocated by the Altarea General Shareholders' Meeting. Annual compensation for 2024 reduced exceptionally by one third and set at €166,667 gross per year (compared to €250,000 in 2023) at the initiative of Altarea's Supervisory Board.
Supervisory Board members	Amount: €1,000 for each meeting of the Board and its specialist committees attended Beneficiaries: natural person members and permanent representatives of legal person members, with the exception of the Chairman of the Board who receives a fixed lump sum compensation and persons who receive compensation under the terms of an employment contract or a corporate office within the Altarea Group or are paid for an exceptional assignment entrusted to them by the Supervisory Board.	Main variable portion Amount per meeting exceptionally reduced by one-third compared to the previous financial year (€1,500/meeting) at the initiative of the Supervisory Board (see box above). Incentive for attendance at meetings In accordance with the recommendations of the MiddleNext Code

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6.4 Delegations concerning a share capital increase

6.4.1 Delegations given by the General Shareholders' Meeting of 8 June 2023 valid during the past financial year

Delegations	Duration/ Expiration date	Maximum nominal issue amount	Use in 2023
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	18 months 08/12/2024	Up to a maximum of 10% of the share capital	See 7.1.2 below
Authorisation to reduce the share capital by cancelling shares purchased under the buyback programme	26 months 08/08/2025	Up to a maximum of 10% of the share capital per 24-month period	None
Authorisations with preservation of preferential subscription rights			
Issue of ordinary shares and/or equity securities giving access to other securities and/or marketable securities giving access to equity securities to be issued by the Company or a related company(i)(ii)	26 months 08/08/2025	€50 million for capital increases €200 million for debt securities	None
Authorisation to increase the share capital by capitalising reserves	26 months 08/08/2025	€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 an offer to the public other than that referred to in Article L. 411-2 1 of the French Monetary and Financial Code(i)(ii)(iii)	26 months 08/08/2025	€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 08/08/2025	€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 08/12/2024	€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 08/08/2025	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 08/08/2025	€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 08/08/2025	-	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 08/08/2025	€100,000 for capital increases €500,000 for debt securities	None
Free share plans(i)(v)	38 months 08/08/2026	65,000 shares	None
Stock option plans (share subscription or purchase)(i)(v)	38 months 08/08/2026	65,000 shares	None
Share subscription warrants (BSA, BSAANE and BSAAR)(i)	18 months 08/12/2024	€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 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.
(v) Authorisation subject to a global ceiling of 65,000 shares, around 3.71% of share capital at 31 December 2023, of which a maximum of 20,000 shares for the executive corporate officers.

The authorisations in the above table supersedes those of the same type granted by the General Shareholders' Meeting of 24 May 2022.

6.4.2 Delegations requested from the next annual General Shareholders' Meeting 2024

Delegations	Maximum nominal issue amount	Duration
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[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 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 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 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 particular 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 that may be combined with securities giving access to the Company's share capital as remuneration for contributions in the form of securities[b]	10% of the 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 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 non-controlling shareholders or partners of subsidiaries or sub-subsidiaries of the Company subscribing by reinvesting all or part of the proceeds from sale of their stake in a Group company; or individuals or legal entities re-investing all or part of the proceeds from sale of a portfolio of real estate assets or the securities of a company operating as, or directly or indirectly holding an interest in one or more companies that are active in (i) a real estate investment or property development, (ii) real estate asset management or distribution, (iii) renewable energies, or (iv) data 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 2023), 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 2024 General Shareholders' Meeting, the delegations of the same description previously granted by the General Shareholders' Meeting and presented in Section 6.4.1 above.

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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 a single 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 in 6.4 above.

Agreements entered into by the Company that are amended or terminated in the event of a change of control of the Company

With the exception of certain bank or bond financing agreements that include customary change of control clauses, there are no agreements entered into by the Company that would be amended or terminated in the event of a change in control of the Company as referred to in Article L. 22-10-11 9 of the French Commercial Code.

Agreements providing for compensation as a result of a takeover or exchange offer

No agreement provides for compensation for Management or employees if they resign or are dismissed without real and serious cause or if their employment ends due to a takeover or exchange offer.

7

CAPITAL AND OWNERSHIP STRUCTURE

7.1 General information about the share capital

7.1.1 Share capital – Form and negotiability of shares

Amount of the share capital (Article 6 of the Articles of Association)

As of the date of this document, the share capital was €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 appoint either one of their number or a single attorney as their representative. In the event of disagreement, the representative will be appointed by order of the presiding judge of the commercial court in summary proceedings at the request of the most diligent joint-owner.

