ALTAREA

CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022

DETAILED SUMMARY

1 Financial statements

Consolidated balance sheet

(€ millions)	Note	31/12/2022	31/12/2021
Non-current assets		**5,100.0**	**5,170.8**
Intangible assets	7.2	344.3	332.5
o/w Goodwill		*214.7*	*209.4*
o/w Brands		*105.4*	*105.4*
of which Customer relationships		*6.7*	*-*
o/w Other intangible assets		*17.4*	*17.7*
Property plant and equipment		25.2	27.8
Right-of-use on tangible and intangible fixed assets	7.3	123.1	128.4
Investment properties	7.1	4,087.4	4,176.8
o/w Investment properties in operation at fair value		*3,793.3*	*3,814.5*
o/w Investment properties under development and under construction at cost		*95.5*	*192.8*
o/w Right-of use on Investment properties		*198.6*	*169.6*
Securities and investments in equity affiliates	4.5	491.7	459.4
Non-current financial assets	4.6	20.3	22.0
Deferred taxes assets	5.3	8.0	24.1
Current assets		**3,987.7**	**4,188.5**
Net inventories and work in progress	7.4	1,159.3	922.6
Contract assets	7.4	723.1	714.1
Trade and other receivables	7.4	900.1	858.2
Income credit		3.2	19.5
Current financial assets	4.6	81.4	28.3
Derivative financial instruments	8	160.6	12.0
Cash and cash equivalents	6.2	952.3	1,625.5
Assets held for sale	7.1	7.8	8.3
TOTAL ASSETS		**9,087.7**	**9,359.4**
Equity		**3,959.5**	**3,543.6**
Equity attributable to Altarea SCA shareholders		**2,375.2**	**2,236.2**
Share capital	6.1	311.4	310.1
Other paid-in capital		395.0	513.9
Reserves		1,342.0	1,200.5
Income associated with Altarea SCA shareholders		326.8	211.6
Equity attributable to non-controlling interests in subsidiaries		**1,584.4**	**1,307.4**
Reserves associated with non-controlling interests in subsidiaries		1,263.2	1,033.4
Other equity components, Subordinated Perpetual Notes		223.5	223.5
Income associated with non-controlling interests in subsidiaries		97.7	50.5
Non-current liabilities		**2,612.0**	**3,036.5**
Non-current borrowings and financial liabilities	6.2	2,454.8	2,891.7
o/w Participating loans and advances from associates		*58.2*	*59.3*
o/w Bond issues		*1,385.2*	*1,723.2*
o/w Borrowings from credit establishments		*612.8*	*681.7*
o/w Negotiable European Medium-Term Note		*70.0*	*122.0*
o/w Lease liabilities		*132.2*	*138.2*
o/w Contractual fees on investment properties		*196.4*	*167.2*
Long-term provisions	6.3	35.5	36.8
Deposits and security interests received		39.3	38.7
Deferred tax liability	5.3	82.4	69.4
Current liabilities		**2,516.1**	**2,779.2**
Current borrowings and financial liabilities	6.2	547.4	838.5
o/w Bond issues		*22.0*	*26.2*
o/w Borrowings from credit establishments		*90.9*	*67.4*
o/w Negotiable European Commercial Paper		*302.0*	*637.0*
o/w Bank overdrafts		*24.2*	*13.6*
o/w Advances from Group shareholders and partners		*89.1*	*75.6*
o/w Lease liabilities		*16.6*	*16.1*
o/w Contractual fees on investment properties		*2.6*	*2.6*
Derivative financial instruments	8	0.0	16.7
Contract liabilities	7.4	351.4	168.1
Trade and other payables	7.4	1,611.1	1,740.6
Tax due		6.2	15.2
TOTAL LIABILITIES		**9,087.7**	**9,359.4**

Statement of consolidated comprehensive income

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

Other comprehensive income

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

Consolidated cash flows statement

(€ millions)	Note	31/12/2022	31/12/2021
Cash flow from operating activities			
Total consolidated net income		**424.5**	**262.1**
Elimination of income tax expense (income)	5.3	68.3	13.9
Elimination of net interest expense (income) and dividends	5.2	50.0	83.1
Net income before tax and before net interest expense (income)		**542.8**	**359.2**
Elimination of share in earnings of equity-method affiliates	4.5	(71.0)	(19.1)
Elimination of depreciation and impairment		31.4	47.6
Elimination of value adjustments	7.1 / 5.2	(150.2)	(40.8)
Elimination of net gains/(losses) on disposals(1)		(40.3)	(45.1)
Estimated income and expenses associated with share-based payments	6.1	25.1	23.4
Net cash flow		**337.7**	**325.2**
Tax paid		(34.6)	(34.7)
Impact of change in operational working capital requirement (WCR)	7.4	(106.3)	(76.5)
CASH FLOW FROM OPERATIONS		**196.7**	**214.0**
Cash flow from investment activities			
Net acquisitions of assets and capitalised expenditures	7.1	(42.9)	(106.6)
Gross investments in equity affiliates	4.5	(97.9)	(59.3)
Acquisitions of consolidated companies, net of cash acquired	4.3	(3.7)	(17.7)
Other changes in Group structure		6.1	0.2
Increase in loans and advances		(13.8)	(35.9)
Sale of non-current assets and reimbursement of advances and down payments(1)		58.7	12.0
Disposals of equity affiliates	4.5	80.5	67.1
Disposals of consolidated companies, net of cash transferred	4.3	113.3	134.2
Reduction in loans and other financial investments		64.4	21.4
Net change in investments and derivative financial instruments	5.2	(92.7)	(18.2)
Dividends received		34.7	125.3
Interest income on loans		23.4	8.8
CASH FLOW FROM INVESTMENT ACTIVITIES		**130.0**	**131.3**
Cash flow from financing activities			
Capital increase(2)		9.3	357.9
Subordinated Perpetual Notes(3)		-	28.4
Share of non-controlling interests in the capital increase of subsidiaries(4)		140.2	211.3
Dividends paid to Altarea SCA shareholders	6.1	(199.8)	(91.0)
Dividends paid to minority shareholders of subsidiaries		(23.2)	(25.5)
Issuance of borrowings and other financial liabilities	6.2	430.3	1,564.2
Repayment of borrowings and other financial liabilities	6.2	(1,254.3)	(1,914.8)
Repayment of lease liabilities	6.2	(19.9)	(17.8)
Net sales (purchases) of treasury shares	6.1	(26.3)	(31.3)
Net change in security deposits and guarantees received		0.9	2.0
Interest paid on financial debts		(67.7)	(90.4)
CASH FLOW FROM FINANCING ACTIVITIES		**(1,010.6)**	**(6.9)**
CHANGE IN CASH BALANCE		**(683.9)**	**338.4**
Cash balance at the beginning of the year	**6.2**	**1,612.0**	**1,273.6**
Cash and cash equivalents		1,625.5	1,277.5
Bank overdrafts		(13.6)	(3.9)
Cash balance at period-end	**6.2**	**928.1**	**1,612.0**
Cash and cash equivalents		952.3	1,625.5
Bank overdrafts		(24.2)	(13.6)

(1) Proceeds on disposals included in the calculation of net cash flow are presented net of transaction costs. Likewise, disposals of property assets are presented net of transaction costs in the cash flow from investment activities.

(2) See Changes in consolidated equity.

(3) This is the additional subscription of Subordinated Perpetual Notes subscribed by a non-controlling shareholder of a subsidiary.

(4) In 2021, this relates to the minority shareholders' subscriptions to the capital increase of subsidiary Alta Blue, which owns the CAP3000 shopping centre via its subsidiary Aldeta, and Crédit Agricole Assurance Group's investment in several centres, via a reserved capital increase and sale of shares. In 2022, the Crédit Agricole Assurance group also bought into several stations via a reserved capital increase and sale of shares.

Changes in consolidated equity

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

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

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

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

3 Other information attached to the consolidated financial statements

Detailed summary of the notes to the interim consolidated financial statements

NOTE 1 COMPANY INFORMATION

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

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

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

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

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

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

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

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

NOTE 2 ACCOUNTING PRINCIPLES AND METHODS

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

2.1.1 Accounting standards

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

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

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

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

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

These amendments have no significative impact for the Group.

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

None.

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

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

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

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

2.1.2 Other principles for presenting the financial statements

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

Transactions eliminated in the consolidated financial statements

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

Balance sheet classification

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

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

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

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

2.2 Main estimations and judgements

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

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

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

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

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

The methodologies used by the appraisers are identical to those used for the previous financial year and take into account changes in market data in the context of the health, economic and financial crisis. At the date of the appraisals, the appraisers consider that the market data are sufficient and relevant enough to provide a basis for their value assessments for the real estate assets appraised:

- Measurement of trade receivables (see Notes 2.3.10 "Financial assets and liabilities" and 7.4.2 "Trade and other operating receivables");
- Measurement of net property income and services using the percentage-of-completion method (see Note 2.3.17 "Revenue and revenue-related expenses");
- Measurement of goodwill and brands (please see Note 2.3.7 "Monitoring the value of non-current assets (excluding financial assets and investment property) and losses of value" and 7.2 "Intangible assets and goodwill").

And less significantly:

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

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

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

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

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

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

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

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

Property Development

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

Retail REIT

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

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

2.3 Accounting principles and methods of the Company

2.3.1 Equity investments of the Company and consolidation methods

For consolidation, the following standards apply:

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

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

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

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

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

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

Controlled entities

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

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

Entities subject to joint control

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

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

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

Entities subject to significant influence

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

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

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

Investments in associates are presented in accordance with IFRS 12.

2.3.2 Business combinations and goodwill

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

Goodwill:

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

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

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

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

2.3.3 Intangible assets

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

In accordance with IAS 38:

- Acquired or created software is recognised at cost and amortised over its useful life, which is generally between 1 and 5 years;
- Brands that meet the definition of intangible assets and were acquired separately or as a result of business combination are valued and their useful life estimated. Once they reach the end of this life they are amortised over its duration. If the useful life cannot be determined, they are tested for impairment where evidence of such impairment exists.
  The Cogedim, Pitch Promotion, Histoire & Patrimoine and Severini brands, which have an indefinite useful life, are thus not amortised;
- Customer relationship assets, which result from the identification of intangible assets acquired from property developers, are subject to amortisation at the rate at which the acquired order backlog is filled or, for the portion relating to acquired purchase options or those that can be amortised on a straight-line basis (i.e. duraiton relative to the normative operating cycle of the realization of a real estate program), at the rate at which development programmes are launched.
  Other customer relationships (customer relationships on regular contracts, contractual relationships) can also be identified during business combinations and their value and estimated life are analysed on a case-by-case basis.

2.3.4 Property plant and equipment

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

2.3.5 Investment properties

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

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

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

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

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

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

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

The appraisers use two methods:

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

Rental income takes into account:

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

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

Investment properties at fair value

Investment properties in operation are systematically measured at fair value.

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

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

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

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

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

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

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

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

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

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

Investment properties valued at cost

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

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

In accordance with IAS 23, interest expenses are treated by including borrowing costs directly attributable to the construction of qualifying assets in the cost of these assets.

Interest expenses remain attributable to buildings under development and construction during the construction period of the asset if they meet the definition of "qualifying assets". Note that if there is a delay in starting construction or an unusually long construction period, management assesses whether to pause the capitalisation of interest expenses on a case-by-case basis.

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

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

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

2.3.6 Non-current assets held for sale and discontinued operations

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

This is the case if the asset is available for immediate sale in its current state, subject only to the usual and customary conditions for the sale of such an asset, and if its sale is highly probable.

Indications of a high probability of sale include the existence of a plan by Group management to sell the asset and an active programme to find a buyer and close a sale within the following 12 months. The management assesses the situations. When at the closing date there is a preliminary sales agreement or a firm commitment, the property is systematically included in assets held for sale.

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

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

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

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

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

Goodwill impairment testing is performed at the level of cash-generating units (CGUs) or, where applicable, groups of CGUs. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.
To perform this test, the net carrying amount of assets directly related to or assignable to the CGUs or groups of CGUs, including intangible assets and goodwill, is compared with the recoverable amount of these same CGUs or groups of CGUs, defined as the higher of the fair value (the sale price net of costs likely to be incurred to make the sale) and their value in use.

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

The basic principles of the DCF method are:

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

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

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

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

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

Sensitivity tables are created for all impairment tests carried out.

2.3.8 Inventories

Inventories relate to:

- Programmes for third-party property development and the portion of shopping centre developments not intended to be held in Altarea's portfolio (hypermarket building shells, parking facilities, etc.);
- Programmes where their nature or specific administrative situation prompts a decision to classify them as inventory (dealer's stock) or where a final decision to hold them in the portfolio has not been made.

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

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

- The acquisition cost of land;
- Construction costs (including VRD);
- All technical and programme management fees, whether internal or external to the Group;
- Related expenses associated directly with the construction programme.

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

2.3.9 Contract assets or liabilities

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

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

2.3.10 Financial assets and liabilities

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

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

Measurement and recognition of financial assets and liabilities

- Trade and other receivables are measured at face value less any allowances for impairment. In accordance with IFRS 9, with regard to impairment, the Group applies a model based on expected losses, (expected credit losses based on the useful life of the receivables, itself based on the experience of the Group's historic credit losses) to its trade receivables (mainly Retail business);
- Receivables relating to participating interests in equity-method affiliates are classified in the balance sheet under "Securities and receivables on equity-method affiliates". For the Property Development transactions, receivables from companies accounted for by the equity method have a short collection period (in relation to the operating cycle of the Development). For Retail transactions, these receivables have a longer maturity in relation to the holding period of the underlying asset;
- Current financial assets mainly concern current account advances to minority shareholders of consolidated companies or deconsolidated companies. They are recognised at amortised cost. Non-current financial assets mainly concern securities not consolidated. They are recognised at fair value through profit or loss;
- Equity instruments mainly comprise equity securities of non-consolidated companies. For the shares of listed companies, their fair value is determined on the basis of estimation including, where necessary, the market indicators on the closing date. They are recognised as at fair value through profit or loss if they are held for trading; optionally, they may also be recognised at fair value in non-recyclable other comprehensive income (changes in fair value are registered in a separate equity line item under "other comprehensive income"). For unlisted securities, if the fair value cannot be reliably determined at each closing, they remain in the balance sheet at their initial fair value, *i.e*. at purchase price increased by transaction costs, adjusted by any gains or losses of value determined by an analysis of the proportionate share of the equity held.
  At each acquisition of equity securities, a similar analysis will be carried out to determine the Group's management intention;
- Deposits and securities paid concern deposits paid on projects. They are the offsetting amount of security deposits paid into escrow accounts by shopping centre tenants (deposits and securities not discounted) and/or, guarantee deposits paid for buildings occupied by the Group;
- Derivative financial instruments (assets and liabilities) are considered as being held for trading. They are measured at fair value. The change in fair value of derivatives is recognised in the income statement (Line "Change in value and income from disposal of financial instruments");
- Cash as defined in IAS 7 includes liquid assets in bank current accounts and holdings in deposit accounts that are redeemable or tradable in the very short term (*i.e*. initial maturity of less than three months) and carry no significant risk of loss of value through fluctuations in interest rates. These deposits accounts are carried on the balance sheet at fair value. Their changes in the fair value are recognised in income, with a corresponding adjustment to cash. Cash must be available immediately for the needs of the Group or its subsidiaries;
- All borrowings and interest-bearing liabilities are initially recognised at fair value, less directly attributable transaction costs. Thereafter, they are carried at amortised cost using the effective interest rate method (presented in the income statements, line "Net borrowing costs"). Initial effective interest rates are measured by an actuary. In the event of renegotiation of financial liability contracts recognised at amortised cost; a study is carried out on a case-by-case basis to determine whether the renegotiation leads to a substantial change in the financial liability and therefore its derecognition or, alternatively, the maintenance of the financial liability on the balance sheet and the adjustment of its amortised cost through profit or loss.

