



**UNIVERSAL
REGISTRATION DOCUMENT
2022**

ARGAN is the only French real estate company specialising in the *DEVELOPMENT & RENTAL* of *PREMIUM WAREHOUSES* for leading companies.



French public limited company with an Executive Board and Supervisory Board with share capital of €45,962,728
Registered office: 21, rue Beffroy - 92200 Neuilly-sur-Seine, France
393 430 608 Nanterre Trade and Companies Register
(the “Company” or “Argan”)

UNIVERSAL REGISTRATION DOCUMENT & FINANCIAL REPORT 2022



This Universal Registration Document was filed on 24 February 2023 with the Autorité des Marchés Financiers (the French Financial Markets Authority), in its capacity as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the “**Regulation**”), without prior approval in accordance with Article 9 of that Regulation.

The universal registration document may be used for the purpose of an offer to the public of securities or admission of securities to trading on a regulated market if it is supplemented by a securities note together with, if applicable, a summary and any amendments to the universal registration document. The resulting set of documents shall be approved by the Autorité des Marchés Financiers in accordance with the Regulation.

Pursuant to Article 9 and Article 19 of the Regulation, this Universal Registration Document (the “**Universal Registration Document**”) incorporates by reference the following information:

- With regard to the financial year ended 31 December 2021: the consolidated financial statements, the company financial statements and the corresponding statutory auditors’ reports, appearing in Part III-Financial Information of the Registration Document filed with the AMF on 24 February 2022, under number D.22-0058
- With regard to the financial year ended 31 December 2020: the consolidated financial statements, the statutory financial statements and the corresponding statutory auditors’ reports, appearing in Part III-Financial Information of the Universal Registration Document filed with the AMF on 25 February 2021, under number D.21-0078

Copies of the Universal Registration Document are available free of charge from the registered office of Argan at 21, rue Beffroy - 92200 Neuilly-sur-Seine, France and on the Argan website (www.argan.fr) and the Autorité des Marchés Financiers website (www.amf-france.org).

Table of Contents

PART ONE: PRESENTATION OF THE GROUP	5
3.2. Change in the share price and the EPRA NRV NAV	7
3.3. Change in the NAV per share	8
4. <i>Key figures of the portfolio</i>	9
5. <i>Overview of the Group's activities and markets</i>	10
5.1. The Group's commercial real estate activities	10
5.2. The Group's market	11
5.3. Group's strategy	19
5.4. Regulations applicable to activities of the Group.....	19
6. <i>Portfolio</i>	31
6.1. Assets as at 31 December 2022.....	31
6.2. Chronological presentation of 94 buildings.....	39
6.3. Appraisals	57
7. <i>Information on the "Grenelle 2" Law</i>	62
7.1. Corporate information:.....	62
7.2. Environmental information:	62
7.3. Corporate information:.....	65
8. <i>Legal organisation</i>	66
PART TWO: FINANCIAL INFORMATION - MANAGEMENT REPORT	67
1. <i>Highlights of the 2022 financial year</i>	67
1.1. Change in share capital	67
1.2. Members of the Executive Board	67
1.3. Members of the Supervisory Board	67
2. <i>Operating results</i>	67
2.1. Consolidated earnings of the ARGAN Group	67
2.2. ARGAN company results	74
3. <i>Corporate governance</i>	78
3.1. Executive Board	78
3.2. Supervisory Board	82
3.3. Compensation and benefits of any kind paid to corporate officers	91
4. <i>Employees and environment</i>	92
4.1. Corporate information.....	92
4.2. Environmental information	93
5. <i>Outlook and risk management</i>	94
5.1. Outlook.....	94
5.2. Risk factors and insurance	94
6. <i>Capital and ownership of the Group</i>	104
6.1. Information on the capital	104
6.2. Group share ownership	105
6.3. Dividends paid for the last three financial years	106
6.4. Transactions on the Company's securities	106
6.5. Miscellaneous information	107
7. <i>General Meeting of 23 March 2023</i>	109
7.1. Agenda	109
7.2. Executive Board report on draft resolutions submitted to the Ordinary General Meeting of 23 March 2023	111
7.3. Executive Board report on draft resolutions submitted to the Extraordinary General Meeting of 23 March 2023.....	114

PART THREE: FINANCIAL INFORMATION	124
1. CONSOLIDATED FINANCIAL STATEMENTS 2022	124
2. FINANCIAL STATEMENTS 2022.....	166
PART FOUR: ADDITIONAL INFORMATION	204
1. General information	204
1.1. Company name.....	204
1.2. Location and unique identification number	204
1.3. Date of incorporation and lifetime	204
1.4. Registered office, legal form and applicable legislation	204
1.5. Company LEI code.....	204
1.6. Company website	204
1.7. History of the Company's capital	204
2. Share capital and Articles of Association.....	207
2.1. Articles of Association	207
2.2. Share capital.....	210
3. Allocation and distribution of profits (Article 43 of the Articles of Association).....	212
4. Current delegations of authority	214
5. Pledges – Mortgages	216
6. Shareholders' agreements.....	221
6.1. Shareholders' agreement between the members of the Le Lan family	221
6.2. Shareholders' agreement between the Le Lan family, CRFP 8 and Predica	221
7. Group organisation chart	222
8. Related party transactions	222
9. Legal proceedings and arbitration	222
10. Appraisals	223
11. Persons responsible -	224
Access to financial information	224
11.1. Person responsible for financial information	224
11.2. Statutory auditors.....	225
11.3. Financial reporting timetable.....	226
11.4. Documents available to the public.....	226
12. Supervisory Board.....	227
12.1. Report of the Supervisory Board on corporate governance (Articles L.225-100 and L.22-10-34 of the French Commercial Code)	227
12.2. Meetings of the Supervisory Board.....	246
12.3. Miscellaneous provisions.....	246
13. Cross-reference tables.....	247

A WORD FROM THE PRESIDENT

ARGAN is the only family-owned French real estate company specialising in the **DEVELOPMENT & RENTAL OF PREMIUM WAREHOUSING** listed on EURONEXT.



It has created an in-house team with expertise throughout the whole value creation chain, covering the detection of suitable and well located land, identification of future customers' needs, development and its financing, as well as the rental and property management of our buildings. This guarantees our clients a single point of contact to design, build and closely monitor their warehouses throughout the term of the lease.

2022 was full of developments with our assets reaching 3.5 million sq. m, half of which have received environmental certification, with an occupancy rate of 99% (which was back up to 100% at the beginning of 2023). They are valued at €4 billion and generated annual rental income of €166 million, up 6%. Our LTV debt ratio was 45%, with a capitalisation ratio of 4.45%.

For 2023, our targeted rental income is €182m, a rise of 10%.

After a period of exceptional growth, 2022 undoubtedly marks a change in the cycle, characterised by rising interest rates, inflation and a rise in capitalisation rates. In this new economic and financial environment, we are confident in the strength of our model, which is based on our expertise and significant experience in premium logistics real estate. However, we are adapting to this new environment and are looking to deleverage by financing our developments through the sale of our oldest warehouses.

Our team is also fully committed to one certainty: the need to build a more virtuous and decarbonised future. This is why we are aiming for carbon neutrality in 2030 (in terms of heating and lighting). To that end, we have launched AutOnom, a warehouse that produces its own green energy, for our current and future developments, and we are rolling out an ambitious Climate Plan to make the existing fleet more environmentally friendly and gradually reduce our carbon footprint, notably by eliminating gas heating.

As you can see, our strategy is adapting to this new situation so that we are able to continue generating steady, secure and sustainable growth.

Jean-Claude Le Lan

Founder and Chairman of the Supervisory Board

1. Our strengths

- ARGAN covers the value creation chain in-house.
- As a developer-investor, it is ideally positioned to secure cost prices for construction.
- Its growth strategy is geared around PREMIUM logistics hubs in Prime locations, let on long-term leases to financially solvent tenants.
- The company is managed by the majority shareholder.
- Its operating costs (including developer's costs) are among the lowest in the sector, representing less than 8% of rental income.
- It has a portfolio of PREMIUM logistics hubs with an average age of 10.4 years (at 31 December 2022).
- Its occupancy rate is 100% (99% at 31 December 2022).
- The average remaining fixed term of the leases is 5.5 years (31 December 2022),
- Most of the company's tenants are major corporates.
- There is a balance of tenant types: 77% are shippers, 18% are multi-client logistics specialists and 5% are single-client logistics specialists,
- It pays a dividend representing a yield of around 4% (€76.5 at the average price in December 2022),
- It follows the guidelines coming out of the Grenelle de l'Environnement meetings, developing buildings that adhere to the HQE (*Haute Qualité Environnementale* [High environmental quality]), BBC (*Bâtiment Basse Consommation* [Low-energy consumption building]), and BREEAM (Building Research Establishment Environmental Assessment Method) standards.

2. Management and control

The Company has a Supervisory Board and an Executive Board.

Jean-Claude Le Lan and his family own 40% of the shares, PREDICA owns 16.6% and the remaining 43.4% are free-float shares (at 31 December 2022), thereby complying with the Company's status as a listed real estate investment company (*société d'investissement immobilier cotée*, SIIC), which it adopted on 1 July 2007.

There are 8 members on **the Supervisory Board**, including 3 independent members. They are:

- Jean-Claude LE LAN – Chairman and majority shareholder
- Hubert RODARIE – Vice-Chairman of the Supervisory Board and member of the Audit Committee
- Nicolas LE LAN – Member
- Jean-Claude LE LAN Junior - Member
- Florence SOULE DE LAFONT – Independent member of the Supervisory Board and Chairman of the Appointments and Remuneration Committee
- François-Régis DE CAUSANS – Independent member of the Supervisory Board and member of the Appointments and Remuneration Committee
- Constance DE PONCINS – Independent member of the Supervisory Board and Chairman of the Audit Committee
- Najat AASQUI (permanent representative of PREDICA) – Member of the Supervisory Board, the Audit Appointments and Remuneration Committee

Emmanuel CHABAS (proposed by PREDICA) was appointed as observer (a non-voting member) of the Supervisory Board by the general shareholders' meeting of 15 October 2019.

The Supervisory Board decided at its meeting of 16 October 2019 to set up an Audit Committee and an Appointments and Remuneration Committee, each with three members whom the Supervisory Board would appoint from among its own members.

There are three members on **the Executive Board**, namely:

- Ronan LE LAN – Chairman – Director of Development
- Francis ALBERTINELLI – Member – Administrative and Financial Director
- Frédéric LARROUMETS – Member – Director of Assets

Members' professional backgrounds and the processes followed by the Supervisory Board, the specialised Committees and the Executive Board are described in Part II.3 – Corporate governance.

3. Change in the share price and the NAV

3.1. Change in share price since 1 January 2017

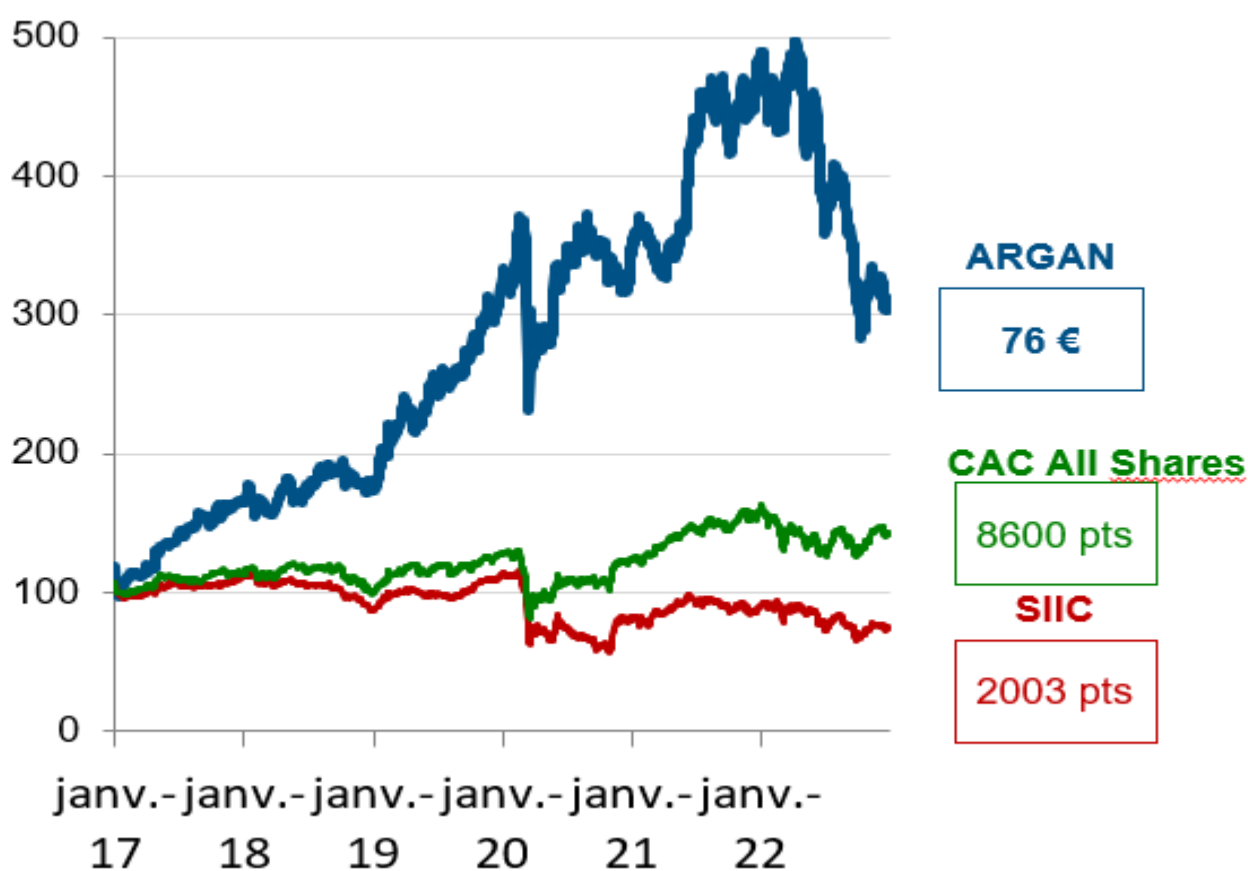
Argan has been listed on Euronext Paris since 25 June 2007. It joined compartment B in January 2012 and then compartment A in January 2020.

Argan is included in the CAC All-Shares and IEIF SIIC France indices.

ISIN code: FR0010481960

The market capitalisation at 31 December 2022 was **€1.739 billion** based on a price of €75.80/share.

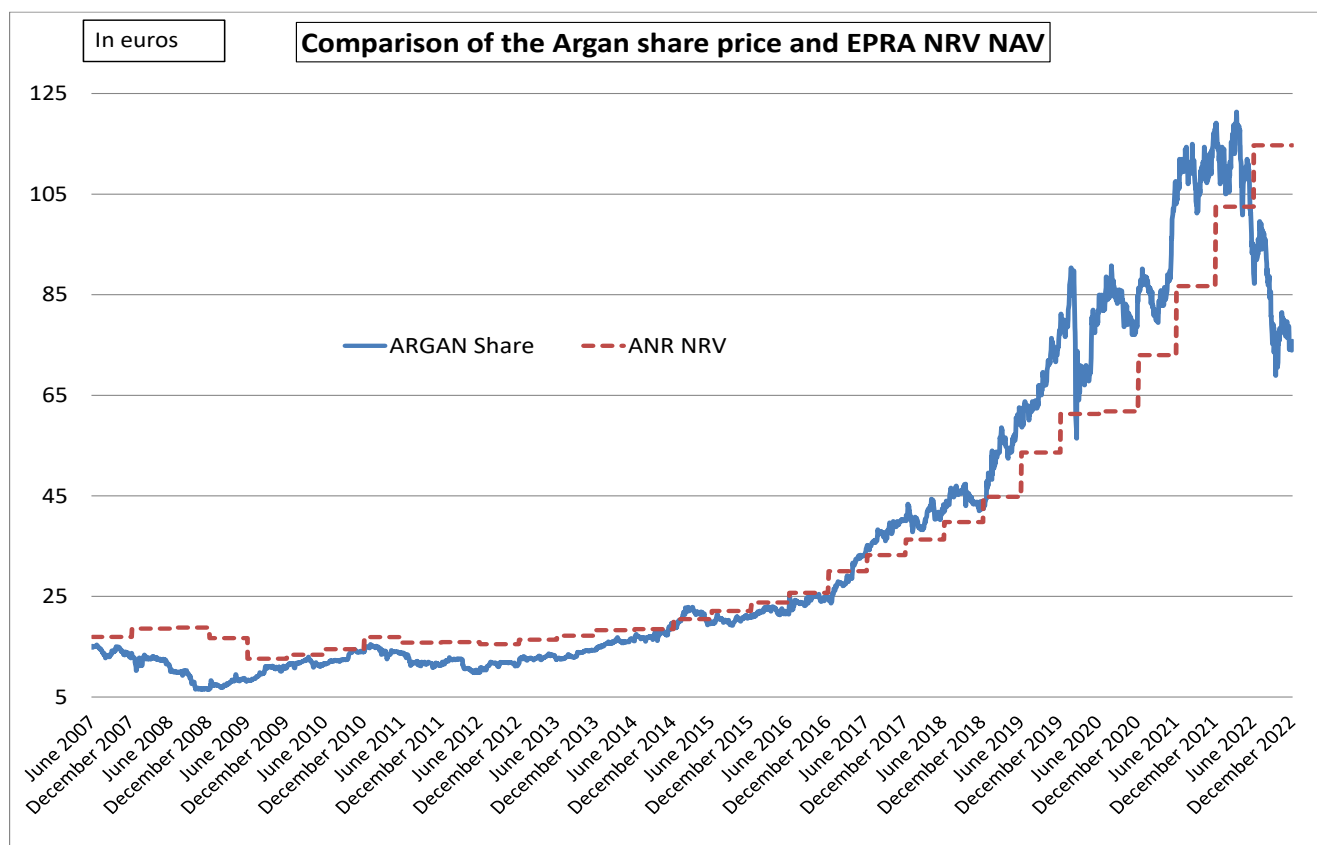
Change in the ARGAN share price (€) and in the SIIC France and CAC All-Shares indices
Base 100 price at 01/01/2017



The lowest and highest share prices over the past five years have been as follows:

	2018	2019	2020	2021	2022
Lowest price	37.80	42.40	56.40	79.40	68.10
Highest price	47.40	78.00	90.80	118.00	121.80

3.2. Change in the share price and the EPRA NRV NAV



	2007		2008		2009		2010		2011		2012		2013		2014		2015		2016		2017		2018		2019		2020		2021		2022	
	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st sem	2d sem	1st sem	2d sem		
ARGAN share price (half-year average)	15,0	14,0	12,3	8,5	7,8	10,0	11,7	12,9	14,3	11,9	11,4	11,4	12,8	13,5	15,8	17,4	21,1	20,3	22,0	24,1	29,2	37,7	40,8	44,6	53,5	67,1	76,2	83,0	87,7	109,7	110,1	83,8
EPRA NAV/share NRV in €		16,9	18,6	18,8	16,7	12,6	13,4	14,5	16,9	15,8	15,9	15,5	16,4	17,2	18,3	18,5	20,5	22,1	23,8	25,7	30,0	33,2	36,3	39,8	44,8	53,6	61,3	61,8	73,0	86,7	102,5	114,7
Discount - / Premium +		-17%	-34%	-55%	-53%	-21%	-13%	-11%	-16%	-24%	-28%	-26%	-22%	-22%	-14%	-6%	3%	-8%	-8%	-6%	-3%	14%	12%	12%	19%	25%	24%	34%	20%	26%	7%	-27%

* For the financial years 2007 to 2018, this is the former NAV index, including transfer duties.

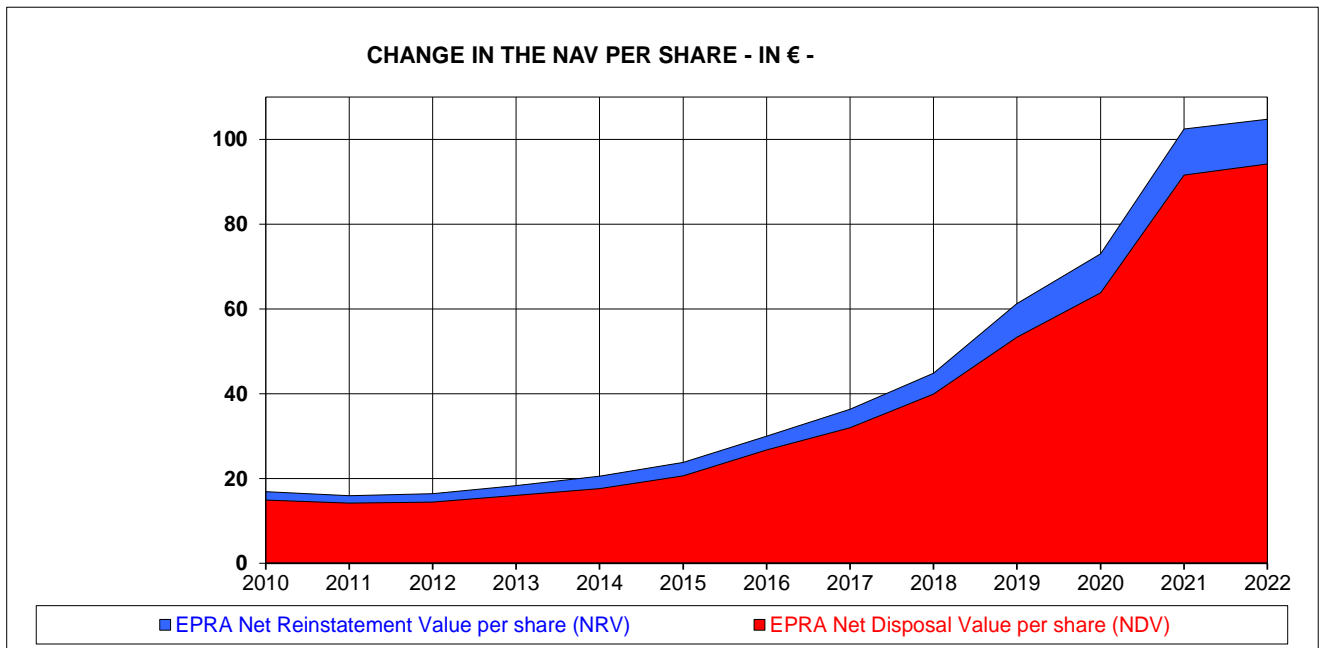
This table shows the discount or premium on the ARGAN share in relation to its EPRA NRV NAV.

It compares the half-year average of the ARGAN share price to the last EPRA NRV NAV published at the end of the previous half-year. For example, the average share price for the last half of 2022, i.e. €83.8, represents a

discount of -27% on the last known EPRA NRV NAV, i.e. €114.7.

For information, the price of the ARGAN share at 31 December 2022 was €75.80. This represents a discount of -27.7% on the EPRA NRV NAV as at December 2022, which was €104.8.

3.3. Change in the NAV per share



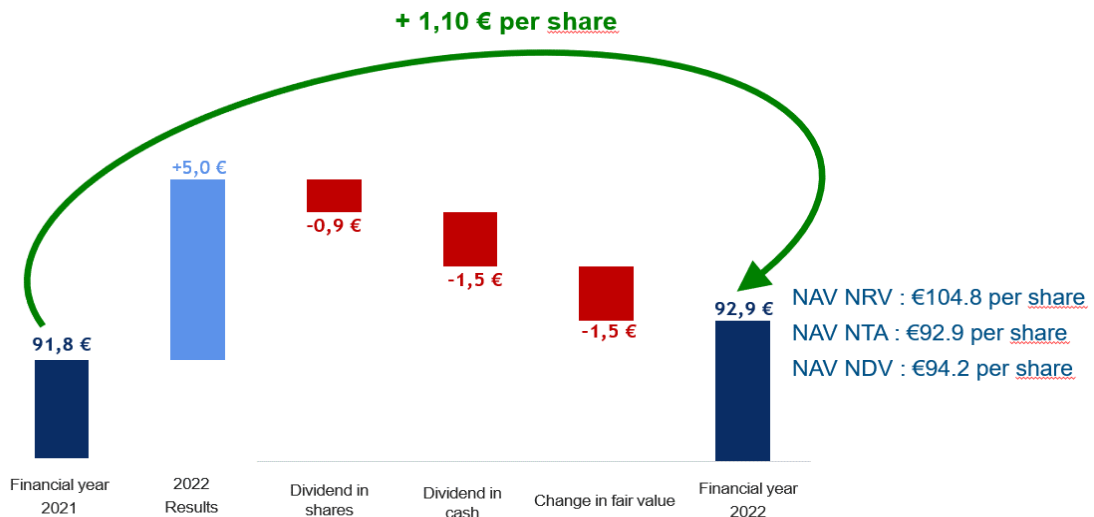
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
EPRA Net Reinstatement Value per share (NRV)	16,9	15,9	16,4	18,3	20,5	23,8	30,0	36,3	44,8	61,3	73,0	102,5	104,8
Change year on year Y / Y-1	26%	-6%	3%	12%	12%	16%	26%	21%	23%	37%	19%	40%	2%
EPRA Net Disposal Value per share (NDV)	14,9	14,2	14,4	16,0	17,6	20,6	26,7	32,0	39,9	53,3	63,8	91,6	94,2
Change year on year Y / Y-1	26%	-5%	1%	11%	10%	17%	30%	20%	25%	34%	20%	44%	3%

* For the financial years 2010 to 2018, this is the former NAV index, including transfer duties.

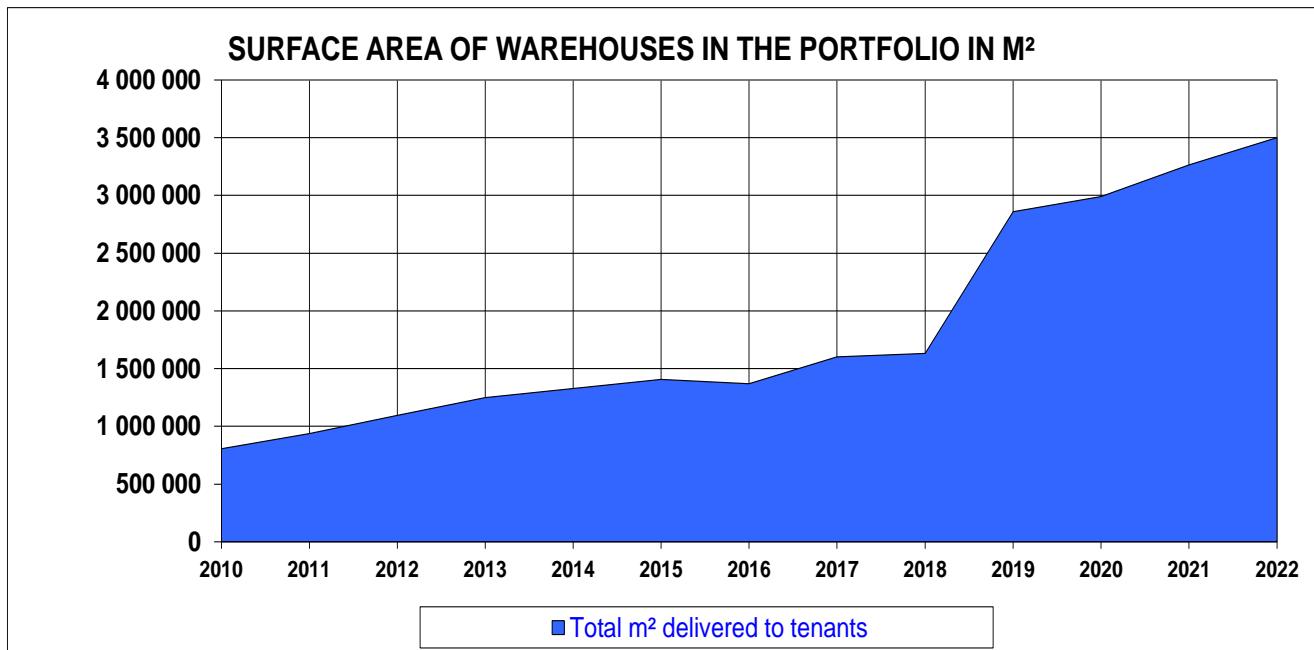
The EPRA NAV NRV (replacement value) per share as at 31 December 2021 was accordingly €104.8, compared with €102.5 as at 31 December 2021, an increase of 2%.

The EPRA NAV NTA per share increased from €91.8 to €92.9 in 2022. This increase can be explained as follows:

In €/share

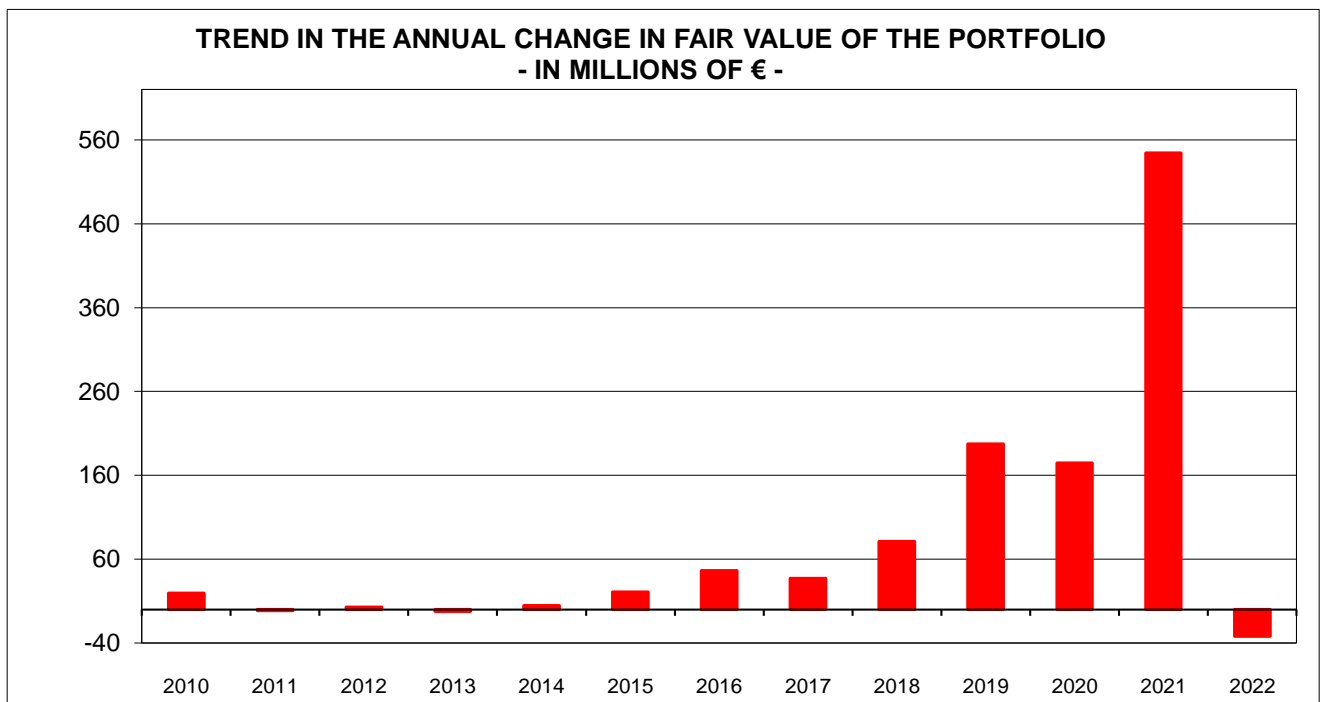


4. Key figures of the portfolio



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total m² delivered to tenants	806 000	936 500	1 095 000	1 247 000	1 326 000	1 406 000	1 370 000	1 600 000	1 630 000	2 860 000	2 990 000	3 265 000	3 500 000
Change year on year	33%	16%	17%	14%	6%	6%	-3%	17%	2%	75%	5%	9%	7%
Value Excl.transf.tax.(€m)	539,3	614,9	753,5	839,5	902,4	961,5	1 022,5	1 255,9	1 385,6	2 670,5	3 011,9	3 745,5	3 942,3
Change year on year	45%	14%	23%	11%	7%	7%	6%	23%	10%	93%	13%	24%	5%

The Company's built assets covered 3,500,000 sq. m at 31 December 2022, up by 7% compared with the previous year.



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Change in fair value	19,5	-1,5	2,7	-2,1	4,5	21,1	46,3	37,0	81,2	197,1	174,6	544,6	-31,8
Portfolio excl.transf.tax.	539,3	614,9	753,5	839,5	902,4	961,5	1 022,5	1 255,9	1 385,6	2 670,5	3 011,9	3 745,5	3 942,3
Change in FV / Portfolio Y-1	5%	0%	0%	0%	1%	2%	5%	4%	6%	14%	7%	18%	-1%

5. Overview of the Group's activities and markets

5.1. The Group's commercial real estate activities

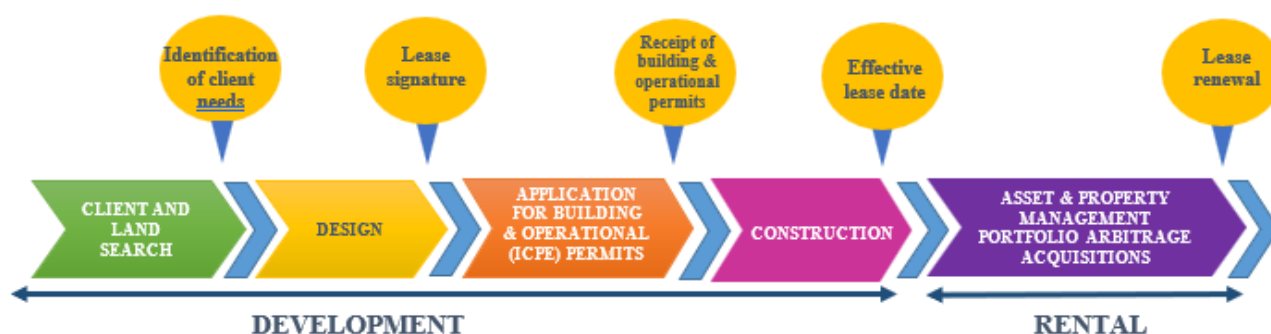
ARGAN has acquired wide-ranging expertise in the development and rental of PREMIUM warehouses.

After starting from a blank sheet in 2000, at 31 December 2022 ARGAN held a portfolio of 94 PREMIUM warehouses amounting to a total of 3.5

million sq. meters. Most of these sites were developed by the Company and they are managed in-house.

ARGAN's expertise can be seen at every stage of the warehouse development and rental management process and the Company's positioning as a Pure Player ensures it is constantly being enhanced.

The stages of the development of a logistics hub



Each step requires particular expertise:

Understanding and examining clients' storage and distribution needs in depth, working with them to design their future warehouse and supporting them with active rental management.

Finding suitable land and negotiating with communities and private owners to build up a high-quality land reserve in prime locations.

Optimizing the overall design of a logistics project requires knowledge of how a warehouse operates and the flows of goods and vehicles in and out. It also requires a thorough understanding of the regulatory environment. Poor design not only increases

Maintaining a high level of expertise in the ICPE regulations (ICPE regulations (Installations Classées pour la Protection de l'Environnement – Classified Facilities for Environmental Protection)) is essential.

Depending on the nature and quantity of the products they store, warehouses must either make a declaration, registration or obtain prefectural authorisation in order to operate. The ministerial decree of 11 April 2017 for combustible products, and other decrees covering more specific products, establish the requirements for fitting out storage bins, the fire-fighting equipment to be provided and the prevention of pollution risks.

construction costs, but more importantly operating costs, owing to lack of overall usability or energy efficiency.

Handling the engineering analysis for all aspects of the build: soil stability and mechanical strength, pier and beam structure, flagging, roofing, cladding and thermal insulation, to form the fabric of the building.

Next, there are structural engineering plans to be developed and technical equipment to be assessed and selected, encompassing power distribution and lighting, heating, loading dock equipment and the whole of the safety system, including automatic fire-extinguishing, fire hose stations, etc.

The Company has long-standing experience of the regulations and is therefore fully conversant with their implementation.

Promoting sustainable development in every project

- Selection of materials with a small environmental footprint begins at design and engineering analysis stage, ensuring the best possible energy performance.
- The main contributors in controlling the facility's energy consumption and its carbon footprint are LED lighting with presence sensors and dimming systems, enhanced thermal insulation, lots of natural light, high-efficiency heating, solar water heaters and centralised technical management.

- In addition, since 2018, photovoltaic systems have been installed in all new warehouses to help meet the tenants' own energy needs, saving them around 20% on their electricity bill.
- Since January 2022, the Company has been offering its future tenants Aut0nom®, a Premium warehouse that produces its own green energy and has a neutral carbon footprint in terms of heating and lighting, already complying with 2050 regulations. See also Part I, 7.2.3 Environmental Information.
- Trees planted as part of the landscaping work are chosen from regional species, preferably broadleaved to optimise the carbon footprint.
- Happy staff work better.
- ARGAN creates an atmosphere conducive to well-being, high-quality work, productivity and accident

prevention with light colours on walls and the underside of the roof, good natural light distribution, an appropriate colour temperature and intensity for artificial light and high-quality office fittings, and by ensuring acoustic comfort and areas for staff to relax.

Ensuring a high-quality build to guarantee the durability of the building and keep maintenance costs under control, by using top-tier construction companies and consultants with a reputation for experience, diligence and a high level of excellence.

Rental management certainly demands expertise in commercial leases, but above all it requires a spirit of long-term partnership and the utmost respect for clients.

5.2. The Group's market

ARGAN is only active in the warehouse market in mainland France.

5.2.1 The warehouse boom

The combined effects of globalisation and companies' outsourcing of their logistics functions have led to in considerable growth in logistics real estate since the 2000s.

This shift has created logistics specialists and logistics service providers, a new profession that deals with storage and potentially transport, and this is how logistics specialists (such as FM LOGISTIC, GEODIS, XPO, KUEHNE+NAGEL, ID LOGISTICS, etc.) have emerged. Whilst they operate internationally, there are also smaller, more recent operators whose business is confined to the French market.

This development has led to the emergence of the logistics real estate industry, bringing together all the players in the chain: land developers, property developers, investors, builders, architects, engineering consultants and real-estate agents with specialist expertise in this asset class.

As a result, warehouses were "standardised" in line with requirements under the regulation of 5 August 2002, which was superseded by the version of 11 April 2017, and according to the needs expressed by logistics specialists. As such, since 2002, warehouses have been restricted to bins of 6,000 sq. meters separated by fire walls, include 35 m-long manoeuvring aprons for trucks, as well as safety systems under ICPE (Installations Classées pour la Protection de l'Environnement – Classified Facilities for Environmental Protection).

These qualitative standards are constantly evolving upward, particularly with regard to energy performance. In 2010, ARGAN was the first to develop a BBC (Bâtiment Basse Consommation - Low-energy Consumption

Building) warehouse, for L'OREAL, and from 2018 onwards, it decided to install photovoltaic systems in all its new warehouses, so clients can use self-produced electricity to help meet their energy needs if they wish. In January 2022, ARGAN opened Aut0nom®, its carbon neutral warehouse in the operational phase. Aut0nom® is now the standard in all our new developments. Clearance heights have also changed, from 8 metres in the 1980s and 1990s to 10 meters in 2000; since 2010, the requirement has been 12 metres.

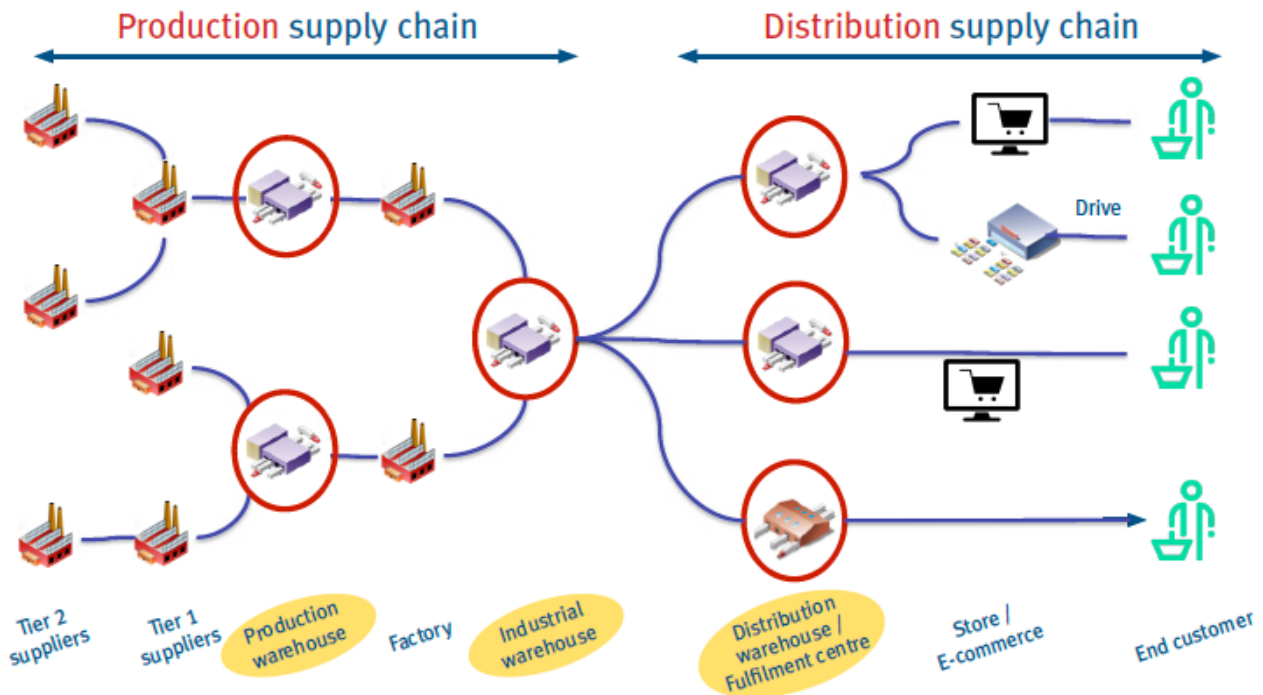
To begin with, warehouses were developed mainly from north to south along the main routes from Lille to Marseille, including in the areas around Paris and Lyon, but the market has spread throughout the country in recent years.

The development of this market is being driven by the increasing importance of logistics in a connected economy, new patterns of consumption, especially via e-commerce, and demand for shorter delivery times.

Take-up of warehouses with an area of more than 5,000 sq. m. stood at 4 million sq. m. Demand is therefore high, although down 14% (CBRE data). The vacancy rate was 3.8% in France at the end of December 2022.

Around €5 billion was invested in logistics real estate in 2022.

5.2.2 The central importance of warehousing in the supply chain



Note: There are always warehouses associated with a producer, in particular when it distributes its products itself.

5.2.3 Operators in the sector

There are many operators in this sector and it is not always easy to identify individual roles, as some operators cover several areas. The sector includes: land developers, property developers, builders, investors, real-estate agents, lessees i.e. tenants, government agencies, local authorities (principally inter-municipality associations), architects, engineering consultants and Asset managers:

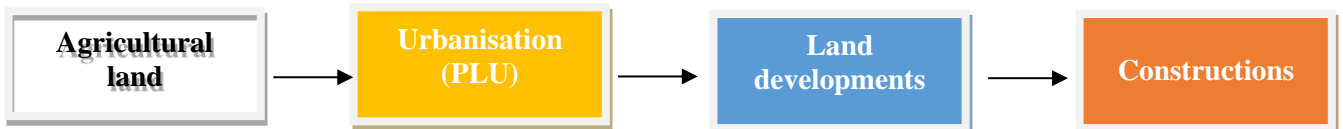
1. LAND DEVELOPERS

Building a warehouse of 100,000 sq. meters requires at least double the land area - i.e. 200,000 sq. meters or 20 hectares. For land to be built on, it must first be allocated for development. Allocation of land in areas where houses, offices, shops or warehouses are to be built is the responsibility of the inter-municipality associations. This is managed via the PLU (Plan Local d’Urbanisme - Local urban development plan) or PLUI (Plan Local d’Urbanisme Intercommunal - Local inter-municipality urban development plan) , which is approved by the government agencies (the prefecture).

PLUIs must be drafted to dovetail with the SCOT (Schéma de Cohérence Territoriale, a comprehensive zoning and development plan), the SRADDET (Schéma régional d’aménagement, de développement durable et d’égalité des territoires, regional Schemes for land use, sustainable development and equality) and, in Ile de France, with the SDRIF (Schéma Directeur Régional Ile de France, Regional masterplan for Ile de France).

Land developers are involved at an early stage, supporting and driving the process of allocating land for building and then developing sites (laying roads, water and wastewater systems, gas, electricity and telephone). Public works companies carry out development works on behalf of local authorities that own the land and have generally purchased it from private owners, generally agricultural landowners.

Land developers may also purchase agricultural lands upfront, with a view to having them approved as land suitable for building by local authorities, then develop the lands and subsequently sell them to operators such as property developers, builders or development investors.



2. PROPERTY DEVELOPERS

Property developers buy lands from local authorities or land developers and build warehouses, generally leased off-plan (BEFA), and then sell them to investors. They may also be asked to build for owner-users who do not wish to be tenants. Before construction can start, the warehouse needs to be designed and administrative approvals must be

obtained: the building permit and ICPE authorisation (*Installations Classées pour la Protection de l'Environnement* [Facilities Listed for the Protection of the Environment]), for which property developers enlist the help of architects and specialist ICPE consultancy firms.

Development cycle:



Length of cycle: approximately 18 months

3. BUILDERS

There are two ways to build:

- either the project owner (land owner) instructs a design and build architect to carry out the project from A to Z,
- or he hires a general contractor who will handle the process from end to end:

In the first scenario:

The architect is responsible for design and for applying for building permit. He instructs specialist engineering consultants to apply for ICPE authorisation, performs structural calculations, and design the fluid systems (electricity, heating, installation of fire extinguishers, etc.).

The architect creates the project plans and writes the description of the construction work, awards contracts for the works in separate lots and manages the works.

In general in this model, the architect (project manager) does not provide the project owner with a guaranteed final price, since the price is only known following the outcome of the calls for tender.

In the second scenario:

The general contractor, who may be a consultancy or a contracting company, carries out all the tasks described above but also has a performance obligation under a CPI (Contrat de Promotion Immobilière - Real Estate Development Agreement) and commits to a fixed total price.

Note: The **project owner** is the land owner, **the project manager** is the architect or the person responsible for leading and overseeing delivery of the project.

4. INVESTORS

Investors generally buy new warehouses from property developers or other investors in the event of resale, as their business is to rent these warehouses to shippers or logistics specialists.

These investors are Real Estate Companies or Funds:

- Real Estate Companies like ARGAN are intended to be long-term concerns, managing a real estate portfolio for rent.
- Funds (very often British or American) are set up for predetermined periods at the end of which the assets are sold and the funds are dissolved. This is a strictly financial approach where the underlying asset is warehouses.

- Investors with a similar positioning to Argan may also take on property development themselves to pick up the property developer’s margin.
- Builders seeking to improve their bottom line are also becoming property developers and in some cases land developers as well. As a business area where there is ample supply, construction requires significant resources.
- Property developers work with little in the way of equity capital and around ten employees or even fewer, and can achieve successful outcomes when the climate is conducive to investment. What is key here is being able to sign a commercial lease with a future lessee prior to completion of the project.

The lines between roles are sometimes blurred:

5. REAL ESTATE AGENTS

Real estate agents have earned an enviable position in this sector where they act as an interface between supply and demand at all levels:

- Between lessees and property developers or investors/property developers,
- Between property developers and investors.

They generally operate at all levels of the sector.

Their fee is around 1% of the transaction amount for a sale (€200,000 for a sale of €20 million) and about 15% of the annual rent for a lease.

The critical factor for these professionals is having access to the following information: Who wants to buy? Who wants to sell? Who wants to rent?



6. LESSEES

Tenants may be shippers or logistics specialists and are the most important players in the chain.

Rather than taking on the mantle of ownership by allocating their financial resources to property, they have chosen instead to devote them to their more profitable core business.

As a result, areas allocated to logistics real estate will be away from housing and as close as possible to main roads or motorways.

Warehouses must not be sited too far from labour pools, however.

7. GOVERNMENT AGENCIES

Government agencies are responsible for reviewing building permit and ICPE applications and are supervised by the departmental prefects. It is the prefect who grants ICPE authorisations but building permits are granted by district authorities further to referral and subject to State control.

9. ARCHITECTS AND ENGINEERING CONSULTANTS

These service providers act on behalf of operators in the development chain. Architects prepare building permits while engineering consultants provide input in their areas of expertise: land development, geotechnology, structural design, fluids, ICPE, etc.

8. LOCAL AUTHORITIES

Communes are of course concerned about town planning issues in their local areas and they determine the allocation of land for housing, shops, business operations and logistics via their PLU(I)s.

Three types of districts are identified:

- Urban districts > 450,000 inhabitants
- Districts and conurbations > 50,000 inhabitants
- Communities of communes (>15,000 inhabitants)

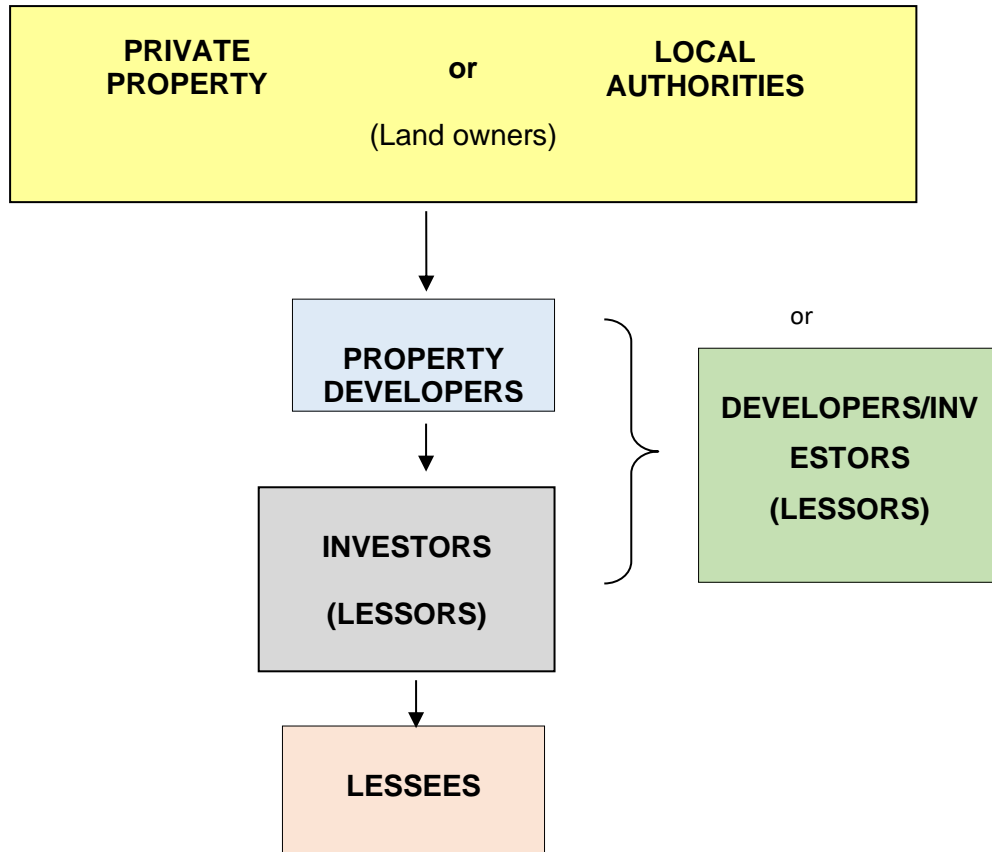
Logistics businesses are generally not welcome on the pretext that they create noise and other pollution, especially because of the heavy vehicles involved.

10. ASSET MANAGERS (property management companies)

Property investment funds make use of property management companies (Asset Managers) to manage their property assets.

These companies provide rental management, rent recovery and technical facility management services, either directly or indirectly.

LESSOR/LESSEE RELATIONSHIP



5.2.4 Key competitors

Over the past few years, the boom in warehouses has attracted strong investor interest due to the rental profitability of this asset class of around 3.5 to 6% in 2022. This interest was reinforced by the COVID crisis during which this asset class showed its resilience, but also by the development of e-commerce, which still posted double-digit annual growth. In 2022, warehouse transactions were around €6.5 billion. Around 25% of commercial real estate transactions involved logistics real estate.

Two types of competitors are active in **sales transactions or development**:

- ✓ **Investment Funds** (typically British or American) such as AEW, CBRE GLOBAL INVESTORS, LOGICOR and AXA Real Estate operate in the secondary market. Their trading portfolios comprise existing warehouses, not necessarily the most recent builds, and they take advantage of opportunities in the European, US and Asian markets depending on the economic environment. These funds are backed by banks or insurance companies and assign Asset Managers to manage their warehouses. They are not actually competitors for ARGAN, but rather, they are potential buyers.

- ✓ **Developers/Investors** such as BARJANE, GLP, GOODMAN, SEGRO, SOGARIS, PARCOLOG and PROLOGIS, and **Property Developers** such as JMG, PRD and PANHARD, focus on the development of new warehouses intended for rental. Over the past five years, this segment has provided approximately 1,000,000 sq. meters per year. ARGAN's market share is around 5%.

The **warehouse owners'** market is more fragmented owing to the presence of Developers/Investors, Investment Funds and owner-operators.

Owner-operators are not direct competitors, but their activity reduces the market share of warehouses for rental. This segment mainly includes major retailers such as LECLERC, INTERMARCHE, CASINO, AUCHAN, SYSTEME U and CARREFOUR, with some of them both owning and renting warehouses.

In France, there is a total of around 80 million sq. meters of space in warehouses of more than 5,000 sq. meters, including 50 million sq. meters of warehouses for rent. ARGAN's share of this market is approximately 7% (3.5 million sq. meters).

5.2.5 Types of Warehouses

SEGMENTATION BY OPERATING RADIUS

TYPE	REMARKS
NATIONWIDE WAREHOUSES	These facilities are relevant for companies that store a wide range of products with a low turnover. For example: automotive spare parts, homewares and household equipment
REGIONAL WAREHOUSES	Relevant for large volumes generating lots of transport operations For example: wholesale distribution
LOCAL WAREHOUSES OR FULFILMENT CENTRES	These are small warehousing facilities on the outskirts of towns for products requiring a high frequency of delivery For example: fresh products, pharmaceuticals

SEGMENTATION BY TYPE OF PRODUCTS STORED

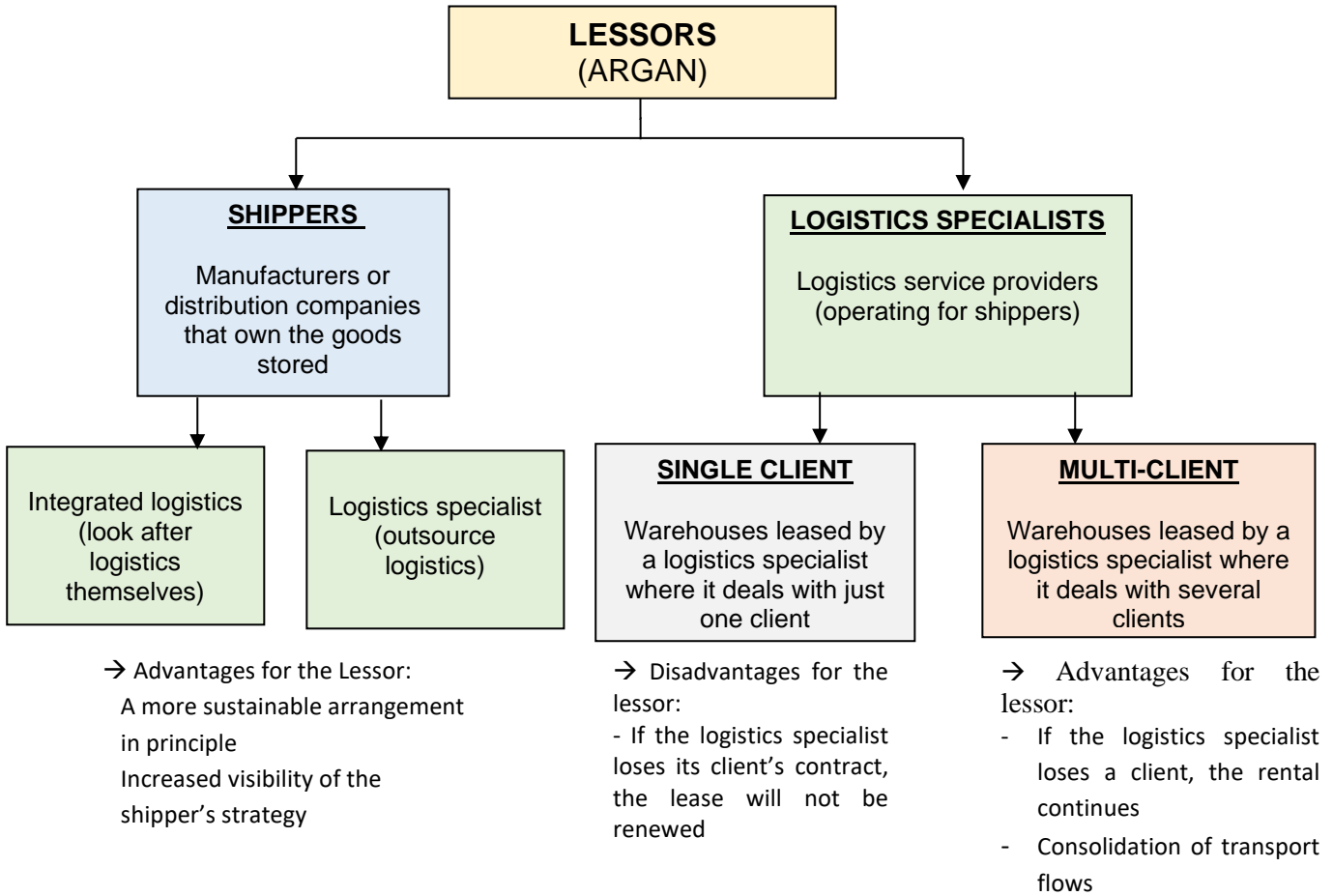
TYPE	REMARKS
DRY PRODUCT WAREHOUSES (No temperature control)	Relevant for products that do not require temperature control Example: food supplies, manufactured components
TEMPERATURE-CONTROLLED WAREHOUSES	Relevant for products that need to be kept below a certain temperature (generally 25°C) For example: pharmaceuticals, chocolate, etc.
POSITIVE COLD STORAGE WAREHOUSES (1° to 8°C)	Relevant for fresh products For example: vegetables, fruits, fish, etc.
FROZEN STORAGE WAREHOUSES (-20° to -30°)	Relevant for frozen products The structure of these warehouses must be insulated from the ground when they are built. (The cost of production engineering for the freezing system is largely equivalent to the cost of the building's structure).
DUAL- OR TRIPLE-TEMPERATURE WAREHOUSES	Generally relevant for major distributors, depending on the mix of products stored
E-COMMERCE WAREHOUSES	There are two major types: standard warehouses and highly mechanised warehouses.

SEGMENTATION BY SIZE

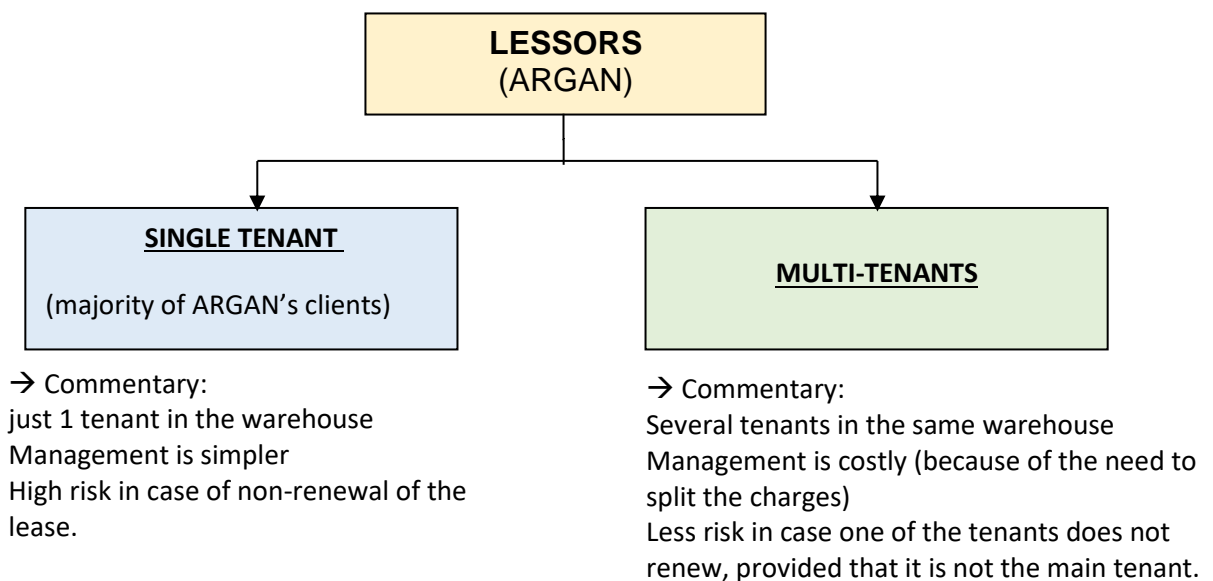
TYPE	REMARKS
XXL UNITS > 50,000 sq. meters	Large warehouses conducive to the consolidation of transport flows and management cost savings Relevant for national and regional warehouses and warehouses for major distribution
UNITS 20,000 to 50,000 sq. meters	This kind of warehouse is the most numerous. They are generally regional or may be national in case of small volumes
UNITS < 20,000 sq. meters	Designed for smaller volumes or for local coverage

5.2.6 Types of Lessees

SHIPPERS OR LOGISTICS SPECIALISTS:



SINGLE-TENANT OR MULTI-TENANT RENTAL:



5.3. Group's strategy

5.3.1 PREMIUM Warehouse

ARGAN's strategy is to develop PREMIUM warehouses to the latest standards.

Trade-offs are made periodically on the oldest warehouses to maintain this "PREMIUM" portfolio.

5.3.2 Rental policy

The Company's rental prices track market prices as closely as possible in the spirit of long-term partnership with its tenant clients.

5.4. Regulations applicable to activities of the Group

In developing and holding real estate assets, the Company is subject to various regulations and must both fulfil health risk prevention and personal safety requirements and protect the environment. The key features of these regulations are described below, bearing in mind that this overview is not intended to be a comprehensive analysis of the regulations that affect the Company.

5.4.1 Regulation relating to town planning law

When building its warehouses, ARGAN must heed the rules applicable in this area and in particular the local rules as laid down in the land use plan (Plan d'Occupation des Sols, POS) or, since the SRU (Solidarité et Renouveau Urbain - Solidarity and Urban Renewal) law of 13 December 2000, the PLU (Plan Local d'Urbanisme - Local urban development plan) governed by Articles L.123-1 et seq. of the French Town Planning Code, as well as the Zone d'Aménagement Concerté (ZAC - Joint Development Zone). These must themselves be consistent with the supra-district standards such as the Schéma de Cohérence Territoriale (SCOT - a comprehensive zoning and development plan) governed by Articles L.122-1 et seq. of the French Town Planning Code and, in and around Paris, the Schéma Directeur Régional Ile de France (SDRIF - Regional masterplan for Ile de France).

These various town planning documents apply the general principles set out in Article L.121-1 of the French Town Planning Code:

- The balance between natural areas or farmland and developed areas or land approved for development;
- The diversity of urban functions and social diversity in urban areas;

- Control of motorised travel and prevention of nuisances, as well as the safeguarding of water, air and ecosystem quality.

In the absence of a POS or PLU, the common law must be applied in accordance with the rules of the National Planning Regulation (NPR), in accordance with Articles L.111-1-1 et seq. of the French Town Planning Code.

5.4.2 Rules relating to ICPE regulations

The decree of 5 August 2002 is replaced by the ministerial decree of 11 April 2017 on loss prevention in covered storage facilities subject to authorisation, registration and reporting under section 1510. It applies to covered storage spaces (storing more than 500 tonnes of combustible materials, products or substances) with the exception of facilities used to store categories of materials, products or substances covered by the French Council of State classification, buildings intended exclusively for storing motor vehicles and trailers and establishments open to the public.

The authorisation is granted by the Prefect and examined by staff at the DREAL (Direction Régionale de l'Environnement, de l'Aménagement et du Logement - regional environment, planning and housing agency) and is intended to protect the environment, people and property. A public survey of neighbouring and local communities is conducted in this regard by an investigating commissioner, who submits a report setting out his or her opinion on the proposed development.

The Company uses specialised companies to build its hubs. It takes particular care to select high-quality contractors with the skills and experience necessary to safeguard the environmental quality of its projects.

ARGAN's warehouses are all authorised depending on the size of the facility and the nature of the materials being stored.

Should the nature and quantity of the products stored change significantly, the DREALs could challenge prefectural authorisations issued prior to the decree of 11 April 2017; in this case, the said decree would then be applied.

ARGAN owns buildings covered by authorisations that date from prior to the decree of 11 April 2017. If necessary, however, they would fulfil the criteria of the said decree, subject to some possible adaptations in due course.

There are currently three different ICPE regimes, namely:

- A declaration regime for the storage of combustible products over 500 tonnes and a warehouse capacity of less than 50,000 m³,
- A registration regime for the storage of combustible products over 500 tonnes and a warehouse capacity of between 50,000 m³ and 300,000 m³, and

- An authorisation regime for the storage of combustible products over 500 tonnes and a warehouse capacity of more than 300,000 m³.

ARGAN takes great care to comply with this regulation, which is essential in its sector of activity. The Company works with a specialised firm of engineering consultants to compile the application in conjunction with and on behalf of the tenant, and attends preparatory meetings until the prefectural order is handed down in the tenant's name.

At 31 December 2022, the Group owns buildings with classified facilities

LOCATION	TYPE	RELEVANT SECTIONS		
		Authorisation	Registration	Declaration
Croissy Beaubourg (77) 9/11 rue Pelloutier	Warehouse	1510		2925, 1412, 1432, 2920
Croissy Beaubourg (77) 23 Allée du 1er Mai	Warehouse		1510, 2663	2925, 1530, 1131, 2920
Chaponnay (69) rue du professeur M. Dargent	Warehouse	1510, 2920		2925, 1432
Creuzier Le Neuf (03) rue des Ancises	Warehouse	1510, 1432		2925, 1530, 2910, 2920
Flévy (57) rue André Maginot	Warehouse	1510, 2663		2925, 1432
Brie-Comte-Robert (77) Route de Férolles	Fulfilment centre			2925
Tournan-en-Brie (77) "Le Closeau"	Warehouse	1510		2925
Tournan-en-Brie (77) "Le Closeau"	Warehouse			Not relevant
Gonesse (95) Zac du Parc des Tulipes Sud	Warehouse	1510		2925, 2920
Roye (80) Rue du champ Macret	Warehouse	1510, 1432		2925, 1530, 2910
Roissy-en-Brie (77) Av Joseph de Boismortier	Warehouse	1510		2925
Ferrières-en-Brie & Bussy (77) Zac du Bel Air	Warehouse	1510	2662, 2663	1311, 1530, 2910, 2925
Saint-Quentin-Fallavier (38) Zac Chesnes	Warehouse	1510, 2662, 2663, 1530		2920, 2925, 2910
Châtres (77) ZAC de Val Bréon	Warehouse	1510, 1530, 2663		2910, 2925
Le Coudray-Montceaux (91) Bâtiment A	Warehouse	1510, 1530, 2662, 2663, 1432		1412, 2910, 2925
Bonneuil-sur-Marne (94) 16 Rte de Stains	Fulfilment centre			Not relevant
Chanteloup-en-Brie (77) Zac du Chêne St Fiacre	Warehouse		1510	1131, 1432, 2663, 2925
Trappes (78) 27 rue Roger Hennequin	Warehouse	1510, 1530, 1532, 2662, 2663, 1450, 2255		1412, 1432, 2925
Wissous (91) 575-619 rue du Berger	Warehouse		1510	2925, 2910
Amblainville (60) Zac des Vallées	Warehouse	1510, 1532, 2662	1530, 2663	2925
Longueil-Sainte-Marie (60) Zac des Vallées	Warehouse	1510, 1530, 1432, 1412, 2920		1173, 2662, 2910, 2925
Fauverney (21) "Boulouze"	Warehouse	1510, 1530, 1432, 1450, 2920, 1520, 1525, 1611, 1630, 2662, 2663, 2711		1172, 1412, 2255, 2910, 2925

Trappes (78) 27 bis rue Roger Hennequin	<i>Fulfilment centre</i>			
Saint-Ouen-l'Aumône (95) 6 Av du fond de Vaux	<i>Warehouse</i>			4735, 2921, 2925
Ferrières-en-Brie (77) Zac du Bel Air	<i>Warehouse</i>	1510, 1530, 2662, 2663	2663	2714, 2925
Rouvignies (59) Parc d'activités Aérodrome Ouest	<i>Warehouse</i>	1510, 1532, 2663	1530, 2662	2910, 2925
Mitry-Mory (77) Zac de la Villette aux Aulnes	<i>Warehouse</i>	1432	1510	1412, 2925, 2920
Wissous (91) 1549-1641, rue du Berger	<i>Warehouse</i>	1510, 1532, 2662, 2663	1530, 2663	1136, 1511, 2921, 2925, 2150
Le Coudray-Montceaux (91) Bâtiment B	<i>Warehouse</i>	1510, 1530, 2662, 2663, 1432		1412, 2910, 2925
Saint-Bonnet-les-Oules (42) Zone de Lapra	<i>Warehouse</i>	1510		1200, 1414, 1530, 1532, 2255, 2925
Ville-en-Vermois (54) Zac Moussière	<i>Fulfilment centre</i>			1435
Saint-Aignan-Grandlieu (44) Zac Aéroportuaire	<i>Fulfilment centre</i>			1434
Bruguières (31) 80 Avenue de Toulouse	<i>Fulfilment centre</i>			
Bruges (33) Rue du Commandant Molliere	<i>Fulfilment centre</i>			
Trappes (78) 27 ter rue Roger Hennequin	<i>Warehouse</i>	1510, 1530, 2662	1532, 2663	4320, 4331, 2925
Saint-Ouen-l'Aumône (95) 13, rue de la Garenne	<i>Warehouse</i>	1510, 1530, 2662, 4755	2663, 1532	2925
Valenton (94) rue de la Ferme de la Tour	<i>Warehouse</i>			1510, 1511
Athis-Mons (91) 1 rue du Jacana Athis-Mons	<i>Warehouse</i>			2925
Lognes (77) 16 boulevard de Courcerin	<i>Fulfilment centre</i>			
Strasbourg (67) 10 rue minoterie Schiltigheim	<i>Warehouse</i>	1510, 1530, 1532, 2662, 2663		
Sauvian (34), ZAC Les portes de Sauvian	<i>Warehouse</i>	1510		1530, 2925, 4755
Meung-sur-Loire (45) 9 ^{ème} avenue - Synergie	<i>Warehouse</i>	1510, 1530, 1532, 2662, 2663		2925
Limeil-Brévannes (94), Avenue Jean Monnet	<i>Fulfilment centre</i>			
Guipavas (29), 370, rue Jacqueline Auriol - ZAC de Saint THUDON	<i>Fulfilment centre</i>			
Sucy-en-Brie (94), Chemin du Marais	<i>Warehouse</i>	2565		1131, 2560, 2561, 2575
Wissous (91) Chemin Croix Brisée Haut Wissous 2	<i>Warehouse</i>	1510, 1530, 1532, 2662, 2663	2663	1511, 2925, 4320, 4330, 4331, 4510, 4755
Cestas (33) Les pins de Jarry, 5 chemin St Eloi de Noyon	<i>Warehouse</i>		1510	2910, 2663, 2925
Moissy-Cramayel (77), parc d'activité Moissy Sud	<i>Warehouse</i>	1510		
Moissy-Cramayel (77), parc d'activité Moissy Sud	<i>Warehouse</i>	1432	1510, 1530, 1532, 2662, 2663	1412, 2925
Wissous (91) 1 bd Arago - ZI de Villemilan	<i>Warehouse</i>		1510	1511, 4802, 2925
Pusignan (69) Zac de Suntex	<i>Warehouse</i>	1510, 1530, 1532, 2662, 2663		2910, 2925

Fleury (91), "La Remise de la Croix Blanche"	Warehouse		1510	1413, 1511, 2795, 2925, 4735
Albon (26) "Les Picardes" ZAC AXE 7	Warehouse	1510, 1530, 1532, 2662, 2663		2925-2910
La Crèche (79) ZAC Champs Albert	Warehouse			1511, 2925, 4735
Gennevilliers (92) 19-23 Chemin des Petits Marais	Fulfilment centre			
Chanceaux (37) Zac du Cassantin	Warehouse			1511, 2925, 4735
VENDENHEIM (67)	Warehouse			1511, 2925, 4735
Billy-Berclau (62) Parc de l'industrie Artois Flandres	Fulfilment centre			
Artenay Poupry (28) ZA de Villeneuve II	Warehouse	1450, 1510, 1530, 1532, 2662, 2663		1436, 2910
Le Mans Allonnes (72) Monne	Warehouse	1510, 1530, 1532, 2662, 2663	1511, 4331	1436, 1450, 2714, 2925, 4510, 4735, 4801
Luneville (54) Ferme de la Maison de Briques	Warehouse	1510, 1530, 1532, 2662, 2663, 2920	4734	1436, 1450, 1511, 2714, 2910, 2921, 2925, 4320, 4510, 4511, 4735, 4741, 4801
Avignon Laudun (30) ZAC Antoine Lavoisier	Warehouse	4511, 4320, 4331, 1436, 1450, 1510	2662, 2663	4510, 4741, 4718, 4330, 4734, 4801, 1530, 1532, 1630, 2711, 2910, 2925
Aulnay-sous-Bois (93) Boulevard André Citroen	Warehouse	1510, 1530, 1532, 2662, 2663, 4511		1450, 2714, 2910, 2925, 4320, 4510, 4734, 4741, 4801,
Bourges (18) Le Vallon	Warehouse	1510, 1530, 1532, 2662, 2663	2663	1450, 1511, 2714, 2910, 2925, 4510, 4734, 4735, 4801,
Vendin (62) ZA du Bois Rigault	Warehouse	1510, 1530, 1532, 2662, 2663	4331	4734, 2910, 4741, 1450, 2925, 4510, 4801, 4715, 4320,
Épaux-Bézu (02) Z.I.D. de l'OMOIS	Warehouse	4001, 4510, 1450, 1510, 4755	2662, 2663, 4331	4440, 4441, 4320, 4718, 1436, 4801, 1530, 1532, 1630, 2925, 2711, 4220
Mâcon Bâgé (01)	Warehouse	1450, 1510, 1530, 1532, 2662, 2663	4734	1436, 2714, 2910, 2925, 4320, 4510, 4511, 4741, 4801,

Savigny-sur-Clairis (89) Grands Champs	Warehouse	1412, 1432, 1450, 1510, 1530, 1532, 2255, 2662, 2663,		1172, 1173, 1200, 1520, 1525, 2910, 1525
Cholet (49) ZAC du Cormier 5	Warehouse	1450, 1510, 1530, 1532, 2662, 2663, 4001, 4320, 4331, 4755	4734	1436, 2925, 4110, 4120, 4130, 4140, 4220, 4441, 4510, 4741, 4801
Crépy-en-Valois (60) 12 rue Louis Armand	Warehouse		1510, 1511	1172, 1185, 1450, 1520, 1412, 1432, 1532, 2255, 2663, 2714, 2925
Billy-Berclau (62) 337 rue de Prague	Warehouse			1511, 2925, 1532
La Courneuve (93) 51 and 53 av de Verdun and 81 rue de Maurice Berteaux	Warehouse			1511, 2925, 2714
Combs-la-Ville (77) ZAC des rives de la Francilienne, Bd Maurice Fauré	Warehouse	1510		2925
Brie-Comte-Robert (77) Les Prey Le Roy	Warehouse			1511, 2925, 4735
Plaisance-du-Touch (31) 1 rue Docteur Charcot	Warehouse		1511	4802, 2925
Labenne (40) Artiguenave	Warehouse		1510	1414, 1511, 2910, 2925, 4802
Cestas (33) Parc activité Jarry III	Warehouse			1511, 1136, 2925
Saint-Quentin-Fallavier (38) ZAC DE CHESNES NORD, 53 rue du Parc Forestier	Warehouse	1510		2925, 4802
Bain-de-Bretagne (35) 13 rue de la Seine	Warehouse			1511, 2925
Ploufragan (22) rue du Boisillon	Warehouse	1510, 2255		1434, 1530, 2925
Gondreville Fontenoy (54)	Warehouse		1510	2910-A-2, 2925-1
Metz (54) ZAC Sud Frescaty	Warehouse	1510-a		2910-A-2, 1185-2-a, 2925-2
Escrennes (45)	Warehouse		1510, 4220	1436, 1450, 2910-A-1, 2925, 4320, 4321, 4330, 4331
Ludres (54)	Warehouse	1450-1, 1510-1, 1530-1, 1532-1, 4801-1, 2662-1, 2663-1-a	1511-2, 2663-2-b	2925, 1436, 2910-A-2, 4320-2, 4331-3, 4510-2, 4511-2
Ouarville (28) Bac Serres Besnard	Greenhouses			4718-2-b
Neuville-Aux-Bois (45)	Warehouse	1510-1	2662-2, 2663-1-b, 2663-2-b	1530-3, 1532-3, 2910-A-2, 2925-1, 4715-31185-2-a
Le Plessis-Pâté (91) 8, Av. de la Tremblaie	Warehouse		1510-2	1511-3, 2925, 1450
Rognac (13) 47, Av. Lavoisier	Warehouse		1510	2925
Lens (62) 10 rue de l'Europe	Warehouse		1510	2925, 2910-A-2
Serris (94)	Warehouse		1510 – 1530 – 1532 – 2662 - 2663	2925

Saint André sur Orne (14)	Warehouse		1510-1530-1532-2662-2663	2925
Saint Jean de la Neuville (76)	Warehouse		1510-1530-1532-2662-2663	2925-2910-4720
Compans (77)	Fulfilment centre			2925
Fouchères (89), D369	Warehouse	1510	2663-1-b, 2663-2-a, 4431	1436, 2910-A-2, 2925, 4422, 480 2-3-1-b, 4320

5.4.3 Health rules

➤ Asbestos

Asbestos was long used in the construction industry for its thermal and noise insulation properties and for fire protection, but **the use of asbestos has been prohibited in France since 1 January 1997**, due to its carcinogenic effects.