Negotiability of the shares (Article 11 of the Articles of Association)

The shares may be traded without restriction save for any provisions to the contrary set out in law, regulations or the Articles of Association.

Authorisations involving the share capital

The information concerning delegations valid during the 2023 financial year, granted by General Shareholders' Meetings, and their use during the course of the past financial year is provided in the Supervisory Board report on Corporate Governance included under Chapter 6 of this document.

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

There were no stock options to subscribe for or purchase shares of the Company outstanding at 31 December 2023.

Treasury shares (autocontrôle)

There were no treasury shares held by subsidiairies (*i.e.* autocontrôle) at 31 December 2023, 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' Meetings of 24 May 2022 and 8 June 2023, the shareholders authorised the Company to purchase its own shares up to a maximum of 10% of the shares comprising the share capital and up to a total of €80 million, at a maximum price per share set at €1,000.

Pursuant to these authorisations, Management decided to implement a share buyback programme and to set the following purposes, in order of precedence:

(1) acting as a market maker on the security's secondary market and/or ensuring the share's liquidity by means of an investment services provider acting independently under a liquidity contract in line with a Code of Ethics recognised by the AMF;

(2) allocating shares to employees and corporate officers in accordance with conditions set forth by law, particularly under a stock option plan, a free share plan or a company savings plan or employee shareholding plan;

(3) delivery of shares upon the exercise of rights attached to debt securities or equity securities entitling their holders to be allocated shares of the Company;

(4) cancellation of all or part of the shares acquired;

(5) custody and subsequent delivery of shares in respect of payment, exchange or otherwise, under transactions pursuant to Article L. 22-10-62 para. 6 of the French Commercial Code and more specifically external growth transactions instigated by the Company, on the understanding that the number of shares acquired by the Company in this way may not exceed 5% of its share capital;

(6) allocation in whole or in part of the shares thus acquired upon the performance of any transaction in line with the regulations in force.

A description of these share buyback programmes was published in accordance with Articles 241-1 *et seq.* of the AMF's General Regulation. The Company publishes a monthly summary of transactions in its own shares pursuant to these authorisations.

At 31 December 2023, Altareit held 286 treasury shares, all allocated to support (1) market making and share liquidity.

Treasury share buybacks conducted in the 2023 financial year

Month	Number of shares purchased	Number of shares sold	Balance of treasury shares	Price at end of month
January	25	22	210	€625
February	27	20	217	€605
March	34	24	227	€590
April	28	18	237	€575
May	27	23	241	€575
June	29	23	247	€565
July	37	26	258	€540
August	45	26	277	€535
September	30	25	282	€515
October	34	22	294	€448
November	26	31	289	€442
December	24	27	286	€450

Over the whole of 2023, 366 shares were purchased for a total price of €199,335, and 287 shares were sold for a total price of €155,606.

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 2023 financial year will be asked to renew the authorisation to proceed with share buybacks granted by the General Shareholders' Meeting of 8 June 2023, 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 2023

	Theoretical shares and voting rights		Actual voting rights at General Shareholders' Meetings	
Shareholder	**Number**	**%**	**Number**	**%**
Altarea	*1,744,062*	*99.63%*	*1,744,062*	*99.76%*
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**	**99.87%**
Treasury Shares	286	0.01%	N/A	N/A
Public	2,339	0.14%	2,339	0.13%
TOTAL	**1,750,487**	**100.00%**	**1,748,320**	**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 2023 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 2023, 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 3.54% 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 2023.

Change in ownership structure over the past three financial years

	31/12/2023		31/12/2022		31/12/2021	
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	286	0.01%	207	0.01%	168	0.01%
Public	2,339	0.14%	2,418	0.14%	2,457	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 2023

In 2023, 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 registered 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

No securities transactions with Company officers and related parties to the Company were declared during 2023.