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

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

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

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

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

2.3.11 Equity

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

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

An instrument is an equity instrument if the instrument includes no contractual obligation to deliver cash or another financial asset, or to exchange assets or liabilities with another entity under conditions unfavourable to the issuer. On that basis, the Subordinated Perpetual Notes (TSDI) issued by Altarea SCA are equity instruments.

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

2.3.12 Share-based payments

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

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

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

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

2.3.13 Earnings per share

Undiluted net income per share (in €)

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

Diluted net income per share (in €)

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

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

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

2.3.14 Employee benefits

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

Post-employment benefits

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

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

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

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

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

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

- Discount rate: Rate of return on AA-rated corporate bonds (euro zone) with maturities of more than 10 years. The Group uses the Iboxx rate which stands at 3.10%;
- Mortality table: Women’s Table (TF) and Men’s Table (TH) 2000-2002;
- Reason for departure: depending on local laws and for France, voluntary retirement on the date of eligibility for full pension benefits;
- Turnover: annual average turnover observed over the last 3 years, standing at between 4% and 8.30% depending on branch and age group;
- Long-term salary adjustment rate (including inflation): 2.7%.

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

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

Other post-employment benefits

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

Severance pay

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

Short-term benefits

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

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

2.3.15 Provisions and contingent liabilities

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

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

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

Contingent liabilities correspond to:

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

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

2.3.16 Corporate income tax

Following its decision to adopt the retail REIT tax status, the Group is subject to a specific tax regime:

- A retail REIT sector comprising the Group companies that have elected to adopt retail REIT tax status and are therefore exempt from income tax on their ordinary profits and gains on disposal;
- A taxable sector comprising those companies that cannot elect to adopt SIIC status.

Income taxes are recognised in accordance with IAS 12.

From the time that SIIC (retail REIT) tax status was adopted, deferred taxes are calculated for companies without such status and on the taxable profits of companies in the REIT sector. They are recognised on all timing differences between the carrying amounts of assets and liabilities and their values for tax purposes, and on tax loss carry forwards, using the liability method.

Deferred tax assets and liabilities are measured using the liability method at the tax rates expected to apply when the asset will be realised or the liability settled, on the basis of known tax rates at the closing date.
Since 31 December 2016, the Group has applied the gradual and programmed reduction in the rate in its consolidated financial statements in accordance with the Finance Act in force.

Deferred tax assets are reassessed at each closing date and are recognised where it is likely that future taxable profits will allow their recovery based on a business plan for tax purposes prepared by management for a reasonable period.

Deferred taxes in the balance sheet are presented in a net position at the level of each tax consolidation group, as either an asset or a liability in the consolidated balance sheet.

Taxes on items recognised directly in equity are also recognised in equity, not in the income statement.

2.3.17 Revenue and revenue-related expenses

Net rental income comprises: rental income and other net rental income less land expenses, non-recovered service charges, other charges and net allowances to provisions for impairment for bad debts.

Rental income includes gross rental income, including the effects of spreading stepped rents over the non-cancellable lease term, rent holidays and other benefits granted by contract to the lessee by the lessor, and notably reductions granted during the lease term.

In accordance with IFRS 16:

- This rental income is recognised on a straight-line basis for the entire term of the lease. The Group therefore retains substantially all the risks and rewards incidental to ownership of its investment properties;
- Contingent rent amounts (stepped rents, rent holidays and other benefits granted to lessees) are recognised on a straight-line basis over the firm lease term, which is understood as the period during which the lessee has no right to cancel. These amounts therefore increase or reduce rental income for the period;
- Initial lease payments received as a lump sum by the lessor are analysed as additional rent. As such, entry fees are spread on a straight-line basis over the fixed term of the lease;
- Termination fees are charged to tenants when they terminate the lease before the end of the contract term. These fees are accounted for as part of the lease agreement that was terminated and are taken to income in the year they are recognised.

  When the lessor terminates a lease before its term, the lessor pays a termination fee to the tenant in place.

  If payment of an early termination fee enables performance of the asset to be enhanced (such as by replacing a tenant, increasing the rent and thereby the value of the asset), this expenditure may be capitalised. If not, this expenditure is expensed as incurred.

  If an early termination fee is paid as part of major renovation or reconstruction work on a building that requires tenants to leave, this expenditure is capitalised and included in the cost price of the asset under development or redevelopment;
- The reductions granted are of two types:
  - assistance granted in the context of renegotiations, without any consideration, is recognised as an exceptional rent reduction in rental income, and
  - assistance granted in the context of renegotiations, with modification of the contract (usually extensions of the lease term, etc.) are spread on a straight-line basis in accordance with IFRS 16 and deducted from rental income.

Land expenses correspond to the variable amounts of fees for temporary occupancy permits and construction leases. These variable amounts do not fall within the scope of IFRS 16.

Non-recovered rental expenses are expenses normally passed on to tenants (rental expenses, local taxes, etc.), but for which the owner is still liable due to their ceiling or the vacancy of rental floor areas.

Other expenses include the lessor’s contributions to the centres’ marketing, non-capitalised construction work not passed on to the tenants, rental management fees on certain leases.

Net property income is the difference between revenues and cost of sales, selling expenses and net allowances for impairment on bad debt and inventories.

It corresponds primarily to the net property income on the Residential and Business property sectors, plus the net property income on sales of projects related to the development business in the Retail sector.

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

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

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

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

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

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

Losses on “new projects” are included in net property income.

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

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

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

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

2.3.18 Leases

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

Leases in the financial statements with the Company as lessor

For landlords, IFRS 16 maintains the distinction between finance and operating leases. Accordingly, in the consolidated financial statements where the Group acts as lessor:

- Rental income generated by operating leases concerns rent paid on properties/centres in operation; and
- Going forward, all expenses re-invoiced to tenants, excluded from the revenue, are presented as a specific item in the income statement.

Leases in the financial statements with the Company as lessee

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

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

Leases entered into by the Group lying within the field of application of the standard mainly concern two types of leases which are financially fundamentally different:

- Property leases (the Group leases its offices in the majority of cities where it operates) and vehicle leases;
- Temporary Occupation Authorisations for stations and Construction Leases for some of its Retail assets.

Temporary Occupation Authorisations are covered by IFRS 16. The Group is the occupying party and, therefore, the agreement grants the Group certain rights regarding the work, constructions and real estate facilities. Under IFRS 16, fixed fees are restated over the term of the contracts.

The key assumptions used to calculate the debt and therefore the right of use are the term of the contracts and the rate:

- Terms correspond to the fixed period of the commitment, taking into account any optional periods for which there is a reasonable expectation of these being exercised;
- Discount rates applied when a contract comes into effect are based on the incremental debt ratio of each company carrying a contract. These rates are determined on the effective date of new contract.

The Group applies one of the exemptions proposed by the standard, on short-term leases (less than 12 months) which are not restated.

The presentation in the Group’s financial statements is as follows:

- On the balance sheet, an asset is recorded in the form of a right-of-use asset in exchange for a liability corresponding to the rent. The Group therefore acknowledges a right-of-use on tangible and intangible fixed assets (connected to its property and vehicle lease agreements) as consideration for its lease liabilities; and a right-of-use for investment property (notably in relation to Temporary Occupation Authorisations) in exchange on the contractual fees on investment properties;

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

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

2.3.19 Adjustment to value of investment properties

Adjustments to the value of each property measured at fair value are recognised in the income statement under "Change in value of investment properties" and are determined as follows:

Market value excluding transfer duties at the end of the period (taking into account the impact of stepped rents and rent holidays as measured by the appraiser) minus [Market value at the end of the previous period if the property was measured at fair value or cost of the property is marked to market for the first time + amount of construction work and expenses eligible for capitalisation during the year + effect of deferral period for stepped rents and rent holidays net of the deferral of initial lease payments].

Moreover, impairment losses on each property measured at cost are recognised in the income statement under "Net impairment of investment properties measured at cost".

2.3.20 Borrowing costs or costs of interest-bearing liabilities

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

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

2.3.21 Cash flow statement

The cash flow statement is presented using the indirect method permitted under IAS 7. Tax expense is shown as a single item in cash flows from operating activities. Interest paid is shown in cash flows from financing activities, and interest received is shown in cash flows from investing activities. Dividends paid are classified as cash flows from financing activities.

2.3.22 Operating segments

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

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

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

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

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

The Company has the following operating segments:

- Retail: shopping centres completed or under development;
- Residential: residential property development;
- Business property: the property development, services and investment business;

- New businesses: real estate asset management (public funds and institutional club deals), small data centers and real estate infrastructures for the production and distribution of renewable energy in the framework of a « developer/asset manager model",
- Items under "Others (Corporate)" allow reconciliation of various reporting indicators with accounting indicators.

Borrowing costs, changes in the value of financial instruments and gains and losses from their disposal, taxes, and earnings from non-controlling interests are not allocated directly by sector. Balance-sheet items such as financial assets and liabilities cannot be allocated, nor can deferred-tax assets corresponding to the recognition of tax losses.

<u>As part of the Group's current operations:</u>

1. Funds from operations (FFO)

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

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

- Net income of the segment, including impairment of current assets:
  - Retail: net rental income,
  - Residential and Business property: net property income.
- Net overhead expenses, which bring together all services that absorb part of the overheads and operating costs, including personnel costs, other operating expenses, other segment income and expenses and expenses covered by reversals of used provisions (including the restatement of fixed rents following application of IFRS 16 – Leases);
- Share of funds from joint ventures or associates' operations.

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

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

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

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

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

The relevant indicator for monitoring value is the change in going concern net asset value, to which funds from operations contribute. This management indicator is presented in detail in the business review.

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

- **Changes in value which** concern gains and losses from the Retail sector:
  - From asset disposals, and where applicable, extraordinary payments received and equivalent in economic terms to the value of the asset sold,
  - From the value of investment properties, including value adjustments for properties measured at fair value (including right-of-use assets) or held for sale as well as impairment losses of properties measured at cost.
- **Estimated expenses** include:
  - Expenses or net allowances for the period related to share-based payments or other benefits granted to employees,
  - Allowances for depreciation and amortisation net of reversals for non-current assets other than investment properties, including allowances relating to intangible assets or goodwill identified during business combinations, and right-of-use relating to tangible and intangible assets,
  - Allowances for non-current provisions net of used or unused reversals.
- **Transaction costs** include fees and other nonrecurring expenses incurred from corporate development projects that are ineligible for capitalisation (e.g. expenses incurred from business combinations or equity investments, whether completed or not) or that are ineligible for inclusion under issuance costs (e.g. certain commissions incurred from capital management). Income and expenses outside the Company's going concerns are also included.

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

3. Non-controlling interests

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

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

NOTE 3 INFORMATION ON OPERATING SEGMENTS

3.1 Balance sheet items by operating segment

As of 31 December 2022

(€ millions)	Retail	Residential	Business Property	New businesses	Other	TOTAL
Operating assets and liabilities						
Intangible assets	17.7	290.2	21.5	2.2	12.7	**344.3**
Property plant and equipment	0.7	22.4	0.0	0.0	2.2	**25.2**
Right-of-use on tangible and intangible fixed assets	0.2	122.8	0.1	-	0.1	**123.1**
Investment properties	4,074.8	0.1	12.5	-	-	**4,087.4**
Securities and investments in equity affiliates	158.2	179.2	154.3	(0.0)	-	**491.7**
Operational working capital requirement	49.8	865.0	24.4	0.1	(19.1)	**920.2**
Total operating assets and liabilities	**4,301.5**	**1,479.5**	**212.8**	**2.2**	**(4.1)**	**5,991.9**

As of 31 December 2021

(€ millions)	Retail	Residential	Business Property	Other	TOTAL
Operating assets and liabilities					
Intangible assets	18.0	282.3	21.5	10.6	**332.5**
Property plant and equipment	0.7	24.7	-	2.3	**27.8**
Right-of-use on tangible and intangible fixed assets	0.3	127.9	0.1	0.1	**128.4**
Investment properties	4,140.6	0.2	36.0	-	**4,176.8**
Securities and investments in equity affiliates	121.9	170.7	166.8	-	**459.4**
Operational working capital requirement	58.7	682.0	13.1	(23.2)	**730.6**
Total operating assets and liabilities	**4,340.2**	**1,288.0**	**237.5**	**(10.2)**	**5,855.5**