The rules on the prevention of asbestos-related health risks are set out in Articles R.1334-14 to R.1334-29-9 of the French Public Health Code.

The rules require owners to look for asbestos in their buildings and to prepare and update the asbestos survey report. This report indicates the location and condition of any materials and products containing asbestos. It also specifies the removal and containment work carried out, as well as the safety instructions to follow when handling, managing and disposing of asbestos waste.

Under the French Public Health Code, when the asbestos survey report reveals the presence of asbestos, the owner must then check the condition of the sprayed insulation, lagging and false ceilings. Depending on how badly the asbestos has deteriorated, he must then carry out work to contain or remove it, to be completed within 36 months of the date of the inspection report.

The owner shall make the survey report available to the building's occupants and furnish it to any person undertaking work in the building and to various bodies on request.

However, the obligation to prepare an asbestos survey report only applies to buildings for which a building permit was issued prior to 1 July 1997. The Group's assets covered by the rules have all been investigated to establish whether asbestos is present and all the measures required in case of its discovery have been implemented.

The buildings owned by the Company do not fall within the scope of this regulation, having been constructed after 1 July 1997.

➤ Lead poisoning

Lead poisoning results from lead absorption, particularly as a result of exposure to deteriorated surface coatings containing lead paint. It may cause anaemia or irreversible damage to the nervous system.

The rules on the prevention of health risks related to lead poisoning are set out in Articles L.1334-1 to L.1334-12 and R.1334-1 to R.1334-13 of the French Public Health Code, as amended by Decree No. 2006-474 of 25 April 2006 on the fight against lead poisoning and the decision of 19 August 2011 on identifying risks of lead exposure.

In this regard, when the prefect is notified of a case of lead poisoning in a child or a risk of lead exposure for a minor, the prefect immediately opens an investigation into the affected minor's environment to determine the source of the poisoning.

As part of this investigation, the prefect may arrange for inspection of the cladding on the building or the part of the building the affected minor lives in or regularly frequents or for which a risk of lead exposure has been reported.

Should the investigation into the affected minor's environment identify the presence of a source of lead exposure that is likely to have caused the child's poisoning, with deteriorated coatings containing lead at concentrations in excess of the limits set by decree, the prefect will require the owner to carry out the necessary works, i.e. to place covering materials over the relevant surfaces and, where appropriate, to replace certain elements.

In addition, if a property constructed before 1 January 1949 is sold, a lead exposure risk report identifying coatings containing lead and, where applicable, a summary statement of the factors responsible for deterioration of the building is produced, depending on whether the building is located in an area classified as

being at risk of lead exposure.

The buildings owned by the Company do not fall within the scope of this regulation, having been constructed after 1949.

➤ **Legionellosis**

The legionella bacteria responsible for many diseases can proliferate in systems and equipment that allow water to circulate at a temperature of between 25 and 45°C. There is a substantial risk of proliferation in domestic hot water installations (e.g. showers) and air treatment appliances (e.g. air cooling towers).

No case of legionellosis has been reported in the buildings owned by ARGAN.

5.4.4 Rules on passenger lift safety.

A new regulation introduced by Decree N° 2004-964 of 9 September 2004 on lift safety, supplements the previous provisions and stipulates, in particular, that lifts are to be serviced to keep them in good working order and to ensure passenger safety, in accordance with the provisions of Articles R.125-2-1 and R.125-2-2 of the French Construction and Housing Code.

In general, the buildings owned by ARGAN do not have lifts. In the few buildings that have lifts, the tenant is responsible for their upkeep and maintenance under the terms of the lease.

5.4.5 Rules on environmental protection

➤ **Statement of Risks and Pollution**

If a property asset (residential or other) is located in an area covered by a natural, mining and technological risk prevention plan, or an area of seismic activity defined by decree, or a regulatory area of high radon potential, or on land located in a soil information sector (SIS), the vendor or lessor must inform purchasers or tenants of the existence of the risks covered by that plan or decree. The details are provided in a statement of risks and pollution (ERP – Etat des Risques et Pollutions) based on the information supplied by the prefect. The statement is attached to the lease agreement or any unilateral agreement to sell or purchase, and any contract effecting or recording the sale. Decree N° 2018-434 of 4 June 2018 specifies the arrangements for making this disclosure and the content of such statement of risks and pollution.

This disclosure relates to the properties located:

- ✓ within the risk exposure zone demarcated by an approved technological risk prevention plan;
- ✓ in an area exposed to risk circumscribed by a

- foreseeable natural risk prevention plan that has been approved or where certain provisions have been made immediately enforceable pursuant to Article L.562-2 of the French Environmental Code;
- ✓ within the zone being assessed with a view to developing a prescribed technological risk prevention plan or natural risk prevention plan;
- ✓ in any of the areas of seismic activity 2, 3, 4 or 5 listed in Article R.563-4 of the French Environmental Code;
- ✓ in an area exposed to risk circumscribed by a foreseeable mining risk prevention plan that has been approved or where certain provisions have been made immediately enforceable pursuant to Article L.562-2 of the French Environmental Code;
- ✓ in an area of level 3 radon potential as defined in Article R.1333-29 of the French Public Health Code;
- ✓ in a district included in the list of land classified as Soil Information Areas (SIS) provided for in Article L.125-6.

The statement of risks and pollution attached to the lease agreement or any unilateral agreement to sell or purchase, and any contract effecting or recording the sale must mention the risks referred to in the documents described and the evidence attached to the prefectural order and to which the building being sold or leased is exposed. The statement is supplied together with extracts from the documents and evidence used to pinpoint the building in relation to the risks incurred. The seller or lessor prepares the statement of risks and pollution using a template adopted by ministerial decree. The statement must be drawn up less than six months prior to the date of signature of the written lease agreement, the agreement to sell or the document effecting or recording the sale of the property asset.

The obligation for vendors and lessors

to provide information on risks and pollution is applicable (in different forms) since 1 June 2006. For tenants, the obligation to attach the statement of risks relates to written lease agreements “noting the new tenant’s entry into the premises”.

➤ **Environmental Appendix**

Law no. 2010-788 of 12 July 2010 establishing a national commitment for the environment and its implementing decree of 30 December 2011 (the “**Grenelle 2 Law**”) introduced the requirement, from 1 January 2012, for lease agreements (in particular commercial) on office premises or shops of more than 2,000 sq. m to include an environmental appendix; this provision has applied to all current leases since 14 July 2013 (Article L.125-9 of the French Environmental Code).

This environmental appendix incorporates the information that the Lessor and the Lessee must provide on the characteristics of the building and the leased premises. They can then adopt a joint policy to limit energy and water consumption and CO₂ emissions, improve waste recovery, encourage collective or ‘soft’ modes of transport and use more environmentally friendly construction materials.

➤ **Energy performance**

Articles L.134-1 et seq. of the French Construction and Housing Code require an energy performance assessment certificate to be drawn up. In the case of a proposed building, the project owner prepares the certificate for handover to the building’s owner, while for an existing building, it is the owner who prepares the certificate for handover at the time of sale or, if the building is for residential use, at the time of rental.

Pursuant to the Grenelle 2 Law, this assessment is mandatory when entering into a commercial lease on all or part of a building, and the certificate must be attached to the lease agreement for information purposes. When the commercial lease pertains to a proposed building, the tenant must be supplied with the assessment certificate no later than the time of receipt of the asset.

The assessment includes the amount of energy consumed or estimated and a reference scale-based classification for evaluating the building’s energy performance. It also includes recommendations for improving this performance.

The Group upholds compliance with these provisions.

➤ **Termites**

The rules on environmental protection related to termites are set out in Articles L.133-1 to L.133-6 and R.133-1 to R.133-7 of the French Construction and

Housing Code.

Responsibility for termite control lies with district or prefectural authorities. If a building is located in an area that the district council has defined as being at risk, the mayor may require the building owner to check for termites and supply a parasite assessment report.

If applicable, should the assessment identify that termites are present, the mayor could enjoin the building owner to carry out the work needed to prevent or eradicate them. In addition, when termite outbreaks are identified in one or more districts, the areas of infestation or likely short-term infestation are demarcated by a prefectural order.

In addition, the occupier of any existing or proposed building with a termite infestation must declare it at the town hall. In the absence of an occupier, the owner is responsible for making such declaration.

None of ARGAN’s buildings has any termite infestation.

5.4.6 Rules on rental

Rental of the Group’s property assets is governed by the provisions of Articles L.145-1 et seq. and R.145-3 et seq. of the French Commercial Code as amended by Law N° 2014-626 of 18 June 2014 (known as the “Pinel” Law), relating to commercial leases. In particular, the public policy provisions of this statute impose a minimum lease term of 9 years, the right for the tenant to renew, under certain conditions, and failing that, the right to compensation for eviction. They also govern rent reviews during the term of the lease and setting the rent when the lease is renewed.

ARGAN’s leases have been contracted in accordance with applicable legislation.

5.4.7 Rules pertaining to SIIC (Société d’Investissement Immobilier Cotée – listed real estate investment company) status

As of 1 July 2007, the Company opted for the SIIC tax regime (Article 208 C of the French General Tax Code), to exempt it under certain conditions from corporate tax on rental income and capital gains earned on the disposal of buildings to unrelated persons, and income from participating interests in partnerships with the same corporate purpose and the same activity or subsidiaries that are also subject to the same regime.

A change in or loss of the SIIC tax regime could have a significant adverse effect on the Company’s results. The Company is currently compliant with all the

requirements linked to developments in this regime, known as SIIC 5, and in particular with the obligations around the maximum number of shares the majority shareholder may hold.

➤ **Scope**

The SIIC regime is an optional regime for stock companies that continue to fulfil all the following criteria on an ongoing basis:

- Listing on a regulated French or foreign market under certain conditions and share capital of €15 million or more;
- The company's corporate purpose and main activity is to acquire or construct buildings for rent and/or hold direct or indirect participating interests in legal entities with the same corporate purpose, whether their activity is conducted in France or abroad;
- Since 1 January 2007, SIICs have also had to fulfil the following two criteria:
 - ✓ on the date the company opts for the SIIC regime and only on that date, at least 15% of the company must be owned by persons who each hold less than 2% of the capital and voting rights, directly or indirectly;
 - ✓ the direct or indirect holding by a shareholder or group of shareholders, whether French or foreign, acting in concert within the meaning of Article L.233-10 of the French Commercial Code, must be less than 60% of the share capital or voting rights. This condition is assessed continuously during each financial year of the scheme's application. It should be noted that this condition does not apply when the person or persons acting in concert also fall under the SIIC regime, but this exemption is not applicable to the subsidiaries of these same entities, including when they have opted for the special regime.

Companies that opted for the regime prior to 1 January 2007 have had to fulfil this last criterion since 1 January 2010.

Subsidiary companies of the SIIC that are subject to corporate tax may also opt individually for this exemption regime if (i) they are controlled, directly or indirectly, to the extent of at least 95%, by one or more SIICs or at least 95% by one or more SIICs and/or one or more SPPICAVs and (ii) their main purpose and main activity are identical to those described above.

The income of the companies referred to in Article 8 of the French General Tax Code, whose corporate purpose is identical to that of their SIIC partners or subsidiaries

that have opted for the new scheme, although they do not fall within its scope, benefit from the exemption subject to the condition of distribution. The results of transactions carried out by these partnerships (which are deemed to be carried out by the partners) are exempt with respect to their partners which have opted for the scheme, on a pro rata basis according to their rights and under the conditions provided for in Article 208 C of the French General Tax Code.

➤ **Exemption scheme**

• **Exempted income**

- ✓ Profits taken from the lease of buildings or the operation (lease or sub-lease) of buildings as holders of certain similar real rights (construction lease, emphyteutic lease, usufruct) or from the subletting of leased buildings (new agreements or agreements entered into from 1 January 2005) by the SIIC and its subsidiaries that have opted for the scheme or have been granted temporary enjoyment thereof by the government, a local authority or one of its statutory bodies, are exempt from corporate tax provided that at least 95% of the amount of the profits is distributed before the end of the financial year in which the profits were made.
- ✓ Capital gains resulting from the sale to non-related companies, within the meaning of Article 39-12 of the French General Tax Code, of buildings, certain real rights, rights associated with finance-leasing contracts relating to a building, for contracts signed or acquired with effect from 1 January 2005, securities of subsidiaries subject to corporate tax that have opted for the regime, and equity interests in the companies referred to in Article 8 of the French General Tax Code with an identical purpose to the SIIC are exempt from corporate tax, provided that at least 70% of the amount of the capital gains is distributed before the end of the second financial year after the gains are made.
- ✓ Dividends received from subsidiaries that have opted in are exempt provided that they are distributed in full during the financial year following their receipt. A SIIC receiving dividends from another SIIC, a foreign company with equivalent status or a company investing primarily in property (Société de Placement à Prépondérance Immobilière à Capital Variable, SPPICAV) may also be exempted with respect to

these dividends, provided that it redistributes them in full if it holds at least 5% of the capital and voting rights of the distributing company for a minimum period of 2 years. The share of earnings from partnerships returning to the SIIC or its subsidiaries that have opted for the regime is exempt, as a function of their respective rights, under the same conditions as above, including distribution.

- **Taxable income**

Earnings from other business activities are established and taxed in accordance with the rules of common law.

PROCEDURES FOR ALLOCATING COSTS THAT ARE SHARED BY THE EXEMPT AND TAXABLE SECTORS

The principle is that of full and exclusive allocation to any of the sectors, where possible and where the company can justify this.

If shared costs are not allocated exclusively, then as a general rule they may be allocated to the exempt sector using a ratio where the numerator is the amount of the income for the exempt sector and the denominator is the total amount of income for the company.

PROCEDURES FOR ALLOCATING FINANCIAL EXPENSES

In principle, if net financial income is positive, it is subject to tax;

Conversely, if net financial income is negative:

- The principle is that costs are allocated exclusively and in full to one of the sectors when this is possible and justified;
- Failing that, the allocation to determine the result of each sector is based on a ratio where the numerator is the gross book value of the assets contributing to the generation of the exempt or taxable income (depending on the sector in question) and the denominator is the gross book value of all the assets.

TAX REGIME FOR DIVIDENDS DISTRIBUTED TO SHAREHOLDERS PURSUANT TO THE DISTRIBUTION OBLIGATION

- ✓ Dividends distributed pursuant to the distribution obligation cannot trigger the application of the parent company regime for the company that receives them.
- ✓ Since 1 January 2018, dividends paid to natural persons domiciled for tax purposes in France have been taxed as follows:

In the year the dividend is paid:

- a non-definitive, flat-rate withholding tax at a rate of 12.8% as well as social security deductions at a rate of 17.2% (i.e. an overall rate of 30%).

In the year after the dividend is paid:

- a one-off, flat-rate withholding tax of 12.8% after deduction of the non-definitive withholding tax paid in the year of dividend payment; or

- the taxpayer may exercise an express, irrevocable and global option, meaning one that covers all revenue falling within the scope of the one-off, flat-rate withholding tax, such that the dividend may be subject to income tax in accordance with the progressive scale, with a 40% allowance applied on a limited basis to the portion of the dividend resulting from taxable activities. From the corresponding tax, the non-definitive, flat-rate withholding tax paid in the year of dividend payment is deducted (Articles 200 A, 13, and 158 of the French General Tax Code). Any surplus deduction is returned. In addition, with effect from 21 October 2011, SIIC securities and the corresponding dividends are no longer eligible for the PEA (Plan d'Epargne en Actions - Share Savings Plan), although shares already held within a PEA on that date may remain there;

- ✓ The SIIC may also owe a 20% levy on distributions out of exempt income that are paid to shareholders, other than natural persons, who hold 10% or more of its capital directly or indirectly, and who would not be subject to corporate tax or an equivalent tax (amount equivalent to two thirds or more of the corporate tax payable under the same conditions in France) on dividends paid out by the SIIC. This withholding is not due if the beneficiary of the distribution is a company subject to an obligation to fully distribute the dividends that it receives and whose shareholders owning, directly or indirectly, at least 10% of its capital are subject to corporate tax or an equivalent tax on the distributions they receive. This withholding cannot be either charged or returned and does not qualify as a deductible expense when calculating the distributing company's profit or loss. It must be paid voluntarily in the month following payment of the dividend.
- ✓ Finally, with regard to foreign shareholders, the dividends paid to them will, in principle, be subject to withholding tax in France at the rate of 25% (for distributions made in 2022 – 26.5% for distributions made in 2021) for legal entities or 12.8% for natural persons, subject to potential application of international tax treaties and regulations specific to certain non-cooperative States or territories.

Restructuring operations or transactions within the Group

- ✓ If need be, the legislation provides for a tax neutrality regime for mergers appropriate to the specific features of SIICs (Article 208 C bis of the French General Tax Code);
- ✓ After opting for the exemption scheme, assets that become eligible for this exemption scheme give rise to payment of a corporate tax at a rate of 19% over four years calculated against the associated unrealised capital gains;
- ✓ In addition, the capital gain realised by a SIIC or one of its subsidiaries on the sale of a building, real rights or rights relating to a leasing contract on a building is exempt with no requirement to make a distribution when (i) the buyer is covered by the exemption regime (SIICs, subsidiaries of SIICs, SPPICAVs, subsidiaries of SPPICAVs) and (ii) the seller and the buyer are related companies within the meaning of Article 39-12 of the French General Tax Code. However, the buyer must undertake to comply with certain conditions and commitments (comparable to those applicable in the event of a merger subject to the preferential scheme) and in particular, in the event of a sale of properties, to reintegrate over a period of fifteen years and in its exempt tax income subject to a distribution obligation up to 95% of the capital gain generated in respect of depreciable items (buildings).

Exiting the exemption regime

Penalties or supplemental taxes are applied if an SIIC exits the exemption regime.

If exit occurs within ten years of opting in, the capital gains that were subject to the exit tax at SIIC level are subject to additional taxation at the corporate tax rate under ordinary law, less the exit tax paid at the time of entry into the scheme. No such sanction is applied if one of the subsidiaries exits the regime or if an SIIC is controlled to the extent of least 95% by another SIIC and remains subject to the exemption regime.

An additional tax of 25% is also payable on the portion of unrealised capital gains earned during the exemption period after application of a reduction of one tenth per calendar year elapsed since entry into the SIIC regime. Furthermore, profits previously exempt under the SIIC regime are partially taxed under the conditions of common law. The reinstatement relates to the portion of the distributable profit within the meaning of the first paragraph of Article L232-11 of the French Commercial Code, existing at the end date of the exit

period and resulting from profits that were previously exempt under the SIIC regime.

Finally, in the event that a SIIC exits the regime permanently following a suspension period because the 60% holding threshold was exceeded (see below), it must also pay corporate tax at the reduced rate of 19% on the unrealised capital gains generated during the period of suspension from the regime.

SPECIAL PROVISIONS CONCERNING THE LIMITATION ON EQUITY INTEREST OF MAJORITY SHAREHOLDERS

- Since 1 January 2010, for companies that have opted for the SIIC regime before 2007, a majority shareholder or a group of shareholders acting in concert must hold, directly or indirectly, less than 60% of the share capital and voting rights of the SIIC, failing which, the company will be liable for corporate tax in respect of the financial year in question. Fulfilment of this condition is assessed on an ongoing basis during a financial year and does not apply if the shareholder or shareholders in question are themselves SIICs. However, the 60% condition is temporarily set aside in the event of a takeover bid/public exchange offer within the meaning of Article L.433-1 of the French Monetary and Financial Code, restructuring operations referred to in Article 210-0 A of the French General Tax Code or a conversion or redemption of bonds into shares. In these situations, if the majority shareholder comes to hold 60% or more of the capital or voting rights of the SIIC during a financial year, the 60% condition is nevertheless deemed to have been respected if the holding rate is brought below 60% by the end of the period provided for the filing of the earnings report for the financial year during which the threshold was exceeded.
- In the event of non-compliance with the condition that ownership of capital or voting rights must be kept below 60%, the exemption regime is temporarily suspended and the SIIC becomes subject to corporate tax under the conditions of common law for the financial year during which the 60% threshold was exceeded. Should a building be disposed of during the suspension period, the taxable capital gain is reduced by the cumulative amount of depreciation applied during the exemption period;
- The regime may only be suspended once in the ten years after opting for the plan or the ten years thereafter. If the situation is not rectified within the specified period or the cap is exceeded on successive occasions, the SIIC exits the regime

permanently, with the consequences being as described above (see the paragraph on Withdrawal from the exemption scheme);

- Returning to the exemption regime has a similar impact in terms of tax treatment to a discontinuation of business, although with one mitigation measure: only net unrealised capital

gains on assets eligible for the exemption regime generated during the suspension period are taxed at the rate of 19%.

6. Portfolio

6.1. Assets as at 31 December 2022

ARGAN's portfolio amounts to **3,500,000 m²**, comprising 81 logistics hubs and 13 fulfilment centres, a total of 94 buildings.

The table below shows the locations and surface areas of the assets in the portfolio and how they are held, listed in chronological order:

Building address	Holding arrangement	Land Area	NET USABLE AREA OF THE BUILDING		
			Warehouse	Office space & social area	TOTAL
Croissy Beaubourg (77) 9/11 rue Pelloutier	REFL	81,250	10,335	1,606	11,941
Croissy Beaubourg (77) 23 Allée du 1er Mai	REFL	57,183	22,378	1,116	23,494
Chaponnay (69) rue du professeur M. Dargent	FO	57,860	25,991	2,546	28,537
Creuzier Le Neuf (03) rue des Ancises	FO	90,781	25,252	1,441	26,693
Flévy (57) rue André Maginot	FO	77,984	29,848	1,294	31,142
Brie-Comte-Robert (77) Route de Férolles	FO	36,112	6,593	456	7,049
Tournan-en-Brie (77) "Le Closeau"	REFL	33,427	19,913	768	20,681
Tournan-en-Brie (77) "Le Closeau"	FO	22,500	2,211	720	2,931
Gonesse (95) Zac du Parc des Tulipes Sud	FO	49,873	19,911	2,063	21,974
Roye (80) Rue du champ Macret	FO	149,085	49,161	1,726	50,887
Roissy-en-Brie (77) Zac des Grands Champs	REFL	86,019	34,380	1,709	36,089
Ferrières & Bussy (77) Zac du Bel Air	FO	99,600	45,161	1,677	46,838
Saint-Quentin-Fallavier (38) ZAC Chesnes	REFL	90,054	40,574	2,066	42,640
Châtres (77) ZAC de Val Bréon	FO	162,937	69,332	2,837	72,169
Le Coudray-Montceaux (91) - Bâtiment A	REFL	166,351	81,367	3,640	85,007
Bonneuil-sur-Marne (94) 16 Rte de Stains	PPOA	48,991	19,776	560	20,336
Chanteloup-en-Brie (77) ZAC du Chêne St Fiacre	FO	55,309	18,479	1,925	20,404
Trappes (78) 27 rue Roger Hennequin	FO	115,325	49,834	2,384	52,218
Wissous (91) 575-619 rue du Berger	CL	49,147	21,085	1,475	22,560
Amblainville (60) Zac des Vallées	REFL	122,307	41,349	1,133	42,482
Longueil-Sainte-Marie (60) Zac Paris Oise	FO	224,566	82,779	11,397	94,176

<i>Building address</i>	<i>Holding arrangement</i>	<i>Land Area</i>	<i>NET USABLE AREA OF THE BUILDING</i>		
			<i>Warehouse</i>	<i>Office space & social area</i>	<i>TOTAL</i>
Fauverney (21) "Boulouze"	REFL	242,686	75,896	1,620	77,516
Trappes (78) 27 bis rue Roger Hennequin	FO	19,900	4,269	399	4,668
Cergy (95) Av du fond de Vaux	FO	45,246	12,883	757	13,640
Ferrières-en-Brie (77) Zac du Bel Air	REFL	84,870	30,799	1,516	32,315
Rouvignies (59) (Valenciennes)	FO	171,203	73,139	1,865	75,004
Mitry-Mory (77) Zac de la Villette aux Aulnes	REFL	41,677	12,463	3,237	15,700
Wissous (91) 1549-1641 rue du Berger	REFL/CL	57,832	26,144	2,074	28,218
Le Coudray-Montceaux (91) - Bâtiment B	REFL	152,868	74,324	3,642	77,965
Saint-Bonnet-les-Oules (42) Zone de Lapra	FO	143,751	50,109	1,669	51,778
Ville-en-Vermois (54) Zac Moussière	REFL	62,252	11,678	1,631	13,309
Saint-Aignan-Grandlieu (44) Zac Aéroport.	FO	51,366	9,187	2,453	11,640
Bruguières (31) 80 Avenue de Toulouse	FO	50,090	9,037	2,047	11,084
Bruges (33) Rue du Commandant Molliere	FO	42,169	10,486	2,602	13,087
Trappes (78) 27 ter rue Roger Hennequin	FO	66,029	24,217	1,724	25,941
Cergy (95) 13 rue de la Garenne	FO	74,482	29,121	906	30,027
Valenton (94) ZAC Val de Pompadour, rue ferme de la Tour	FO	37,447	4,423	760	5,183
Athis-Mons (91), 1 rue du Jacana	CL	32,925	10,272	680	10,952
Lognes (77), 16 Bd de Courcerin	REFL	51,879	9,238	3,826	13,064
Strasbourg (67) 10 rue la minoterie Schiltigheim	FO	33,313	17,009	528	17,536
Sauvian (34), ZAC Les portes de Sauvian	FO	156,306	53,512	2,048	55,560
Meung Sur Loire (45) 9 ^{ème} av. Parc Synergie	FO	76,072	30,578	1,156	31,734
Limeil-Brévannes (94), Avenue Jean Monnet	CL	67,249	15,878	1,476	17,354
Guipavas (29), 370, rue Jacqueline Auriol - ZAC de Saint THUDON	FO	19,863	3,571	1,069	4,640
Sucy-en-Brie (94), Chemin du Marais	FO	18,154	8,360	473	8,833

<i>Building address</i>	<i>Holding arrangement</i>	<i>Land Area</i>	<i>NET USABLE AREA OF THE BUILDING</i>		
			<i>Warehouse</i>	<i>Office space & social area</i>	<i>TOTAL</i>
Wissous (91) Zac Haut de Wissous 2	FO	115,115	48,693	3,971	52,664
Cestas (33) Zac JARY IV	FO	67,830	18,724	1,121	19,845
Moissy-Cramayel 1 (77), parc d'activité Moissy Sud	FO	42,249	23,482	2,086	25,568
Moissy-Cramayel 2 (77), parc d'activité Moissy Sud	FO	43,357	20,134	480	20,614
Wissous (91) 1 Boulevard Arago	FO	52,340	21,185	1,121	22,306
Pusignan (69)	FO	74,116	32,769	826	33,595
Fleury (91)	FO	125,673	64,542	2,716	67,258
Albon (26)	FO	81,104	30,440	859	31,299
La Crèche (79)	FO	124,738	18,903	1,640	20,543
Gennevilliers (92)	PPOA	35,065	8,227	3,560	11,787
Tours Chanceaux (37) Zac du Cassantin	FO	68,728	15,983	1,238	17,221
Strasbourg Vandenheim (67)	FO	64,069	20,013	1,251	21,264
Billy Berclau (62) Parc de l'industrie Artois Flandres	FO	30,450	6,945	438	7,383
Artenay Poupry (28) ZA de Villeneuve II	FO	341,668	126,437	4,754	131,191
Le Mans Allonnes (72) Monne	FO	273,073	76,622	4,062	80,684
Lunéville (54)	FO	169,550	58,556	5,170	63,726
Avignon Laudun (30)	FO	133,572	84,147	1,398	85,545
Aulnay-sous-Bois (93)	FO	161,827	60,667	1,727	62,394
Bourges (18)	FO	198,815	66,190	2,337	68,527
Vendin (62) ZA du Bois Rigault	FO	239,251	51,397	3,735	55,132
Épaux-Bézu (02)	FO	133,531	54,030	1,603	55,632
Mâcon Bâgé (01)	FO	177,420	57,720	1,583	59,303
Savigny-sur-Clairis (89)	FO	185,972	59,059	2,639	61,698
Cholet (49)	FO	189,720	56,310	1,198	57,508
Crépy-en-Valois (60)	FO	201,190	49,519	1,500	51,019

Building address	Holding arrangement	Land Area	NET USABLE AREA OF THE BUILDING		
			Warehouse	Office space & social area	TOTAL
Billy-Berclau (62)	FO	123,195	33,911	1,549	35,460
La Courneuve (93) 51 - 53 av Verdun 81 rue Maurice Berteaux	FO	52,613	20,794	1,310	22,104
Combs-la-Ville (77) ZAC rives Francilienne Bd Maurice Fauré	FO	57,266	23,079	3,121	26,200
Brie-Comte-Robert (77) RD 316	FO	79,196	20,365	1,000	21,365
Toulouse Plaisance-du-Touch (31)	FO	91,357	30,762	2,584	33,346
Labenne (40)	FO	123,746	33,711	1,721	35,432
Cestas (33) Parc activités Jarry III	FO	107,228	18,428	1,339	19,767
Saint-Quentin-Fallavier (38)	FO	61,408	22,699	2,265	24,963
Bain-de-Bretagne (35) 13 rue de la Seine	FO	176,823	10,670	1,321	11,991
Ploufragan (22)	FO	116,424	24,030	774	24,804
Gondreville Fontenoy (54)	FO	60,019	13,205	772	13,977
Metz (57) ZAC Sud Frescaty	FO	191,827	175,705	9,811	185,516
Esrennes (45)	FO	87,212	18,384	847	19,231
Ludres Nancy (54)	FO	86,612	41,830	1,718	43,548
Neuville Aux Bois (45)	FO	225,492	82,645	2,180	84,825
Ouarville (28) Bac Serres Besnard	CL	108,503	6,000		6,000
Le Plessis-Pâté (91) 8 Av, de la Tremblaie	FO	62,436	22,034	2,562	24,596
Rognac (13) 47, Av. Lavoisier	FO	33,222	20,588	2,241	22,829
Lens (62) 10 rue de l'Europe	FO	78,353	24,832	2,800	27,632
Serris (94)	FO	33,881	12,587	1333	13920
Fouchères (89)	FO	286,796	149,668	3184	152,852
TOTAL		9,375,411	3,311,147	186,244	3,497,391

Holding arrangement:

PPOA = Public Property Occupancy Agreement

REFL = Real Estate Finance Lease

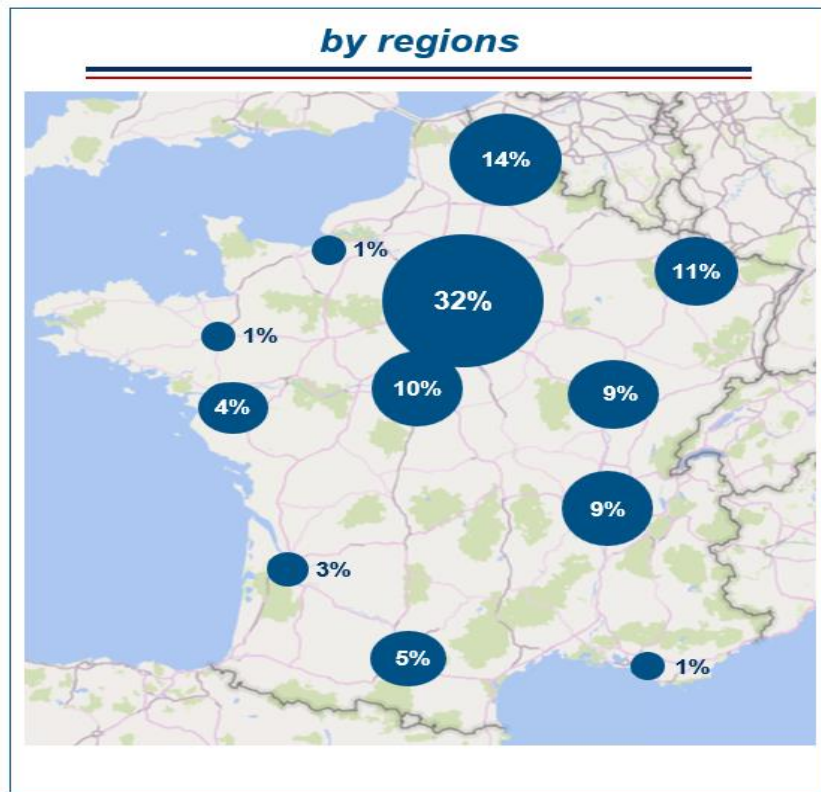
CL = Construction Lease

FO = Full Ownership

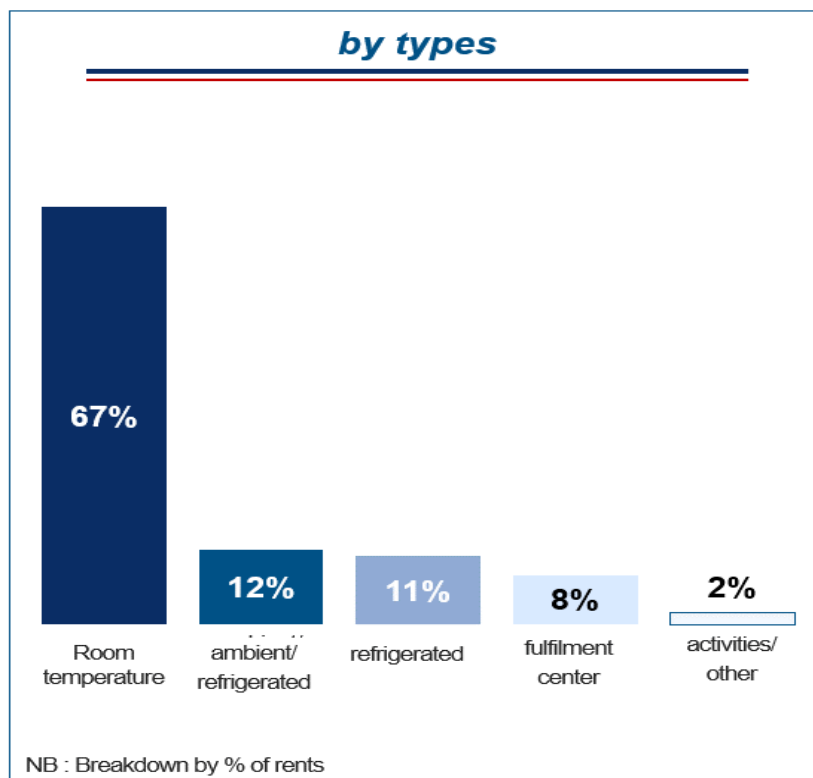
6.1.1 Structure of the portfolio

The assets in the portfolio are primarily recently built, PREMIUM logistics hubs.

- 32% of the assets in the portfolio are located in Ile de France.

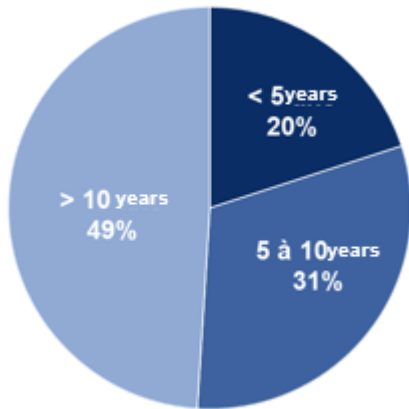


- 67% of the assets are at ambient temperatures.



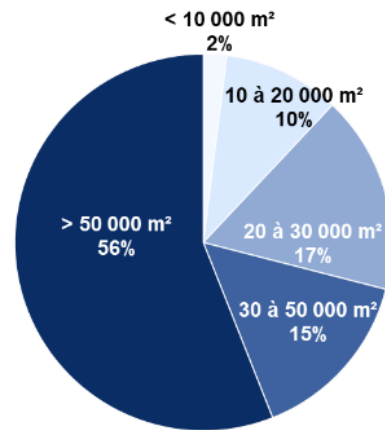
- The weighted **average age** of the assets in the portfolio is **10.4 years**.

49% of assets are less than 10 years old.



- The **average size** of a hub in the portfolio is around **37,000 m²**.

The 27 **XXL hubs** (with a surface area of more than 50,000 sq. meters) make up 56% of the portfolio's total surface area.

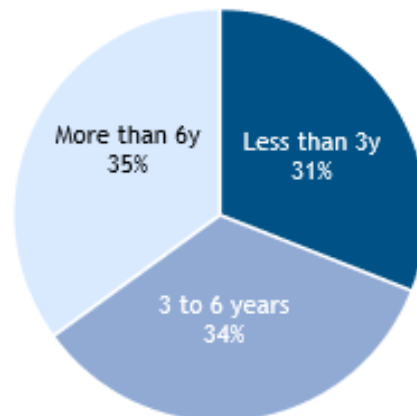


6.1.2 Tenants

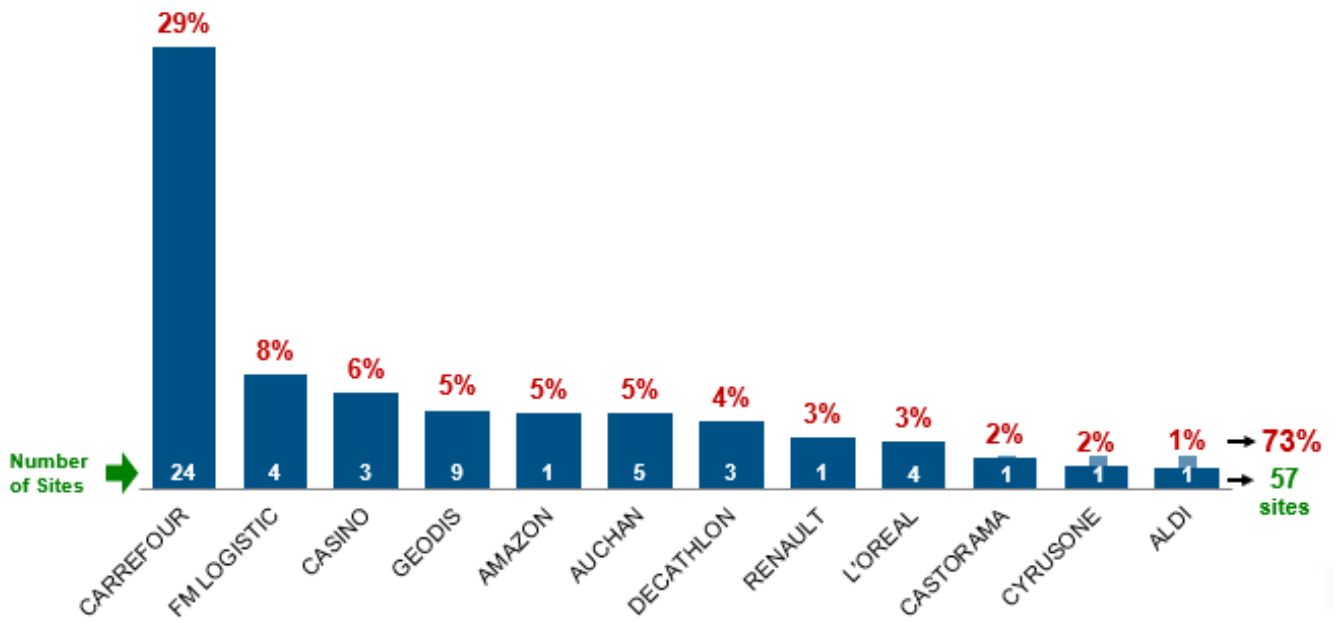
The majority of ARGAN's tenants are leading companies.

- **77%** of the portfolio is leased by **shippers**, who are manufacturers or distributors, including: Auchan, BSH électroménager, Carrefour, Casino, Castorama, Celio, Décathlon, L'Oréal, Rexel, SNCF, Sysco
- 23% of the portfolio is leased by **logistics specialists** handling logistics operations on behalf of shippers. They include: Alloga, Arvato, FM Logistic, Geodis, Movianto, GXO Logistics

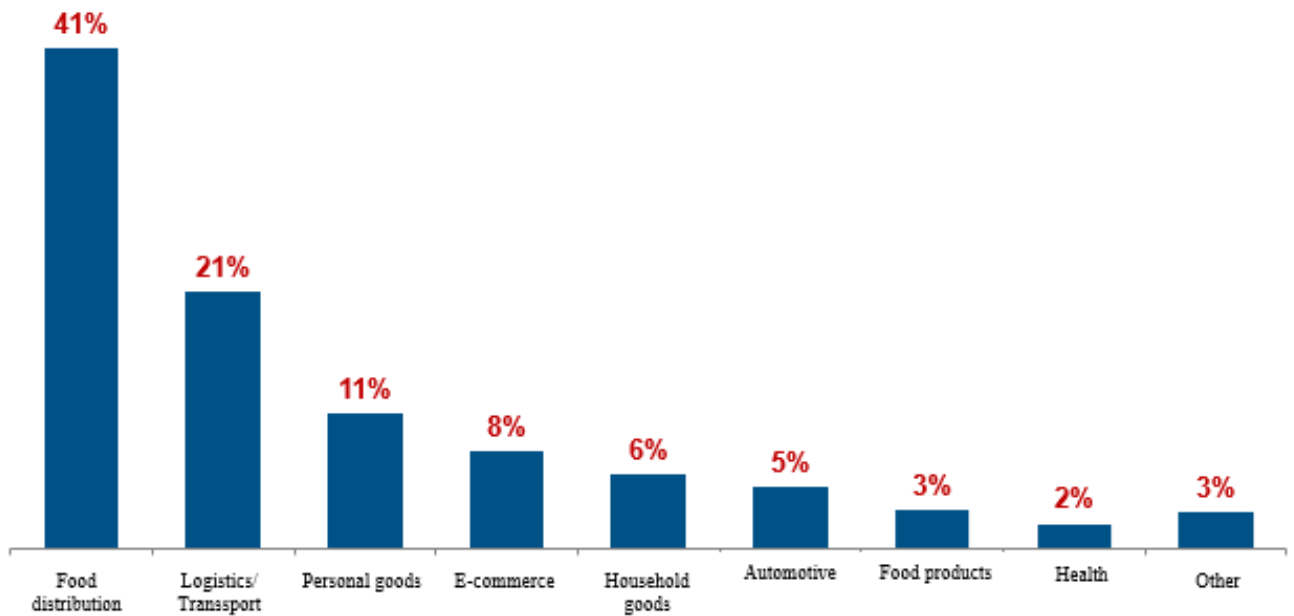
- The **occupancy rate** at the end of 2022 was **100%** for an average **remaining fixed lease term** of **5.5 years**.



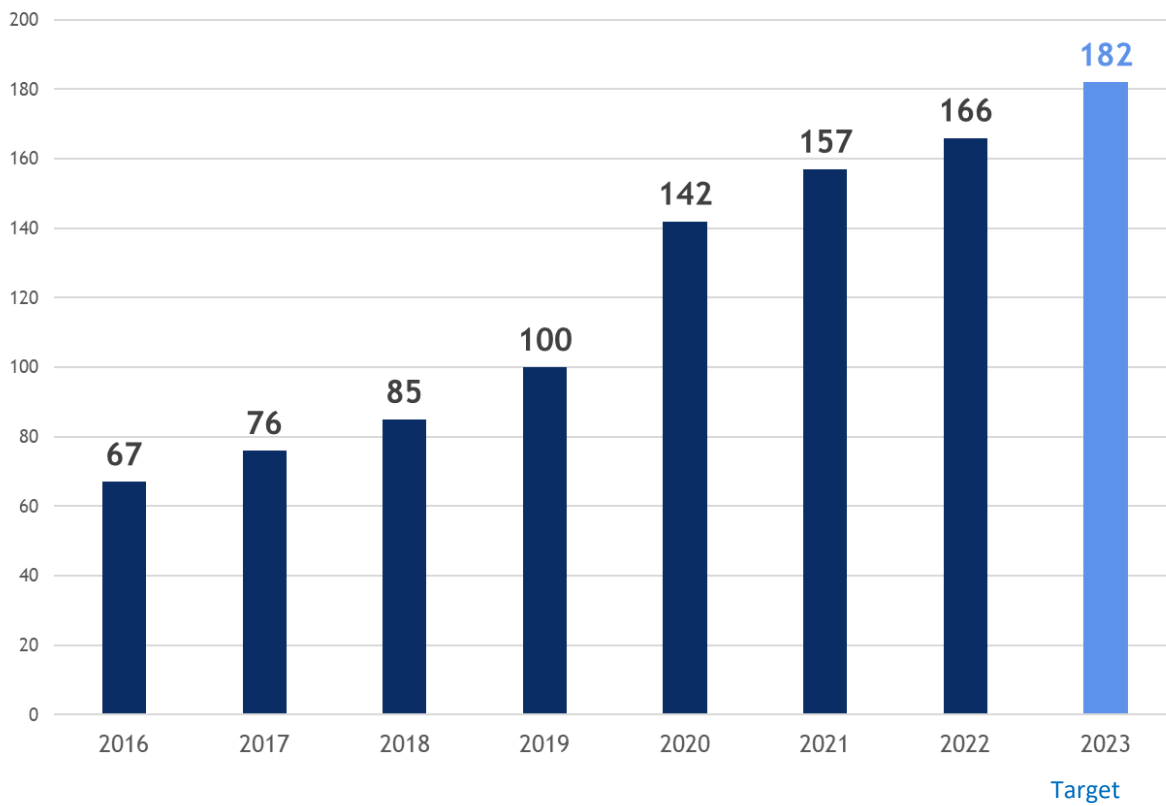
➤ 73% of annual rental income comes from ARGAN's top 12 tenants, who are spread across 57 sites.



➤ The breakdown by business sector is as follows:

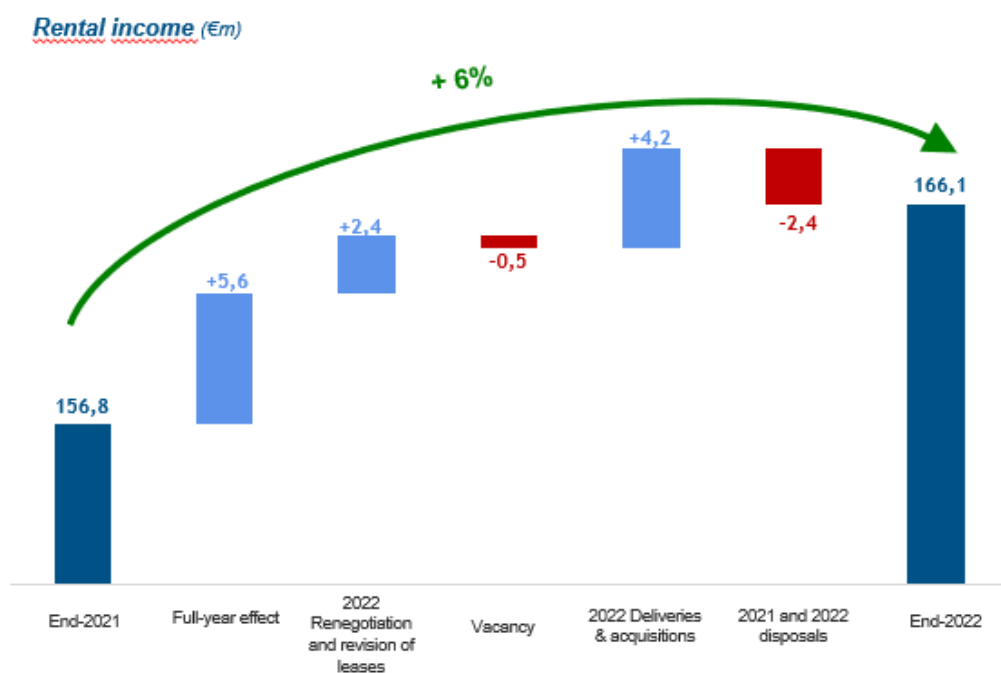


➤ The increase in rental income since 2016 is as follows (in millions of €):



ARGAN's rental income has grown steadily since its inception. Over the 2016-2023 period, the CAGR was +15%.

➤ In 2022, rental income was €166.1 million, an increase of +6% from 2021.



6.2. Chronological presentation of 94 buildings

1) Croissy-Beaubourg (Marne La Vallée, 77)



11,941 sq. m logistics hub including 1,606 sq. m of office space and social areas on a plot of 81,250 sq. m. This hub is subject to ICPE sections 1510, 2925 1412, 1432 and 2920.

2) Croissy-Beaubourg (Marne La Vallée, 77)



23,494 sq. m logistics hub including 1,116 sq. m of office space and social areas on a plot of 57,183 sq. m. This hub is subject to ICPE sections 1510, 2663, 2925, 1530, 1131 and 2920.

3) Chaponnay (South East Lyon, 69)



28,537 sq. m logistics hub including 2,546 sq. m of office space and social areas on a plot of 57,860 sq. m. This hub is subject to ICPE sections 1510, 2920, 2925 and 1432.

4) Creuzier-le-Neuf (Vichy, 03)



26,693 sq. m logistics hub including 1,441 sq. m of office space and social areas on a plot of 90,781 sq. m. This hub is subject to ICPE sections 1510, 1432, 2925, 1530, 2910 and 2920.

5) Flévy (North East Metz, 57)



31,142 sq. m logistics hub including 1,294 sq. m of office space and social areas on a plot of 77,984 sq. m. This hub is subject to ICPE sections 1510, 2663, 2925 and 1432.

6) Brie-Comte-Robert (77)



7,049 sq. m fulfilment centre including 456 sq. m of office space and social areas on a plot of 36,112 sq. m. This hub is subject to ICPE section 2925.

7) Tournan-en-Brie (77)



20,681 sq. m logistics hub including 768 sq. m of office space and social areas on a plot of 33,427 sq. m. This hub is subject to ICPE sections 1510 and 2925.

8) Tournan-en-Brie (77)



2,931 sq. m logistics hub including 720 sq. m of office space and social areas on a plot of 22,500 sq. m.

9) Gonesse (95)



21,974 sq. m logistics hub including 2,063 sq. m of office space and social areas on a plot of 49,873 sq. m. This hub is subject to ICPE sections 1510, 2925 and 2920.

10) Roye (alongside the A1 autoroute, 80)



50,887 sq. m logistics hub including 1,726 sq. m of office space and social areas on a plot of 149,085 sq. m. This hub is subject to ICPE sections 1510, 1432, 2925, 1530 and 2910.

11) Roissy-en-Brie (77)



36,089 sq. m logistics hub including 1,709 sq. m of office space and social areas on a plot of 86,019 sq. m. This hub is subject to ICPE sections 1510 and 2925.

12) Ferrières & Bussy (Marne La Vallée, 77)



46,838 sq. m logistics hub including 1,677 sq. m of office space and social areas on a plot of 99,600 sq. m. This hub is subject to ICPE sections 1510, 2662, 2663, 1311, 1530, 2910 and 2925.

13) Saint-Quentin-Fallavier
(Lyon south-eastern logistics zone, 38)



42,640 sq. m logistics hub including 2,066 sq. m of office space and social areas on a plot of 90,054 sq. m. This hub is subject to ICPE sections 1510, 2662, 2663, 1530, 2920, 2925 and 2910.

14) Châtres (alongside route nationale 4, 77)



72,169 sq. m logistics hub including 2,837 sq. m of office space and social areas on a plot of 162,937 sq. m. This hub is subject to ICPE sections 1510, 1530, 2663, 2910 and 2925.

15) Le Coudray-Montceaux Bâtiment A (southern suburbs of Paris, 91)



85,007 sq. m logistics hub including 3,640 sq. m of office space and social areas on a plot of 166,351 sq. m. This hub is subject to ICPE sections 1510, 1530, 2662, 2663, 1432, 1412, 2910 and 2925.

16) Bonneuil-sur-Marne
(Autonomous Port of Paris, 94)



20,336 sq. m logistics hub including 560 sq. m of office space and social areas on a plot of 48,991 sq. m.

17) Chanteloup-en-Brie (Marne La Vallée, 77)



20,404 sq. m logistics hub including 1,925 sq. m of office space and social areas on a plot of 55,309 sq. m. This hub is subject to ICPE sections 1510, 1131, 1432, 2663 and 2925.

18) Trappes (western suburbs of Paris, 78)



52,218 sq. m logistics hub including 2,384 sq. m of office space and social areas on a plot of 115,325 sq. m. This hub is subject to ICPE sections 1510, 1530, 1532, 2662, 2663, 1450, 2255, 1412, 1432 and 2925.

19) Wissous (Paris Orly Airport, 91)



22,560 sq. m logistics hub including 1,475 sq. m of office space and social areas on a plot of 49,147 sq. m. This hub is subject to ICPE sections 1510, 2925 and 2910.

20) Amblainville (Oise, 60)



42,482 sq. m logistics hub including 1,133 sq. m of office space and social areas on a plot of 122,307 sq. m. This hub is subject to ICPE sections 1510, 1532, 2662, 1530, 2663 and 2925.

21) Longueil-Sainte-Marie
(alongside the A1 autoroute, 60)



94,176 sq. m logistics hub including 11,397 sq. m of office space and social areas on a plot of 224,566 sq. m. This hub is subject to ICPE sections 1510, 1530, 1432, 1412, 2920, 1173, 2662, 2910 and 2925.

22) Fauverney (Dijon, 21)



77,516 sq. m logistics hub including 1,620 sq. m of office space and social areas on a plot of 242,686 sq. m. This hub is subject to ICPE sections 1510, 1530, 1432, 1450, 2920, 1520, 1525, 1611, 1630, 2662, 2663, 2711, 1172, 1412, 2255, 2910 and 2925.

23) Trappes (western suburbs of Paris, 78)



4,668 sq. m fulfilment centre including 399 sq. m of office space and social areas on a plot of 19,900 sq. m.

24) Cergy
(north-western suburbs of Paris, 95)



13,640 sq. m logistics hub including 757 sq. m of office space and social areas on a plot of 45,246 sq. m. This hub is subject to ICPE sections 2921, 2925 and 4735.

25) Ferrières-en-Brie (Marne La Vallée, 77)



32,315 sq. m logistics hub including 1,516 sq. m of office space and social areas on a plot of 84,870 sq. m. This hub is subject to ICPE sections 1510, 1530, 2662, 2663, 2714 and 2925.

26) Rouvignies (Valenciennes, 59)



75,004 sq. m logistics hub including 1,865 sq. m of office space and social areas on a plot of 171,203 sq. m. This hub is subject to ICPE sections 1510, 1532, 2663, 1530, 2662, 2910 and 2925.

27) Mitry-Mory (Seine-et-Marne, 77)



15,700 sq. m logistics hub including 3,237 sq. m of office space and social areas on a plot of 41,677 sq. m. This hub is subject to ICPE sections 1432, 1510, 1412, 2925 and 2920.

28) Wissous (Paris Orly Airport, 91)



28,218 sq. m logistics hub including 2,074 sq. m of office space and social areas on a plot of 57,832 sq. m. This hub is subject to ICPE sections 1510, 1532, 2662, 2663, 1530, 1136, 1511, 2921, 2925 and 2150.

29) Le Coudray-Montceaux Bâtiment B (southern suburbs of Paris, 91)



77,965 sq. m logistics hub including 3,642 sq. m of office space and social areas on a plot of 152,868 sq. m. This hub is subject to ICPE sections 1510, 1530, 2662, 2663, 1432, 1412, 2910 and 2925.

30) Saint-Bonnet-les-Oules (St Etienne, 42)



51,778 sq. m logistics hub including 1,669 sq. m of office space and social areas on a plot of 143,751 sq. m. This hub is subject to ICPE sections 1510, 1200, 1414, 1530, 1532, 2255 and 2925.

31) Ville-en-Vermois (Nancy, 54)



13,309 sq. m fulfilment centre including 1,631 sq. m of office space and social areas on a plot of 62,252 sq. m. This hub is subject to ICPE section 1435.

32) ST AIGNAN DE GRAND LIEU (Nantes, 44)



11,640 sq. m fulfilment centre including 2,453 sq. m of office space and social areas on a plot of 51,366 sq. m. This hub is subject to ICPE section 1434.

33) Bruguères (Toulouse, 31)



11,084 sq. m fulfilment centre including 2,047 sq. m of office space and social areas on a plot of 50,090 sq. m.

34) Bruges (Bordeaux, 33)



13,087 sq. m fulfilment centre including 2,602 sq. m of office space and social areas on a plot of 42,169 sq. m.

35) Trappes (western suburbs of Paris, 78)



25,941 sq. m logistics hub including 1,724 sq. m of office space and social areas on a plot of 66,029 sq. m.
This hub is subject to ICPE sections 1510, 1530, 1532, 2662, 2663, 2925, 4320 and 4331.

36) Cergy (north-western suburbs of Paris, 95)



30,027 sq. m logistics hub including 906 sq. m of office space and social areas on a plot of 74,482 sq. m.
This hub is subject to ICPE sections 1510, 1530, 1532, 2662, 2663, 2925 and 4755.

37) Valenton (southern suburbs of Paris, 94)



5,183 sq. m logistics hub including 760 sq. m of office space and social areas on a plot of 37,447 sq. m.
This hub is subject to ICPE sections 1510 and 1511.

38) Athis Mons (northern suburbs of Paris, 91)



10,952 sq. m logistics hub including 680 sq. m of office space and social areas on a plot of 32,925 sq. m.
This hub is subject to ICPE section 2925.

39) Lognes (eastern suburbs of Paris, 77)



13,064 sq. m fulfilment centre including 3,826 sq. m of office space and social areas on a plot of 51,879 sq. m.

40) Strasbourg (67)



17,536 sq. m logistics hub including 528 sq. m of office space and social areas on a plot of 33,313 sq. m.
This hub is subject to ICPE sections 1510, 1530, 1532, 2662 and 2663.

41) Sauvian (Béziers, 34)



55,560 sq. m logistics hub including 2,048 sq. m of office space and social areas on a plot of 156,306 sq. m. This hub is subject to ICPE sections 1510, 1530, 2925 and 4755.

42) Meung-sur-Loire (Orléans, 45)



31,734 sq. m logistics hub including 1,156 sq. m of office space and social areas on a plot of 76,072 sq. m. This hub is subject to ICPE sections 1510, 1530, 2662, 2663 and 2925.

43) Limeil-Brévannes (southern suburbs of Paris, 94)



17,354 sq. m fulfilment centre including 1,476 sq. m of office space and social areas on a plot of 67,249 sq. m.

44) Guipavas (Brest, 29)



4,640 sq. m fulfilment centre including 1,069 sq.m of office space and social areas on a plot of 19,863 sq. m.

45) Sucy-en-Brie (southern suburbs of Paris, 94)



Logistics hub – 8,833 sq. m workshop including 473 sq. m of office space and social areas on a plot of 18,154 sq. m.

This hub is subject to ICPE sections 1131, 2560, 2561 and 2575.

46) Wissous (Paris Orly Airport, 91)



52,664 sq. m logistics hub including 3,971 sq. m of office space and social areas on a plot of 115,115 sq. m.

This hub is subject to ICPE sections 1510, 1530, 1532, 2662 and 2663.

47) Cestas (Bordeaux 33)



19,845 sq. m logistics hub including 1,121 sq. m of office space and social areas on a plot of 67,830 sq. m.

This hub is subject to ICPE section 1510.

48) Moissy-Cramayel 1 (southern suburbs of Paris, 77)



25,568 sq. m logistics hub including 2,086 sq. m of office space and social areas on a plot of 42,249 sq. m.

This hub is subject to ICPE section 1510.

49) Moissy-Cramayel 2 (southern suburbs of Paris, 77)



20,614 sq. m logistics hub including 480 sq. m of office space and social areas on a plot of 43,357 sq. m.
This hub is subject to ICPE sections 1432, 1510, 1530, 1532, 2662, 2663, 1412 and 2925.

50) Wissous (Paris Orly Airport, 91)



22,306 sq. m logistics hub undergoing refurbishment, including 1,121 sq. m of office space and social areas on a plot of 52,340 sq. m.
This hub is subject to ICPE sections 1510, 1511, 4802 and 2925.

51) Pusignan (Lyon, 69)



33,595 sq. m logistics hub including 826 sq. m of office space and social areas on a plot of 74,116 sq. m.

This hub is subject to ICPE sections 1510, 1530, 1532, 2662, 2663, 2910 and 2925.

52) Fleury-Mérogis (southern suburbs Paris, 91)



67,258 sq. m logistics hub including 2,716 sq. m of office space and social areas on a plot of 125,673 sq. m.
This hub is subject to ICPE sections 1510, 1413, 1511, 2795, 2925 and 4735.

53) Albon (south of Lyon, 26)



31,299 m² logistics hub including 859 m² of office space and social areas on a plot of 81,104 m².
This hub is subject to ICPE sections 1510, 1530, 1532, 2662, 2663, 2925 and 2910.

54) La Crèche (Niort, 79)



20,543 sq. m logistics hub including 1,640 sq. m of office space and social areas on a plot of 124,738 sq. m.
This hub is subject to ICPE sections 1511, 2925 and 4735.

55) Gennevilliers (Autonomous Port of Paris, 92)



11,787 sq. m fulfilment centre including 3,560 sq. m of office space and social areas on a plot of 35,065 sq. m.

56) Chanceaux (Tours, 37)



17,221 sq. m logistics hub including 1,238 sq. m of office space and social areas on a plot of 68,728 sq. m.
This hub is subject to ICPE sections 1511, 2925 and 4735

57) Vendenheim (Strasbourg, 67)



21,264 sq. m logistics hub including 1,251 sq. m of office space and social areas on a plot of 64,069 sq. m.
This hub is subject to ICPE sections 1511, 2925 and 4735

58) Billy-Berclau (Lens, 62)



7,383 sq. m fulfilment centre including 438 sq. m of office space and social areas on a plot of 30,450 sq. m

59) CARGO portfolio (22 warehouses in France)



Portfolio of 1,087,467 sq. m comprising 22 PREMIUM logistics hubs leased to Carrefour Group, including 48,139 sq. m of office space and social areas on a plot of 3,394,845 sq. m.

These hubs are subject to ICPE sections 1136, 1172, 1173, 1185, 1200, 1412, 1414, 1432, 1434, 1436, 1450, 1510, 1511, 1520, 1525, 1530, 1532, 1630, 2255, 2662, 2663, 2711, 2714, 2910, 2920, 2921, 2925, 4001, 4110, 4120, 4130, 4140, 4220, 4320, 4330, 4331, 4440, 4441, 4510, 4511, 4715, 4718, 4734, 4735, 4741, 4755, 4801, 4802.

81) Ludres (Nancy, 54)



43,548 sq. m logistics hub including 1,718 sq. m of office space and social areas on a plot of 86,612 sq. m.
This hub is subject to ICPE sections 1450, 1510, 1511, 1530, 1532, 2662, 2663-1-b, 2663-2-b, 4801.

82) Gondreville Fontenoy (54)



13,977 sq. m logistics hub including 772 sq. m of office space and social areas on a plot of 60,019 sq. m. This hub is subject to ICPE sections 1510, 2910-A-2, 2925-1.

83) Metz (57)



185,516 sq. m logistics hub including 9,811 sq. m of office space and social areas on a plot of 191,827 sq. m. This hub is subject to ICPE sections 1510-a, 2910-A-2, 1185-2-a and 2925-2.

84) Escrennes (45)



19,231 sq. m logistics hub including 847 sq. m of office space and social areas on a plot of 87,212 sq. m. This hub is subject to ICPE sections 1510, 4220, 1436, 1450, 2910-A-1, 2925, 4320, 4321, 4330 and 4331.

85) Neuville-Aux-Bois (Orléans, 45)



84,825 sq. m logistics hub including 2,180 sq. m of office space and social areas on a plot of 225,492 sq. m. This hub is subject to ICPE sections 1510, 2662, 2663-1-b, 2663-2-b.

86) Ouarville (28)



Greenhouses representing the equivalent of 6,000 sq. m of logistics warehouses on a plot of 108,503 sq. m.

This building is subject to ICPE section 4718-2-b.

87) ASSETS HELD VIA CARGAN-LOG (acquisition of 3 warehouses from Carrefour)



3 PREMIUM logistics platforms acquired from Carrefour Group and located in Plessis-Pâté (91), Rognac (13) and Lens (62) with 75,057 sq. m including 7,603 sq. m of offices and social premises on a land base of 174,011 sq. m.

These hubs are subject to ICPE sections 1510, 1510-2, 1511-3, 2925, 1450, 2925, 2910-A-2.

90) Serris (77)



13,920 sq. m logistics hub (2 tenants) including 1,333 sq. m of office space and social areas on a plot of 33,881 sq. m.

This hub is subject to ICPE sections 1510, 1530, 1532, 2662, 2663 and 2925.

91) Saint André sur Orne (14)



18,023 sq. m logistics hub including 457 sq. m of office space and social areas on a plot of 42,595 sq. m. This hub is subject to ICPE sections 1510, 1530, 1532, 2662, 2663 and 2925.

92) Saint Jean de la Neuville



13,880 m² logistics hub including 1556 m² of office space and social areas on a plot of 52,092 m². This hub is subject to ICPE sections 1510, 1530, 1532, 2662, 2663, 2910, 2925 and 4720.

93) Compans (77)



15,265 sq. m logistics hub including 800 sq. m of office space and social areas on a plot of 49,105 sq. m. This hub is subject to ICPE section 2925.

94) Fouchères (89)



152,852 m² logistics hub including 3184 m² of office space and social areas on a plot of 286,796 m². This hub is subject to ICPE sections 1510, 2663-1-b, 2663-2-a, 4431, 1436, 2910-A-2, 2925, 4422, 4802-3-1-b, 4320.

6.3. Appraisals

Extract from the Appraisal Report as at 31 December 2022 prepared by CBRE Valuation – 131 avenue de Wagram, 75017 PARIS

6.3.1 Background

ARGAN SA asked CBRE Valuation to assess the fair value as at 31 December 2022 of 91 property units used for warehousing located in the Paris region and the French provinces, considering the current level of occupancy, as well as 3 property units held by its subsidiary, Cargan-Log.

The task was led by **Anne Digard, FRICS**, Chair of CBRE VALUATION, and involved a team of 9 property experts Paris, Lyon, Bordeaux, Toulouse, Marseille, Lille and Nantes offices:

Marion Baco, Head of REV-IFEI
Mathieu Mendiondou, Property Appraiser
Jeremy Fouillouxcoupat, Analyst
Thibault Liquette, Property Appraiser
Déborah Cammisar, Property Appraiser
Esther Delaunay, Property Appraiser
Camille Klinklin, Property Appraiser
Aurélie Godin, Analyst
Antoine Robert, Property Appraiser
Victor Hoffman-Gleman, Property Appraiser

The task was confirmed by an amendment to the agreement dated 25 October 2022.

➤ Appraisal/Updating visit

91 properties were subject to either:

- updating without a visit (78 updates to property units)
- appraisals with visits (12 sites),
- 3 file-based reviews: Property 238 - Janneyrias - BUT

➤ Basis for work

We were provided with the following information for each of the property units:

- A statement of the surface areas
- A statement of the terms of leases
- The rental situation as at 31 December 2022
- The tax regime applicable at the date of valuation in the event of resale
- Copies of any new leases, amendments and specific information on leases or renewals for certain assets.

➤ Observations - Reservations

- Our starting point for surface areas was the surface area data supplied by our client.
- As agreed with our client, we were not provided with the authorisations for Classified Facilities for Environmental Protection (ICPE). We take the default position that the information provided by Argan is accurate, that ICPE Authorisations are consistent with the current rules on Classified Facilities for the Environment and that the buildings' status in respect of this regulation has no impact on the values determined in this report.
- Should any differences in surface areas be identified as a result of a survey by a surveyor, our calculations and results would need to be amended accordingly.
- With regard to the use of the premises in accordance with the applicable regulations, we have appraised the surface areas based on the information about use that our client supplied.

When factoring the regime applicable in case of a transfer into our calculations, we use a fixed amount determined according to the regime to which the appraised property would be subject. As a result, the rate for acquisition expenses on a transaction subject to transfer taxes, is set at 6.90%.

Special cases: Ile de France

Pursuant to Article 50 of the Amending Finance Law adopted on 29 December 2015, with effect from 1 January 2016 an additional tax of 0.6% is collected for the Ile de France region, on top of the registration charges for transfers for consideration of premises for office or business use or for storage. We use a fixed rate of 7.50% for transfer taxes for these three categories of property. For other types of property, we use a fixed rate of 6.90%. For mixed-use buildings including housing and offices/business premises, we also use a fixed rate of 6.90% unless the tax authorities adopt a different position and specify the formula to be applied for deducting transfer taxes.

In the event of a transaction subject to VAT, the reform of 11 March 2010 amending the conditions for liability to the VAT regime, makes its application in respect of sales of property assets dependent on commitments made or options taken by the parties. Any options and commitments are only known once the transaction has been completed. As a result, without accurate knowledge of all these parameters, we carried out this appraisal on the conventional basis of the most likely scenario, making certain implicit assumptions. CBRE Valuation cannot be held liable in the event that the tax conditions applied are different from those used in this appraisal.

In general, land charges are eligible for legal costs at a rate of 1.80%, based on a greenfield site for a proposed construction project.

- If the information provided were shown to be incorrect or if we were provided with additional information at a later date, the accuracy of this valuation would be affected as a result and, in such circumstances, we reserve the right to amend our report accordingly.