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	€334,500,000	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
Number of shares outstanding	1,750,487
Par value per share	€1.50
Codes	Mnemonic: AREIT – ISIN: FR0000039216 Bloomberg: AREITFP – Reuters: AREIT.PA
Legal Entity Identification code (LEI)	969500400APTHOKN99645
Included in the indexes	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 (at 31/12)	Highest price	Lowest price	Latest Share price	Number of shares traded	Capital traded
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
2023	**€788 million**	**€640**	**€420**	**€450**	**688**	**€354,578**

2023	Share price high	Lowest price	Latest Share price	Number of shares traded	Amount of capital traded
January	€625	€620	€625	25	€15,610
February	€640	€585	€605	38	€23,060
March	€605	€580	€590	78	€45,705
April	€590	€545	€575	31	€17,915
May	€580	€550	€575	34	€19,340
June	€580	€560	€565	30	€17,095
July	€580	€540	€540	49	€27,255
August	€545	€520	€535	54	€28,785
September	€550	€500	€500	37	€19,725
October	€498	€448	€448	34	€16,116
November	€442	€420	€442	56	€24,474
December	€470	€442	€450	222	€99,498

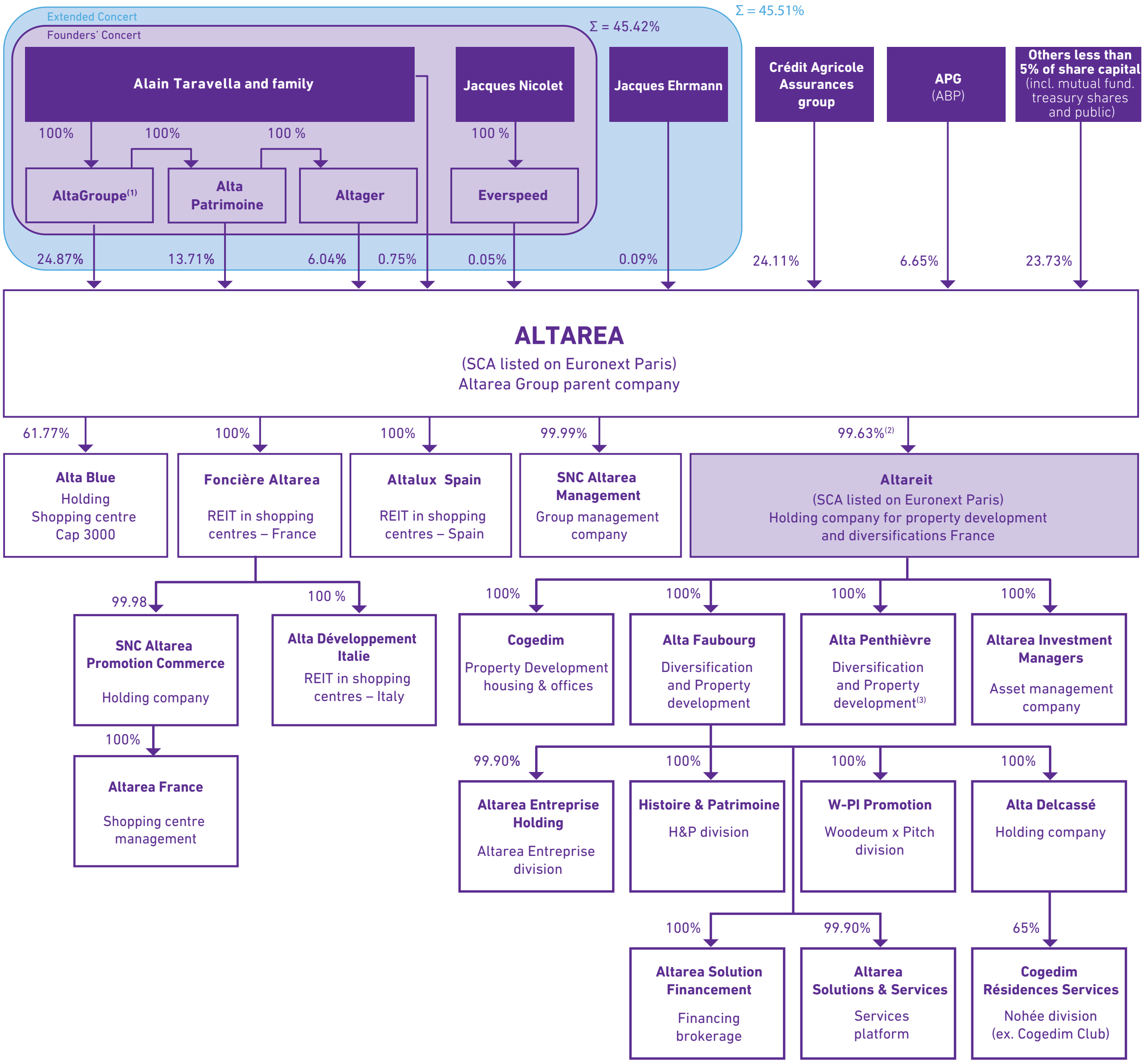
(Source: Euronext)