3.2 Consolidated income statement by operating segment

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

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

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

(€ millions)	31/12/2022 Funds from operations (FFO)	31/12/2022 Changes in value, estimated expenses and transaction costs (chg. val.)	31/12/2022 Total	31/12/2021 Funds from operations (FFO)	31/12/2021 Changes in value, estimated expenses and transaction costs (chg. val.)	31/12/2021 Total
Rental income	210.2	-	210.2	186.7	-	186.7
Property expenses	(3.6)	-	(3.6)	(1.9)	-	(1.9)
Unrecoverable rental expenses	(10.4)	-	(10.4)	(8.9)	-	(8.9)
Expenses re-invoiced to tenants	*58.8*	-	*58.8*	*55.1*	-	*55.1*
Rental expenses	*(69.2)*	-	*(69.2)*	*(64.0)*	-	*(64.0)*
Other expenses	(0.3)	-	(0.3)	(1.6)	-	(1.6)
Net charge to provisions for current assets	(2.3)	-	(2.3)	(11.8)	-	(11.8)
Net rental income	**193.7**	**-**	**193.7**	**162.5**	**-**	**162.5**
Revenue	2,748.6	-	2,748.6	2,796.2	0.0	2,796.2
Cost of sales	(2,417.9)	(0.6)	(2,418.6)	(2,446.4)	(0.1)	(2,446.5)
Other income	(104.2)	-	(104.2)	(102.4)	(0.0)	(102.4)
Net charge to provisions for current assets	(33.6)	(0.6)	(34.2)	(10.3)	0.2	(10.1)
Amortisation of customer relationships	-	(1.5)	(1.5)	-	-	-
Net property income	**192.9**	**(2.8)**	**190.1**	**237.1**	**0.1**	**237.2**
External services	54.4	-	54.4	46.9	-	46.9
Own work capitalised and production held in inventory	242.1	-	242.1	196.6	-	196.6
Personnel costs	(244.4)	(26.7)	(271.1)	(223.9)	(29.7)	(253.6)
Other overhead expenses	(78.5)	0.1	(78.3)	(68.0)	(0.0)	(68.1)
Depreciation expenses on operating assets	-	(29.0)	(29.0)	-	(29.5)	(29.5)
Net overhead expenses	**(26.3)**	**(55.6)**	**(81.9)**	**(48.4)**	**(59.3)**	**(107.6)**
Other income and expenses	(6.7)	(0.0)	(6.7)	(9.0)	(0.9)	(9.8)
Depreciation expenses	-	(0.1)	(0.1)	-	(0.2)	(0.2)
Transaction costs	-	(14.5)	(14.5)	-	(14.9)	(14.9)
Other	**(6.7)**	**(14.6)**	**(21.3)**	**(9.0)**	**(15.9)**	**(24.9)**
Proceeds from disposal of investment assets	-	76.5	76.5	-	8.9	8.9
Carrying amount of assets sold	-	(74.2)	(74.2)	-	(10.2)	(10.2)
Net gain/(loss) on disposal of investment assets	**-**	**2.3**	**2.3**	**-**	**(1.3)**	**(1.3)**
Change in value of investment properties	-	45.8	45.8	-	39.9	39.9
Net impairment losses on investment properties measured at cost	-	(18.7)	(18.7)	-	(4.8)	(4.8)
Net impairment losses on other non-current assets	-	0.2	0.2	-	(1.2)	(1.2)
Net charge to provisions for risks and contingencies	-	0.3	0.3	-	(11.5)	(11.5)
OPERATING INCOME BEFORE THE SHARE OF NET INCOME OF EQUITY-METHOD AFFILIATES	**353.5**	**(43.1)**	**310.4**	**342.3**	**(54.0)**	**288.3**
Share in earnings of equity-method affiliates	64.0	7.0	71.0	24.3	(5.2)	19.1
OPERATING INCOME AFTER THE SHARE OF NET INCOME OF EQUITY-METHOD AFFILIATES	**417.5**	**(36.1)**	**381.4**	**366.6**	**(59.2)**	**307.4**
Net borrowing costs	(34.3)	10.5	(23.8)	(49.2)	(5.4)	(54.6)
Financial expenses	*(51.9)*	*10.5*	*(41.4)*	*(63.1)*	*(5.4)*	*(68.5)*
Financial income	*17.5*	-	*17.5*	*13.9*	-	*13.9*
Other financial results	(26.1)	(0.2)	(26.3)	(20.1)	(8.6)	(28.7)
Change in value and income from disposal of financial instruments	-	123.0	123.0	-	5.7	5.7
Gains or losses on disposals of equity interests[(a)]	28.7	9.8	38.5	38.3	7.9	46.2
Profit before tax	**385.8**	**107.0**	**492.8**	**335.7**	**(59.6)**	**276.1**
Corporate income tax	(35.2)	(33.1)	(68.3)	(20.1)	6.2	(13.9)
NET INCOME	**350.6**	**73.9**	**424.5**	**315.6**	**(53.4)**	**262.1**
o/w Attributable to Altarea SCA shareholders	**275.4**	**51.4**	**326.8**	**264.4**	**(52.7)**	**211.6**
o/w Attributable to non-controlling interests in subsidiaries	(75.2)	(22.5)	(97.7)	(51.2)	0.7	(50.5)
Average number of non-diluted shares	20,158,331	20,158,331	20,158,331	18,024,260	18,024,260	18,024,260
Net earning per share attributable to shareholders of Altarea SCA (€)	**13.66**	**2.55**	**16.21**	**14.67**	**(2.93)**	**11.74**
Diluted average number of shares	20,649,592	20,649,592	20,649,592	18,424,086	18,424,086	18,424,086
Diluted net earning per share attributable to shareholders of Altarea SCA (€)	**13.34**	**2.49**	**15.83**	**14.35**	**(2.86)**	**11.49**

(a) Gains or losses on disposals of equity interests have been reallocated to each of the activities concerned by the gains or losses when it relates to an investment previously fully consolidated or a share of the equity-method affiliates when the equity disposed of was previously in an equity-method company.

3.3.2 Reconciliation of operating income between the two income statements

(€ millions)	31/12/2022 Retail	Residential	BP[a]	New businesses	Other	TOTAL	31/12/2021 Retail	Residential	BP[a]	Other	TOTAL
Net rental income	193.7	-	-	-	-	193.7	162.5	-	-	-	162.5
Net property income	(1.3)	154.2	37.2	-	(0.0)	190.1	(0.9)	204.0	34.2	(0.1)	237.2
Net overhead expenses	(10.2)	(50.3)	(10.9)	(1.6)	(8.9)	(81.9)	(15.6)	(72.3)	(13.4)	(6.3)	(107.6)
Other	(3.1)	(1.7)	0.4	(0.1)	(16.7)	(21.3)	(9.5)	(5.4)	1.4	(11.3)	(24.9)
Net gain/(loss) on disposal of investment assets	2.3	-	-	-	-	2.3	(1.3)	-	-	-	(1.3)
Value adjustments	27.5	0.1	(0.3)	-	-	27.3	33.1	(1.2)	2.0	-	33.9
Net charge to provisions for risks	1.3	(0.8)	(0.4)	(0.0)	0.2	0.3	(10.6)	(1.1)	(0.2)	0.3	(11.5)
Share in earnings of equity-method affiliates	5.9	8.2	56.9	(0.0)	-	71.0	0.8	11.4	7.0	-	19.1
OPERATING INCOME (Statement of consolidated comprehensive income)	**216.1**	**109.7**	**82.8**	**(1.7)**	**(25.5)**	**381.4**	**158.4**	**135.4**	**31.0**	**(17.4)**	**307.4**
Reclassification of net gain/(loss) on disposal of investments			28.7			**28.7**			38.3		**38.3**
OPERATING INCOME (Consolidated income statement by segment)	**216.1**	**109.7**	**111.6**	**(1.7)**	**(25.5)**	**410.1**	**158.4**	**137.7**	**69.3**	**(19.7)**	**345.8**

(a) BP: Business property.

3.4 Revenue by geographical region and operating segment

By geographical region

(€ millions)	31/12/2022 France	Italy	Spain	Other	Total	31/12/2021 France	Italy	Spain	Other	Total
Rental income	191.4	6.2	12.6	-	210.2	170.8	6.3	9.5	-	186.7
External services	29.4	1.5	0.3	-	31.3	22.2	1.3	0.3	-	23.8
Property development	-	-	-	-	-	-	6.4	-	-	6.4
Retail	**220.8**	**7.7**	**12.9**	**-**	**241.5**	**193.0**	**14.0**	**9.8**	**-**	**216.8**
Revenue	2,458.5	-	-	-	2,458.5	2,484.7	-	-	-	2,484.7
External services	11.1	-	-	-	11.1	13.3	-	-	-	13.3
Residential	**2,469.7**	**-**	**-**	**-**	**2,469.7**	**2,498.0**	**-**	**-**	**-**	**2,498.0**
Revenue	290.0	-	-	-	290.0	305.2	-	-	-	305.2
External services	11.4	-	-	0.5	11.9	9.3	-	-	0.4	9.8
Business Property	**301.4**	**-**	**-**	**0.5**	**301.9**	**314.5**	**-**	**-**	**0.4**	**314.9**
Others (Corporate)	0.1	-	-	-	0.1	0.1	-	-	-	0.1
Total	**2,992.0**	**7.7**	**12.9**	**0.5**	**3,013.2**	**3,005.6**	**14.0**	**9.8**	**0.4**	**3,029.8**

The Altarea Group operates mainly in France, Italy and Spain in 2022, as in 2021.

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

NOTE 4 MAJOR EVENTS AND CHANGES IN THE SCOPE OF CONSOLIDATION

4.1 Major events

Retail

In accordance with the partnership agreements announced in June 2021, Altarea and Crédit Agricole Assurances finalised their partnership on the creation of the Alta Infrastructures fund, specialised in European stations retails.

Thus, in the first quarter of 2022, Altarea sold 49% of its stake in stations under concessions, which are the Paris-Montparnasse station and five stations in Italy (Milan, Turin, Rome, Padua and Naples).

In July, SCOR, MRM and Altarea announced a partnership to accelerate MRM's strategic development. In December, Altarea completed the transfer of the Flins and Ollioules shopping centres to MRM, for €90.4 million, remunerated partly in cash and partly in MRM shares. Following this transaction, Altarea holds 15.9% of MRM's share capital.

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

As no further appeals can now be made against the building permit, Altarea and SNCF Gares & Connexions signed the final agreements at the end of the year allowing work to start in 2023.

Residential

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

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

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

Business Property

Grand Paris

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

• Sale in July to La Française REM of the Cyber Campus in Paris-la Défense, a 26,500 m² office building;

• The delivery of the three office buildings within the large mixed-use project Issy-Cœur de Ville, certified BEPOS (positive energy building) and intended to house the head office of the Caisse Nationale de Prévoyance (CNP) as from early 2023;

• The sale to Crédit Agricole Assurances of the last 10% held in Bridge, Orange's global headquarters in Issy-les-Moulineaux (58,000 m²);

• The partial letting of Landscape in La Défense to ManpowerGroup France, Vitogaz and Rubis Energie, thus completing the largest transaction for a high-rise office building of the year;

• The start of the demolition work on the building located on the plot that will house Bellini, the future headquarters of Swiss Life France in La Défense acquired by Swiss Life Asset Managers at the end of 2021;

• Management of several new development projects, including the renovation of the former CACEIS head office near Paris-Austerlitz station on behalf of Crédit Agricole Assurances.

Regional cities

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

• The signing of numerous off-plan sales and PDCs, including KI in Lyon (PDC), the renovation of the former headquarters of CERA, and Hill Side in the Jolimont district of Toulouse with Tivoli Capital;

• Management of seven new projects (170,000 m²), including the new ESSCA campus in Aix-en-Provence, and several office projects in the Grand-Ouest region.

Logistics

The Group, active in this segment for nearly 20 years, has now strengthening its historical position in large logistics platforms on the one hand, and structuring its offer on the promising segment of urban logistics on the other hand with:

• the launch of a new project at the gates of Lyon, Ecoparc Cotière, combining XXL logistics (50,000 m²) and business premises (20,000 m²) and continuing development of the 8 other projects under development on the north-south axis and the Atlantic arc;

• the success of a first urban logistics project "La Manufacture de Reuilly" carried out in partnership with Corsalis Logistics Real Estate, involving the restructuring of a building in the heart of Paris that was leased to La Belle Vie (French leader in home shopping) and then sold to a fund managed by AEW.

In 2022, Altarea jointly completed the "La Manufacture de Reuilly" project with Corsalis Logistics Real Estate, a first restructuring operation for a building in the middle of the 12th arrondissement in Paris leased to La Belle Vie (French leader in home shopping) in March then sold in June to a fund managed by AEW.

Buyback of three bond issues

Altarea successful launch of two public partial buyback offer for three existing senior bonds (Altarea July 2024, Altareit July 2025 and Altarea January 2028), for a total amount of €331.5 million (respectively, €120.3 million, €161.2 million and €50.0 million) plus buybacks over the course of the year of a total nominal amount of another €10.8 million.

With this transaction, the Group was able to optimise its liquidity through proactive management of its liabilities on capital markets and so optimise its available cash and the volume and cost of its financial debt.

Equity increase

The Group strengthened consolidated equity by €9.3 million as part of the employee FCPE, which subscribed to a reserved capital increase (resulting in the creation of 82,533 new shares), thus demonstrating the commitment and confidence of employees in the company.

Modification of the dividend payment terms

Following the Supervisory Board meeting held on 25 April, it was decided to change the terms of payment of the annual dividend as follows:

• The dividend proposed in respect of financial year 2021 is unchanged at €9.75/share (vs €9.50 last year);

• The payment date is now set at 31 May 2022 (vs 28 June initially) with an ex-dividend date on 27 May;

• The dividend was paid in full in cash (removal of the option of partial payment in shares), in an amount of €199.8 million.