➤ Report format

In accordance with our client's instructions, we have prepared a summary 8 to 10 pages long for each building, containing the address, a photo of the building and a site plan (for buildings we visited), a brief description, the rental and legal situation and the valuation of the assets.

For newly acquired assets, we have prepared comprehensive reports including the address, photos of the building, site plans, aerial views, descriptions of the location and the asset, the rental and legal situation, information on town planning and the environment and the valuation of the assets.

6.3.2 Methodology

➤ Principles

Our property appraisals conform to the following standards:

- The current Charter of Property Valuation
- The current COB (Commission des Opérations de Bourse – Securities and Stock Exchange Commission) report of 3 February 2000 (the Barthès de Ruyter Report)
- The current European Valuation Standards from The European Group of Valuers' Associations (TEGoVA)
- The current valuation standards of the Royal Institution of Chartered Surveyors (RICS).

Regular external audits of compliance with confidentiality and ethics rules are conducted. The information disclosed to *CBRE VALUATION* MAY not be used for purposes other than valuation of the buildings (unless otherwise expressly instructed or authorised by

➤ Discounted net financial flows including income and expenses:

- Income: guaranteed minimum rents, with indexation,

the client). For the purpose of this assignment, CBRE Valuation has signed the CONFIDENTIALITY AGREEMENT drawn up by ARGAN SA.

Our appraisals are carried out by qualified experts in accordance with the criteria set out in these documents.

Each property is considered as an investment and is appraised on the basis of "Open Market Value", i.e. the best price that might reasonably be expected for the sale of a property without regard to financing considerations on the valuation date. It assumes:

- a willing vendor;
- that a reasonable period has elapsed prior to the valuation date (review of the nature of the property and the state of the market) for letting the property and reaching an agreement on the price, terms and completion of the sale;
- that the state of the market, values, and other circumstances were the same as on the valuation date, no matter when the contracts are assumed to have been exchanged prior to that date;
- that any higher bid by a potential buyer with a special interest has been disregarded; and
- that both parties to the transaction have acted with full knowledge of the facts, while exercising caution and without constraint.

➤ Methods

We will use the discounted cash flow method to determine the fair value of the assets of the ARGAN Group based on the assumptions used for this assignment:

Discounted Cash Flow method: We believe this method to be the most appropriate for the portfolio, given the change in rental conditions and particularly the reduction in fixed periods for most assets (10-year cash flow).

This method has proven to be the most appropriate for complex development of cash flows, particularly since leases are signed per asset.

It consists of discounting the expected net financial flows, including resale, over a given period (10 years). In the Discounted Cash Flows method, the Current Value is calculated using the following elements:

- Charges (if any): non-billable expenses, management and letting fees, doubtful rents, letting expenses, budgets for major repair works (non-refundable amounts), maintenance costs, etc. Note that for the majority of leases, all costs

and works are charged to the lessee, including costs under Article 606 of the French Civil Code.

- The resale price at the end of the period: Net cash flow for year 11 capitalised and collected at the end of year 10.
- A discount rate: this rate is used to calculate the present value of future net cash flows.

There are two ways to approach this discount rate:

- using the risk-free asset rate (10-year OAT), to which we add a liquidity premium and a risk premium associated with the building;
- by comparison with the discount rates applied to flows generated by assets of the same type.

The discount rate for our review was calculated by overlapping these two approaches. Cash flows develop according to contractual indices and the market change indices used, so largely according to these parameters (excluding assets with a pre-determined indexation):

Change (Warehouse class)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Annual average over 10 years
-Tertiary activities rent index rents	5.2%	3.5%	2.5%	2.3%	2%	2%	2%	2%	2%	2%	2.55%
-Rental value Constrained area	1.50%	1.60%	1.70%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.74%
-Rental value Unconstrained area and activities	0.00%	0.00%	1.00%	1.25%	1.50%	1.70%	1.70%	1.70%	1.70%	1.70%	1.23%

All Cash Flows are then discounted over 10 years, bearing in mind that year 11 includes the receipt of rents as well as the net resale price of the property.

An exception to this rule is the DCF used for assets on construction leases. In this case, the discount period is modelled on the remaining period of the construction lease.

For cross-checking purposes, we also applied the income capitalisation method:

Income Methods: these methods consist of applying a rate of return to an income (to capitalize it), whether this income is recognised or existing income or theoretical or potential income (market rent or market rental value).

The methods can be applied in different ways depending on the basis of the types of income considered (actual rent, market rent, net income), for which there are separate rates of return. To determine the rental value, we make a comparison with the market rents that may be obtained for property assets in a given region, under standard lease terms and conditions.

The concept of market rental value implies that at the time the lease is signed, no capital sum is paid to either

the previous tenant (right to the lease) or the owner (key money, initial lease payment).

➤ **Definition of “Fair Value” (IFRS 13)**

Since 1 January 2013, it has been appropriate to consider “Fair Value” based on a new definition under IFRS 13 (Fair Value Measurement), whereby it is “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.”

The standard establishes a hierarchy of the inputs used to measure fair value.

For assets within the scope of our assessment, we will categorise the inputs to our valuation as follows:

Key inputs	Level
<u>Warehouses: 5 relevant items of data</u>	
-Rate of return	3
-DCF discount rate	3
-Terminal value of the DCF	3
-MRV (market rental value)	3
-Rent accrued	2

Highest and best use: We have not identified any alternative use for the assets that make up the portfolio covered by our assessment which, if redeveloped, would produce a fair value greater than we have calculated for its current use.

6.3.3 Conclusion

Based on our assessment, we arrived at fair values for the ARGAN portfolio as at **31 December 2022** of:

<p>€3,976,110,000 excl. tax/excl. VAT and excl. agency fees (*)</p> <p>or</p> <p>€4,199,000,000 excl. VAT/DI and FAI</p>
--

Registration costs and fees: ordinary law regime
VAT regime:

6.20%, 6.90% or 7.50% depending on the region
1.80%

Reserves: Warning clause: We draw your attention to the fact that global inflation, rising interest rates and geopolitical events in Ukraine have increased the short- and medium-term volatility of the real estate markets. Past experience has shown that the behaviour of users and investors can change rapidly during such periods of

heightened volatility. It should also be noted that the findings set out in this report are only valid at the date of the appraisal. We recommend that this appraisal be reviewed periodically to take account of potential market developments caused by topical events.

Marion Baco- REV-IFEI, Logistics Manager

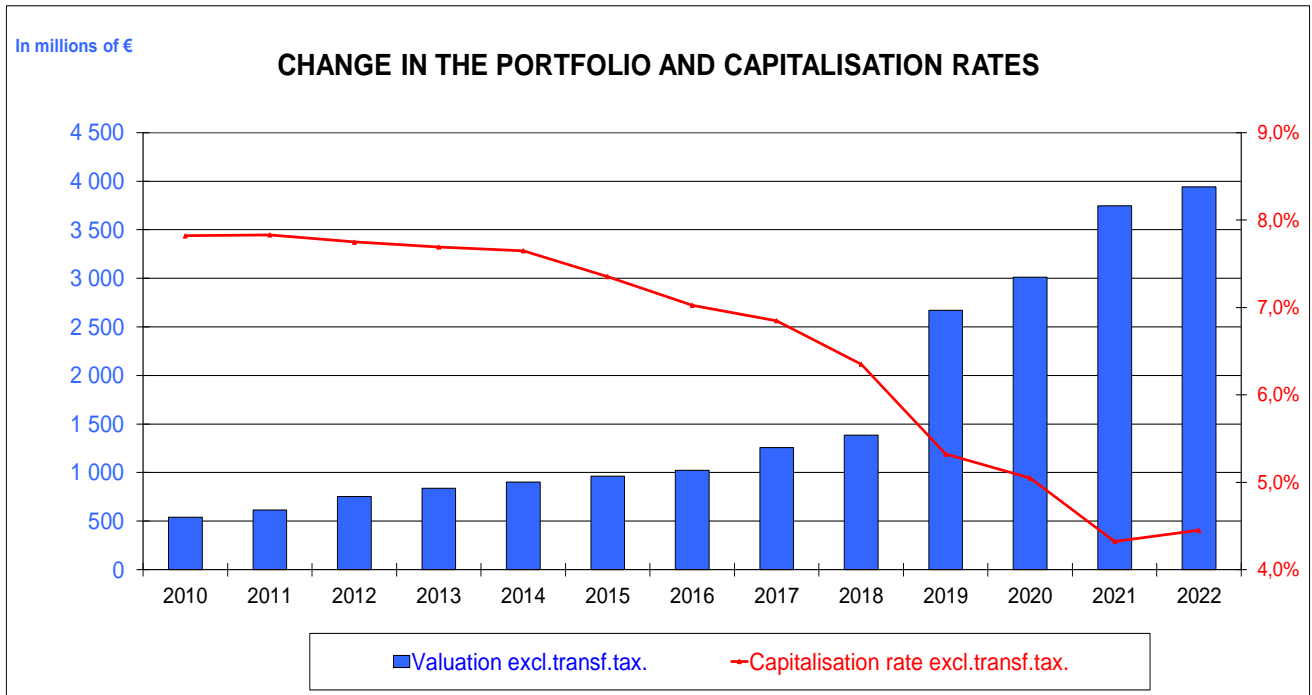
Mathieu Mendiondou, Property Appraiser

Drawn up on 31 December 2022

(*): Valuation including a building under construction (But - Janneyrias)

6.3.4 Summary of results

The appraisal by CBRE shows a value of €3,929 million excluding transfer duties for the built portfolio at the end of December 2022, i.e. a capitalisation rate of 4.45% excluding transfer duties. Valuation to which the sale value of the Bonneuil property (under an agreement to sell) must be added.



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Valuation excl.transf.tax.	539,3	614,9	753,5	839,5	902,4	961,5	1 022,5	1 255,9	1 385,6	2 670,5	3 011,9	3 745,5	3 942,3
Change year on year Y / Y-1	45%	14%	23%	11%	7%	7%	6%	23%	10%	93%	13%	24%	5%
Capitalisation rate excl.transf.	7,8%	7,8%	7,75%	7,7%	7,65%	7,35%	7,0%	6,85%	6,35%	5,3%	5,05%	4,3%	4,45%
Valuation incl.transf.tax.	559,4	638,4	782,4	871,2	942,7	1 007,6	1 070,9	1 324,2	1 465,1	2 788,6	3 151,2	3 933,8	4 165,0
Rate of return incl.transf.tax.	7,5%	7,5%	7,5%	7,4%	7,3%	7,0%	6,7%	6,5%	6,0%	5,1%	4,8%	4,1%	4,2%

Over the 2010-2022 period, we have seen a steady decline in capitalisation rates (excluding transfer duties) to 4.30% at the end of 2021. With the change in the economic cycle seen in 2022, capitalisation rates, which were at 4.45% at the end of 2022, have started to rise.

The valuation of assets increased by 5.5% from €3,745 million excluding duties at the end of 2021 to €3,942 million excluding duties at 31 December 2022.

7. Information on the “Grenelle 2” Law

Pursuant to the provisions of Articles L.225-102-1 (as amended by Law n° 2018-938 of 30 October 2018) and L.22-10-36 of the French Commercial Code

What follows is the information stipulated in Article R.225-105 of the French Commercial Code which the Company believes to be valuable in considering the social and environmental consequences of its activity as well as its corporate commitments to sustainable development, the fight against discrimination and the promotion of diversity.

The Company’s main business is developing warehouses that will be leased to future operators. While environmental impacts related to the construction phase can be controlled, the impacts associated with the operation of logistics warehouses remain the sole responsibility of tenants, although the Company strives to build warehouses that provide the best possible energy performance. As a result, we focus specifically on presenting the steps that are taken during the design and construction phases of our warehouses.

This social, environmental and corporate information for 2022, both quantitative and qualitative, is provided for the entire consolidated Group.

7.1. Corporate information:

As at 31 December 2022, the workforce was a total of 29 employees (29 permanent contracts), including 26 executives (4 women and 22 men) and 3 non-executives (1 woman and 2 men), all based at the head office in Neuilly-sur-Seine (92). The employees’ average age is 44. As at 31 December 2021, the workforce was a total of 27 employees (27 permanent contracts).

Twenty-six (28) of these employees work full-time and their employment contracts are governed by the national real estate collective bargaining agreement. There are no company agreements in force within the Company. Similarly, the Company has no staff representative body, has not set up a health and safety committee, and has not adopted any specific measures for the recruitment of disabled workers or a social welfare budget, given an overall workforce that is smaller than provided for by the regulations.

Four members of staff joined the Company on permanent contracts during financial year 2022 and there were two departures. The Company had no issues of staff absenteeism and there were no workplace accidents.

The Company has adopted staff incentive arrangements based on individual and collective performance. In this vein, there is a new profit-sharing agreement, which was signed on 7 June 2021 and applies for financial years 2021, 2022 and 2023 for all employees, as well as a free share allocation scheme for financial years 2022, 2023 and 2024 for all employees. Finally, a collective bonus scheme has been introduced for all employees. The scheme was set up within the Company for the 2022 financial year and depends on rental return and the amount of rent generated by new development leases signed in 2022.

The Company is governed by French law and operates exclusively in France. Naturally, it complies with all the fundamental conventions of the International Labour Organization (ILO) that apply to it.

Finally, training is provided as necessary at the initiative of the Company or employees to keep up to date with the knowledge and techniques used in the Company’s line of business.

7.2. Environmental information:

The Company ensures that when making an acquisition, undertaking development work and for its buildings in operation, it upholds the following:

- compliance with the regulations governing town planning and construction,
- compliance with the regulatory framework for construction sites and renovation sites,
- where applicable, the site’s compliance with the HQE (high environmental quality) standard,
- obtaining all inspection reports from external supervisory bodies.

The Company remains particularly alert to compliance with all rules and regulations (on asbestos, classified facilities, etc.) in the management and operation of its property assets, both in terms of its own obligations and in respect of those of its tenants. Accordingly, the Company places great emphasis on compliance with:

7.2.1 ICPE (Classified Facilities for Environmental Protection) regulation

All the Company’s logistics hubs are authorised according to the ICPE regulation in respect of loss prevention in warehouses, where this is warranted by the size of this facility and the nature of the materials that are stored there. The Company takes a careful approach to

compliance with this regulation, which is of paramount importance in its business sector. The Company works with a specialised firm of engineering consultants to compile the application, in conjunction with and on behalf of the tenant, and attends preparatory meetings until the prefectural order is handed down in the tenant's name.

Employees involved in compliance with the ICPE regulation are given training to update their knowledge as needed.

7.2.2 Rules on health

Under the regulations governing the prevention of asbestos-related health risks, the Company arranged assessments of its buildings constructed before July 1, 1997, none of which revealed any trace of asbestos.

Similarly, no cases of legionellosis have been reported in the buildings that the Company owns.

7.2.3 Environmental information

➤ Sustainable development policy and environmental approach developed by ARGAN

The Company is particularly concerned with sustainable development and is compliant with the legal standards. Accordingly, it promotes the construction of HQE, BREEAM or LEED-certified warehouses and offers to its tenant partners turnkey warehouses as standard. The facilities it delivers are built to strict specifications to address the environmental challenges that logistics real estate will face in the future.

During 2009, the Company obtained the first HQE "Sustainable Logistics" certification, covering all project phases (Programme, Design and Implementation) for the first time, for the extension of the L'Oréal hub in Vichy. During 2010, the Company also delivered France's first HQE-certified and BBC-labelled logistics hub, to L'Oréal. Since 2011, the Company has developed or acquired eight HQE-certified hubs, which are leased to L'Oréal, Auchan, Décathlon, Eurial and Casino. Twenty-six warehouses leased to Auchan, Carrefour, GXO, Samada, Nutrition & Health, Tereva, Rexel, Polyflame, Colruyt, FDG, Amazon, Sanofi/DHL, Legallais, Didactic and Colis Privé have received BREEAM certification.

The biggest sources of greenhouse gas emissions are rental properties, due to energy consumption and emissions from construction works. Greenhouse gas emissions from ARGAN's internal operations represent a small proportion of the Group's total emissions. Full responsibility for the environmental impacts related to the operation of logistics hubs resides with tenants. However, the Company strives to build warehouses that

provide the best possible energy performance. Similarly, the Company considers greenhouse gas emissions in its construction projects in the interests of energy efficiency.

For example, arrangements are made upfront to limit any harmful effects generated by construction site, by means of the site's organisation plan, appointment of an environment manager in the contracting companies, information for staff, and the management and sorted collection of construction waste. This benefits local residents, workers and the environment. The Company takes a disciplined approach in applying the RT2020 regulation on insulation with the aim of reducing energy consumption and prefers to use materials whose production generates little or no CO₂, for example, local materials or wood (100% of the wood used is FSC or PEFC certified) rather than steel. In addition, the Company promotes responsible management of water consumption at its sites with the aim of reducing water consumption by 50%. Therefore, rainwater is recovered from the roof for the purposes of warehouses' operating needs (watering green spaces, sanitary facilities), and the excess being allowed to seep into the ground on site when the nature of the soil allows. Similarly, flow limiters are installed on the valves as well as leak detectors. The Company is also attentive to the preservation of the flora and fauna at the sites, with the aim of improving the attractiveness of these sites for local biodiversity. Local plant species are favoured when planting mini primary forests or landscaping basins and infiltration valleys. Similarly, ecological assessments of the sites are carried out and wildlife habitats (birdhouses, hives, insect shelters such as "wood piles", etc.) are installed. It also promotes air quality (including the installation of stations for electric vehicles or the choice of low VOC building materials) and the well-being of site employees (by increasing, for example, the natural light in buildings or through the acoustic treatment of offices).

➤ Climate Plan - The AutOnom[®] Warehouse

In addition, the Company is stepping up its environmental commitment and from 2018 onwards, it decided to install photovoltaic systems in all its new warehouses, so clients can use self-produced electricity to help meet their energy needs. The first warehouse installed with a 200 kilowatt-peak (kWp) photovoltaic system was delivered to Rexel in October 2018 in Cestas (33). As at 31 December 2021, the Company has 13 warehouses installed with photovoltaic systems. It thereby plays an active role in protecting the planet by helping its lease clients to reduce their electricity bill by approximately 20% and improve their carbon footprint. The total production is 20,600 kWp, reducing CO₂ emissions by 1,200 t/year.

The Company also promotes the use of low-energy electrical appliances with programmable controllers to

provide varying levels of light intensity for particular areas and at different times.

The Company is fully conversant with current environmental issues and is keen to continue its efforts in terms of environmental responsibility which began in 2018. As a result, in 2020 the Company has launched an ambitious “Climate Plan”. The Plan aims to develop PREMIUM warehouses with a carbon-neutral operating footprint in terms of heating and lighting, addressing the main causes of CO₂ emissions by fitting photovoltaic systems so operators can use self-produced electricity and offsetting residual CO₂ emissions by planting trees on site using the “Miyawaki” method or, if need be, in woodland.

The Climate Plan entered its operational phase with the delivery in September 2020 of the first unit with a neutral carbon footprint during the operating phase. This pilot was carried out on a restructuring project in Croissy-Beaubourg (77). A large refurbishment project was launched at this site, which was initially inaugurated in 2003, and includes lighting, heating, roadways and siding. A 7,000 m² cell was even completely demolished so that it could be rebuilt in order to develop a carbon-neutral cell in terms of heating and lighting. For this project, three main levers were activated to have a significant impact on the carbon footprint: heating, lighting and the installation of a photovoltaic system. With regard to heating, the choice of air/air heat pump technology instead of a conventional gas boiler was preferred because its energy efficiency is four times higher than that of a gas boiler and, with equal thermal production, CO₂ emissions are divided by six due to the transition from gas to electric as a source of energy. Thus, the transition from the gas boiler to the air/air electric heat pump makes it possible to reduce CO₂ emissions by 95%. Lighting was addressed through a bulb replacement campaign to transition from iodide lamps to LED lighting. In particular, this system facilitates better use of energy through a smart control system that senses brightness and presence.

This campaign is under way at 905 of ARGAN’s properties and will thus generate substantial savings in terms of CO₂ emissions.

Finally, a photovoltaic system installed on the roof for the tenant’s self-consumption as well as the capture of CO₂ by around sixty adult trees present on the site complete the system.

Since 2022, the Company has been offering its future tenants AutOnom[®], its Premium warehouse with positive energy and neutral carbon balance, which is becoming the warehouse that already meets the requirements of the 2050 regulations in terms of heating and lighting.

AutOnom[®] is a Premium warehouse equipped with a photovoltaic power plant and an battery-based energy storage system for self-consumption exclusively, which

produces more energy over one year than is consumed for heating and lighting.

Electric air/air heat pumps heat or cool the warehouse. The traditional gas heating system, a major CO₂ emitter and more expensive, is now banned.

Lighting is provided by intelligent LEDs used for brightness and human presence.

Its carbon “heating – lighting” carbon balance is neutral. The CO₂ emission savings resulting from the self-consumption of electricity produced by the photovoltaic power plant and its batteries offset the low emissions from the heat pumps and LEDs.

It is virtuous because it produces its own green energy instead of consuming energy.

Smart meters allow for real-time measurement and display of its total kWh consumption, self-consumption generation and the percentage of electrical autonomy.

➤ 2023: acceleration in the Climate Plan

ARGAN has decided to accelerate its climate plan, beginning in 2023, by aiming for carbon neutrality in terms of lighting and heating at all its properties by 2030. This means that all new developments are to be AutOnom[®] properties, that the oldest properties will be sold and replaced with AutOnom[®] properties and that gas heating systems will be replaced by electric heat pumps across the existing fleet.

➤ Financial risks related to the effects of climate change (Articles L.225-100-1 and L.22-10-35 of the French Commercial Code)

Climate change risks can be broken down into:

- physical risks resulting from damage caused directly by weather and climate events caused by changes in the climate system. These risks are controlled by applying current standards at construction stage and adjusting the property portfolio in response to climate change. For example, each warehouse is equipped with a lightning protection system. Its role is to prevent the destructive effects of lightning striking the building. Lightning rods placed on the roof of the warehouse are connected to a grounding loop (a buried bare copper cable that surrounds the building). In the event of thunderstorm, static electricity present in the ambient air is preferably discharged through the circuit running from the lightning rods to the earth, rather than by following a random path and potentially causing material damage or even human damage.

It should also be noted that all the Company’s properties are located in France, a region of the world subject to climate change, but to a lesser extent than other regions of the world and 32% of properties are

in the Paris region. None of the Company's assets are located on the coast.

- transition risks resulting from modifications for transition to a low carbon economy. Risk control is based on the sustainable development policy adopted by the Company and described above.

As at 31 December 2022, the Company has not recognised any provision or guarantee for environmental risks.

7.3. Corporate information:

The Company's logistics hubs storing 500 tonnes or more of combustible goods require prefectural authorisation to operate. The authorisation is granted by the Prefect and examined by staff at the DREAL (Direction Régionale de l'Environnement, de l'Aménagement et du Logement - regional environment, planning and housing agency) and is intended to protect the environment, people and property. A public survey of neighbouring and local communities is conducted in this regard by an investigating commissioner, who submits a report setting out his or her opinion on the proposed development.

The Company subcontracts the construction of its hubs to contractors or developers specialised in logistics real estate. The contractor consultation phase requires the most careful handling in terms of corruption risk. To respond to this risk, the Development Department has introduced a formal tender process put in place within the Development Department and the final selection is signed off by the top management of the Company.

The Company takes particular care to select high-quality contractors with the skills and experience necessary to safeguard the environmental quality of its projects.

It also ensures that contractors are fully engaged in terms

of their social responsibility. For example, it checks that they are upholding safety standards on construction sites.

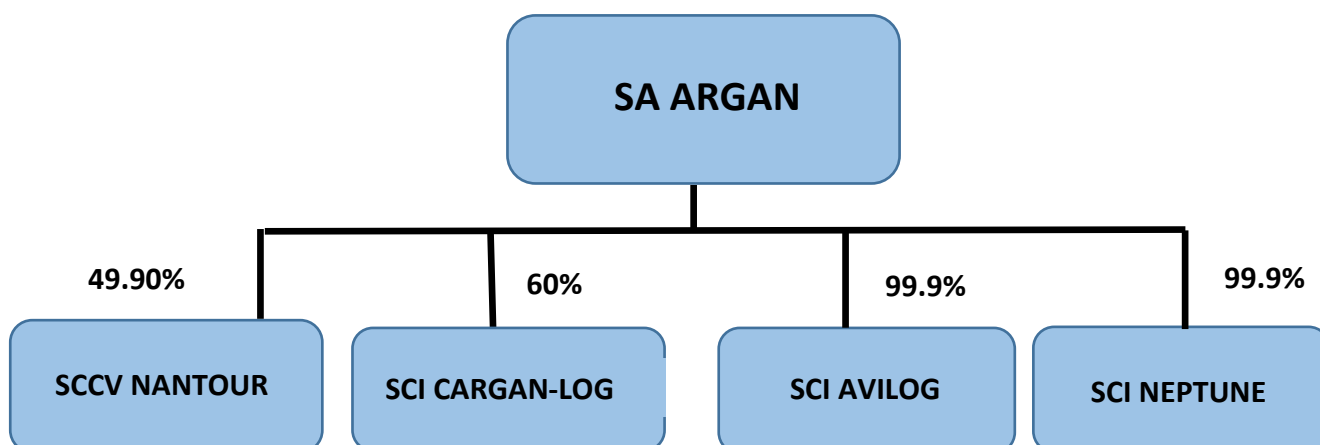
Finally, the Company's business activities contribute to regional economic development and the vitality of logistics business parks through the jobs created by tenant companies, which employ approximately 21,000 people for all the Company's hubs.

In September 2022, ARGAN published its first CSR report, which provided a comprehensive overview of all Environment, Social and Governance initiatives.

In mid-2023, an ambitious ESG strategy will be adopted specifying, for a list of key indicators, the baseline situation and the planned trajectory between then and 2030.

8. Legal organisation

As at 31 December 2022, the Group's legal structure is as follows:



Argan and its subsidiaries form the Argan Group (the “Group”).

At 31 December 2022, the Group included ARGAN and the NANTOUR SCCV subsidiaries, which are 49.90% owned, AVILOG SCI and NEPTUNE SCI, 99.9% owned and CARGAN-LOG SCI 60% owned (see Financial Information in Part II 2.2.8 - Main Subsidiaries, and Part III - Scope of consolidation).

All five companies have the same primary corporate purpose, namely, “The purchase and/or construction of all land, buildings and property assets and rights for rental, management or leasing; the development of all land and property assets and rights; fitting out all property units for rental; and all other ancillary or related activities pertaining to the above-mentioned business activity; all being performed directly or indirectly, either alone, in partnership or as part of a joint venture, grouping or company, with any other persons or companies”.

SCI AVILOG, SCI NEPTUNE and SCI CARGAN-LOG are fully consolidated, and SCCV NANTOUR is consolidated using the equity method.

At 31 December 2022, 91 buildings were owned by ARGAN and 3 buildings were owned by CARGAN-LOG. At that date, the other subsidiaries do not own any completed buildings.

The Group presents its consolidated financial statements in accordance with IFRS and has opted to recognise its portfolio of real estate assets at fair value

on the balance sheet. ARGAN adopted the SIIC tax regime on 1 July 2007.

It has twenty-nine (29) employees (including 28 full-time employees) as at 31 December 2022. They deal with asset management, property and rental management of the asset portfolio and implement the policy on acquisitions, arbitrage and its own development with the support of the Administration and Finance Department and the Legal Department.

ARGAN takes the form of a public limited company with an Executive Board and a Supervisory Board. As at 31 December 2022, its share capital comprised 22,951,290 shares, each with a nominal value of €2.

ARGAN is listed on NYSE-Euronext Paris, Compartment A.

1. Highlights of the 2022 financial year

1.1. Change in share capital

The Company's share capital increased by €725,490 following the issue of 362,745 new shares with a nominal value of €2 each as part of the payment of the dividend in shares.

1.2. Members of the Executive Board

At the Combined General Meeting of 24 March 2022, Jean-Claude LE LAN Junior was appointed a member of the Supervisory Board. Consequently, he simultaneously left the Executive Board, which, since that date, has had only three members: Ronan Le LAN, Francis ALBERTINELLI and Frédéric LARROUMETS.

1.3. Members of the Supervisory Board

The appointment of Jean-Claude LE LAN Junior was approved by the Combined General Meeting of Shareholders held on 24 March 2022.

2. Operating results

2.1. Consolidated earnings of the ARGAN Group

2.1.1 Position of the consolidated group over the past financial year

ARGAN is the only French real estate development and rental company listed on Euronext Paris specialised in PREMIUM warehouses.

The real estate portfolio, comprising built assets (excluding developments in progress), with an area of 3,500,000 sq. m., was valued at €3.94 billion excluding transfer duties (€4.17 billion including transfer duties) at 31 December 2022.

Its property base consists of 94 buildings, mainly category A logistics centres (81 hubs and 13 fulfilment centres as at 31 December 2022), with a weighted average age of 10.4 years. The buildings are located throughout France, close to main traffic roads.

The breakdown of surface area by region is largely as follows:

Ile de France	32%
Hauts de France	14%
Grand Est	11%
Centre / Val de Loire	10%
Auvergne / Rhône-Alpes	9%
Burgundy / Franche Comté	9%
Occitanie	5%
Pays de la Loire	4%
Rest of France	6%

ARGAN was listed on compartment C of Euronext Paris on 25 June 2007. It joined compartment B in January 2012 and then compartment A in January 2020.

Its market capitalisation at 31 December 2022 was €1.740 billion based on a price of €75.80/share.

ARGAN currently has four subsidiaries, CARGAN-LOG SCI, AVILOG SCI and NEPTUNE SCI (fully consolidated) and NANTOUR SCCV (consolidated using the equity method).

AVILOG, NEPTUNE and NANTOUR had no activity during the financial year.

SIIC regime:

ARGAN has been placed under the SIIC (Société d'Investissement Immobilier Cotée - listed real estate investment company) tax regime (the French REIT regime).

The exit tax for ARGAN was paid in full.

2.1.2 Report of operations

New rentals for 2022 represent an investment of almost €220 million, generating €13 million in rental income. This equates to a return of more than 5.70% on a total surface area of approximately 245,000 sq. m.

The details of the investments are as follows:

- In January, delivery of a 14,000 sq. m. logistics platform located in Serris, Marne-la-Vallée (77), next to the A4 motorway, leased to two major international groups that each occupy a unit in the building, for fixed terms of three and nine years, respectively. This delivery was the group's first AutOnom warehouse.

As a reminder, AutOnom is the warehouse that produces its own green energy with a neutral carbon footprint in terms of lighting and heating, and is the group's new development standard. It has a solar power plant on its

roof, coupled with storage batteries that power air-to-air heat pumps, with the electricity produced by those pumps being used by the tenants.

- In February, delivery of the 7,000 sq. m. extension to our warehouse located in Chanteloup-en-Brie, Marne-la-Vallée (77), for its current tenant Arvato Services Healthcare, which increases the total surface area of the site to 28,000 sq. m., with a new six-year fixed term lease.

- In March, delivery of the 6,000 sq. m. extension to our 12,000 sq. m. warehouse located in Croissy-Beaubourg, Marne-la-Vallée (77), leased since 2000 to L'Oréal. This extension is leased to Intersurgical, the European leader in medical respiratory assistance devices. This warehouse will be leased for a fixed term of nine years.

- In September, delivery of an 18,000 sq. m. warehouse in Caen (14) fully leased to Legallais, the French leader in the distribution of tools and hardware products for businesses. This warehouse is leased for a fixed term of 12 years and is equipped with solar panels and batteries and is the group's second AutOnom property.

- In September, delivery was taken of a new 15,000 sq. m. warehouse in Compans (77) fully leased to Colis-Private for a fixed term of 12 years. This warehouse, which was developed by Virtuo, has been awarded first prize in the logistics category by SIMI (Salon de l'immobilier d'Entreprise), highlighting "the warehouse's approach to net zero emissions".

- In September, a 14,000 sq. m. logistics platform located in Saint-Jean-de-la-Neuville (76) leased to DIDACTIC, a group that specialises in protective, infusion and hygiene equipment, for a fixed term of 12 years.

- In December, delivery of an 18,000 sq. m. extension located in Albon (26) leased to 2 groups. The logistics platform now covers a total area of 31,000 sq. m. The majority of the extension will be leased to Bert Group, which specialises in logistics and transport solutions, for a fixed term of 6 years. The remaining area of the extension is leased to Nutrition et Santé, which already rents the existing 13,000 sq. m., for a fixed term of 9 years.

- The completion of the renovation of two warehouses in Rognac (13) and Lens (62) with a combined surface area of 45,000 sq. m. These 2 warehouses are fully let and are owned by SCI CARGAN-LOG, held 60% by ARGAN and 40% by the CARREFOUR Group.

All these developments have been awarded the "Breeam Very Good" certification.

In addition to the developments above, Argan purchased a warehouse in Sens (89), 110 km from Paris, from Renault Group. This warehouse has an area of 153,000

sq.m. and is leased in its entirety to Renault SAS for a fixed term of 12 years.

In parallel, in February 2022, ARGAN sold a 9,000 sq. m. logistics platform in Tours (37).

An agreement to sell a fifth platform has been signed, with the sale expected to complete in H1 2023.

The change in rents received by the Group is as follows:

2022: €166.1m in net rental income

2021: €156.8m in net rental income

An increase of 6% in 2022 compared with 2021.

The occupancy rate for the portfolio was 99% as at 31 December 2022 and will return to 100% from the first quarter 2023 as a result of the Ferrières site being relet.

As at 31 December 2022, gross financial debt for the assets represented a total of **€1,352 million**, plus bond issues of **€630 million**, i.e. **total gross debt of €1,982 million**.

Including residual cash of **€169 million**, net LTV (net financial debt/value of assets) was **45.0%**.

The allocation of ARGAN's gross financial debt as a percentage of capital is as follows:

- **59%** at a fixed rate, i.e. €1,177 million at an average rate of 1.40%
- **8%** at a variable rate, i.e. €150 million at an average rate of the 3-month Euribor +1.39%
- **33%** at a hedged variable rate, i.e. €655 million at an average rate of 1.70%.

Taking into account a 3-month Euribor of +0.30% on average over 2022, the ARGAN Group's average rate for total debt was 1.50% as at 31 December 2022, compared with 1.50% as at 31 December 2021, with an average 3-month Euribor of -0.55%.

The amount of financing items that are individually hedged and the hedging instruments entered into as at 31 December 2022 are as follows:

- €4.8M: Collar -0.18%/+1.5% until 10/01/2023
- €3.6M: Collar -0.25%/+1.5% until 10/01/2024
- €7.7M: Collar -0.30%/+1.5% until 10/01/2024
- €2.6M: Collar -0.28%/+1.5% until 10/01/2024
- €12.1 million: Collar -0.02%/+1.25% until 10/01/2024
- €15.1M: Collar -0.28%/+1.5% until 10/01/2024
- €1.0M: Collar -0.32%/+1.5% until 10/01/2024
- €4.1M: Collar -0.30%/+1.5% until 10/07/2024
- €14.0M: Collar 0%/+1.5% until 10/10/2024
- €2.8M: Collar -0.5%/+1.75% until 10/07/2025

- €1.7M: Fixed rate swap at 0.63% until 10/04/2026
- €63.7M: Collar -0.745%/+1.5% until 12/10/2026
- €6.8M: Collar -0.525%/+1.5% until 12/10/2026
- €18.1M: Collar -0.64%/+2.5% until 10/07/2028
- €5.3M: Cap 1% until 10/04/2028
- €6.9M: Collar -0.54%/+1.2% until 10/04/2028
- €16.2M: Collar -0.54%/+1.2% until 10/07/2028
- €95.9M: Collar -0.40%/+1.5% until 23/01/2029
- €9.0M: Fixed rate swap at 0.53% until 10/07/2029
- €10.6M: Fixed rate swap at 0.561% until 10/01/2030
- €35.0M: Fixed rate swap at 1.01% until 08/06/2030
- €90.0M: Fixed rate swap at 1.87% until 08/06/1930
- €81.0M: Cap Spread 1.5%/3.0% until 10/07/26

The Company has also entered into the following macro hedges:

- €71.8M: Collar -0.65%/+1.5% until 10/10/2023
- €75.5M: Collar -0.50%/+1.5% until 10/10/2023

Finally, our company received notice of a tax audit from the General Directorate of Public Finances covering the

period from 01/01/2019 to 31/12/2021, the conclusions of which will be known in 2023.

2.1.3 Significant events post-closing on 31 December 2022

None

2.1.4 Foreseeable development of the situation

Given the investments identified to date, in 2023, ARGAN anticipates that its rental income will increase by around 10% to €182 million, that its recurring net income will be rise by 4% to €124 million and that it will pay a minimum dividend per share of €3 in respect of the 2023 financial year.

2.1.5 Scope of consolidation

The scope of consolidation as at 31 December 2022 is as follows:

Form	Companies	Company registration N° (SIREN)	% interest and control at 31.12.2022	% interest and control at 31.12.2021
SA	ARGAN	393,430,608	100.00%	100.00%
SCI	CARGAN-LOG	894,352,780	60.00%	60.00%
SCCV	NANTOUR	822,451,340	49.90%	49.90%
SCI	AVILOG	841,242,274	99.90%	99.90%
SCI	NEPTUNE	903,399,784	99.90%	-

The companies CARGAN-LOG, AVILOG and NEPTUNE, in which ARGAN holds more than a 50% share, are fully consolidated. SCCV NANTOUR is consolidated using the equity method. Argan and its subsidiaries CARGAN-LOG, NANTOUR, AVILOG and NEPTUNE form the Argan Group (the "Group").

NANTOUR, AVILOG and NEPTUNE had no activity during the 2022 financial year.

2.1.6 Consolidated financial statements

The consolidated annual financial statements for the period from 1 January to 31 December 2022 were adopted by the Executive Board on 16 January 2023.

In accordance with Regulation (EC) No 1606/2002 of 19 July 2002 on the application of international accounting standards, the ARGAN Group's consolidated financial statements are prepared in accordance with IFRS as adopted in the European Union.

The standards are available on the European Commission website :

http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission

The new standards, whose application is mandatory from 1 January 2022, are as follows:

Amendment to IAS 16 "Property, Plant and Equipment -Proceeds before Intended Use"

Amendment to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract "

Amendment to IFRS 3 "Reference to the conceptual framework"

These standards have no significant impact on the Group's results and financial position.

The Group opted not to implement the standards, amendments to standards and interpretations adopted by the European Union that were eligible for early application from 2022.

The standards, amendments to standards and interpretations currently being adopted by the European Union have not been applied early.

➤ **Simplified consolidated income statement:**

(in thousands of €) Consolidated financial statements, IFRS standards	From 01/01/2022 to 31/12/2022	From 01/01/2021 to 31/12/2021
Rental income	166,078	156,829
Rebilled rental expenses and rental taxes	28,644	25,726
Rental expenses and rates	-30,414	-27,657
Other income from buildings	3,197	3,111
Other expenses on buildings	-435	-341
Net income from buildings	167,071	157,668
Current operating income	150,498	147,138
Operating income after value adjustments	116,839	708,162
Cost of net financial debt	-41,110	-35,461
o/w interest on loans and overdrafts	-28,440	-29,500
EBIT	75,729	672,701
Net income	94,869	676,296
Net income, Group share	95,090	668,113
Diluted net income, Group share/share	€4.17	€29.70
Weighted number of shares	22,827,845	22,495,656

➤ Argan generated rental income of €166.1 million during 2022, an increase of 6%. The difference between rental charges and the rebilling thereof is based on the contractual application of the clauses of the leases and the results of rental vacancies. Other property income and expenses mainly correspond to the application of IFRS 16.

➤ EBITDA (current operating income) amounted to €150.5 million at 31 December 2022, up 2% from the previous year (€147.1 million in 2021).

➤ Operating income after value adjustments was €116.8m, down sharply due mainly to a negative change in the fair value of the real estate assets in 2022 (-€32.9 million vs. +€542.5 million in 2021).

- Net income was €94.9 million, after deducting the cost of net financial debt of -€41.1 million (which includes income from cash of €0.6 million, interest on loans and overdrafts of -€28.4 million, interest related to IFRS 16 lease liabilities of -€1.7 million, exit penalties and the balance of borrowing costs on loans repaid early of -€6.5 million, derivatives for -€0.9 million and borrowing costs of -€4.2m) and adding other financial income and expenses of +€19.2m, corresponding to the change in the fair value of debt hedging instruments.
- Diluted net income, Group share per share was therefore €4.17, compared with €29.70 in the previous financial year and calculated on the basis of a weighted number of 22,827,845 shares.

➤ **Statement of income and expenses recognised:**

(in thousands of €)	From 01/01/2022 to 31/12/2022	From 01/01/2021 to 31/12/2021
Earnings for the period	94,869	676,296
Total gains and losses recognised directly in equity	15,685	3,974
Earnings for the period and gains and losses recognised directly in equity	110,554	680,270
o/w Group share	110,775	672,087

Gains and losses recognised directly in equity amount to a gain of €15.7 million (versus a gain of €4 million the

previous year). This corresponds to the change in fair value of hedging instruments (on the effective portion).

➤ **Calculation of recurring net income:**

(in thousands of €)	From 01/01/2022 to 31/12/2022	From 01/01/2021 to 31/12/2021
Rental income	166,078	156,829
Current expenses	-14,557	-12,803
Income from cash	582	160
Interest on loans	-28,440	-29,500
Issue costs	- 4,154	- 2,822
Recurring net income	119,509	111,864
Recurring net income, Group share	119,200	111,700
Recurring net income/Rental income	72%	71%
Diluted recurring net income, Group share/share	€5.22	€4.97
Weighted number of shares	22,827,845	22,495,656

Recurring net income amounted to €119.5 million, up 7% compared to the previous year and now accounts for 72% of rental income (vs. 71% in 2021).

➤ **Simplified consolidated balance sheet:**

(in thousands of €)	As at 31/12/2022	As at 31/12/2021
Non-current assets	4,159,623	3,916,005
Current assets	256,817	570,726
Assets held for sale	22,814	13,870
Total Assets	4,439,254	4,500,601
Equity, share of owners of the parent company	2,217,489	2,125,631
Minority interests	37,623	37,844
Non-current liabilities	1,831,304	1,871,384
Current liabilities	343,023	463,779
Liabilities classified as held for sale	9,814	1,963
Total Liabilities	4,439,254	4,500,601

Balance sheet assets:

- Non-current assets amounted to €4,159.6 million, mainly comprising €3,929.4 million in investment properties at their value, excluding transfer duties, €66.7 million in rights of use related to the application of IFRS 16, €63.8 million in assets under construction, €11.5 million in tangible fixed assets, €1.8 million in other non-current assets, €30.8 million in derivative instruments and €55.6 million in goodwill resulting from the first-time consolidation of the “Cargo” portfolio.
- Valuation of the portfolio showed a capitalisation rate of 4.45% excluding transfer duties (i.e. 4.20% including transfer duties) as at 31 December 2022, up slightly from 31 December 2021 (4.30% excluding transfer duties).
- Current assets amounted to €256.8 million, comprising cash of €169.2 million, trade receivables of €46.9 million, and other current assets of €40.7 million.
- Assets held for sale correspond to the net selling value of the accepted acquisition offer of an asset for €13 million, plus the rights of use under IFRS 16 relating to this asset for €9.8 million.

Balance sheet liabilities:

- Shareholders' equity, share of owners of the parent company, was €2,217.5 million as at 31 December 2022, up €91.9 million compared with 31 December 2021. This increase over the period is the result of:
 - Consolidated income, Group share, for the period of +€95.1 million,
 - A cash dividend distribution of -€21.8 million,
 - The change in fair value of hedging instruments for +€15.7 million.
 - The impact of the valuation and disposal of treasury shares for -€0.9 million.
 - The impact of the free share allocation for +€3.8 million,
- Non-current liabilities amounted to €1,831.3 million, consisting of €1,749.6 million in long-term debt, €70.5 million in liabilities related to the application of IFRS 16 and €11.2 million in security deposits.
- Current liabilities amounted to €343 million, consisting of €224.7 million in short-term debt, €1.5 million in liabilities related to the application of IFRS 16, €18.4 million in fixed asset liabilities and €98.4 million in other liabilities.
- Liabilities classified as held for sale correspond to the residual debt related to the asset held for sale.

➤ **Calculation of EPRA Net Asset Value (NAV) at 31 December 2022:**

In accordance with the recommendations of the EPRA, the NAV is calculated based on the Company's consolidated shareholders' equity.

The EPRA NAV NRV (Net Reinstatement Value) is a replacement NAV.

The EPRA NAV NTA (Net tangible Assets) is a continuation NAV.

The EPRA NAV NDV (Net Disposal Value) is a liquidation NAV.

EPRA NAV (in €m)	As at 31 December 2022			As at 31 December 2021		
	NRV	NTA	NDV	NRV	NTA	NDV
Consolidated shareholders' equity	2,217.5	2,217.5	2,217.5	2,125.6	2,125.6	2,125.6
+ Fair value of financial instruments	-30.8	-30.8	-	3.2	3.2	-
- Goodwill on the balance sheet	-	-55.6	-55.6	-	-55.6	-55.6
+ Transfer taxes	219.7	-	-	186.9	-	-
EPRA NAV	2,406.4	2,131.1	2,161.9	2,315.7	2,073.1	2,070.0

Number of shares	22,951,290			22,588,545		
EPRA NAV in €/share	104.8	92.9	94.2	102.5	91.8	91.6

The EPRA NAV NTA (continuation NAV) per share as at 31 December 2022 was therefore €92.9 compared with €91.8 at 31 December 2021, an increase of +1%.

This €1.10 per share increase in EPRA NAV NTA from 31 December 2021 stems from:

- net income (excluding changes in fair value): +€5.0
- the change in the value of the portfolio: -€1.5
- payment of the dividend in cash: -€0.9
- the dilutive impact of new shares issued under the share dividend option: -€1.5

2.2. ARGAN company results

2.2.1 Position of the Company and its subsidiaries during the past financial year

During the financial year that ended on 31 December 2022, ARGAN invested €220 million in four new developments, three extensions and the acquisition of one logistics platform, representing a total of approximately 245,000 sq. m.

These investments will partially contribute to rent growth in 2023 as a result of the full-year effect.

Meanwhile, over the 2022 financial year, the total consolidated IFRS rental income received by the Company and its subsidiaries increased by 10% to €166.1 million in 2022 (versus €156.8 million in 2021).

ARGAN was listed on compartment C of Euronext Paris on 25 June 2007. It joined compartment B in January 2012 and then compartment A in January 2020.

2.2.2 Significant events post-closing on 31 December 2022

None.

2.2.3 Foreseeable development of the situation

Based on the consolidation scope at 1 January 2021 and forecasts for asset development and arbitrage, ARGAN anticipates an increase in consolidated rents of around +10% to reach €182 million in 2023.

2.2.4 Consideration of the social and environmental impacts of the Company's operations

See Part I, Chapter 7. Information on the "Grenelle 2" Law

2.2.5 Financial statements

The annual financial statements for the year ended 31 December 2022 were prepared in accordance with the presentation rules and valuation methods provided for by the regulations in force.

Net results figures for our subsidiaries for the year ended 31 December 2022 are set out in the note to the balance sheet entitled "List of subsidiaries and equity investments".

No changes were made to presentation compared with the previous financial year.

➤ Simplified corporate income statement:

(in thousands of €)	From 01/01/2022 to 31/12/2022	From 01/01/2021 to 31/12/2021
Net sales	194,773	181,591
Operating income	26,364	30,176
Share of income from joint operations	-	- 224
Financial income	- 30,935	- 28,727
Extraordinary income	4,619	40,185
Taxes	33	28
Net income	16	41,382

- Net sales essentially includes €163.1 million in rents and €31.6 million from other services (corresponding mainly to rebilling of costs to our tenants, for property tax, office tax, insurance, rental charges and land use fees).
- Operating income was €26.4 million, compared with €30.2 million in the previous year, due to the increase in legal fees and disbursements (+€7.5 million) related to the early exercise of options on leasing arrangements and property acquisitions subject to transfer duties.
- There was no share of income from joint ventures in 2022.
- Financial income was -€30.9 million, including -€16.9 million in interest on real estate loans and -€9.3 million in interest on bond issues, -€5.2 million in deferred hedging instrument exit costs and penalties on the early repayment of loans, €0.6 million of investment income, €0.2 million in lessee advance payments -€0.3 million in net expenses on disposals of treasury shares.
- Extraordinary income derives primarily from disposals of buildings as well as from special depreciation allowances.
- The Company's net earnings therefore amounted to a profit of €16k.

Simplified company balance sheet:

(in thousands of €)	As at 31/12/2022	As at 31/12/2021
Fixed assets	2,134,858	1,980,588
Current assets	239,336	558,588
Borrowing costs	8,527	10,172
Total Assets	2,382,721	2,549,349
Shareholders' equity	351,860	370,009
Provisions for charges	-	-
Payables	2,030,861	2,179,340
Total Liabilities	2,382,721	2,549,349

Balance sheet assets:

- Fixed assets were €2,134.9 million and comprises €1,752.8 in buildings at net book value, €40.4 million in construction in progress, €281.7 million in merger losses, €0.4 million in other tangible fixed assets and €0.2 million in other intangible assets, €14.4 million in lessee loans on leasing agreements, €44.5 million in equity investments in subsidiaries and €0.5 million in other financial fixed assets.
- Current assets consist mainly of the Company's cash balance of €156.3 million, as well as trade receivables of €46.1 million, €35.2 million in other receivables, €0.1 million in advances and deposits paid and €1.7 million in prepaid expenses.
- Borrowing costs consist of banking commissions for bond issues and mortgage financing and correspond to amounts not yet allocated, as the Company has opted to allocate these charges over the term of the loans.

Balance sheet liabilities:

- Shareholders' equity breaks down as €45.9 million in share capital, issue premiums of €292.2 million, €4.6 million in legal reserves, profit for the financial year of €0.1 million, €3.8 million in investment grants and €5.3 million in special depreciation allowances.
- Debts consist mainly of €1,235.8 million in property loans, €630 million in bond issues, €10.9 million in security deposits received from tenants, as well as €31.4 million in trade payables, €9.4 million in tax and social security payables, €52.9 million in payables on fixed assets, €2.9 million in other debts and €57.6 million in prepaid income.

2.2.6 Payment terms (Articles L.441-6-1 and D.441-4 of the French Commercial Code)

The balance of trade and customer payables by maturity date as at 31 December 2022 is as follows:

	Article D. 4411. - 1° of the French Commercial Code: Invoices <u>received</u> not paid as at the closing date of the financial year and overdue						Article D. 4411. - 2° of the French Commercial Code: Invoices <u>issued</u> not paid at the closing date of the financial year and overdue					
	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day and more)	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)
(A) Late payment period												
Number of invoices affected												7
Total amount of invoices affected (specify whether incl. or excl. tax)									€33k incl. tax	€82k Incl. tax	€246k Incl. tax	
Percentage of total amount of purchases for the financial year (specify whether incl. or excl. tax)												
Percentage of sales for the financial year (specify whether incl. or excl. tax)												0,18%
(B) Invoices excluded from (A) relating to payables and receivables in dispute or not recognised												
Number of invoices excluded						15						3
Total amount of invoices excluded (specify whether incl. or excl. tax)						€57k Incl. tax						€47k incl. tax
(C) Reference payment deadlines used (contractual or legal period - Article L. 441-6 or Article L. 443-1 of the French Commercial Code)												
Payment deadlines used to calculate late payments	- Contractual deadlines: (specify) - Legal deadlines (specify)						- Contractual deadlines: (specify) - Legal deadlines (specify)					

2.2.7 Main subsidiaries

As at 31 December 2022, the Company holds the following equity investments:

SUBSIDIARIES/EQUITY INVESTMENTS	SCCV NANTOUR
Head office	36 rue Marbeuf – 75008 PARIS
Share capital	€10,000
Shareholders' equity	-€109,851
Percentage of the share capital held by the Company	49.90%
Carrying amount of the shares held	€4,990
Amount of loans and advances granted	€0
Sales excl. tax	€0
Income for the last financial year	€0
Dividends or income recognised by the Company during the financial year	€0

SUBSIDIARIES/EQUITY INVESTMENTS	SCI AVILOG
Head office	21 rue Beffroy – 92200 NEUILLY-SUR-SEINE
Share capital	€10 000
Shareholders' equity	€8 652
Percentage of the share capital held by the Company	99.9%
Carrying amount of the shares held	€8 939
Amount of loans and advances granted	€0
Sales excl. tax	€0
Income for the last financial year	-€212
Dividends or income recognised by the Company during the financial year	€0

SUBSIDIARIES/EQUITY INVESTMENTS	SCI CARGAN-LOG
Head office	21 rue Beffroy – 92200 NEUILLY-SUR-SEINE
Share capital	€7 415 250
Shareholders' equity	€72 425 840
Percentage of the share capital held by the Company	60%
Carrying amount of the shares held	€44 491 500
Amount of loans and advances granted	€0
Sales excl. tax	€2 745 993
Income for the last financial year	-€939 040
Dividends or income recognised by the Company during the financial year	€0

SUBSIDIARIES/EQUITY INVESTMENTS	SCI NEPTUNE
Head office	21 rue Beffroy – 92200 NEUILLY-SUR-SEINE
Share capital	€10 000
Shareholders' equity	€10 000
Percentage of the share capital held by the Company	99.9%
Carrying amount of the shares held	€9 990
Amount of loans and advances granted	€0
Sales excl. tax	€0
Income for the last financial year	€0
Dividends or income recognised by the Company during the financial year	€0

3. Corporate governance

3.1. Executive Board

3.1.1 Members of the Supervisory Board

Administration of the Company is entrusted to an executive board with at least two (2) and no more than seven (7) members, subject to the exceptions prescribed by law in the event of a merger.

The term of office of the members of the Executive Board is two (2) years, renewable.

The members of the Company's Executive Board are as follows as at the filing date for this document:

Surname and First name	Date of first appointment	Date term of office ends	Main position held within the Company	Main position held outside the Company	Other offices and positions held in any company
Ronan Le Lan	17/04/2003	15/01/2025	Chairman of the Executive Board and Director of Development	None	None
Francis Albertinelli	17/04/2007	15/01/2025	Member of the Executive Board and Chief Financial Officer	None	None
Frédéric Larroumets	01/09/2014	15/01/2025	Member of the Executive Board and Director of Assets and Investments	None	None

Existing family tie: Ronan Le Lan is the son of Jean-Claude Le Lan, the Chairman of the Supervisory Board. He is party to the family shareholder agreement, which is described in detail in Part IV, 6 - Shareholders Agreements.

The members of the Executive Board are domiciled for professional purposes at the registered office of the Company at 21 rue Beffroy, 92200 Neuilly-sur-Seine, France.

Professional backgrounds of the members of the Executive Board:

Ronan Le Lan: A graduate of ESTP Paris, from 1989 to 2000 Ronan Le Lan worked for Bouygues Construction – Ile de France as a site manager and then at Bouygues Immobilier – Ile de France as a program manager. He joined ARGAN in 2001 as a project manager and is now

Director of Development. He has been the Chairman of the Executive Board since 2003.

Francis Albertinelli: Francis Albertinelli is a graduate of ESTP Paris and IAE and worked at Bouygues Group from 1991 to 1998, first as Head of Reporting and then as Head of Management Control. From 1999 to 2003, he was Head of Management Control for Neuf Cegetel's

Network Division. He joined ARGAN in 2004 as Administrative and Financial Director and is a member of the Executive Board since 2007.

Frédéric Larroumets: After graduating from ESTP Paris and MBA ESSEC Business School, Frédéric Larroumets was Director of Real Estate at Gefco from 2003 to 2008, then Director of Logistics Real Estate Funds at AEW from 2008 to 2010. He joined ARGAN in 2010, where he is now Director of Assets and Investments, and has been a member of the Executive Board since 2014.

To the Company's knowledge:

- no member has been convicted of fraud in the past five years,
- no member has been involved in a bankruptcy, receivership or liquidation proceeding over the past five years,
- no member has been charged with an offence or issued with a penalty handed down by a statutory or regulatory authority (including designated professional bodies) over the past five years,
- no member has been barred by a court from serving as a member of an issuer's administrative, management or supervisory body or from being involved in the management or conduct of an issuer's business over the past five years,
- there is no conflict of interest between the members of the Executive Board, the members of the Supervisory Board and the Company,
- No member has been selected under an arrangement or agreement with the main shareholders, clients, suppliers or others.

3.1.2 Operation (Articles 13 to 19 of the Articles of Association)

➤ Executive Board – Composition (Article 13 of the Articles of Association)

The Company is managed by an Executive Board under the control of the Supervisory Board established by Article 20 of these Articles of Association (see Part II 3.2.2.). The Supervisory Board sets the number of members of the Executive Board, although it may not exceed seven.

If a seat is vacant, the Supervisory Board must, within two months of the vacancy, either change the number of seats it had previously set or fill the vacancy.

If the share capital is less than €150,000, the Supervisory Board may appoint a single person with the title of Sole Chief Executive Officer to perform the duties assigned to the Executive Board.

The members of the Executive Board or the Sole Chief Executive Officer do not need to be shareholders, but they must be natural persons.

The members of the Executive Board or the Sole Chief Executive Officer are appointed by the Supervisory Board. Members of the Executive Board may be removed at any time by the General Meeting. Members of the Executive Board may also be removed by the Supervisory Board.

Removal of a member of the Executive Board or the Sole Chief Executive Officer does not terminate any employment contract that the person concerned has entered into with the Company.

If a single person performs the duties assigned to the Executive Board with the title of Sole Chief Executive Officer, all the provisions of these Articles of Association concerning the Executive Board shall apply to the Sole Chief Executive Officer, with the exception of those which, particularly in Articles 14 to 19, apply to the Executive Board collectively (see pages 77 to 79).

➤ Term of office – Age limit (Article 14 of the Articles of Association)

The Executive Board is appointed for a period of two years, at the end of which the Board is renewed in full.

Members of the Executive Board are still eligible for reappointment.

No member of the Executive Board may be appointed if he is over sixty-five (65) years of age. Members of the incumbent Executive Board are automatically deemed to have resigned at the end of the financial year in which they reached that age.

➤ Chairmanship of the Executive Board – Decisions (Article 15 of the Articles of Association)

The Supervisory Board appoints one of the members of the Executive Board as Chairman.

The Executive Board meets as often as the interests of the Company requires at the invitation of its Chairman or at least half of its members, either at the registered office or at any other location specified in the meeting invitation. The agenda may only be set at the time of the meeting.

The Chairman of the Executive Board chairs the meetings. The Executive Board appoints a secretary who does not need to be a member of the Board.

If the Executive Board consists of two members, decisions are taken unanimously. If it has more than two members, decisions must be taken by a majority of the members of the Executive Board, since proxy voting

is not permitted. In the event of a tied vote, the Chairman has the casting vote.

Decisions are written up in minutes that are entered in a special register and signed by the members of the Executive Board who were present at the meeting.

➤ **Powers and obligations of the Executive Board – General Management (Article 16 of the Articles of Association)**

The Executive Board has the broadest powers to represent the Company in all circumstances in its dealings with third parties, within the limits of the corporate purpose and subject to the powers that have been expressly granted by law to the Supervisory Board and to the Shareholders' Meetings.

In its dealings with third parties, the Company shall be bound even by those actions of the Executive Board that fall outside the scope of the corporate purpose, unless it can prove that the third party knew that the action went beyond this purpose or that it could not have been unaware thereof given the circumstances, mere publication of the Articles of Association not being sufficient to constitute such proof.

However, in addition to the sureties, endorsements or guarantees referred to in Article 26 of the Articles of Association and as a strictly internal measure not enforceable against third parties, the decisions listed below are subject to the prior authorisation of the Supervisory Board:

- by simple majority:

- (i) remuneration of members of the Executive Board and observers in line with market practices;
- (ii) approval of the amount of the dividend and how it is to be distributed (cash and shares);
- (iii) any development, investment, acquisition or exchange of assets, branch of activity or equity investments exceeding €25 million;
- (iv) any trade/sale of assets, branches of activity or equity investments exceeding an individual amount of €25 million;
- (v) any transaction referred to in paragraphs (iii) and (iv) above which does not exceed €25 million but which would have the effect of (x) one tenant accounting for more than 20% of rental income or (y) increasing the LTV ratio to 65% or more;
- (vi) any debt (including due issuance of debt securities) exceeding an amount of €25 million; and

- (vii) any collateralisation to guarantee one or more of ARGAN's obligations in respect of a transaction for which the amount of security exceeds €25 million.

- by a two-thirds majority:

- (viii) approval of any annual budget as well as any material updates and any material amendments;
- (ix) any speculative real estate development project (new development not marketed at the start-up date) with no limit on the amount;
- (x) any individual trade/sale of assets, branches of activity or equity investments exceeding an individual amount of €70 million;
- (xi) any merger, spin-off or contribution of assets;
- (xii) any action affecting the Company's eligibility for the SIIC tax regime;
- (xiii) any conclusion of an agreement likely to imply a conflict of interest between a member of the Supervisory Board or the Executive Board and the Company;
- (xiv) any issue of securities likely to result in a change in the Company's share capital (other than as a result of decisions and commitments made prior to 15 October 2019); and
- (xv) any significant change in the governance of the Company.

Where a transaction requires the authorisation of the Supervisory Board and the Supervisory Board declines to give it, the Executive Board may submit the dispute to the General shareholders' Meeting, which will decide what action should be taken.

The Executive Board convenes all General shareholders' Meetings, decides on the agenda for the meetings and implements the decisions from said meetings.

At least once a quarter, the Executive Board submits a report to the Supervisory Board. Within three months of the end of each financial year, it presents the annual financial statements and, where applicable, the consolidated financial statements to the Supervisory Board for the purposes of audit and control.

The Chairman of the Executive Board represents the Company in its dealings with third parties. The Supervisory Board may grant the same power of representation to one or more members of the Executive Board, who will then have the title of Chief

Executive Officer. The chairmanship and general management responsibilities may only be removed from members of the Executive Board by the Ordinary Shareholders' Meeting on a proposal from the Supervisory Board.

The Chairman of the Executive Board or any member of the Board who has been given the title of Chief Executive Officer by the Supervisory Board may act on behalf of the Company in respect of binding commitments to third parties.

➤ ***Remuneration of members of the Executive Board (Article 17 of the Articles of Association)***

The Supervisory Board determines the procedure and amount of remuneration for each of the members of the Executive Board.

➤ ***Number of corporate offices held by the members of the Executive Board (Article 18 of the Articles of Association)***

No-one may simultaneously hold more than one corporate office as a member of the Executive Board or as Sole Chief Executive Officer of Public Limited Companies having their registered office in France.

A second mandate of the same nature may be held in a company controlled, within the meaning of Article L.233-16 of the French Commercial Code, by the Company in which the first corporate office is held. Any individual who, when taking on a new corporate office, are in breach of the provisions of 1 above, must relinquish one of their corporate offices within three months of their appointment. On expiry of this period, they are deemed to have relinquished their new mandate and must return the remuneration received, although the validity of the deliberations in which they took part are not called into question.

The provisions set out in the two paragraphs above apply to the holding of multiple posts as Chief Executive Officer of Public Limited Companies with a Board of Directors.

➤ ***Liability of the members of the Executive Board (Article 19 of the Articles of Association)***

Without prejudice to the individual liability that may result from the Company's admission to bankruptcy proceedings, the members of the Executive Board are liable, individually or jointly and severally, as the case may be, to the Company or to third parties, for offences against the laws or regulations applicable to Public Limited Companies, or for violations of the Articles of Association, or for offences committed in their management.

3.2. Supervisory Board

3.2.1 Members of the Supervisory Board

The Supervisory Board consists of at least three (3) and no more than eighteen (18) members.

The Ordinary Shareholders' Meeting may appoint one or more observers. They may be natural or legal persons who do not need to be shareholders, but under no circumstances may more than three observers be appointed.

Members of the Supervisory Board appointed prior to 15 October 2019 were appointed for six (6) years until the

expiry of their current term of office on that date. Members of the Supervisory Board appointed from 15 October 2019 (inclusive) are appointed for four (4) years. Their terms of office expire at the end of the Ordinary Shareholders' Meeting having approved the financial statements for the past financial year and held in the year in which the term of office ends. They are eligible for re-election.

The members of the Company's Supervisory Board are as follows as at the filing date for this document:

Surname and First name	Date of first appointment	Date term of office ends	Main position held within the Company	Main position held outside the Company	Other offices and positions held in any company during the 2022 financial year
Mr Jean-Claude Le Lan	17/04/2003	GMs called to approve the financial statements for 2024	Chairman of the Supervisory Board	None	- Chairman of KERLAN SAS
Mr Hubert Rodarie	25/03/2021	GMs called to approve the financial statements for 2024	Vice-Chairman of the Supervisory Board	Chairman of the French Association of Institutional Investors (Af2i)	- Chairman of SICAV S2EIM - Director of Phitrust SA
Mr Nicolas Le Lan	23/03/2017	GMs called to approve the financial statements for 2022	Member of the Supervisory Board	Investment Consultant - Alternative Assets CBRE Capital Markets	- None
Mr Jean-Claude Le Lan Junior	24/03/2022	AGM approving the 2025 financial statements	Member of the Supervisory Board	None	- Member of the Board of Directors of the Marcelle and Robert de Lacour Foundation
Mrs Florence Soule de Lafont	19/04/2007	GMs called to approve the financial statements for 2024	Independent member of the Supervisory Board	ABCD Executive Search, Chairman	- None
Mr François-Régis de Causans	24/03/2016	GMs called to approve the financial statements for 2025	Independent member of the Supervisory Board	Executive Director EMEA Industrial & Logistics Capital Markets - CBRE	- None

Mrs Constance de Poncins	19/03/2020	GMs called to approve the financial statements for 2023	Independent member of the Supervisory Board	Director of CREPSA and supplementary pension at B2V, joint social protection group	<ul style="list-style-type: none"> - Member of the Board of Directors, Chairman of the Audit and Risk Committee, Member of the Compensation Committee of Abeille Assurance - Chairman of CMDPH SASU - Member of the Supervisory Board and the Audit and Risk Committee of Tikehau Capital - Member of the Board of Directors and Treasurer of APEPVT (<i>association pour la protection de l'environnement et du patrimoine des communes de Villedieu les Bailleuls et Tournai sur Dives</i> [Association for the protection of the environment and heritage of the municipalities of Villedieu les Bailleuls and Tournai sur Dives]) - Member of Mirova's Mission Committee
Mrs Najat Aasqui, permanent representative of PREDICA	15/10/2019	GMs called to approve the financial statements for 2022	Member of the Supervisory Board	Head of Listed Equity and Land Investment Portfolios Investment Division	<ul style="list-style-type: none"> - Permanent representative of Predica on the Supervisory Board of Altarea Cogedim SCA since 2019 - Representative on her own behalf on the Covivio Hotels Board since 2020 - Representative of Predica on the Board of Edison SPA since December 2021.

Family ties: Jean-Claude Le Lan is the father of Ronan Le Lan, Jean-Claude Le Lan Junior and Nicolas Le Lan.

Jean-Claude Le Lan, Jean-Claude Le Lan Junior and Nicolas Le Lan are party to the family shareholder agreement, which is described in detail in Part IV, 6 - Shareholders Agreements.

Furthermore, Emmanuel Chabas (proposed by PREDICA) was appointed as a non-voting member of the Supervisory Board by the General shareholders' Meeting of 15 October 2019.

The members of the Supervisory Board are domiciled for professional purposes at the registered office of the Company at 21 rue Beffroy, 92200 Neuilly-sur-Seine, France.

Professional backgrounds of the members of the Supervisory Board:

Jean-Claude Le Lan: With a dual technical (CNAM) and business management (IAE and E-MBA) background, he invented a patented process for self-supporting roofs for industrial and logistics buildings, founding BATIROC in 1979 to exploit it. He was a joint national winner of the business creation prize awarded by ANVAR as a result. Jean-Claude Le Lan founded ARGAN in 1993 and is the Chairman of the Supervisory Board since 2003. He is also Chevalier of the national order of the Legion of Honour.

Hubert Rodarie is a graduate of Ecole Centrale de Paris and the Institut d'Etudes Politiques de Paris and holds a

DEA in soil mechanics and structures. He began his career in 1982 at the Equipment Department and the Finance Department of EDF, before becoming Chief Executive Officer of the Union de Garantie de Placement, then Director of Development of Financial Activities of Compagnie BTP and in 1994 Chief Executive Officer of BTP Investissement (a portfolio management company authorised by the AMF). From 2001 to 2020, he was Deputy Chief Executive Officer, then in 2006 Deputy Chief Executive Officer of SMABTP, SMAvie BTP and SGAM BTP, he was a director of several companies and Chairman of Société de la Tour Eiffel (SIIC) and SMA Gestion (a portfolio management company authorised by the AMF), Chief Executive Officer of SELICOMI (real estate company) and Investimo (credit institution

approved by the ACPR). Since 2020, he has been Chairman of Af2i (French Association of Institutional Investors) and Chairman of the S2EIM SICAV. He is also Chevalier of the national order of the Legion of Honour. He joined ARGAN in 2021 as a member of the Supervisory Board.

Nicolas LE LAN: A graduate of the ECE Paris graduate school of engineering, he was an Real Estate Appraisal Analyst at CBRE Paris. Currently, he is an Investment Consultant - Alternative Assets CBRE Capital Markets. He was appointed as a member of the Supervisory Board at the General Meeting of 23 March 2017.

Jean-Claude Le Lan Junior: Jean-Claude Le Lan Junior holds a Graduate Diploma in Finance and Accounting (DESCF) and worked for AXA Real Estate from 1994 to 2009, where he was an accounting and financial information systems project manager. He joined ARGAN at the end of 2009 as Head of Management Control and Treasury. He was a member of the Executive Board from the end of 2009 to the General Meeting held on 24 March 2022.

Florence Soule de Lafont A graduate of ENSAE graduate engineering school, SFAF (French Society of Financial Analysts) and IEA graduate school of management, Florence Soule de Lafont also holds a Master's in International Finance. She held various market and financing operations positions with the Caisse des Dépôts et Consignations from 1991 to 2000 and was then Director of Financing at Ixis CIB from 2000 to 2005. She moved into executive search in 2007 and is now President of the firm ABCD Executive Search. She joined ARGAN in 2007 as a member of the Supervisory Board.

François-Régis de Causans A graduate of ESDES business school with a Master's degree in Real Estate Management from ESSEC international business school and a member of the Royal Institution of Chartered Surveyors (MRICS), he held various roles in ING REIM's Transaction division before becoming Head of European Transactions at CBRE Global Investors Europe. He is currently Executive Director EMEA Industrial & Logistics Capital Markets at CBRE. He joined ARGAN in 2016 as a member of the Supervisory Board.

Constance de Poncins She is a graduate of the Institut des Actuaire Français (IAF) and holds a postgraduate degree in Econometrics and an Executive MBA from the Management Institute of Paris (MIP/EDHEC). She is also certified as a company director. She began her career in 1992 in AXA France's individual Life Technical Division, before becoming Director of Customer Service for Private Management and Finance, and then Director of Commitments and Group-wide Projects. In 2009, she joined Neuflyze Vie as Technical and Investment Director, and Director of Asset and Liability Commitments, then she became General Delegate of the AGIPI Investor

Association, a partner of AXA. She is now Director of CREPSA and supplementary pension at B2V, a joint social protection group.

Najat Aasqui: Najat Aasqui holds a postgraduate degree in Banking and Finance from Université Paris X and a Master's in Economics from Université Lille I. She held several business banking roles with Crédit Agricole group, including in acquisition financing, before joining Crédit Agricole Assurances in 2017 as an investment manager (private equity and listed equities). In March 2019, she was appointed Head of Listed Equity Investment Portfolios at Crédit Agricole Assurances.

Professional backgrounds of the observer on the Supervisory Board:

Emmanuel Chabas: Graduate of ESSEC. He began his career in management control and internal audit with the BNP Paribas Group in 2001. He then joined BNP Paribas Cardif in 2006 as Head of Real Estate Acquisitions. Since September 2015, he is Head of Real Estate Investments at Crédit Agricole Assurances.

To the Company's knowledge:

- no member has been convicted of fraud in the past five years,
- no member has been involved in a bankruptcy, receivership or liquidation proceeding over the past five years,
- no member has been charged with an offence or issued with a penalty handed down by a statutory or regulatory authority (including designated professional bodies) over the past five years,
- no member has been barred by a court from serving as a member of an issuer's administrative, management or supervisory body or from being involved in the management or conduct of an issuer's business over the past five years,
- there is no conflict of interest between the members of the Executive Board, the members of the Supervisory Board and the Company.

After consulting and obtaining the approval of the Appointments and Remuneration Committee, the Supervisory Board will propose to the General Meeting of 23 March 2023 that Najat AASQUI and Nicolas LE LAN, as representatives of PREDICA, be reappointed as members of the Supervisory Board.

It is furthermore noted that Emmanuel Chabas was appointed as a non-voting member of the Supervisory Board by the General Shareholders' Meeting of 15 October 2019 for a term of four years. At the proposal of the Appointments and Remuneration Committee, the Supervisory Board will also propose reappointing Emmanuel CHABAS at the General Meeting of 23 March 2023.

The Board is made up of three women and five men, in accordance with the provisions of Articles L.225-69-1 and L.22-10-21 of the French Commercial Code (created by Law no. 2011-103 on the equal representation of women and men on Boards of Directors and Supervisory Boards and on equal employment).

3.2.2 Operation (Articles 20 to 29)

➤ Supervisory Board – Composition – Observers (Article 20)

The Executive Board is controlled by a Supervisory Board composed of at least three members and a maximum of eighteen members, except when the temporary exemption provided for mergers applies, when it may be increased to twenty-four. The members of the Supervisory Board are natural or legal persons who are shareholders and are appointed by the Ordinary Shareholders' Meeting, which may remove them at any time. Each member of the Supervisory Board must own a number of shares set at one (1).