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 2023, 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 (Managing General Partner of Altarea and Manager of Altareit) and Altafi 3 (General Partner of Altareit).
(2) Altarea holds a direct stake in Altareit. Including indirect shareholdings, Altarea holds 99.85% of the share capital of Altareit, via the subsidiaries Altarea France (holding 0.11% of the share capital of Altareit) and Alta Faubourg (holding 0.11% of the share capital of Altareit) - treasury shares whose voting rights cannot be exercised at a General Meeting in accordance with the provisions of Article L.233-31 of the French Commercial Code).
(3) Nation Data Center (NDC), Sopregi & Sopregim, and the XF division are owned by Alta Penthièvre
(4) W-Pi Promotion (formerly Pitch Promotion) merged Woodeum, Financière SPL and Severini Pierres et Loisirs as of 31 December 2023

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).

Company name	Principal 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%
Alta Penthièvre	Diversification and Property Development division	France	100%
Altarea Investment Managers	Portfolio management company	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 2023 financial year, the Company did not acquire any equity stakes in the capital of companies in France.

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 2020, 2021 and 2022 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 2023, 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 2023.

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®. The Group also develops halls of residence for students, business tourism, etc.

2014
Acquisition of Histoire & Patrimoine[(3)]

Partnership with Crédit Agricole Assurances in the company operating Cogedim Club® residences.

2016
Acquisition of Pitch Promotion.

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).

2020
Launch of Altarea Solutions & Services[(4)].

Delivery of 87 Richelieu, the Altarea Group's new head office, which won the Grand Prix Simi 2020[(5)], and Convergence in Rueil-Malmaison, Danone's new global headquarters.

2021
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 mixeduse 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.

Cogedim granted Customer Service of the Year Award for the 6th consecutive year.

2023
Acquisition of the remaining 50% of Woodeum by Altarea and its merger with Pitch Immo to create the French leader in low-carbon real estate development, thanks to the complementary strengths of these two brands.

The Group expands its ambitions in the serviced residences for seniors[(6)].

Delivery of the new emlyon business school campus in Lyon, multifunctional, hybrid and adaptable, responding to new uses in higher education and research.

Creation of the portfolio management company Altarea Investment Managers, licensed by the AMF to manage assets on behalf of third parties, and launch of its first SCPI (real estate investment fund): Alta Convictions.

Histoire & Patrimoine, a leader in the renovation of heritage real estate, expands its market to include all existing real estate with the launch of its Jouvence programme to meet the urgent needs of housing energy renovation and preservation of existing buildings.

Cogedim takes first place in the HCG France – Les Echos customer relations rankings for the second consecutive year.

The Group is once again recognised as a "Top Employer France"[(7)].

Renewal of the long-standing partnership with Habitat & Humanism to participate in the fight against poor housing.

(1) 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.

(2) Given the planned changes, the Company changed its name to Altareit, becoming a société en commandite par actions (a French partnership limited by shares), amended its corporate purpose and transferred its registered office to Paris.

(3) Specialist in the rehabilitation of assets and tax exemption products (Malraux, historical monuments, land deficit, etc.).

(4) In-house value-added service platform to support customers and partners throughout their residential real estate project.

(5) In the category "Renovated office building or particularly innovative redevelopment".

(6) With (i) the creation of ARIAS (Altarea Résidences Intergénérationnels avec Services), a multi-brand and multi-offer division that delivers a range of housing solutions with services, (ii) the acquisition of Sopregi/Sopregim, the main operator of Les Hespérides senior residences and (iii) the repositioning of the Cogedim Club brand, now renamed Nohée.

(7) Certification awarded by the Top Employers Institute.

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 Registered 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 969500400APTH0KN99645.

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 the legal and regulatory provisions in force.

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, Bouygues Immobilier, Vinci Immobilier, Groupe Pichet, Icade Promotion, Kaufman & Broad, Procivis, Bassac et Sogeprom;
- in the office real estate development sector: Icade Promotion, BNP Paribas Real Estate, Sogeprom, 6e Sens Immobilier, Caudard Breille Group, Bouygues Immobilier, Eiffage Immobilier, Nexity and Linkcity.