Primonial

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

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

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

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

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

4.2 Consolidation scope

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

COMPANY	LEGAL FORM	SIREN		31/12/2022 Method	31/12/2022 Interest	31/12/2022 Integration	31/12/2021 Method	31/12/2021 Interest	31/12/2021 Integration
ALTAREA	SCA	335480877	parent company	FC	100.0%	100.0%	FC	100.0%	100.0%
Retail France									
ALTAREA FRANCE	SCA	324814219		FC	100.0%	100.0%	FC	100.0%	100.0%
NR 21	SCA	335480877		FC	96.8%	100.0%	FC	96.8%	100.0%
FONDS PROXIMITÉ	SNC	348024050	affiliate	EM	25.0%	25.0%	EM	25.0%	25.0%
MRM	SCA	311765762	joint venture	EM	15.9%	15.9%	IN	0.0%	0.0%
ALDETA	SASU	311765762		FC	33.3%	100.0%	FC	33.3%	100.0%
ALTA BLUE	SAS	522193796		FC	33.3%	100.0%	FC	33.3%	100.0%
ALTAREA PROMOTION COMMERCE	SNC	420490948		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA CRP AUBERGENVILLE	SNC	451226328		FC	51.0%	100.0%	FC	51.0%	100.0%
ALTA AUSTERLITZ	SNC	812196616		FC	100.0%	100.0%	FC	100.0%	100.0%
BERCY VILLAGE	SCI	384987517		FC	51.0%	100.0%	FC	51.0%	100.0%
ALTA CARRÉ DE SOIE	SCI	449231463	joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
FONCIERE CEZANNE MATIGNON	SNC	348024050		FC	100.0%	100.0%	FC	100.0%	100.0%
FONCIERE ALTAREA	SASU	353900699		FC	100.0%	100.0%	FC	100.0%	100.0%
SOCIETE D'AMENAGEMENT DE LA GARE DE L'EST	SNC	481104420		FC	51.0%	100.0%	FC	51.0%	100.0%
ALTA CRP GENNEVILLIERS	SNC	488541228		FC	51.0%	100.0%	FC	51.0%	100.0%
ALTA GRAMONT	SAS	795254952		FC	51.0%	100.0%	FC	51.0%	100.0%
ALTA CRP GUIPAVAS	SNC	451282628		FC	51.0%	100.0%	FC	51.0%	100.0%
LIMOGES INVEST	SCI	488237546		FC	50.9%	100.0%	FC	50.9%	100.0%
SNC MACDONALD COMMERCES	SNC	524049244	affiliate	EM	25.0%	25.0%	EM	25.0%	25.0%
ALTAREA MANAGEMENT	SNC	509105375		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTA-MONTPARNASSE	SNC	524049244		FC	51.0%	100.0%	FC	100.0%	100.0%
LES VIGNOLES RETAIL PARK	SNC	512086117		FC	51.0%	100.0%	FC	51.0%	100.0%
OPCI ALTA COMMERCE EUROPE	SPPICAV		joint venture	EM	29.9%	29.9%	EM	29.9%	29.9%
ALTA QWARTZ	SNC	433806726		FC	100.0%	100.0%	FC	100.0%	100.0%
THIAIS SHOPPING CENTRE	SNC	479873234		FC	51.0%	100.0%	FC	51.0%	100.0%
ALTA CRP LA VALETTE	SNC	494539687		FC	51.0%	100.0%	FC	51.0%	100.0%
Retail Italy									
ALTAGARES	SRL	N/A		FC	51.0%	100.0%	FC	100.0%	100.0%
ALTAREA ITALIA	SRL	N/A		FC	100.0%	100.0%	FC	100.0%	100.0%
Retail Spain									
ALTAREA ESPANA	SRL	N/A		FC	100.0%	100.0%	FC	100.0%	100.0%
ALTAREA PATRIMAE	SRL	N/A		FC	100.0%	100.0%	FC	100.0%	100.0%
Residential									
ALTAREIT	SCA	552091050		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM RESIDENCES SERVICES	SNC	394648455	joint venture	EM	64.9%	65.0%	EM	64.9%	65.0%
ALTAREA COGEDIM IDF GRANDE METROPOLE	SNC	810928135		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTAREA COGEDIM GRANDS PROJETS	SNC	810926519		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTAREA COGEDIM REGIONS	SNC	810847905		FC	99.9%	100.0%	FC	99.9%	100.0%
SEVERINI	SNC	848899977		FC	99.9%	100.0%	FC	99.9%	100.0%
XF Investment	SAS	507488815		FC	99.9%	100.0%	IN	0.0%	0.0%
ALTA FAUBOURG	SASU	444560874		FC	99.9%	100.0%	FC	99.9%	100.0%
PITCH PROMOTION	SAS	450042338		FC	99.9%	100.0%	FC	99.9%	100.0%
MARSEILLE MICHELET	SNC	792774382		FC	99.9%	100.0%	FC	99.9%	100.0%
COEUR MOUGINS	SNC	453830663		FC	99.9%	100.0%	FC	99.9%	100.0%
ISSY COEUR DE VILLE	SNC	830181079		FC	99.9%	100.0%	FC	99.9%	100.0%
ISSY COEUR DE VILLE COMMERCES	SNC	828184028		FC	99.9%	100.0%	FC	99.9%	100.0%
HP	SAS	480309731		FC	99.9%	100.0%	FC	99.9%	100.0%
HISTOIRE ET PATRIMOINE DEVELOPPEMENT	SAS	480110931		FC	99.9%	100.0%	FC	99.9%	100.0%
MERIMEE	SNC	849367016		FC	99.9%	100.0%	FC	99.9%	100.0%
HISTOIRE ET PATRIMOINE PROMOTION	SASU	792751992		FC	99.9%	100.0%	FC	99.9%	100.0%
ALTAREA COGEDIM ZAC VLS	SNC	811910447		FC	99.9%	100.0%	FC	99.9%	100.0%
SAS VILLECRESNES D'ATTILY	SAS	843230483		FC	69.9%	100.0%	FC	69.9%	100.0%
BEZONS CŒUR DE VILLE A1 & A2-LOGEMENTS	SCCV	819929845		FC	99.9%	100.0%	FC	99.9%	100.0%
GIF MOULON A4	SCCV	830886115		FC	25.0%	100.0%	FC	25.0%	100.0%
BOBIGNY COEUR DE VILLE	SNC	838941011		FC	99.9%	100.0%	FC	99.9%	100.0%
TOULOUSE GUILLAUMET	SNC	841374390		FC	64.9%	100.0%	FC	64.9%	100.0%
MEUDON – PAUL DEMANGE	SCCV	853608511	joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
ALBIZZIA LYON CONFLUENCE	SCCV	882282056	joint venture	EM	30.0%	30.0%	EM	30.0%	30.0%
GARENNE FERRY FAUVELLES	SCCV	894504083	joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
PITCH IMMO	SASU	422989715		FC	99.9%	100.0%	FC	99.9%	100.0%
MAISONS ALFORT 2011	SNC	530224419	affiliate	EM	49.9%	50.0%	EM	49.9%	50.0%
LACASSAGNE BRICKS	SCCV	817783749	affiliate	EM	50.9%	51.0%	EM	50.9%	51.0%
PIN BALMA CHATEAU CAMAS	SCCV	821556230	joint venture	EM	54.9%	55.0%	EM	54.9%	55.0%
ARTCHIPEL	SCCV	841150071		FC	99.9%	100.0%	FC	99.9%	100.0%
RUEIL COLMAR	SCCV	851750968		FC	69.9%	100.0%	FC	69.9%	100.0%
CLICHY ROGUET	SCCV	880090212		FC	50.9%	100.0%	FC	50.9%	100.0%

COMPANY	LEGAL FORM	SIREN		31/12/2022 Method	Interest	Integration	31/12/2021 Method	Interest	Integration
L'ISLE D'ABEAU SAINT HUBERT	SCCV	851793596	joint venture	EM	47.4%	47.5%	EM	47.4%	47.5%
RUEIL HIGH GARDEN	SCCV	887670115		FC	99.9%	100.0%	FC	59.9%	100.0%
BONDOUFLE ZAC DU GRAND PARC FC	SCCV	889279592		FC	50.9%	100.0%	IN	0.0%	0.0%
LE CLOS DES VIGNES	SCCV	884097114		FC	50.9%	100.0%	FC	50.9%	100.0%
Toulouse Arènes ILOT 3.1 T1 and T2	SAS	814795779	affiliate	EM	39.9%	40.0%	EM	39.9%	40.0%
COGEDIM HAUTS DE FRANCE	SNC	420810475		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM GESTION	SNC	380375097		FC	99.9%	100.0%	FC	99.9%	100.0%
COVALENS	SNC	309021277		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM PARIS METROPOLE	SNC	319293916		FC	99.9%	100.0%	FC	99.9%	100.0%
ASNIERES AULAGNIER	SARL	487631996	joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
COGEDIM GRAND LYON	SNC	300795358		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM MEDITERRANEE	SNC	312347784		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM PROVENCE	SNC	442739413		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM MIDI-PYRÉNÉES	SNC	447553207		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM GRENOBLE	SNC	418868584		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM SAVOIES-LEMAN	SNC	348145541		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM AQUITAINE	SNC	388620015		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM ATLANTIQUE	SNC	501734669		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM LANGUEDOC ROUSSILLON	SNC	532818085		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM EST	SNC	419461546		FC	99.9%	100.0%	FC	99.9%	100.0%
COGEDIM	SASU	54500814		FC	99.9%	100.0%	FC	99.9%	100.0%
SAS SURESNES VENDOME	SAS	837535053		FC	50.0%	100.0%	FC	50.0%	100.0%
SAS CLICHY BOREALES	SAS	879035939	affiliate	EM	30.0%	30.0%	EM	30.0%	30.0%
CLICHY 33 LANDY	SAS	898926308		FC	50.0%	100.0%	FC	50.0%	100.0%
MEYLAN PLM 1	SCCV	879562213		FC	54.9%	100.0%	FC	54.9%	100.0%
ANNEMASSE VALLEES	SCCV	844058289		FC	71.9%	100.0%	FC	71.9%	100.0%
LYON LES MOTEURS	SNC	824866388		FC	99.9%	100.0%	FC	99.9%	100.0%
COGIMO	SAS	962502068		FC	99.9%	100.0%	FC	99.9%	100.0%
MENTON HAUT CAREI	SCCV	829544303		FC	59.9%	100.0%	FC	59.9%	100.0%
CALCADE DE MOUGINS	SNC	833132426		FC	50.9%	100.0%	FC	50.9%	100.0%
HORLOGE GASTON ROUSSEL	SCCV	832294664		FC	50.9%	100.0%	FC	50.9%	100.0%
61-75 PARIS AVENUE DE FRANCE	SCCV	830917100	joint venture	EM	49.9%	50.0%	EM	49.9%	50.0%
SURESNES BMV	SCCV	834261497		FC	50.0%	100.0%	FC	50.0%	100.0%
NEUILLY GALLIENI	SCCV	839954377		FC	69.9%	100.0%	FC	69.9%	100.0%
LES PANTINOISES LOT 6	SCCV	840317309		FC	50.0%	100.0%	FC	50.0%	100.0%
MONTREUIL D'ALEMBERT	SCCV	841085210		FC	99.9%	100.0%	FC	99.9%	100.0%
ASNIÈRES 94 GRÉSILLONS	SCCV	849115258		FC	50.9%	100.0%	FC	50.9%	100.0%
ROMAINVILLE ROUSSEAU	SCCV	852604909		FC	50.9%	100.0%	FC	50.9%	100.0%
ISSY GUYNEMER	SNC	891166209		FC	50.9%	100.0%	FC	50.9%	100.0%
BONDY TASSIGNY	SNC	892127432		FC	99.9%	100.0%	FC	69.9%	100.0%
CLICHY 132 BD JEAN JAURES	SCCV	890252513		FC	50.0%	100.0%	FC	50.9%	100.0%
SAINT MAUR CONDE	SCCV	897792156		FC	69.9%	100.0%	FC	69.9%	100.0%
MAISONS ALFORT MARTIGNY 18	SCCV	901641621		FC	69.9%	100.0%	FC	69.9%	100.0%
CLICHY RUE DU 19 MARS 1962	SNC	903468148		FC	50.0%	100.0%	FC	50.0%	100.0%
SCCV ASNIERES - 77 RUE DES BAS	SCCV	910066919		FC	50.9%	100.0%	IN	0.0%	0.0%
Business Property									
ALTAREA COGEDIM ENTREPRISE PROMOTION	SNC	535056378		FC	99.9%	100.0%	FC	99.9%	100.0%
PRD MONTPARNASSE 2	SCI	852712439	joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
PRD MONTPARNASSE 3	SCI	852712587	joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
80-98 RUE DE REUILLY	SCI	420762775		IN	0.0%	0.0%	FC	100.0%	100.0%
AF INVESTCO ARAGO	SNC	494382351	affiliate	EM	30.1%	30.1%	EM	30.1%	30.1%
AF INVESTCO 5	SNC	798601936	affiliate	EM	30.1%	30.1%	EM	30.1%	30.1%
AF INVESTCO 7	SNC	798601936	affiliate	EM	30.1%	30.1%	EM	30.1%	30.1%
B1	SCCV	853715829	joint venture	EM	33.3%	33.3%	EM	33.3%	33.3%
B2 B3	SCCV	852921899	joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
ALTA VAI HOLDCO A	SAS	424007425		FC	99.9%	100.0%	FC	99.9%	100.0%
FONCIERE ALTAREA MONTPARNASSE	SNC	847726650		FC	100.0%	100.0%	FC	100.0%	100.0%
PASCALHOLDCO	SPPICAV	809845951	affiliate	EM	15.0%	15.1%	EM	15.0%	15.1%
PASCALPROPCO	SASU	437929813	affiliate	EM	15.0%	15.1%	EM	15.0%	15.1%
PRD MONTPARNASSE	SCI	844634758	joint venture	EM	50.0%	50.0%	EM	50.0%	50.0%
ISSY COEUR DE VILLE PROMOTION BUREAUX	SNC	829845536		FC	99.9%	100.0%	FC	99.9%	100.0%

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

4.3 Changes in consolidation scope

(In number of companies)	31/12/2021	Acquisition	Creation	Sale	Absorption, dissolution, deconsolidation	Change in consolidation method	31/12/2022
Fully consolidated subsidiaries	441	43	39		(45)	4	482
Joint ventures[a]	142	2	12		(10)	(4)	142
Affiliates[a]	71	1	5		(1)	-	76
Total	**654**	**46**	**56**	**-**	**(56)**	**-**	**700**

(a) Companies accounted for using the equity method.

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

(€ millions)	31/12/2022	31/12/2021
Investments in consolidated securities	(15.2)	(17.6)
Liabilities on acquisition of consolidated participating interests	-	-
Cash of acquired companies	11.4	(0.1)
Total	**(3.7)**	**(17.7)**

During the year, the Group notably:

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

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

During the year:

- The Group completed the sale to Crédit Agricole Assurances of the last 10% held in Bridge, Orange's global head office in Issy-les-Moulineaux;
- At the beginning of the year, the Group signed a partnership with Crédit Agricole Assurances covering the shops at the Paris-Montparnasse station and those of five Italian stations. The joint ventures are now 51% owned by the Group. The partner acquired a stake in the companies through a reserved capital increase in each of them, and the acquisition of shares (hence sale of shares by the Group). In accordance with the shareholders' agreement, the relevant activities stay controlled by the Group, who maintains control (within the meaning of IFRS 10) of each of these companies (fully consolidated companies).

4.4 Business combinations

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

The acquisition price of this company was €11.5 million.

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

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

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

4.5 Securities and investments in equity affiliates

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

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

(€ millions)	31/12/2022	31/12/2021
Equity-accounting value of joint ventures	134.5	104.8
Equity-accounting value of affiliated companies	69.7	44.0
Value of stake in equity-method affiliates	**204.2**	**148.8**
Receivables from joint ventures	176.3	191.7
Receivables from affiliated companies	111.2	118.9
Receivables from equity-method subsidiaries	**287.5**	**310.6**
Total securities and receivables in equity affiliates	**491.7**	**459.4**

At 31 December 2022, the increase in the equity method value of joint ventures is mainly due to the acquisition of a 15.9% stake in MRM.

Receivables from joint ventures and receivables from affiliates relating to Property Development come to €256.8 million.