In the event of a merger or demerger, however, the members of the Supervisory Board may be appointed by the Extraordinary Shareholders' Meeting. Legal persons appointed to the Supervisory Board are required to appoint a permanent representative who is subject to the same conditions and obligations as if they were a member of the Board on their own behalf. Where a legal person dismisses its permanent representative, it is required to appoint its replacement at the same time. The same applies should the permanent representative die or resign.

No member of the Supervisory Board may be part of the Executive Board. If a member of the Supervisory Board is appointed to the Executive Board, his term of office on the Supervisory Board expires when he takes up office.

The Ordinary Shareholders' Meeting may appoint one or more observers. They may be natural or legal persons who do not need to be shareholders, but under no circumstances may more than three observers be appointed.

The Supervisory Board may also appoint observers, subject to ratification by the next Ordinary Shareholders' Meeting. Observers may be removed at any time by the Ordinary Shareholders' Meeting.

They are appointed for a term of four years expiring at the end of the Ordinary Shareholders' Meeting having approved the financial statements for the past financial year and held in the year in which their term of office expires.

Observers are invited to meetings of the Supervisory Board and take part in deliberations in an advisory

capacity (without voting rights), without their absence affecting the validity of these deliberations.

Observers are bound by the same confidentiality obligations as the members of the Supervisory Board.

The Supervisory Board may pay observers by making a deduction from the amount of remuneration allocated to Board members by the General Meeting.

➤ Shares of members of the Supervisory Board (Article 21)

Each member of the Supervisory Board must own a number of shares as specified in Article 20.

If, on the date of his appointment, a member of the Supervisory Board does not own the number of shares required or if, during his term of office, he ceases to own them, he will be considered to have automatically resigned if he has not acquired the necessary shares within a period of six months.

➤ Term of office – age limit – holding multiple corporate offices (Article 22)

Members of the Supervisory Board appointed prior to 15 October 2019 were appointed for six (6) years until the expiry of their current term of office on that date. Members of the Supervisory Board appointed from 15 October 2019 (inclusive) are appointed for four years. Their terms of office expire at the end of the Ordinary Shareholders' Meeting having approved the financial statements for the past financial year and held in the year in which the term of office ends. They are eligible for re-election.

No individual over the age of seventy-five (75) years may be appointed as a member of the Supervisory Board if his appointment increases the number of members of the Supervisory Board over that age to more than one third.

A natural person may not simultaneously hold more than five corporate offices as a member of the Supervisory Board or as a director of Public Limited Companies having their registered office in France, unless otherwise provided for by the applicable laws or regulations.

➤ Vacancies – co-optation – ratifications (Article 23)

In the event that one or more seats are vacated as a result of death or resignation, the Supervisory Board may make temporary appointments between two General Meetings. If the number of members of the Supervisory Board falls below three, the Executive Board must convene the Ordinary Shareholders' Meeting immediately in order to make up the Supervisory Board's numbers.

Provisional appointments made by the Supervisory Board are subject to ratification by the next Ordinary General Meeting. Any member appointed to replace another member shall remain in office only for the remainder of the term of office of his predecessor.

➤ **Board Bureau (Article 24)**

The Supervisory Board elects a Chairman and Vice-Chairman from its natural person members. They are responsible for convening meetings of the Board and overseeing its proceedings. They perform their duties during their term of office as a member of the Supervisory Board. The Board determines their remuneration, where appropriate. At each meeting, the Board may appoint a secretary who does not need to be a shareholder.

➤ **Board decisions – Minutes (Article 25)**

The Supervisory Board meets whenever Company interests require it to do so.

It is convened by the Chairman or the Vice-President. However, the Chairman must call a Board meeting within fifteen days, if at least one member of the Executive Board or at least one third of the members of the Supervisory Board submit a reasoned request in this respect.

In the absence of a response to such requests, the initiators of the request may call the meeting themselves and set the meeting's agenda. Otherwise, the agenda is decided by the Chairman and may only be set at the time of the meeting.

Meetings are held at any location specified in the meeting notice.

An attendance register is kept which is signed by the members of the Supervisory Board attending the meeting. At least half of the members of the Board must attend in person to constitute a quorum for decision-making.

Decisions shall be taken, as appropriate and under the conditions referred to in Article 16 of the Articles of Association, by a simple majority (50% plus one vote) or by a majority of two-thirds of the votes of the members present or represented, each member present or represented having one vote and each member present having only one delegation of authority. Decisions not specifically referred to in Article 16 of the Articles of Association shall be taken by a simple majority of the votes of the members present or represented. The Chairman of the meeting shall have the casting vote in the event of a tie unless otherwise stipulated in the internal regulations of the Supervisory Board. If the Board is composed of fewer than five members and only two members attend the meeting, decisions must be taken unanimously.

The decisions of the Supervisory Board are written up in minutes that are entered in a special register held at the registered office.

The Supervisory Board may, by means of a written consultation of its members, take any decision falling within its own powers and for which this right is established by law.

➤ **Mandate and powers of the Supervisory Board (Article 26)**

The Supervisory Board exercises permanent control over the management of the Company by the Executive Board. Throughout the year, it may carry out the controls and verifications it considers appropriate and may ask to be provided with the documents it considers useful for carrying out its duties.

The Supervisory Board may authorise the Executive Board, with the option to delegate such powers, to give sureties, endorsements or guarantees under the conditions provided for by the applicable laws and regulations.

The Supervisory Board also grants the Executive Board, as an internal measure not binding on third parties, the authorisations provided for in Article 16 of these Articles of Association.

It authorises the agreements referred to in Article 29.

It submits its comments on the Executive Board report and the financial statements for the financial year to the annual Ordinary Shareholders' Meeting.

It may decide to relocate the registered office within the same department or move it to a neighbouring department subject to ratification of this decision by the next Ordinary Shareholders' Meeting.

The Supervisory Board may grant one or more of its members all special powers for one or more specific purposes.

The Supervisory Board may adopt internal regulations specifying how it will operate.

The Supervisory Board may decide to create committees to examine issues that the Board or its Chairman submits for their opinion. It decides on the composition and powers of the committees that carry out their activities under its responsibility. It sets the remuneration of the individuals on the Board.

➤ **Remuneration of the members of the Supervisory Board (Article 27)**

The Shareholders' Meeting may allocate the members of the Supervisory Board an annual fixed amount as

remuneration for their activity. The amount of this remuneration is charged to operating expenses. The Supervisory Board shall freely distribute the overall amounts allocated among its members.

The remuneration of the Chairman and the Vice-Chairman is determined by the Board.

The Board may grant exceptional remuneration for assignments or duties entrusted to its members. Such exceptional remuneration is subject to the provisions of Article 29.

➤ **Liability of members of the Supervisory Board (Article 28)**

Members of the Supervisory Board are liable for any misconduct in the performance of their duties. They are not liable for any acts of management or the results thereof.

They may be held civilly liable for offences committed by members of the Executive Board if they were aware of them and failed to disclose them to the General Meeting.

➤ **Agreements between the Company and a member of the Executive Board or the Supervisory Board (Article 29)**

The agreements referred to in Articles L.225-86 et seq. of the French Commercial Code are authorised in accordance with applicable laws and regulations.

3.2.3 Internal regulations

The internal regulations are based on the principles of corporate governance resulting from the AFEP-MEDEF corporate governance code for listed companies, updated in January 2020, and the Directors' Charter published by the French Institute of Directors, and refer to the Middledex Code (updated in September 2021 and which aims to adapt these principles specifically to midcaps and small caps) as a framework for corporate governance as a whole. The internal regulations also take account of the Company's Articles of Association and the provisions of the above-mentioned shareholders' agreement entered into in 2019 between the members of the Le Lan family and Predica.

The Supervisory Board updates the rules of procedure that apply to all its members on an annual basis. The update to the internal regulations for the 2023 financial year was approved by the Supervisory Board meeting of 8 February 2023.

3.2.4 Standing committees of the Supervisory Board

Pursuant to the shareholders' agreement dated 10 July 2019 between the members of the Le Lan family and

Predica and Article 26 of the Company's Articles of Association, the Supervisory Board meeting of 16 October 2019 decided to set up an Audit Committee and an Appointments and Remuneration Committee tasked with formulating opinions and recommendations on an advisory basis. The Supervisory Board is responsible for determining the tasks of each of these two committees reporting to the Board.

The Supervisory Board appoints three of its members to the Audit Committee and three to the Appointments and Remuneration Committee for the duration of their terms of office as members of the Supervisory Board. At least one member of the Audit Committee must have specialist financial and accounting skills.

The Supervisory Board appoints an independent member to act as Chairman of each of the Committees. The Chairman is primarily responsible for the effective operation of the Committee that he or she chairs.

➤ **The Audit Committee**

The Audit Committee is specifically responsible for:

- ✓ following the process for preparing financial information and, where appropriate, making recommendations to ensure its integrity;
- ✓ monitoring the effectiveness of the internal control and risk management systems, as well as internal auditing, where appropriate, with regard to the procedures for preparing and processing accounting and financial information, without infringing on its independence;
- ✓ issuing a recommendation on the statutory auditors proposed for appointment by the General Meeting or who are being considered for reappointment;
- ✓ monitoring completion by the statutory auditors of their assignment and taking into account the findings and conclusions of the Haut conseil du commissariat aux comptes, France's supervisory body for auditors, following the audits carried out by the said body;
- ✓ ensuring that the statutory auditors are independent, in accordance with applicable legal and regulatory provisions;
- ✓ approving the provision of services that are not included in the statutory audit engagements;
- ✓ reporting regularly to the Supervisory Board on the performance of its tasks and the results of the account certification assignment, how this assignment has contributed to the integrity of the financial information and the role that it played in this process, and informing the Board of any issues encountered;

- ✓ reviewing the tools and resources implemented with respect to the Company's main risks and reporting to the Board once a year.

As at the date of this document, the members of the Audit Committee are as follows:

Members of the Audit Committee	Role	Term of office end date
Mrs Constance de Poncins	Chairman	Annual General Meeting 2024
Mr Hubert Rodarie	Member	Annual General Meeting 2025
Mrs Najat Aasqui	Member	Annual General Meeting 2023

➤ The Appointments and Remuneration Committee

The Appointments and Remuneration Committee is specifically responsible for:

- ✓ making any relevant observations to the Supervisory Board on the composition of the Supervisory Board and the Executive Board;
- ✓ issuing an opinion on the applications for membership of the Supervisory Board or the Executive Board in light of their business experience, skills and the extent to which they are representative of economic, social and cultural matters; in the particular case of members of the Executive Board, the selection process guarantees that at least one male and one female candidate are present until the process is concluded (Articles L.225-58 and L.22-10-18 of the French Commercial Code);
- ✓ issuing a recommendation on the total amount of remuneration and the procedures for allocation to members and non-voting members of the Supervisory Board;
- ✓ examining and proposing all the elements of the overall remuneration of the Company's corporate officers to the Supervisory Board and, if applicable, proposing the qualitative and quantitative criteria for determining the variable portion of this remuneration; overall remuneration is understood to mean salary and bonuses, as well as present or future

ancillary benefits such as benefits in kind, supplementary pension, etc.;

- ✓ reviewing the plans for free allocation of shares, allocation of options for subscription or purchase of shares or any similar instrument for the benefit of employees and senior managers, as well as the terms and conditions for allocation.

As at the date of this document, the members of the Appointments and Remuneration Committee are as follows:

Members of the Appointments and Remuneration Committee	Role	Term of office end date
Mrs Florence Soule de Lafont	Chairman	Annual General Meeting 2025
Mr Hubert Rodarie	Member	Annual General Meeting 2025
Mrs Najat Aasqui	Member	Annual General Meeting 2023

3.2.5 Duties of the Supervisory Board

➤ Appointment and remuneration of corporate officers

The Supervisory Board is responsible for:

- ✓ preparing for setting the overall remuneration of the corporate officers and, if applicable, proposing the qualitative and quantitative criteria for determining the variable portion of this remuneration; overall remuneration is understood to mean salary and bonuses, as well as present or future ancillary benefits such as benefits in kind, supplementary pension, etc.;
- ✓ reviewing the plans for free allocation of shares for the benefit of employees and senior managers, as well as the terms and conditions for allocation;
- ✓ examining the applications for membership of the Supervisory Board or the Executive Board in light of their business experience, skills and the extent to which they are representative of economic, social and cultural matters;

- ✓ make any proposals and issue any opinions on directors' fees or other remuneration and benefits for members of the management and supervisory bodies, assess the position of each of the members of the Executive Board or the Supervisory Board with regard to any relationships they may have with the Company or ARGAN Group companies that are likely to compromise their independent judgement or lead to potential conflicts of interest with the Company.

On a practical level, the Executive Board provides the Supervisory Board with a statement of remuneration for corporate officers and statutory auditors.

In particular, the Board ensures that the remuneration for positions held by members of the Le Lan family is consistent and equitable with regard to other members of staff and comparable to the remuneration for equivalent positions in similar companies.

➤ **Investments – Arbitrages – Refinancing**

The Supervisory Board reviews and approves the budget on an annual basis and receives quarterly reports on progress.

This annual budget was initiated by the Executive Board and shows the status of plans for refinancing and trade-offs as well as the volume of investments based on self-financing capacity.

This budget shows the statement of cash balance resulting from income and expenditure (investments). The Board is particularly vigilant in ensuring that this balance is maintained.

The choice of investments is the responsibility of the Executive Board, which, together with specialised employees, looks for developments and acquisitions that meet our strategic criteria.

➤ **Internal and external audit and control of the Company**

The Supervisory Board decided at its meeting of 16 October 2019 to set up an Audit Committee and an Appointments and Remuneration Committee tasked with formulating opinions and recommendations in an advisory capacity.

On behalf of the Supervisory Board, the Audit Committee ensures that the process for preparing financial information is followed and, where appropriate, makes recommendations to ensure its integrity;

On behalf of the Supervisory Board, the Audit Committee monitors the effectiveness of the internal control and risk management systems and reports on them.

In particular, it conducts reviews as follows:

- **Accounting and financial documents**

- Reviews the draft company and consolidated, semi-annual and annual financial statements, including any changes to the accounting principles and rules applied in their preparation.
- Reviews the financial documents issued by the Company when the annual and half-yearly financial statements are prepared.
- Monitors the quality of the procedures for compliance with stock market regulations.
- Reviews draft accounts for specific transactions such as contributions, mergers, spin-offs, payment of interim dividends.
- Analyses, where applicable, operations proposed by the Executive Board and submitted to the Supervisory Board with regard to equity investments, acquisitions or disposals.

- **External control of the Company**

- Reviews the proposals for appointment of the Company's statutory auditors and their remuneration;
- Reviews each year with the statutory auditors:
 - Their action plan and conclusions,
 - Their recommendations and follow-up

- **Internal control of the Company**

ARGAN has adopted an internal control system that encompasses the companies included in the consolidation scope, covering all the Company's operations and those of its subsidiaries and meeting current standards.

Internal control covers all the procedures defined and implemented by the ARGAN Supervisory Board with the aim of ensuring:

- The reliability, quality and availability of accounting and financial information,
- Efficiency in the conduct of the Group's operations and support for the Group in achieving its strategic and operational objectives,

- Compliance with applicable laws and regulations,
- Safeguarding of the Group's assets,
- Fraud prevention and detection.

On behalf of the Supervisory Board, the Audit Committee monitors the effectiveness of the internal control and risk management systems and reports on them.

The overall objective of the internal control system is to prevent and control risks resulting from Group operations and the risks of error or fraud, particularly in the accounting and financial areas.

Like any control system, however, it cannot provide an absolute guarantee that these risks are completely eliminated.

The internal control procedures in place are as follows:

1.) An **analytical financial dashboard by building** showing, for example, the income statement forecast and the cash flow balance by building.

This dashboard highlights the balance of rents/loan repayments and the level of residual debt compared with the market value of each building (LTV by building).

2.) A **debt dashboard** showing overall debt as well as a breakdown by type (fixed – variable), by bank and by building, the traceability of the cost of debt and the debt forecast, and overall LTV.

3.) An **asset dashboard** including:

- a statement of the buildings (floor areas – age – geographical location, etc.).
- a statement of the leases, including a schedule of the fixed and contractual terms and specific lease conditions (overview of leases).
- a statement of the rents, including a breakdown by tenant, amounts compared with market values.
- valuations of the buildings including a history of values and rates of return.

4.) A **Shareholder dashboard** including:

- traceability of consolidated results and analysis of cash flows, overheads compared with rents and calculation of the NAV.
- the portfolio: summary of the traceability of valuations and capitalisation rates, measurement of income, lease terms, measurement of floor areas and age of assets.
- debt: summary of debt traceability (LTV, fixed/variable split, maturity, DSCR and ICR).

- stock market information: change in the ARGAN share compared with notable indices, progress of dividends, the status of share ownership.

5.) A **management dashboard** including:

- a statement of ARGAN's sureties and guarantees to lenders (understanding of amounts and terms);
- the value and terms of the Group's mortgage and lease loans;
- fact sheets summarising the contents of the various leases and a general schedule showing lease terms and renewal dates;
- VAT option declarations, self-supply procedures;
- a review of chargebacks of expenses on insurance policies held by the Company, which are charged back to subsidiaries and tenants where provided for in the lease.

6.) **Monitoring of cost prices.** This is non-accounting monitoring with reconciliation of the recognised values. A reconciliation is also carried out during construction between amounts still to be paid to contractors and the amount of the financing in place that is available.

7.) **Cash movement control procedures.** The Company has entered into a cash management agreement with its subsidiaries in the form of a current account advance, producing an aggregate cash position managed at ARGAN level. All cash movements are checked twice: once when the movement order is issued, in a non-accounting table, and again when the movements are recognised in the accounts.

The dashboards are updated biannually when the financial statements are prepared.

- Risk review

The Audit Committee examines the relevance of the risk analysis and monitoring procedures for the Supervisory Board. It ensures that a process is established for identifying, quantifying and preventing the main risks involved in the Group's operations. Depending on the topics to be addressed, Committee meetings are attended by anyone whom the Committee wishes to interview, seek assistance from or simply have in attendance, including the statutory auditors, relevant members of the Executive Board, the Chief Financial Officer and the Head of Management Control.

➤ Powers delegated by the Supervisory Board to the Executive Board

The Supervisory Board authorises the Executive Board to allocate, under its responsibility, the tasks involved

in managing the Company to the members of the Executive Board.

The prior authorisation of the Supervisory Board is necessary for development, investment, acquisition and trade-off operations exceeding €25 (twenty-five) million. Authorisation is also required if the effect of the planned development or acquisition transaction would be that one tenant would represent more than 20% of rental income and/or if the LTV were to increase to 65% or more.

3.3. Compensation and benefits of any kind paid to corporate officers

Please refer to the Report of the Supervisory Board on Corporate Governance in Part IV, 12 of this Universal Registration Document This sets out the principles and criteria for determining, distributing and allocating elements of compensation, as well as the remuneration and benefits of any kind for corporate officers.

It should also be noted that this report contains the remuneration policy submitted for approval by the Combined Shareholders' Meeting of 23 March 2023 in accordance with Article L.22-10-26 of the French Commercial Code.

4. Employees and environment

4.1. Corporate information

4.1.1 Group headcount

As at 31 December 2022, the Company had twenty-nine (29) employees, 28 of whom were full-time. Three of them are members of the Executive Board and one is a member of the Supervisory Board.

4.1.2 Profit-sharing agreements, share options and free shares for Company employees for financial year 2022

➤ Profit-sharing agreement

A memorandum of agreement for profit-sharing, ratified by a two-thirds majority of all employees with 3 months' service, was adopted on 07 June 2021 for a period of three financial years from 1 January 2021, i.e. for financial years 2021, 2022 and 2023.

In general terms, the profit-sharing agreement provides for the allocation of a profit-sharing bonus to employees and corporate officers of the Company's Executive Board which is intended to give them an interest in developing and improving performance.

Profit-sharing depends on two criteria:

- Performance of the Development,
- The building occupancy rate.

The annual total profit-share is made up of the sum of the profit-share generated by each of these two criteria.

Given that it is by nature uncertain, the profit-share is variable and may be zero. Employees undertake to accept the result as determined by the earnings for each financial year. Consequently, the signatories do not believe that a profit-share will be paid as a matter of course to each eligible employee in respect of a financial year.

For the purposes of employment law, profit-share payments to employees are not qualify as salary. They do not qualify as remuneration within the meaning of Article L.242-1 of the French Social Security Code defining the basis for social security contributions. However, they are subject to the general social contribution (CSG) and the social debt reimbursement (CRDS) and to income tax.

By mutual agreement, it will be within a range of 0 to 2 months' salary for each employee and may not exceed 20% of the gross payroll for the company's employees.

The following payments have been made under the profit-sharing agreement for the most recent financial years:

FINANCIAL YEARS	PROFIT SHARE AMOUNT PAID
2021	€360.491
2022	€403.965

➤ Share subscription options

There was no share purchase or subscription option plan specifically for employees or officers of the Company ongoing as at 31 December 2022.

➤ Free share allocations

2019-2020-2021 plan

The Combined Shareholders' Meeting of 21 March 2019 (23rd Resolution) authorised the Executive Board to allocate members of the Company's staff or certain categories thereof, as well as corporate officers, free Company shares in issue or to be issued, up to a total number not exceeding 2% of the share capital on the date of allocation by the Executive Board.

This Executive Board was granted this authorisation for thirty-eight (38) months.

On 9 July 2019, the Executive Board used the power it had been granted, by setting up a free share allocation scheme subject to exceeding of certain performance criteria relating to the results for financial years 2019, 2020 and 2021.

The free allocation of shares depends on the increase in the Company's performance, assessed on 31 December 2021, the end date for the current three-year plan, on the basis of two criteria:

- The developer margin on developments and acquisitions, plus income from disposals, less the shortfall related to asset vacancies over the three financial years.
- The sum of the increase in the Recurring Income generated in each of the three financial years.

The employees affected by the introduction of this plan are the members of the Executive Board and the Executive Committee, i.e. a total of 7 persons. Each beneficiary is allocated a quota of shares according to performance on each criterion, weighted according to his role.

The maximum number of free shares that may be allocated for all three financial years, 2019, 2020 and 2021, is 55,000 shares.

It should be noted that the Supervisory Board has decided not to set any minimum amount of shares granted free of charge that the corporate officers would be required to retain in registered form until they cease to hold office.

On 17 January 2022, the Executive Board decided to allocate a total of 30,074 shares to all employees concerned, corresponding to 55% of the maximum attributable quantity, after analysing the extent to which the performance criteria in respect of the results for 2019, 2020 and 2021 had been met. These actions were carried out pursuant to a resolution of the Executive Board dated 16 January 2023.

2022-2023-2024 plan

The General Meeting of 24 March 2022 authorised the Executive Board, in its 19th resolution, to allocate, based on certain criteria and methods, **free shares to all employees present** under a three-year plan for 2022, 2023 and 2024, the rules of which were submitted to the Supervisory Board on 9 February 2022.

At its meeting of 28 March 2022, the Executive Board resolved to introduce a system for allocating free shares to all the company's employees and corporate officers for financial years 2022, 2023 and 2024. Under this three-year plan, the maximum number of free shares that may be allocated is 55,000 shares for all potential recipients. This free share allocation depends on the creation of value over the period in question based on 4 indicators: the developer margin, the gain (or loss) on acquisition, the growth in recurring income and losses associated with vacancy.

Over the first two years, 2022 and 2023, an interim amount shall be awarded, equal to 25% of the maximum amount that may be allocated, converted into shares by dividing the sum obtained by the average share price in the 4th quarter of the year in question.

As a result, the Executive Board, at its meeting of 16 January 2023, resolved to allocate to current employees a total of 12,686 shares based on an average share price of €76.51 (Q4 2022), corresponding to 25% of the maximum quantity that could be allocated after analysing the 4 performance indicators provided for in the allocation rules.

4.1.3 Human Resources team and policy

As at 31 December 2022, the workforce was a total of 29 employees (29 permanent contracts), including 26 executives (4 women and 22 men) and 3 non-executives (1 woman and 2 men), all based at the head office in Neuilly-sur-Seine (92). The employees' average age is 44. As at 31 December 2021, the workforce was a total of 27

employees (27 permanent contracts).

Twenty-eight (28) of these employees work full-time, and their employment contracts are governed by the national real estate collective bargaining agreement.

The Company has adopted various staff incentive arrangements based on individual and collective performance:

- a profit-sharing agreement is in force for financial years 2021, 2022 and 2023 (see Part II 4.1.2.- Profit-sharing agreement)
- an annual collective bonus scheme is in place and was applicable in 2022, based on the rental returns and the amount of rent generated by the new development leases signed during financial year 2022, and
- a new free share allocation plan was put in place in 2022 for financial years 2022-2023-2024 for all staff (see Part II 4.1.2. Free share allocations)

See also Part I, 7.1 Corporate information.

4.2. Environmental information

The Company ensures that when making an acquisition, undertaking development work and for its buildings in operation, it upholds the following:

- compliance with the regulations governing town planning and construction,
- compliance with the regulatory framework for construction sites and renovation sites,
- where applicable, the site's compliance with the HQE (high environmental quality) standard,
- obtaining all inspection reports from external supervisory bodies.

The Company remains particularly alert to compliance with all rules and regulations (on asbestos, classified facilities, etc.) in the management and operation of its property portfolio, both in terms of its own obligations and in respect of those of its tenants, as specified in Part I, 5.4 - Regulations applicable to activities of the Group.

See also Part I 7.2.- Environmental information and 7.3 Company information.

5. Outlook and risk management

5.1. Outlook

5.1.1 Significant change in the financial or business position

ARGAN has experienced no significant change in its financial or business situation since 31 December 2022.

5.1.2 Investment strategy

See Part I, 5.3 – Group’s Strategy.

5.1.3 Development

Capitalising on its solid fundamentals and recognized expertise, ARGAN intends to continue with the execution of its long-term strategy in order to increase shareholder value, while adapting to a new economic environment marked by a sharp rise in interest rates, rising capitalisation rates and rising inflation.

Accordingly, ARGAN intends to remain a pure player in logistics property, maintaining its strategy of developing PREMIUM hubs worth around €100 million per year and leased to solid leading names, upholding its integrated, responsive operation and growing its NAV while continuing to pay dividends with the aim of achieving a minimum of €3.

Beyond 2023 and 2024, the development plan for which is almost finalised, the strategy seeks to deleverage the company by financing developments through the sale of the oldest warehouses, generating more moderate growth (in the region of between 2% and 5% per year) through indexation, reversions on lease renewals and the development of properties with rental yields higher than the rental yields of sold properties.

ARGAN sets the following targets for the end of 2023:

Key indicators	Targets for end 2023	Change compared with end 2022
Rental income	€182M	+10%
Recurring net income	€124M	+4%
Dividend per share*	Minimum €3	

(*) The dividend will be subject to the approval of the CSM in 2024.

Aut0nom® is now our warehouse standard. Aut0nom® is a Premium warehouse equipped with a photovoltaic

power plant and an battery-based energy storage system for self-consumption exclusively, which produces more energy over one year than is consumed for heating & cooling and lighting.

In parallel with the general roll-out of Aut0nom® warehouses, an ambitious Climate Plan will be applied to the entire existing fleet in order to reach carbon neutrality for the properties (in terms of heating and lighting) by 2030. Gas heating systems will be replaced by electric heat pumps.

See also Part I, 7.2.3 Environmental Information.

5.1.4 Tax regime and shareholder distribution policy

For a detailed description of the tax regime applicable to ARGAN and to the Group, see Part I, 5.4.7 – Rules pertaining to SIIC status and Part II, 6.3.1 – Dividend distribution policy.

5.2. Risk factors and insurance

Investors are invited to consider all the information contained in this Universal Registration Document, including risk factors, before deciding to acquire shares in the Company.

However, investors should be aware that other risks, of which ARGAN has no knowledge, or which are currently non-material, could become significant factors that could have a material adverse effect on ARGAN and its operations, financial position, performance or outlook.

ARGAN has reviewed the most material risks, given the likelihood of their occurrence, which could have a negative impact on its operations, financial position, performance or outlook. ARGAN considers that there are no material risks other than those set out in this Universal Registration Document. Risks are divided into broad categories. Within each category, risk factors are ranked in order of materiality (the most material risk factors are listed first).

The risks presented in this section have been updated to reflect recent developments linked to the new economic environment in 2022 and to reassess the possible impacts of the current situation for the Company. However, many uncertainties remain regarding the duration, scale and effects of the crisis, making it difficult to determine the future impact of this economic and health crisis on the Company as at the filing date for this Universal Registration Document.

The table below lists net risks (i.e. after taking into account risk mitigation and prevention measures) by category and their level of priority according to their potential impact and their likelihood of occurrence:

Prioritisation and summary of significant net risks specific to ARGAN

Risk category	Risk	Risk classification
Risks related to the organisational structure and the listing of ARGAN's shares	Risks related to the departure of a member of the Le Lan family	High
	Risks related to the control of the Company	Medium
	Risks related to the liquidity and the ARGAN share price	Medium
Risks related to the Company's level of debt	Interest rate risks	Medium
	Liquidity risks	Medium
	Financing risks	Medium
Market risks	Risks related to the economic environment and the logistics property market	Medium
	Risks related to the availability and financial conditions of financing	Medium
Operational risks	Risks related to lease regulations and their renewal	Medium
	Risks related to authorisations and administrative recourse	Medium
	Risks of dependency on certain tenants and counterparty risks	High
	Risks related to the sector-specific and geographical concentration of assets	Low
	Risks related to quality control of services provided by subcontractors	Low
	Risk of cyber attacks	High
Asset-related risks	Risks related to the tax regime for SIICs	Medium
	Risks related to the acquisition strategy	Medium
	Risks related to the estimation of asset values	Medium

5.2.1 Risks related to the organisational structure and the listing of ARGAN's shares

➤ Risks related to the departure of a member of the Le Lan family

ARGAN's development depends on the involvement of the Company's top executives and key employees, particularly the Chairman of the Executive Board, Mr Ronan Le Lan, and the Chairman of the Supervisory Board, Mr Jean-Claude Le Lan. Should one of them leave or be otherwise unavailable, there is no guarantee that it would not have a significant negative impact on the ARGAN Group's strategy and financial position as well as on the implementation of new projects necessary for its growth and development.

In order to address this possibility, ARGAN has created an organisational structure for the Company and expanded its management team.

➤ Risks related to the control of the Company

Mr. Jean-Claude Le Lan and his family are expected to remain the controlling shareholder of the Company. At 31 December 2022, the Le Lan family held 40% of the Company's share capital and voting rights (see Part II 6.2.1 - Main shareholders). As a result, Mr Jean-Claude Le Lan and his family will continue to have a significant influence on the Company in the future and could also, depending on the level of investment of the other shareholders, adopt by themselves all resolutions submitted for the approval of shareholders at the Ordinary Shareholders' Meeting and potentially at the Extraordinary Shareholders' Meeting. Mr Jean-Claude Le Lan and his family therefore have a significant influence on major decisions concerning, in particular, the appointment of members of the Executive Board and the Supervisory Board, the approval of the annual financial statements, the distribution of dividends, as well as changes to the Company's capital and the Articles of Association.

The Company is controlled by Mr Jean-Claude Le Lan and his family. In addition, the Supervisory Board has 3 independent members, representing 37.5% of the members, in accordance with the recommendations of the Middlednext Corporate Governance Code, which recommends that at least one third of the members of a Supervisory Board of a controlled company be independent members. Therefore, the Company considers that there is little risk of abusive control because of the presence of the independent members.

➤ Risks related to the liquidity and the ARGAN share price

The Company's shares are admitted to trading on the Euronext Paris market; it is not possible to guarantee the existence of a liquid market for its shares, nor that such a market, if it develops, will persist. For

information, it should be noted that the average daily transaction volume on ARGAN shares during 2022 was 6,665 (source: Euronext).

The lack of liquidity for ARGAN shares may have an impact on their marketability and their price. However, inclusion in the EPRA index in 2023 should increase the exposure and liquidity of the shares. In addition, the price of ARGAN shares may vary significantly compared with its NAV.

5.2.2 Risks related to the Company's level of debt

➤ Interest rate risks

With the Company using debt to finance its future developments, any change in interest rates results in a change in the financial cost burden in respect of these loans. This is all the more true in the current environment of rising interest rates. However, the Company has entered into various interest rate hedges to reduce its exposure to variable rates as at 31 December 2022 to approximately only 8% of its total debt.

The breakdown of debt between fixed/variable and hedged variable rates, as well as an analysis of interest rate risk sensitivity, are set out in Part III, Section 1 Consolidated accounts, item 12. Financial derivative instruments and interest rate risk management and item 20. Financial debt.

In addition, the majority of financing contracts entered into at a variable rate include options for converting to a fixed rate.

In any case, in an environment of rising interest rates, ARGAN's financial strategy seeks to significantly limit the use of borrowing with a view to deleveraging. To that end, new developments will mainly be financed by disposals of old properties.

➤ Liquidity risks

The Company's liquidity risk policy is to ensure that at all times, rental revenue exceeds what the Company needs to cover its operating expenses, interest and repayment charges for any financial debt it may take on in implementing its investment programme and the distribution of dividends under the SIIC (listed real estate investment company) regime.

In any event, liquidity facilities of around €250m are in place.

The Company has conducted a specific review of its liquidity risk and considers that it is able to meet its future maturities and at present, it does not anticipate an increased risk. See also Part III, Section 1 Consolidated financial statements, items 6.27.3

Liquidity and credit risks and 20.2 Maturities of financial liabilities.

➤ **Financing risks**

As at 31 December 2022, outstanding bank debts relating to existing assets amounted to €1,349 million. Adding in bonds amounting to €630 million and €3

million in other bank loans, total debt was €1,982 million.

To date, the Company does not anticipate significant changes in financing risk. Since the bank debt subscribed can essentially be amortised, the Company does not need to refinance its debt in the short and medium term.

Statement of borrowings in thousands of €at 31/12/2022:

Types of debts	References		Amort start dates	Amort ends dates	Total residual dates	Breakdown		
						Fixe	Hedge Variable	Unhedged Variable
	Cities					Amount	Amount	Amount
HYP	CREUZIER LE NEUF (03)		10/07/2022	10/04/2029	10 295	0	6 177	4 118
HYP	CREUZIER LE NEUF (03)		10/07/2022	10/04/2029			3 590	-3 590
CBI	TOURNAN EN BRIE BSH (77) - CBI		10/01/2010	10/01/2025	5 056	0	0	5 056
HYP	ROYE (80)		10/10/2020	10/07/2035	25 945	0	18 146	7 799
CBI	ROISSY EN BRIE (77)		01/10/2009	01/10/2024	4 542	0	0	4 542
HYP	FERRIERES (77)		10/01/2013	10/10/2026	9 791	0	0	9 791
HYP	FERRIERES (77)		10/10/2020	10/10/2026	9 900	0	2 772	7 128
CBI	ST QUENTIN FALLAVIER (38)		10/04/2010	10/04/2025	7 706	0	7 706	0
HYP	CHATRES (77)		10/07/2022	10/04/2029	36 562	0	21 937	14 625
CBI	COUDRAY MONTCEAUX (91) <u>BatA</u>		10/07/2010	10/07/2025	17 460	0	0	17 460
HYP	CHANTELOUP EN BRIE (77)		10/07/2022	10/04/2029	13 677	0	8 206	5 471
HYP	TRAPPES (78)		10/07/2022	10/04/2029	34 164	0	20 498	13 666
HYP	WISSOUS (91)		10/01/2013	10/10/2027	3 545	0	0	3 545
CBI	AMBLAINVILLE (60)		25/05/2012	25/05/2027	6 298	0	0	6 298
CBI	AMBLAINVILLE (60) - <u>Avenant 1</u>		26/07/2012	25/05/2027	272	0	0	272
CBI	AMBLAINVILLE (60) - Extension		10/04/2017	25/05/2027	3 201	0	0	3 201
HYP	CERGY (95)		10/07/2022	10/04/2028	7 316	0	0	7 316
CBI	FERRIERES (77)		01/09/2012	01/09/2027	7 827	0	0	7 827
HYP	ROUVIGNIES (59)		10/10/2020	10/07/2035	38 514		16 176	22 338
HYP	ROUVIGNIES (59) couverture		10/10/2020	10/07/2035			6 933	-6 933
HYP	ROUVIGNIES (59) couverture		10/10/2016	10/04/2031		0	1 696	-1 696
CBI	MITRY MORY (77)		26/07/2012	10/07/2024	3 859	0	4 069	-209
CBI	WISSOUS (91)		17/09/2012	15/10/2027	8 158	0	0	8 158
CBI	COUDRAY (91) Bat B		29/03/2013	28/03/2028	21 492	0	17 725	3 767
HYP	ST BONNET LES OULES (42)		10/07/2022	10/04/2029	28 706	0	17 223	11 482
HYP	ST BONNET LES OULES (42)		10/07/2022	10/04/2029		0	10 633	-10 633
CBI	VILLE VERMOIS (54)		01/01/2015	31/12/2023	784	0	987	-203

HYP	BRUGES (33)		10/07/2022	10/04/2029	11 559	0	6 935	4 624
HYP	BRUGES (33)		10/07/2022	10/04/2029			4 810	-4 810
HYP	CERGY (95)		10/07/2022	10/01/2032	10 764	0	0	10 764
HYP	ATHIS MONS (91)		10/10/2017	10/10/2032	6 608	0	0	6 608
CBI	LOGNES (77)		15/12/2016	15/12/2031	12 575	0	12 110	465
HYP	MEUNG (45)		10/04/2022	10/01/2037	14 804	0	0	14 804
CBI	GUIPAVAS (29)		01/01/2014	30/09/2025		0	1 177	-1 177
CBI	LOMME (59)		14/05/2012	13/05/2027		0	2 648	-2 648
CBI	LOMME (59)		01/01/2013	13/05/2027		0	51	-51
CBI	SUCY EN BRIE (94)		30/08/2013	29/08/2028		0	6 318	-6 318
CBI	LA FARLEDE (83)		05/04/2013	04/04/2025		0	2 374	-2 374
CBI	CHANCEAUX TOURS (37)		10/12/2009	09/12/2024		0	1 471	-1 471
HYP	WISSOUS (91)		08/06/2018	08/06/2033	43 636	0	35 006	8 629
HYP	NEUILLY 21 BEFFROY (92)		10/07/2019	10/05/2034	7 497	0	9 044	-1 547
HYP	NEUILLY 21 BEFFROY (92)		10/07/2019	10/05/2034	2 000	0	0	2 000
HYP	CESTAS (33)		10/07/2019	10/07/2033	8 243	8 243	0	
HYP	PUSIGNAN (69)		10/01/2020	10/10/2034	15 044	0	0	15 044
HYP	PUSIGNAN (69)		10/01/2020	10/10/2034	3 200	0	0	3 200
HYP	FLEURY MEROGIS (91)		10/10/2019	27/02/2031	32 800	32 800	0	
HYP	ALBON (26)		01/12/2019	10/01/2035	6 593	0	5 276	1 317
HYP	ALBON (26)		10/10/2023	10/04/2037	0	0		
HYP	LA CRECHE (79)		10/04/2020	10/01/2035	7 891	7 891	0	
HYP	TOURS (37)		10/04/2021	10/01/2036	15 021	15 021	0	
HYP	STRASBOURG (67)		01/07/2020	28/06/2035	19 394	0	0	19 394
HYP	BILLY-BERCLAU (62)		01/07/2020	28/06/2035	3 995	3 995	0	
HYP	ARTENEY (45)		01/12/2019	01/12/2028	61 200	0	59 319	1 882
HYP	ALLONES (72)		01/12/2019	01/12/2026	46 246	46 246	0	
HYP	LUNEVILLE (54)		01/12/2019	01/12/2029	37 704	37 704	0	
HYP	LAUDUN (30)		01/12/2019	01/12/2031	36 743	36 743	0	
HYP	AULNAY (93)		01/12/2019	01/12/2031	40 020	40 020	0	
HYP	VENDIN (62)		01/12/2019	01/12/2026	31 391	31 391	0	
HYP	EPAUX-BEZU (02)		01/12/2019	01/12/2026	31 336	31 336	0	
HYP	MACON (01)		01/12/2019	01/12/2026	27 402	27 402	0	
HYP	SAVIGNY-SUR-CLAIRIS (89)		01/12/2019	01/12/2031	26 134	26 134	0	
HYP	CHOLET (49)		01/12/2019	01/12/2031	24 797	24 797	0	
HYP	CREPY-EN-VALOIS (60)		01/12/2019	01/12/2029	17 827	17 827	0	
HYP	BILLY-BERCLAU (62)		01/12/2019	01/12/2029	21 392	21 392	0	
HYP	COMBS-LA-VILLE (77)		01/12/2019	01/12/2026	17 822	17 822	0	
HYP	BRIE-COMTE-ROBERT (77)		01/12/2019	01/12/2026	22 667	22 667	0	
HYP	PLAISANCE-DU-TOUCH (31)		01/12/2019	01/12/2028	20 048	0	19 432	616
HYP	SAINT-QUENTIN-FALLAVIER (38)		01/12/2019	01/12/2028	10 499	0	10 176	323
HYP	BAIN-DE-BRETAGNE (35)		01/12/2019	01/12/2028	7 187	0	6 966	221
HYP	PLOUFRAGAN-SAINT-BRIEUC (22)		01/12/2019	01/12/2029	5 972	5 972	0	
HYP	GONDREVILLE (54)		10/07/2021	10/04/2036	8 522	0	0	8 522
HYP	METZ (57)		10/04/2022	10/10/2031	117 502		63 679	53 824
HYP	METZ (57)						6 823	-6 823
HYP	ESCRENNES (45)		10/01/2022	10/10/2034	8 931		0	8 931
HYP	NANCY (54)		10/01/2021	10/10/2028	26 350	26 350	0	
HYP	NEUVILLE-AUX-BOIS (45)		10/01/2021	10/10/2028	47 875	47 875	0	

HYP	SERRIS (77)		10/04/2022	10/04/2037	10 733			10 733
HYP	SAINT JEAN DE LA NEUVILLE (76)		10/10/2023	10/10/2038	16			16
HYP	MIONNAY (01)		10/04/2024	10/01/2031	0	0		
HYP	SAINT ANDRE SUR ORNE (14)		10/01/2022	10/10/2036	1 065			1 065
HYP	JANNEYRIAS (38)		10/07/2023	10/04/2037	0			
HYP	SENS (89)		10/01/2023	10/10/2029	90 000		90 000	
HYP	PLESSIS PATE (91) - CARGAN-LOG		10/10/2021	10/04/2028	9 587		0	9 587
HYP	ROGNAC (13) - CARGAN-LOG		10/07/2022	10/04/2030	8 500	8 500	0	
HYP	LENS (30) - CARGAN-LOG		10/01/2023	10/10/2037	7 500	7 500	0	
CORP	ARGAN BNP		10/11/2016	10/11/2023	1 786	1 786		
CORP	ARGAN BPI		01/12/2014	30/06/2022	0	0		
RCF	ARGAN CA 33 M€		26/07/2017	28/07/2024	0	0	0	0
RCF	ARGAN Ligne de crédit Neuflize 20 M€		07/07/2017	06/07/2022	0	0	0	0
RCF	ARGAN Club BPI		30/09/2019	30/03/2023	1 000	0		1 000
RCF	ARGAN Club BPI		19/02/2018	30/09/2021	0	0		0
RCF	ARGAN club BPI 15 M€		31/01/2021	31/10/2025	10	0		10
RCF	ARGAN LCL		25/05/2021	25/05/2023	0			0
OBLIG	ARGAN OBLIGATAIRE		14/02/2017	14/02/2022	0	0		
OBLIG	ARGAN OBLIGATAIRE		04/07/2017	04/07/2023	130 000	130 000		
OBLIG	ARGAN OBLIGATAIRE		17/11/2021	17/11/2026	500 000	500 000		
COUV	Tunnel 2 sept 2016 macro 160 M€ (ma		10/10/2016	10/10/2023			75 536	-75 536
COUV	Tunnel 1 juillet 2016 macro 41 M€ (ma		10/10/2016	10/10/2023			71 841	-71 841
	TOTAL (en k€)				1 982 460	1 177 413	655 467	149 579
					100%	59%	33%	8%

The various credit agreements signed by the Company and its subsidiaries include standard early repayment clauses as well as fixed rate conversion opportunities for variable rate loans.

Most of the financing includes guarantees when it is put in place: collateralisation of the leasing agreement under the REFL or mortgage for borrowing, Daily assignment of rents or sub-rents (see Part IV, 5. Collateralisation – mortgages).

Certain financing arrangements also include obligations to comply with ratios (or covenants); failure to comply may constitute default. This is essentially an LTV ratio on the Company's assets or only the assets financed.

At 31 December 2022, asset-backed financing with an obligation to comply with the LTV ratio on the Company's assets (obligation to comply with a net LTV ratio of less than 70%, mainly) accounted for 48% of all financing taken out, plus bonds, which must respect an LTV ratio of less than 65%, which accounted for 30% of all financing taken out. The Company's LTV stood at 45% at 31 December 2022, well below the level of its covenants.

The November 2021 bond issue maturing in November 2026 provides for the following financial commitments:

- Maintaining an LTV ratio of less than 65%,
- Maintaining an secured LTV ratio of less than 45%, and
- Compliance with an ICR ratio of more than 1.8x.

The maintenance of an LTV ratio of less than 65% also applies to bond issues carried out in 2017.

As a reminder, at 31 December 2022, the Company's LTV stood at 45%, the secured LTV ratio at 34% and the ICR ratio at 5.4x.

5.2.3 Market risks

➤ Risks related to the economic environment and the logistics property market

Changes in the general economic environment are likely to influence demand for new warehouse space, as well as having a long-term impact on the occupancy rate and tenants' ability to pay their rents. The Company considers that its client portfolio is largely made up of leading companies whose financial position limits this risk.

During the 2022 financial year, the Company was not affected in terms of the recovery of its rents to date. It also did not receive any requests from clients linked to the indexation applicable from January 2023 (4% on average).

Developments in the economic situation have an impact on changes in the INSEE (French National Institute of Statistics and Economic Studies) indices to which the Company's rents are indexed (ICC: Cost-of-Construction index or ILAT: a French measure of inflation specific to property). However, in 45% of its leases, the Company has implemented a collar indexation clause or pre-indexation of rents in order to limit the effects of indexation to INSEE indices.

In addition, the Company is exposed to changes in the real estate market, which could adversely affect its investment and trade-off policy, as well as its operations, financial position, performance and outlook.

However, demand for logistics real estate remains strong, with a vacancy rate of 3.8% in France at the end of 2022.

➤ **Risks related to the availability and financial conditions of financing**

To finance its business, the Company has primarily used long-term mortgages and lease loans as well as, to a lesser extent, bond issues.

In view of its substantial leveraging and in the event of a credit crunch by the major financial institutions or an increase in credit rates, the Company might be unable to implement its development strategy as quickly as it would like due to a shortage of loans granted. However, it believes that the diversity of its financial partners allows it to arrange the financings it needs, bearing in mind that it may also, depending on market conditions, issue bonds.

That said, given the new economic and financial environment, the Company is prioritising deleveraging and wants to rebalance its sources of funding between bond debt (target of 50%) and amortising bank debt (target of 50%) by 2030.

5.2.4 Operational risks

➤ **Risks related to lease regulations and their renewal**

Buildings are let by ARGAN’s in-house teams (in the letting and development departments), with the ad hoc assistance of external lettings managers. Lease agreements are drawn up on the basis of a standard lease, reviewed periodically according to legal developments.

It remains possible that when a lease expires, some tenants may choose not to renew their lease agreement, and ARGAN may not be able to renew the relevant property quickly and on the same terms. Given the laddering of current leases, however, ARGAN believes it is in a position to deal with such eventualities.

It should be noted that as at 31 December 2022, the occupancy rate was 100%, with an average remaining fixed lease term of 5.5 years, as follows:

Remaining fixed term of leases	Percentages
More than 6 years	35%
3 to 6 years	34%
Less than 3 years	31%

➤ **Risks related to authorisations and administrative recourse**

The majority of the Company’s logistics hubs (where the quantity of combustible goods stored exceeds 500 tonnes) require a prefectural authorisation to be able to operate (ICPE authorisation). These authorisations, which include requirements relating to the configuration of the building concerned, apply to the operating tenants, except in the case of multi-tenant sites for which the Company is the holder of the authorisation.

This authorisation is assigned to the site for its operating model (quantity and nature of products stored, method of storage, etc.), with no time limit. Only a development or a change in this operating model may require an update to the prefectural authorisation for operations. The Company oversees the application for the said update.

During the operational phase, the Company contractually requires its tenants to comply with the authorisations for operations and ensures that they do so (duty to disclose correspondence with the DREAL, ban on terminating the order, warehouse inspections, etc.). ARGAN’s in-house property department is responsible for this oversight.

Although all of the Company’s assets are compliant with ICPE regulations, it cannot guarantee that additional authorisations will be obtained if its tenants make a change to the way they operate its warehouses or that appeals will not be filed against prefectural authorisations and building permits that have been issued. To date, the Company has not had to deal with any significant delay in updating a prefectural authorisation for operations.

➤ **Risks of dependency on certain tenants and counterparty risks**

The Company’s assets comprise 94 buildings, leased to a total of 60 different tenants. ARGAN’s top 12 tenants were responsible for 73% of annualised rental income for 2022 across 57 sites, as follows: Carrefour (29%), FM Logistic (8%), Casino (6%), Géodis (5%) and Amazon (5%).

The Company’s client portfolio is largely made up of leading companies whose financial position limits counterparty risk in principle.

Before a lease agreement is signed, the position of potential tenants, particularly their financial position, is examined. Leases include the following guarantees: security deposit or bank guarantee equivalent to 3 months’ minimum rent which may, if applicable, be increased depending on the user’s potential risk profile.

For the financial year 2022, the annual rental revenue from the largest site represents 5.5% of the Company’s total annual rent roll. The Company is confident that it can handle a default of this magnitude for as long as necessary to install a new tenant on such a site.

Of course, the slowdown in the economy could adversely affect our tenants' business operations and increase the Company's exposure to counterparty risk for 2023.

As such, economic sectors such as personal equipment (which accounts for around 11% of our tenants) could see a slowdown in their activity.

➤ **Risks associated with the sector-specific and geographical concentration of the Company's assets**

The Company's assets are essentially premium logistics hubs. In particular, the Company could face a lack of availability of supply, or competition from other players in the sector.

In addition, certain property assets are located in the same region, including Ile-de-France (pour 32% of the portfolio), Hauts de France (14%), Centre / Val de Loire (10%), Auvergne / Rhône-Alpes (9%), Occitanie (5%) and Pays de La Loire (4%).

The return on property assets varies depending on the economic growth of the geographical region in which they are located. The decline in rental values in a given region as well as the availability of equivalent or higher quality supply at prices that may be lower could encourage some tenants to leave if they wish to obtain better value for money. This could also make it more difficult to re-let a real estate asset or make a trade under satisfactory conditions.

The Company cannot guarantee that it will be able to reduce the potential effects on results of any deterioration in the conditions in these regional rental markets. However, it believes that the regions referred to above are recognised logistics areas, that meet the needs of its tenants and in a general context of low vacancy rates (3.8% nationally).

➤ **Risks related to quality control of services provided by subcontractors**

The attractiveness of real estate portfolios, rental income and valuations may be affected by potential tenants' perception of the warehouses, i.e. the risk that these potential tenants may consider the quality, cleanliness and/or safety of the warehouses to be inadequate, or that they need to undertake restructuring, renovation or repair work.

As at 31 December 2022, 63% of the Company's real estate stock is covered by a 10-year guarantee (weighted by sq. m.), corresponding to 50 buildings, and tenants are responsible for upkeep of the buildings,

other than what falls under Article 606 of the French Civil Code, which is covered by a 10-year guarantee.

In addition, for the purpose of its development operations, ARGAN entrusts the construction of its warehouses to general contractors. Supply of this type of construction company is abundant and there is full competition.

The Company is in no way dependent on this offer. ARGAN also has the option of having its warehouses built in separate lots by the different trades.

5.2.5 Asset-related risks

➤ **Risks related to the tax regime for SIICs**

A change in or loss of the SIIC tax regime could have a significant adverse effect on the Company's results. The Company is currently compliant with all the requirements linked to developments in this regime, known as SIIC 4, and in particular with the obligations around the maximum number of shares the majority shareholder may hold.

See also Part III, Section 1 Consolidated financial statements, item 6.26.7 Risk related to the maintenance of the SIIC regime.

➤ **Risks related to the acquisition and disposal strategy**

For the purposes of its development and as part of its new financial strategy, the Company plans to carry out selective sales of property assets (the oldest assets). It cannot guarantee that such disposal opportunities will arise, nor that disposals will achieve the expected price.

Such disposals involve a number of risks relating to conditions on the property market, the presence of a sufficient number of investors in this market, the impact on the Company's operating results, the involvement of executives and key personnel in such transactions and the discovery of problems inherent in such disposals.

Any difficulty experienced by the Company in selling old properties would affect its strategy and outlook. However, a single asset disposal is being considered in 2023, which is expected to complete in the first quarter.

➤ **Risks related to the estimation of asset values**

The Company's portfolio is valued on a semi-annual basis by independent experts. The appraisals carried out meet the national professional standards of the *Charte de l'Expertise en Evaluation Immobilière* (Charter of real estate valuation) developed under the guidance of IFEI (*Institut Français de l'Expertise Immobilière* [French institute of real estate appraisal]) and the COB report of February 2000 (the Barthès de Ruyter working group), the TEGoVA European professional standards and the principles of the Royal

Institution of Chartered Surveyors (RICS), or any other equivalent standard that replaces them.

The latest appraisal report relates to the assets held by the Company as at 31 December 2022. The appraisal was carried out by CBRE VALUATION. The appraised value of the built assets (excluding development in progress and assets held for sale) was €3.976 billion excluding transfer duties, i.e. €4.199 billion including duties.

The summary appraisal report in Part I, 6.3 Appraisals specifies the context and the methodology used by the experts.

The valuation for the assets may not be equivalent to their realisable value in the event of a disposal. This kind of distortion could occur, for example, in the event of a change in the asset valuation parameters between the date of the valuation report and the date of disposal.

In addition, the value provided by the appraisers may require the Company to set aside provisions for impairment, in accordance with the relevant accounting procedures, if the asset value determined by the Company with reference to the appraisal value is less than the net book value (the method applicable to the company's financial statements).

Since the Company has opted to recognise investment properties on a fair value basis, its income statement may thus be impacted by a negative change in the fair value of its property, linked to a decrease in market values. On the other hand, the downward trend in market values may have an impact on obligations to comply with ratios or covenants vis-à-vis certain financial institutions under loan agreements.

As at 31 December 2022, 82% of the financings taken out include an LTV covenant obligation on the Company's assets; failure to comply may constitute an event of default.

The current crisis - and the rise in capitalisation rates currently being observed - is likely to result in adverse fluctuations in the valuation of real estate assets that might negatively affect the valuation of the Company's assets. As at the filing date for this Universal Registration Document, there is uncertainty regarding the impact of the crisis and its consequences for asset value impairments, although default seems unlikely given that covenants on a part of the Company's debt primarily impose an LTV ratio of less than 65%.

For information, an increase of 0.5% in the Company's capitalisation rate (4.45% excluding transfer taxes as assessed by the appraisers as at 31 December 2022) would result in a fall of 10.1% in the value of the

Company's assets, i.e. an increase in LTV from 45% to 50%.

Despite a slowing global real estate investment market in 2022, the logistics investment market continues to outperform with a market share of around 25% of the total. Despite strong demand for this asset class, rental yields began to fall in a general context of rising interest rates, leading to a negative change in the fair value of investment properties.

In its appraisal report as at 31 December 2022, the independent expert stated that *"We draw your attention to the fact that global inflation, rising interest rates and geopolitical events in Ukraine have increased the short- and medium-term volatility of the real estate markets. Past experience has shown that the behaviour of users and investors can change rapidly during such periods of heightened volatility. It should also be noted that the findings set out in this report are only valid at the date of the appraisal. We recommend that this appraisal be reviewed periodically to take account of potential market developments caused by topical events."*

5.2.6 Insurance cover

The lease agreements between the Company and its tenants provide for coverage of all insurance costs by the lessee, as they are all “triple net” leases.

➤ Cover policy

The table below shows the level of cover per claim for the main risks as at 1 January 2023, on the understanding that this list cannot be exhaustive:

Types of cover	Amount
<u>Direct damages</u> <ul style="list-style-type: none"> ➤ Comprehensive insurance covering all property by type or intended use without distinction 	Up to the amount of the damage and subject to the limit of the CIL (*)
<u>Liability insurance, included in the CIL</u> <ul style="list-style-type: none"> ➤ Claims by neighbours and third parties 	From €6,958,754 to €10,000,000 depending on the policy
<u>Miscellaneous losses and charges, included in the CIL</u> <ul style="list-style-type: none"> ➤ Financial losses; loss of rent; indirect losses; demolition costs; leak detection costs, etc. All of these losses and miscellaneous costs are covered in full and without distinction, up to an amount of: 	From €6,831,424 to €14,002,800 or no limit depending on the policy
<u>Cover common to all insured events</u> <ul style="list-style-type: none"> ➤ Adjuster’s fees 	According to schedule
<u>Additional cover</u> <ul style="list-style-type: none"> ➤ Replacement cost 	

(*) CIL = Contractual Indemnity Limit. From €25 million to €200 million depending on the policies.

The Company has also taken out a corporate civil liability policy (Contrat de Responsabilité Civile Entreprise) with AXA. This policy covers personal injury, up to a limit of €10,000,000 per year, as well as damages to property and non-physical damages resulting from a loss, up to the limit of €5,000,000 per year.

The Company uses a real estate brokerage firm, ASSURANCES COSTE-FERMON S.A.S. ARGAN’s real estate assets and those of its subsidiaries, including the majority of the leased-financed assets, are covered by the insurance companies AXA and AFM.

In general, the Company considers that its insurance policies are adequate in light of the value of the insured assets and the risk incurred. In particular, they cover the cost of reinstatement of all the property assets.

➤ Insurance of corporate officers

None

5.2.7 Exceptional events and litigation

To ARGAN’s knowledge, there are no litigations, arbitration proceedings or exceptional events that have had, or are likely to have, a significant adverse impact on its operations, financial position or performance.

6. Capital and ownership of the Group

6.1. Information on the capital

The Company is controlled by its majority shareholder (see the table of main shareholders in paragraph 6.2.1 below).

Change in share capital

The table below shows how the Company's share capital has changed over the past three years:

Date	Transaction	Capital increase/reduction	Par value	Issue, contribution or merger premium	Number of shares created / cancelled	Total number of shares	Capital after transaction
15/01/2020	Capital increase by free share allocation	€83 936	€2	-€83 936	41 968	22 253 937	€44 507 874
22/04/2020	Capital increase by payment of the dividend in shares	€110 580	€2	€3 993 597	55,290	22 309 227	€44 618 454
29/04/2021	Capital increase by payment of the dividend in shares	558 636	€2	€21 035 439	279 318	22 588 545	45 177 090
26/04/2022	Capital increase by payment of the dividend in shares	725 490	€2	€36 245 480	362 745	22 951 290	45 902 580

6.2. Group share ownership

6.2.1 Main shareholders

The purpose of the table below is to illustrate the distribution of the share capital amongst the shareholders on 31 December 2020, 2021 and 2022:

Main shareholders	31 December 2020			31 December 2021			31 December 2022		
	Number of securities	% capital	% voting rights	Number of securities	% capital	% voting rights	Number of securities	% capital	% voting rights
Le Lan family (in concert) of whom:	9,014,532	40.41%	40.41%	9,096,045	40.27%	40.27%	9,163,515	39.93%	39.93%
Jean-Claude Le Lan	1,192,175	5.34%	5.34%	704,955	3.12%	3.12%	704,955	3.07%	3.07%
KERLAN SAS (*)	3,750,000	16.81%	16.81%	4,237,220	18.76%	18.76%	4,237,220	18.46%	18.46%
Jean-Claude Le Lan Junior	841,706	3.77%	3.77%	862,724	3.82%	3.82%	879,661	3.83%	3.83%
Nicolas Le Lan	835,754	3.75%	3.75%	857,158	3.79%	3.79%	871,476	3.8%	3.8%
Charline Le Lan	835,752	3.75%	3.75%	857,155	3.79%	3.79%	874,403	3.81%	3.81%
Ronan Le Lan	837,586	3.75%	3.75%	839,206	3.72%	3.72%	850,229	3.70%	3.70%
Eugénie Le Lan	-	-	-	12,307	0.05%	0.05%	12,554	0.05%	0.05%
Véronique Le Lan Chaumet	650,542	2.92%	2.92%	627,872	2.78%	2.78%	633,610	2.76%	2.76%
Alexia Chaumet Le Lan	-	-	-	12,307	0.05%	0.05%	12,554	0.05%	0.05%
Charles Chaumet Le Lan	-	-	-	12,307	0.05%	0.05%	12,554	0.05%	0.05%
Karine Le Lan	71,017	0.32%	0.32%	72,834	0.32%	0.32%	74,299	0.32%	0.32%
Public, of whom:	13,291,682	59.58%	59.58%	13,491,697	59.73%	59.73%	13,777,412	60.03%	60.06%
Crédit Agricole Assurances	3,725,106	16.70%	16.70%	3,725,106	16.49%	16.49%	3,820,134	16.65%	16.65%
Other public	9,566,576	42.88%	42.88%	9,766,591	43.24%	43.24%	9,957,278	43.38%	43.40%
Treasury shares (**)	3,013	0.01%	0.01%	803	0.00%	0.00%	10,363	0.04%	0.04%
TOTAL	22,309,227	100.00%	100.00%	22,588,545	100.00%	100.00%	22,951,290	100.00%	100.00%

(*) KERLAN SAS is a company wholly owned by Mr Jean-Claude Le Lan.

(**) under the liquidity contract.

The main characteristics of the shareholders' agreement between the members of the Le Lan family and the shareholders' agreement signed as part of the purchase of the "Cargo" portfolio are set out in Part IV, 6 – Shareholders agreements.

For information on the majority control of the Company by the LE LAN family, see Part II, 5.2.1. Risks related to the organisational structure and the listing of ARGAN's shares.

As at 31 December 2022, the Company held 10,363 of its own shares with a par value of €2 each and a net book value on its balance sheet of €790,702.

The public holds around 60% of the capital.

6.2.2 Crossing of statutory thresholds and disclosure of intent

Part IV, 2.2.2 Share Capital sets out the different threshold levels for which disclosure is required.

- In a letter dated 14 January 2022, COHEN & STEERS disclosed that it fell below the threshold of 4% of ARGAN's capital and voting rights and now held 895,685 shares, representing 3.97% of the capital and voting rights.
- In a letter dated 20 September 2022, COHEN & STEERS disclosed that it had exceeded the threshold of 4% of ARGAN's capital and voting rights and now held 948,616 shares, representing 4.13% of the capital and voting rights.

6.3. Dividends paid for the last three financial years

6.3.1 Dividend distribution policy

The Company has historically distributed a dividend representing a yield of between 2 and 4%.

It intends to pursue a consistent distribution policy, in accordance with the rules of the SIIC tax regime, i.e. in short, a minimum of 95% of the results from rental operations, 70% of the realised capital gains and 100% of the dividends received from its subsidiaries.

In view of the Company's excellent performance in 2022, it will be proposed to the Combined Shareholders' Meeting of 23 March 2023 that a dividend of €3/share be approved, an increase of 15% compared with the previous year.

6.3.2 Dividend distribution table for the last three financial years

The following dividends have been paid for the last three financial years:

FINANCIAL YEAR	DIVIDEND
Financial year ended 31 December 2019	€1.90 (*)
Financial year ended 31 December 2020	€2.10 (**)
Financial year ended 31 December 2021	€2.60 (***)

(*) Including €1.68 treated for tax purposes as a recapitalisation within the meaning of Article 112 1° of the French General Tax Code and therefore not constituting distributed income within the meaning of the provisions of Article 243 bis of that Code.

(**) Including €1.70 treated for tax purposes as a recapitalisation within the meaning of Article 112 1° of the French General Tax Code and therefore not constituting distributed income within the meaning of the provisions of Article 243 bis of that Code.

(***) Including €0.77 treated for tax purposes as a recapitalisation within the meaning of Article 112 1° of the French General Tax Code and therefore not constituting distributed income within the meaning of the provisions of Article 243 bis of that Code.

6.4. Transactions on the Company's securities

On 16 December 2021, the Company entered into a liquidity contract with ODDO.

In running its liquidity contract, ARGAN carried out the following transactions on its own shares during 2022:

2022	Number of securities purchased	Number of securities sold
January	15 476	13 400
February	19 175	15 468
March	26 576	29 694
April	19 711	16 674
May	14 756	18 305
June	24 382	14 885
July	14 665	18 569
August	13 918	13 253
September	17 668	14 717
October	15 531	16 042
November	17 831	18 477
December	13 118	12 960
Total	212 807	202 444

On 1 January 2022, the liquidity account held the following assets:

- 803 securities
- €341 489.90

On 31 December 2022, the liquidity account held the following assets:

- 10,363 securities
- €433 994.35

In accordance with the provisions of Article L.225-211, paragraph 2 of the French Commercial Code, ARGAN has not acquired any shares for allocation to its employees under a profit-sharing plan.

6.5. Miscellaneous information

- **Existence of statutory restrictions on the exercise of voting rights and transfers of shares or clauses of agreements pursuant to Article L.233-11 of the French Commercial Code:** None
- **List of holders of any security with special control rights and a description thereof:** None
- **Control mechanism provided for in any employee share ownership scheme where control rights are not exercised by the employees:** None
- **Agreement between shareholders of which the Company is aware and which may result in restrictions on the transfer of shares and the exercise of voting rights:**

See the main characteristics of the shareholders' agreement between the members of the Le Lan family and the shareholders' agreement signed as part of the purchase of the "Cargo" portfolio in Part IV, 6 – Shareholders Agreements.
- **Rules applicable to the appointment and replacement of members of the Executive Board as well as the amendment of the Company's Articles of Association:**

The Articles of Association stipulate that the members of the Executive Board are appointed by the Supervisory Board during the life of the company. Members of the Executive Board may be removed at any time by the General Meeting. Members of the Executive Board may also be removed by the Supervisory Board. Members of the Executive Board are still eligible for reappointment. Direct or indirect amendments to the Articles of Association are decided or authorised by the Company's Extraordinary Shareholders' Meetings.
- **Powers of the Executive Board to issue or buy back shares:**

See the table of delegations of authority in Part IV, 4. Current delegations of authority.
- **Agreements entered into by the Company that will be amended or terminated in the event of a change in control of the Company:** as part of the bond issue of €500 million carried out in 2021 and maturing in November 2026, all bondholders may request the early repayment of all amounts owed in the event of a change in control of the Company.
- **Agreements providing for compensation for members of the Executive Board or employees if**

they resign or are dismissed without real and serious grounds or if their employment ends due to a public offer: None

- **Current delegations of authority and powers to increase capital:**

The delegations of authority and powers relating to capital increases granted by the General shareholders' Meeting of the Company are summarised in the table in Part IV, 4.- Current delegations of authority, and their renewal will be proposed at the General Meeting of 23 March 2023.

- **Managers' transactions on the Company's securities:**

Managers carried out the following transactions on the Company's shares during the 2022 financial year:

- As part of day-to-day operations:
 - ✓ 500 shares purchased by Frédéric Larroumets
 - ✓ 414 shares sold by Frédéric Larroumets
 - ✓ 70 shares sold by a natural person related to Ronan Le Lan
- As part of the payment of the dividend in shares:
 - ✓ 11,023 shares received by Ronan Le Lan
 - ✓ 16,937 shares received by Jean Claude Le Lan Junior
 - ✓ 14,318 shares received by Nicolas Le Lan
 - ✓ 1,465 shares received by a natural person related to Jean Claude Le Lan
 - ✓ 17,248 shares received by a natural person related to Jean Claude Le Lan
 - ✓ 247 shares received by a natural person related to Jean Claude Le Lan
 - ✓ 247 shares received by a natural person related to Jean Claude Le Lan
 - ✓ 5,738 shares received by a natural person related to Jean Claude Le Lan
 - ✓ 247 shares received by a natural person related to Ronan Le Lan
 - ✓ 1,298 shares received by Francis Albertinelli
 - ✓ 378 shares received by Frédéric Larroumets

- **Acquisitions of equity interests and controlling interests during the 2022 financial year:**

Takeovers

None

Equity investments

None

Disposals of equity investments

During the past financial year, our Company has not sold any equity investments.

7. General Meeting of 23 March 2023

The ARGAN General shareholders' Meeting that will be held on 23 March 2023 with the following agenda will be called upon to vote on the following resolutions:

7.1. Agenda

Under the authority of the Ordinary Shareholders' Meeting

- Reading of the Executive Board management report, the Supervisory Board's observations on this report, the Supervisory Board's report on corporate governance, the Statutory Auditors' report on this report and their report on the annual financial statements for the financial year ended 31 December 2022,
- Reading of the Executive Board management report, the Supervisory Board's observations on this report and the Statutory Auditors' report on the consolidated financial statements for the financial year ended 31 December 2022,
- Review and approval of the financial statements for the year ended 31 December 2022,
- Discharge of the members of the Executive Board and the members of the Supervisory Board,
- Review and approval of the consolidated financial statements for the year ended 31 December 2022,
- Allocation of income for the financial year,
- Distribution of a dividend,
- Option of payment of the dividend in shares
- Reading of the special report of the Statutory Auditors on the regulated agreements and commitments referred to in Article L.225-86 of the French Commercial Code,
- Approval of the regulated agreements and commitments referred to in Article L.225-86 of the French Commercial Code,
- Approval of the remuneration policy for corporate officers,
- Approval of the report on the remuneration of corporate officers,
- Approval of the elements of the remuneration paid or allocated for the financial year ended 31 December 2022 to Ronan Le Lan as Chairman of the Executive Board,
- Approval of the elements of the remuneration paid or allocated for the financial year ended 31 December 2022 to Francis Albertinelli as a member of the Executive Board,

- Approval of the elements of the remuneration paid or allocated for the financial year ended 31 December 2022 to Frédéric Larroumets as a member of the Executive Board,
- Approval of the elements of the remuneration paid or allocated for the financial year ended 31 December 2022 to Jean-Claude Le Lan as Chairman of the Supervisory Board,
- Determination of the amount of remuneration to be allocated to the members of the Supervisory Board,
- Reappointment of Nicolas Le Lan as a member of the Supervisory Board,
- Reappointment of Predica as a member of the Supervisory Board,
- Reappointment of Emmanuel Chabas as a non-voting director,
- Renewal of the term of office of a Principal Statutory Auditor,
- Authorisation given to the Executive Board to purchase the Company's shares.

Under the authority of the Extraordinary Shareholders' Meeting.

- Delegation of authority to the Executive Board for the purpose of deciding to increase the share capital by incorporating premiums, reserves, profits or other
- Delegation of authority to the Executive Board to decide to issue ordinary shares and/or securities which are equity securities giving access to other equity securities or conferring entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued – with maintenance of the preferential subscription right;
- Delegation of authority to the Executive Board to decide to issue ordinary shares and/or securities which are equity securities giving access to other equity securities of the Company or conferring entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued – without preferential subscription right and via a public offering other than those referred to in paragraph 1° of Article L.411-2 of the French Monetary and Financial Code, or in the context of a public offer including an exchange component;
- Delegation of authority to the Executive Board to decide to issue ordinary shares and/or securities

which are equity securities giving access to other equity securities of the Company or conferring entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued – without preferential subscription right and via an offering referred to in paragraph 1° of Article L.411-2 of the French Monetary and Financial Code;

- Authorisation for the Executive Board to decide to issue ordinary shares and/or securities which are equity securities giving access to other equity securities of the Company or conferring entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued, and to freely determine the issue price, subject to a limit of 10% of the share capital – without preferential subscription rights;
- Authorisation granted to the Executive Board to increase the number of shares and/or securities to be issued in case of a capital increase with or without preferential subscription rights;
- Delegation of powers to the Executive Board in order to proceed, without preferential

subscription rights, with the issue of ordinary shares and/or securities which are equity securities giving access to other equity securities of the Company or conferring entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued in order to remunerate contributions in kind granted to the Company up to a limit of 10% of the share capital;

- Authorisation granted to the Executive Board to reduce the capital by cancelling shares;
- Setting the maximum nominal amount of immediate and/or future share capital increases that may be performed: overall cap;
- Delegation of authority to the Executive Board to increase the share capital, with elimination of the preferential subscription right, by issuing ordinary shares and/or securities giving access to ordinary shares of the Company reserved for members of a Company Savings Plan (PEE);
- Powers to complete formalities.

7.2. Executive Board report on draft resolutions submitted to the Ordinary General Meeting of 23 March 2023

RESOLUTIONS 1 to 4 (Approval of the parent company and consolidated financial statements for the year ended 31 December 2022, appropriation of corporate income and distribution of a dividend)

The first four resolutions concerned the review and approval of the financial statements and the consolidated financial statements of ARGAN at 31 December 2022, the allocation of income and the distribution of a dividend.

We therefore submit for your approval the financial statements of ARGAN at 31 December 2022 showing a profit of €15,587, as well as the allocation of the corporate income.

We propose that you allocate the entire profit of €15,586.77 to the distribution of a dividend (see below).

Having noted that the “Acquisition premiums” account showed a credit balance of €204,819,751.80 at the date of the General Shareholders’ Meeting, resolve, on the proposal of the Executive Board, to withdraw the sum of €68,921,576.23 from this Acquisition premiums account and allocate it to an available reserves account. The balance of the Acquisition premiums account will then be €135,898,175.57.

Then, having noted that the “Other reserves” account showed a credit balance of €6,929 at the date of the General Shareholders’ Meeting, resolve, on the proposal of the Executive Board, to withdraw the sum of €6,929 from this Other reserves account and allocate it to an available reserves account. The balance of the Other reserves account will then be €0.