8.2.2 Absence of material changes in the financial or business position

Since 1 January 2024, with the exception of what appears, where applicable, in Note 11 to the consolidated financial statements (Section 2.3 of this document) and paragraph 5.1.6 above, 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 2023, with €360 million (see Note 3.4 to the consolidated financial statements in Chapter 2.3 of this document). The ten largest customers accounted for 32% of total revenue.

The attention of the reader is drawn to the significant risks to which the Company is exposed and which are detailed in 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) Based on global volume sales in € millions - 2022 Awards - 34th Innovapresse Classement des Promoteurs - pages 18-22.

(2) Includes services to residences.

8.3 Persons responsible for the Universal Registration Document and the audit of the financial statements

8.3.1 Person responsible for the Universal Registration Document

Altafi 2, Manager, represented by its Chairman, Mr Alain Taravella.

8.3.2 Statement by the person responsible for the Universal Registration Document

"I certify that the information contained in this Universal Registration Document is, to the best of my knowledge, true and fair and free from material omission.

I declare that, to the best of my knowledge, the financial statements were prepared in accordance with generally accepted accounting principles and give a true and fair view of the assets, liabilities, financial position and earnings of the Company and all entities included within the Company's scope of consolidation. I also declare that, to the best of my knowledge, the management report, the cross-reference table of which appears on page 209, 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(1)	Date of first appointment	Start date and duration of current term	Expiration of term
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	AGM called to approve the 2025 financial statements
Mazars(2) Tour Exaltis -61 rue Henri Regnault -92400 Courbevoie Represented by Gilles Magnan and Johanna Darmon	8 June 2023	8 June 2023 3 financial years(2)	AGM called to approve the 2025 financial statements

(1) The Statutory Auditors of the Company are members of the Compagnie Nationale des Commissaires aux Comptes – The General Shareholders' Meeting of 19 May 2020 decided not to appoint alternate Statutory Auditors pursuant to the provisions of Article L. 823-1 of the French Commercial Code.

(2) Appointed to replace Grant Thornton for the remainder of its term of office.

Pursuant to the provisions of the new Article L. 821-40 of the French Commercial Code and Presidential Order 2023-1142 of 6 December 2023 notably as regards the publication and audit of sustainability information that the Company will have to publish, starting next year for the financial year ending on 31 December 2024, the next General Shareholders' Meeting to be held in 2024 will be asked to appoint, with immediate effect, the firms Mazars and Ernst & Young Audit, co-Auditors of the Company, to audit the sustainability information as part of their audit duties for their remaining term of office, *i.e.* until the end of the Ordinary General Shareholders' Meeting called in 2026 to approve the financial statements for the financial year ending 31 December 2025.

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 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 205 of the 2021 Universal Registration Document filed with the Autorité des Marchés Financiers on 29 April 2022 under number D. 22-0396;
- the consolidated financial statements and corresponding audit report provided on pages 25 and 71, the annual financial statements and corresponding audit report provided on pages 77 and 94, as well as the management report provided on page 205 of the 2022 Universal Registration Document filed with the Autorité des Marchés Financiers on 31 March 2023 under number D. 23-0211.

The parts of the 2021 Universal Registration Document and the 2022 Universal Registration Document not mentioned above are either not applicable for the investor or are covered elsewhere in this Universal Registration Document.

8.4.2 Documents available

For the full period of validity of this Universal Registration Document, the following documents are available to the public in electronic or printed form and can be obtained from the Company's registered office at 87 rue de Richelieu – 75002 Paris, on working days and during office hours:

- the Company's most recent Articles of Association;
- all reports, letters and other documents, past financial data and expert opinions or statements requested by the Company that are included or mentioned in this Universal Registration Document.

All regulated company information circulated by the Company in accordance with Articles 221-1 *et seq.* of the AMF General Regulation, such as Universal Registration Documents (including the annual financial statements) containing essentially the Company's historic financial information, filed with the AMF for the past ten financial years, and any updates thereof, are available on the Company's internet site www.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.

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Cross-reference table for the annual financial report
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Cross-reference table for the management report
(Articles L. 225-100-1, L. 232-1 and L. 233-26 of the French Commercial Code)

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