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

(€ millions)	*Joint ventures*	*Affiliates*	31/12/2022	*Joint ventures*	*Affiliates*	31/12/2021
Balance sheet items, Group share:						
Non-current assets	416.9	193.8	610.7	397.2	226.7	623.9
Current assets	468.8	224.8	693.7	453.4	250.0	703.5
Total Assets	**885.8**	**418.7**	**1,304.4**	**850.6**	**476.7**	**1,327.3**
Non-current liabilities	147.1	160.5	307.5	178.9	201.9	380.8
Current liabilities	604.2	188.5	792.7	566.9	230.9	797.8
Total Liabilities	**751.2**	**349.0**	**1,100.2**	**745.8**	**432.7**	**1,178.5**
Net assets (equity-accounting basis)	**134.5**	**69.7**	**204.2**	**104.8**	**44.0**	**148.8**
Share of income statement items, Group share:						
Operating income	**22.3**	**40.9**	**63.2**	**26.2**	**3.6**	**29.7**
Net borrowing costs	(4.0)	(4.5)	(8.5)	(3.7)	(4.2)	(7.9)
Other financial results	(2.3)	(0.2)	(2.5)	(0.9)	(0.5)	(1.3)
Change in value of hedging instruments	1.8	2.0	3.7	0.5	0.2	0.7
Proceeds from the disposal of investments	0.0	(0.0)	0.0	-	-	-
Net income before tax	**17.8**	**38.2**	**56.0**	**22.1**	**(0.9)**	**21.2**
Corporate income tax	15.3	(0.3)	15.0	(1.8)	(0.2)	(2.0)
Net income by equity method (after tax)	**33.1**	**37.9**	**71.0**	**20.3**	**(1.1)**	**19.1**
Non-Group net income	-	-	(0.0)	(0.0)	0.0	(0.0)
Net income, Group share	33.1	37.9	71.0	20.3	(1.1)	19.1

Joint ventures and associates are not individually significant for the purposes of presenting the financial information on an aggregate basis.

Group revenue from joint ventures amounted to €5.2 million for the year to 31 December 2022, compared with €21.2 million for 2021.

Group revenue from affiliates amounted to €9.6 million for the year to 31 December 2022, and €7.8 million for 2021.

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

Commitments given

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

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

Financial guarantees for the completion of works were given as part of the property development activity, and amounted to a share of €63.3 million at 31 December 2022.

Commitments received

As of 31 December 2022, the main commitments received by the joint ventures relate to security deposits received from tenants in the amount of €2.6 million.

4.6 Current and non-current financial assets

At 31 December 2022, current and non-current financial assets amounted to €101.7 million, compared with €50.3 million at 31 December 2021, and consist mainly of:

- Non-consolidated securities (mainly “current”): €49.9 million;
- Deposits and guarantees paid on projects: €14.6 million, compared with €14.9 million for 2021;
- Loans and receivables, recognised at amortised cost: €20.6 million, compared with €30.9 million for 2021.

NOTE 5 NET INCOME

5.1 Operating income

5.1.1 Net rental income

Net rental income amounted to €193.7 million in 2022, compared to €162.5 million in 2021, *i.e.* an increase of +19.2%.

5.1.2 Net property income

The Group's net property income stood at €190.1 million in 2022 compared to €237.2 million in 2021.

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

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

5.2 Cost of net financial debt and other financial items

5.2.1 Cost of net financial debt

(€ millions)	31/12/2022	31/12/2021
Bond and bank interest expenses	(47.4)	(55.6)
Interest on partners' advances	4.5	3.9
Interest rate on hedging instruments	6.1	2.6
Other financial income and expenses	2.5	(0.0)
FFO financial income and expenses	**(34.3)**	**(49.2)**
Spreading of bond issue costs and other estimated expenses[a]	10.5	(5.4)
Net borrowing costs	**(23.8)**	**(54.6)**

(a) Relates mainly to the deferral in accordance with the amortised cost method of the issue costs of borrowings and bond issue premiums in accordance with IFRS 9 for €-6.9 million, and the gain on the bond buyback (amount lower than par value).

The average cost of debt is the ratio of the total financial costs of short- and long-term financial instruments including related fees (commitment fees, non-use fees, etc.) to the average debt for the period. The Group's average cost of debt (excluding the impact of IFRS 16) was 1.82% at 31 December 2022, compared with 1.80% at 31 December 2021.

5.2.2 Other financial results

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

5.2.3 Impact of result of financial instruments

This item consists of net income of €123.0 million, mainly related to:

- €-45.8 million on balances (paid or pending) on financial instruments, compared to €-12.7 million at 31 December 2021;
- And +€166.9 million in changes in the value of interest rate hedging instruments, compared to €18.4 million at 31 December 2021.

5.3 Corporate income tax

Analysis of tax expense

Tax expense is analysed as follows:

(€ millions)	31/12/2022	31/12/2021
Tax due	**(35.2)**	**(20.1)**
Tax loss carry forwards and/or use of deferred losses	(24.5)	(16.7)
Valuation differences	0.4	0.0
Fair value of investment properties	(5.3)	0.7
Fair value of hedging instruments	(0.2)	0.0
Income by percentage of completion	(6.3)	13.7
Other timing differences	2.8	8.4
Deferred tax	**(33.1)**	**6.2**
Total tax income (expense)	**(68.3)**	**(13.9)**

Effective tax rate

(€ millions)	31/12/2022	31/12/2021
Pre-tax profit of consolidated companies	**421.8**	**256.9**
Group tax savings (expense)	**(68.3)**	**(13.9)**
Effective tax rate	**-16.19%**	**-5.42%**
Tax rate in France	25.83%	27.37%
Theoretical tax charge	**(108.9)**	**(70.3)**
Difference between theoretical and effective tax charge	**40.7**	**56.4**
Differences related to entities' SIIC status	51.5	27.0
Differences related to treatment of losses	0.7	3.5
Other permanent differences and rate differences	(11.6)	25.8

Deferred tax assets and liabilities

(€ millions)	31/12/2022	31/12/2021
Tax loss carry forwards	37.8	62.3
Valuation differences	(29.0)	(27.2)
Fair value of investment properties	(24.3)	(19.4)
Fair value of financial instruments	(0.4)	(0.2)
Income by percentage of completion	(69.2)	(61.9)
Other timing differences	10.5	1.1
Net deferred tax on the balance sheet	**(74.5)**	**(45.4)**

As at 31 December 2022, the Group had unrecognised tax loss carry-forwards of €399 million (basis), as compared with €403.2 million for the year ending 31 December 2021.

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

Deferred taxes relating to the activation of tax losses mainly relate to losses recognised in the tax consolidation group Altareit and losses partially activated in the taxable sector of some SIIC companies.

Deferred taxes are calculated (for French companies, which make up most of the Group's scope) at the rate of 25.83%, the rate set by the French Finance Act for 2022.

5.4 Earnings per share

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

In 2022, as in 2021, the dilution arose only from the granting of rights to free shares in Altarea SCA to Group employees.

(€ millions)	31/12/2022	31/12/2021
Numerator		
Net income, Group share	326.8	211.6
Denominator		
Weighted average number of shares before dilution	20,158,331	18,024,260
Effect of potentially dilutive shares		
Stock options	*0*	*0*
Rights to free share grants	*491,261*	*399,825*
Total potential dilutive effect	491,261	399,825
Weighted diluted average number of shares	20,649,592	18,424,086
NET INCOME, GROUP SHARE, UNDILUTED PER SHARE (€)	**16.21**	**11.74**
NET INCOME, GROUP SHARE, DILUTED PER SHARE (€)	**15.83**	**11.49**

NOTE 6 LIABILITIES

6.1 Equity

6.1.1 Share capital, share-based payments and treasury shares

CAPITAL

Altarea SCA share capital (in euros)

In number of shares and in €	Number of shares	Nominal	Share Capital
Number of shares outstanding at 31 December 2020	**17,275,839**	**15.28**	**263,982,998**
Share capital increase reserved for SCI VDE Reuilly shareholders	39,277	15.28	600,153
Share capital increase via the part-conversion of dividends into shares	60,580	15.28	925,662
Share capital increase reserved for Mutual Funds	482,385	15.28	7,370,843
Share capital increase of 10 December 2021	2,435,190	15.28	37,209,703
Number of shares outstanding at 31 December 2021	**20,293,271**	**15.28**	**310,089,359**
Share capital increase reserved for Mutual Funds	82,533	15.28	1,261,104
Number of shares outstanding at 31 December 2022	**20,375,804**	**15.28**	**311,350,463**

Capital management

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

SHARE-BASED PAYMENTS

The gross expense recorded on the income statement for share-based payments was €25.1 million in 2022 compared to €23.4 million in 2021.

No stock option plans were in force at 31 December 2022.

Free share grants

Award date	Number of rights awarded	Vesting date	Rights in circulation as at 31/12/2021	Awarded	Deliveries	Amendments to rights[a]	Rights in circulation as at 31/12/2022
Share grant plans on Altarea shares							
19 March 2019	41,531	19 March 2022	34,364		(33,305)	(1,059)	
6 June 2019	1,355	20 March 2022	1,140		(940)	(200)	
21 October 2019	20,000[b]	30 March 2022	20,000			(20,000)	
21 April 2020	18,479	21 April 2022	17,963		(17,340)	(623)	
22 April 2020	45,325	22 April 2023	40,874			(3,298)	37,576
24 April 2020	2,000	24 April 2022	2,000		(2,000)	-	
31 March 2021	121,080	1 April 2022	118,662		(115,360)	(3,302)	
31 March 2021	10,000	1 April 2022	10,000		(10,000)	-	
30 April 2021	73,050[b]	31 March 2024	71,045			(5,556)	65,489
4 June 2021	32,000[b]	31 March 2025	32,000			-	32,000
4 June 2021	27,500[b]	31 March 2025	27,500			(6,378)	21,122
4 June 2021	45,500[b]	31 March 2025	45,500			(32,450)	13,050
4 June 2021	14,000[b]	31 March 2025	14,000			(1,250)	12,750
4 June 2021	23,700[b]	31 March 2025	23,700			(16,973)	6,727
4 June 2021	30,000[b]	31 March 2025	30,000			(14,346)	15,654
1 September 2021	600	1 September 2024	600			-	600
1 October 2021	2,000	30 March 2023	2,000			-	2,000
1 February 2022	275[b]	1 March 2023		275		-	275
1 March 2022	14,000	31 March 2025		14,000		-	14,000
31 March 2022	99,947	1 April 2023		99,947		(1,415)	98,532
31 March 2022	31,872	1 April 2024		31,872		(307)	31,565
31 March 2022	73,725[b]	1 April 2024		73,725		(2,200)	71,525
30 April 2022	3,250[b]	31 March 2025		3,250		(2,275)	975
30 April 2022	1,250[b]	31 March 2025		1,250		-	1,250
1 June 2022	300	1 June 2023		300		-	300
25 July 2022	250	24 July 2023		250		-	250
25 July 2022	150	24 July 2024		150		-	150
12 September 2022	6,000[b]	31 March 2027		6,000		-	6,000
12 September 2022	40,000[b]	31 March 2029		40,000		-	40,000
1 October 2022	1,500[b]	31 March 2025		1,500		-	1,500
2 November 2022	1,300	2 November 2023		1,300		-	1,300
TOTAL	**781,212**		**491,348**	**273,819**	**(178,945)**	**(111,632)**	**474,590**

(a) Rights cancelled for reasons of departure, transfer, lack of certainty that performance criteria have been met or changes in plan terms.
(b) Plans subject to performance criteria.

Valuation parameters for new free share grants

	31/12/2022
Dividend rate	6.0%
Risk-free interest rate	0.15% to 2.3%

TREASURY SHARES

The acquisition cost of treasury shares was €30.5 million at 31 December 2022 for 214,091 shares (including 211,729 shares intended for allotment to employees under free share grant or stock option plans and 2,362 shares allocated to a liquidity contract), compared with €33.8 million at 31 December 2021 for 205,406 shares (including 204,799 shares intended for allotment to employees under free share grant or stock option plans and 607 shares allocated to a liquidity contract). Treasury shares are eliminated and offset directly in equity.

In addition, a net loss on disposal and/or free share grants of treasury shares to Company employees was recognised directly in equity in the amount of -€-29.1 million before tax at 31 December 2022 (€-22.0 million after tax) compared with €-21.5 million at 31 December 2021 (€-15.9 million before tax).

The negative impact on cash flow from purchases and disposals over the period came to €-26.3 million at 31 December 2022 compared to €-31.3 million at 31 December 2021.

6.1.2 Dividends proposed and paid

Dividends paid

(€ millions)	31/12/2022	31/12/2021
Paid in current year in respect of previous year:		
Dividend per share (€)	*9.75*	*9.50*
Payment to shareholders of the Altarea Group	196.9	163.6
Proportional payment to the general partner (1.5%)	3.0	2.5
Total	**199.8**	**166.1**
Offer to convert dividends into shares:		
Subscription price (€)		*155.51*
Total amount of conversion into shares		**88.6**
Rate of conversion of dividends into shares on the 50% option		*91.59%*

Modification of the dividend payment terms:

Following the Supervisory Board meeting held on 24 April, it was decided to change the terms of payment of the annual dividend as follows:

- the dividend proposed in respect of the 2021 financial year is unchanged at €9.75/share (vs €9.50 last year), in the amount of €199.8 million,
- the payment date is now set at 31 May 2022 (vs 28 June initially) with an ex-dividend date on 27 May,
- the dividend was paid in full in cash (removal of the option of partial payment in shares).

Proposed payment in respect of 2022:

For the 2022 financial year, a dividend of €10.00 per share will be proposed to the Annual General Meeting called to approve the financial statements for the year ending 31 December 2022.

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

- a full payment in cash;
- a payment of 50% in shares, and 50% in cash.

6.2 Net financial debt and guarantees

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

(€ millions)	31/12/2021	Cash flow	"Non-cash" change					31/12/2022
			Spreading of issue costs	Change in scope of consolidation	Discounting	Change in method	Reclassification	
Bond issues (excluding accrued interest)	1,723.2	(341.5)	2.2	1.6	(0.2)	-	(0.2)	1,385.2
Short- and medium-term negotiable securities	759.0	(387.0)	-	-	-	-	-	372.0
Bank borrowings, excluding accrued interest and overdrafts	746.4	(68.9)	4.7	17.0	0.0	-	0.2	699.5
Net bond and bank debt, excluding accrued interest and overdrafts	**3,228.6**	**(797.4)**	**6.9**	**18.7**	**(0.1)**	**-**	**0.0**	**2,456.7**
Accrued interest on bond and bank borrowings	29.0	(2.9)	-	0.0	-	-	-	26.1
Bond and bank debt, excluding overdrafts	**3,257.6**	**(800.3)**	**6.9**	**18.7**	**(0.1)**	**-**	**0.0**	**2,482.8**
Cash and cash equivalents	(1,625.5)	673.3	-	-	-	-	-	(952.3)
Bank overdrafts	13.6	10.6	-	-	-	-	-	24.2
Net cash	**(1,612.0)**	**683.9**	**-**	**-**	**-**	**-**	**-**	**(928.1)**
Net bond and bank debt	**1,645.6**	**(116.4)**	**6.9**	**18.7**	**(0.1)**	**-**	**0.0**	**1,554.7**
Equity loans and Group and partners' advances	134.2	(16.8)	-	29.2	-	-	-	146.6
Accrued interest on shareholders' advances	0.7	0.1	-	(0.0)	-	-	-	0.8
Lease liabilities	154.3	(17.4)	-	0.2	-	-	11.7	148.8
Contractual fees on investment properties	169.9	(2.4)	-	-	-	-	31.6	199.0
Net financial debt	**2,104.7**	**(153.0)**	**6.9**	**48.1**	**(0.1)**	**-**	**43.3**	**2,049.9**

(*) of which allocation of income to related current accounts for €9.8 million.