We then propose distributing a dividend for the financial year ended 31 December 2022 of €3 per share with a dividend entitlement deriving from its vesting date. The amount of dividends distributed, amounting to the sum of €68,944,092, will be deducted from the profit for the financial year of €15,586.77 and, from the “Available Reserve” account, as resulting from the allocation mentioned above of €68,928,505.23.

We would like to inform you that the sum thus distributed:

- constitutes distributed income within the meaning of Article 112 1° of the French General Tax Code, amounting to €12,231,604, or €0.53 per share.

For natural person shareholders residing in France, this part of the dividend is not eligible for the 40% allowance referred to in Article 158-3-2° of the French General Tax Code, as it is deducted from the SIIC’s exempt profits.

It should be noted, however, that for these same shareholders and except in special circumstances, the whole of the dividend will be subject to the one-off, flat-rate withholding tax at the overall rate of 30% and will only be subject to progressive income tax, without applying the above-mentioned 40% allowance, for certain shareholders who chose this option when they registered to make their annual income tax return.

- constitutes repayment of paid-in capital amounting to €56,712,488, i.e. €2.47 per share.

This dividend will be paid on 25 April 2023, with an ex-dividend date of 30 March 2023.

If, at the time the dividend was paid, the Company held some of its own shares, the amounts corresponding to dividends not paid in respect of these shares would be allocated to the “Other Reserves” account.

In accordance with the provisions of Article 243 bis of the French General Tax Code, it is reiterated that the dividends for the last three financial years were as follows:

Financial year ended	Dividend paid per share	Portion of the dividend eligible for the 40 % allowance referred to in Art. 158 3 2° CGI	Portion of the dividend not eligible for the 40 % allowance referred to in Art. 158 3 2° CGI
31/12/2019	€0.22 (*)	€0.04	€0.18
31/12/2020	€0.40 (**)	€0	€0.40
31/12/2021	€1.83 (***)	€0.14	€1.69

(*) The balance of the amounts distributed by the General Meeting of 19 March 2020 (4th Resolution), i.e. €1.68 per share, is treated for tax purposes as a recapitalisation within the meaning of Article 112 1° of the French General Tax Code and therefore does not constitute distributed income within the meaning of the provisions of Article 243 bis of that Code.

(**) The balance of the amounts distributed by the General Meeting of 25 March 2021 (4th Resolution), i.e. €1.70 per share, is treated for tax purposes as a recapitalisation within the meaning of Article 112 1° of the French General Tax Code and therefore does not

constitute distributed income within the meaning of the provisions of Article 243 bis of that Code.

(***) The balance of the amounts distributed by the General Meeting of 24 March 2022 (4th Resolution), i.e. €0.77 per share, is treated for tax purposes as a recapitalisation within the meaning of Article 112 1° of the French General Tax Code and therefore does not constitute distributed income within the meaning of the provisions of Article 243 bis of that Code.

In accordance with Article 223 of the French General Tax Code, the General Shareholders' Meeting hereby approves the total amount of €37,533 in expenses and charges referred to in 4 of Article 39 of the French General Tax Code.

Lastly, we submit for your approval the consolidated financial statements of ARGAN for the financial year ended 31 December 2022 as presented and showing a consolidated net profit, Group share of €95,090k.

5th RESOLUTION (Option of payment of the dividend in shares)

You are then asked to grant shareholders an option for payment of the dividend in cash or in shares, this option to be applied to the full dividend.

The new shares that will be issued in payment of the dividend will be created with a vesting date of 1 January 2023. Their issue price is set at 95% of the average opening price for the share listed for the 20 stock market trading days preceding the General Meeting, less the net amount of the dividend. This issue price will be rounded up to the nearest euro cent.

If the amount of the dividend to which they are entitled does not correspond to a whole number of shares, the shareholder may obtain a number of shares rounded down to the nearest whole number of shares, plus a payment in cash.

The option of payment of the dividend in shares may be exercised from 3 April 2023 to 19 April 2023 inclusive. After this period, shareholders who have not opted for payment of the dividend in shares will receive their dividend in cash.

Finally, we propose that you grant all powers to the Executive Board to ensure this decision is implemented, to conduct all transactions related or subsequent to the exercise of the option, to recognise the resulting capital increase and to make the corresponding amendments to the Articles of Association.

6th RESOLUTION (Regulated agreements)

Next, the so-called regulated agreements are submitted for your approval in accordance with Article L.225-86 of the French Commercial Code, which you were able to review in detail in the Statutory Auditors' special report. Please note that the other agreements related to ordinary transactions and were entered into under normal conditions.

7th RESOLUTION (Approval of the remuneration policy for corporate officers)

In accordance with Articles L.22-10-26 and R.22-10-18 of the French Commercial Code, we propose that you approve the remuneration policy of corporate officers (members of the Executive Board and the Supervisory Board), as detailed in the report of the Supervisory Board on corporate governance at the Combined General Meeting of 23 March 2023. This resolution corresponds to the "Ex Ante" vote on the "Say on Pay" system.

8th RESOLUTION (Approval of the report on the remuneration of corporate officers)

In accordance with Article L.22-10-34 I of the French Commercial Code, we propose that you approve the report on the remuneration of corporate officers under the 7th resolution, including the information referred to in Article L.22-10-9 I of the French Commercial Code and included in the Supervisory Board's report on corporate governance. This information concerns each corporate officer, including corporate officers whose term of office ended and those newly appointed in 2022. This resolution corresponds to the first "Ex Post" vote on the "Say on Pay" system.

RESOLUTIONS 9 to 13 (Approval of components of remuneration paid or granted for the financial year ended 31 December 2022 to members of the Executive Board and the Chairman of the Supervisory Board)

The components of the remuneration paid or allocated for the financial year ended 31 December 2022 to the members of the Executive Board and the Chairman of the Supervisory Board are detailed in the report of the Supervisory Board on corporate governance to the Combined General Meeting of 23 March 2023. In accordance with Article L.22-10-34 II of the French Commercial Code, we ask you to approve these remuneration elements in separate resolutions for the Chairman of the Supervisory Board and each member of the Executive Board. These resolutions correspond

to the second “Ex Post” vote of the “Say on Pay” system.

It is also recalled that Mr Jean-Claude Le Lan Junior resigned as a member of the Executive Board with effect from 23 March 2022, as he had been appointed a member of the Supervisory Board by the Combined General Meeting of 24 March 2022. Consequently, only the components of remuneration paid or allocated between 1 January 2022 and 23 March 2022 to Mr Jean-Claude Le Lan Junior, in his capacity as a member of the Executive Board, are submitted for your approval.

14th RESOLUTION (Determination of the annual amount of remuneration to be allocated to the members of the Supervisory Board)

We propose that you set the total amount of attendance fees to be allocated to members of the Supervisory Board for the financial year starting on 1 January 2023 at €177,000, it being specified that the Supervisory Board will determine the distribution of this amount among its members in accordance with the remuneration policy referred to above.

15th RESOLUTION (Reappointment of Nicolas Le Lan as a member of the Supervisory Board)

We propose that you renew the term of office of Supervisory Board member Nicolas Le Lan, which expires on today’s date, for a term of four (4) years, ending at the close of the Ordinary General Meeting convened in 2027 to approve the financial statements for 2026. These are:

Nicolas Le Lan: A graduate of the ECE Paris graduate school of engineering, he was an Real Estate Appraisal Analyst at CBRE Paris. Currently, he is an Investment Consultant - Alternative Assets CBRE Capital Markets. He was appointed as a member of the Supervisory Board at the General Meeting of 23 March 2017.

16th RESOLUTION (Reappointment of PREDICA as a member of the Supervisory Board)

We propose that you renew the term of office of Supervisory Board member Predica, which expires on today’s date, for a term of four (4) years, ending at the close of the Ordinary General Meeting convened in 2027 to approve the financial statements for 2026.

17th RESOLUTION (Reappointment of Emmanuel CHABAS as a non-voting director)

We propose that you renew Emmanuel Chabas’s term of office as a non-voting director, which expires on today’s date, for a term of four (4) years, ending at the

close of the Ordinary General Shareholders’ Meeting convened in 2027 to approve the financial statements for 2026.

Emmanuel Chabas: Graduate of ESSEC. He began his career in management control and internal audit with the BNP Paribas Group in 2001. He then joined BNP Paribas Cardif in 2006 as Head of Real Estate Acquisitions. Since September 2015, he is Head of Real Estate Investments at Crédit Agricole Assurances.

18th RESOLUTION (Renewal of Mazars as Statutory Auditor)

The term of office of MAZARS, 61, rue Henri Regnault, 92075 Paris La Défense, Statutory Auditor, expires at the end of this meeting. We propose to renew the mandate of the latter as Statutory Auditor for a period of six financial years, which will end at the end of the Ordinary General Meeting convened in 2029 to approve the financial statements for the financial year 2028.

19th RESOLUTION (Authorisation given to the Executive Board to purchase the Company’s shares)

The 19th resolution concerns the authorisation that we ask you to grant to the Executive Board, for a period of eighteen (18) months from this meeting, so that the Company can buy back its own shares in accordance with the provisions of Article L.22-10-62 of the French Commercial Code, Title IV of Book II of the General Regulations of the Autorité des Marchés Financiers and European regulations applicable to market abuse or any provision that may replace them.

The Executive Board, with the option of sub-delegation under the conditions provided for by law, may proceed or have carried out, up to a limit of 10% of the number of shares comprising the share capital at any time, or representing up to 5% of the number of shares comprising the Company’s share capital at any time, in the case of shares purchased for holding and subsequent use in payment or exchange in a merger, de-merger or contribution, with purchases, in decreasing order of priority, with a view to:

- ensure a liquid market for the ARGAN company’s shares, through a liquidity contract entered into with an independent investment services provider, in accordance with market practices accepted by the AMF;
- cover share option programmes or other share allocations to employees and/or eligible corporate officers of the Company and/or its subsidiaries and more specifically for the

- purposes of: (i) covering share option plans for employees and/or eligible corporate officers, or some of them, of the Company and/or the companies in its group related to it under the conditions of Article L.225-180 of the French Commercial Code; (ii) to allocate shares free of charge or to assign them to employees and former employees in respect of their participation in any Company savings plan under the conditions provided for by the applicable laws and regulations; and (iii) to allocate shares free of charge to employees and eligible corporate officers, or some of them, of the Company and companies related to it under the conditions of Article L.225-197-2 of the French Commercial Code, under the provisions of Articles L.225-197-1 et seq. of the French Commercial Code.
- holding them and subsequently remitting them for payment or exchange in connection with external growth transactions;
 - remitting them when exercising rights attached to transferable securities conferring immediate and/or future entitlement to the allocation of shares of the Company;
 - cancelling them, in whole or in part, in order to optimise cash management, return on equity and earnings per share, pursuant to a cancellation authorisation granted to the Executive Board by the Extraordinary Shareholders' Meeting.

The maximum unit purchase price may not exceed, subject to applicable laws and regulations, one hundred and twenty euros (€120), excluding purchase costs. The maximum amount of funds that the Company may devote to the transaction is fifty-five million euros (€55,000,000), or its equivalent on the same date in foreign currencies or any other monetary unit established by reference to several currencies. The Executive Board may, in the event of transactions on the Company's capital, including a change in the par value of ordinary shares, capital increase by incorporation of reserves followed by the creation and free allocation of shares, division or grouping of securities, adjust the maximum purchase price referred to above in order to take account of the impact of these transactions on the value of the shares.

The shares may be purchased, sold or transferred and paid for, on one or more occasions, by any means authorised by the applicable regulations, on the market or off the market, including by means of a public offer or transactions on blocks of shares, in the form of options or derivatives or warrants, under the conditions provided for by the market authorities and

at the times that the Executive Board or the person acting on delegation of the Executive Board will decide. The maximum portion of the capital that may be transferred as blocks of shares may account for the entirety of the share purchase programme.

The Company may use this resolution and continue to carry out its purchase programme even in the event of public offers relating to shares, securities or transferable securities issued by the Company or initiated by the Company, in accordance with the applicable legal and regulatory provisions.

In accordance with the applicable regulations, the Company must inform the AMF of the purchases, sales and transfers made and, more generally, undertake all necessary formalities and disclosures.

We will ask you to grant all powers to the Executive Board, with the option to subdelegate such powers under the conditions provided for by law and by the Company's Articles of Association, to carry out all acts, enter into all agreements, undertake all formalities and in general to do whatever is necessary for this resolution to be applied.

The authorisation that would thus be given would cancel and, in respect of the unused portion, supersede any prior decision of the shareholders with the same purpose.

7.3. Executive Board report on draft resolutions submitted to the Extraordinary General Meeting of 23 March 2023

20th RESOLUTION (Authorisation granted to the Executive Board for the purpose of deciding to increase the share capital through capitalisation of premiums, reserves, profits or other)

Pursuant to the 18th resolution, we will ask you to authorise the Executive Board, on an extraordinary basis for a period of twenty-six (26) months, with the option of sub-delegation under the conditions provided for by law, to decide to increase the share capital, by its sole decision, in one or more instalments, in the proportions and at the times it will determine, by incorporation into the capital of reserves, additional profits or other, followed by the creation and allocation of free shares or increase in the par value of existing capital securities, or a combination of these two methods.

Fractional shares will not be negotiable or transferable and that the securities will be sold, with the sums resulting from the sale being allocated to the holders of the rights within a period set by decree of the Council of State.

The amount of the capital increase resulting from all issues carried out under this resolution may not exceed the nominal amount of fifteen million euros (€15,000,000) or its equivalent value in foreign currencies or any other monetary unit established by reference to several currencies at the date of the issue decision, it being specified that the nominal amount of the capital increase carried out pursuant to this delegation will be deducted from the overall limit of fifty million euros (€50,000,000) fixed in accordance with the 28th resolution and that it is set without taking into account any adjustments which could be carried out in accordance with the law and, where applicable, the contractual provisions, in order to preserve the rights of holders of securities or other rights giving access to the Company's share capital.

The Executive Board will be granted, with the option of sub-delegation under the conditions provided for by law, all powers, in accordance with the law and the Company's Articles of Association, for the purpose of implementing this resolution and ensuring its successful implementation and, in particular (i) set the amount and nature of the sums to be incorporated in the share capital, (ii) set the number of new shares to be issued and/or the amount by which the nominal value of the existing shares comprising the capital will be increased, (iii) determine the retroactive date, if applicable, from which the new shares and/or the increase in the par value of the existing shares will take effect, (iv) take all necessary measures to protect the rights of holders of securities or other rights giving access to the Company's capital in accordance with the legal and regulatory provisions and, where applicable, contractual provisions, (v) allocate to one or more available reserve accounts the costs associated with the corresponding capital increase and deduct, as applicable, the sums necessary for the purpose of returning the legal reserve to one tenth of the new amount of the capital after each issue, (vi) take all steps to ensure the successful execution of the capital increase, and (vii) record the completion of the capital increase, amend the articles of association accordingly, carry out all related acts and formalities, and more generally do whatever is necessary.

21st RESOLUTION (Delegation of authority to the Executive Board to decide to issue ordinary shares and/or transferable securities which are capital securities giving access to other capital securities of the Company or conferring entitlement to the allocation of debt securities and/or transferable securities giving access to capital securities to be issued – with maintenance of the preferential subscription right)

Pursuant to the 21st resolution, we will ask you to authorise the Executive Board, on an extraordinary basis for a period of twenty-six (26) months from the date of this meeting, with the option of subdelegating such authority to any person authorised by law, to proceed in one or more instalments, in France or in foreign countries, in euros or in foreign currencies, or in any monetary unit established by reference to a set of currencies, in the proportions and at the times it deems appropriate, with the issue, with preferential subscription rights for shareholders, of ordinary shares of the Company as well as any transferable securities that are capital securities giving access to other capital securities or entitling holders to the allocation of debt securities and/or transferable securities, including debt securities, giving access by any means whatsoever, including via warrants issued independently, free of charge or for consideration, or purchase warrants, immediately and/or in the future, to the Company's capital, or conferring the right to allocation of debt securities, it being specified that subscription may be paid for in cash or by offsetting against due and payable debts, and that the issue of any preferred shares is excluded.

The maximum nominal amount of share capital increases likely to be carried out immediately and/or in the future under this delegation may not exceed twenty-five million euros (€25,000,000), or its equivalent value in foreign currencies or any other monetary unit established by reference to several currencies at the date of the issue decision, and to this amount, where applicable, the nominal amount of additional shares to be issued will be added in order to preserve, in accordance with the legal and regulatory provisions in force and, where applicable, the contractual provisions, the rights of holders of securities giving access to the share capital, it being specified that this amount will be deducted from the overall ceiling of fifty million euros (€50,000,000) set pursuant to the 28th resolution.

The securities giving access to the Company's share capital issued under the conditions defined above may consist of debt securities or be associated with the issue of such securities, or allow them to be issued as intermediate securities. In particular, they may take the form of subordinated or non-subordinated securities, with a fixed or open-ended duration, and may be issued either in euros or in foreign currencies or in any monetary units established by reference to several currencies. The nominal amount of debt securities that may be issued pursuant to this delegation of authority may not exceed one hundred and fifty million euros (€150,000,000) or their equivalent value in foreign currencies or any other monetary unit established by reference to several currencies at the date of the issue decision.

This amount is common to all debt securities whose issue is delegated to the Executive Board in accordance with this resolution; it is independent of and separate from the amount of debt securities referred to in Articles L.228-40 and L.228-92, last paragraph, of the French Commercial Code, the issue of which is decided or authorised by the Executive Board in accordance with Article L.228-40 of the French Commercial Code or the Articles of Association.

Shareholders may exercise their preferential subscription right on an irreducible basis under the conditions provided for by the laws and regulations in force. In addition, the Executive Board shall have the option to grant shareholders the right to subscribe on a reducible basis to a greater number of securities than they may subscribe to on an irreducible basis, in proportion to their rights and, in any event, within the limit of their request. If subscriptions on an irreducible basis and, where applicable, on a reducible basis, have not absorbed the entire issue of shares or securities approved pursuant to this delegation of authority, the Executive Board may exercise, in accordance with Article L.225-134 of the French Commercial Code, in the order it decides, either of the following powers:

- limit the issue to the amount of the subscriptions provided that the said amount is at least three quarters of the issue that was initially decided;
- freely distribute all or some of the unsubscribed issued securities;
- offer all or some of the unsubscribed issued securities to the public, on the French or international market.

Where applicable, this delegation of authority shall automatically entail, in favour of the holders of securities issued which give access to the Company's share capital, a waiver by the shareholders of their preferential subscription rights to the ordinary shares of the Company to which the securities that are issued on the basis of this delegation may confer rights.

The Executive Board will have the broadest powers, with the option of subdelegating such powers to any person authorised by law, to implement this delegation of authority and in particular to:

- determine the conditions for (the) capital increase(s) and/or (the) issue(s);
- determine the number of shares and/or securities to be issued, their issue price and the amount of the premium for which payment in full may be requested, if applicable, at the time of issue;
- decide on the issue dates and procedures, the nature and form of the securities to be created, which may be subordinated or non-subordinated, with a fixed or open-ended term, and in particular, in the event of the issue of securities representing debt securities, their interest rate, their term, their redemption price,

whether fixed or variable, with or without premiums and the amortisation procedures;

- determine how the shares and/or securities issued will be paid up;
- determine, where applicable, the terms and conditions for exercising the rights attached to the securities issued or to be issued on the basis of this resolution and, in particular, determine the date, which may be retroactive, from which the new shares will be entitled to receive dividends, as well as any other conditions and procedures for completing the issue(s);
- determine how, if applicable, the Company will have the option to buy or exchange, at any time or for specified periods, securities issued or to be issued;
- provide for the possibility of suspending the exercise of the rights attached to these securities for a maximum period of three months;
- set out the terms and conditions under which the rights of holders of the transferable securities conferring a future right to shares of the Company will be safeguarded, in accordance with the legal and regulatory provisions and, as the case may be, the applicable contractual provisions;
- on its sole initiative, offset the costs, charges and duties for the share capital increase(s) against the amount of the premiums relating thereto and, where applicable, deduct from this amount the sums necessary to increase the legal reserve to one tenth of the new capital amount after each increase;
- determine the terms under which the Company will have the option, where applicable, to purchase the warrants, at any time or during specified periods, for the purpose of cancelling them, in the event of the issue of securities conferring entitlement to the allocation of capital securities on presentation of a warrant;
- in general, enter into all agreements, particularly in order to ensure the successful completion of the planned transaction(s), take all measures and carry out all formalities required for financial servicing of the securities issued under this delegation of authority as well as the exercise of the rights attached thereto, record the completion of each capital increase, make the corresponding amendments to the Articles of Association, and generally do whatever is necessary.

22nd RESOLUTION Delegation of authority to the Executive Board to decide to issue ordinary shares and/or transferable securities which are capital securities giving access to other capital securities of the Company or conferring entitlement to the allocation of debt securities and/or transferable securities giving access to capital securities to be issued – with the elimination of the preferential subscription right and via a public offering other than those referred to in Article L.411-2 of the French Monetary and Financial Code, or in the context of a public offer including an exchange component

Pursuant to the 22nd resolution, we will ask you to authorise the Executive Board, on an extraordinary basis for a period of twenty-six (26) months from the date of this meeting, with the option of subdelegating such authority to any person authorised by law, for the purpose of proceeding, in one or more instalments, in the proportions and at the times it decides, in France and abroad, in euros or in foreign currency, or in any monetary unit established by reference to a set of currencies, to issue, with removal of shareholders' preferential subscription right, by means of a public offer other than those referred to in paragraph 1^o Article 411-2 of the French Monetary and Financial Code, of ordinary shares of the Company and any securities that are equity securities giving access to other equity securities or conferring entitlement to the allocation of debt securities, and/or securities, including debt securities, giving access to equity securities to be issued, of any kind, including subscription warrants issued independently, free of charge or for consideration, or purchase warrants, giving immediate and/or future access by any means to the Company's capital, or conferring entitlement to the allocation of debt securities, it being understood that the subscription may be paid for in cash, or by way of offset against due and payable debts, or by transfer to the Company of securities that meet the conditions laid down in Article L.22-10-54 of the French Commercial Code under a public offer with an exchange component initiated by the Company and that any issue of preference shares is precluded.

The maximum nominal amount of share capital increases likely to be carried out immediately and/or in the future under this delegation, may not exceed twenty million euros (€20,000,000) or its equivalent in foreign currencies or any other monetary unit established by reference to several currencies on the date of the issue decision, plus, if applicable, the nominal amount of the additional shares to be issued in order to safeguard, in accordance with the laws and regulations in force and, if applicable, the contractual stipulations, the rights of holders of securities giving access to the capital, including if the shares are issued to finance returns on securities that may be transferred

to the Company under a public offer with an exchange component on securities that fulfil the conditions of Article L.22-10-54 of the French Commercial Code, on the understanding that this amount will count towards the overall cap of fifty million euros (€50,000,000) set pursuant to the 28th resolution of this General Shareholders' Meeting.

The securities giving access to ordinary shares of the Company issued under the conditions defined above may consist of debt securities or be associated with the issue of such securities, or allow them to be issued as intermediate securities. In particular, they may take the form of subordinated or non-subordinated securities, with a fixed or open-ended duration, and may be issued either in euros or in foreign currencies or in any monetary units established by reference to several currencies. The nominal amount of the debt securities likely to be issued pursuant to this delegation of authority may not exceed the sum of one hundred and fifty million euros (€150,000,000) or the equivalent in foreign currencies or any other monetary unit established by reference to several currencies on the date of the issue decision, (i) on the understanding that this amount will count towards the cap set in the 20th resolution of this General Shareholders' Meeting and (ii) is independent and separate from the amount of the debt securities referred to in Articles L.228-40 and L.228-92, final paragraph of the French Commercial Code, of which the Executive Board may decide or authorise the issue in accordance with Article L.228-40 of the French Commercial Code or the Articles of Association.

The shareholders at the extraordinary general meeting will be asked to remove the preferential subscription rights of shareholders to shares and/or securities to be issued under this authority and which may therefore be subject to a public offer, it being understood that the Executive Board may, in accordance with Article L.22-10-51 of the French Commercial Code, grant shareholders a priority option to subscribe to all or part of the issue, for a period for which the minimum duration is set by decree and under the conditions that the Board will set. This priority subscription option will not create negotiable rights, but it may, if the Executive Board thinks fit, be exercised for both irreducible and reducible amounts. If an issue of shares or securities decided pursuant to this delegation of authority has not been fully subscribed, the Executive Board may use either of the following powers, in the order it decides:

- limit the issue to the amount of the subscriptions provided that the said amount is at least three quarters of the issue that was initially decided;
- freely distribute all or some of the unsubscribed issued securities;
- offer all or some of the unsubscribed securities to the public, on the French or international market.

The Executive Board will be expressly authorised to make full or partial use of this delegation of authority to finance returns on any securities transferred to the Company under a public offer containing with an exchange component initiated by the Company on securities issued by any company that fulfil the conditions of Article L.22-10-54 of the French Commercial Code, as stipulated in this resolution (with the exception of the issue price restrictions set out below).

Where applicable, the above-mentioned delegation of authority automatically implies, to the benefit of holders of securities providing access to the Company's capital, which may be issued under this delegation of authority, the waiver by shareholders of their preferential subscription right to the shares to which these securities may confer entitlement.

The issue price (i) for the shares will be at least equal to the minimum permitted by the applicable laws and regulations (i.e. for information purposes, as at the date of this Shareholders' Meeting, a price at least equal to the weighted average of the prices for the last three stock market trading sessions prior to commencement of the public offer, less a possible maximum discount of 10%) and (ii) the issue price of the other securities will be such that the amount received immediately by the Company plus the amount likely to be collected by it in future for each share issued as a result of the issue of these transferable securities, is at least equal to the price specified in (i) of this paragraph.

The Executive Board will have the broadest powers, with the option of subdelegating such powers to any person authorised by law, to implement this delegation of authority and in particular to:

- determine the conditions for (the) capital increase(s) and/or (the) issue(s);
- determine the number of shares and/or securities to be issued, their issue price and the amount of the premium for which payment in full may be requested, if applicable, at the time of issue;
- decide on the issue dates and procedures, the nature and form of the securities to be created, which may be subordinated or non-subordinated, with a fixed or open-ended term, and in particular, in the event of the issue of securities representing debt securities, their interest rate, their term, their redemption price, whether fixed or variable, with or without premiums and the amortisation procedures;
- determine how the shares and/or securities issued will be paid up;
- determine, where applicable, the terms and conditions for exercising the rights attached to the securities issued or to be issued and, in particular,

determine the date, which may be retroactive, from which the new shares will be entitled to receive dividends, as well as any other conditions and procedures for completing the issue(s);

- determine how, if applicable, the Company will have the option to buy or exchange, at any time or for specified periods, securities issued or to be issued;
- provide for the possibility of suspending the exercise of the rights attached to these securities for a maximum period of three months;
- set out the terms and conditions under which the rights of holders of the transferable securities conferring a future right to shares of the Company will be safeguarded, in accordance with the legal and regulatory provisions and, as the case may be, the applicable contractual provisions;
- in particular, in the event that securities are issued for the purpose of financing returns on securities transferred under a public offer with an exchange component initiated by the Company:
 - * to draw up the list of securities contributed to the exchange;
 - * to set the conditions of issue, the exchange ratio and, where applicable, the amount of the cash balance to be paid;
 - * determine the terms and conditions of issue under either a public exchange offer or a public purchase or exchange offer in principal terms, together with a public exchange or purchase offer on secondary terms, or an alternative public purchase or exchange offer, or any other form of public offer in accordance with the law and regulations applicable to said public offer;
- on its sole initiative, offset the costs, charges and duties for the share capital increase(s) against the amount of the premiums relating thereto and, where applicable, deduct from this amount the sums necessary to increase the legal reserve to one tenth of the new capital amount after each increase;
- determine the terms under which the Company will have the option, where applicable, to purchase the warrants, at any time or during specified periods, for the purpose of cancelling them, in the event of the issue of securities conferring entitlement to the allocation of capital securities on presentation of a warrant;
- in general, enter into all agreements, particularly in order to ensure the successful completion of the planned transaction(s), take all measures and carry out all formalities required for financial servicing of the securities issued under this delegation of authority as well as the exercise of the rights attached thereto, record the completion of each capital increase, make the corresponding amendments to the Articles of Association, and generally do whatever is necessary.

23rd RESOLUTION (Delegation of authority to the Executive Board to decide to issue ordinary shares and/or transferable securities which are capital securities giving access to other capital securities of the Company or conferring entitlement to the allocation of debt securities and/or transferable securities giving access to capital securities to be issued – with the elimination of the preferential subscription right and via an offering referred to in Article L.411-2 of the French Monetary and Financial Code)

Pursuant to the 23rd resolution, we will ask you to authorise the Executive Board, on an extraordinary basis for a period of twenty-six (26) months from the date of this meeting, with the option of subdelegating such authority to any person authorised by law, to decide to increase the share capital, funder an offer referred to in Article L.411-2, 1° of the French Monetary and Financial Code, i.e. an offer exclusively for a restricted group of investors acting on their own behalf or for qualified investors, and subject to a limit of 20% of the Company's capital (as it exists at the time of the transaction) per twelve-month (12) period, on one or more occasions, in the proportions and at the times that it decides, by issuing, in France and abroad, in euros or in foreign currency, with removal of shareholders' preferential right, ordinary shares of the Company and any transferable securities that are equity securities giving access to other equity securities of the Company or conferring entitlement to the allocation of debt securities and/or transferable securities, including debt securities, giving access to equity securities to be issued, of any kind, with it being possible to subscribe for such shares and transferable securities either in cash, or by way of offset against due and payable debts; it is understood that the issue of any securities or transferable securities giving access to preference shares is precluded; the nominal amount of any capital increase under this delegation of authority will count towards the overall cap of fifty million euros (€50,000,000) set pursuant to the 28th resolution of this General Shareholders' Meeting.

The maximum nominal amount of issues of transferable securities representing debt securities giving access to the capital which may be carried out under this delegation of authority may not exceed a nominal amount of one hundred and fifty million euros (€150,000,000), or the equivalent of this amount in case of issue in another currency; the nominal amount of issues of securities representing debt securities which may be carried out pursuant to this delegation of authority (i) shall count towards the cap set in the 19th resolution of this General Shareholders' Meeting and (ii) is independent and separate from the amount of the debt securities referred to in Articles L.228-40 and L.228-92, last paragraph of the French Commercial

Code, of which the Executive Board may decide or authorise the issue in accordance with Article L.228-40 of the French Commercial Code or the Articles of Association.

The preferential subscription rights of shareholders to the shares and transferable securities issued under this delegation of authority will be cancelled.

The shareholders at the Extraordinary General Meeting will take note and resolve, as appropriate, that this delegation of authority automatically implies express waiver by shareholders, to the benefit of holders of the securities issued, of their preferential subscription right to the securities to which the securities issued will confer entitlement.

The issue price (i) for the shares will be at least equal to the minimum permitted by the applicable laws and regulations (i.e. for information purposes, as at the date of this Shareholders' Meeting, a price at least equal to the weighted average of the prices for the last three stock market trading sessions prior to commencement of the offer, less a possible maximum discount of 10%) and (ii) the issue price of the other securities will be such that the amount received immediately by the Company plus the amount likely to be collected by it in future for each share issued as a result of the issue of these transferable securities, is at least equal to the price specified in (i) of this paragraph.

If the issue has not been fully subscribed, the Executive Board may use one or more of the following powers in the order it determines:

- limit the amount of the issue in question to the amount of the subscriptions provided that they are at least three quarters of the issue that was initially decided;
- freely distribute all or some of the unsubscribed issued securities to the persons of its choice.

The Executive Board will have the broadest powers, with the option of subdelegating such powers to any person authorised by law, to implement this delegation of authority and in particular to:

- determine the conditions for (the) capital increase(s) and/or (the) issue(s);
- determine the number of shares and/or securities to be issued, their issue price and the amount of the premium for which payment in full may be requested, if applicable, at the time of issue;
- decide on the issue dates and procedures, the nature and form of the securities to be created, which may be subordinated or non-subordinated, with a fixed or open-ended term, and in particular, in the event of the issue of securities representing debt securities, their interest rate, their term, their redemption price,

whether fixed or variable, with or without premiums and the amortisation procedures;

- determine how the shares and/or securities issued will be paid up;
- determine, where applicable, the terms and conditions for exercising the rights attached to the securities issued or to be issued on the basis of this resolution and, in particular, determine the date, which may be retroactive, from which the new shares will be entitled to receive dividends, as well as any other conditions and procedures for completing the issue(s);
- determine how, if applicable, the Company will have the option to buy or exchange, at any time or for specified periods, securities issued or to be issued on the basis of this resolution;
- provide for the possibility of suspending the exercise of the rights attached to these securities for a maximum period of three months;
- set out the terms and conditions under which the rights of holders of the transferable securities conferring a future right to shares of the Company will be safeguarded, in accordance with the legal and regulatory provisions and, as the case may be, the applicable contractual provisions;
- on its sole initiative, offset the costs, charges and duties for the share capital increase(s) against the amount of the premiums relating thereto and, where applicable, deduct from this amount the sums necessary to increase the legal reserve to one tenth of the new capital amount after each increase;
- in general, enter into all agreements, particularly in order to ensure the successful completion of the planned transaction(s), take all measures and carry out all formalities required for financial servicing of the securities issued under this delegation of authority as well as the exercise of the rights attached thereto, record the completion of each capital increase, make the corresponding amendments to the Articles of Association, and generally do whatever is necessary.

24th RESOLUTION (Authorisation for the Executive Board to decide to issue ordinary shares and/or securities which are capital securities giving access to other capital securities of the Company or conferring entitlement to the allocation of debt securities and/or securities giving access to capital securities to be issued, and to freely determine the issue price, subject to a limit of 10% of the share capital – without preferential subscription rights)

The shareholders at the General Meeting will be asked, pursuant to Article L.22-10-52 of the French Commercial Code and subject to a limit of 10% of the share capital per twelve-month (12) period for the purpose of issues of ordinary shares and/or transferable securities which are equity securities giving access to other equity securities of the Company or giving entitlement to the allocation of debt securities

and/or securities giving entitlement to equity securities to be issued as decided under the delegations of authority granted under the 22nd and 23rd resolutions of this General Shareholders' Meeting, to authorise the Executive Board to freely set the issue price on the basis of market opportunities, the sole limitation being that the amounts to be received for each share are at least equal to their par value. It is understood that the nominal amount of any capital increase carried out pursuant to this authorisation will count towards the overall cap of fifty million euros (€50,000,000) set in the 28th resolution of this General Shareholders' Meeting.

This delegation of authority will be requested for a period of twenty-six (26) months starting from this Meeting. This authorisation will cancel and, in respect of the unused portion, supersede any prior decision of the shareholders with the same purpose.

25th RESOLUTION (Authorisation for the Executive Board to increase the number of shares and/or transferable securities to be issued in the event of a capital increase with or without preferential subscription rights)

The shareholders at the General Meeting will be asked to authorise the Executive Board, with the option of subdelegating such authorisation to any person authorised by law, to increase the number of shares, equity securities or other transferable securities to be issued in the event of an increase in the Company's share capital with or without preferential subscription rights, as decided pursuant to the 21st to 23rd resolutions above, in accordance with the deadlines and subject to the limits set by the regulations applicable on the day of the issue (i.e., as things stand, within 30 days of the closure of the subscription period and subject to a limit of 15% of the initial issue), at the same price as was used for the initial issue, resolves that the nominal amount of any capital increase under this authorisation will count towards the cap applicable to the initial issue and to the overall capital increase cap of fifty million euros (€50,000,000) set pursuant to the 28th resolution of this General Shareholders' Meeting.

This authorisation will be granted for a period of twenty-six (26) months starting from this Meeting. This authorisation will cancel and, in respect of the unused portion, supersede any prior decision of the shareholders with the same purpose.

26th RESOLUTION (Delegation of powers to the Executive Board in order to proceed, without preferential subscription rights, with the issue of ordinary shares and/or securities which are equity securities giving access to other equity securities of the Company or conferring entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued in order to remunerate contributions in kind granted to the Company up to a limit of 10% of the share capital)

The shareholders at the General Meeting will be asked to delegate to the Executive Board, with the option to sub-delegate under the conditions laid down by law, the powers necessary to issue, on the report of the Statutory Auditor referred to in paragraphs 1 and 2 of the aforementioned Article L.225-147, ordinary shares in the Company as well as any securities that are equity securities giving access to other equity securities of the Company or entitling holders to the allocation of debt securities and/or securities, including debt securities, giving access to equity securities to be issued, in order to remunerate contributions in kind granted to the Company and consisting of equity securities or securities giving access to the share capital, of any nature whatsoever, where the provisions of Article L.22-10-54 on public exchange offers are not applicable to the Company. The cap on the nominal amount of the capital increase, whether immediate or in the future, resulting from all issues carried out under this authorisation is set at 10% of the Company's share capital (as existing at the date of issue), it being specified that the maximum nominal cap resulting from this capital increase may not exceed the overall cap of fifty million euros (€50,000,000) set pursuant to the 28th resolution and shall count against it and that it is fixed without taking into account the ordinary par value of the shares, where applicable, in respect of adjustments made to preserve, in accordance with the law and, where applicable, the contractual provisions, the rights of holders of securities giving access to the Company's share capital. The nominal amount of the debt securities likely to be issued pursuant to this delegation of authority may not exceed the sum of one hundred and fifty million euros (€150,000,000) or the equivalent in foreign currencies or any other monetary unit established by reference to several currencies on the date of the issue decision, it being understood that (i) this amount will count towards the cap set in the 21st resolution of this General Shareholders' Meeting and that (ii) it is independent and separate from the amount of the debt securities referred to in Articles L.228-40 and L.228-92, final paragraph, of the French Commercial Code, of which the Executive Board may decide or authorise the issue in accordance with Article L.228-40 of the French Commercial Code or the Articles of Association.

To the extent necessary, the preferential subscription rights of shareholders to the shares and securities issued will be cancelled in favour of the holders of the equity securities or securities which are the subject of contributions in kind, it will be noted that this delegation implies a waiver by shareholders of their preferential subscription rights over the Company's ordinary shares to which the securities that are issued on the basis of this delegation may entitle them.

The Executive Board shall have full powers to implement this delegation and in particular to decide on the aforementioned report of the Statutory Auditor referred to in Article L.225-147, approve the valuation of contributions and/or the granting of any special benefits, set the exchange ratio and, where applicable, the amount of any balancing payment, determine the dates, terms and conditions of the issue, deduct all costs, charges and rights from the premiums, deduct from the contribution premium the amounts that must, where applicable, be allocated to the legal reserve, record the final completion of the capital increases carried out under this delegation, make a corresponding amendment to the articles of association, carry out any formalities and declarations and request any authorisations that prove necessary to carry out these contributions. The Executive Board shall also have full powers to take all necessary measures to protect the rights of holders of securities or other rights giving access to the Company's capital in accordance with the legal and regulatory provisions and, where applicable, the contractual provisions.

This delegation of authority will be granted for a period of twenty-six (26) months starting from this Meeting. This authorisation will cancel and, in respect of the unused portion, supersede any prior decision of the shareholders with the same purpose.

27th RESOLUTION (Authorisation granted to the Executive Board to reduce the capital by cancelling shares)

The shareholders at the General Meeting will be asked to authorise the Executive Board, under the provisions of Article L.22-10-62 of the French Commercial Code, to cancel, on one or more occasions, the shares acquired by the Company as part of a programme by the Company to buy back its own shares, subject to a limit of 10% of the Company's share capital per twenty-four-month (24) period and to reduce the share capital accordingly, on the understanding that this limit applies to an amount of the Company's capital which will be adjusted to take account of transactions affecting share capital taking place subsequent to this General Shareholders' Meeting.

The Executive Board shall have the broadest powers, with the option to subdelegate such powers to any person authorised by law, to carry out this or these capital reductions, in particular to determine the final amount of the capital reduction, to set the terms and conditions and to record its completion and amend the Articles of Association accordingly, to carry out all formalities, procedures and declarations in respect of all bodies and, in general, to do whatever is necessary. This delegation of authority will be granted for a term of eighteen (18) months starting from this Meeting. This authorisation will cancel and, in respect of the unused portion, supersede any prior decision of the shareholders with the same purpose.

28th RESOLUTION (Setting the maximum nominal amount of immediate and/or future share capital increases that may be performed: overall cap)

The Shareholders at the General Meeting, having read the Executive Board's report, and as a result of the adoption of the extraordinary resolutions above, will be asked to set at fifty million euros (€50,000,000) the maximum nominal amount of share capital increases, for immediate or future share capital increases likely to be performed under the delegations of authority and authorisations granted by the extraordinary resolutions above as well as, if applicable, current valid delegations of authority, on the understanding that this nominal amount may be increased by the nominal amount of the additional shares to be issued to safeguard the rights of holders of transferable securities giving access to the capital, in accordance with the applicable legislative and regulatory provisions and, if applicable, contractual stipulations.

29th RESOLUTION (Delegation of authority to the Executive Board to increase the share capital, with elimination of the preferential subscription right, by issuing ordinary shares and/or securities giving access to ordinary shares of the Company reserved for members of a Company Savings Plan (PEE))

The Shareholders at the General Meeting will be asked to:

- delegate authority to the Executive Board, with the option of subdelegating such authority to any person authorised by law, to increase the share capital, on one or more occasions, in the proportions and at the times that it decides, at its discretion, by issuing ordinary shares or transferable securities giving access to ordinary shares of the Company reserved for eligible corporate officers, employees and former employees of the Company and/or of companies or economic interest groupings related to the Company under the terms of Article L.225-180 of the French Commercial Code, as well as Articles L.3344-1 et L.3344-2 of the

French Employment Code, who are members of the Company's company/group savings plan. Such securities may be issued by means of a cash payment or by capitalising reserves, profits or premiums and the free allocation of shares or other securities giving access to the capital. The total nominal amount of the capital increases that may be performed under this resolution may not exceed one million euros (€1,000,000), plus, where applicable, the nominal amount of the additional shares to be issued to safeguard, in accordance with the law and, where applicable, the contractual provisions, the rights of holders of securities giving access to the capital, on the understanding that this amount does not count towards the overall cap stipulated in the 28th resolution.

- remove the preferential subscription rights of shareholders, to the benefit of the said members of a company savings plan, to the ordinary shares and securities to be issued, granted free of charge if applicable, under this resolution, which implies waiver by shareholders of their preferential subscription rights to the ordinary shares to which the securities issued on the basis this authorisation may confer entitlement.

- resolve that the issue price of the ordinary shares or transferable securities to be issued pursuant to this resolution will be set under the conditions provided for in Articles L.3332-18 *et seq.* of the French Employment Code, and will correspond, pursuant to Articles L.3332-18 *et seq.* referred to above, to the average price for the share listed on the Euronext Paris market for the 20 stock market trading days preceding the Executive Board's decision setting the opening date for the subscription period, after application, if applicable, of a discount of no more than 30%. The General Shareholders' Meeting expressly authorises the Executive Board to reduce or cancel the aforementioned discount, if it sees fit, in particular in order to take into account new international accounting provisions or, *inter alia*, the legal, accounting, tax and social security regimes applicable locally. The Executive Board may also replace all or part of the discount by allocating ordinary shares or transferable securities giving access to the capital pursuant to the provisions below.

- authorise the Executive Board to proceed with the free allocation of ordinary shares or other securities giving immediate and/or future access to the Company's capital, it being understood that the total benefit resulting from this allocation in respect of the employer contribution and/or discount may not exceed the legal or regulatory limits.

- resolve that the characteristics of any securities giving access to the Company's capital will be determined by the Executive Board under the conditions stipulated in the regulations applicable at that time.

- delegate to the Executive Board, within the limits and under the conditions specified above, the broadest powers to determine all the terms and conditions of the transactions stipulated in the terms of this resolution and in particular:
 - to decide that issues may take place directly for the benefit of beneficiaries or through undertakings for collective investment in transferable securities or through another entity or entities as permitted by applicable legal or regulatory provisions;
 - to establish, where applicable, a list of companies eligible for the offer that is shorter than the list of companies eligible for the company savings plan;
 - to set the terms and conditions of the issues that will be carried out under this authorisation and in particular the terms and conditions of entitlement to dividend rights, the procedures for payment in full, and the subscription price for ordinary shares or transferable securities giving access to the capital under the legal conditions;
 - to determine the start and end dates for the subscription period;
 - to set the deadline for subscribers to pay in full for their ordinary shares or their transferable securities giving access to the capital;
 - to take all necessary measures to safeguard the rights of holders of securities or other equity-linked securities, in accordance with the legal and regulatory provisions and, if applicable, the contractual provisions;
 - to record the completion of the capital increase up to the amount of equity securities or transferable securities giving access to the capital that will actually be subscribed;
 - at its sole discretion and as it sees fit, to offset the costs of the capital increases to the amount of the

premiums relating thereto and deduct from this amount the sums necessary to increase the legal reserve to one tenth of the new capital amount after each increase;

- to take all measures to carry out capital increases, carry out the resulting formalities, particularly those relating to the listing of the securities created, and more generally to do whatever is necessary. The Executive Board may delegate to any person authorised by law the powers necessary to carry out the issues authorised by this resolution, as well as the powers to postpone them, subject to the limits and according to the procedures that it may specify in advance.

This authorisation will be granted for a period of twenty-six (26) months from this Meeting. This authorisation will cancel and, in respect of the unused portion, supersede any prior decision of the shareholders with the same purpose.

30th RESOLUTION (Powers to complete formalities).

The shareholders at the General Meeting will be asked, deliberating in accordance with the quorum and majority requirements for extraordinary general meetings, to give full powers to the bearer of copies or extracts of the minutes of this General Meeting to carry out all formalities of publicity and filing, and generally to do what is necessary.

If you approve the Executive Board's proposals, we will ask you to enact them by voting on the resolutions that will be submitted to you.

The Executive Board

PART THREE: FINANCIAL INFORMATION

1. CONSOLIDATED FINANCIAL STATEMENTS 2022

I - Consolidated balance sheet as at 31 December 2022

ASSETS (in thousands of euros)	Notes	31.12.2022	31.12.2021
Non-current assets:			
Goodwill	8	55 648	55 648
Other intangible assets	9	2	3
Tangible fixed assets	10	11 445	11 547
Assets under construction	11.1	63 834	52 841
Investment properties	11.2	3 996 070	3 793 274
Investments in associates	17		
Financial derivatives instruments	12	30 814	590
Other non-current assets	13	1 810	2 102
Total non-current assets		4 159 623	3 916 005
Current assets:			
Trade receivables	14	46 877	23 807
Other current assets	15	40 689	23 757
Other financial assets at fair value through income			
Cash and cash equivalents	16	169 250	523 162
Total current assets		256 817	570 726
Assets held for sale	18	22 814	13 870
TOTAL ASSETS		4 439 254	4 500 601

LIABILITIES (in thousands of euros)	Notes	31.12.2022	31.12.2021
Shareholders' equity:			
Capital	19.1	45 903	45 177
Premiums	19.1	291 266	272 435
Reserves		1 774 554	1 147 752
Treasury shares	19.3	-791	-90
Revaluation of financial instruments	12	11 467	-7757
Income		95 090	668 113
Total shareholders' equity, share of owners of the parent company		2 217 489	2 125 631
Minority interests		37 623	37 844
Total consolidated shareholders' equity		2 255 112	2 163 475
Non-current liabilities:			
Long-term portion of financial liabilities	20	1 820 132	1 857 264
Financial derivatives instruments	12		3 759
Security deposits	22	11 172	10 360
Provisions	23		
Total non-current liabilities		1 831 304	1 871 384
Current liabilities:			
Short-term portion of financial liabilities	20	226 207	361 570
Financial derivative instruments	12	4	
Short-term tax liabilities	24	5	3
Fixed asset liabilities		18 388	24 803
Provisions	23	87	54
Other current liabilities	25	98 333	77 347
Total current liabilities		343 023	463 779
Liabilities classified as held at time of sale	21	9 814	1 963
TOTAL LIABILITIES		4 439 254	4 500 601

II - Consolidated income statement

Period from 1 January 2022 to 31 December 2022

In thousands of euros	Notes	31.12.2022	31.12.2021
Rental income		166 078	156 829
Rebilled rental expenses and rental taxes		28 644	25 726
Rental expenses and rates		-30 414	-27 657
Other income from buildings		3 197	3 111
Other expenses from buildings		-435	-341
Net income from buildings	26	167 071	157 668
Other income from operations			
Personnel expenses		-9 281	-5 205
External expenses		-5 719	-3 760
Taxes		-1 133	-1 134
Amortisation, depreciation and provisions		-255	-277
Other operating income and expenses		-185	-155
Current operating income		150 498	147 138
Other income and operated expenses	11.5.1	-500	
Income from disposals	11.5.2	-216	18 516
Change in fair value of investment properties	11	-32 944	542 509
Operating income		116 839	708 162
Income from cash and cash equivalents	27	582	160
Cost of gross financial debt	27	-41 692	-35 621
Cost of net financial debt	27	-41 110	-35 461
Other financial income and expenses	28	19 205	3 644
Tax expense or income	29	-33	-28
Share of income from associates	17	-32	-21
Net income		94 869	676 296
Equity holders of the parent		95 090	668 113
Non-controlling interests		-221	8183
Earnings per share in euros	30	4,14	29,58
Diluted earnings per share in euros	30	4,17	29,70

III – Statement of income and expenses recognised

In thousands of euros	Notes	31.12.2022	31.12.2021
Earnings for the period		94 869	676 296
Effective portion of gains and losses on hedging instruments	12	15 685	3 974
Total gains and losses recognised directly in equity		15 685	3 974
Earnings for the period and gains and losses recognised directly in equity		110 554	680 270
- Of which Group share		110 775	672 087
- Of which non-controlling interests		-221	8 183

IV - Consolidated cash flow statement

In thousands of euros	Notes	31.12.2022	31.12.2021
Consolidated net income (including minority interests)		94 869	676 296
Net depreciation expense and provisions		255	277
Unrealised gains and losses related to changes in fair value of investment properties	11	32 944	-542 509
Unrealised gains and losses related to changes in fair value of derivatives instruments	12	-19 205	- 3 644
Calculated expenses		3786	
Other products and operating expenses	11.5.1	500	
Income from disposals of assets, grants received	11.5.2	216	-18 516
Share of income related to associates	17	32	21
Cost of net financial debt	27	41 110	35 461
Cost of net financial debt - Cargo transaction	25		
Tax expense (including deferred taxes)	29	33	28
Cash from operations before cost of debt and tax (A)		154 540	147 415
Current taxes (B)		-31	-49
Change in operating WCR (C)		- 18 593	24 822
Net cash flow from operations (D) = (A + B + C)		135 916	172 187
Acquisition of tangible assets	10	-152	-126
Acquisition of investment properties	11	-252 693	-123 859
Change in fixed assets liabilities		-6 415	-12 596
Disposals of fixed assets		13 777	68 528
Acquisitions of financial capital assets	13	-612	-824
Decreases in financial capital assets			
Impact of business combinations	32		-4
Dividends received (equity-accounted companies)	17		-224
Other investing cash flow items	13	-193	152
Net investing cash flow (E)		-246 288	-68 953
Capital increase and reduction			
Purchase and resale of treasury shares	19.3	-951	226
Investment grant received			
Dividend paid (shareholders of the parent company and minority interests)	19.2	-21 752	-25 249
Receipts from borrowing	20.1	307 472	641 253
Repayment of borrowings and financial debt	20.1	- 487 409	-198 353
Net cash flow from financial income and expenses	27	-40 939	-35 391
Other financing cash flow items (lessee advances)			
Net financing cash flow (F)		-243 579	382 486
Net cash flow (D + E + F)		-353 951	485 720
Opening cash position		523 039	37 319
Closing cash position	31	169 088	523 039

V – Statement of changes in consolidated equity

(in thousands of euros)	Capital	Premiums and Reserves	Treasury shares	Gains and losses recognised in shareholders' equity	Earnings	Shareholders' equity, group share	Shareholders' equity, minority interests' share	Total shareholders' equity
Shareholders' equity as at 31 December 2020	44 618	1 164 910	-238	-9 588	278 863	1 478 566	4	1 478 570
Dividend	559	21 035			46 843	-25 249		-25 249
Allocation of retained earnings		234 164		- 2144	-232 020	0		0
Treasury shares			148			148		148
Free share allocation						0		0
Capital increases						0		0
Income from disposal of treasury shares		78				78		78
Comprehensive income as at 31 December 2021				3 974	668 113	672 087	8183	680 270
Other variations							29 657	29 657
Shareholders' equity as at 31 December 2021	45 177	1 420 188	-90	-7 757	668 113	2 125 631	37 844	2 163 475
Dividend	725	36 245			- 58 723	-21 752		-21 752
Allocation of retained earnings		605 852		3 538	-609 390	0		0
Treasury shares			-701			- 701		-701
Free share allocation		3 786				3 786		3 786
Capital increases						0		0
Income from disposal of treasury shares		-250				-250		-250
Comprehensive income as at 31 December 2022				15 685	95 090	110 775	-221	110 553
Impact of Scope changes						0		0
Shareholders' equity as at 31 December 2022	45 903	2 065 820	-791	11 467	95 090	2 217 489	37 623	2 255 112

VI - Notes to the consolidated financial statements
Period from 1 January to 31 December 2022

1.	General information	132
2.	Significant events	132
3.	Background to the preparation of the consolidated financial statements	133
4.	General principles of measurement and preparation	133
5.	Use of estimates.....	134
6.	Accounting principles, rules and methods.....	134
6.1.	<i>Consolidation methods</i>	<i>134</i>
6.2.	<i>Consolidation period.....</i>	<i>134</i>
6.3.	<i>Intergroup transactions.....</i>	<i>134</i>
6.4.	<i>Business combinations</i>	<i>134</i>
6.5.	<i>Intangible assets.....</i>	<i>134</i>
6.6.	<i>Investment properties (IAS 40)</i>	<i>135</i>
6.6.1.	<i>Methodology.....</i>	<i>135</i>
6.6.2.	<i>Fair Value</i>	<i>135</i>
6.7.	<i>Finance leases on investment properties.....</i>	<i>136</i>
6.8.	<i>Lease agreements on investment properties.....</i>	<i>136</i>
6.9.	<i>Tangible fixed assets.....</i>	<i>136</i>
6.10.	<i>Investment property under construction</i>	<i>136</i>
6.11.	<i>Impairment of goodwill and fixed assets</i>	<i>137</i>
6.11.1.	<i>Impairment of goodwill</i>	<i>137</i>
6.11.2.	<i>Impairment of fixed assets</i>	<i>137</i>
6.12.	<i>Trade and other receivables</i>	<i>137</i>
6.13.	<i>Financial assets.....</i>	<i>138</i>
6.13.1.	<i>Loans and receivables.....</i>	<i>138</i>
6.13.2.	<i>Financial instruments</i>	<i>138</i>
6.13.4.	<i>Cash and cash equivalents.....</i>	<i>139</i>
6.13.5.	<i>Assets and liabilities held for sale</i>	<i>139</i>
6.14.	<i>Shareholders' equity</i>	<i>139</i>
6.14.1.	<i>Treasury shares</i>	<i>139</i>
6.14.2.	<i>Investment grants</i>	<i>139</i>
6.14.3.	<i>Free share allocation scheme</i>	<i>139</i>
6.15.	<i>Financial liabilities</i>	<i>140</i>
6.16.	<i>Security deposits from lessees</i>	<i>140</i>
6.17.	<i>Provisions.....</i>	<i>140</i>
6.18.	<i>Suppliers.....</i>	<i>140</i>
6.19.	<i>Taxes.....</i>	<i>140</i>
6.19.1.	<i>Current taxes</i>	<i>140</i>
6.19.2.	<i>Deferred taxes.....</i>	<i>141</i>

6.19.3. SIIC regime	141
6.20. <i>Post-employment benefits granted to employees</i>	141
6.21. <i>Rental income</i>	141
6.22. <i>Rental income and expenses</i>	141
6.23. <i>Other income and expenses on buildings</i>	141
6.24. <i>Earnings per share</i>	142
6.25. <i>Presentation of the financial statements</i>	142
6.26. <i>Operating sectors</i>	142
6.27. <i>Risk management</i>	142
6.27.1. <i>Market risk</i>	142
6.27.2. <i>Counterparty risk</i>	143
6.27.3. <i>Liquidity risks</i>	143
6.27.4. <i>Interest rate risk</i>	143
6.27.5. <i>Equity market risk</i>	143
6.27.6. <i>Asset valuation risk</i>	143
6.27.7. <i>Risk associated with the SIIC regime</i>	143
7. Scope of consolidation	144
8. Goodwill	145
9. Intangible assets	145
10. Tangible fixed assets	145
11. Investment properties	146
11.1. <i>Assets under construction</i>	146
11.2. <i>Investment properties</i>	146
11.3. <i>Fair value hierarchy</i>	147
11.4. <i>Summary of investment properties and assets under construction</i>	147
11.5. <i>Other operating income and expenses and income from the disposal of properties</i>	148
<i>Other operating income and expenses:</i>	148
11.6. <i>Minimum rents receivable</i>	148
12 . Financial derivative instruments and interest rate risk management . 149	
13. Other non-current financial assets	150
14. Trade receivables	151
15. Other current assets	151
16 . Cash and cash equivalents	151
17. Investments in associates	151
18. Assets held for sale	152
19. Consolidated shareholders' equity	152
19.1. <i>Composition of share capital</i>	152
19.2. <i>Dividend paid</i>	152
19.3. <i>Treasury shares</i>	152

19.4. Free shares	153
20. Financial liabilities	153
20.1 Change in financial liabilities and guarantees given	153
20.2 Maturities of financial debts and breakdown fixed rate - variable rate	154
20.3. Due dates for finance lease payments	154
20.4. Net financial debt	154
21. Liabilities held for sale	155
22. Security deposits	155
23. Provisions.....	155
24. Tax liability.....	156
25. Other current liabilities	156
26. Net income from buildings	156
27. Cost of net financial debt.....	156
29 . Reconciliation of tax expense.....	157
30 . Earnings per share	157
31 . Details of cash and financial flows.....	157
32 . Breakdown in the cash flow statement	157
33 . Off-balance sheet commitments	157
34 . Recognition and rehabilitation of financial assets.....	157
35 . Related party relationships	157
36 . Headcounts	157
37 . Statutory auditor's free.....	157
38 . Post closing events	157

1. General information

ARGAN's business is the construction, acquisition and rental of logistics facilities and warehouses.

The company has been covered by the tax regime for listed real estate investment companies (SIICs) since 1 July 2007.

The Group has held a 49.90% stake in SCCV Nantour since 9 September 2016.

On 15 May 2018, SCI Avilog was created. The Group holds 99.90% of the shares of this subsidiary.

On 18 February 2021, SCI CARGAN-LOG was created. The Group holds 60% of the shares of this subsidiary.

On 16 September 2021, SCI NEPTUNE was created. The Group holds 99.90% of the shares of this subsidiary.

Argan has been listed on NYSE Euronext Paris since 25 June 2007. It is part of compartment A.

2. Significant events

In 2022, ARGAN invested nearly €220 million, representing more than 245,000 sq. m. and generating €13 million in rental income, i.e. an average rate of return of more than 5.7%:

In January, Argan delivered the first AutOnom[®] property, the warehouse that produces its own green energy for self-consumption. This 14,000 sq. m. warehouse located in Serris, Marne-la-Vallée (77), next to the A4 motorway, is leased to two major international groups that each occupy a unit in the building, for fixed terms of three and nine years, respectively.

AutOnom[®] is ARGAN's new warehouse standard. It has a solar power plant on its roof, coupled with storage batteries, with the electricity produced by those pumps being used by the tenants. It replaces gas heating with electric air-to-air heat pumps and uses smart LED lighting throughout. As such, AutOnom[®] produces more green energy on site than it consumes in its heating, cooling and lighting.

In February, Argan delivered the 7,000 sq. m. extension to its warehouse located in Chanteloup-en-Brie, Marne-la-Vallée (77), for its current tenant Arvato Services Healthcare, which increases the total surface area of the site to 28,000 sq. m., with a new six-year fixed term lease.

This extension is equipped with presence-detecting LED lighting and a solar power plant that produces 440 MWh of electricity each year for self-consumption.

In March, Argan brought the 6,000 sq. m. extension to its 12,000 sq. m. warehouse located in Croissy-Beaubourg, Marne-la-Vallée (77) into service, leased since 2000 to L'Oréal. This extension is leased to Intersurgical under a lease with a fixed term of nine years.

This extension is also equipped with presence-detecting LED lighting and a solar power plant that produces 120 MWh of electricity each year for self-consumption.

In September, Argan made two deliveries:

- Delivery of its 2nd AutonOm warehouse, of 18,000 sq. m., in Caen (14). This warehouse is leased in its entirety to Legallais, the leading French distributor of tools and hardware products for businesses for a fixed term of 12 years and is equipped with solar panels and batteries.

- Delivery of a 14,000 sq. m. logistics platform located in Saint-Jean-de-la-Neuville (76) leased to DIDACTIC, a group that specialises in protective, infusion and hygiene equipment, for a fixed term of 12 years.

Argan also took delivery of a new warehouse in Compans (77) of 15,000 sq. m. leased in its entirety to Colis Privé, for a fixed term of 12 years. This warehouse, which was developed by Virtuo, has been awarded first prize in the logistics category by SIMI (Salon de l'immobilier d'Entreprise), highlighting "the warehouse's approach to net zero emissions".

In December, the Company brought an 18,000 sq. m. extension located in Albon (26) into service, leased to 2 groups. The logistics platform now covers a total area of 31,000 sq. m. The majority of the extension will be leased to Bert Group, which specialises in logistics and transport solutions, for a fixed term of 6 years. The remaining area of the extension is leased to Nutrition et Santé, which already rents the existing 13,000 sq. m., for a fixed term of 9 years.

Through the SCI Cargan-Log, 60% owned by ARGAN and 40% owned by the Carrefour Group, ARGAN

leased the entire surface area of 50,000 sq. m. of the two warehouses located in Marseille (13) and Lens (62), the renovation work on which was completed in July and December 2022, respectively.

All these developments have been awarded the BREEAM "Very Good" certification.

In addition to the developments above, the company purchased a warehouse in Sens (89), 110 km from Paris, from Renault Group. This warehouse has an area of 153,000 sq.m. and is leased in its entirety to Renault SAS for a fixed term of 12 years.

In parallel, in February 2022, ARGAN sold a 9,000 sq. m. property in Tours (37) for approximately €14 million.

3. Background to the preparation of the consolidated financial statements

The consolidated annual financial statements for the period from 1 January to 31 December 2022 were adopted by the Executive Board on 16 January 2023.

In accordance with Regulation (EC) No 1606/2002 of 19 July 2002 on the application of international accounting standards, the ARGAN Group's consolidated financial statements are prepared in accordance with IFRS as adopted in the European Union. The standards are available on the European Commission website

http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission

The new standards, whose application is mandatory from 1 January 2022, are as follows:

- Amendment to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"
- Amendment to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract "
- Amendment to IFRS 3 "Reference to the conceptual framework"

These standards have no significant impact on the Group's results and financial position.

The Group opted not to implement the standards, amendments to standards and interpretations adopted by the European Union that were eligible for early application from 1 January 2022.

The standards, amendments to standards and interpretations currently being adopted by the European Union have not been applied early.

4. General principles of measurement and preparation

The financial statements are presented in thousands of euros.

They are prepared according to the historical cost principle, except for investment properties and financial derivative instruments, which are measured at fair value.

Application of IFRS 13 "Fair Value Measurement"

Since 1 January 2013, the ARGAN Group has applied IFRS 13, which defines fair value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date". The standard establishes a three-level fair value hierarchy for the inputs used in the valuations:

- Level 1: Unadjusted quoted prices in an active market for identical assets and liabilities that the entity can access at the measurement date,
- Level 2: Valuation model using inputs that are directly or indirectly observable in an active market,
- Level 3: Valuation model using non-observable inputs in an active market.

The hierarchical fair value level is therefore determined with reference to the levels of the inputs in the valuation technique. If a valuation technique is used with inputs at different levels, the asset or liability is included in one of the three levels on the basis of the lowest-level input that is significant to its valuation.

5. Use of estimates

Preparing the consolidated financial statements in accordance with the principles established by IFRS requires Management to make a number of estimates and certain assumptions that affect the amounts included in assets and liabilities, and the amounts included in the income and expense accounts during the financial year. These estimates are based on the going concern assumption and are on the information available at the time they are prepared.

Management's key estimates in preparing the financial statements cover:

- the assumptions used in valuing investment properties,
- asset impairment and provisions,
- current and non-current maturities of certain credit lines with outstanding drawdowns,
- assessment of lease agreements, rental costs, taxes and insurance when these amounts are not known on the balance sheet date.

Management regularly reviews its estimates and assessments to account for past experience and incorporate factors deemed relevant to economic conditions. However, since assumptions are by nature uncertain, actual figures may differ from the estimates.

6. Accounting principles, rules and methods

6.1. Consolidation methods

Companies controlled by the Group, i.e. those in which the Group has the power to govern the financial and operational policies so as to obtain benefits, are fully consolidated.

The list of consolidated companies is given in Note 7, "Scope of consolidation".

6.2. Consolidation period

All companies included in the scope prepare financial statements or interim financial reports on the same date as the consolidated financial statements.

6.3. Intergroup transactions

Receivables, debts, income and expenses arising from transactions between consolidated companies are eliminated.

6.4. Business combinations

Business combinations are treated in accordance with IFRS 3. Under this method, when an entity over which the Group acquires sole control is consolidated for the first time, the assets and any liabilities acquired are recognised at fair value as at the acquisition date.

The difference between the purchase price and the purchaser's interest in the fair value of the assets and liabilities acquired is recorded as Goodwill.

6.5. Intangible assets

Intangible assets acquired are recorded in the balance sheet at their acquisition cost less accumulated depreciation and impairment losses. These are primarily licenses for the use of low unit cost software.

6.6. Investment properties (IAS 40)

Real estate assets held directly or under a finance lease agreement to generate rental income or for capital appreciation or both are classified as “Investment properties” in the balance sheet.

Real estate assets consist solely of buildings under construction and buildings let under operating leases which meet the definition of investment properties.

Argan has opted to value its investment properties at fair value as defined by IFRS 13 (see Note 4). These buildings are therefore not subject to depreciation or impairment.

Buildings under construction or under development are recognised at fair value when this can be measured reliably. The Company’s view is that fair value can be measured reliably when there are no further major uncertainties about the cost price for the building. In most cases, the group considers that it is able to reliably determine the cost price of the building when the construction progress rate is greater than 50%. If fair value cannot be reliably determined, the property is recognised at its last known value plus any fixed costs over the period.

The fair value is applied on the basis of valuations carried out by a reputable independent appraiser. The appraisals conform to the national professional standards of the February 2000 COB/AMF report (Barthes de Ruyter) and the Charte de l’Expertise en Evaluation Immobilière (Charter of real estate valuation) developed under the guidance of IFEL. They also conform to the TEGOVA European professional standards. Specifically, the portfolio was valued in accordance with the Charter of real estate valuation. This assessment is carried out by the independent expert on a half-yearly basis.

6.6.1. Methodology

The main methodology used is the net income capitalisation or discounted future cash flow methods.

The values used exclude transfer taxes and fees. The difference in fair values from one period to the next is recognised in income.

The change in fair value of each building recorded in the income statement is calculated as follows:

Market value n – (market value n-1 + amount of work and expenditure capitalised in year n).

Capitalised expenses are the prices paid, transfer taxes and acquisition costs for buildings.

The gain on disposal of an investment properties is the difference between:

- the net selling proceeds after deduction of related costs and rent guarantees granted; and
- the most recent fair value recorded in the closing balance sheet for the previous financial year.

6.6.2. Fair Value

The fair value measurement must take into account the highest and best use of the asset. ARGAN Group has not identified any highest and best use of an asset that is different from the current use. As a result, the implementation of IFRS 13 did not change the assumptions used when valuing the assets.

Fair value measurement of investment properties involves the use of different valuation methods using unobservable or observable inputs to which certain adjustments have been applied. As a result, the Group’s assets are deemed to fall under Level 3 of the fair value hierarchy enacted by IFRS 13, notwithstanding the consideration of certain observable Level 2 inputs as set out below.

Key inputs	Level
<u>Warehouses and Offices</u>	
- rate of return	3
- discount rate and terminal value of the DCF rate	3
- market rental value	3
- rent accrued	2

6.7. Finance leases on investment properties

Leases that transfer substantially all the risks and rewards of ownership incidental to the leased assets to the Group as lessee are classified as finance leases. The fair value of buildings covered by a finance lease agreement is recorded in assets. The principal owed to the lessor is recorded in current and non-current liabilities.

The buildings in question are recognised at period-end according to the fair value method (see paragraph 6.6).

Payments made under a lease agreement are broken down between financial expense and amortisation of the outstanding debt.

6.8. Lease agreements on investment properties

Lease agreements are recognised in the balance sheet from inception of the lease agreement at the discounted present value of future lease payments.

In accordance with IFRS 16, when real estate or movable property is held under a lease, the lessee shall recognise an asset in respect of the right-of-use and a lease liability at amortised cost.

Assets recognised as rights of use are included in the items where the corresponding underlying assets would be presented if they belonged to it. The lessee depreciates the right of use on a straight-line basis over the term of the lease, except for rights relating to investment properties, which are measured at fair value.

The Group has adopted the simplified retrospective method by applying the simplified measures provided for in the standard and has decided to exclude the initial direct costs in determining the right-of-use.

At 31 December 2022, ARGAN's lease agreements relate only to leases on land under farm-out agreements (airports, ports, etc.). These are therefore measured at fair value, and the difference between the fair values from one period to the next is recognised in income.

"The Group excludes the following contracts (no contract meeting these criteria at the closing date): Tacit leases or those with a term of less than one year; and contracts relating to assets with a value of less than €5,000.

The discount rate used is based on the Group's average debt ratio as at 1 January 2019, adjusted to account for the average term of all the relevant contracts, i.e. 40 years at the initial recognition date. The discount rate for measuring rental debt is 2.241% for all existing agreements as at 1 January 2019. For policies taken out in 2022, the rate is 2.79%.

The Group has not identified any future cash outflow not taken into account in the measurement of rental commitments (variable rents, extension options, residual value guarantees, etc.).

6.9. Tangible fixed assets

Tangible fixed assets other than investment properties are recorded at their cost less accumulated depreciation and impairment losses.

Depreciation is recognised as expenses on a straight-line basis over the estimated useful life of tangible capital assets. Components with shorter useful lives than the asset to which they pertain are depreciated over their individual service lives.

Useful lives are estimated as:

- Buildings: 10 to 60 years,
- Other tangible fixed assets: 3 to 10 years.

6.10. Investment property under construction

Sites for construction of a real estate complex intended for rent, as well as construction in progress, are recognised as investment properties in progress using the valuation methods described in paragraph 6.6 "Investment properties (IAS 40)".

6.11. Impairment of goodwill and fixed assets

6.11.1 Impairment of goodwill

The Group is recognised as a single Cash-Generating Unit (CGU).

The single CGU to which goodwill has been assigned is tested for impairment each year, or more frequently if there is an indication that the unit may have lost value.

The value of goodwill in the balance sheet is compared with the recoverable value, which is the higher of the value in use and the fair value (less disposal costs). The recoverable value of fixed assets that do not generate a cash flow independently of other assets is calculated by combining them within the Cash-Generating Unit (CGU).

The value in use of the CGU is calculated using the discounted future cash flows (DCF) method over five years.

The recoverable value of the CGU calculated in this way is then compared with the contributory value in the consolidated balance sheet of the assets tested (including goodwill). An impairment loss is recognised, where applicable, if this value in the balance sheet is greater than the recoverable value of the CGU. It is charged first to goodwill and then to the other assets in the unit at the pro rata carrying amount of each of the assets in the unit. The impairment loss is first reduced by the carrying amount of any goodwill allocated to the unit.

This impairment loss is recognised in operating income. An impairment loss recognised for goodwill is not recovered in a subsequent period. An impairment test is performed annually.

As at 31 December 2022, the impairment test was performed on the basis of the following assumptions: WACC of 5.49%, perpetual growth rate of 2%.

No impairment is required on this basis.

Sensitivity tests were also carried out: a 50 basis point increase in the WACC rate and a 50 basis point decrease in the growth rate would not lead to goodwill impairment.

6.11.2 Impairment of fixed assets

Intangible fixed assets with indefinite useful lives are tested for impairment at each annual or semi-annual balance sheet date and whenever there is any indication that a decrease in value may have occurred. Other intangible and tangible fixed assets are also tested whenever there is an indication of an impairment loss.

Impairment loss is the difference between the net carrying amount and the recoverable value of the asset, which is its useful value or selling value, less disposal costs, if the selling value is greater than the useful value.

Investment properties are measured at fair value and are therefore not subject to any impairment.

6.12. Trade and other receivables

Trade receivables are initially stated at fair value and, where the impact is material, they are subsequently measured at their amortised cost, less provisions for impairment, using the effective interest rate method. The impairment model requires the recognition of expected credit losses ("ECLs") on receivables resulting from lease agreements and commercial receivables. The aim of this new approach is earlier recognition of expected losses, while the provisioning model prior to IFRS 9 was conditional on the occurrence of an incurred loss event. The impairment amount represents the difference between the carrying amount of the asset and the value of estimated future cash flows, discounted at the original effective interest rate. The asset's carrying amount is reduced via an impairment account and the amount of the loss is recognised in the income statement. Non-recoverable receivables are derecognised and offset by reversal of the impairment to trade receivables. When a previously derecognised receivable is recovered the amount is credited to the income statement.

6.13. Financial assets

Financial assets include assets held to maturity, available-for-sale assets, loans and receivables, asset derivatives, assets at fair value through income, and cash and cash equivalents.

6.13.1. Loans and receivables

These are financial assets with determined or determinable payments that are not listed on an active market. Loans and receivables are recognised at issue at fair value and are subsequently remeasured at amortised cost using the effective rate method. Any potential impairment recorded in the income statement under the heading of “Other financial income and expenses”.

The non-current “Loans and receivables” item includes deposits and guarantees paid with maturities of more than 12 months.

Other financial assets with a maturity of less than twelve months that are not designated as “financial assets at fair value through income” are recorded as “Other current assets” in balance sheet assets.

6.13.2. Financial instruments

IFRS 13 requires that the credit risk of a counterparty (i.e., the risk that a counterparty may default on any of its obligations) be taken into account when measuring the fair value of financial assets and liabilities.

IFRS 13 retains the IFRS 7 disclosure requirements about the three-level fair value hierarchy, whereby an entity is required to differentiate between the fair values of financial assets and financial liabilities on the basis of the observable nature of the inputs used to determine fair value.

As at 31 December 2013, the Group’s first application of IFRS 13 had not affected the fair value hierarchy for financial instruments, which had hitherto been Level 2 in accordance with IFRS 7 (valuation model based on observable market data) given that credit risk adjustment is considered to be an observable input.

Borrowings that are initially issued at a variable rate expose the Group to the risk of cash flows on interest rates. Borrowings that are initially issued at a fixed rate expose the Group to the risk of variations in the fair value of instruments associated with interest rate fluctuations.

The Group uses derivatives to hedge its variable-rate debt against interest rate risk (hedging of future cash flows) and applies hedge accounting when the documentation and effectiveness conditions are fulfilled:

Derivatives that do not meet the eligibility criteria for hedge accounting are recorded in the balance sheet at fair value with changes in fair value stated in the income statement.

A hedge is deemed to be effective if the changes in cash flow of the hedged item are offset by a change in the hedging instrument within a range of 80 to 125%. In this case, the effective portion of the change in fair value of the hedging instrument is recognised in equity, and the change in fair value of the hedged portion of the hedged item is not recorded in the balance sheet. The change in value of the ineffective portion is recorded immediately in income for the period. Accumulated gains or losses in equity are transferred to income under the same heading as the hedged item over the same periods during which the hedged cash flows impact on income.

The fair value of the derivatives is measured using generally accepted models (discounted future cash flow method, etc.) and based on market data.

There was no material impact from counterparty credit risk in measuring the fair value of the Group’s financial instruments as at 31 December 2022.

Derivatives are classified in the balance sheet depending on their maturity dates.

6.13.3. Financial assets at fair value through income

Financial assets measured at fair value through income are held for trading, i.e., purchased at the outset with the intention to sell in the short term. They may also be assets purposely recorded in this class because they are managed on the basis of a net asset value that represents fair value, with an original maturity of more than three months.

Financial assets at fair value carried through income are presented in the cash flow statement under “Change in working capital”.

The fair value stated in assets is based on valuations reported by banks and changes in fair value are recognised in the income statement.

6.13.4. Cash and cash equivalents

This item includes cash in hand, short-term investments and other liquid and easily convertible instruments for which there is a negligible risk of impairment and which mature within three months of purchase at the latest. Investments held for over three months and frozen or pledged accounts are excluded from cash. Cash and cash equivalents are recognised at fair value and any changes in value are recorded in profit or loss.

6.13.5. Assets and liabilities held for sale

Non-current assets or a group of assets and liabilities are held for sale if the carrying amount will be recovered primarily through a sale rather than ongoing use. For this to be the case, the asset must be available for immediate sale and its sale must be highly probable. The relevant assets and liabilities are reclassified under “Assets held for sale” and “Liabilities classified as held for sale” without the possibility of offsetting. The fair value of properties covered by an agreement to sell corresponds to the sale value stated in the agreement.

6.14. Shareholders' equity

6.14.1. Treasury shares

Pursuant to IAS 32, treasury shares and directly associated transaction costs are recognised as a deduction from consolidated equity. Proceeds from the sale of treasury shares are recognised in equity.

6.14.2. Investment grants

Investment grants received are all related to investment properties. They are deducted on receipt from the value of the relevant asset.

6.14.3. Free share allocation scheme

On 09 July 2019, the Executive Board set up a plan under which free shares would be allocated subject to certain performance criteria being exceeded in relation to the results for financial years 2019, 2020 and 2021. The free share allocation depends on the improvement in the Company's performance as measured on 31 December 2021, the end date for the current three-year plan.

The Executive Board meeting of 17 January 2022 allocated 30,074 shares of the Company to the members of the Company's Executive Board. These free shares may only vest to the beneficiaries referred to above at the end of a period of one year from the said meeting of the Executive Board.

On 28 March 2022, the Executive Board set up a plan under which free shares would be allocated subject to certain performance criteria being exceeded in relation to the results for financial years 2022, 2023 and 2024. The free share allocation depends on the improvement in the Company's performance as assessed on 31 December 2024, the end date for the current three-year plan, on the basis of two criteria:

- The developer margin on developments and acquisitions, plus income from disposals, less the shortfall related to asset vacancies over the three financial years.
- The sum of the increase in the Recurring Income generated in each of the three financial years.

The maximum number of free shares that may be allocated for all three financial years, 2022, 2023 and 2024, is 55,000 shares for all employees.

Free shares will be awarded, at the end of the scheme, in January 2025, according to the performance of the three-year plan.

Over the first two years, 2022 and 2023, and subject to analysis of the performance criteria, an interim amount, equal to 25% of the maximum amount that may be allocated, will be awarded and converted into shares by dividing it by the average share price in the 4th quarter of the year in question. In the event that the quantity to be allocated at the end of the 3-year period is less than the interim allocations made, the recipients shall remain entitled to the interim allocations. This free share allocation scheme stipulates a one-year vesting period and a one-year retention period.

Pursuant to IFRS 2 “Share-based payments”, the fair value of these free shares represents an expense that will be recorded on a straight-line basis over the one-year vesting period from the date of the allocation. The fair value of the free shares was determined using the price on the allocation date less known future dividends. These additional expenses are classified as staff costs.

6.15. Financial liabilities

Interest-bearing borrowings are initially recognised at fair value less attributable transaction costs and are measured subsequently at amortised cost using the effective interest rate method.

The long-term portion of borrowings with a maturity of more than 12 months from the balance sheet date is classified as non-current debts and the short-term portion is classified as current debts. Where no final maturity has been set as at the date the financial statements are prepared, the company makes an estimate.

Borrowing costs are reported as a deduction from the borrowing in order to recognise the actual cash proceeds from subscriptions for such borrowing.

However, borrowing costs related to the acquisition or production of a property asset are capitalised as part of the cost of the asset when it is likely that they will generate future economic benefits for the business and the costs can be reliably assessed.

6.16. Security deposits from lessees

Security deposits are not discounted since the impact of discounting would be immaterial.

6.17. Provisions

In accordance with IAS 37, a provision is booked if, at the balance sheet date, the Group has an obligation as result of a past event, when it is likely that an outflow of resources representing economic benefits will be required and the amount of the obligation can be reliably estimated. The amount of the provision is discounted at the risk-free rate if the time value of the money is material and if a reliable schedule can be determined. Increases in provisions to reflect the passage of time are recorded in financial expenses. Provisions maturing beyond one year or with no fixed maturity are classified as non-current liabilities.

Contingencies are not recognised.

6.18. Suppliers

Trade payables are recognised initially at fair value and measured subsequently at amortised cost. When such liabilities have short maturities, the amounts obtained by applying this method are very close to the nominal value of the debts, which is therefore used.

6.19. Taxes

6.19.1. Current taxes

Some of the income of Argan SA, a company that opted for the SIIC regime, is still subject to corporate tax at the standard rate.

The operations of Argan SA’s subsidiaries, in particular SCI Cargan-Log, do not qualify for the tax regime for listed real estate investment companies (SIICs).

6.19.2. Deferred taxes

Deferred taxes are recognised for all temporary differences between the carrying amount of assets and liabilities and their tax bases and are recorded using the liability method. They are calculated according to the regulations and the tax rates that have been adopted or announced as at the balance sheet date and taking into account the company's tax status on the reporting date. Deferred tax assets and liabilities are calculated at the rate of 25% applicable for financial years beginning in 2022. In accordance with IAS 12, the calculated amounts are not discounted.

6.19.3. SIIC regime

The Company has been covered by the tax regime for listed real estate investment companies (SIICs) since 1 July 2007. Companies that adopt the SIIC regime are exempt from corporate tax on rental income and capital gains on the sale of property or certain interests in real estate companies.

In consideration of this tax exemption, SIICs are required to make a distribution to their shareholders of at least 95% of their exempt profits from rental operations and 70% of the exempt profits from capital gains on the sale of buildings or interests in real estate companies. They must also distribute 100% of the dividends received from any subsidiary subject to corporate tax that has adopted the SIIC regime.

Adoption of the SIIC scheme, subject to compliance with the conditions provided for by law regarding its corporate purpose, the composition of its assets, the amount of its share capital and its listing on a French regulated market, led to payment of corporate tax at the rate of 16.5%, assessed on the difference between the market value of its real estate assets on the date the SIIC regime was adopted and their taxable value. This tax, also referred to as exit tax, was paid in four equal instalments. Since 1 January 2019, the rate has increased to 19%.

6.20. Post-employment benefits granted to employees

Post-employment benefits with defined benefits granted to Group employees comprise lump-sum payments made on the retirement date.

Group employee pensions are paid by 'pay as you go' national pension organisations. Since the Group considers that it has no obligation beyond the payment of contributions to these bodies, contributions are recorded as an expense in the periods in which they are called.

6.21. Rental income

Rental income is recognised on the invoicing date and income from a rental period that extends beyond the balance sheet date is included in prepaid income.

To account fully for the economic benefits provided by assets, inducements granted to tenants (rent-free periods, rent ceilings, etc.), for which the counterpart is the level of rent assessed for the whole of the tenant's commitment period, are spread over the probable term of the lease as estimated by the company without taking into account the impact of indexed rent increases, where this is material.

The impact resulting from this linearisation of revenue is included in the value of the investment properties.

6.22. Rental income and expenses

Property operating expenses and rates include all operating expenses and rates for rented or vacant premises, be they responsibility of the tenant or the owner.

Property operating expenses and rates are charged back to the tenant either euro for euro or at a flat rate.

Argan acts as principal on rental income and expenses.

6.23. Other income and expenses on buildings

Other property operating income is income that cannot be classified as rent or rebilled rental expenses (professional fees and miscellaneous services, etc.).

Other property operating expenses correspond to legal fees, doubtful receivables and expenses for works that are not by nature rental expenses.

As they are included in the fair value of investment properties, initial direct costs incurred in connection with the negotiation and drafting of operating leases are recognised as expenses at the time of signature of the leases to which they are attached and are therefore not expensed over the rental period.

In the particular case of leases entered into at the end of the year with rental income commencing only as from the following year, other property expenses are recorded as prepaid expenses.

With effect from 1 January 2019, the date of first application of IFRS 16, rental payments for land under construction leases are no longer charged back with netting of these expenses. Instead, they are allocated to financial expense and depreciation expense.

6.24. Earnings per share

Net earnings per share (before dilution) is calculated as net income, Group share for the financial year divided by the weighted average number of shares outstanding during the financial year.

Diluted net earnings per share takes into account outstanding shares and dilutive financial instruments giving deferred access to the Group's capital. The dilutive effect is calculated using the "share buyback" method, whereby the theoretical number of shares that would be issued at market price (average price of the share) is then deducted from the total number of shares resulting from the exercise of the dilutive instruments.

Treasury shares are deducted from the weighted average number of outstanding shares used as the basis for calculating net earnings per share (before and after dilution).

6.25. Presentation of the financial statements

Assets and liabilities with maturities of less than 12 months are classified in the balance sheet as current assets and liabilities. If their maturity exceeds 12 months, they are classified as non-current assets or liabilities.

Expenses in the income statement are shown by type.

In the cash flow statement, the net cash flow from operations is determined using the indirect method, whereby this net cash flow is derived from net income adjusted for non-monetary transactions, factors associated with net cash flows from investment and financing activities and changes in the working capital requirement.

Finance lease investments are excluded from investment activities in the cash flow statement. The portion of charges corresponding to the payment of financial expenses is shown in financing cash flow items. The portion of the charge corresponding to capital repayment is shown in financing items.

6.26. Operating sectors

The company has not identified distinct operating sectors insofar as its chief business is property investment, specifically the operation of investment properties that generate rental income. The Group does not offer any other products or services that could be considered a distinct component of the entity.

The portfolio consists solely of logistics hubs on French territory.

6.27. Risk management

6.27.1. Market risk

Changes in the general economic environment are likely to influence demand for new warehouse space, as well as having an impact on the occupancy rate and tenants' ability to pay their rents. The current inflationary environment could affect the profitability of our tenant clients and cause their solvency and, by extension, the Company's ability to recover part of its rents, to deteriorate.

Economic developments have an impact on changes in the ILAT index (Tertiaries Activities Rent Index) to which the Company's rents are indexed. However, in 42% of its leases, the Company has implemented a collar indexation clause or pre-indexation of rents that limits the effects of indexation under the ILAT index.

In addition, the Company is exposed to changes in the real estate market, which could adversely affect its investment and trade-off policy, as well as its operations, financial position, performance and outlook.

6.27.2. Counterparty risk

The Company's client portfolio is largely made up of leading companies whose financial position limits credit risk in principle.

Prior to signing leases, the financial situation and other aspects of potential lessees' situation are considered, and changes in their business and their financial solvency are monitored throughout the term of the lease.

Leases include the following guarantees: security deposit or bank guarantee equivalent to 3 months' minimum rent which may, if applicable, be increased depending on the user's potential risk profile.

The slowdown in the economy could adversely affect our tenants' business operations and increase the Company's exposure to counterparty risk for 2022

6.27.3. Liquidity risks

The Company's liquidity risk policy is to ensure that at all times, rental revenue exceeds what the Company needs to cover its operating expenses, interest and repayment charges for any financial debt it may take on in implementing its investment programme.

With regard to rents, leases entered into over relatively long fixed periods, the quality of the tenants and the zero vacancy to date provide good visibility on the collection of rents and the projected level of cash flow.

With regard to debt, asset-backed financing with an obligation to comply with the LTV ratio on the Company's assets (obligation to comply with a net LTV ratio excluding duties of less than 70%, mainly), accounted for 50% of all financing taken out, plus bonds, with the obligation to respect a net LTV ratio excluding duties of less than 65%, which accounted for 32% of all financing taken out. The Company's net LTV ratio excluding duties stood at 45% at 31 December 2022, well below the level of its covenants.

Given the cash available to the Company and its confirmed credit lines, the Company believes it will have no difficulty meeting its loan repayments due within one year. The Company also believes it is able to finance its development operations via medium/long-term financing from financial institutions.

6.27.4. Interest rate risk

The Company's policy is to favour fixed-rate debt. For its variable-rate debt, the company limits the sensitivity of financial expenses to fluctuations in interest rates by setting up hedging instruments (fixed- for variable-rate swaps, CAPs and Collars). Interest rate risk is managed by the company in this regard, and its residual exposure to variable rates is low, with around 8% of its debt being unhedged, variable-rate debt, as described in Note 12.

6.27.5. Equity market risk

As the Company holds a number of treasury shares, it is sensitive to fluctuations in the market price of its own shares which impact its equity. This risk is not material, given the small number of treasury shares held (see Note 19.3).

6.27.6. Asset valuation risk

The Company has adopted the fair value method for recognising investment properties. This fair value corresponds to the market value determined by appraisal, as the Company uses an independent appraiser to measure its assets. The Company's income statement may therefore be impacted by a negative change in the fair value of its buildings resulting from a fall in market values. On the other hand, the downward trend in market values may have an impact on obligations to comply with ratios or covenants vis-à-vis certain financial institutions under loan agreements.

In the uncertain economic and geopolitical environment seen in recent months, some investors have started to reduce their investment activity, thereby affecting yields, which started to rise slightly in the second half of the year. However, the logistics asset class remains resilient due to the scarcity of land, competition between investors and the expected increase in rents, which partly offset the impact of the increase in yields and market values.

6.27.7. Risk associated with the SIIC regime

These risks relate to the requirements of the tax regime applicable to listed real estate investment companies and possible changes in or loss of this status. The Company is eligible for the SIIC tax regime and, as such, is exempt from

corporate tax. Eligibility for this tax regime is conditional on compliance with the obligation to redistribute a significant share of profits and with conditions relating to the Company's shareholder base. Should the Company fail to comply with these conditions, its status as an SIIC may be jeopardised, or there may be financial consequences. In addition, the obligation for the Company to hold the assets acquired that entitle it to taxation under Article 210 E of the French General Tax Code for a minimum of five years could be a constraint, but the Company points out that both the assets that qualified for this treatment were acquired more than five years ago. Finally, loss of SIIC tax status and the corresponding tax saving or any substantial changes to the provisions applicable to SIICs would be likely to affect the Company's business, results and financial position.

7. Scope of consolidation

Form	Companies	Company registration N° (SIREN)	% interest and control at 31/12/2022	% interest and control at 31/12/2021
SA	ARGAN	393 430 608	100%	100%
SCCV	NANTOUR	822 451 340	49.90%	49.90%
SCI	AVILOG	841 242 274	99,90%	99,90%
SCI	CARGAN-LOG	894 352 780	60.00%	60.00%
SCI	NEPTUNE	903 397 784	99,90%	

Companies in which ARGAN holds more than a 50% share are fully consolidated. SCCV Nantour is consolidated using the equity method.

Nantour, Avilog and Neptune had no activity during the financial year.

8. Goodwill

(in thousands of euros)	Total
Gross values	
Balance at 31.12.2021	55 648
Additional amounts recognised as a result of business combinations during the year	
Reclassified as held for sale	
Balance at 31.12.2022	55 648
Cumulative impairment losses	
Balance at 31.12.2021	
Impairment	
Balance at 31.12.2022	0
Net value	
Net value at 31 December 2021	55 648
Net value at 31 December 2022	55 648

9. Intangible assets

(in thousands of euros)	Gross value as at 31.12.2021	Increase	Decrease	Changes in scope	Other changes	Gross value as at 31.12.2022
Other intangible assets (software)	78	2				80
Depreciation Other intangible assets	-75	-3				-78
Net value	3	-1	0	0	0	2

10. Tangible fixed assets

(in thousands of euros)	Gross value as at 31.12.2021	Increase	Decrease	Other changes	Gross value as at 31.12.2022
Land	8 651				8 651
Buildings	3 001				3 001
Depreciation of buildings	-482	-137			-616
Office furniture and equipment	963	150	-39		1074
Depreciation of office furniture and equipment	-587	-116	39		-662
Net value	11 547	-101	0	0	11 445

11. Investment properties

11.1. Assets under construction

(in thousands of euros)	Gross value as at 31.12.2021	Increase	Decrease ⁽¹⁾	Line item to line item transfer ⁽²⁾	Change in fair value	Gross value as at 31.12.2022
Value of constructions in progress	52 841	111 052	-104	-101 491	1 536	63 834

⁽¹⁾ Corresponds to development projects abandoned during the financial year.

⁽²⁾ Corresponds to the N-1 work in progress commissioned for the year and line item to line item transfers

Buildings under construction or under development are recognised at fair value when this can be measured reliably. If fair value cannot be reliably determined, the property is recognised at its last known value plus any fixed costs over the period. At each balance sheet date, an impairment test is used to confirm that the recognised value does not exceed the recoverable value of the building.

As at 31 December 2022, the balance of assets under construction is mainly composed of sites for construction and buildings for which delivery is planned for the first half of 2023.

11.2. Investment properties

“Investment properties” on the asset side of the balance sheet consists of investment properties

and IFRS 16 rights of use relating to investment properties.

(in thousands of euros)	Net value at 31.12.2021	Increase	Decrease	Other changes ⁽¹⁾	Line item to line-item transfer ⁽²⁾	Fair Value	IFRS 5 Reclassification	Net value as at 31.12.2022
IFRS 16 rights of use	62 374	15 186				-1 165	- 9 664	66 730
Investment properties (fully owned)	3 167 081	142 871		812	197 070	-39 124	-13 000	3 455 710
Investment properties (financial lease)	563 820	-652		232	-95 579	5 809		473 630
Total investment properties	3 793 274	157 406	0	1044	101 491	-34 480	-22 664	3 996 070

⁽¹⁾ For owned investment properties, the amount indicated corresponds to the deferral of rent-free periods.

⁽²⁾ Corresponds to the N-1 in progress work commissioned for the year and the reclassification of the fair value at 1 January 2022 of properties subject to early option exercised for €95 579K

The average rate of return from the independent valuation of the company’s assets was up from 4.30% excluding transfer duties as at 31 December 2021 to 4.45% excluding transfer duties as at 31 December 2022. (That is to say 4.20 % right included).

The sensitivity of the portfolio’s market value to the change in this average capitalisation rate excluding transfer taxes is as follows:

- An increase of 0.5% in the rate results in a decrease of 10.1% in the market value of the assets
- A decrease of 0.5% in the rate results in an increase of 12.7% in the market value of the assets

11.3. Fair value hierarchy

Asset classification	Fair value at 31.12.2022			Fair value at 31.12.2021		
	level 1	level 2	level 3	level 1	level 2	level 3
Warehouse buildings	0	0	3 929 340	0	0	3 730 900
Office buildings	0	0	0	0	0	0
Total	0	0	3 929 340	0	0	3 730 900

11.4. Summary of investment properties and assets under construction

	Amount as at 31.12.2022	Amount as at 31.12.2021
Opening value (of which work in progress)	3 846 115	3 203 852
Change in fair value of investment properties through operating income	-33 315	528 735
Change in fair value of assets under construction through operating income	1537	15 901
Acquisition of investment properties		31 542
Works and constructions investment properties	142 220	91 628
Works and constructions assets under construction	111 052	30 801
Deferred of rent-free periods	1044	8175
Assets held for sale	-13 000	-14 150
Transfer fees of assets held for sale		281
Disposals of buildings		-49 080
Disposals of assets under construction	-104	-898
New contracts for rights of use IFRS 16	13 889	
Annual indexation of IFRS 16 rights of use	1297	1457
Other changes in IFRS 16 rights of use	-9 664	
Changes in fair-value IFRS 16 rights of use	-1165	-2127
Closing value	4 059 904	3 846 115
Of which assets under construction	63 834	52 841
Of which investment properties	3 996 070	3 793 274

The various assumptions used by the independent appraiser in measuring fair values are as follows:

Values by geographic region	Number of assets (1)	Total value excluding transfer taxes (in thousands of €)	Rent €/sq. m/year	Rental value €/sq. m/year	Discount rate on firm flows	Discount rate on unsecured flows	Rate of return on sale	Rate transfer taxes included (including land value if property reserve)
The highest/ average/ lowest								
Ile de France / Oise	42	1 698 040	€160 / €58 / €30 ⁽¹⁾	€135 / €59 / €34	5,85% / 4,35% / 3,60%	6,35% / 4,74% / 3,85%	6,59% / 4,66% / 4,00%	5,78% / 4,13% / 3,04%
Rhône Alpes / Bourgogne / Auvergne	11	564 740	€60 / €42 / €30	€70 / €45 / €36	5,50% / 4,47% / 3,80%	6,00% / 4,85% / 4,05%	5,95% / 4,82% / 4,23%	5,90% / 4,14% / 3,55%
Hauts de France	7	318 140	€56 / €47 / €29	€67 / €48 / €37	4,75% / 4,40% / 4,00%	5,25 % / 4,81% / 4,45%	5,50% / 4,79% / 4,45%	4,67% / 4,24% / 3,76%
Bretagne/Pays de la Loire	6	161 340	€86 / €44 / €26	€82 / €46 / €35	5,75% / 5,33% / 4,50%	6,65% / 5,93% / 5,00%	5,90% / 5,65% / 5,30%	5,56% / 4,89% / 4,77%
Grand Est	8	492 020	€94 / €52 / €37	€90/ €49 / €36	5,88% / 4,58% / 3,80%	6,13% / 4,92% / 4,05%	6,25% / 4,93% / 4,25%	5,25% / 4,02% / 3,44%
Centre Val de Loire	6	322 410	€92 / €40 / €32	€88 / €48 / €37	5,45% / 4,61% / 4,18%	5,70% / 5,00% / 4,43%	5,45% / 4,75% / 4,25%	4,61% / 4,14% / 3,62%
Other regions	13	372 650	€89 / €49 / €39	€84 / €54/ €36	6,00% / 4,89% / 3,90%	7,00% / 5,34% / 4,15%	6,22% / 5,00% / 4,45%	6,40% / 4,40% / 3,77%

(1) Excluding the Bonneuil assets under promise, classified as an asset held for sale

All 93 assets comprising ARGAN's portfolio and that of its subsidiary, CARGAN LOG, were taken into account in this overview.

These are standard logistics warehouses but also specific assets such as cold stores, standard and cold fulfilment centres and assets not held in full ownership but built on a Temporary Occupation Permit or an organic greenhouse.

11.5. Other operating income and expenses and income from the disposal of properties

Other operating income and expenses:

	Other products and operating expenses 31.12.2022	Other products and operating expenses 31.12.2021
Other operating products		
Other operating expenses	-500	
Total other products and operating expenses	-500	0

Income from disposal of buildings

	Income from disposal of investment properties 31.12.2022	Income from disposal of investment properties 31.12.2021
Disposal price of buildings sold	14 150	69 860
Disposal price of assets under construction	0	694
Fair value at opening of the properties sold	-14 150	-49 080
Fair value at opening of assets under construction sold	-104	-898
Disposal costs and investments	-120	-2048
Price adjustments on previous disposals		-8
Capital gains and losses on disposals of other fixed assets	8	-4
Total income from disposals	-216	18 516

11.6. Minimum rents receivable

(in thousands of euros)	Within less than one year	Within one to five years	Within more than five years	Total
Minimum rents receivable	177 665	508 952	302 931	989 548

This table shows rental commitments from tenants in the form of fixed periods of 3, 6, 9 or 12 years.

12. Financial derivative instruments and interest rate risk management

(in thousands of euros)	Fair value at 31.12.2022	Fair value at 31.12.2021	Change in fair value	Of which change in fair value through equity	Of which change in fair value through income	Of which cash equalisation payment
Fixed-payer interest rate swaps	11 629	-3 250	14 880	14 880		677
Caps and collars	19 181	80	19 101		19 101	370
Amortising cash				805		-805
Total cash flow hedging instruments	30 810	-3 170	33 981	15 686	19 101	242
<i>Of which against equity</i>	11 467	-7 757	19 224			
<i>Of which against income</i>	19 101	3 539	15 562			
<i>Of which against debt (balancing payment)</i>	242	1 048	-807			

(in thousands of euros)	Amount as at 31.12.2022			Amount as at 31.12.2021		
	Fixed	Hedged variable	Unhedged variable	Fixed	Hedged variable	Unhedged variable
Borrowings	1 177 412	451 455	253 350	1 404 524	366 185	253 358
Finance lease debt		56 636	42 596		70 912	66 946
Borrowings on RCF			1010			2010
Macroeconomic swap						
Collar macroeconomic swap		147 377	-147 377		188 505	-188 505
Financial liabilities	1 177 412	655 468	149 579	1 404 524	625 602	133 809
Total		1 982 460			2 163 935	

The Group uses derivative instruments to manage and reduce its net exposure to interest rate fluctuations.

The Group has entered into interest swaps and collars with a zero premium; these limit the impact of volatility of future cash flows from interest payments on variable-rate loans.

Under the terms of these swaps, the Group pays fixed interest rates as specified below and receives variable interest on the amounts of the hedged principal, calculated using 3-month Euribor.

Collars are derivative instruments used to regulate the change in a variable rate.

List of hedging and trading instruments already taken out as at 1 January 2022:

(in thousands of euros)	Amount originally hedged	Amount as at 31.12.2022	Type	Fixed rate/Collar	Variable rate	Period covered
Swap 17	22 000	10 633	Fixed- for variable-rate	0.561%	3-month Euribor	2015-2030
Collar 24	9 037	3 590	Zero premium collar	-0.25%/+1.5%	3-month Euribor	2017-2024
Collar 25	16 357	7 706	Zero premium collar	-0.30%/+1.5%	3-month Euribor	2017-2024
Collar 27	8 482	4 069	Zero premium collar	-0.30%/+1.5%	3-month Euribor	2017-2024
Collar 28	4 590	2 583	Zero premium collar	-0.28%/+1.5%	3-month Euribor	2017-2024
Collar 29	26 009	15 142	Zero premium collar	-0.28%/+1.5%	3-month Euribor	2017-2024
Collar 30	5 634	987	Zero premium collar	-0.32%/+1.5%	3-month Euribor	2017-2024
Collar 31	8 032	4 810	Zero premium collar	-0.18%/+1.5%	3-month Euribor	2017-2023
Collar 35	41 282	71 841	Zero premium collar	-0.65%/+1.5%	3-month Euribor	2016-2023
Collar 36	160 599	75 536	Zero premium collar	-0.50%/+1.5%	3-month Euribor	2016-2023
Collar 38	17 431	12 110	Zero premium collar	-0.02%/+1.25%	3-month Euribor	2017-2024
Collar 41	28 190	14 038	Zero premium collar	0%/+1.5%	3-month Euribor	2018-2025
Swap 42	2 505	1 696	Fixed- for variable-rate	0.630%	3-month Euribor	2018-2026
Swap 43	43 000	35 006	Fixed- for variable-rate	1.010%	3-month Euribor	2018-2030
Swap 44	10 900	9 044	Fixed- for variable-rate	0.530%	3-month Euribor	2019-2029
Collar 43	109 058	95 893	Fixed- for variable-rate	-0.40 %/+1.5%	3-month Euribor	2020-2029
Collar 44	20 700	18 146	Fixed- for variable-rate	-0.64%/+2.5%	3-month Euribor	2020-2028
Collar 45	3 080	2 772	Zero premium collar	-0.5%/+1.75%	3-month Euribor	2020-2025
Collar 46	8 000	6 933	Zero premium collar	-0.54%/ 1.2%	3-month Euribor	2020-2028
Collar 47	18 900	16 176	Zero premium collar	-0.54%/ 1,2%	3-month Euribor	2020-2028
Collar 49	6 160	5 276	Zero premium collar	1%	3-month Euribor	2020-2028
Collar 50	67 200	63 679	Zero premium collar	-0.745%/+1.5%	3-month Euribor	2021-2026
Collar 51	7 200	6 823	Zero premium collar	-0.525%/+1.5%	3-month Euribor	2021-2026

List of hedging and trading instruments taken out during 2022 exercise

(in thousands of euros)	Amount originally hedged	Amount as at 31.12.2022	Type	Fixed rate/Collar	Variable rate	Period covered
Collar 52	83 760	80 977	Zero premium collar	1,5%/3,0%	3-month Euribor	2022-2026
Collar 53	8 080		Zero premium collar	2%/ 4%	3-month Euribor	2023-2029
Collar 54	90 000	90 000	Fixed- for variable-rate	1,87 %	3-month Euribor	2023-2029

13. Other non-current financial assets

(in thousands of euros)	Amount as at 31.12.2021	Increase	Decrease	Reclassification maturing within 1 year	Amount as at 31.12.2022
Deposits and guarantees paid	303	295	-102		496
Advances paid on fixed assets	1 799	917	-1402		1314
Total	2 102	1212	-1504	0	1810

14. Trade receivables

(in thousands of euros)	Amount as at 31.12.2022	Amount as at 31.12.2021
Trade and other receivables	46 877	23 420
Doubtful receivables		387
Total gross trade receivables	46 877	23 807
Impairment	0	0
Total net trade receivables	46 877	23 807

Receivables mainly correspond to invoices for rents for Q4 2022, which are produced before 31 December 2022.

15. Other current assets

(in thousands of euros)	Amount as at 31.12.2022	Amount as at 31.12.2021
Tax and social security receivables	10 945	7 941
Other operating receivables	26 603	14 543
Deferral of IFRS 16 rent free periods ⁽¹⁾	1 002	1053
Other prepaid expenses	2 140	220
Other current operating assets	40 689	23 757
Accrued interest on finance lease transactions		
Other current financial assets	0	0

Tax receivables mainly relate to recoverable VAT. Other operating receivables recognise provisions on notarial costs, among others.

16. Cash and cash equivalents

(in thousands of euros)	Amount as at 31.12.2022	Amount as at 31.12.2021
Risk-free, highly liquid investment securities	115 036	25 001
Cash in hand	54 214	498 161
Cash	169 250	523 162

Investment securities consist primarily of term deposits and money market OEIC funds.

17. Investments in associates

(in thousands of euros)	Equity- accounted investments	Impairment of equity-accounted investments	Net
As at 01.01.2022	-54	54	0
Share of income 31.12.2022	-32		-32
Share of dividend distribution			0
Reclassification of provisions on equity-accounted investments (see §23)		32	32
Balance at 31.12.2022	-87	87	0

The Group's share in the net fair value of the entity's identifiable assets and liabilities amounted to €0 as at 31 December 2022.

18. Assets held for sale

(in thousands of euros)	Amount at 31.12.2021	Increase	Decrease	Amount at 31.12.2022
Investment properties	13 870	22 814	-13 870	22 814
Assets held for sale	13 870	22 814	-13 870	22 814

Details of assets held for sale are presented in Note 11.2.

19. Consolidated shareholders' equity

19.1. Composition of share capital

(in thousands of euros)	Number of shares issued	Par value (in €)	Total capital after the transaction	Share premium after the transaction
Position as at 1 January 2022	22 588 545	2	45 177	272 435
Free shares		2	0	
Dividend in shares	362 745	2	725	36 173
Dividend				-17 342
Amount of capital as at 31 December 2022	22 951 290	2	45 903	291 266

19.2. Dividend paid

(in thousands of euros)	31.12.2022	31.12.2021
Net dividend per share (in euros)	2,60	2,10
Overall dividend paid	58 723	46 843
Impact of the option to pay the dividend in shares	-36 971	-21 594
Dividend paid	21 752	25 249

19.3. Treasury shares

(in thousands of euros)	Closing amount	Opening amount*	Change	Income from disposal	Cash impact
Acquisition cost	791	90	701	-250	-951
Impairment	0	0	0		
Net value	791	90	701		
Number of treasury shares	10 363	803	9560		

19.4. Free shares

(in thousands of euros)	Plan 2019/2020/2021
Grant date	17/01/2022
Number of recipients	7
Date of purchase	17/01/2023
Number of free shares	30 074
Stock price at the date of grant (en €)	112,64
Dividend / action expected N+1 (en €)	2,60
Fair value of shares (en €)	110,04
Expense recorded for the period	3 786 251

20. Financial liabilities

20.1 Change in financial liabilities and guarantees given

(in thousands of euros)	Amount as at 31.12.2021	Scope changes	Increase ⁽¹⁾	Decrease	Other changes ⁽²⁾	Line item to line item transfers	Amount as at 31.12.2022
Borrowings	1 061 889		277 749			-159 203	1 180 435
Lines of credit	0		33000			-33 000	0
Bond issues	630 000					-130 000	500 000
Finance lease	114 735					-32 493	82 242
Issue costs	-16 027		-3 277			6 249	-13 055
Non-current IFRS 16 lease liabilities	66 667		13 889		1297	-11 343	70 510
Non-current financial liabilities	1 857 264	0	321 361	0	1 297	-359 790	1 820 132
Borrowings	309 187			-395 598		159 203	72 792
Lines of credit	0			-33 000		33 000	0
Bond issues	25 000			-25 000		130 000	130 000
Finance lease	21 160			-38 627		34 456	16 989
Issue costs	-3 904			6 521		-6 249	-3 632
Accrued interest on loans	8 378				65		8 443
Bank loans	122				40		162
Current IFRS 16 lease liabilities	1 627			-1 706		1 529	1 450
Current financial liabilities	361 570	0	0	-487 409	105	351 939	226 207
Borrowings on assets held for sale	1963					7 851	9 814
Total gross financial liabilities	2 220 798	0	321 361	-487 409	1402	0	2 056 153

(1) see §2 - Significant events.

(2) Includes the impact of the annual indexation of IFRS 16 rents and the reclassification of the cost of issuing new loans.

Most of the borrowings were covered by the following guarantees to financial institutions when they were set up:

- mortgages and lenders' liens on the buildings concerned, amounting to:

- as at 31 December 2022: €1 250 432K
- as at 31 December 2021: €1 365 652K

ARGAN did not grant any guarantees during the financial years ended 31 December 2022 and 31 December 2021

20.2 Maturities of financial debts and breakdown fixed rate - variable rate

(in thousands of euros)	31.12.2022	Portion due in less than one year	Portion due in more than one year and less than 5 years	Portion due in more than 5 years
Variable rate borrowings (a)	705 815	43 026	188 854	473 935
Fixed rate borrowings	1 177 413	159 767	817 632	200 014
Variable rate capital lease obligations (a)	99 232	16 989	44 476	37 766
Fixed rate capital lease obligations	0	0	0	0
IFRS 16 lease liabilities	81 774	1 922	8 242	71 611
Issue costs	-16 686	-3 631	-10 603	- 2 452
Interest	8 443	8 443		
Bank borrowing	162	162		
Capital financial liabilities	2 056 153	226 678	1 048 601	780 874

(a) Original variable rate – the hedged portion of these borrowings is specified in Note 12

The Company has estimated the maturities for its credit lines.

Taking into account the interest rate hedges put in place by the Group, a change of +50bp in the 3-month Euribor would have an impact of + €3,1million on the finance costs for the period.

20.3. Due dates for finance lease payments

(in thousands of euros)	Finance lease commitment as at 31.12.2022	Portion due in less than one year	Portion due in more than one year and less than 5 years	Portion due in more than 5 years	Option exercise price
Fixed-rate lease payments					
Variable-rate lease payments	107 415	19 765	49 357	5 772	32 520
Total future lease payments	107 415	19 765	49 357	5 772	32 520

The maturities (capital and interest) of variable rate finance leases included in the commitment amount shown above under lease agreements were calculated using the interest rate applicable on the reporting date.

20.4. Net financial debt

Net financial debt consists of gross financial debt less net cash.

(in thousands of euros)	Amount as at 31.12.2022	Amount as at 31.12.2021	Change
Gross financial liabilities	1 974 379	2 152 504	-178 125
Cash and cash equivalents	-169 250	- 523 162	353 912
Net financial debt before IFRS 16	1 805 129	1 629 342	175 787
IFRS 16 lease liabilities	81 774	68 294	13 480
Net financial debt	1 886 904	1 697 637	189 267

Changes in the liabilities included in the Group's financing activities result from:

(in thousands of euros)	Amount as at 31.12.2021	Cash flow	Change in Consolidation	Fair values	IFRS 5 reclassification	Amount as at 31.12.2022
Cash and cash equivalents	523 162	-353 912				169 250
Non-current financial liabilities	1 790 598	-40 976				1 749 622
Current financial liabilities	359 943	-137 149			1 963	224 757
Borrowings on assets held for sale	1 963				-1,963	0
Gross debt before IFRS 16	2 152 504	-178 125	0	0	0	1 974 379
Net financial debt before IFRS 16	1 629 342	175 787	0	0	0	1 805 129
IFRS 16 lease liabilities	68 294	13 480			-9 814	71 960
Gross debt					9 814	9 814
Net financial debt	2 220 798	-164 645	0	0	0	2 056 153

21. Liabilities held for sale

(in thousands of euros)	Amount as at 31.12.2022	Amount as at 31.12.2021	Change
Borrowings			0
Borrowing financial lease		1 963	-1963
Interest	9 814		9 814
Net Financial debt	9 814	1 963	7851

22. Security deposits

(in thousands of euros)	Amount as at 31.12.2022	Amount as at 31.12.2021	Change
Tenant security deposits	11 172	10 360	812

23. Provisions

(in thousands of euros)	Amount as at 31.12.2021	Increase	Decrease	Changes in scope	Amount as at 31.12.2022
Provisions for current equity-accounted investments	54	32			87
Provisions for non-current contingencies					0
Provisions for current expenses					0
Provisions for liabilities and charges	54	32	0	0	87
Of which provisions used					
Of which unused provisions					

As the net position of SCCV NANTOUR was negative at 31 December 2022, equity-accounted securities were reclassified as provisions.

24. Tax liability

The tax liability amounted to €5K at 31 December 2022.

25. Other current liabilities

(in thousands of euros)	Amount as at 31.12.2022	Amount as at 31.12.2021
Trade and other payables	29 938	17 110
Tax liabilities	8 381	7 760
Social security liabilities	1 034	1 213
Other current liabilities	2 910	2 593
Prepaid income	56 069	48 672
Total other current liabilities	98 333	77 347

Tax liabilities relate primarily to VAT collected on receipts and accrued expenses.

Since rents are invoiced quarterly in advance, deferred income relates to rents for the quarter following the reporting date.

26. Net income from buildings

(in thousands of euros)	Amount as at 31.12.2022	Amount as at 31.12.2021
Rental income	166 078	156 829
Rebilled rental expenses and rental taxes	28 644	25 726
Other income from buildings	3 197	3 111
Total income from buildings	197 919	185 666
Rental expenses and rates	30 414	27 657
Other expenses on buildings	435	341
Total expenses on buildings	30 849	27 998
Net income from buildings	167 071	157 668

27. Cost of net financial debt

(in thousands of euros)	Amount as at 31.12.2022	Amount as at 31.12.2021
Income from money market investment securities < 3 months		
Income from cash and cash equivalents	582	160
Income from interest rate hedges		
Income from cash	582	160
Interest on loans and overdrafts	-28 440	-29 500
Interest on IFRS 16 lease liabilities	-1 651	-1 554
Derivatives	-910	-995
Borrowing costs	-4 154	-2 822
Issue costs Bank loan early repayments penalties	- 6536	-749
Cost of gross financial debt	-41 692	- 35 621
Cost of net financial debt	-41 110	-35 461
Changes in accrued interest	66	-35
Deferred of early repayment swap	105	105
Changes in cash impacted by financial expenses and income	- 40 939	-35 391

28. Other financial income and expenses

(in thousands of euros)	Amount as at 31.12.2022	Amount as at 31.12.2021
Fair value financial income on trading instruments	19 205	3644
Fair value financial expenses on trading instruments		
Interest on current accounts of associates		
Other financial income and expenses	19 205	3 644

29. Reconciliation of tax expense

(in thousands of euros)	Amount as at 31.12.2022	Amount as at 31.12.2021
Profit before tax	94 448	676 324
Theoretical tax expense (income) at the prevailing rate in France	-23 612	-179 226
Impact of the non-taxable sector	23 579	179 198
Exceptional contribution of 3% on distribution		
Corporate tax on previous financial years		
Unused tax losses		
Actual tax expense	-33	-28

30. Earnings per share

Calculation of earnings per share	Amount as at 31.12.2022	Amount as at 31.12.2021
Net income, Group share (in thousands of €)	95 090	668 113
Weighted average number of capital shares	22 836 007	22 497 480
Treasury shares (weighted)	- 8162	- 1 824
Number of shares retained	22 827 845	22 495 656
Earnings diluted per share (in euros)	4,17	29,70

31. Details of cash and financial flows

Cash net of bank overdrafts is as follows:

(in thousands of euros)	Amount as at 31.12.2022	Amount as at 31.12.2021
Cash and cash equivalents	169 250	523 162
Bank loans, commercial paper and accrued interest	-162	-122
Cash in the cash flow statement	169 088	523 039

32. Breakdown of cash in the cash flow statement

(in thousands of euros)	Amount as at 31.12.2022	Amount as at 31.12.2021
Acquisition of 48,90 % AVILOG shares		-4
Impact of business combinations on cash flow	0	-4

33. Off-balance sheet commitments

(in thousands of euros)	Amount as at 31.12.2022	Amount as at 31.12.2021
Commitments received:		
Credit lines received and unused	234 990	214 990
Signed loan undisbursed	79 799	25 287
Sureties received from tenants	84 565	76 923
Total commitments in assets	399 354	317 200
Commitments given:		
Sureties and guarantees given	3 002	3 000
Commitments to acquire investment properties		18 000
Work undertaken head office		
Total commitments in liabilities	3 002	21 000
Reciprocal commitments:		
Commitments to build investment properties	53 753	21 708
Total commitments in assets and liabilities	53 753	21 708

34. Recognition of financial assets and liabilities

(in thousands of euros)	Assets/liabilities measured at fair value through income	Assets/liabilities held to maturity	Available-for-sale assets	Loans and receivables	Assets/Liabilities at amortised cost	Historical cost	Fair value through equity	Total	Fair Value
Financial assets		496				1 314		1 810	1 810
Cash in hand	54 214				115 036			169 250	169 250
Current and non-current financial instruments							30 814	30 814	30 814
Other assets						85 427		85 427	85 427
TOTAL FINANCIAL ASSETS	54 214	496	0	0	115 036	86 741	30 814	287 300	287 300
Non-current IFRS 16 financial liabilities and lease liabilities		1 320 132			500 000			1 820 132	1 820 132
Current and non-current financial instruments							4	4	4
Current IFRS 16 financial liabilities and lease liabilities						226 207		226 207	226 207
Financial liabilities on assets held for sale		9 814						9 814	9 814
Other liabilities						42 263		42 263	42 263
Security deposit						11 172		11 172	11 172
TOTAL FINANCIAL LIABILITIES	0	1 329 946	0	0	500 000	279 642	4	2 109 592	2 109 592

35. Related party relationships

The remuneration over the period of the members of the Executive Board and the members of the Supervisory Board is as follows:

(in thousands of euros)	Amount as at 31.12.2022	Amount as at 31.12.2021
Salaries	1084	890
Attendance fees	144	135
Overall remuneration	1 228	1024

The company has not made any special pension or severance arrangements in the event of termination of the duties of corporate officers. Other than senior managers, no other related parties have been identified.

36. Headcount

	Executives	Non-executives	Total
Average headcount as at 31 December 2021	23	3	26
Average headcount as at 31 December 2022	24	3	27

37. Statutory auditors' fees

(in thousands of euros)	Mazars		Exponens		Total	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
<u>Audit, statutory auditor, certification, review of individual and consolidated financial statements</u>						
ARGAN	115	111	71	68	186	179
Cargan-LOG	17	20	0	0	17	20
Sub-total	132	131	71	68	203	199
<u>Services other than certifying the financial statements</u>						
ARGAN	8	27	3	7	10	33
Cargan-LOG	0	0	0	0	0	0
Sub-total	8	27	3	7	10	33
Total	140	158	73	75	213	232

38. Post-closing events

None

ARGAN

Public limited company with an Executive Board and Supervisory Board
with capital of €45.962.728

Registered office: 21, rue Beffroy – 92200 NEUILLY-SUR-SEINE, France
Trade and Companies Register: NANTERRE B 393 430 608

Statutory auditors' report on the consolidated financial statements

General Shareholders' Meeting approving the financial statements for
the financial year ended 31 December 2022

EXPONENS

MAZARS

ARGAN

Public limited company with an Executive Board and Supervisory Board

Statutory auditors' report on the consolidated financial statements

To the Argan General Meeting,

Opinion

In performance of the assignment entrusted to us by your General Meeting, we have audited the consolidated financial statements of ARGAN for the financial year ended 31 December 2022, as appended to this report.

We certify that the consolidated financial statements are accurate and consistent and give a true and fair view of the income from operations for the past financial year as well as the financial position and assets of the group of consolidated companies at the end of the year, in accordance with IFRS as adopted by the European Union.

The opinion set out above is consistent with the content of our report to the Audit Committee.

Basis of opinion

Auditing standards

We conducted our audit in accordance with the professional standards applicable in France. We believe that the evidence collected in our audit is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities pursuant to these standards are described in the section of this report on

“Responsibilities of the Statutory Auditors in the audit of the consolidated financial statements” of this report.

Independence

We conducted our audit in accordance with the rules of independence imposed by the French Commercial Code and the code of ethics of the profession of statutory auditor for the period from 1 January 2022 to the issue date of our report, and in particular we did not provide any services prohibited by Article 5(1) of Regulation (EU) no. 537/2014.

Justification of assessments – Key points of the audit

In accordance with the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we draw to your attention the key points of the audit relating to the risks of material misstatement which, in our professional judgement, were of most significance in the audit of the consolidated financial statements for the financial year, and our responses to these risks.

These assessments were part of our audit of the consolidated financial statements, taken as a whole, and contributed to the opinion we formed which is expressed above. We do not express an opinion on elements of these consolidated financial statements taken individually.

Valuation of investment properties

(Notes 6.6, 6.10 and 11 to the consolidated financial statements)

Identified risk

Nearly all Argan’s real estate assets are investment properties that have been delivered and/or are under construction and are let on operating leases.

As at 31 December 2022, the net value of the investment properties (delivered and in progress) was €4,060 million, compared with total assets of €4,439 million.

As stated in the Notes to the consolidated financial statements, Argan opted, as permitted by IAS 40, for a fair value valuation of investment properties. This applies to leased buildings and buildings under construction or under development, where fair value can be reliably measured. The fair value is applied on the basis of valuations by an independent Property Appraiser.

The majority of these valuations are based on unobservable Level 3 data, as defined in IFRS 13 “Fair Value Measurement” and described in the Notes to the consolidated financial statements, which are therefore based on estimates. The Property Appraiser’s valuation of investment properties considers specific information such as the nature of each asset, its location, its rental income, the remaining fixed term of the leases, the rate of return and investment expenditures.

We considered the valuation of investment properties to be a key point in our audit because of the materiality of this item as regards the consolidated financial statements, the high degree of judgement required from Management to determine the main assumptions used and in view of the sensitivity of the fair value of investment properties to these assumptions.

Our response

Under these circumstances, our work consisted of:

- Assessing the Property Appraiser’s qualifications, certifications and independence, based on their engagement letter;
- Assessing the completeness of the scope evaluated by the Property Appraiser by comparison with the managed rental income statement as at 31 December 2022;
- Carrying out a critical review of the valuation method used at the end of the financial year for investment properties under construction (historical cost or fair value);
- Assessing the relevance of the information provided by the Group to the Property Appraiser (rental income statements, investment expenditure budget), more specifically for acquisitions/extensions/deliveries of investment properties in the financial year;
- Obtaining the property valuation reports and confirming the change in fair value of the property portfolio in light of the valuation methods used, changes in the scope and the market inputs on which the Property Appraiser’s valuations are based, such as the discount rate, the rate of return and the market rental value;
- Conducting an interview with the Finance Department and the Property Appraiser to justify the overall valuation of the portfolio and the appraisal values for specific assets that have come to our attention;
- Assessing the appropriateness of the information shown in the Notes to the consolidated financial statements.

Specific verifications

We also performed specific verifications of the information about the Group given in the Executive Board’s management report, as required under statutory and regulatory provisions in accordance with the professional auditing standards applicable in France.

We have no matters to report regarding the fair presentation of this information and its consistency with the consolidated financial statements.

Other verifications or information required by legal and regulatory texts

Presentation format of the consolidated financial statements to be included in the annual financial report

In accordance with the professional standards relating to the statutory auditor’s due diligence on the annual and consolidated financial statements presented in accordance with the single European electronic reporting format, we also verified compliance with this format as defined by Delegated European Regulation No. 2019/815 of 17 December 2018 in the presentation of the annual financial statements intended to be included in the consolidated financial report referred to in Article L.451-1-2 I of the French Monetary and

Financial Code, prepared under the responsibility of the Chairman of the Executive Board. As these are consolidated financial statements, our due diligence includes verifying that the tagging of these accounts complies with the format defined in the aforementioned regulation.

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

Due to the technical limits inherent in the macro-balancing of the consolidated financial statements in accordance with the European single electronic information format, it is possible that the content of certain tags in the notes is not replicated identically in the consolidated financial statements attached to this report. It is also not our responsibility to verify that the consolidated financial statements that will actually be included by your company in the annual financial report filed with the AMF correspond to those we have used to carry out our work.

Appointment of Statutory Auditors

We were appointed as Statutory Auditors of Argan by your General Shareholders' Meeting of 20 December 2006 (Mazars) and the Combined Shareholders' Meeting of 15 April 2008 (Exponens Conseil & Expertise).

As at 31 December 2022, Mazars was in its 18th consecutive year of appointment and Exponens Conseil & Expertise in the 15th year, marking their 17th and 15th years, respectively, since the company's securities were admitted to trading on a regulated market.

Responsibilities of management and of the persons charged with corporate governance in relation to the consolidated financial statements

The management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS as adopted in the European Union and for implementing the internal controls it deems necessary for the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

When preparing the consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern, for presenting the information required in these financial statements, where applicable, in relation to the continuity of operations, and for applying the going concern accounting policy, unless there is a plan to liquidate the company or cease its operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of the internal control and risk management systems, as well as internal auditing, where appropriate, with regard to the procedures for preparing and processing accounting and financial information.

The consolidated financial statements have been approved by the Executive Board

Responsibilities of the Statutory Auditors in the audit of the consolidated financial statements

Audit objective and procedure

We are responsible for preparing a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole are free from material misstatement. Reasonable assurance means a high level of assurance, but this does not guarantee that an audit carried out in accordance with professional standards can always detect every material misstatement. Misstatements may result from fraud or error and are considered material when it can reasonably be expected that they might, individually or collectively, influence the financial decisions taken by users of the financial statements on the basis of those statements.

As specified in Article L.823-10-1 of the French Commercial Code, our certification of the financial statements does not involve any guarantee of the viability or quality of your company's management.

In an audit carried out in accordance with the professional standards applicable in France, the statutory auditor exercises professional judgement throughout the audit. In addition, the statutory auditor:

- identifies and assesses the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, develops and implements audit procedures in response to these risks, and gathers information that it considers sufficient and appropriate to support its opinion. The risk of failing to detect a

material misstatement resulting from fraud is greater than in the case of a material misstatement resulting from error, since fraud may involve collusion, falsification, deliberate omissions, false declarations or the circumvention of the internal control system;

- obtains an understanding of the aspects of internal control that are relevant for the audit in order to develop appropriate audit procedures in the circumstances, and not to express an opinion as to the effectiveness of the internal control systems;

- assesses the appropriateness of the accounting policies used, and the reasonableness of the accounting estimates made by the management and the related information provided in the consolidated financial statements;

- assesses the appropriateness of the management's application of the going concern accounting principle and, according to the evidence collected, whether there is material uncertainty connected with events or circumstances that could jeopardise the company's ability to continue its operations. This assessment is based on the evidence collected up to the date of the statutory auditor's report, but it is noted that subsequent circumstances or events could jeopardise the continuity of operations. If the auditor concludes that there is material uncertainty, they draw the attention of readers of the report to the information provided in the consolidated financial statements concerning this uncertainty or, if this information is not provided or is not relevant, it issues a certification with reservations or refuses to certify;

- appraises the overall presentation of the consolidated financial statements and evaluates whether the consolidated financial statements reflect the underlying transactions and events in a way that gives a true and fair view;

- the auditor collects evidence on the financial information of the persons or entities included in the scope of consolidation that it considers sufficient and appropriate to express an opinion on the consolidated financial statements. It is responsible for the management, supervision and performance of the audit of the consolidated financial statements as well as for the opinion expressed on these financial statements.

Report to the Audit Committee

We provide the Audit Committee with a report that describes the scope of the audit and the programme of work carried out, as well as the conclusions resulting from our work. We also draw its attention to any significant weaknesses in the internal control system that we have identified with regard to the procedures for preparing and processing accounting and financial information.

The report to the Audit Committee includes information on the risks of material misstatement that we consider to have been the most important for the audit of the consolidated financial statements for the financial year and which therefore constitute the key audit matters that we have to describe in this report. We also provide the Audit Committee with the declaration set out in Article 6 of Regulation (EU) No. 537/2014 confirming our independence, within the meaning of the rules applicable in France laid down by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where necessary, we discuss the risks to our independence and the safeguard measures applied with the Audit Committee.

Paris and Paris-la-Défense, 22 February 2023

EXPONENS

Nathalie LUTZ, Partner

MAZARS

Jean-Maurice EL NOUCHI, Partner

2. FINANCIAL STATEMENTS 2022

BALANCE SHEET - ASSETS

	Gross	Amortisation and Depreciation	Net 31/12/2022	Net 31/12/2021
Uncalled subscribed capital				
FIXED ASSETS				
Intangible assets				
Set-up costs				
Research and development costs				
Concessions, patents, licences, software and similar rights	80,218	78,090	2,128	2,635
Goodwill (1)				6,129,257
Other intangible assets	159,153		159,153	159,153
Advances and deposits on intangible assets				
Tangible fixed assets				
Lands	280,825,258		280,825,258	251,885,699
Buildings	1,782,736,503	310,754,411	1,471,982,092	1,338,343,735
Industrial plant, tools and equipment				
Other tangible fixed assets	315,918,990	33,811,863	282,107,128	293,029,303
Tangible assets under construction	39,788,708		39,788,708	25,216,554
Advances and deposits	606,384		606,384	1,799,307
Financial assets (2)				
Investments (equity accounted)				
Other equity investments	44,515,419		44,515,419	44,505,429
Receivables on investments				
Other long-term investments				
Loans	14,376,640		14,376,640	19,214,859
Other financial assets	495,693		495,693	302,458
TOTAL FIXED ASSETS	2,479,502,966	344,644,364	2,134,858,602	1,980,588,388
CURRENT ASSETS				
Inventory and work in progress				
Raw materials and supplies				
Work in progress (goods and services)				
Intermediate and finished products				
Goods				
Advances and deposits paid on orders	112,055		112,055	196,271
Receivables (3)				
Trade and other	46,093,884		46,093,884	24,406,036
Other receivables	35,192,328		35,192,328	21,942,633
Capital subscribed and called, not paid up				
Miscellaneous				
Transferable securities	105,812,478		105,812,478	15,090,608
Cash in hand	50,450,834		50,450,834	496,027,225
Prepaid expenses (3)	1,674,040		1,674,040	925,461
TOTAL CURRENT ASSETS	239,335,620		239,335,620	558,588,232
Borrowing costs to be deferred	8,526,727		8,526,727	10,172,403
Redemption premiums on bonds				
Conversion differences - assets				
GRAND TOTAL	2,727,365,313	344,644,364	2,382,720,949	2,549,349,024
(1) Of which right to lease				6,129,257
(2) Of which falling due within one year (gross)			3,755,865	4,220,211
(3) Of which falling due after one year (gross)			2,077,415	2,652,686

BALANCE SHEET - LIABILITIES

	31/12/2022	31/12/2021
SHAREHOLDERS' EQUITY		
Capital	45,902,580	45,177,090
Issue, merger, acquisition premiums, etc.	292,230,200	273,399,156
Revaluation difference		
Legal reserve	4,590,258	4,517,709
Reserves required under the Articles of Association or contractually		
Regulated reserves		
Other reserves	6,929	6,273
Carried forward		
INCOME FOR THE YEAR (profit or loss)	15,587	41,382,057
Investment grants	3,845,842	1,078,556
Regulated provisions	5,268,999	4,448,660
TOTAL SHAREHOLDERS' EQUITY	351,860,395	370,009,501
OTHER EQUITY		
Income from issues of equity securities		
Conditional advances		
TOTAL OTHER EQUITY		
PROVISIONS FOR LIABILITIES AND CHARGES		
Provisions for liabilities		
Provisions for charges		
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES		
DEBT (1)		
Convertible bond issues		
Other bond issues	630,000,000	655,000,000
Bank borrowings (2)	1,235,800,070	1,368,932,431
Loans and other financial liabilities (3)	10,808,665	10,240,112
Advances and deposits paid on orders in progress		
Trade and other payables	31,424,234	21,433,715
Tax and social security payables	9,440,650	9,200,649
Payables on fixed assets and related accounts	52,876,812	63,031,274
Other payables	2,850,243	1,126,060
Prepaid income	57,587,880	50,375,282
TOTAL DEBT (1)	2,030,860,554	2,179,339,523
Conversion differences - liabilities		
GRAND TOTAL	2,382,720,949	2,549,349,024
<i>(1) Of which falling due after more than one year (a)</i>	1,666,216,140	1,692,127,030
<i>(1) Of which falling due within one year (a)</i>	364,644,414	487,212,493
<i>(2) Of which bank loans and bank credit balances</i>	158,613	122,487
<i>(3) Of which participation borrowings</i>		
<i>(a) With the exception of advances and deposits received on orders in progress</i>		

INCOME STATEMENT

	FRANCE	Exports	31/12/2022	31/12/2021
Operating income (1)				
Sales of goods				
Production sold (goods)				
Production sold (services)	194,773,219		194,773,219	181,591,302
Net sales	194,773,219		194,773,219	181,591,302
Production in inventory				
Capitalised production			98,186,296	115,913,876
Operating subsidies				
Write-backs of provisions (and depreciation), transfers of expenses			5,808,686	4,888,554
Other income			51,508	33,525
Total operating income (I)			298,819,709	302,427,257
Operating expenses (2)				
Purchases of goods				
Changes in inventory				
Purchases of raw materials and supplies				
Changes in inventory				
Other purchases and external expenses (a)			153,125,781	163,221,280
Taxes and similar payments			22,561,776	21,566,340
Wages and salaries			3,885,973	3,680,093
Social security contributions			1,609,199	1,524,771
Amortisation and depreciation:				
- On fixed assets: depreciation			91,083,639	82,103,494
- On fixed assets: impairment				
- On current assets: impairment				
- For liabilities and charges: provisions				
Other expenses			189,226	154,808
Total operating expenses (II)			272,455,595	272,250,746
OPERATING INCOME (I-II)			26,364,114	30,176,471
Share of income from joint operations				
Profit appropriated or loss transferred (III)				
Loss incurred or profit transferred (IV)				-224,191
Financial income				
From equity investments (3)			20,236	21,478
From other transferable securities and fixed asset receivables (3)			216,370	219,608
Other interest and similar income (3)			550,550	136,470
Write-backs on provisions and impairment and transfers of expenses				
Positive translation differences				
Net income from disposals of transferable securities			49,186	77,807
Total financial income (V)			836,343	455,363
Financial expenses				
Amortisation, depreciation and provisions				
Interest and similar expenses (4)			31,465,658	29,182,405
Negative translation differences				
Net expenses on disposals of transferable securities			305,565	
Total financial expenses (VI)			31,771,223	29,182,405
FINANCIAL INCOME (V-VI)			-30,934,880	-28,727,042
RECURRING INCOME before tax (I-II+III-IV+V-VI)			-4,570,766	1,125,238

INCOME STATEMENT

	31/12/2022	31/12/2021
Extraordinary income		
On management transactions		1,045,000
On capital transactions	14,443,593	77,698,291
Write-backs on provisions and impairment and transfers of expenses	491,942	498,608
Total extraordinary income (VII)	14,935,535	72,241,899
Extraordinary expenses		
On management transactions	29	119
On capital transactions	9,003,913	30,972,101
Amortisation, depreciation and provisions	1,312,281	1,085,157
Total extraordinary expenses (VIII)	10,316,223	32,057,377
EXTRAORDINARY INCOME (VII-VIII)	4,619,312	40,184,522
Employee profit-sharing (IX)		
Income tax (X)	32,959	27,703
Total income (I+III+V+VII)	314,591,586	375,124,519
Total expenses (II+IV+VI+VIII+IX+X)	314,576,000	333,742,463
PROFIT OR LOSS	15,587	41,382,057
<i>(a) Including</i>		
- <i>Equipment leasing fees</i>		
- <i>Real estate leasing fees</i>	23,673,066	28,950,974
<i>(1) Of which income relating to previous financial years</i>		
<i>(2) Of which expenses relating to previous financial years</i>		
<i>(3) Of which income relating to related entities</i>	20,236	21,478
<i>(4) Of which interest relating to related entities</i>		

ACCOUNTING RULES AND METHODS

Name of the Company: SA ARGAN

Notes to the balance sheet before distribution for the financial year ended 31/12/2022, for which the total is €2,382,294,359 and the income statement for the financial year, presented in list form and showing a profit of €15,587.

The financial year lasts for 12 months and covers the period from 01/01/2022 to 31/12/2022.

The notes or tables below form an integral part of the annual financial statements.

These annual financial statements were adopted on 16/01/2023 by the company's senior managers.

General rules

The annual financial statements for the financial year as at 31/12/2022 were prepared in accordance with French Accounting Standards Authority regulation No. 2014-03 consolidated as at 1st January 2021.

The accounting principles were applied consistently in line with the principle of prudence, in accordance with the following basic assumptions:

- going concern,
- consistency of accounting methods from one financial year to the next,
- independence of financial years.

and in accordance with the general rules governing the preparation and presentation of the annual financial statements.

The basic method used when stating the value of items in the financial statements is the historical cost method. Only material information is disclosed. Unless otherwise stated, amounts are expressed in euros.

Intangible and tangible fixed assets

Intangible and tangible fixed assets are valued at their acquisition cost for assets acquired for consideration, at their production cost for assets produced by the company and at their market value for assets acquired free of charge and through exchange.

The cost of a capital asset consists of its purchase price, including customs duties and non-recoverable taxes, after deduction of rebates, trade discounts and cash discounts from all directly attributable costs incurred in creating and developing the asset such that it is operational for its intended use. Transfer taxes, fees or commissions and legal costs related to the acquisition are not allocated to this acquisition cost. All costs that are not part of the acquisition price of the capital asset and that cannot be allocated directly to the costs required to create and develop the asset such that it is operational for its intended use are recognised as expenses.

The gross value of tangible fixed assets is reduced by any accumulated depreciation and impairment losses, as determined from the fair value of the assets. In this regard, Management has introduced a process for valuation of the property portfolio by an independent Property Appraiser, to estimate the fair value of the assets. This is described in the note on "Valuation of equity securities and the real estate portfolio".

Intangible assets consist of rights to leases.

In accordance with the French general chart of accounts (Article 745-5), technical losses have been assigned to identifiable assets contributed for which an actual value can be reliably estimated.

Technical losses resulting from the universal transfers of assets from the SCIs in the Cargo scope were allocated to the real estate assets contributed, using the values determined by the independent appraiser as at 31 December 2019.

The technical loss resulting from the merger of SAS PORTIMMO into ARGAN SA was allocated to real estate assets.

As at 31 December 2022, technical losses were allocated to the following identifiable asset groups:

- €159,153 in technical losses on intangible assets, excluding goodwill
- €314,845,257 in technical losses on tangible fixed assets.

For the purpose of depreciation, the same accounting treatment is applied to the technical loss as to the underlying asset to which it is allocated: if the underlying asset is depreciable, the share of the affected technical loss is depreciated at the same rate.

Depreciation

Depreciation is calculated by component. For simplicity, movable property is depreciated over the period of use:

- Logistics hub:
 - Roads and external works: 30 years
 - Envelope: 15 and 30 years
 - Amenities: 10 to 20 years
 - General equipment and sundry fixtures and fittings: 10 years

- Offices
 - Structure: 60 years
 - Frontage: 30 years
 - Amenities: 20 years
 - Fittings: 10 years

- Other capital assets
 - Concessions, software and patents: 1 to 3 years
 - Vehicles: 4 to 5 years
 - Office equipment: 5 to 10 years
 - Computer hardware: 3 years
 - Furniture: 10 years

The company applies the special depreciation allowance in order to qualify for the tax deduction for capital assets with an accounting lifetime that exceeds the tax lifetime. When acquiring a property that was previously on a finance lease, the company has chosen not to recognise a special depreciation allowance on the portion of the tax basis of the building corresponding to the basic exit tax paid when the SIIC regime was adopted.

Valuation of equity securities and the real estate portfolio

The real estate portfolio held directly or indirectly by Argan SA is valued biannually by an independent appraiser.

The appraisals carried out meet the French national professional standards of the Charte de l'Expertise en Evaluation Immobilière (Charter of real estate valuation) developed under the guidance of IFEI and the COB report of February 2002 (COB has been AMF since 2004).

These appraisals also conform to the TEGOVA European professional standards and the principles of the Royal Institution of Chartered Surveyors (RICS).

The main methodologies used are the net income capitalisation or discounted future cash flow methods. The latter method is preferred in view of the reduction in fixed terms for most assets and the complex change in cash flows provided for in the leases.

Consequently, the valuation of the assets may not be equivalent to their realisable value in the event of a disposal.

In light of the value reported by the appraiser, the Company may be required to depreciate its real estate assets when the asset value (revalued by reference to the appraisal value of the property assets) is less than the net book value and the technical loss, if any.

Equity securities are recognised at their acquisition or subscription cost, including acquisition charges. The book value of the equity securities is determined by reference to the use value of the equity investment. If applicable, it also takes into account the appraisal value of the property assets of the controlled entity.

Receivables

Receivables are valued at their nominal value. An impairment is applied if the asset value is less than the carrying amount.

Provisions

Any current obligation resulting from a past company event vis-à-vis a third party, which may be estimated with sufficient reliability, and covering identified risks, is recognised as a provision.

Borrowing costs

The Company has opted to defer the borrowing costs as defined in accordance with CNC opinion no. 2006-A of 7 June 2006.

Work in progress

Project management in progress is recorded using the percentage of completion method.

Rental income

Rental income is recognised on the invoicing date and income from a rental period that extends beyond the balance sheet date is included in prepaid income. Rent-free periods granted are not treated as deferred rent. Accordingly, no income is recognised during the rent-free period.

Taxes

The Company recognises corporate tax at the standard rate on activities not covered by the SIIC regime.

Financial futures and hedging transactions

The company does not apply hedge accounting. Hedging instruments are recorded as financial income or expense on each contractual maturity date.

Extraordinary income and expenses

Extraordinary income and expenses reflect items that do not relate to normal day-to-day operations.

Identity of consolidating parent company

Company: ARGAN

Form: French public limited company

Capital of: €45,902,280

Registered office: 21 rue Beffroy 92200 Neuilly-sur-Seine, France

SIRET (Business registration number): 393,430,608

SIGNIFICANT EVENTS

Other significant items

In 2022, ARGAN invested nearly €220 million, representing more than 245,000 sq. m. and generating €13 million in rental income, i.e. an average rate of return of more than 5.7%:

In January, Argan delivered the first Aut0nom® property, the warehouse that produces its own green energy for self-consumption. This 14,000 sq. m. warehouse located in Serris, Marne-la-Vallée (77), next to the A4 motorway, is leased to two major international groups that each occupy a unit in the building, for fixed terms of three and nine years, respectively.

Aut0nom® is ARGAN's new warehouse standard. It has a solar power plant on its roof, coupled with storage batteries, with the electricity produced by those pumps being used by the tenants. It replaces gas heating with electric air-to-air heat pumps and uses smart LED lighting throughout. As such, Aut0nom® produces more green energy on site than it consumes in its heating, cooling and lighting.

In February, Argan delivered the 7,000 sq. m. extension to its warehouse located in Chanteloup-en-Brie, Marne-la-Vallée (77), for its current tenant Arvato Services Healthcare, which increases the total surface area of the site to 28,000 sq. m., with a new six-year fixed term lease.

This extension is equipped with presence-detecting LED lighting and a solar power plant that produces 440 MWh of electricity each year for self-consumption.

In March, Argan brought the 6,000 sq. m. extension to its 12,000 sq. m. warehouse located in Croissy-Beaubourg, Marne-la-Vallée (77) into service, leased since 2000 to L'Oréal. This extension is leased to Intersurgical under a lease with a fixed term of nine years.

This extension is also equipped with presence-detecting LED lighting and a solar power plant that produces 120 MWh of electricity each year for self-consumption.

In September, Argan made two deliveries:

- Delivery of its 2nd Auton0m warehouse, of 18,000 sq. m., in Caen (14). This warehouse is leased in its entirety to Legallais, the leading French distributor of tools and hardware products for businesses for a fixed term of 12 years and is equipped with solar panels and batteries.

- A 14,000 sq. m. logistics platform located in Saint-Jean-de-la-Neuville (76) leased to DIDACTIC, a group that specialises in protective, infusion and hygiene equipment, for a fixed term of 12 years.

Argan also took delivery of a new warehouse in Compans (77) of 15,000 sq. m. leased in its entirety to Colis Privé, for a fixed term of 12 years. This warehouse, which was developed by Virtuo, has been awarded first prize in the logistics category by SIMI (Salon de l'immobilier d'Entreprise), highlighting "the warehouse's approach to net zero emissions".

In December, the Company brought an 18,000 sq. m. extension located in Albon (26) into service, leased to 2 groups. The logistics platform now covers a total area of 31,000 sq. m. The majority of the extension will be leased to Bert Group, which specialises in logistics and transport solutions, for a fixed term of 6 years. The remaining area of the extension is leased to Nutrition et Santé, which already rents the existing 13,000 sq. m., for a fixed term of 9 years.

Through the SCI Cargan-Log, 60% owned by ARGAN and 40% owned by the Carrefour Group, ARGAN leased the entire surface area of 50,000 sq. m. of the two warehouses located in Marseille (13) and Lens (62), the renovation work on which was completed in July and December 2022, respectively.

All these developments have been awarded the BREEAM "Very Good" certification.

In addition to the developments above, the company purchased a warehouse in Sens (89), 110 km from Paris, from Renault Group. This warehouse has an area of 153,000 sq.m. and is leased in its entirety to Renault SAS for a fixed term of 12 years.

In parallel, in February 2022, ARGAN sold a 9,000 sq. m. property in Tours (37) for approximately €14 million.