6.2.1 Net financial bond and bank debt

Group net financial bond and bank debt amounted to €1,554.7 million at 31 December 2022 compared to €1,645.6 million at 31 December 2021.

During the financial year, the Group notably:

- repaid a €80 million term loan early;
- bought back through a public offering in June 2022:
  - €120.3 million in Altarea bonds due in July 2024 with a coupon of 2.25%,
  - €50.0 million in Altarea bonds maturing in January 2028 with a coupon of 1.875%,
  - €99.6 million of Altareit bonds due in July 2025 with a coupon of 2.875%,
- bought back through a public offering in December 2022:
  - €61.6 million of Altareit bonds due in July 2025 with a coupon of 2.875%,
- bought over time for €10.8 million in bond issues;
- increased its issue of medium-term and short-term negotiable securities (over €387 million). The Group continued to make use of short- and medium-term resources via NEU-CP (issues up to one year) and NEU-MTN (issues in excess of one year) programmes.

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

At 31 December 2022, no revolving loan had been drawn down.

Borrowing costs are analysed in the note on earnings.

Net cash

Net cash amounted to €928.1 million, including cash equivalents (mainly term accounts – for €98.3 million) which are recorded at their fair value at each reporting date.

Breakdown of bank and bond debt by maturity

(€ millions)	31/12/2022	31/12/2021
< 3 months	400.8	366.3
3 to 6 months	3.3	170.2
6 to 9 months	27.9	114.2
9 to 12 months	7.0	93.8
At less than 1 year	**439.0**	**744.6**
At 2 years	414.0	209.1
At 3 years	402.9	541.8
At 4 years	106.5	540.2
At 5 years	60.0	106.1
1 to 5 years	**983.4**	**1,397.3**
More than five years	**1,096.7**	**1,144.9**
Issuance cost to be amortised	(12.1)	(15.6)
Total gross bond and bank debt	**2,507.0**	**3,271.1**

The decrease in the portion of bond and bank debt at less than one year is mainly due to the decrease in negotiable securities and their maturity schedule. The portion between one and five years also declined, mainly following the buyback of 2024 and 2025 bonds; the portion at more than five years has been reduced by the repurchase of the 2028 bond issue.

Schedule of future interest expenses

(€ millions)	31/12/2022	31/12/2021
< 3 months	4.2	3.9
3 to 6 months	3.6	4.9
6 to 9 months	15.9	17.5
9 to 12 months	(0.8)	6.0
At less than 1 year	**23.0**	**32.3**
At 2 years	22.1	52.9
At 3 years	14.7	52.1
At 4 years	7.2	41.5
At 5 years	10.4	19.7
1 to 5 years	**54.5**	**166.2**

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

Breakdown of bank and bond debt by guarantee

(€ millions)	31/12/2022	31/12/2021
Mortgages	350.0	350.0
Mortgage commitments	131.8	114.4
Moneylender lien	9.9	10.8
Altarea SCA security deposit	204.0	200.0
Not guaranteed	1,823.4	2,611.6
Total	**2,519.1**	**3,286.8**
Issuance cost to be amortised	(12.1)	(15.6)
Total gross bond and bank debt	**2,507.0**	**3,271.1**

Mortgages are given as collateral for the financing or refinancing of investment properties. Mortgage commitments and the lender's lien mainly concern Property Development activities.

Breakdown of bank and bond debt by interest rate

	Gross bond and bank debt		
(€ millions)	Variable rate	Fixed rate	Total
As of 31 December 2022	1,093.8	1,413.2	2,507.0
As of 31 December 2021	1,521.9	1,749.3	3,271.1

The market value of fixed rate debt stood at €1,168.1 million at 31 December 2022 compared to €1,789.4 million at 31 December 2021.

6.2.2 Lease liabilities

Lease liabilities are debts mainly relating to real estate leases and vehicle leases (respectively for the premises occupied and the vehicles used by Group employees).
These liabilities amounted to €148.8 million at 31 December 2022 compared to €154.3 million at 31 December 2021. They are to be seen in light of the right-of-use assets on tangible and intangible assets.

6.2.3 Contractual fees on Investment properties

Contractual fees on investment properties, which are economically different in nature from rental obligations, concern debts relating to temporary occupancy authorisations and construction leases on retail assets (mainly stations).
They amounted to €199.0 million at 31 December 2022 compared to €169.9 million at 31 December 2021 and are to be seen in light of the right-of-use assets on investment properties (assets that generate income). The increase is mainly due to the taking effect of the Temporary Occupation Authorisation for Paris-Austerlitz station.

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

(€ millions)	31/12/2022	31/12/2021
< 3 months	4.8	4.6
3 to 6 months	4.8	4.6
6 to 9 months	4.7	4.6
9 to 12 months	5.0	4.9
At less than 1 year	**19.3**	**18.7**
At 2 years	18.9	17.2
At 3 years	18.5	17.0
At 4 years	19.0	16.9
At 5 years	17.2	18.0
1 to 5 years	**73.6**	**69.1**
More than five years	**255.0**	**236.4**
Total lease liabilities and contractual fees on investment properties	**347.9**	**324.2**

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

(€ millions)	Cash flow
Issuance of borrowings and other financial liabilities	430.3
Repayment of borrowings and other financial liabilities	(1,254.3)
Change in borrowing and other financial liabilities	**(824.0)**
Repayment of lease liabilities	(19.9)
Change in cash balance	(683.9)
Total change in net financial debt (TFT)	**(1,527.8)**
Net bond and bank debt, excluding accrued interest and overdrafts	(797.4)
Net cash	(683.9)
Equity loans and Group and partners' advances	(16.8)
Lease liabilities	(17.4)
Contractual fees on investment properties	(2.4)
Allocation of income to shareholder current accounts	(9.8)
Total change in net financial debt	**(1,527.8)**

6.3 Provisions

(€ millions)	31/12/2022	31/12/2021
Provision for benefits payable at retirement	14.0	16.2
Other provisions	21.5	20.6
Total provisions	**35.5**	**36.8**

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

Other provisions primarily cover:

- repayment risk on rental guarantees granted upon the disposal (in part or in whole) of non-current assets;
- the risk of disputes arising from construction operations;
- the risk of the failure of certain co-developer;
- as well as estimates of residual risks involving completed programmes (litigation, ten-year guarantee, definitive general statement, etc.).

NOTE 7 ASSETS AND IMPAIRMENT TESTS

7.1 Investment properties

(€ millions)	Investment properties measured at fair value	Investment properties measured at cost	Investment properties right-of-use	Assets held for sale	Total Investment properties
As of 31 December 2021	**3,814.5**	**192.8**	**169.6**	**8.3**	**4,185.1**
Subsequent investments and expenditures	15.4	(24.7)	-	-	(9.3)
Change in spread of incentives to buyers	(0.7)	-	-	-	(0.7)
Disposals/repayment of down payments made	(73.7)	-	-	(0.5)	(74.2)
Net impairment/project discontinuation	-	(18.7)	-	-	(18.7)
Transfers to assets held for sale or to or from other categories	-	(53.8)	-	-	(53.8)
New right-of-use assets and indexation	-	-	31.6	-	31.6
Change in fair value	48.4	-	(2.6)	-	45.8
Change in scope of consolidation	(10.6)	-	-	-	(10.6)
As of 31 December 2022	**3,793.3**	**95.5**	**198.6**	**7.8**	**4,095.1**

As of 31 December 2022, no interest expenses have been capitalised for projects under development and construction.

Investment properties at fair value

The main movements concern:

- the sale of the Flins and Ollioules shopping centres as part of the final agreement signed in December with MRM;
- the transfer to inventory of three buildings previously measured at cost as a result of changes ub the nature of the projects;
- changes in the fair value of shopping centres in operation.

Investment properties valued at cost

The assets under development and under construction recognised at cost mainly concern the development and redevelopment projects of shopping centres in France.

The Group reviewed all of its ongoing projects, which led to the recording of write-downs or abandonment of certain projects.

Rights of use on Investment properties

The right-of-use assets on investment properties correspond to the valuation under IFRS 16 of the temporary occupancy authorisation contracts for investment properties. They meet the definition of investment properties and are measured using the fair value model. Subsequently, they are valued at the amount equal to the debt presented on the line of the balance-sheet “Contractual fees on investment properties”.

The New right-of-use assets and indexation line includes the signing of the Temporary Occupation Authorisation on Paris-Austerlitz station, as well as the indexation of existing contracts.

Value Measurement – IFRS 13

In accordance with IFRS 13: “Fair Value Measurement” and the EPRA’s recommendation on IFRS 13: “EPRA Position Paper on IFRS 13 – Fair Value Measurement and Illustrative Disclosures, February 2013”, the Group chose to present additional parameters used to determine the fair value of its property portfolio.

The Altarea Cogedim Group considered that classifying its assets in level 3 was most appropriate. This treatment reflects the primarily unobservable nature of the data used in the assessments, such as rents from rental statements, capitalisation rates and average annual growth rate of rents. The tables below thus present a number of quantitative parameters used to determine the fair value of the property portfolio. These parameters apply only to shopping centres controlled exclusively by the Group (and therefore do not include assets accounted for under the equity method) and which are measured at fair value by the expert appraisers.

		Initial capitalisation rate	Rent in € per m²	Discount rate	Capitalisation rate at exit	AAGR of net rental income
		a	b	c	d	e
France	Maximum	8.0%	570	8.3%	7.1%	9.7%
	Minimum	4.1%	33	5.6%	4.0%	1.2%
	Weighted average	**5.1%**	**407**	**6.6%**	**5.1%**	**3.2%**

a - The initial capitalisation rate is the net rental income relative to the appraisal value excluding transfer duties.
b - Annual average rent (minimum guaranteed rent plus variable rent) per asset and m².
c - Rate used to discount the future cash flows.
d - Rate used to capitalise the revenue in the exit year in order to calculate the asset's exit value.
e - Average Annual Growth Rate of net rental income.

Based on a Group weighted average capitalisation rate, a +0.25% increase in capitalisation rates would lead to a reduction of €-130.8 million in the value of investment properties (-4.34%), while a -0.25% decrease in capitalisation rates would increase the value of investment properties by €180.9 million (+6.00%). Investment working capital requirement.

Breakdown of the portfolio measured at fair value by asset type

(€ millions)	31/12/2022	31/12/2021
Regional shopping centres	2,522.2	2,480.8
Travel retail	512.5	520.9
Retail parks	704.2	677.2
Other	54.4	135.5
Total	**3,793.3**	**3,814.5**

Investment working capital requirement

(€ millions)	Receivables on fixed assets	Amounts due on non-current assets	Investment WCR
As of 31 December 2021	**0.2**	**(144.7)**	**(144.5)**
Variations	0.6	43.6	44.3
Present value adjustment	-	-	-
Transfers	0.0	-	0.0
Change in scope of consolidation	-	(0.0)	(0.0)
As of 31 December 2022	**0.8**	**(101.0)**	**(100.2)**
Change in WCR at 31 December 2022	**0.6**	**43.6**	**44.3**

Net acquisitions of assets and capitalised expenditures

(€ millions)	31/12/2022	31/12/2021
Type of non-current assets acquired:		
Intangible assets	(6.8)	(9.6)
Property plant and equipment	(2.5)	(7.6)
Investment properties	(33.6)	(89.4)
Total	**(42.9)**	**(106.6)**

7.2 Goodwill and other intangible assets

(€ millions)	Gross values	Amortisation and/or impairment	31/12/2022	31/12/2021
Goodwill	**455.3**	**(240.6)**	**214.7**	**209.4**
Brands	**105.4**	**-**	**105.4**	**105.4**
Customer relationships	**201.2**	**(194.4)**	**6.7**	**-**
Software applications, patents and similar rights	69.0	(52.0)	17.0	17.3
Leasehold right	0.3	-	0.3	0.3
Other	0.1	(0.0)	0.1	0.1
Other intangible assets	**69.4**	**(52.0)**	**17.4**	**17.7**
Total	**831.2**	**(486.9)**	**344.3**	**332.5**

(€ millions)	31/12/2022	31/12/2021
Net values at beginning of the period	**332.5**	**330.4**
Acquisitions of intangible assets	6.8	9.6
Disposals and write-offs	(0.0)	(1.5)
Changes in scope of consolidation and other	13.6	-
Net allowances for depreciation	(8.4)	(6.1)
Net values at the end of the period	**344.3**	**332.5**

Goodwill generated by the Property Development business

Goodwill relates to the various acquisitions made by the Group.

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

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

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

At 31 December 2022, on the basis of these assumptions, the fair value of the economic assets in the Residential and Business property segments are greater than their net book value. No impairment needs to be recorded in the financial statements.

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

Brands

The Group owns several brands measured at a total value of €105.4 million. These brands have an indefinite useful life and are therefore not amortised.

The brands were tested, and no impairment was recognised as of 31 December 2022.

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

(€ millions)	Land and Constructions	Vehicles	Other	Gross rights to use	Amort. Land and Constructions	Amort. Vehicles	Amort. Other	Amort.	Net rights to use
As of 31 December 2021	**153.2**	**4.7**	**0.8**	**158.7**	**(27.6)**	**(2.0)**	**(0.6)**	**(30.3)**	**128.4**
New contracts/Increases	10.2	1.8	-	12.0	(15.5)	(1.4)	(0.1)	(17.0)	(5.0)
Contract terminations/Reversals	(2.6)	(1.5)	(0.6)	(4.7)	2.5	1.3	0.6	4.4	(0.3)
As of 31 December 2022	**160.8**	**5.0**	**0.2**	**166.0**	**(40.5)**	**(2.2)**	**(0.2)**	**(42.8)**	**123.1**

The assets recognised in respect of right-of-use property leases mainly concern the leases of premises occupied by the Group's employees, and vehicle leases.

These assets are initially measured at cost with a corresponding lease liability (see Note 6.2). They are amortised on a straight-line basis over the reasonably certain lease term.

The lease term used for each contract corresponds to the reasonably certain lease term, *i.e.* the non-cancellable period adjusted for early termination options that the Group is reasonably certain not to exercise and extension options the Group is reasonably certain to exercise.

The changes are related to the signing of new property leases and/or the revision of contracts such as:

- changes to the rental contract;
- Increase or decrease in the lease term or the amount of rents indexed to an index or rate.

7.4 Operational working capital requirement

Summary of components of operational working capital requirement

(€ millions)	31/12/2022	31/12/2021	Flows		
			Created by the business	Changes in consolidation scope and transfer	Change in consolidation method
Net inventories and work in progress	**1,159.3**	**922.6**	**160.1**	**76.6**	**-**
Contract assets	**723.1**	**714.1**	**(34.8)**	**43.8**	**-**
Net trade receivables	347.1	340.7	(5.0)	11.4	(0.0)
Other operating receivables net	552.2	517.4	18.4	15.9	0.0
Trade and other operating receivables net	**899.3**	**858.0**	**13.4**	**27.4**	**0.0**
Contract liabilities	**(351.4)**	**(168.1)**	**(182.8)**	**(0.5)**	**-**
Trade payables	(935.9)	(1,008.6)	93.6	(20.4)	-
Other operating payables	(574.2)	(587.3)	56.8	(43.6)	0.0
Trade payables and other operating liabilities	**(1,510.1)**	**(1,595.9)**	**150.4**	**(64.0)**	**0.0**
Operational WCR	**920.2**	**730.6**	**106.3**	**83.2**	**0.0**

The Group's operational working capital requirement (excluding receivables and payables on the sale or acquisition of fixed assets) is essentially linked to the Property Development sector.

Changes in scope and transfers mainly reflect transfers in the Retail business (assets transferred from investment properties to inventories following changes in the nature of the projects) and changes in the scope of consolidation in the Property Development business.

7.4.1 Inventories and pipeline products

(€ millions)	Gross inventories	Impairment	Net inventories
As of 1 January 2021	**881.0**	**(21.7)**	**859.3**
Change	31.6	(0.3)	31.3
Increases	-	(4.5)	(4.5)
Reversals	-	10.0	10.0
Transfers to or from other categories	24.4	(0.1)	24.3
Change in scope of consolidation	2.2	(0.0)	2.1
As of 31 December 2021	**939.1**	**(16.5)**	**922.6**
Change	170.5	0.6	171.0
Increases	-	(18.3)	(18.3)
Reversals	-	7.4	7.4
Transfers to or from other categories	43.6	0.5	44.1
Change in scope of consolidation	32.4	-	32.4
As of 31 December 2022	**1,185.7**	**(26.4)**	**1,159.3**

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

Changes in scope are mainly related to changes in scope within the Property Development business and asset transfers (investment properties to inventories) are due to changes in the nature of projects.

7.4.2 Trade and other receivables

(€ millions)	31/12/2022	31/12/2021
Gross trade receivables	**390.2**	**384.6**
Opening impairment	**(43.9)**	**(36.8)**
Increases	(15.6)	(31.5)
Change in scope of consolidation	0.4	-
Reversals	15.8	24.3
Other changes	0.3	0.0
Closing impairment	**(43.0)**	**(43.9)**
Net trade receivables	**347.1**	**340.7**
Advances and down payments paid	50.1	43.1
VAT receivables	340.5	343.2
Sundry debtors	48.6	32.1
Prepaid expenses	70.7	52.9
Principal accounts in debit	43.9	47.1
Total other operating receivables gross	**553.8**	**518.3**
Opening impairment	**(1.0)**	**(1.1)**
Increases	(1.2)	(0.2)
Reclassification	-	0.0
Reversals	0.6	0.3
Closing impairment	**(1.6)**	**(1.0)**
Net operating receivables	**552.2**	**517.4**
Trade receivables and other operating receivables	**899.3**	**858.0**
Receivables on sale of assets	0.8	0.2
Trade and other receivables	**900.1**	**858.2**

Detail of trade receivables due:

(€ millions)	31/12/2022
Total gross trade receivables	**390.2**
Impairment of trade receivables	(43.0)
Total net trade receivables	**347.1**
Trade accounts to be invoiced	(40.9)
Non eligibles clients	(39.3)
Trade accounts receivable due	**266.9**

(€ millions)	TOTAL	On time	At 30 days	At 60 days	At 90 days	More than 90 days
Trade accounts receivable due	**266.9**	154.8	0.9	54.0	7.5	49.7

Trade receivables

The Group carries out a case-by-case analysis to assess the credit risk of its tenants in centres in operation, and to write down, if necessary, the receivables of tenants where there is evidence that the Company will not be able to collect all amounts due.
Trade receivables related to the Property Development business result from the transformation of contract assets (into receivables) as funds are called from customers under the Group's unconditional right to receive cash.

Advances and down payments paid

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

Principal accounts in debit

As part of its property management business and real estate transactions, the Group presents the cash balance it manages for third parties on its balance sheet.

7.4.3 Trade and other payables

(€ millions)	31/12/2022	31/12/2021
Trade payables and related accounts	**935.9**	**1,008.6**
Advances and down payments received from clients	20.2	23.4
VAT collected	302.7	321.8
Other tax and social security payables	77.9	63.6
Prepaid income	15.5	10.0
Other payables	114.1	121.4
Principal accounts in credit	43.8	47.2
Other operating payables	**574.2**	**587.3**
Amounts due on non-current assets	101.0	144.7
Trade and other payables	**1,611.1**	**1,740.6**

Payables on acquisition of assets

Payables on acquisition of assets correspond mainly to debts to suppliers for shopping centres just completed or under development.

NOTE 8 MANAGEMENT OF FINANCIAL RISKS

The Group is exposed to the following risks as part of its operational and financing activities: interest rate risk, liquidity risk, counterparty risk and currency risk.

As the Group does not carry out any transactions in foreign currencies, it is not subject to currency risk.

8.1 Carrying amount of financial instruments by category

As of 31 December 2022

			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	**512.0**	**204.2**	**306.0**	**-**	**1.8**	**-**	**-**	**-**	**1.8**
Securities and investments in equity affiliates	491.7	204.2	287.5	-	-	-	-	-	-
Non-current financial assets	20.3	-	18.5	-	1.8	-	-	-	1.8
CURRENT ASSETS	**2,094.4**	**-**	**1,885.6**	**-**	**-**	**208.8**	**48.1**	**160.6**	**-**
Trade and other receivables	900.1	-	900.1	-	-	-	-	-	-
Current financial assets	81.4	-	33.2	-	-	48.1	48.1	-	-
Derivative financial instruments	160.6	-	-	-	-	160.6	-	160.6	-
Cash and cash equivalents	952.3	-	952.3	-	-	-	-	-	-
NON-CURRENT LIABILITIES	**2,494.1**	**-**	**-**	**2,494.1**	**-**	**-**	**-**	**-**	**-**
Borrowings and financial liabilities	2,454.8	-	-	2,454.8	-	-	-	-	-
Deposits and security interests received	39.3	-	-	39.3	-	-	-	-	-
CURRENT LIABILITIES	**2,158.5**	**-**	**-**	**2,158.5**	**-**	**0.0**	**-**	**0.0**	**-**
Borrowings and financial liabilities	547.4	-	-	547.4	-	-	-	-	-
Trade and other payables	1,611.1	-	-	1,611.1	-	-	-	-	-

(a) Financial instruments listed on an active market.
(b) Financial instruments whose fair value is determined using valuation techniques based on observable market inputs.
(c) Financial instruments whose fair value (in whole or in part) is based on non-observable inputs.

Equity instruments mainly comprise equity securities of non-consolidated companies. At each acquisition, an analysis is carried out to determine the Group's management intention, and therefore its accounting method (change in value through income or by OCI).
Cash and cash equivalents breakdown between cash presented under receivables and marketable securities presented as financial assets within Level 1 of the fair value hierarchy.

As of 31 December 2021

(€ millions)	Total carrying amount	Non-financial assets	Financial assets and liabilities carried at amortised: Loans Receivables	Liabilities at amortised cost	Financial assets and liabilities carried at fair value: Equity instruments	Assets and liabilities at fair value through profit and loss	Level 1[(a)]	Level 2[(b)]	Level 3[(c)]
NON-CURRENT ASSETS	**481.4**	**148.8**	**328.1**	**-**	**4.5**	**-**	**-**	**-**	**4.5**
Securities and investments in equity affiliates	459.4	148.8	310.6	-	-	-	-	-	-
Non-current financial assets	22.0	-	17.5	-	4.5	-	-	-	4.5
CURRENT ASSETS	**2,524.1**	**-**	**2,461.8**	**-**	**-**	**62.3**	**50.3**	**12.0**	**-**
Trade and other receivables	858.2	-	858.2	-	-	-	-	-	-
Current financial assets	28.3	-	28.3	-	-	-	-	-	-
Derivative financial instruments	12.0	-	-	-	-	12.0	-	12.0	-
Cash and cash equivalents	1,625.5	-	1,575.3	-	-	50.3	50.3	-	-
NON-CURRENT LIABILITIES	**2,930.3**	**-**	**-**	**2,930.3**	**-**	**-**	**-**	**-**	**-**
Borrowings and financial liabilities	2,891.7	-	-	2,891.7	-	-	-	-	-
Deposits and security interests received	38.7	-	-	38.7	-	-	-	-	-
CURRENT LIABILITIES	**2,595.9**	**-**	**-**	**2,579.2**	**-**	**16.7**	**-**	**16.7**	**-**
Borrowings and financial liabilities	838.5	-	-	838.5	-	-	-	-	-
Derivative financial instruments	16.7	-	-	-	-	16.7	-	16.7	-
Trade and other payables	1,740.6	-	-	1,740.6	-	-	-	-	-

(a) Financial instruments listed on an active market.
(b) Financial instruments whose fair value is determined using valuation techniques based on observable market inputs.
(c) Financial instruments whose fair value (in whole or in part) is based on non-observable inputs.

Equity instruments mainly comprise equity securities of non-consolidated companies. At each acquisition, an analysis is carried out to determine the Group's management intention, and therefore its accounting method (change in value through income or by OCI).
Cash and cash equivalents breakdown between cash presented under receivables and marketable securities presented as financial assets within Level 1 of the fair value hierarchy.

8.2 Interest rate risk

The Group is exposed to market risk, particularly with regard to interest rate risk. The Group uses a number of financial instruments to cope with this risk. The Group holds a portfolio of swaps and caps designed to hedge against interest rate risk on its financial debts.

The objective is to reduce, where it deems appropriate, fluctuations in cash flows linked to changes in interest rates.

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

The Group mainly uses credit markets.

Position in derivative financial instruments

(€ millions)	31/12/2022	31/12/2021
Interest-rate swaps	126.7	(16.6)
Interest-rate caps	28.4	4.9
Accrued interest not yet due	5.5	7.1
Total	**160.6**	**(4.7)**

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

Maturity schedule of derivative financial instruments (notional amounts)

As of 31 December 2022

(€ millions)	31/12/2022	31/12/2023	31/12/2024	31/12/2025	31/12/2026	31/12/2027
ALTAREA – pay fixed – swap	500.0	1,025.0	1,025.0	825.0	825.0	825.0
ALTAREA – pay floating rate – swap	300.0	-	-	-	-	-
ALTAREA – cap	262.5	262.5	262.5	262.5	262.5	262.5
Total	**1,062.5**	**1,287.5**	**1,287.5**	**1,087.5**	**1,087.5**	**1,087.5**
Average hedge ratio	-0.13%	0.34%	0.33%	0.37%	0.36%	0.36%

As of 31 December 2021

(€ millions)	31/12/2021	31/12/2022	31/12/2023	31/12/2024	31/12/2025	31/12/2026
ALTAREA – pay fixed – swap	500.0	500.0	1,025.0	1,025.0	525.0	525.0
ALTAREA – pay floating rate – swap	700.0	700.0	700.0	300.0	300.0	-
ALTAREA – cap	262.5	262.5	262.5	262.5	262.5	262.5
Total	**1,462.5**	**1,462.5**	**1,987.5**	**1,587.5**	**1,087.5**	**787.5**
Average hedge ratio	0.19%	0.19%	0.17%	0.13%	-0.30%	0.10%

Management position

As of 31 December 2022

(€ millions)	31/12/2022	31/12/2023	31/12/2024	31/12/2025	31/12/2026	31/12/2027
Fixed-rate bond and bank loans	(1,413.2)	(1,390.6)	(1,135.3)	(796.1)	(745.6)	(745.6)
Floating-rate bank loans	(1,093.8)	(677.4)	(518.7)	(455.0)	(399.0)	(339.0)
Cash and cash equivalents (assets)	952.3	-	-	-	-	-
Net position before hedging	**(1,554.7)**	**(2,068.0)**	**(1,654.0)**	**(1,251.1)**	**(1,144.6)**	**(1,084.6)**
Swap	800.0	1,025.0	1,025.0	825.0	825.0	825.0
Cap	262.5	262.5	262.5	262.5	262.5	262.5
Total derivative financial instruments	**1,062.5**	**1,287.5**	**1,287.5**	**1,087.5**	**1,087.5**	**1,087.5**
Net position after hedging	**(492.2)**	**(780.5)**	**(366.5)**	**(163.6)**	**(57.1)**	**2.9**

As of 31 December 2021

(€ millions)	31/12/2021	31/12/2022	31/12/2023	31/12/2024	31/12/2025	31/12/2026
Fixed-rate bond and bank loans	(1,749.3)	(1,722.9)	(1,722.8)	(1,337.2)	(837.1)	(787.0)
Floating-rate bank loans	(1,521.9)	(803.6)	(594.5)	(438.4)	(398.3)	(342.3)
Cash and cash equivalents (assets)	1,625.5	-	-	-	-	-
Net position before hedging	**(1,645.6)**	**(2,526.5)**	**(2,317.4)**	**(1,775.6)**	**(1,235.4)**	**(1,129.3)**
Swap	1,200.0	1,200.0	1,725.0	1,325.0	825.0	525.0
Cap	262.5	262.5	262.5	262.5	262.5	262.5
Total derivative financial instruments	**1,462.5**	**1,462.5**	**1,987.5**	**1,587.5**	**1,087.5**	**787.5**
Net position after hedging	**(183.1)**	**(1,064.0)**	**(329.9)**	**(188.1)**	**(147.9)**	**(341.8)**

Analysis of interest-rate sensitivity

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

	Increase/decrease in interest rates	Impact of the gain (-) or loss (+) on pre-tax	Impact on the value of the portfolio of the financial instruments
31/12/2022	+50 bps -50 bps	+€0.1 million €-0.6 million	+€30.1 million €-31.2 million
31/12/2021	+50 bps -50 bps	+€2.5 million €-2.3 million	+€16.0 million €-15.9 million

8.3 Liquidity risk

CASH

The Group maintained significant access to liquidity, accompanied by good conditions.