NOTES ON THE BALANCE SHEET

Fixed Assets

FIXED ASSET SCHEDULE

	At the start of the period	Increase	Decrease	At the end of the period
Set-up and development costs				
Goodwill	6,129,257		6,129,257	0
Other intangible assets	236,991	2,380		239,371
Intangible assets	6,366,248	2,380	6,129,257	239,371
Lands	251,885,699	30,016,999	1,077,440	280,825,258
Buildings on freehold land	1,490,126,804	216,367,179	3,588,446	1,702,905,537
Buildings on non-freehold land	82,980,242	1,054,013	4,203,290	79,830,966
General building fixtures and fittings				
Industrial plants, tools and equipment				
General fixtures and fittings	92,805			92,805
Vehicles	619,521	139,731	39,084	720,168
Office and IT equipment, furniture	250,498	10,262		260,760
Merger losses on tangible assets	314,845,257			314,845,257
Tangible assets under construction	25,216,554	66,640,878	52,068,724	39,788,708
Advances and deposits	1,799,307	209,067	1,401,990	606,384
Tangible fixed assets	2,167,816,687	314,438,129	62,378,973	2,419,875,843
Equity-accounted investments				
Other equity investments	44,505,429	9,990		44,515,419
Other long-term investments				
Loans and other financial assets	19,517,318	294,929	4,939,914	14,872,333
Financial assets	64,022,747	304,919	4,939,914	59,387,752
FIXED ASSETS	2,238,205,681	314,745,428	73,448,143	2,479,502,966

NOTES ON THE BALANCE SHEET

The asset flows are as follows:

	Intangible assets	Tangible fixed assets	Financial assets	Total
Breakdown of increases				
Line item to line item transfers		58,989,502		58,989,502
Current asset transfers			294,929	294,929
Acquisitions	2,380	255,448,627		255,451,007
Contributions				
Creations			9,990	9,990
Revaluations				
Increases in the financial year	2,380	314,438,129	304,919	314,745,428
Breakdown of decreases				
Line item to line item transfers	6,129,257	52,860,245		58,989,502
Transfers to current assets			4,939,914	4,939,914
Disposals		9,518,728		9,518,728
Spin-offs				
Decommissioning				
Decreases in the financial year	6,129,257	62,378,973	4,939,914	73,448,413

NOTES ON THE BALANCE SHEET

Financial assets

List of subsidiaries and equity investments

Detailed information on each security

	Capital	Shareholders' equity (other than capital)	Share of capital held	Income for the last financial year ended
-Subsidiaries (ownership of more than 50%)				
SCI AVILOG 92200 NEUILLY-SUR-SEINE, France	10,000	-1,348	99.00	-2,453
SCI CARGAN-LOG 92200 NEUILLY-SUR- SEINE, France	7,415,250	65,945,726	60.00	-935,136
SCI NEPTUNE	10,000		99.90	-
-Equity investments (ownership of between 10 and 50%)				
SCI SCCV NANTOUR 75008 PARIS, France	10,000		49.90	-32,152

Comprehensive information on all subsidiaries

	Gross carrying amount	Net carrying amount	Amounts of loans and advances	Sureties and endorsements	Dividends received
-Subsidiaries (ownership of more than 5%)	44,510,429	44,510,429			
-Equity investments (ownership of between 10 and 50%)	4,990	4,990			
- Other French subsidiaries					
- Other foreign subsidiaries					
- Other French equity investments					
- Other foreign equity investments					

NOTES ON THE BALANCE SHEET

Depreciation of fixed assets

	At the start of the period	Increase	Decrease	At the end of the period
Set-up and development costs				
Goodwill				
Other intangible assets	75,203	2,887		78,090
Intangible assets	75,203	2,887		78,090
Lands				
Buildings on freehold land	214,756,903	73,032,638		287,789,541
Buildings on non-freehold land	20,006,408	3,434,194	475,732	22,964,870
General building fixtures and fittings				
Industrial plants, tools and equipment				
General fixtures and fittings	4,850	1,931		6,781
Vehicles	412,951	82,358	39,084	456,225
Office and IT equipment, furniture	168,051	31,242		199,294
Merger losses on tangible assets	22,192,926	10,956,637		33,149,564
Tangible fixed assets	257,542,090	87,539,000	514,816	344,566,274
FIXED ASSETS	257,617,293	87,541,888	514,816	344,644,364

NOTES ON THE BALANCE SHEET

Current assets

Receivables schedule

Total receivables at the end of the financial year were €97,832,585. The detailed ranking by maturity is as follows:

	Gross amount	Maturities within one year	Maturities of more than one year
Fixed asset receivables:			
Receivables on equity investments			
Loans	14,376,640	3,755,865	10,620,775
Other	495,693		495,693
Current asset receivables:			
Trade and other receivables	46,093,884	46,093,884	
Other	35,192,328	33,114,913	2,077,415
Capital subscribed – called, not paid up			
Prepaid expenses	1,674,040	1,674,040	
Total	97,832,585	84,638,702	13,193,883
Loans granted during the financial year			
Loans recovered during the financial year	4,818,219		

Accrued income

	Amount
Unbilled trade receivables	1,109,042
Supplier credit notes outstanding	10,568
Accrued income	16,974
Bank- accrued interest receivable	468,362
Total	1,604,946

NOTES ON THE BALANCE SHEET

Asset depreciation

The asset flows are as follows:

	Impairment at the start of the period	Provisions for the financial year	Reversals for the financial year	Impairment at the end of the period
Intangible assets				
Tangible fixed assets				
Financial assets				
Inventory				
Receivables and Transferable securities				
TOTAL				
Breakdown of provisions and reversals				
Operating				
Financial				
Exceptional				

Shareholders' equity

Composition of share capital

Share capital of €45,902,280.00 divided into 22,951,290 securities with a par value of €2.00.

	Number	Par value
Securities making up the share capital at the start of the period	22,588,545	2.00
Securities issued during the period	362,745	2.00
Securities redeemed during the period		
Securities making up the share capital at the end of the period	22,951,290	2.00

NOTES ON THE BALANCE SHEET

Regulated provisions

	Provisions at the start of the period	Provisions for the financial year	Reversals for the financial year	Provisions at the end of the period
Petroleum depletion				
For investments				
For price increases				
Special depreciation allowances	4,448,660	1,312,281	491,942	5,268,999
Start-up loans				
Other provisions				
TOTAL	4,448,660	1,312,281	491,942	5,268,999
Breakdown of provisions and reversals				
Operating				
Financial				
Exceptional		1,312,281	491,942	

Payables

Schedule of payables

Total payables at the end of the financial year were €2,030,860,554. The detailed ranking by maturity is as follows:

	Gross amount	Maturities within one year	Maturities of more than one year	Maturities of more than 5 years
Convertible bonds (*)				
Other bonds (*)	630,000,000	130,000,000	500,000,000	
Loans (*) and other borrowings from credit institutions of which:				
- due within a maximum of 1 year from the outset	158,613	158,613		
- due more than 1 year from the outset	1,235,641,457	79,338,402	499,801,770	656,501,285
Loans and other financial liabilities (*)	10,808,665	967,580	1,832,019	8,081,066
Trade and other payables	31,424,234	31,424,234		
Tax and social security payables	9,440,650	9,440,650		
Payables on fixed assets and related accounts	52,876,812	52,876,812		
Other liabilities (**)	2,850,243	2,850,243		
Prepaid income	57,587,880	57,587,880		
TOTAL	2,030,860,554	364,644,414	1,001,633,789	664,582,351
(*) Loans underwritten during the period	294,748,992			
(*) Loans repaid over the period including:	453,026,678			
(**) Of which to groups and affiliates				

NOTES ON THE BALANCE SHEET

Accrued expenses

	Amount
Invoices receivable	28,368,725
Invoices receivable from fixed assets suppliers	13,563,292
Accrued interest on loans	8,000,923
Banks – accrued interest payable	158,610
Provisions for paid leave	202,166
Provisions for profit-sharing bonus	408,409
Provisions for contributions on paid leave	94,959
Government – sundry provisions	584,196
Government – organic provision	240,000
Government – provision for tax on company vehicles	20,566
Trade credit notes to be issued	826,557
Government - Investment income withholding tax	8,365
Total	52,476,766

Adjustment accounts

Prepaid expenses

	Operating expenses	Financial expenses	Extraordinary expenses
Prepaid expenses	1,674,040		
Total	1,674,040		

Prepaid income

	Operating income	Financial income	Extraordinary income
Prepaid income	52,086,870		
Prepaid income on deferred rental surcharge - Croissy	29,425		
Prepaid income on deferred rental surcharge - Flevy	17,632		
Prepaid income on deferred rental surcharge - Ferrières	31,389		
Prepaid income on deferred rental surcharge - Chanteloup	94,931		
Prepaid income on deferred rental surcharge - Trappes	55,486		
Prepaid income on deferred rental surcharge - Athis-Mons	127,183		
Prepaid income on deferred rental surcharge - Fleury	557,276		
Prepaid income on deferred rental surcharge - Chanceaux	41,033		
Prepaid income on deferred rental surcharge - Vendenheim	38,316		
Prepaid income on deferred rent - Green Yellow	3,175,926		
Prepaid income on deferred rental surcharge - Gondreville	575,388		
Prepaid income on deferred rental surcharge - Escrennes	9,225		
Prepaid income on deferred rental surcharge - Serris	323,952		
Prepaid income on deferred rental surcharge - St-Jean	75,917		
Prepaid income on deferred rental surcharge - Rouvignies D	128,696		
Prepaid income on deferred rental surcharge - Ferrières Park	219,234		
Total	57,587,880		

MONITORING OF MERGER LOSSES

In accordance with the French general chart of accounts (Article 745-5), ARGAN assigned technical losses to identifiable assets contributed for which an actual value can be reliably estimated.

Technical losses resulting from the universal transfers of assets from the SCIs in the Cargo scope were allocated to the real estate assets contributed, using the values determined by the independent appraiser as at 31 December 2019.

The loss resulting from the merger of Portimmo into ARGAN SA was allocated to real estate assets.

In euros	Fixed assets				Depreciation				Net carrying amount
	31/12/2021	Increases	Decreases	31/12/2022	31/12/2021	Increases	Decreases	31/12/2022	
Capri Artenay	37,543,085			37,543,085	2,663,603	1,331,801		3,995,404	33,547,681
Capri Allones	22,392,837			22,392,837	1,533,39	766,919		2,300,758	20,092,078
Capri Luneville	24,736,394			24,736,394	1,824,031	912,015		2,736,046	22,000,347
Capri Laudun	15,716,507			15,716,507	1,157,295	578,648		1,735,943	13,980,564
Capri Aulnay	22,557,847			22,557,847	1,321,591	660,795		1,982,386	20,575,461
Capri Bourges	16,131,981			16,131,981	1,160,842	580,421		1,741,263	14,390,718
Capri Vendin	24,768,311			24,768,311	1,809,967	904,983		2,714,950	22,053,361
Capri Epaux-Bézu	14,609,560			14,609,560	1,098,843	549,421		1,648,264	12,961,296
Capri Bagé La Ville	17,383,955			17,383,955	1,195,814	597,907		1,793,721	15,590,235
Capri Savigny sur Clairis	13,639,492			13,639,492	1,012,181	506,091		1,518,272	12,121,221
Capri Cholet	15,929,501			15,929,501	1,161,894	580,947		1,742,842	14,186,659
Capri Crépy	8,510,305			8,510,305	516,050	258,025		774,076	7,736,229
Capri Billy	9,133,660			9,133,660	665,540	332,770		998,310	8,135,350
Capri La Courneuve	12,167,584			12,167,584	790,943	395,472		1,186,415	10,981,169
Capri Combs La Ville	8,156,855			8,156,855	544,833	272,417		817,250	7,339,605
Capri Brie Comte Robert	13,819,739			13,819,739	851,130	425,565		1,276,695	12,543,045
Capri Plaisance du Touch	7,790,738			7,790,738	552,142	276,071		828,212	6,962,526
Capri Labenne	5,032,198			5,032,198	327,346	163,673		491,020	4,541,178
Capri Cestas	8,415,685			8,415,685	577,535	288,768		866,303	7,549,382
Capri Saint Quentin Fallavier	4,252,206			4,252,206	277,016	138,508		415,525	3,836,681
Capri Bain de Bretagne	3,744,056			3,744,056	264,771	132,385		397,150	3,346,900
Capri Ploufragan	1,014,812			1,014,812	54,492	28,246		84,738	930,074
Sub-total for Cargo	307,447,307	0	0	307,447,307	21,363,698	10,681,849	0	32,045,547	275,401,759
Immotournan	275,345			275,345	0			0	275,345
Immogonesse	41,341			41,341	12,159	2,432		14,591	26,750
Portimmo (Gennevilliers)	7,081,263			7,081,263	817,069	272,356		1,089,425	5,991,838
Total of Technical losses	314,845,256	0	0	314,845,257	22,192,926	10,956,637	0	33,149,564	281,695,693

CHANGE IN SHAREHOLDERS' EQUITY

	31/12/2021	Free share allocation	Allocation of income and decision to distribute a dividend (CSM 24/03/2022)	Impact of payment in shares of the dividend decided by the CSM of 24/03/2022	Income 31/12/2022	31/12/2022
Share capital	45,177,090			725,490		45,902,580
Issue premium	51,237,517			36,172,931		87,410,448
Acquisition premium	222,161,640		-17,341,888			204,819,752
Legal reserve	4,517,709			72,549		4,590,258
Other Reserves	6,273		-6,273	6,929		6,929
Income for the period to 31/12/2021	41,382,056		-41,382,056			0
Income for the period to 31/12/2022					15,587	15,587
Shareholders' equity before grants and special depreciation allowances	364,482,285	0	-58,730,217	36,977,899	15,587	342,745,554

The Combined Shareholders' Meeting of 24 March 2022:

- allocated the profit for the 2021 financial year to the dividend distribution for €41,382,056.68.
- resolved to withdraw €17,341,887.62 from the issue premium account,
- resolved to withdraw €6,272.70 from the Other reserves account,
- resolved to distribute a dividend of €2.60/share, i.e. €58,730,217.

The Executive Board meeting of 26 April 2022 states that the dividend is distributed as follows:

- Payment in shares for an amount of €36,970,970.40
- Cash payment for an amount of €21,759,246.60.

TREASURY SHARES

ARGAN holds 10,363 treasury shares as at 30 December 2022, i.e., less than 0.0005% of the capital.

The value of the shares is €790,702 and no impairment was recognised given the market value. Changes in treasury shares during the financial year involved 212,004 purchases and 202,444 sales.

FREE SHARE ALLOCATION

The Combined Shareholders' Meeting of 8 April 2010 authorised the Executive Board to make free allocations of shares either in issue or to be issued, for the benefit of employees and corporate officers of the Company or related companies. The total number of shares that may be issued or purchased may not exceed 2% of the share capital.

Allocation of the shares to their beneficiaries will only be final at the end of a minimum vesting period of 1 year. In addition, beneficiaries may only dispose of the shares allocated to them after a minimum retention period of 1 year.

The Executive Board meeting of 17 January 2022 allocated 30,074 shares of the Company to the members of the Company's Executive Board.

The Executive Board set up a plan under which free shares would be allocated subject to certain performance criteria being exceeded in relation to the results for financial years 2022, 2023 and 2024. The free share allocation depends on the success of the three-year plan, which will be measured on 31 December 2024, the end date for this three-year plan.

NOTES ON THE INCOME STATEMENT

Sales

Breakdown by business sector

BUSINESS SECTOR	31/12/2022
RENTS	163,145,157
PROJECT MANAEGMENT	753,000
MANAGEMENT FEES	500
MISCELLANEOUS RENTALS	400
REBILLED EXPENSES	30,874,162
TOTAL	194,773,219

Operating and financial expenses and income

Remuneration of statutory auditors

Principal Statutory Auditor

Fee for certification of accounts: €186,000

Fee for other services: €10,000

Related parties

Amount included in financial income:

-with CSCV Nantour for €20,236.

NOTES ON THE INCOME STATEMENT

Extraordinary expenses and income

Extraordinary income

Transactions in the period

	Expenses	Income
Contract penalties		
Sanctions, tax penalties and criminal fines	29	
Carrying amounts of assets disposed of	9,003,913	
Special depreciation allowances	1,312,281	
Other exceptional income from management operations		4,998
Proceeds from disposals of assets		14,157,500
Investment grants transferred to income		281,095
Special depreciation allowances		491,942
TOTAL	10,316,223	14,935,535

Income and income taxes

Tax breakdown

	Income before tax	Corresponding tax	Income after tax
+ Recurring income	-4,570,766	32,959	-4,603,725
+ Extraordinary income	4,619,312		4,619,312
+ Employee profit-sharing			
Accounting income	48,546	32,959	15,587

Corporate tax recognised for the 2022 financial year is subject to the non-SIIC regime.

OTHER INFORMATION

Headcount

Average headcount: 27 people.

The average headcount breaks down as follows:

- Executives: 24 people
- Employees: 3 people

Information on senior managers

Remuneration allocated to members of the management bodies.

This information is not mentioned because it would indirectly lead to providing individual remuneration.

The remuneration allocated to members of the management bodies amounted to €1,083,548.

The remuneration allocated to members of the supervisory bodies amounted to € 240,000, broken down as follows:

- Attendance fees: €144,000
- Chairman's allowance: €96,000

OTHER INFORMATION

Financial commitments

Commitments given	Amount in euros
Discounted unexpired bills	
Endorsements and sureties	3,001,692
Pension commitments	
Commitments under equipment leases	
Commitments under real estate leases	107,414,788
<i>FINANCIAL LIABILITIES SUBJECT TO INTEREST RATE/SWAP HEDGING ARRANGEMENTS</i>	<i>146,379,952</i>
<i>FINANCIAL LIABILITIES SUBJECT TO INTEREST RATE/COLLAR HEDGING ARRANGEMENTS</i>	<i>509,087,333</i>
Other commitments given	655,467,285
TOTAL	765,883,765
Of which pertaining to:	
Senior managers	
Subsidiaries	
Equity investments	
Other related companies	
Commitments backed by collateral	

The maturities of the commitments given for endorsements and sureties in the following financial years are as follows:

2023: €2,590k
 2025: €232K
 2027: €180K

Pension commitments are considered immaterial.

For 2022, the Company hedged its interest rates via swap and collar arrangements.

These hedges provide a 5- to 15-year guarantee of a fixed rate for a variable rate on a capital outstanding of €146,380k (Swap) and €509,087k (Tunnel) on the reporting date for 2022.

OTHER INFORMATION

Finance Lease

	Land	Constructions	Tools and Equipment	Other	Total
Original value		248,635,683			248,635,683
Total from previous periods					
Provisions for the financial year					
Depreciation					
Total from previous periods		169,084,452			169,084,452
Financial year		19,508,954			19,508,954
Fees paid		188,593,406			188,593,406
Within one year		19,765,274			19,765,274
More than one year and less than five years		49,357,473			49,357,473
More than five years		5,771,933			5,771,933
Fees payable		74,894,680			74,894,680
Within one year		1			1
More than one year and less than five years		24,020,106			24,020,106
More than five years		8,500,000			8,500,000
Residual value		32,520,107			32,520,107
Amount defrayed during the financial year		23,673,066			23,673,066

CASH FLOW STATEMENT

HEADINGS	31/12/2022	31/12/2021
Net income	15 587	41 382 057
Net depreciation expense and provisions	91,903,978	81,414,549
Other calculated income and expenses	-281,095	-122 459
Gains and losses on disposal	-5 153 587	-39 603 731
Cash from operations after net cost of debt and tax	86 484 883	83 070 416
Cost of net financial debt	30 955 117	28 748 520
Tax expense	32 959	27 703
Cash from operations before net cost of debt and tax (A)	117 472 959	111 846 639
Tax paid	-30 755	-49 304
Change in operating WCR	-15 796 260	20 958 514
NET CASH FLOW GENERATED BY ACTIVITY (D)	101 645 944	132 755 849
Disbursements related to acquisitions of tangible and intangible assets	-267 597 479	-118 655 910
Receipts related to disposals of tangible and intangible assets	14 157 500	70 572 832
Disbursements related to acquisitions of financial assets	85 943	-45 319 230
Receipts related to disposals of financial assets		
Impact of changes in scope		
Change in loans and advances granted	-193,235	152 037
Investment grants received	3 048 381	245 937
NET INVESTING CASH FLOW (E)	-250 498 890	-93 001 334
Purchases and resales of treasury shares	-701 117	-148,013
Dividends paid (to shareholders of the parent company and minority interests)	-21,752,318	-25,249,029
Receipts from new borrowing	294,748,992	636 687 770
Repayments of borrowings	-453,026,677	-154,701,999
Net financial interest paid	-30,845,917	-28,411,040
Other financing cash flow items	4,838,219	5,366,752
NET FINANCING CASH FLOW (F)	-206 738 818	433 840 467
Impact of changes in exchange rates (G)		
CHANGE IN NET CASH FLOW H = (D + E + F + G)	-355 591 764	473 594 982
OPENING CASH POSITION	510 905 761	37 310 779
CLOSING CASH POSITION	155 313 997	510 905 761

BREAKDOWN OF INCOME AND RELATED DISTRIBUTION OBLIGATIONS

Breakdown of income and related distribution obligations:

	Amount of income	Loss carryforwards	Net income after losses	Distribution obligations	
				Financial year N	N+1
Rental	9,212,920		9,212,920	8,752,274	
Capital gains on disposals	4,970,472		4,970,472	0	3,479,330
Dividends					
Exempt income before loss carryforwards	14,183,392	0	14,183,392	12,231,604	
Loss carried forward	0				
Exempt income after loss carryforwards	14,183,392				
Taxable income	173,471				
Accounting income	15,586				

The distribution obligation is equal to €12,231,604, taking into account the amount of exempt income.

Monitoring of distribution obligations made in N:

Financial year in which the exempt income originated	Obligations			Accounting income of N - 1	Distribution made in N	Obligations to be deferred	
	Obligations deferred		Bonds in N			3	4
	3	4					
N - 1							
N - 2							
N - 3							
N - 4							
N - 5							
	0				0	0	0

DEGREE OF MARKET RISK EXPOSURE

(in thousands of euros)	Notional as at 31.12.2022	Fair value at 31.12.2022	Fair value at 31.12.2021	Change in fair value	Of which change in fair value through equity	Of which change in fair value through income	Of which cash equalisation payment
Fixed-payer interest rate swaps	146,379,952	11,629	-3,250	14,880	14,880		677
Rate caps and collars	509,087,333	19,181	80	19,101		19,101	370
Amortising cash					805		-805
Total cash flow hedging instruments	655,467,285	30,810	-3,170	33,981	15,686	19,101	242

(in thousands of euros)	Amount as at 31.12.2022			Amount as at 31.12.2021		
	Fixed	Hedged variable	Unhedged variable	Fixed	Hedged variable	Unhedged variable
Borrowings	1,161,413	451,455	243,763	1,404,524	366,185	253,358
Finance lease debt		56,636	42,596		70,912	66,946
Borrowings on RCF			1,010			2,010
Macroeconomic swap						
Collar macroeconomic swap		147,377	-147,377		188,505	-188,505
Financial liabilities	1,161,413	655,467	139,992	1,404,524	625,602	133,809
Total		1,956,872			2,163,935	

The Group uses derivatives to manage and reduce its net exposure to interest rate fluctuations.

The Group has entered into interest swaps and collars with a zero premium; these limit the impact of volatility of future cash flows from interest payments on variable-rate loans.

Under the terms of these swaps, the Group pays fixed interest rates as specified below and receives variable interest on the amounts of the hedged principal, calculated using 3-month Euribor.

Collars are derivative instruments used to regulate the change in a variable rate.

POST-CLOSING EVENT

None

ARGAN

Public limited company with an Executive Board and Supervisory Board
with capital of €45,962,728

Registered office: 21, rue Beffroy – 92200 NEUILLY-SUR-SEINE, France

Trade and Companies Register: NANTERRE B 393 430 608

Statutory auditors' report on the annual financial statements

General Shareholders' Meeting approving the financial statements for
the financial year ended 31 December 2022

EXPONENS

MAZARS

ARGAN

Public limited company with an Executive Board and Supervisory Board

Statutory auditors' report on the annual financial statements

To the Argan General Meeting,

Opinion

In performance of the assignment entrusted to us by your General Meeting, we have audited the consolidated financial statements of ARGAN for the financial year ended 31 December 2022, as appended to this report.

We certify that the annual financial statements are accurate and consistent and give a true and fair view of the income from operations for the past financial year as well as the financial position and assets of the company at the end of the year, in accordance with French accounting rules and principles.

The opinion set out above is consistent with the content of our report to the Audit Committee.

Basis of opinion

Auditing standards

We conducted our audit in accordance with the professional standards applicable in France. We believe that the evidence collected in our audit is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities pursuant to these standards are described in the section of this report on

“Responsibilities of the Statutory Auditors in the audit of the annual financial statements” of this report.

Independence

We conducted our audit in accordance with the rules of independence imposed by the French Commercial Code and the code of ethics of the profession of statutory auditor for the period from 1 January 2022 to the issue date of our report, and in particular we did not provide any services prohibited by Article 5(1) of Regulation (EU) no. 537/2014.

Justification of assessments – Key points of the audit

In accordance with the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we draw to your attention the key points of the audit relating to the risks of material misstatement which, in our professional judgement, were of most significance in the audit of the annual financial statements for the financial year, and our responses to these risks.

These assessments were part of our audit of the annual financial statements, taken as a whole, and contributed to the opinion we formed which is expressed above. We do not express an opinion on elements of these annual financial statements taken individually.

Valuation of the real estate portfolio

(Note on “Accounting rules and methods”, paragraphs on “Intangible and tangible fixed assets” and “Valuation of equity securities and the real estate portfolio” and notes on “Fixed asset schedule” and “Depreciation of fixed assets” in the notes to the annual financial statements).

Identified risk

Tangible fixed assets represent a net carrying amount of €2,075 million as at 31 December 2022, i.e. 87.1% of the company’s assets. They are primarily real estate assets considered to be investment properties.

Tangible assets are recognised at acquisition cost less accumulated depreciation and any impairment losses, as determined from the fair value of the assets. In this regard, Management has introduced a process for valuation of the property portfolio by an independent Property Appraiser, to estimate the fair value of the assets. This is described in the note on “Valuation of equity securities and the real estate portfolio” in the notes to the annual financial statements.

Valuation of the real estate portfolio is an estimation exercise. The independent Property Appraiser’s valuation of the real estate assets considers specific information such as the nature of each asset, its location, its rental income, the remaining fixed term of the leases, the rate of return and investment expenditure.

This valuation may result, where applicable, in the recognition of an impairment if the value of the properties assets estimated by the Property Appraiser is less than their net carrying amount.

We considered the valuation of the real estate portfolio to be a key point in our audit because of the material nature of this item as regards the annual financial statements, the high degree of judgement required from Management to determine the main assumptions used and in view of the sensitivity of the fair value of real estate assets to these assumptions.

Our response

Under these circumstances, our work consisted of:

- Assessing the Property Appraiser’s qualifications, certifications and independence, based on their engagement letter;
- Assessing the completeness of the scope evaluated by the Property Appraiser by comparison with the managed rental income statement as at 31 December 2022;
- Assessing the relevance of the information provided by the company for the Property Appraiser (rental income statements, investment expenditure budget), more specifically for acquisitions / extensions / deliveries of real estate assets in the financial year;
- Obtaining the property valuation reports and confirming the fair value of the real estate assets in light of the valuation methods used, changes in the scope and the market inputs on which the Property Appraiser’s valuations are based, such as the discount rate, the rate of return and the market rental value;

- Conducting an interview with the Finance Department and the Property Appraiser to justify the appraisal values for specific assets that have come to our attention;
- On this basis, comparing the fair value and the net carrying amount of the property assets, and assessing whether adequate impairment losses have been recognised;
- Assessing the appropriateness of the information shown in the Notes to the annual financial statements indicated above.

Specific verifications

We also performed specific verifications as required under statutory and regulatory provisions in accordance with the professional auditing standards applicable in France.

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

We have no matters to report regarding the fair presentation and consistency with the annual financial statements of the information in the Executive Board's management report and in the other documents on the financial position and the annual financial statements sent to shareholders.

We certify that the annual financial statements are consistently accurate as regards the information on terms of payment laid down in Article D.441-6 of the French Commercial Code.

Corporate governance report

We certify that the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code is included in the Supervisory Board's report on corporate governance.

We verified that the information provided pursuant to the provisions of Article L.22-10-9 of the French Commercial Code on the remuneration and benefits paid or allocated to corporate officers as well as the commitments made in their favour is consistent with the financial statements or with the data used to prepare these financial statements. Where applicable, we also verified that this information is consistent with the evidence collected by your company from companies that it controls that fall within the scope of consolidation. On the basis of this work, we certify that this information is accurate and fairly presented.

Other verifications or information required by legal and regulatory texts

Presentation format of the annual financial statements to be included in the annual financial report

In accordance with the professional standards relating to the statutory auditor's due diligence on the annual and consolidated financial statements presented in accordance with the single European electronic reporting format, we also verified compliance with this format as defined by Delegated European Regulation No. 2019/815 of 17 December 2018 in the presentation of the annual financial statements intended to be included in the annual financial report referred to in Article L.451-1-2 I of the French Monetary and Financial Code, prepared under the responsibility of the Chairman of the Executive Board.

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

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

Appointment of Statutory Auditors

We were appointed as Statutory Auditors of Argan by your General Shareholders' Meeting of 20 December 2006 (Mazars) and the Combined Shareholders' Meeting of 15 April 2008 (Exponens Conseil & Expertise).

As at 31 December 2022, Mazars was in its 18th consecutive year of appointment and Exponens Conseil & Expertise in the 15th year, marking their 17th and 15th years, respectively, since the company's securities were admitted to trading on a regulated market.

Responsibilities of management and of the persons charged with corporate governance in relation to the annual financial statements

The management is responsible for the preparation of annual financial statements that give a true and fair view in accordance with French accounting rules and principles and for implementing the internal controls it deems necessary for the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

When preparing the annual financial statements, management is responsible for assessing the company's ability to continue as a going concern, for presenting the information required in these financial statements, where applicable, in relation to the continuity of operations, and for applying the going concern accounting policy, unless there is a plan to liquidate the company or cease its operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of the internal control and risk management systems, as well as internal auditing, where appropriate, with regard to the procedures for preparing and processing accounting and financial information.

The annual financial statements have been adopted by the Executive Board.

Responsibilities of the Statutory Auditors in the audit of the annual financial statements

Audit objective and procedure

We are responsible for preparing a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements taken as a whole are free from material misstatement. Reasonable assurance means a high level of assurance, but this does not guarantee that an audit carried out in accordance with professional standards can always detect every material misstatement. Misstatements may result from fraud or error and are considered material when it can reasonably be expected that they might, individually or collectively, influence the financial decisions taken by users of the financial statements on the basis of those statements.

As specified in Article L.823-10-1 of the French Commercial Code, our certification of the financial statements does not involve any guarantee of the viability or quality of your company's management.

In an audit carried out in accordance with the professional standards applicable in France, the statutory auditor exercises professional judgement throughout the audit. In addition, the statutory auditor:

- identifies and assesses the risks of material misstatement in the annual financial statements, whether due to fraud or error, develops and implements audit procedures in response to these risks, and gathers information that it considers sufficient and appropriate to support its opinion. The risk of failing to detect a material misstatement resulting from fraud is greater than in the case of a material misstatement resulting from error, since fraud may involve collusion, falsification, deliberate omissions, false declarations or the circumvention of the internal control system;
- obtains an understanding of the aspects of internal control that are relevant for the audit in order to develop appropriate audit procedures in the circumstances, and not to express an opinion as to the effectiveness of the internal control systems;
- assesses the appropriateness of the accounting policies used, and the reasonableness of the accounting estimates made by the management and the related information provided in the annual financial statements;
- assesses the appropriateness of the management's application of the going concern accounting principle and, according to the evidence collected, whether there is material uncertainty connected with events or circumstances that could jeopardise the company's ability to continue its operations. This assessment is based

on the evidence collected up to the date of the statutory auditor's report, but it is noted that subsequent circumstances or events could jeopardise the continuity of operations. If the auditor concludes that there is material uncertainty, they draw the attention of readers of the report to the information provided in the annual financial statements concerning this uncertainty or, if this information is not provided or is not relevant, it issues a certification with reservations or refuses to certify;

- appraises the overall presentation of the annual financial statements and evaluates whether the annual financial statements reflect the underlying transactions and events in a way that gives a true and fair view.

Report to the Audit Committee

We provide the Audit Committee with a report that describes the scope of the audit and the programme of work carried out, as well as the conclusions resulting from our work. We also draw its attention to any significant weaknesses in the internal control system that we have identified with regard to the procedures for preparing and processing accounting and financial information.

The report to the Audit Committee includes information on the risks of material misstatement that we consider to have been the most important for the audit of the annual financial statements for the financial year and which therefore constitute the key audit matters that we have to describe in this report.

We also provide the Audit Committee with the declaration set out in Article 6 of Regulation (EU) No. 537/2014 confirming our independence, within the meaning of the rules applicable in France laid down by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where necessary, we discuss the risks to our independence and the safeguard measures applied with the Audit Committee.

The Statutory Auditors

Paris and Paris-la-Défense, 22 February 2023

EXPONENS

Nathalie LUTZ, Partner

MAZARS

Jean-Maurice EL NOUCHI, Partner

ARGAN

Public limited company with an Executive Board and Supervisory Board
with capital of €45,962,728

Registered office: 21, rue Beffroy – 92200 NEUILLY-SUR-SEINE, France

Trade and Companies Register: NANTERRE B 393 430 608

Statutory auditors' special report on regulated agreements

Shareholders' Meeting to approve the financial statements for
the year ended 31 December 2022

EXPONENS

MAZARS

ARGAN

Public limited company with an Executive Board and Supervisory Board

Statutory auditors' special report on regulated agreements

General Meeting to approve the financial statements for the year ended 31 December 2022

To the shareholders,

In our capacity as statutory auditors of your company, we present below our report on regulated agreements.

Our obligation is to inform you, on the basis of the information given to us, of the characteristics and the main terms of the agreements of which we were informed or which we discovered in the course of our work, along with the reasons they are beneficial to the company. We do not comment as to their usefulness or appropriateness, or investigate whether any additional agreements exist. Your obligation, under the terms of Article R.225-58 of the French Commercial Code, is to determine whether the agreements are of benefit and should be approved.

Furthermore, we are required, if applicable, to provide you with the information stipulated in Article R.225-58 of the French Commercial Code on the execution in the past financial year of agreements already approved by the General Meeting.

We have followed due diligence as we deemed necessary as a result of the professional standards of the French national institute of statutory auditors (Compagnie nationale des commissaires aux comptes) relating to this assignment. This due diligence involved verifying the consistency of the information provided to us with the basic documents from which it was obtained.

AGREEMENTS SUBJECT TO APPROVAL BY THE GENERAL MEETING

We hereby inform you that we have not been notified of any agreements authorised and entered into during the past financial year to be submitted for approval by the General Shareholders' Meeting pursuant to the provisions of Article L.22586 of the French Commercial Code.

AGREEMENT PREVIOUSLY APPROVED BY THE GENERAL MEETING

Pursuant to Article L. 225-57 of the French Commercial Code, we were informed that the following agreements, approved by the General Shareholders' Meeting in previous financial years, continued to be performed during the past financial year.

Service Agreement with Hubert Rodarie

Subject: Participation of Hubert Rodarie in team meetings organised by Argan SA or the provision by Hubert Rodarie of face-to-face consulting services in the form of half-day sessions in order to share with the teams his experience and expertise on the various topics that will be discussed there.

Companies concerned: Argan SA and RDR Conseil, represented by Hubert Rodarie (Vice-Chairman of the Supervisory Board, member of the Audit Committee)

Terms:

- monthly invoicing and fixed remuneration calculated on the basis of €1,000, excluding tax, per half-day;
- the expense recorded during the financial year amounted to €5,000.

Term: Signature of the agreement on 1 December 2021 for two renewable years; by way of exception, the agreement will cease to have effect should Mr Hubert Rodarie lose his position as a member of the Supervisory Board for any reason whatsoever.

Reasons given by the Supervisory Board justifying the interest of this agreement for the company: Mr Hubert Rodarie's involvement with Argan SA's teams and his participation in the meetings organised by Argan SA would bring a certain added value, particularly in light of his financial expertise and his extensive experience.

The Statutory Auditors

Paris and Paris-la-Défense, 22 February 2023

EXPONENS

Nathalie LUTZ, Partner

MAZARS

Jean-Maurice EL NOUCHI, Partner

3. APPENDICES TO THE MANAGEMENT REPORT

NATURE OF INFORMATION	FY 31/12/2022	FY 31/12/2021	FY 31/12/2020	FY 31/12/2019	FY 31/12/2018
1. Capital at the end of the financial year					
Share capital	45,902,580	44,177,090	44,618,454	44,423,938	32,755,266
Number of existing ordinary shares	22,951,290	22,588,545	22,309,227	22,211,969	16,377,633
2. Operations and earnings for the year					
Net sales excluding taxes	194,773,219	181,591,302	168,514,414	108,965,651	104,941,799
Pre-tax income, employee profit-sharing and amortisation, depreciation and provisions	91,952,524	122,824,308	71 600 904	33 374 881	47 749 002
Income tax	32 959	27 703	24,652	32 245	1 693 597
Employee profit-sharing payable for the financial year	0	0	0	0	0
Income after tax, employee profit-sharing and amortisation, depreciation and provisions	15 587	41 382 057	2 568 830	4 547 427	21 401 908
Distributed income	*68 944 092	58 723 288	46 843 104	42,279,587	22 106,322
3. Earnings per share					
Income after tax and employee profit-sharing but before amortisation, depreciation and provisions	4,00	5,44	3,21	1,50	2,81
Income after tax, employee profit-sharing and amortisation, depreciation and provisions	0,00	1,83	0.12	0.20	1.31
Dividend allocated to each share	3,00	2.60	2.10	1.90	1.35
4. Staff					
Average employee headcount during the year	27	26	26	25	22
Payroll expense for the year	3,885,973	3,680,093	3,160,515	3,034,473	2,780,493
Amounts paid in respect of employee benefits for the financial year (social security, employee welfare)	1,609,199	1,524,771	1,974,116	1,207,057	1,209, 288

* corresponds to the maximum amount that will be distributed (given that treasury shares held on the day of distribution are not entitled to the dividend)

1. General information

1.1. Company name

The Company's name is "ARGAN".

1.2. Location and unique identification number

The Company is registered with the Nanterre Trade and Companies Register under the unique identification number 393 430 608.

1.3. Date of incorporation and lifetime

The Company was incorporated on 30 December 1993 for a term of ninety-nine (99) years expiring on 30 December 2092.

1.4. Registered office, legal form and applicable legislation

The registered office of the Company is located at 21, rue Beffroy 92200 Neuilly-sur-Seine, – France (telephone: +33 (0)1.47.47.05.46).

The Company was incorporated as a limited liability company and was converted into a simplified joint stock company on 16 December 1999.

It became a public limited company with an Executive Board and a Supervisory Board on 17 April 2003.

The Company is a French public limited company (société anonyme), governed in particular by the provisions of the French Commercial Code.

1.5. Company LEI code

Argan's LEI code is: 529900FXM41XSCUSGH04.

1.6. Company website

Argan's website is www.argan.fr.

Please note that unless otherwise stipulated in this Universal Registration Document, the information on the website is not included in this document.

1.7. History of the Company's capital

The Company was created on 30 December 1993 under the name "ARGAN", with capital of €60,979.61 (400,000 French francs) by Mr Jean-Claude Le Lan, the

current Chairman of the Supervisory Board.

The Extraordinary General Meeting of 16 December 1999 decided to convert the share capital into euros by converting the nominal value and increasing the capital by a sum of €3,020.40 by raising the par value of the shares and by capitalisation of the same amount deducted from the "retained earnings" account.

By a decision of the Extraordinary Shareholders' Meeting of 29 December 2000, the share capital was increased to €700,000 by means of a capital increase in kind of €230,784 and capitalisation of €405,216 of the share premium, fully paid up.

By a decision of the Combined Shareholders' Meeting of 31 March 2005, the share capital was increased to €3,062,500 by means of the capitalisation of €2,362,500 of ordinary reserves, fully paid up.

The Combined Shareholders' Meeting of 19 April 2007 resolved to divide the share capital into 1,531,250 shares with a par value of two euros (€2) each. In addition, the Combined Shareholders' Meeting of 19 April 2007 resolved to increase the share capital to €15,000,000 by means of (i) a capital increase of €2,590,000 in connection with ARGAN's merger by absorption of IMMOFINANCE and (ii) capitalisation of €9,347,500 of the merger premium resulting from the above-mentioned merger by absorption, fully paid up.

On 19 June 2007, the Executive Board decided, pursuant to a delegation of authority granted by the Combined Shareholders' Meeting of 19 April 2007 in its 8th resolution on an extraordinary basis, to increase the Company's share capital by a nominal amount of €4,000,000 by issuing 2,000,000 new shares, each with a par value of €2, thereby taking the share capital to €19,000,000.

On 8 June 2009, the Executive Board resolved to record the final completion of the Company's capital increase of €488,988 resulting from the resolution by the Combined Shareholders' Meeting of 28 April 2009 to offer shareholders payment of the dividend in shares for the financial year ended 31 December 2008 of €0.60 net per share. At this time, the Company issued 244,494 new shares, each with a par value of €2, thereby taking the Company's share capital to €19,488,988.

On 13 May 2010, the Executive Board resolved to record the final completion of the Company's capital increase of €784,040 resulting from the resolution by the Combined Shareholders' Meeting of 8 April 2010 to offer shareholders payment of the dividend in shares for the financial year ended 31 December 2009 of €0.66 net per share. At this time, the Company issued 392,020 new shares, each with a par value of €2, thereby taking the Company's share capital to €20,273,028.

On 30 March 2011, the General Meeting approved the merger by absorption of IMMOGONESSE, a simplified joint stock company with share capital of €5,360,000 with its registered office at 10 rue Beffroy, 92200 Neuilly-sur-Seine, France, registered in the Nanterre trade and companies register under number 489 587 758, of which it already held all the shares. Hence, the transaction did not result in any capital increase. The net assets contributed amounted to €69,733.76.

On 19 April 2011, the Chairman of the Executive Board resolved to record the final completion of the capital increase, maintaining preferential subscription rights for the Company's shareholders, for a nominal amount of €6,358,356 resulting from the resolutions of the Executive Board meetings of 21 March 2011 and 15 April 2011. In this, he made use of the delegations of authority and authorisations granted by the 13th and 16th resolutions of the Company's General Meeting of 28 April 2009. At this time, the Company issued 3,179,178 new shares, each with a par value of €2, thereby taking the Company's share capital to €26,631,384.

On 6 May 2011, the Executive Board resolved to record the final completion of the Company's capital increase of €494,060 resulting from the resolution by the Combined Shareholders' Meeting of 30 March 2011 to offer shareholders payment of the dividend in shares for the financial year ended 31 December 2010 of €0.75 net per share. At this time, the Company issued 247,030 new shares, each with a par value of €2, thereby taking the Company's share capital to €27,125,444.

On 15 June 2011, the Chairman of the Executive Board resolved to record the final completion of the capital increase for one category of beneficiaries for a nominal amount of €300,000 resulting from the resolutions of the Executive Board meeting of 6 June 2011. In this, he made use of the delegation of authority granted by the 1st resolution of the Company's General Meeting of 6 June 2011. At this time, the Company issued 150,000 new shares, each with a par value of €2, thereby taking the Company's share capital to €27,425,444.

On 15 May 2012, the Chairman of the Executive Board resolved to record the final completion of the Company's capital increase of a nominal amount of €754,312 resulting from the resolution by the Combined Shareholders' Meeting of 30 March 2012 to offer shareholders payment of the dividend in shares for the financial year ended 31 December 2011 of €0.80 net per share. At this time, the Company issued 357,156 new shares, each with a par value of €2, thereby taking the Company's share capital to €28,179,756.

On 1 February 2013, the Executive Board used the delegations of authority granted to it by the Company's General Meetings of 8 April 2010 (13th resolution) and 30 March 2011 (11th resolution), resolving to record the final completion of the Company's capital increase of a nominal amount of €72,900 resulting from the free allocation of 36,450 new shares, each with a par value of €2, thereby taking the Company's share capital to €28,252,656.

On 31 January 2014, the Executive Board used the delegations of authority granted to it by the Company's General Meetings of 8 April 2010 (13th resolution) and 28 March 2013 (8th resolution), resolving to record the final completion of the capital increase of a nominal amount of €71,600 resulting from the free allocation of 35,800 new shares, each with a par value of €2, thereby taking the Company's share capital to €28,324,256.

On 19 January 2015, the Executive Board used the delegations of authority granted to it by the Company's General Meetings of 8 April 2010 (13th resolution) and 28 March 2013 (8th resolution), resolving to record the final completion of the capital increase of a nominal amount of €73,500 resulting from the free allocation of 36,750 new shares, each with a par value of €2, thereby taking the Company's share capital to €28,397,756.

On 21 January 2016, the Executive Board used the delegations of authority granted to it by the Company's General Meetings of 28 March 2013 (16th resolution) and 27 March 2015 (12th resolution), resolving to record the final completion of the capital increase of a nominal amount of €21,600 resulting from the free allocation of 10,800 new shares, each with a par value of €2, thereby taking the Company's share capital to €28,419,356.

On 27 April 2016, the Executive Board resolved to record the final completion of the Company's capital increase of €538,542 resulting from the resolution by the Combined Shareholders' Meeting of 24 March 2016 to offer shareholders payment of the dividend in shares

for the financial year ended 31 December 2015 of €0.88 net per share. At this time, the Company issued 269,271 new shares, each with a par value of €2, thereby taking the Company's share capital to €28,957,898.

On 20 January 2017, the Executive Board used the delegations of authority granted to it by the Company's General Meetings of 28 March 2013 (16th resolution) and 27 March 2015 (12th resolution), resolving to record the final completion of the capital increase of a nominal amount of €19,200 resulting from the free allocation of 9,600 new shares, each with a par value of €2, thereby taking the Company's share capital to €28,977,098.

On 27 April 2017, the Executive Board resolved to record the final completion of the Company's capital increase of €639,350 resulting from the resolution by the Combined Shareholders' Meeting of 23 March 2017 to offer shareholders payment of the dividend in shares for the financial year ended 31 December 2016 of €0.92 net per share. At this time, the Company issued 319,675 new shares, each with a par value of €2, thereby taking the Company's share capital to €29,616,448.

The Extraordinary Shareholders' Meeting of 13 December 2017 approved the contribution in kind by GERILOGISTIC of two warehouse buildings in Moissy Cramayel (77) to the Company and resolved (i) to increase the share capital correspondingly by a nominal amount of €2,711,864 by issuing 1,355,932 new shares in consideration of the said contribution, and (ii) that the difference between the value of the contribution in kind (i.e. €40,000,000) and the nominal value of the shares allocated in consideration of the said contribution (i.e. €2,711,864) equates to a share premium of €37,288,136.

On 19 January 2018, the Executive Board used the delegations of authority granted to it by the Company's General Meetings of 28 March 2013 (16th resolution) and 23 March 2017 (15th resolution), resolving to record the final completion of the capital increase of a nominal amount of €39,190 resulting from the free allocation of 19,595 new shares, each with a par value of €2, thereby taking the Company's share capital to €32,367,502.

On 27 April 2018, the Executive Board resolved to record the final completion of the Company's capital increase of €387,764 resulting from the resolution by the Combined Shareholders' Meeting of 22 March 2018 to offer shareholders payment of the dividend in shares for the financial year ended 31 December 2017 of €1.02

net per share. At this time, the Company issued 193,882 new shares, each with a par value of €2, thereby taking the Company's share capital to €32,755,266.

On 26 April 2019, the Executive Board resolved to record the final completion of the Company's capital increase of €490,684 resulting from the resolution by the Combined Shareholders' Meeting of 21 March 2019 to offer shareholders payment of the dividend in shares for the financial year ended 31 December 2018 of €1.35 net per share. At this time, the Company issued 245,342 new shares, each with a par value of €2, thereby taking the Company's share capital to €33,245,950.

The Extraordinary Shareholders' Meeting of 15 October 2019 approved the contribution in kind by CRFP 8, Predica Prévoyance Dialogue du Crédit Agricole and Primonial Capimmo of a total of 22,737,976 membership shares of SCI Cargo Property Assets and resolved (i) to increase the share capital correspondingly by a nominal amount of €11,177,988 by issuing 5,588,994 new shares in consideration of the said contribution, and (ii) that the difference between the value of the contribution in kind (i.e. €279,449,725.04) and the nominal value of the shares allocated in consideration of the said contribution (i.e. €11,177,988) equated to a share premium of €268,271,737.04.

On 15 January 2020, the Executive Board used the delegations of authority granted to it by the Company's General Meetings of 24 March 2016 (13th resolution) and 21 March 2019 (16th resolution), resolving to record the final completion of the capital increase of a nominal amount of €83,936 resulting from the free allocation of 41,968 new shares, each with a par value of €2, thereby taking the Company's share capital to €44,507,874.

On 22 April 2020, the Executive Board resolved to record the final completion of the Company's capital increase of €110,580 resulting from the resolution by the Combined Shareholders' Meeting of 19 March 2020 to offer shareholders payment of the dividend in shares for the financial year ended 31 December 2019 of €1.90 net per share. At this time, the Company issued 55,290 new shares, each with a par value of €2, thereby taking the Company's share capital to €44,618,454.

On 29 April 2021, the Executive Board resolved to record the final completion of the Company's capital increase of €558,636 resulting from the resolution by the Combined Shareholders' Meeting of 25 March 2021 to offer shareholders payment of the dividend in shares for the financial year ended 31 December 2020 of €2.10 per share. At this time, the Company issued 279,318 new

shares, each with a par value of €2, thereby taking the Company's share capital to €45,177,090.

On 26 April 2022, the Executive Board resolved to record the final completion of the Company's capital increase of €725,490 resulting from the resolution by the Combined Shareholders' Meeting of 24 March 2022 to offer shareholders payment of the dividend in shares for the financial year ended 31 December 2021 of €2.60 per share. At this time, the Company issued 362,745 new shares, each with a par value of €2, thereby taking the Company's share capital to €45,902,580.

to the corporate purpose or to any similar or related purposes likely to expedite its expansion or development, including the possibility of trading its assets, including by way of sale.

2. Share capital and Articles of Association

2.1. Articles of Association

2.1.1 Corporate purpose (Article 3 of the Articles of Association)

The Company's purpose is, in France or abroad:

- primarily, the purchase and/or construction of all lands, buildings and property assets and rights for rental, management or leasing; the development of all lands and property assets and rights; fitting out all property units for rental; and all other ancillary or related activities pertaining to the above-mentioned business activity; all being performed directly or indirectly, either alone, in partnership or as part of a joint venture, grouping or company, with any other persons or companies;
- on an ancillary basis, services relating to real estate and, in particular, delegated project management, buildings maintenance and rental management.
- involvement, by any means, in any transactions that may relate to its purpose, by acquiring any interests and shareholdings, by any means and in any form whatsoever, in any French or foreign company, including by means of acquisition, creation of new companies, subscription for or purchase of securities or membership rights, contributions, mergers, partnerships, joint ventures, economic interest groupings or otherwise, as well as the administration, management and control of such interests and shareholdings;
- and, more generally, any property and financial transactions that may relate directly or indirectly

2.1.2 General Meetings

➤ **Meeting notice (Article 32 of the Articles of Association)**

General Meetings are convened either by the Executive Board or, failing that, by the Supervisory Board or the Statutory Auditor(s) or by any person authorised for this purpose by the statutory or regulatory provisions.

General Meetings will be held at the registered office or at any other location given in the meeting notice.

General Meetings are convened and held in accordance with the applicable laws and regulations. In particular, any shareholder may, if the Executive Board so decides, participate and vote at the General Meeting by videoconference or by any other means of telecommunication enabling it to be identified under the conditions set by law and the regulations in force and shall be deemed present for the calculation of the quorum and majority.

➤ **Agenda (Article 33 of the Articles of Association)**

Meeting agendas are prepared by the person convening the meeting.

One or more shareholders, representing at least the proportion of the share capital stipulated by the applicable laws and regulations or a group of shareholders fulfilling the conditions set out in Article L.225-120 of the French Commercial Code, have the right to request the inclusion of items or draft resolutions on the agenda. Requests to include items or draft resolutions on the agenda for the meeting must be sent to the registered office of the Company by registered letter with acknowledgement of receipt or in electronic form.

The Shareholders' Meeting cannot discuss an item that is not on the agenda, which cannot be amended if the meeting is convened a second time. However, it may, under any circumstances, remove one or more members of the Supervisory Board and replace them.

➤ **Admission to Shareholders' Meetings – Powers (Article 34 of the Articles of Association)**

In accordance with the applicable laws and regulations, shareholders are entitled to participate in the General Meeting if the securities are recorded in the securities account in their name or the name of the registered intermediary (in accordance with the seventh paragraph of Article L.228-1 of the French Commercial Code) at midnight, Paris time, on the second business day preceding the Meeting, either in the registered

securities accounts held by the Company, or in the bearer securities accounts held by an intermediary mentioned in Article L.211-3 of the French Monetary and Financial Code.

Any shareholder may vote by post using a form that can be obtained as indicated in the meeting notice.

A shareholder may be represented by any natural or legal person of their choice as provided for by the applicable laws and regulations.

If the Executive Board so decides when convening the Meeting, shareholders may use an application form for admission and proxy or remote voting in electronic format under the conditions set by law and the regulations in force. In this case, the electronic signature used must be obtained from a reliable identification process guaranteeing its link with the voting form to which it is attached. The proxy or vote cast electronically before the General Meeting, as well as the acknowledgement of receipt thereof, shall be considered non-revocable and enforceable written documents, it being specified that in the event of a sale of securities occurring before the date set by the regulations in force, the company will therefore invalidate or modify, as the case may be, the proxy or vote cast before that date. Those shareholders who use the proposed electronic voting or proxy form within the required time limits are equivalent to those shareholders who are present or represented.

➤ **Meeting procedures – Meeting officers – Minutes (Article 35 of the Articles of Association)**

An attendance register containing all the information stipulated by the applicable laws and regulations is duly signed by the shareholders present and the shareholders' proxies; the powers granted to each representative and, if applicable, the postal voting forms, are attached to the attendance register. The officers for the Shareholders' Meeting certify that the attendance register is accurate.

Meetings are chaired by the Chairman of the Supervisory Board or, in their absence, by the Vice-Chairman. Failing this, they are chaired by the Chairman of the Executive Board or by any other person that the meeting elects. If the Shareholders' Meeting is called by a Statutory Auditor or a court officer, it is chaired by the person convening the meeting.

Provided they accept, the two shareholders present who represent the largest number of votes, both by themselves and as proxies, act as deputy returning officers.

These meeting officers (the chair and the deputy returning officers) then appoint a secretary who does not need to be a member of the Shareholders' Meeting. The meeting officers run the Shareholders' Meeting, their role being to verify, certify and sign the attendance register, ensure that discussions are properly held, settle any differences that may arise in the course of the meeting, count the votes cast and ensure their validity, and ensure that minutes of the meeting are drawn up. Any member of the Shareholders' Meeting may request that the meeting officers' decisions be subject to the sovereign vote of the Shareholders' Meeting itself.

Proceedings are recorded in minutes signed by the meeting officers and kept in a special register in accordance with the applicable laws and regulations. Copies of and excerpts from are valid when certified under the conditions provided for by the applicable laws and regulations.

➤ **Quorum – Voting (Article 36 of the Articles of Association)**

Calculation of the quorum is based on all the shares that make up the share capital, except in Special Shareholders' Meetings, where it is based on all the shares of the relevant class, less any shares with no voting rights under the applicable laws and regulations. In the event of a postal vote, only forms that have been duly completed and received by the Company at least three days before the date of the Meeting will be taken into account for calculation of the quorum.

Voting rights attached to capital or dividend shares are proportional to the capital they represent. Each share confers one vote.

Votes are taken by a show of hands, by roll call or by secret ballot, as decided by the meeting officers or the shareholders. Shareholders may also vote by post.

➤ **Ordinary Shareholders' Meeting (Article 37 of the Articles of Association)**

The Ordinary Shareholders' Meeting takes any decisions which exceed the powers of the Executive Board and which are not intended to amend the Articles of Association.

The Ordinary Shareholders' Meeting is held at least once a year, within six months of the end of the financial year, to approve the financial statements for this financial year, unless this period is extended by a court decision.

When convened for the first time, it can only make valid decisions if the shareholders present or represented or voting by post hold at least one fifth of the shares with

voting rights. No quorum is required when the meeting is convened for a second time.

Resolutions are passed by a majority of the votes of the shareholders present, represented or voting by post.

➤ **Extraordinary Shareholders' Meeting (Article 38 of the Articles of Association)**

The Extraordinary Shareholders' Meeting may amend any provisions of the Company's Articles of Association and may decide, for example, to adopt another civil or commercial legal form for the Company. It may not, however, increase the commitments of shareholders, excepting transactions resulting from a consolidation of shares performed in a due and proper manner.

The Extraordinary Shareholders' Meeting can only make valid decisions if the shareholders present or represented or voting by post hold at least one quarter of the shares with voting rights the first time the meeting is convened, and one fifth of the said shares the second time it is convened. Should the latter quorum not be achieved, the second Meeting may be postponed to a date no more than two months later than the date for which it was convened.

Resolutions are passed by a two-thirds majority of the votes of the shareholders present, voting by post or represented.

In constitutive Extraordinary Shareholders' Meetings, i.e. meetings called to discuss the approval of a contribution in kind or the grant of a special benefit, the contributor or the beneficiary is not entitled to vote either on their own account or as a proxy.

➤ **Special Shareholders' Meetings (Article 39 of the Articles of Association)**

If there are several share classes, no change may be made to the rights of the shares of any of these classes without the requisite vote of an Extraordinary Shareholders' Meeting open to all shareholders and, moreover, without the requisite vote of a Special Shareholders' Meeting open only to owners of shares of the relevant class.

Special Shareholders' Meeting can only make valid decisions if the shareholders present or represented hold at least one third of the shares of the relevant class the first time the meeting is convened, and one fifth of the said shares the second time it is convened.

Invitations for and decisions of Special Shareholders' Meetings are issued in accordance with the applicable legal and regulatory conditions.

2.2. Share capital

As at 26 April 2022, the share capital was FORTY-FIVE MILLION NINE HUNDRED AND TWO THOUSAND FIVE HUNDRED AND EIGHTY EUROS (€45,902,580).

It is divided into TWENTY-TWO MILLION NINE HUNDRED AND FIFTY-ONE THOUSAND TWO HUNDRED AND NINETY (22,951,290) shares, all of the same class, with a par value of TWO (2) euros each, fully paid up.

2.2.1 Change in share capital (Article 8)

➤ Share capital increase

The share capital may be increased by any means and in accordance with all the terms and conditions provided for by the applicable laws and regulations.

The Extraordinary Shareholders' Meeting has sole authority on the Executive Board's report to decide to increase the capital. It may delegate this authority to the Executive Board under the conditions set by the applicable laws and regulations.

The share capital may be increased either by issuing ordinary shares or preferred shares or by increasing the nominal amount of existing capital securities. It may also be increased via the exercise of rights attached to transferable securities giving access to the capital, under the conditions provided for by the applicable laws and regulations.

Shareholders have a preferential right in proportion to the amount of their shares to the subscription of cash shares issued to carry out a capital increase. Shareholders may waive their preferential right on an individual basis.

The right to allocate new shares to shareholders, following the capitalisation of reserves, profits or issue premiums, belongs to the bare owner, subject to the rights of the beneficiary.

➤ Payment for shares

New equity securities are issued either at their nominal amount or at this amount plus an issue premium. Payment in consideration for such securities may be made in cash, including by offset against debts due and payable by the Company, or by contributions in kind, by capitalisation of reserves, profits or issue premiums, or as the result of a merger or a demerger. They may also be paid up following the exercise of a right attached to transferable securities giving access to the capital including, where applicable, the payment of the corresponding sums.

For shares subscribed in cash, at least one quarter of their nominal value must be paid up at the time of subscription together with, where applicable, the entirety of the issue premium. The balance should be paid in one or more instalments, as decided by the Executive Board, within five years from the day on which the capital increase was completed.

Subscribers are notified of calls for funds by registered letter with acknowledgement of receipt sent at least fifteen days prior to the date set for each payment. Payments shall be made either at the registered office or at any other place indicated for this purpose.

Any delay in the payments due on the unpaid amount of the shares will automatically, and without any further formalities whatsoever, result in payment of interest at the statutory rate, accruing from the date such payment was due, without prejudice to actions that the Company may bring against the defaulting shareholder or any enforcement measures provided by the applicable laws and regulations.

➤ Capital reduction

The Extraordinary Shareholders' Meeting may authorise a capital reduction or decide to reduce the capital, and may delegate the broadest powers to the Executive Board to complete the reduction. It may not, under any circumstances, derogate from the principle of equality of shareholders.

The share capital may only be reduced to an amount below the legal minimum on the condition precedent of a capital increase intended to increase it to at least this minimum amount, unless the Company is converted into a different form of company.

In the event of failure to comply with these provisions, any interested party may seek the dissolution of the Company in court.

The court may not order the dissolution of the Company, however, if the situation has been remedied on the date on which it rules on the case.

➤ Capital depreciation

The capital may be depreciated as provided for by the applicable laws and regulations. Depreciated shares are called dividend shares; the right to any distribution or reimbursement on the nominal value of the securities is reduced by the amount of the depreciation, but they retain their other rights.

2.2.2 Form of shares (Article 9 of the Articles of Association)

➤ *Identification of shareholders*

Shares may be either registered shares or bearer shares as decided by the holder. Registered shares may be converted to bearer shares and vice versa, subject to the applicable laws and regulations.

Ownership of the shares results from their entry in the account under the conditions and in the manner stipulated by the applicable laws and regulations.

For the purpose of identifying the holders of bearer securities, the Company or its representative is entitled to request, under the applicable legal and regulatory conditions, information concerning the owners of its shares and securities conferring the immediate or future right to vote at its own shareholders' meetings. Such information may be requested at any time and at the Company's own expense, either from the central custodian in charge of the administration of its share issue account, or directly from one or more financial intermediaries mentioned in Article L.211-3 of the French Monetary and Financial Code.

Where the deadline stipulated by the applicable laws and regulations for disclosure of such information is not met, or where the information provided is incomplete or incorrect, the central custodian, the Company or its representative or the account administrator may apply to the presiding judge of the court ruling in summary proceedings to enforce fulfilment of the disclosure obligation.

Under the conditions specified by the applicable laws and regulations (particularly those concerning time limits), intermediaries acting on behalf of owners of registered securities who are domiciled outside France are required to disclose information about the owners of such securities, at the request of the Company or its representative, which may be made at any time.

Should the Company deem that certain holders of bearer or registered securities whose identity has been disclosed to it hold such securities on behalf of third-party owners, it is entitled to ask these holders to disclose information about the owners of such securities held by each of them, under the conditions specified by the applicable laws and regulations.

In the event that the threshold of 10% of the Company's capital is exceeded (where this is understood as holding 10% or more of the rights to dividends paid by the company), whether directly or indirectly, any shareholder who is not a natural person must state in their declaration of threshold crossing whether they are a Shareholder Subject to Withholding Tax (as defined in

Article 43 of the Articles of Association). If such a shareholder declares itself to be a Shareholder Subject to Withholding Tax, it must register all the shares it actually owns in registered form and ensure that the entities that it controls within the meaning of Article L.233-3 of the French Commercial Code also register all the shares that they hold in registered form. Should such shareholder declare that it is not a Shareholder Subject to Withholding Tax, it must provide evidence of this at any such request from the company. Additionally, if the company requests it, the shareholder must provide a legal opinion from an international tax consultancy firm. Any shareholder other than a natural person who has reported that they have crossed the threshold of 10% of the company's capital, whether directly or indirectly, must notify the company promptly of any change in its tax status that would cause it to acquire or lose the status of Shareholder Subject to Withholding Tax.

➤ *Declaration of thresholds crossing*

In addition to the obligation to inform the Company of the holding of certain fractions of the capital or voting rights pursuant to Articles L.233-7 et seq. of the French Commercial Code, any natural or legal person, acting alone or in concert with others, who becomes the direct or indirect holder of a number of shares, voting rights or securities issued in representation of shares corresponding to 2% of the Company's capital or voting rights shall be required, within five trading days from the date of the registration of the shares that mean it reaches or exceeds this threshold, to inform the Company by registered letter with acknowledgement of receipt of its total holding of number of shares, voting rights and securities giving access to the capital.

This reporting obligation will apply under the conditions above whenever the holder exceeds or falls below the next 2% threshold, no matter what the reason, and applies when the 5% threshold is exceeded.

In case of failure to comply with the provisions above and in paragraph 3, point 6 of this Article, the shareholder(s) concerned will, subject to the conditions and limits laid down by the applicable laws and regulations, be deprived of the voting rights relating to the securities above the thresholds subject to reporting, if one or more shareholders holding at least 2% of the capital or voting rights requests this at the General Meeting.

2.2.3 Rights and obligations attached to the shares (Article 12 of the Articles of Association)

Each share confers the right to a share of the profits and corporate assets that is proportional to the capital it represents and confers the right to vote and to be represented at General Meetings under the conditions laid down in the applicable legal and regulatory conditions and in these Articles of Association.

Pursuant to the option provided by Article L.225-123 of the French Commercial Code, any mechanism that automatically confers double voting rights on shares for which proof of registration in the name of one and the same shareholder for at least two years can be provided is expressly excluded by these Articles of Association.

All shareholders have the right to be informed about the Company's operations and to access certain corporate documents at the time and under the conditions laid down by the applicable laws and regulations.

Shareholders are only liable for losses up to the amount of their contribution.

Subject to the legal and statutory provisions, no majority may impose an increase in shareholders' commitments. The rights and obligations attached to shares are transferred with the shares.

Possession of a share automatically implies full adherence to the resolutions of the General Meeting and to these Articles of Association.

Transfer includes all dividends due that have not been paid and all dividends falling due in the future, as well as any share in reserve funds, unless otherwise stipulated to the Company.

Heirs, creditors, beneficiaries or other representatives of a shareholder may not be entitled on any grounds whatsoever to request that the Company's assets and documents be placed under seal or request their distribution or sale by auction, or interfere in the administration of the Company; for the exercise of their rights, they should refer to the list of company assets and liabilities and the resolutions of the General Meeting.

Whenever it is necessary to hold a number of shares to exercise any particular right, for a share exchange, consolidation or allocation, or as a result of a capital increase or reduction, a merger or any other transaction, shareholders with isolated shares or with fewer shares than the number required are personally responsible for obtaining the number of shares necessary to exercise their rights, buying or selling shares if necessary to achieve this.

3. Allocation and distribution of profits (Article 43 of the Articles of Association)

Amounts to be set aside to reserves are deducted first from the profit for each financial year, less any prior losses, in accordance with the laws and regulations.

Accordingly, 5% is deducted to form the legal reserve; this deduction is no longer mandatory once the said fund reaches one-tenth of the share capital; the obligation applies once more if, for any reason, the legal reserve falls below this fraction.

Distributable profit consists of the profit for the financial year less prior losses and amounts set aside to reserves pursuant to the legal and regulatory provisions or the Articles of Association, plus retained earnings.

The General Meeting then determines the amount of this profit that it deems appropriate to transfer to any discretionary, ordinary or extraordinary reserves or to the retained earnings account.

Any remaining amount is divided between all shares in proportion to the amount paid up and not depreciated. Except in the case of a capital reduction, however, no distribution may be made to shareholders when equity falls below an amount of the capital plus reserves which may not be distributed under the legal and regulatory provisions or the Articles of Association, or would fall below it subsequent to the distribution.

Any shareholder, other than a natural person:

(i) with a direct or indirect holding, at the time that any distribution is paid out, of at least 10% of the company's dividend rights, and (ii) whose own situation or that of its partners with a direct or indirect holding, in respect of the payment of any distribution, of 10% or more of its dividend rights renders the company liable for the withholding tax of 20% referred to in Article 208 C II ter of the French General Tax Code (the "Withholding Tax") (such shareholder being hereinafter referred to as a "Shareholder Subject to Withholding Tax"), shall, at the time that any distribution is paid out, owe the company an amount corresponding to the Withholding Tax payable by the company in respect of the said distribution.

In the event that the company has a direct or indirect holding of 10% or more in one or more listed real estate investment companies referred to in Article 208 C of the French General Tax Code (a "Daughter SIIC"), the Shareholder Subject to Withholding Tax will also, at the time that any distribution is paid out, owe the company an amount equal to the difference (the "Difference") between (i) the amount that would have been paid to the company by one or more Daughter SIICs if the said Daughter SIIC(s) had not been subject to Withholding Tax because of the Shareholder Subject to Withholding

Tax, multiplied by the percentage of dividend rights held by shareholders other than the Shareholder Subject to Withholding Tax and (ii) the amount actually paid by the said Daughter SIIC(s) multiplied by the percentage of dividend rights held by shareholders other than the Shareholder Subject to Withholding Tax, such that the other shareholders do not have to pay any part of the Withholding Tax paid by any one of the SIICs in the chain of equity investments because of the Shareholder Subject to Withholding Tax. The company will be liable to shareholders other than Shareholders Subject to Withholding Tax for an amount equal to the Difference, in proportion to their dividend rights.

If there are multiple Shareholders Subject to Withholding Tax, each Shareholder Subject to Withholding Tax shall be liable to the company for the share of the Withholding Tax payable by the company that their direct or indirect investment has generated. The status of Shareholder Subject to Withholding Tax is assessed on the date of payment for the distribution. Subject to the information provided in accordance with paragraph 3, point 6 of Article 9 above, any shareholder who is not a natural person and who holds or acquires, directly or indirectly, at least 10% of the capital of the

company shall be deemed to be a Shareholder Subject to Withholding Tax.

Payment of any distribution to a Shareholder Subject to Withholding Tax will be made as an entry in the shareholder's individual current account (such sums will not produce interest); the current account will be reimbursed within five working days of the said entry once the sums owed by the Shareholder Subject to Withholding Tax have been offset, pursuant to the provisions set out above.

The General Meeting may decide to distribute all or part of the discretionary reserves in the form of a full or partial dividend, or as an exceptional distribution. In this case, the decision expressly identifies the reserve line items from which the amounts are to be debited. However, dividends are deducted first from the distributable profit for the year.

Following approval of the financial statements by the General Meeting, any losses are booked in a special account to be offset against future profits until the losses are eliminated.