The Group had a positive cash position of €952.3 million at 31 December 2022, compared to €1,625.5 million at 31 December 2021. This represents its main tool for management of liquidity risk (see Note 6.2.1 "Net financial bond and bank debt").

Part of this cash is available for the subsidiaries that carry it: as of 31 December 2022, this cash amounted to €434.6 million.

As of the same date, €517.7 million in cash is available at Group level.

The Group can also draw down an additional €1,427.5 million (in the form of unused confirmed corporate credit lines not allocated to development projects or operations), to use without restriction.

FINANCIAL COVENANTS AND RATIOS

The Group is also required to comply with a certain number of financial covenants that contribute to the monitoring and management of the Group's financial risks.

The covenants with which the Group must comply concern the listed corporate bond and banking loans, for €1,259 million.

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

They are listed below:

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

At 31 December 2022, the Company met all its covenants. In the highly likely event that certain debt may be required to be partially repaid at a subsequent date, the amount of these repayments would be recognised under current liabilities until the maturity date.

COUNTERPARTY RISK

In the course of its business, the Group is exposed to two main categories of counterparty: financial institutions and tenants.

With regard to financial institutions, credit and/or counterparty risks relate to cash and cash equivalents, derivatives arranged to hedge interest rate risk, and the banking institutions with which these products are arranged.

To limit this risk, the Group only arranges hedging with leading financial institutions. The selected vehicles have a very limited risk profile and are monitored.

With regard to tenants, the Group believes it has no significant exposure to credit risk due to its diversified portfolio of tenants. In the Retail business, tenants also provide financial guarantees, mainly in the form of security deposits, on signing lease agreements.

NOTE 9 RELATED PARTY TRANSACTIONS

Ownership structure of Altarea SCA

As a percentage	31/12/2022 % share capital and theoretical voting rights	31/12/2022 % actual voting rights	31/12/2021 % share capital and theoretical voting rights	31/12/2021 % actual voting rights
Extended Concert[(a)]	45.00	45.48	44.93	45.39
Crédit Agricole Assurances Group	24.56	24.82	24.66	24.91
APG (ABP)	7.06	7.14	7.09	7.16
Opus Investment BV[(b)]	1.62	1.63	1.62	1.64
Treasury Shares	1.05	-	1.01	-
Public + employee investment mutual fund	20.71	20.93	20.69	20.90
Total	**100.00**	**100.00**	**100.00**	**100.00**

(a) The controlling group of Alain Taravella (comprising the companies he controls and the members of his family), Jacques Nicolet (including the company he controls), and Jacques Ehrmann, acting in concert.

(b) Directed and controlled by Christian de Gournay, and the shares held by him.

Related party transactions

The Group's main related parties are the companies controlled by Alain Taravella, founding Chairman of the Group, which hold stakes in Altarea: AltaGroupe, AltaPatrimoine and Altager.

The Company is managed by Altafi 2 and Atlas which are controlled and chaired by Alain Taravella. Jacques Ehrmann is Chief Executive Officer of Altafi 2.

Transactions with these related parties mainly relate to services rendered by the aforementioned Management and to a lesser extent, services and rebillings by the Company to AltaGroupe and its subsidiaries.

Coordinating services provided to the Company

In order to formalise the services habitually provided to Altarea by AltaGroupe, the coordinating holding Company, and to spell out the services provided by the latter, a coordination agreement was signed in 2017, in which the previously applied conditions were unchanged. A new coordination agreement, which replaces the previous one, was signed in 2022 between AltaGroupe, on the one hand, and Altarea, inter alii, on the other.

Assistance services and rebilling by the Company and its subsidiaries

Assistance services and rebilling of rents and other items are recognised as a deduction from other company overhead costs in the amount of €0.3 million. Services invoiced to related parties by the Altarea Group are invoiced on an arm's length basis.

Assets and liabilities toward related parties

(€ millions)	Altafi 2 SAS 31/12/2022	Altafi 2 SAS 31/12/2021
Trade and other receivables	0.3	0.1
TOTAL ASSETS	**0.3**	**0.1**
Trade and other payables[(a)]	0.8	1.0
TOTAL LIABILITIES	**0.8**	**1.0**

(a) Corresponds to Management's variable compensation.

In addition, new management fee agreements were set up in 2021 to remunerate the services provided by Altarea, Altareit and Altarea Management for the benefit of Group companies. The remuneration of these management fees has been defined by mutual agreement according to the cost of the services provided and is in line with the market price.

Compensations of the Management Committee

Management compensation is received entirely by Altafi 2 in the form of fees[(1)].

No share-based compensation or other short-term or long-term or other forms of compensation were paid by Altarea or its subsidiaries to the Management.

The fixed remuneration of Management in respect of Altarea and Altareit is €1.8 million for the year.

The annual variable compensation of the Managing Partners potentially payable by Altarea is based partly on FFO, Group share, for the financial year and partly on the Company's GRESB classification. The amount paid by Altareit is based partly on the consolidated net income, Group share, for the financial year, above a pre-set threshold and partly on the achievement of non-financial objectives related to the climate and human resources.

For information purposes, it stood at €1.0 million in 2022.

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

[1] *Alain Taravella, as Co-Manager in a personal capacity of Altarea until 12 December 2022 (Altafi 2 and Atlas, chaired by Alain Taravella continue to be Co-Managers of Altarea), received no compensation from Altarea or its subsidiaries during the year. He receives compensation from a holding company that he controls that holds a stake in Altarea.*

Compensation of the Group's senior executives

(€ millions)	31/12/2022	31/12/2021
Gross wages[(a)]	4.1	4.0
Social security contributions	1.7	1.7
Share-based payments[(b)]	8.7	7.5
Number of shares delivered during the period	*30,558*	*34,293*
Post-employment benefits[(c)]	0.0	0.0
Other short- or long-term benefits and compensation[(d)]	0.0	0.0
Termination indemnities[(e)]	-	-
Employer contribution on free shares delivered	0.9	1.1
Post-employment benefit commitment	0.7	0.8

(a) Fixed and variable compensation.

(b) Charge calculated in accordance with IFRS 2.

(c) Pension service cost according to IAS 19, life insurance and medical care.

(d) Benefits in kind, directors' fees and other compensation vested but payable in the future (short- or long-term).

(e) Post-employment benefits, including social security costs.

In number of rights on equity in circulation	31/12/2022	31/12/2021
Rights to Altarea SCA's free shares grants	142,231	159,603

The information presented relates to the compensation and benefits granted (i) to executive corporate officers for offices held in subsidiaries and (ii) to the Group's main salaried executives.

NOTE 10 GROUP COMMITMENTS AND CONTINGENT LIABILITIES

10.1 Off-balance sheet commitments

The main commitments given by the Group are mortgages and mortgage commitments made to secure loans or lines of credit from credit establishments.

Pledges of securities and undertakings not to sell or assign ownership units are also made by the Company to secure certain loans.

These commitments appear in Note 6.2 “Net financial debt and guarantees”.

In addition, the Company has received commitments from banks for unused credit lines, which are described in Note 8.3 “Liquidity risk”.

All other material commitments are set out below:

(€ millions)	31/12/2021	31/12/2022	Less than 1 year	From one to five years	More than five years
Commitments received					
Commitments received relating to financing (excl. borrowings)	**-**	**-**	**-**	**-**	**-**
Commitments received relating to Company acquisitions	**10.6**	**11.9**	**-**	**6.4**	**5.5**
Commitments received relating to operating activities	**168.4**	**123.8**	**100.6**	**8.0**	**15.1**
Security deposits received in the context of the Hoguet Act (France)	87.9	96.7	96.7	-	-
Security deposits received from tenants	23.9	24.3	2.7	8.0	13.6
Payment guarantees received from customers	44.6	1.5	-	-	1.5
Unilateral land sale undertakings received and other commitments	0.3	-	-	-	-
Other commitments received relating to operating activities	11.8	1.3	1.3	-	-
Total	**178.9**	**135.6**	**100.6**	**14.3**	**20.6**
Commitments given					
Commitments given relating to financing (excl. borrowings)	**11.0**	**11.0**	**5.0**	**6.0**	**-**
Commitments given relating to Company acquisitions	**68.7**	**48.6**	**-**	**48.6**	**-**
Commitments given relating to operating activities	**2,213.9**	**2,220.1**	**886.9**	**1,306.5**	**26.6**
Construction work completion guarantees (given)	1,928.0	1,885.3	738.9	1,146.4	-
Guarantees given on forward payments for assets	170.8	225.8	116.5	109.3	-
Guarantees for loss of use	61.1	43.5	16.6	25.4	1.5
Other sureties and guarantees granted	54.0	65.5	15.1	25.4	25.1
Total	**2,293.6**	**2,279.7**	**891.9**	**1,361.1**	**26.6**

Commitments received

COMMITMENTS RECEIVED RELATING TO ACQUISITIONS/DISPOSALS

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

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

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

COMMITMENTS RECEIVED RELATING TO OPERATING ACTIVITIES

- **Security deposits**

Under France’s “Hoguet Act”, the Group holds security deposits received specialist bodies in an amount of €96.7 million as a guarantee covering its real estate management and trading activities.

The Group also receives security deposits from its tenants to guarantee that they will pay their rent.

- **Payment guarantees received from customers**

The Group receives customer payment guarantees issued by financial institutions to guarantee sums payable by the customer. They mainly relate to Retail and Office property development projects.

- **Unilateral land sale undertakings received and other commitments**

Other guarantees received consist mainly of commitments received from property sellers.

- **Other commitments received**

In its Property Development business, the Group receives deposits on construction contracts from contractors to cover holdbacks (up to 5% of the amount of the contract – non-costed commitment).

Commitments given

COMMITMENTS GIVEN RELATING TO FINANCING ACTIVITIES

The Group makes representations and warranties or contingent consideration when disposing of shares in subsidiaries and affiliates. When the Group considers that it is probable that there will be a cash outlay under the terms of these guarantees, it sets aside allowances to provisions and their amount is reassessed at each closing date.

The main commitments concern:

- undertaking to subscribe for the capital of companies comprising the AltaFund investment fund in the amount of €13.6 million (firm commitment for identified projects);
- liability guarantees of €35 million given following the disposal of miscellaneous assets.

The shares of Altablue, Aldeta, Alta Crp Gennevilliers, Alta Crp La Valette, Alta Gramont, Toulouse Gramont, Bercy Village and Société d'Aménagement de la Gare de l'Est as well as assets held by these companies, are for a limited period subject to conditions for sale contingent on the agreement of each of the partners of these companies.

As part of the Crédit Agricole Assurances agreements, the Group has signed a certain number of legal undertakings that restrict the liquidity of its shareholding under certain conditions.

COMMITMENTS GIVEN RELATING TO OPERATING ACTIVITIES

- **Construction work completion guarantees**

Completion guarantees are given to customers as part of off-plan sales and are provided on behalf of Group companies by financial institutions, mutual guarantee organisations or insurance companies. They are reported in the amount of risk borne by the financial institution that issued the guarantee.

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

- **Guarantees on forward payments for assets**

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

- **Minimum future rents to be received**

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

- **Other sureties and guarantees granted**

The other sureties and guarantees given mainly relate to the Group's involvement in AltaFund, its Business property real estate investment fund, and guarantees given as part of its development activity.

Reciprocal commitments

Notably in the ordinary course of its Property Development activities, the Group enters into reciprocal commitments to ensure the REIT control of future projects. The Group signs bilateral sales agreements with landowners: the owner undertakes to sell its land and the Group commits to buy it if all conditions precedent (administrative and/ or marketing) are met.

Other commitments

In the conduct of its proprietary shopping centre development business, Altarea has made commitments to invest in projects initiated and controlled by the Company.

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

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

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

Minimum future rents to be received

The total of minimum future rents to be received under non-cancellable rental agreements over the period amounted to:

(€ millions)	31/12/2022	31/12/2021
Less than 1 year	202.0	193.4
Between one and five years	469.4	489.4
More than five years	208.3	225.6
Guaranteed minimum rent	**879.8**	**908.4**

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

10.2 Contingent liabilities

Correction proposals concerning the registration fees related to the sale by Alta Faubourg of the Semmaris shares in 2018 and 2020 were received in 2021 and 2022.
As registration fees are guaranteed by Alta Faubourg, the risk, which amounted to €11.0 million in fees and late payment penalties, was borne by the Group.

The company had strong arguments to contest the adjustments, which had not been provisioned.

In a letter dated 23 August 2022, the tax authorities abandoned all of the proposed adjustments.

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

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.

NOTE 11 **POST-CLOSING EVENTS**

Having owned 50% of Woodeum's capital since July 2019, Altarea purchased the remainder from WO2 Holding on February 21st, 2023, making it the sole shareholder of France's leading brand in low-carbon solid wood residential property. Against a backdrop of climate change and evolving regulations, this acquisition confirms Altarea's ambition to accelerate its transition to low-carbon housing by strengthening Woodeum's resources to pursue its growth trend.

NOTE 12 **APPOINTMENT OF STATUTORY AUDITORS**

	E&Y				Grant Thornton				Mazars				Other				Total			
(€ millions)	Amount		%		Amount		%		Amount		%		Amount		%		Amount		%	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Statutory audit, certification, examination of individual and consolidated financial statements																				
- Altarea SCA	0.3	0.3	23%	15%	-	0.3	0%	27%	0.2	-	25%	0%	-	-	0%	0%	0.5	0.6	18%	18%
- Fully consolidated subsidiaries	1.0	1.3	69%	56%	0.4	0.4	71%	36%	0.5	-	55%	0%	0.1	0.1	100%	100%	1.9	1.7	65%	51%
Services other than the certification of the financial statements																				
- Altarea SCA	0.1	0.4	7%	16%	0.1	0.4	14%	37%	0.1	-	12%	0%	-	-	0%	0%	0.3	0.8	9%	22%
- Fully consolidated subsidiaries	0.0	0.3	2%	13%	0.1	0.0	15%	0%	0.1	-	8%	0%	0.0	(0.0)	0%	0%	0.2	0.3	7%	9%
Total	**1.4**	**2.3**	**100%**	**100%**	**0.6**	**1.1**	**100%**	**100%**	**0.8**	**-**	**100%**	**100%**	**0.1**	**0.1**	**100%**	**100%**	**2.9**	**3.4**	**100%**	**100%**