4. Current delegations of authority

The Combined Shareholders' Meeting of 24 March 2022 granted the Executive Board the following delegations of authority:

Resolution	Purpose of the ordinary resolution adopted by the Company's Combined Shareholders' Meeting of 24 March 2022	Maximum amount	Duration of the delegation of authority as from 24 March 2022
18 th	Authorisation given to the Executive Board to purchase the Company's shares.	€150,000,000	eighteen (18) months
Resolution	Purpose of the extraordinary resolution proposed to the Company's Combined Shareholders' Meeting of 24 March 2022	Maximum amount	Duration of the delegation of authority as from 24 March 2022
19 th	Authorisation given to the Executive Board for the purpose of awarding free shares to employees and/or corporate officers	2% of the share capital	thirty-eight (38) months
20 th	Authorisation granted to the Executive Board to reduce the capital by cancelling shares;	10% of the share capital	eighteen (18) months

The Combined Shareholders' Meeting of 25 March 2021 granted the Executive Board the following delegations of authority:

Resolution	Purpose of the resolution adopted in the ordinary part of the Combined Shareholders' Meeting of the Company of 25 March 2021	Maximum amount	Duration of the delegation of authority as from 25 March 2021
19 th	Delegation of authority to the Executive Board for the purpose of deciding to increase the share capital by incorporating premiums, reserves, profits or other	€15,000,000	twenty-six (26) months
20 th	Delegation of authority to the Executive Board to decide to issue ordinary shares and/or securities which are equity securities giving access to other equity securities or conferring entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued – with maintenance of the preferential subscription right;	€25,000,000	twenty-six (26) months
21 st	Delegation of authority to the Executive Board to decide to issue ordinary shares and/or miscellaneous securities – without preferential subscription right and via a public offering other than those referred to in Article L.411-2, 1° of the French	€ 20.000.000	twenty-six (26) months

	Monetary and Financial Code, or as part of a public offer including an exchange component		
22 nd	Delegation of authority to the Executive Board to decide to issue ordinary shares and/or miscellaneous securities without preferential subscription rights and via an offer referred to in Article L.411-2, 1° of the French Monetary and Financial Code	20% of the share capital per year	twenty-six (26) months
23 rd	Authorisation granted to the Executive Board to decide to issue ordinary shares and/or miscellaneous securities and freely determine the issue price, without preferential subscription rights	10% of the share capital per year	twenty-six (26) months
24 th	Authorisation granted to the Executive Board to increase the number of shares and/or securities to be issued in case of a capital increase with or without preferential subscription rights	15% of the initial issue	twenty-six (26) months
25 th	Delegation of powers to the Executive Board in order to proceed, without preferential subscription rights, with the issue of ordinary shares and/or securities which are equity securities giving access to other equity securities of the Company or conferring entitlement to the allocation of debt securities and/or securities giving access to equity securities to be issued in order to remunerate contributions in kind granted to the Company up to a limit of 10% of the share capital	10% of share capital	twenty-six (26) months
27 th	Overall cap on share capital increases that may be implemented under the delegations of authority and authorisations in force	€50,000,000	
28 th	Delegation of authority to the Executive Board to increase the share capital, without preferential subscription rights, by issuing ordinary shares and/or securities reserved for members of a Company Savings Plan (PEE)	€1,000,000	twenty-six (26) months

5. Pledges – Mortgages

		Secured obligations			
<i>Companies</i>	<i>Building</i>	<i>Nature of the obligation</i>	<i>Outstanding capital As at 31/12/2022</i>	<i>Maturity</i>	<i>Security interests</i>
ARGAN	Creuzier-le-Neuf (03)	Loans granted by CA Nord and other CRCAs by means of a deed dated 10/05/2022	€10,295K	10/04/2029	- Lenders' liens and pari passu mortgage until 10/04/2030 - Assignment of pari passu rents
ARGAN	Tournan-en-Brie (77)	Real estate finance lease granted by FRUCTICOMI by means of a deed dated 27/03/2009	€5,056K	09/01/2025	- Assignment of sub-rents - Pledge of REFL - Lessee advance €1,500,000
ARGAN	Roye (80)	Loan granted by CE GEE by means of a deed dated 30/07/2020	€25,945K	10/07/2035	- Lenders' liens and Mortgage until 10/07/2036 - Assignment of rents
ARGAN	Roissy-en-Brie (77)	Real estate finance lease granted by CMCIC LEASE by means of a deed dated 21/10/2009	€4,542K	20/10/2024	- Assignment of sub-rents - Pledge of REFL - Lessee advance €3,470,000
ARGAN	FERRIÈRES-EN-BRIE (77)	Loans granted by BECM and CIC OUEST by means of deeds dated 15/11/2011 and 30/07/2020	€19,691K	15/11/2026	- Lenders' liens and pari passu mortgage until 15/11/2027 - Assignment of pari passu rents - Delegation of hedging agreement and pledge on operating account
ARGAN	SAINT-QUENTIN-FALLAVIER (38)	Assignment of real estate finance lease granted by SOGEFIMUR by means of a deed dated 10/03/2010	€7,706K	10/04/2025	- Assignment of sub-rents - Pledge of REFL - Lessee advance €5,500,000
ARGAN	Châtres (77)	Loans granted by CA Nord and other CRCAs by means of a deed dated 10/05/2022	€36,562K	10/04/2029	- Lenders' liens and pari passu mortgage until 10/04/2030 - Assignment of pari passu rents
ARGAN	Le Coudray-Montceaux (91) Bât A	Real estate finance lease granted by HSBC REAL ESTATE by means of a deed dated 22/07/2010	€17,460K	21/07/2025	- Assignment of sub-rents - Pledge of REFL - Delegation of interest rate hedge - Lessee advance € 9,000,000
ARGAN	CHANTELOUP-EN-BRIE (77)	Loans granted by CA Nord and other CRCAs by means of a deed dated 10/05/2022	€13,677K	10/04/2029	- Lenders' liens and pari passu mortgage until 10/04/2030

					- Assignment of pari passu rents
ARGAN	TRAPPES (78)	Loans granted by CA Nord and other CRCAs by means of a deed dated 10/05/2022	€34,164K	10/04/2025	- Lenders' liens and pari passu mortgage until 10/04/2030 - Assignment of pari passu rents
ARGAN	Wissous (91)	Loan granted by BPI France by means of a deed dated 29/11/2011	€3,545K	10/10/2027	- Mortgage until 10/10/2028 - Assignment of rents
ARGAN	Amblainville (60)	Real estate finance lease granted by FINAMUR & HSBC by means of deeds dated 07/10/2011, 26/07/2012 and 10/02/2017	€9,772K	24/05/2027	- Assignment of sub-rents - Pledge of REFL - Lessee advance €2,561,000 - Assignment of Guarantee for Parent Company
ARGAN	Cergy (95)	Loan granted by BPI France by means of a deed dated 22/04/2022	€7,316K	10/01/2029	- Mortgage until 10/01/2030 - Assignment of rents
ARGAN	Ferrières-en-Brie (77)	Real estate finance lease granted by CMCIC LEASE and NATIOCREDIBAIL by means of deeds dated 07/12/2011 and 20/12/2012	€7,827K	31/08/2027	- Assignment of sub-rents - Pledge of REFL - Lessee advance €3,789,000
ARGAN	Rouvignies (60)	Loan granted by CA NDF, CE, HDF and BPI by means of a deed dated 24/07/2020	€38,514K	10/07/2035	- Mortgage until 10/07/2036 - Assignment of rents
ARGAN	Mitry-Mory (77)	Real estate finance lease granted by NATIOCREDIBAIL by means of a deed dated 26/07/2012	€3,859K	25/07/2024	- Assignment of sub-rents - Pledge of REFL - Lessee advance €2,600,000
ARGAN	Wissous (91)	Real estate finance lease granted by LA BANQUE POSTALE by means of deeds dated 17/09/2012 and 29/01/2013	€8,158K	16/09/2027	- Assignment of sub-rents - Pledge of REFL - Lessee advance €3,000,000
ARGAN	Le Coudray-Montceaux (91) Bât B	Real estate finance lease granted by CMCIC LEASE and LA BANQUE POSTALE by means of a deed dated 29/03/2013	€21,492K	28/03/2028	- Assignment of sub-rents - Pledge of REFL - Lessee advance €6,000,000
ARGAN	SAINT-BONNET-LES-OULES (42)	Loans granted by CA Nord and other CRCAs by means of a deed dated 10/05/2022	€28,706K	10/04/2029	- Lenders' liens and pari passu mortgage until 10/04/2030 - Assignment of pari passu rents
ARGAN	VILLE-EN-VERMOIS (54)	Assignment of real estate finance lease granted by SOGEFIMUR by means of a deed dated 23/12/2014	€784K	10/10/2023	- Assignment of sub-rents - Pledge of REFL - Lessee advance €2,600,000
ARGAN	Bruges (33)	Loans granted by CA Nord and other CRCAs by means of a deed dated 10/05/2022	€11,559K	10/04/2029	- Lenders' liens and pari passu mortgage until 10/04/2030 - Assignment of pari passu rents

ARGAN	Cergy (95)	Loan granted by BPI France by means of a deed dated 22/04/2022	€10,764K	10/04/2032	- Mortgage until 10/04/2033 - Assignment of rents
ARGAN	Athis-Mons (91)	Loan granted by CE Hauts de France by means of a deed dated 31/07/2017	€6,608K	10/10/2032	- Mortgage until 10/10/2033 - Assignment of rents
ARGAN	Lognes (77)	Real estate finance lease granted by HSBC by means of a deed dated 21/12/2016	€12,575K	21/12/2031	- Assignment of sub-rents - Lessee loan pledge - Lessee advance €4,032,761 - Cash collateral - Assignment of Bank guarantee
ARGAN	Meung-sur-Loire (45)	Loan granted by BPI by means of a deed dated 10/02/2022	€14,804K	10/01/2034	- Mortgage until 10/01/2035
ARGAN	Wissous (91)	Loan granted by CFF by means of a deed dated 08/06/2018	€43,636K	08/06/2033	- Lenders' liens - Assignment of rents
ARGAN	Neuilly 21 Beffroy (92)	Loan granted by BNP by means of a deed dated 10/05/2019	€9,497K	10/04/2034	- Mortgage until 10/04/2035
ARGAN	Cestas (33)	Loan granted by CA Aquitaine by means of a deed dated 05/07/2018	€8,243K	10/01/2034	- Mortgage until 10/01/2035
ARGAN	Pusignan (69)	Loan granted by CE Loire-Centre by means of a deed dated 20/12/2018	€18,244K	10/10/2034	- Mortgage until 10/10/2035 - Assignment of rents
ARGAN	Fleury-Mérogis (91)	Loan granted by Berlin Hyp by means of a deed dated 28/02/2019	€32,800K	27/02/2031	- Mortgage until 27/02/2032 - Assignment of rents - Pledge of the Cash Reserve Account
ARGAN	Albon (26)	Loan granted by LCL by means of a deed dated 13/11/2019	€6,593K	10/10/2034	- Mortgage until 10/10/2035 - Assignment of rents
ARGAN	La Crèche (79)	Loan granted by CA Aquitaine by means of a deed dated 02/05/2019	€7,891K	10/01/2035	- Mortgage until 10/01/2036 - Assignment of rents
ARGAN	CHANCEAUX SUR CHOISILLE (37)	Loan granted by CE CL by means of a deed dated 07/02/2020	€15,021K	10/01/2036	- Mortgage until 10/01/2037 - Assignment of rents
ARGAN	VENDENHEIM (67)	Loan granted by BPI by means of a deed dated 21/10/2019	€19,394K	10/10/2035	- Mortgage until 10/10/2036
ARGAN	Billy-Berclau (59)	Loan granted by CA Nord de France by means of a deed dated 17/10/2019	€3,995K	10/10/2034	- Lenders' liens and Mortgage until 10/10/2035 - Assignment of rents
ARGAN	ARTENAY (45)	Loan granted by BNP by means of a deed dated 23/01/2020	€61,200K	23/10/2029	- Mortgage until 23/01/2030 - Assignment of rents

					- Pledge of the receivable under the interest rate hedge
ARGAN	ALLONES (72)	Loan granted by HELABA by means of a deed dated 21/01/2020	€42,246K	21/01/2027	- Mortgage until 21/01/2028 - Assignment of rents - Pledge of dedicated operating account
ARGAN	Lunéville (54)	Loan granted by SG by means of a deed dated 23/01/2020	€37,704K	23/01/2030	- Mortgage until 22/01/2031 - Assignment of rents
ARGAN	LAUDUN (30)	Loan granted by BERLIN HYP by means of a deed dated 07/11/2019	€36,743K	06/11/2031	- Mortgage until 06/11/2032 - Assignment of rents - Pledge of the Cash Reserve Account
ARGAN	AULNAY (93)	Loan granted by BERLIN HYP by means of a deed dated 07/11/2019	€40,020K	06/11/2031	- Mortgage until 06/11/2032 - Assignment of rents - Pledge of the Cash Reserve Account
ARGAN	VENDIN (62)	Loan granted by HELABA by means of a deed dated 21/01/2020	€31,391K	21/01/2027	- Mortgage until 21/01/2028 - Assignment of rents - Pledge of dedicated operating account
ARGAN	Époux-Bézu (02)	Loan granted by HELABA by means of a deed dated 21/01/2020	€31,336K	21/01/2027	- Mortgage until 21/01/2028 - Assignment of rents - Pledge of dedicated operating account
ARGAN	MACON (01)	Loan granted by HELABA by means of a deed dated 21/01/2020	€27,402K	21/01/2027	- Mortgage until 21/01/2028 - Assignment of rents - Pledge of dedicated operating account
ARGAN	Savigny-sur-Clairis (89)	Loan granted by BERLIN HYP by means of a deed dated 07/11/2019	€26,134K	06/11/2031	- Mortgage until 06/11/2032 - Assignment of rents - Pledge of the Cash Reserve Account
ARGAN	Cholet (49)	Loan granted by BERLIN HYP by means of a deed dated 07/11/2019	€24,797K	06/11/2031	- Mortgage until 06/11/2032 - Assignment of rents - Pledge of the Cash Reserve Account
ARGAN	Crépy-en-Valois (60)	Loan granted by SG by means of a deed dated 23/01/2020	€17,827K	23/01/2030	- Mortgage until 22/01/2031 - Assignment of rents
ARGAN	Billy-Berclau (62)	Loan granted by SG by means of a deed dated 23/01/2020	€21,392K	23/01/2030	- Mortgage until 22/01/2031 - Assignment of rents

ARGAN	COMBS LA VILLE (77)	Loan granted by HELABA by means of a deed dated 21/01/2020	€17,822K	21/01/2027	- Mortgage until 21/01/2028 - Assignment of rents - Pledge of dedicated operating account
ARGAN	Brie-Comte-Robert (77)	Loan granted by HELABA by means of a deed dated 21/01/2020	€22,667K	21/01/2027	- Mortgage until 21/01/2028 - Assignment of rents - Pledge of dedicated operating account
ARGAN	PLAISANCE DU TOUCH (31)	Loan granted by BNP by means of a deed dated 23/01/2020	€20,048K	23/10/2029	- Mortgage until 23/01/2030 - Assignment of rents - Pledge of the receivable under the interest rate hedge
ARGAN	SAINT QUENTIN FALLAVIER (38)	Loan granted by BNP by means of a deed dated 23/01/2020	€10,499K	23/10/2029	- Mortgage until 23/01/2030 - Assignment of rents - Pledge of the receivable under the interest rate hedge
ARGAN	BAIN DE BRETAGNE (35)	Loan granted by BNP by means of a deed dated 23/01/2020	€7,187K	23/10/2029	- Mortgage until 23/01/2030 - Assignment of rents - Pledge of the receivable under the interest rate hedge
ARGAN	Ploufragan (22)	Loan granted by SG by means of a deed dated 23/01/2020	€5,972K	23/01/2030	- Mortgage until 22/01/2031 - Assignment of rents
ARGAN	Gondreville (54)	Loan granted by BPI by means of a deed dated 06/02/2020	€8,522K	10/04/2036	- Mortgage until 10/04/2037
ARGAN	Augny (57)	Loan granted by CA LORRAINE, CA NDF and BPI by means of a deed dated 18/03/2020	€117,502K	10/10/2031	- Mortgage until 10/10/2032 - Assignment of rents - Pledge of the Borrower's Account
ARGAN	Escrennes (45)	Loan granted by CA Centre Loire by means of a deed dated 02/07/2020	€8,931K	10/10/2034	- Mortgage until 10/10/2035
ARGAN	Ludres (54)	Loan granted by PBB by means of a deed dated 22/12/2020	€26,350K	22/12/2026	- Mortgage until 22/12/2027 - Assignment of rents - Pledge of Operating Account
ARGAN	Neuville Aux Bois (45)	Loan granted by PBB by means of a deed dated 22/12/2020	€47,875K	22/12/2026	- Mortgage until 22/12/2027 - Assignment of rents - Pledge of Operating Account

ARGAN	Serris (77)	Loan granted by CA BRIE PICARDIE by means of a deed dated 02/06/2021	€10,733K	10/04/2037	- Mortgage until 10/04/2038 - Assignment of rents
ARGAN	Saint André sur Orne (14)	Loan granted by CA NORMANDIE by means of a deed dated 29/10/2021	€1,065k	10/10/2036	- Lenders' liens - Assignment of rents
CARGAN-LOG	Le Plessis-Pâté (91)	Loan granted by CE ILE DE FRANCE by means of a deed dated 16/07/2021	€9,587K	16/07/2028	- Mortgage until 16/07/2029 - Assignment of rents
ARGAN	SAINT JEAN DE LA NEUVILLE (76)	Loan granted by CA NORMANDIE SEINE by means of a deed dated 04/03/2022	€16K	10/04/2039	- Mortgage until 10/04/2040 - Assignment of rents
ARGAN	SENS (89)	Loan granted by BNP by means of a deed dated 12/10/2022	€90,000K	10/10/2029	- Mortgage until 10/10/2030 - Assignment of rents
CARGAN-LOG	ROGNAC (13)	Loan granted by CA ALPES PROVENCE by means of a deed dated 29/06/2022	€8,500K	10/04/2030	- Mortgage until 10/04/2031 - Assignment of rents
CARGAN-LOG	LENS (30)	Loan granted by BPI by means of a deed dated 27/10/2022	€7,500K	10/10/2037	- Mortgage until 10/10/2038 - Assignment of rents

The collateral granted on buildings financed through bank loans (excluding leasing, equity loans and bridge

loans) amounts to €1,250 million, or 47% of the buildings' appraised value (€2,642 million).

6. Shareholders' agreements

6.1. Shareholders' agreement between the members of the Le Lan family

The purpose of the shareholders' agreement entered into by the members of the Le Lan family on 10 October 2007 for a period of five years, renewable by tacit agreement every five years, is to ensure control of the ARGAN Company, by formalising the joint action by the signatories and managing the movements of the Company's shares to ensure the signatories are unified and represented.

This agreement was registered with the AMF on 14 November 2007.

o act in concert.

The signatories to the agreement may not make any decision to acquire or subscribe for shares which might change the Company's status as an SIIC.

6.2. Shareholders' agreement between the Le Lan family, CRFP 8 and Predica

For the purpose of acquiring the "Cargo" portfolio, the Le Lan family¹, simplified joint stock company CRFP8² and public limited company Predica Prévoyance Dialogue du Crédit Agricole (Prédica)³, decided to conclude a shareholders' agreement on 10 July 2019 in the presence of ARGAN, whereby they do not intend t

¹ Jean-Claude Le Lan, Karine Weisse, Jean-Claude Le Lan (Junior), Ronan Le Lan, Véronique Le Lan, Nicolas Le Lan, Charline Le Lan and Kerlan (Kerlan SAS, a company wholly owned by Jean-Claude Le Lan)

² Controlled by Carrefour SA

³ Controlled by Crédit Agricole SA

This agreement is concluded for a period of 5 years from 15 October 2019 and may be expressly renewed for successive 2-year periods. It was registered on 18 July 2019 with the Autorité des Marchés Financiers (the French Financial Markets Authority) under number 219C1208, in accordance with the applicable regulations.

The main provisions of the shareholders' agreement are as follows:

Governance: ARGAN's Supervisory Board will consist of 8 members and 2 non-voting members as of the date of completion of the transfer, as follows (i) 4 members appointed from among the candidates proposed by the Le Lan family (including the Chairman and the Vice-Chairman), (ii) 3 independent members within the meaning of a corporate governance code, (iii) Predica, as a legal entity, (iv) 1 non-voting member appointed by Predica, and (v) 1 non-voting member appointed by CRFP 8.

7. Group organisation chart

The Group comprises the Company itself and its four subsidiaries as described in Part I 8 – Legal organisation. These companies are part of the consolidated group.

8. Related party transactions

Related party relationships are described in Part III, Note 35 of the Notes to the consolidated financial statements for the year ended 31 December 2022.

It should be noted that CRFP 8 resigned from its non-voting member position with effect from 9 December 2019 due to a sale whereby its equity investment fell below the threshold of 5% of the Company's capital.

Standing Committees: two Standing Committees of the Supervisory Board (the Audit Committee and the Appointments and Remuneration Committee) have been established.

No joint action: the parties to the shareholders' agreement declare that they do not act jointly with respect to ARGAN within the meaning of Article L.233-10 of the French Commercial Code, bearing in mind that the members of the Le Lan family and Kerlan do act jointly with respect to ARGAN under the aforementioned shareholders' agreement between the members of the Le Lan family.

9. Legal proceedings and arbitration

There are no government, legal or arbitration proceedings, including any unresolved or outstanding proceedings of which the Company is aware, which might have or which have had over the last 12 months, a significant effect on the financial position or the profitability of the Company and/or the Group.

10. Appraisals

Information from third parties, expert certifications and declarations of interest

The Company's portfolio is valued every six months by an independent appraiser. For 2022, the Company instructed CBRE Valuation, 131 Avenue de Wagram, PARIS 75017, one of the leading valuers in France and worldwide. CBRE Valuation has around 50 appraisers in France, is part of AFREXIM and is a signatory to the Charte de l'Expertise en Evaluation Immobilière (Charter of real estate valuation).

The Company has worked with CBRE Valuation since 2007. CBRE Valuation regularly rotates its in-house teams responsible for appraising the Company's assets.

The fees paid to the appraisers pertain solely to the half-yearly asset appraisal. They are based on unit cost scales for appraisals with a visit or for updates to valuations. The appraisers are not paid any fees other than for valuations.

The appraisals conform to the national professional standards of the February 2000 COB/AMF report (Barthes de Ruyter) and the Charter of real estate valuation developed under the guidance of IFEI.

The appraisals also conform to the TEGOVA European professional standards. Specifically, the portfolio was valued in accordance with the Charter of real estate valuation.

The Discounted Cash Flow methodology is used and is cross-checked with the income capitalisation method. This method is preferred in view of the reduction in fixed terms for most assets and the complex change in cash flows provided for in the leases.

For a description of the methodology and the definitions used by CBRE Valuation, see Part I, 6.3.2 - Methodology.

Based on the values from the external appraisal by CBRE during December 2022, the total value of the

asset portfolio is €3.976 million excluding transfer taxes for the assets delivered as at 31 December 2022 (excluding buildings under construction, excluding IFRS 16 rights of use and excluding buildings covered by an agreement to sell and with land reserves).

This is the value adopted by the Company in preparing its consolidated financial statements as at 31 December 2022.

11. Persons responsible - Access to financial information

11.1. Person responsible for financial information

11.1.1 Person responsible for the Universal Registration Document

Ronan Le Lan, Chairman of the Company's Executive Board.

11.1.2 Person responsible for the Universal Registration Document including an annual financial report

Ronan Le Lan, Chairman of the Company's Executive Board.

"I hereby certify that, the information contained in this universal registration document, to the best of my knowledge, gives a true and fair view of the facts and contains no omission likely to affect its import.

I hereby certify that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a fair view of the assets, financial position and income of the Company and of all the companies included in the scope of consolidation, and that the management report on page 67 onwards provides an accurate picture of the changes in the business, the results and the financial position of the Company and of all the companies included in the scope of consolidation and describes the main risks and uncertainties to which they are exposed.

I have obtained a review completion letter (lettre de fin de travaux) from the statutory auditors stating that they have completed their assignment and that they have verified the information relating to the financial position and the financial statements given in this universal registration document and have read the universal registration document in full.

The financial information presented in the Universal Registration Document is the subject of reports by the

statutory auditors, which can be found on page 176 of the Universal Registration Document concerning the report on the financial statements, which does not contain any observations, and on page 146 of the Universal Registration Document concerning the report on the consolidated financial statements, which does not contain any observations.

The statutory auditors have reported on the financial information for the year ended 31 December 2021 which is incorporated by reference. Their report on the company financial statements, which contains no observations, is included on page 177 of the Universal Registration Document filed with the AMF on 24 February 2022 under number D.22-0058, and the report on the consolidated financial statements, which contains no observations, is included on page 147.

The statutory auditors have reported on the financial information for the year ended 31 December 2020 which is incorporated by reference. Their report on the company financial statements, which contains no observations, is included on page 188 of the Universal Registration Document filed with the AMF on 25 February 2021 under number D.21-0078, and the report on the consolidated financial statements, which contains one observation, is included on page 157.

Ronan Le Lan
Chairman of the Executive Board

11.2. Statutory auditors

11.2.1 Statutory auditors

- **Mazars**, represented by Jean-Maurice EL NOUCHI, 61 rue Henri Regnault – 92400 Courbevoie, France

Mazars is a public limited company providing accounting and statutory auditing services and is a member of the Compagnie Régionale de Versailles (the Versailles branch of the French Institute of Statutory Auditors).

Date of first appointment: Mazars was appointed statutory auditor of the Company by the General Shareholders' Meeting of 20 December 2006.

Date of appointment for the current term of office: Mazars was appointed statutory auditor of the Company by the General Shareholders' Meeting of 23 March 2017.

Current term of office: six (6) financial years.

Expiry date of the current term of office: at the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ended 31 December 2022. Reappointment proposed to the Ordinary General Meeting (16th resolution)

- **EXPONENS**, represented by Mrs Nathalie LUTZ, 20 rue Brunel – 75017 Paris, France

EXPONENS is a simplified joint stock company providing accounting and statutory auditing services and is a member of the Compagnie Régionale de Paris (the Paris branch of the French Institute of Statutory Auditors).

Date of first appointment: EXPONENS was appointed statutory auditor of the Company by the General Shareholders' Meeting of 15 April 2008.

Date of appointment for the current term of office: EXPONENS was appointed statutory auditor of the Company by the General Shareholders' Meeting of 24 March 2022

Current term of office: six (6) financial years.

Expiry date of the current term of office: at the end of the Ordinary Shareholders' Meeting which will be called to approve the financial statements for the year ended 31 December 2027.

11.2.2 Alternate statutory auditors

- **Loïc Wallaert**, residing at 61 rue Henri Regnault – 92400 Courbevoie, France

Mr Wallaert is an auditor and an affiliate of the Compagnie Régionale de Paris.

Date of first appointment: Mr Wallaert was appointed statutory auditor of the Company by the General Shareholders' Meeting of 20 December 2006.

Date of appointment for the current term of office: Mr Wallaert was appointed statutory auditor of the Company by the General Shareholders' Meeting of 23 March 2017.

Current term of office: six (6) financial years.

Expiry date of the current term of office: at the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ended 31 December 2022.

Statutory auditors' fees and their network

The following table shows the amount of fees and disbursements, exclusive of taxes, that the Company and its fully consolidated subsidiaries have paid to the

Statutory Auditors and their network in respect of the last two financial years. The table separates fees for statutory tasks and procedures directly related thereto from fees for other services:

	MAZARS				EXPONENS				TOTAL	
	Financial year 2021		Financial year 2022		Financial year 2021		Financial year 2022		2021	2022
	Amount excl. tax	%	Amount excl. tax	%	Amount excl. tax	%	Amount excl. tax	%	Amount excl. tax	Amount excl. tax
Audit										
. Statutory auditor, certification, review of individual and consolidated financial statements	€111,000		€110,250		€68,000		€69,250		€179,000	€179,500
. Issuer	€20,000		€17,300						€20,000	€17,300
. Fully consolidated subsidiaries										
Other services related to the statutory auditor's assignment										
. Issuer										
. Fully consolidated subsidiaries			7,500				2,500			10,000
- Non-recurring fees (ESEF reporting)										
Sub-total	€131,000	66%	€135,050	65%	€68,000	34%	€71,750	35%	€199,000	€206,800
Other services provided by the networks to fully consolidated subsidiaries										
. Legal, tax, social security	€27,000		€4,875		€7,000		€1,625		€33,000	€6,500
. Other (indicate if 10% of audit fees)										
Sub-total	€27,000	82%	€4,875	75%	€7,000	21%	€1,625	25%	€33,000	€6,500
TOTAL	€158,000	68%	€139,925	66%	€75,000	32%	€73,375	34%	€232,000	€213,300

11.3. Financial reporting timetable

11.3.1 Dates of the most recent financial communications

- 2022 annual sales: 3 January 2023
- Annual results 2022: 19 January 2023

11.3.2 Provisional financial reporting timetable for 2023:

- Quarterly sales (Q1 2023): 3 April 2023
- Quarterly sales (Q2 2023): 3 July 2023
- Statement of operations and results for the first half-year (H1 2023): 19 July 2023
- Quarterly sales (Q3 2023): 2 October 2023

11.4. Documents available to the public

Copies of this Universal Registration Document are available free of charge from the Company and on its website (www.argan.fr).

All legal and financial documents relating to the Company and to be made available to shareholders in accordance with the applicable regulations are available to view at the Company's registered office.

12. Supervisory Board

12.1. Report of the Supervisory Board on corporate governance (Articles L.225-100 and L.22-10-34 of the French Commercial Code)

This report contains the remuneration policy for the Company's corporate officers that will be submitted for approval to the Combined Shareholders' Meeting of 23 March 2023.

12.1.1 Governance

12.1.1.1 Composition of the Supervisory Board and the Executive Board

➤ List of terms of office and positions of corporate officers:

In accordance with the provisions of Articles L.225-37-4 and L.22-10-10 of the French Commercial Code, we hereby disclose the list of all the terms of office and the positions held in any company by the members of the Supervisory Board. It should be noted that members of the Supervisory Board appointed prior to 15 October 2019 were appointed for six years until the expiry of their current term of office on that date and that those appointed since 15 October 2019 (inclusive) have been appointed for four years.

After consulting and obtaining the approval of the Appointments and Remuneration Committee, the Supervisory Board will propose to the General Meeting of 23 March 2023 that Najat AASQUI and Nicolas LE LAN, as representatives of PREDICA, be reappointed as members of the Supervisory Board.

As at the date of this report, the members of the Company's Supervisory Board are as follows:

Surname and First name	Date of first appointment	Date term of office ends	Main position held within the Company	Main position held outside the Company	Other offices and positions held in any company during the 2022 financial year
Mr Jean-Claude Le Lan	17/04/2003	GMs called to approve the financial statements for 2024	Chairman of the Supervisory Board	None	- Chairman of KERLAN SAS
Mr Hubert Rodarie	25/03/2021	GMs called to approve the financial statements for 2024	Vice-Chairman of the Supervisory Board	Chairman of the French Association of Institutional Investors (Af2i)	- Chairman of SICAV S2EIM - Director of Phitrust SA
Mr Nicolas Le Lan	23/03/2017	GMs called to approve the financial statements for 2022	Member of the Supervisory Board	Investment Consultant - Alternative Assets CBRE Capital Markets	- None
Mr Jean-Claude Le Lan Junior	24/03/2022	AGM approving the 2025 financial statements	Member of the Supervisory Board	None	- Member of the Board of Directors of the Marcelle and Robert de Lacour Foundation
Mrs Florence Soule de Lafont	19/04/2007	GMs called to approve the financial statements for 2024	Independent member of the Supervisory Board	ABCD Executive Search, Chairman	- None

Mr François-Régis de Causans	24/03/2016	GMs called to approve the financial statements for 2025	Independent member of the Supervisory Board	Executive Director EMEA Industrial & Logistics Capital Markets - CBRE	- None
Mrs Constance de Poncins	19/03/2020	GMs called to approve the financial statements for 2023	Independent member of the Supervisory Board	Director of CREPSA and supplementary pension at B2V, joint social protection group	- Member of the Board of Directors, Chairman of the Audit and Risk Committee, Member of the Compensation Committee of Abeille Assurance - Chairman of CMDPH SASU - Member of the Supervisory Board and the Audit and Risk Committee of Tikehau Capital - Member of the Board of Directors and Treasurer of APEPVT (<i>association pour la protection de l'environnement et du patrimoine des communes de Villedieu les Bailleuls et Tournai sur Dives</i> [Association for the protection of the environment and heritage of the municipalities of Villedieu les Bailleuls and Tournai sur Dives]) - Member of Mirova's Mission Committee
Mrs Najat Aasqui, permanent representative of PREDICA	15/10/2019	GMs called to approve the financial statements for 2022	Member of the Supervisory Board	Head of Listed Equity and Land Investment Portfolios Investment Division	- Permanent representative of Predica on the Supervisory Board of Altarea Cogedim SCA since 2019 - Representative on her own behalf on the Covivio Hotels Board since 2020 - Representative of Predica on the Board of Edison SPA since December 2021.

It is furthermore noted that Emmanuel CHABAS WAS appointed as a non-voting member of the Supervisory Board by the General Shareholders' Meeting of 15 October 2019 for a term of four years. At the proposal of the Appointments and Remuneration Committee, the Supervisory Board will also propose reappointing Emmanuel CHABAS at the General Meeting of 23 March 2023.

In addition, a list is set out below of all the terms of office and the positions held in any company by the members of the Company's Supervisory Board as at the date of this report.

Surname and First name	Date of first appointment	Date term of office ends	Main position held within the Company	Main position held outside the Company	Other offices and positions held in any company
Ronan Le Lan	17/04/2003	15/01/2025	Chairman of the Executive Board and Director of Development	None	None
Francis Albertinelli	17/04/2007	15/01/2025	Member of the Executive Board and Chief Financial Officer	None	None
Frédéric Larroumets	01/09/2014	15/01/2025	Member of the Executive Board and Director of Assets and Investments	None	None

¹ By way of reminder, Jean-Claude Le Lan Junior was a member of the Executive Board from 1 January 2022 to 24 March 2022.

➤ Diversity policy applied to members of the Supervisory Board and members of the Executive Board

The composition of the Supervisory Board aims to comply with a policy of diversity policy allowing balance and complementarity in the experience of its members. The Supervisory Board considers that its current composition is satisfactory in terms of diversity for the following reasons:

- it consists of three women and five men, in accordance with the provisions of Articles L.225-69-1 and L.22-10-21 of the French Commercial Code;
- in addition to the Company's founding shareholder, the Supervisory Board also includes three members qualified as independent according to the criteria adopted by the Board (see below), all with different professional backgrounds;
- several age groups are represented on the Board.

There are three members of the Executive Board as at the date of this report, all of whom are men.

➤ Independent members

To qualify as an independent member, a person must be competent and independent:

Competence: an independent member must have the experience and skills to enable them to perform their duties in full as part of the Supervisory Board and the Committees on which they are likely to sit. In particular, independent members must be active, present and involved.

Independence: an independent member must fulfil a number of independence criteria in relation to the Company as well as in relation to its shareholders and officers. The following objective characteristics will be considered (criteria of the Middlednext Corporate Governance Code) when reviewing the nomination of an independent member:

- has not been an employee or corporate officer of the Company or of a company within its group within the past five years;
- has not had a significant business relationship with the Company or its group within the past two years (as a client, supplier, competitor, service provider, creditor, banker, etc.);
- is not a reference shareholder of the Company or a holder of a significant percentage of voting rights;
- does not have close ties or a close family connection with a corporate officer or a reference shareholder;
- has not been the company's statutory auditor within the past six years.

The Supervisory Board may consider that one of its members is independent despite not meeting all of these criteria. On the other hand, it may also consider that a member who does fulfil all these criteria is not independent.

In accordance with these principles, Florence Soule de Lafont, François-Régis De Causans and Constance de Poncins are considered to be independent members.

➤ **Agreements with Group companies**

We did not identify, during the financial year ended on 31 December 2022, any direct or indirect agreements between any of the members of the Executive Board or the Supervisory Board, or any of the shareholders with a fraction of more than 10% of the voting rights of ARGAN and the Company's subsidiaries.

By way of reminder, Hubert Rodarie has entered into a service agreement with the Company in order to define the terms of his involvement at internal working meetings organised periodically by the Company. The work he carries out is invoiced on a monthly basis according to a fixed remuneration calculated on the basis of 1,000 euros excluding tax per half-day of work.

The expense recorded during the 2022 financial year amounted to €5,000.

12.1.1.2 Duties of the Supervisory Board

The Supervisory Board exercises permanent control over the management of the Company by the Executive Board, which has the broadest powers to represent the Company in all circumstances in its dealings with third parties, within the limits of the corporate purpose and subject to the powers that have been expressly granted by law to the Supervisory Board and to the Shareholders' Meetings, and in compliance with the Articles of Association and the internal regulations of the Supervisory Board.

The Supervisory Board may carry out the controls and verifications at any time of year it considers appropriate for this purpose and may ask to be provided with the documents it considers useful for carrying out its duties. It also appoints the members of the Executive Board and determines their remuneration.

In addition to the cases provided for in Article 25 of the Company's Articles of Association, the Supervisory Board meets as often as required in the interest of the Company, and in any event at least four times a year. The Supervisory Board met eight times during the annual

reporting period ended 31 December 2021, with an attendance rate of 94%.

The decisions of the Supervisory Board are written up in minutes that are entered in a special register held at the registered office.

➤ **Appointment and remuneration duties**

The Supervisory Board is responsible for:

- preparing for setting the overall remuneration of the corporate officers and, if applicable, proposing the qualitative and quantitative criteria for determining the variable portion of this remuneration; overall remuneration is understood to mean salary and bonuses, as well as present or future ancillary benefits such as benefits in kind, supplementary pension, etc.;
- reviewing the plans for free allocation of shares for the benefit of employees and senior managers, as well as the terms and conditions for allocation;
- examining the applications for membership of the Supervisory Board or the Executive Board in light of their business experience, skills and the extent to which they are representative of economic, social and cultural matters;
- make any proposals and issue any opinions on directors' fees or other remuneration and benefits for members of the management and supervisory bodies, assess the position of each of the members of the Executive Board or the Supervisory Board with regard to any relationships they may have with the Company or ARGAN Group companies that are likely to compromise their independent judgement or lead to potential conflicts of interest with the Company.

In particular, the Board ensures that the remuneration for positions held by members of the Le Lan family is consistent and equitable with regard to other members of staff and comparable to the remuneration for equivalent positions in similar companies.

➤ **Investment duties – Arbitrages - Refinancing**

The Supervisory Board reviews and approves the budget on an annual basis and receives quarterly reports on progress.

This annual budget was initiated by the Executive Board and shows the status of plans for refinancing and trade-offs as well the volume of investments based on self-financing capacity.

This budget shows the statement of cash balance resulting from income and expenditure (investments). The Board is particularly vigilant in ensuring that this balance is maintained.

The choice of investments is the responsibility of the Executive Board, which, together with specialised employees, looks for developments and acquisitions that meet our strategic criteria.

➤ **Decisions of the Executive Board subject to the prior authorisation of the Supervisory Board pursuant to the Company's Articles of Association and distribution of tasks**

In addition to the powers granted to the Supervisory Board by the applicable regulations (in particular the security interests, endorsements and guarantees that must be authorised by the Supervisory Board), certain Executive Board decisions require prior authorisation from the Supervisory Board in accordance with Article 16 of the Company's Articles of Association and as a strictly internal measure not binding on third parties.

See also Part II 3.1.2 Operation.

➤ **Powers delegated by the Supervisory Board to the Executive Board**

The Supervisory Board authorises the Executive Board to allocate, under its responsibility, the tasks involved in managing the Company to the members of the Executive Board.

12.1.1.3 Preparation and organisation of the Supervisory Board's work

➤ **Principles**

The Company has introduced a set of measures based on the principles of corporate governance, including:

- ✓ the AFEP-MEDEF Code of Corporate Governance, updated in January 2020,
- ✓ and especially, the Middelnext Corporate Governance Code published in December 2009 and updated in September 2021, which adapts these principles to medium- and small-cap companies (the "**Middelnext Code**").

In accordance with Articles L.225-68, L.22-10-20, L.225-37-4 and L.22-10-10 of the French Commercial Code, the Company has adopted the Middelnext Code as its overall framework for corporate governance. The Middelnext

Code can be consulted at the Company's registered office and on the Middelnext website (www.middelnext.com).

In accordance with the recommendations of the Middledex Code and the provisions of Articles L.225-37-4 and L.22-10-10 of the French Commercial Code, the Supervisory Board prepared the following table which summarises the various recommendations that have not been applied and the reasons why (comply or explain):

<p>R5 - Training of Board members</p> <p>All members of the Supervisory Board have the skills required to fully understand the specificities of the Company and its activity. As a result, the Supervisory Board felt that it was not necessary to implement a three-year training plan.</p>
<p>R13 – Board evaluation</p> <p>In 2011, the Board carried out an evaluation of its work and its normal operation. The Board concluded that, given the limited number of members on its Board (8), each member is actively involved and can express his opinions on and freely discuss how the Board operates and how the work it conducts is carried out. The Board therefore considers that a formal evaluation of its work is not required.</p>
<p>R18 - Corporate officers and employment contracts</p> <p>The Chairman of the Executive Board is an employee of the Company. The remuneration for this role is consistent with the duties performed and with the remuneration of the other members of the Executive Board. In addition, no undertakings have been made to the Chairman of the Executive Board to pay compensation when he takes, leaves or changes office.</p>

➤ **Standing Committees of the Supervisory Board**

Pursuant to (i) the shareholders' agreement dated 10 July 2019 between the members of the Le Lan family and Predica and (ii) Article 26 of the Company's Articles of Association, the Supervisory Board meeting of 16 October 2019 decided to set up an Audit Committee and an Appointments and Remuneration Committee tasked with formulating opinions and recommendations on an advisory basis. The Supervisory Board is responsible for determining the tasks of each of these two committees reporting to the Board.

The Supervisory Board appoints three of its members to the Audit Committee and three to the Appointments and Remuneration Committee for the duration of their terms of office as members of the Supervisory Board. At least one member of the Audit Committee must have specialist financial and accounting skills.

The Supervisory Board appoints an independent member to act as Chairman of each of the Committees. The Chairman is primarily responsible for the effective operation of the Committee that he or she chairs.

(a) The Audit Committee

The Audit Committee is specifically responsible for:

- following the process for preparing financial information and, where appropriate, making recommendations to ensure its integrity;
- monitoring the effectiveness of the internal control and risk management systems, as well as internal auditing, where appropriate, with regard to the procedures for preparing and processing accounting and financial information, without infringing on its independence;
- issuing a recommendation on the statutory auditors proposed for appointment by the General Meeting or who are being considered for reappointment;
- monitoring completion by the statutory auditors of their assignment and taking into account the findings and conclusions of the Haut conseil du commissariat aux comptes, France's supervisory body for auditors, following the audits carried out by the said body;
- ensuring that the statutory auditors are independent, in accordance with applicable legal and regulatory provisions;
- approving the provision of services that are not included in the statutory audit engagements;
- reporting regularly to the Supervisory Board on the performance of its tasks and the results of the account certification assignment, how this

assignment has contributed to the integrity of the financial information and the role that it played in this process, and informing the Board of any issues encountered;

- reviewing the tools and resources implemented with respect to the Company's main risks and reporting to the Board once a year.

As at the date of this report, the members of the Audit Committee are as follows:

Members of the Audit Committee	Role	Term of office end date
Mrs Constance de Poncins	Chairman	Annual General Meeting 2024
Mr Hubert Rodarie	Member	Annual General Meeting 2025
Mrs Najat Aasqui	Member	Annual General Meeting 2023

(b) The Appointments and Remuneration Committee

In particular, the Appointments and Remuneration Committee is responsible for:

- making any relevant observations to the Supervisory Board on the composition of the Supervisory Board and the Executive Board;
- issuing an opinion on the applications for membership of the Supervisory Board or the Executive Board in light of their business experience, skills and the extent to which they are representative of economic, social and cultural matters; in the particular case of members of the Executive Board, the selection process guarantees that at least one male and one female candidate are present until the process is concluded (Articles L.225-58 and L.22-10-18 of the French Commercial Code);
- issuing a recommendation on the total amount of remuneration and the procedures for allocation to members and non-voting members of the Supervisory Board;
- examining and proposing all the elements of the overall remuneration of the Company's corporate officers to the Supervisory Board and, if applicable,

proposing the qualitative and quantitative criteria for determining the variable portion of this remuneration; overall remuneration is understood to mean salary and bonuses, as well as present or future ancillary benefits such as benefits in kind, supplementary pension, etc.;

- reviewing the plans for free allocation of shares, allocation of options for subscription or purchase of shares or any similar instrument for the benefit of employees and senior managers, as well as the terms and conditions for allocation.

As at the date of this report, the members of the Appointments and Remuneration Committee are as follows:

Members of the Appointments and Remuneration Committee	Role	Term of office end date
Mrs Florence Soule de Lafont	Chairman	Annual General Meeting 2025
Mr Hubert Rodarie	Member	Annual General Meeting 2025
Mrs Najat Aasqui	Member	Annual General Meeting 2023

➤ **Internal regulations**

The Supervisory Board updates the rules of procedure that apply to all its members on an annual basis. The update to the internal regulations for the 2023 financial year was approved by the Supervisory Board meeting of 8 February 2023. The internal regulations are based on the above-mentioned principles of corporate governance and also take account of the Company's Articles of Association and the provisions of the above-mentioned shareholders' agreement entered into in 2019 between the members of the Le Lan family and Predica.

➤ **Procedure referred to in Articles L.225-87 and L.22-10-29 of the French Commercial Code**

In accordance with Articles L.225-87 and L.22-10-29 of the French Commercial Code, the Supervisory Board must establish a procedure to assess on a regular basis whether the "agreements relating to day-to-day operations and concluded under normal conditions"

(within the meaning of the regulated agreements) fulfil these conditions (persons with a direct or indirect interest in an agreement must not participate in the assessment thereof). In this case, however, as the Company has not entered into any agreements that meet this criterion, a specific assessment in this regard would be otiose.

12.1.2 Remuneration and benefits for Corporate Officers

➤ Approval of the remuneration policy for the Company's corporate officers (7th resolution of the Combined Shareholders' Meeting)

In accordance with Articles L.225-10-26 and R.225-10-18 of the French Commercial Code, shareholders will be asked at the Combined Shareholders' Meeting of 23 March 2023 (the "**Combined Shareholders' Meeting**") to approve the remuneration policy for the Company's corporate officers (members of the Executive Board and members of the Supervisory Board).

It is the Supervisory Board's view that the remuneration policy for the Company's corporate officers is consistent with the Company's corporate interest and contributes to its sustainability and business strategy because (i) it is based on the ongoing pursuit of a balance between the company's interests, recognition of executives' performance and consistency in remuneration practices and (ii) as well as fostering loyalty amongst Argan's staff, and the aim when setting remuneration is to reward performance and promote the Company's own exacting standards.

The Supervisory Board reviews the remuneration policy for the Company's corporate officers annually (setting the remuneration for the members of the Executive Board, the remuneration of the Chairman of the Supervisory Board and putting forward proposals for setting the overall remuneration of the members of the Supervisory Board). The Appointments and Remuneration Committee has been involved in making recommendations to the Supervisory Board in the areas referred to in section 1.3.2 (b) of the corporate governance report.

- **Elements of the remuneration policy applicable specifically to members of the Executive Board for their term of office**

All members of the Executive Board are employees of the Company and their remuneration is set individually by the Supervisory Board. The elements of remuneration for

members of the Executive Board for their term of office are set out below.

Fixed remuneration

The fixed remuneration of the members of the Executive Board is decided annually on an individual basis by the Supervisory Board depending on the member's responsibilities.

As a reminder, the Supervisory Board meeting of 09 February 2022, based on the opinion of the Appointments and Remuneration Committee, authorised the payment of a thirteenth month's salary to all employees of the Company, including the members of the Executive Board, starting in 2021 and applying automatically for the following financial years.

As decided for all employees as at 1 January 2023, the annual fixed remuneration of the members of the Executive Board was increased by 5%.

The remuneration of the members of the Executive Board is as follows:

- The fixed annual remuneration for Ronan Le Lan, Chairman of the Executive Board, was €225,225 as at 1 January 2023. It was approved by the Supervisory Board on 8 February 2023.
- The fixed annual remuneration for Francis Albertinelli, member of the Executive Board, was €218,400 as at 1 January 2023. It was approved by the Supervisory Board on 8 February 2023.
- The fixed annual remuneration for Frédéric Larroumets, member of the Executive Board, was €218,400 as at 1 January 2023. It was approved by the Supervisory Board on 8 February 2023.

Annual variable remuneration

Members of the Executive Board do not receive annual variable remuneration.

Exceptional remuneration

The Supervisory Board may decide to allocate exceptional remuneration to one or more members of

the Executive Board, linked to the success of specific transactions carried out by the Company and at the recommendation of the Appointments and Remuneration Committee.

Other benefits of any kind

The Supervisory Board may provide members of the Executive Board with a company car.

By way of reminder, on 9 February 2022 the Supervisory Board decided to implement a 2022-2023-2024 free share allocation plan for all employees, including the members of the Executive Board, and subject to the creation of value over the period in question based on 4 indicators (developer margin, gain or loss on acquisition, growth in recurring income and losses as a result of vacancies).

This free share allocation contributes to the objectives of the remuneration policy in that it gives each member of the Executive Board an increased stake in the Company's development and in improving its performance, including over the long term. The aforementioned free share allocation scheme stipulates a one-year vesting period and a one-year retention period for each member of the Executive Board. It should be noted that the Supervisory Board has decided not to set any minimum amount of shares granted free of charge that the corporate officers would be required to retain in registered form until they cease to hold office.

On 16 January 2023, the Executive Board, after analysing compliance with the aforementioned performance criteria, the Executive Board decided to allocate shares with an equivalent value of €112,500 to each of the three members of the Executive Board, corresponding to 25% of the amount attributable over the three years. It should be noted that in accordance with the terms of the Plan, these free shares may only vest to their allottees on expiry of a period of one year after their allocation date, i.e. on 15 January 2024.

Group bonuses and profit-sharing agreements

Each member of the Executive Board may receive a payout under the group employee profit-sharing agreement set up within the Company on 07 June 2021 for a period of three financial years, 2021, 2022 and 2023. This profit-sharing agreement provides for the allocation of a profit-sharing bonus to employees and members of the Company's Executive Board which is intended to give them an interest in developing and improving performance.

In addition, each member of the Executive Board may receive a payout under the all-employee group bonus scheme. The scheme was set up within the Company for the 2023 financial year and depends on rental returns and the amount of rent generated by new development leases signed in 2023.

Terms of office and employment contracts

The term of office of each member of the Executive Board is two years. Each member of the Executive Board also has a permanent employment contract.

Each member of the Executive Board may be removed from office under the conditions laid down in ordinary law (the General Shareholders' Meeting or the Supervisory Board is competent in this matter). If a member of the Executive Board is removed from office, this does not terminate his employment contract. Such termination may take place under the conditions of ordinary law (notice period and reasons).

None of the members of the Executive Board has entered into a service agreement with the Company.

Other

It should be noted that none of the members of the Executive Board receives any remuneration, compensation or benefits payable or likely to be payable as a result of termination or a change of duties or subsequent thereto, or any conditional rights granted under defined benefit pension liabilities with the characteristics of the plans mentioned in Articles L.137-11 and L.137-11-2 of the French Social Security Code.

- **Elements of the remuneration policy applicable specifically to members of the Supervisory Board for their office**

Remuneration for the members of the Supervisory Board takes the form of a fixed overall sum which is allocated by the General Shareholders' Meeting and then divided up by the Supervisory Board between its members (with the exception of the Chairman of the Board, who does not receive such remuneration). Mr Jean-Claude Le Lan receives fixed remuneration in his capacity as Chairman of the Supervisory Board.

Annual fixed amount allocated by the General Shareholders' Meeting

The Supervisory Board sets the amount to be allocated to its members based on the overall amount decided by the General Meeting and in proportion to their actual presence at the Board meetings.

The fixed overall amount allocated for financial year 2023 is covered by the 14th resolution submitted for the approval of the Combined Shareholders' Meeting of 23 March 2023. We propose setting this amount at €177,000 for the financial year that began on 1 January 2023, i.e. €6,000 higher than the amount decided for the 2022 financial year, on the understanding that the Supervisory Board will decide how this amount is to be distributed among its members, on the following bases (the unit amounts are unchanged):

- a base of €3,000 per member present per meeting of the Supervisory Board (6 meetings planned), it being specified that the Chairman of the Board does not receive such remuneration;

- a base of €2,500 per member present per committee meeting (3 meetings planned), it being specified that an exceptional annual remuneration of €3,000 is allocated in addition to the €2,500 base for the Chairmen of each of the two Committees.

Fixed remuneration of the Chairman of the Supervisory Board

In his capacity as Chairman of the Supervisory Board, Mr. Jean-Claude Le Lan receives annual fixed remuneration of €96,000 as at 1 January 2023 (amount unchanged). This remuneration may be reviewed annually by the Supervisory Board.

Exceptional remuneration

In accordance with Article 27 of the Company's Articles of Association, the Supervisory Board may allocate exceptional remuneration to its members in the cases and under the conditions provided for by law.

Other benefits of any kind

The Supervisory Board may provide the Chairman of the Supervisory Board with a company car.

Terms of office and employment contracts

Members of the Supervisory Board appointed prior to 15 October 2019 were appointed for six (6) years until the expiry of their current term of office on that date. Members of the Supervisory Board appointed from 15 October 2019 (inclusive) are appointed for four years.

Each member of the Supervisory Board may be removed from office under the conditions laid down in ordinary law (the General Shareholders' Meeting is competent in this matter).

None of the members of the Supervisory Board has an employment contract with the Company, with the exception of Mr Hubert Rodarie, or has entered into a service agreement with the Company.

It is specified that Mr Jean-Claude Le Lan Junior has an employment contract with the Company, the continuation of which was decided by the Supervisory Board with effect from the appointment of the latter by the General Meeting of 24 March 2022 as a member of the Supervisory Board, after having verified that this employment contract corresponds to functions distinct from the mandate of a member of the Supervisory Board, in accordance with the provisions of Article L.225-85 of the French Commercial Code.

Other

It is specified that, where applicable, none of the members of the Supervisory Board receives any remuneration, compensation or benefits payable or likely to be payable as a result of termination of his/her mandate or subsequent thereto, or any conditional rights granted under defined benefit pension liabilities with the characteristics of the plans mentioned in Articles L.137-11 and L.137-11-2 of the French Social Security Code.

➤ Approval of the report on the remuneration of the Company's corporate officers and the elements of the remuneration paid or allocated for the financial year ended 31 December 2022 (9th to 13rd resolutions)

In accordance with the provisions of Article L.22-10-34-I of the French Commercial Code, the Combined Shareholders' Meeting convened for 23 March 2023 must decide on a draft resolution concerning the information mentioned in Article L.22-10-9, I of the said Code. This information concerns each corporate officer, including corporate officers whose term of office ended and those newly appointed during financial year 2022.

In addition, in accordance with the provisions of Article L.225-10-II of the French Commercial Code, the shareholders must also approve separate resolutions stipulating the fixed, variable and exceptional elements of total remuneration and benefits of any kind paid in 2022 or allocated for that financial year for the Chairman of the Supervisory Board, the Chairman of the Executive Board and the other members of the Executive Board.

Consequently, the sub-sections below contain the information required under the aforementioned

statutory provisions and also specify, for each of provision, the relevant resolutions of the Combined Shareholders' Meeting of 23 March 2023.

- **Components of the remuneration paid or allocated for the financial year ended 31 December 2022 to Ronan Le Lan as Chairman of the Executive Board (8th and 9th resolutions)**

Components of remuneration	Amounts	Description
A. Fixed remuneration	€214,500	The annual fixed remuneration of €200,000 and a 13 th month were approved at the Supervisory Board meeting of 19 January and 10 February 2021.
B. Annual variable remuneration	NA	No annual variable remuneration
C. Deferred variable remuneration	NA	No deferred variable remuneration
D. Multi-year variable remuneration	NA	No multi-year variable remuneration
E. Exceptional remuneration	NA	No exceptional remuneration
F. Argan purchase options	NA	No purchase options
G. Free allocation of Argan shares subject to performance condition	€112,500	Interim 25% payment under the Three-Year Plan paid in respect of 2022
H. Attendance fees	NA	No attendance fees.
I. Value of benefits of any kind	NA	No benefits of any kind
J. Severance pay	NA	No severance pay
K. Non-compete payment	NA	No non-compete payment
L. Supplementary pension plan	NA	No supplementary pension plan
M. Group schemes	€50,490	Remuneration related to the application of the group profit-sharing agreement (€33,000) and the allocation of the group bonus linked to the signature of new leases (€17,490).

- **Components of remuneration paid or allocated for the financial year ended 31 December 2022 to Francis Albertinelli as a member of the Executive Board (8th and 10th resolutions)**

Components of remuneration	of	Amounts	Description
A. Fixed remuneration		€208,000	The Supervisory Board meeting of 9 February 2022 decided to award annual fixed remuneration of €192,000 and a 13 th month.
B. Annual variable remuneration		NA	No annual variable remuneration
C. Deferred variable remuneration		NA	No deferred variable remuneration
D. Multi-year variable remuneration		NA	No multi-year variable remuneration
E. Exceptional remuneration		NA	No exceptional remuneration
F. Argan purchase options		NA	No purchase options
G. Free allocation of Argan shares subject to performance condition		€112,500	Interim 25% payment under the Three-Year Plan paid in respect of 2022
H. Attendance fees		NA	No attendance fees.
I. Value of benefits of any kind		NA	No benefits of any kind
J. Severance pay		NA	No severance pay
K. Non-compete payment		NA	No non-compete payment
L. Supplementary pension plan		NA	No supplementary pension plan
M. Group schemes		€49,490	Remuneration related to the application of the group profit-sharing agreement (€32,000) and the allocation of the group bonus linked to the signature of new leases (€17,490).

- **Components of remuneration paid or allocated for the financial year ended 31 December 2022 to Frédéric Larroumets as a member of the Executive Board (8th and 11th resolutions)**

Components of remuneration	of	Amounts	Description
A. Fixed remuneration		€208,000	The Supervisory Board meeting of 9 February 2022 decided to award annual fixed remuneration of €192,000 and a 13 th month.
B. Annual variable remuneration		NA	No annual variable remuneration
C. Deferred variable remuneration		NA	No deferred variable remuneration
D. Multi-year variable remuneration		NA	No multi-year variable remuneration
E. Exceptional remuneration		€150,000	Exceptional individual bonus linked to the Amazon transaction in Metz.
F. Argan purchase options		NA	No purchase options
G. Free allocation of Argan shares subject to performance conditions		€112,500	Interim 25% payment under the Three-Year Plan paid in respect of 2022
H. Attendance fees		NA	No attendance fees.
I. Value of benefits of any kind		NA	No benefits of any kind
J. Severance pay		NA	No severance pay
K. Non-compete payment		NA	No non-compete payment

Components of remuneration	Amounts	Description
L. Supplementary pension plan	NA	No supplementary pension plan
M. Group schemes	€49,490	Remuneration related to the application of the group profit-sharing agreement (€32,000) and the allocation of the group bonus linked to the signature of new leases (€17,490)

- **Components of the remuneration paid or allocated for the financial year ended 31 December 2022 to Jean-Claude Le Lan Junior as Chairman of the Executive Board (8th and 12th resolutions) - Member of the Executive Board until his appointment to the Supervisory Board (GM of 24 March 2022)**

Components of remuneration	Amounts	Description
A. Fixed remuneration	€22,484	The annual fixed remuneration of €98,000 and a 13th month approved at the Supervisory Board meetings of 19 January and 10 February 2021 - Amount indicated calculated for the period from 1 January to 23 March 2022
B. Annual variable remuneration	NA	No annual variable remuneration
C. Deferred variable remuneration	NA	No deferred variable remuneration
D. Multi-year variable remuneration	NA	No multi-year variable remuneration
E. Exceptional remuneration	NA	No exceptional remuneration
F. Argan purchase options	NA	No purchase options
G. Free allocation of Argan shares subject to performance conditions	NA	Not applicable for the period from 1 January to 23 March 2022
H. Attendance fees	NA	No attendance fees.
I. Value of benefits of any kind	NA	No benefits of any kind
J. Severance pay	NA	No severance pay
K. Non-compete payment	NA	No non-compete payment
L. Supplementary pension plan	NA	No supplementary pension plan
M. Group schemes	NA	Not applicable for the period from 1 January to 23 March 2022
M. Group schemes	NA	Not applicable for the period from 1 January to 23 March 2022

- **Components of the remuneration paid or allocated for the financial year ended 31 December 2022 to Jean-Claude Le Lan as Chairman of the Supervisory Board (8th and 13th resolutions)**

Components of remuneration	Amounts	Description
A. Fixed remuneration	€96,000	As Chairman of the Supervisory Board, Jean-Claude Le Lan is entitled to annual fixed remuneration of €96,000.
B. Annual variable remuneration	NA	No annual variable remuneration
C. Deferred variable remuneration	NA	No deferred variable remuneration
D. Multi-year variable remuneration	NA	No multi-year variable remuneration
E. Exceptional remuneration	NA	No exceptional remuneration
F. Argan purchase options	NA	No purchase options
G. Free allocation of Argan shares subject to performance conditions	NA	No free share allocation
H. Attendance fees	NA	No attendance fees.
I. Value of benefits of any kind	NA	No benefits of any kind
J. Severance pay	NA	No severance pay
K. Non-compete payment	NA	No non-compete payment
L. Supplementary pension plan	NA	No supplementary pension plan
M. Group schemes	NA	No Group scheme

- **Information referred to in Article L.22-10-9 concerning the remuneration allocated to members of the Supervisory Board (8th resolution)**

For each of the members of the Supervisory Board other than Jean-Claude Le Lan, Chairman of the Supervisory Board (see Section 2.2.5 above in relation to him), only the overall remuneration allocated by the General Shareholders' Meeting pursuant to Articles L.225-83 and L.22-10-27 of the French Commercial Code is relevant in respect of the information required by Article L.22-10-9 of that Code. The table below provides this information in detail for 2022:

Members of the Supervisory Board	Role	Amount of remuneration referred to in Articles L.225-83 and L.22-10-27 of the French Commercial Code for financial year 2022
Mr Hubert Rodarie	Vice-Chairman	€27,500
Mr Nicolas Le Lan	Member	€12,000
Mr Jean-Claude Le Lan Junior	Member	€9,000
Mr François Régis de Causans	Independent member	€17,500

Mrs Florence Soule de Lafont	Independent member	€25,500
Ms Constance de Poncins	Independent member	€25,500
Predica, represented by Najat Aasqui	Member	€27,000
TOTAL		€144,000

- **Undertakings of any kind made by the Company and corresponding to elements of remuneration, compensation or benefits payable or likely to be payable as a result of taking, leaving or changing office or subsequent thereto (Art. L.22-10-9 of the French Commercial Code) (8th resolution)**

There are no undertakings of any kind made for the benefit of the Company's corporate officers for elements of remuneration, compensation or benefits payable or likely to be payable as a result of taking, leaving or changing office or subsequent thereto.

- **Information referred to in Article L.22-10-9, 6° of the French Commercial Code for the Chairman of the Supervisory Board and each member of the Executive Board (8th resolution)**

In accordance with Article L.22-10-9, 6° of the French Commercial Code, the table below shows, for the Chairman of the Supervisory Board and each member of the Executive Board, the ratios for 2022 between the level of remuneration of each of these executives and, on the one hand, the average remuneration on a full-time equivalent basis of the Company's employees other than corporate officers and on the other, the median remuneration on a full-time equivalent basis of the Company's employees other than corporate officers.

The compensation of directors used for the purposes of this table includes all components of compensation paid (fixed remuneration and group schemes). For employees, remuneration is calculated on a full-time equivalent basis and includes all components of compensation paid (fixed remuneration, variable compensation and group schemes).

Corporate officer	Ratio (financial year 2022) of the corporate officer's total remuneration/mean remuneration of the Company's employees (other than corporate officers) ("RMO ratio")	Ratio (financial year 2022) of the corporate officer's total remuneration/median remuneration of the Company's employees (other than corporate officers) ("RME ratio")
Jean-Claude Le Lan, Chairman of the Supervisory Board	0.8	0.9
Ronan Le Lan, Chairman of the Executive Board	2.2	2.4
Francis Albertinelli, Member of the Executive Board	2.1	2.4
Frédéric Larroumets, Member of the Executive Board	3.3	3.7
Jean-Claude Le Lan Junior, Member of the Executive Board (until the GM of 24 March 2022)	1.1	1.3

- **Information referred to in Article L.22-10-9 of the French Commercial Code (8th resolution)**

In accordance with Article L.22-10-9 of the French Commercial Code, the table below shows the annual change in remuneration, in the Company's performance and in average remuneration on a full-time equivalent basis of the Company's employees other than executives, and the ratios mentioned in section 2.2.8 of this report, for financial years 2018 to 2022:

	Financial year 2018	Financial year 2019	Financial year 2020	Financial year 2021	Financial year 2022
1. Overall remuneration allocated by the General Shareholders' Meeting to members of the Supervisory Board (Article L.225-83 of the French Commercial Code) and distributed by the Supervisory Board					
Jean-Claude Le Lan, Chairman	N/A	N/A	N/A	N/A	N/A
Hubert Rodarie, Vice-Chairman ⁴	N/A	N/A	N/A	€11,000	€27,500
Mr Nicolas Le Lan	€12,000	€18,000	€12,000	€12,000	€12,000
Jean-Claude Le Lan Junior	N/A	N/A	N/A	N/A	€9,000
Mr François-Régis de Causans	€12,000	€23,000	€33,000	€22,000	€17,500
Mrs Florence Soule de Lafont	€12,000	€20,500	€25,500	€22,500	€25,500
Ms Constance de Poncins	N/A	N/A	€11,500	€22,500	€25,500
Predica, represented by Najat Aasqui	N/A	N/A	N/A	€27,000	€27,000

⁴ Since the General Meeting of 25 March 2021

	Financial year 2018	Financial year 2019	Financial year 2020	Financial year 2021	Financial year 2022
2. Remuneration of the Chairman of the Supervisory Board (Art. L.225-81 and L.22-10-25 of the French Commercial Code)					
Jean-Claude Le Lan, Chairman	€96,000	€96,000	€96,000	€96,000	€96,000
3. Remuneration of the members of the Executive Board					
Ronan Le Lan, Chairman					
– Fixed remuneration	€160,008	€160,008	€160,000	€214,500	€214,500
– Value of free share allocation (performance condition)	€457,600	N/A	N/A	€605,854	€112,500
– Group schemes	€36,072	€35,789	€39,219	€62,129	€50,490
Francis Albertinelli					
– Fixed remuneration	€160,028	€160,216	€160,000	€173,342	€208,000
– Value of free share allocation (performance condition)	€457,600	N/A	N/A	605.854	€112,500
– Exceptional remuneration	N/A	€250,000	N/A	N/A	N/A
– Group schemes	€36,075	€35,824	€39,298	€58,043	€49,490
Frédéric Larroumets					
– Fixed remuneration	€143,752	€160,008	€160,000	€173,342	€208,000
– Value of free share allocation (performance condition)	€373,069	N/A	N/A	€605,854	€112,500
– Exceptional remuneration	N/A	€250,000	N/A	N/A	€150,000
– Group schemes	€33,363	€35,789	€39,219	€58,007	€49,490
Mr Jean-Claude Le Lan Junior (member of the Executive Board until 24 March 2022)					
– Fixed remuneration	€70,028	€70,078	€80,000	€106,600	€22,484
– Value of free share allocation (performance condition)	€457,600	N/A	N/A	€605,854	Not provided
– Group schemes	€21,075	€20,801	€25,885	€47,677	Not provided
4. Company's performance					
Consolidated net income (in millions of €)	145	215	279	676	94.9
Recurring net income (in millions of €)	59	71	103	112	119.5
NAV EPRA NRV /share (€)	45	61	73	103	105
*For the 2018 financial year, this is the former NAV index (including transfer taxes)					
5. Average remuneration (fixed + variable + group scheme) on a full-time equivalent basis of the Company's employees other than executives					
Annual amount	€96,330	€88,735	€94,575	€119,185	€119,463

	Financial year 2018	Financial year 2019	Financial year 2020	Financial year 2021	Financial year 2022
6. RMO and RME ratios					
RMO ratio					
Jean-Claude Le Lan, Chairman of the Supervisory Board	1	1.1	1.0	0.8	0.8
Ronan Le Lan, Chairman of the Executive Board	2.0	2.2	2.1	2.3	2.2
Francis Albertinelli, member of the Executive Board	2.0	5.0	2.1	1.9	2.1
Frédéric Larroumets, member of the Executive Board	4.4	2.2	2.1	1.9	3.3
Mr Jean-Claude Le Lan Junior, member of the Executive Board (member of the Executive Board until 24 March 2022)	0.9	1	1.1	1.3	1.1
RME ratio					
Jean-Claude Le Lan, Chairman of the Supervisory Board	1.2	1.2	1.1	0.8	0.9
Ronan Le Lan, Chairman of the Executive Board	2.4	2.5	2.3	2.4	2.4
Francis Albertinelli, member of the Executive Board	2.4	5.8	2.3	2	2.4
Frédéric Larroumets, member of the Executive Board	5.2	2.5	2.3	2	3.7
Mr Jean-Claude Le Lan Junior, member of the Executive Board (member of the Executive Board until 24 March 2022)	1.1	1.2	1.2	1.4	1.3

In accordance with Article L.22-10-9 of the French Commercial Code, it should be noted that the remuneration for each of the Company's corporate representatives for the 2022 financial year as presented in the Supervisory Board's report on corporate governance complies with the Company's remuneration policy for the said financial year.

12.1.3 Additional information

Appendix 2 to this report includes a table of the current delegations of authority granted by the General Shareholders' Meeting in respect of capital increases pursuant to Articles L.225-129-1 and L.225-129-2.

Contribution to the Company's long-term performance is ensured by the ongoing pursuit of a balance between the company's interests, recognition of executives' performance and consistency in remuneration practices. As well as fostering loyalty amongst Argan's staff, the aim when setting remuneration is to reward performance and promote the Company's own exacting standards.

In 2022, the Executive Board used the delegations of authority granted by the General Shareholders' Meeting as follows:

Meeting of the Executive Board held on 26 April 2022:

- recognition of the increase in the Company's share capital resulting from the option given to shareholders of receive payment of the dividend in
- consequently, resolution to increase the Company's share capital from €45,177,090 to €45,902,580;
- resolution to include the amount of the share premium, i.e. €36,245,480.40, in the special "issue premium" account as a liability of the Company.

the form of shares, amounting to €725,490, corresponding to the creation of 362,745 new shares each with a par value of €2;

All shareholders are entitled to attend General Meetings, for which the rules of procedure are set out in Title IV of the Company's Articles of Association (Articles 31 to 40).

The factors likely to have an impact in the event of a public offer, as referred to in Article L.22-10-11 of the French Commercial Code, are set out below:

- (i) Structure of the Company's share capital: See Section 3 of the Management Report
- (ii) Restrictions on the exercise of voting rights in the articles of association: None
- (iii) Direct or indirect investments in the company's capital: See Section 3 of the Management Report
- (iv) Holders of securities with special control rights: None
- (v) Control mechanisms provided for in an employee shareholding system: None
- (vi) Agreements between shareholders of which the Company is aware and which may result in restrictions on the transfer of shares and the exercise of voting rights: To the best of the Company's knowledge, there is no agreement between shareholders that may result in restrictions on the transfer of shares and the exercise of voting rights. However, the members of the Le Lan family are bound (i) under a shareholders' agreement constituting a concert party and (ii) with Predica under a shareholders' agreement that does not constitute a concert party (see AMF notice no. 219C1208 of 18 July 2019)
- (vii) Rules applicable to the appointment and replacement of members of the Executive Board as well as the amendment of the Company's Articles of Association: There are no specific rules relating to the appointment and replacement of members of the Executive Board as well as the amendment of the Company's articles of association

(viii) Powers of the Executive Board to issue or buy back shares: See the table of delegations of authority in Appendix 2 below

(ix) Main agreements entered into by the Company that will be amended or terminated in the event of a change in control of the Company: as part of the bond issue of €500 million carried out in 2021 and maturing in November 2026, all bondholders may request the early repayment of all amounts owed in the event of a change in control of the Company

(x) Agreements providing for compensation for the Company's executives and employees, if they resign or are dismissed without real and serious grounds or if their employment ends due to a public offer: None

Your Supervisory Board made no comments on the Executive Board's report or on the consolidated and company financial statements as presented.

Neuilly sur Seine, 8 February 2023

The Supervisory Board

12.2. Meetings of the Supervisory Board

The Supervisory Board met eight times during the financial year ended 31 December 2022, with a director attendance rate of 92%.

The agenda items for these meetings were as follows:

- **Meeting of 18 January 2022:**
 - Approval of the financial statements as at 31 December 2021
 - Minutes of the Audit Committee
 - Statutory Auditors' report
 - Report on Executive Board activity
 - SFAF presentation of 19 January 2022
 - Any other business

- **Meeting of 09 February 2022:**
 - Approval of the General Meeting resolutions
 - 2022-2026 strategy
 - Minutes of the Appointment & Remuneration Committee meeting and approval of subsequent resolutions
 - Any other business

- **Written consultation of 29 April 2022:**
 - Approval of a warehouse development project in the municipality of Janneyrias (38)

- **Written consultation of 05 May 2022:**
 - Refinancing and reconstitution of a loan agreement entered into in 2017

- **Meeting of 14 June 2022:**
 - Review of the acquisition of a logistics site owned by RENAULT

- **Meeting of 19 July 2022:**
 - Approval of the financial statements as at 30 June 2022
 - Activity report by the Executive Board
 - Acquisition of the RENAULT site: approval of the loan agreement
 - Any other business

- **Written consultation of 19 September 2022:**

- Entry into a revolving credit facility

- **Meeting of 29 November 2022:**

- Composition of the Executive Board - information
- Activity report by the Executive Board
- Draft 2023 budget
- Entry into a revolving credit facility
- Minutes of the Audit Committee and risk mapping
- Any other business

12.3. Miscellaneous provisions

12.1.1. Procedures for shareholder participation in the General Meeting

The procedures for shareholder participation in the General Meeting are specified in Title IV of ARGAN's Articles of Association and are included in Part IV, 2.1.2.

12.1.2. Disclosure of the information required by Articles L.225-100-1 and L.22-10-35 of the French Commercial Code

Each of the items of information required by Articles L.225-100-1 and L.22-10-35 of the French Commercial Code is included in the Executive Board's management report to the General Meeting, which is itself available on the ARGAN company website (www.argan.fr).

13. Cross-reference tables

This cross-reference table lists the headings referred to in Annexes 1 and 2 to Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council and repealing Commission Regulation (EC) No 809/2004, and refers to the pages of this Universal Registration Document where the information relating to each of the headings can be found.

Minimum information to be included pursuant to Annexes 1 and 2 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129		
Ref.	Headings	Section and page in the Universal Registration Document
Annex 1		
1.	PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL	
1.1	Identity of the persons responsible	Part IV, Section 11, Sub-section 11.1, paragraph 11.1.1, page 224
1.2	Declaration by the persons responsible	Part IV, Section 11, Sub-section 11.1, paragraph 11.1.2, page 224
1.3	Expert declaration	Part I, Section 6, Sub-section 6.3, pages 55-58 Part IV, Section 10, page 223
1.4	Statement relating to third party information	Part I, Section 6, Sub-section 6.3, pages 55-58 Part IV, Section 10, page 223
1.5	Declaration relating to the filing of the Universal Registration Document	AMF inset, page 1
2.	STATUTORY AUDITORS	
2.1	Information on the statutory auditors	Part IV, Section 11, Sub-section 11.2, paragraphs 11.2.1 and 11.2.2, page 225
2.2	Information in the event that the statutory auditors have resigned or have not been reappointed	N/A
3.	RISK FACTORS	Part II, Section 5, Sub-section 5.2, pages 94 et seq.
4.	INFORMATION ABOUT THE ISSUER	
4.1	State the issuer's legal and commercial name	Part IV, Section 1, Sub-section 1.1, page 204
4.2	Place of registration of the issuer, its registration number and legal entity identifier (LEI).	Part IV, Section 1, Sub-sections 1.2 and 1.5, page 204
4.3	Date of incorporation and length of life of the issuer	Part IV, Section 1, Sub-section 1.3, page 204
4.4	Registered office, legal form of the issuer, applicable legislation, its country of incorporation, address and telephone number of the registered office, website with a disclaimer	Part IV, Section 1, Sub-sections 1.4 and 1.6, page 204
5.	BUSINESS OVERVIEW	
5.1	Principal activities	Part I, Section 5 - Sub-section 5.1, pages 10-11
5.2	Principal markets	Part I, Section 5, Sub-section 5.2, pages 11-18
5.3	Important events in the development of the issuer's business	Part II, Section 2, Sub-sections 2.1.2 and 2.1.3, pages 67-69 and Sub-sections 2.2.1 and 2.2.2, page 74. Part II, Section 5, Sub-section 5.1.3, page 94

5.4	Strategy and objectives	Part I, Section 5, Sub-section 5.3, page 19 and Part II, Sub-sections 5.1.2 and 5.1.3, page 94
5.5	Extent to which the issuer is dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes	N/A
5.6	Basis for any statements made by the issuer regarding its competitive position	Part I, Section 5, Sub-section 5.2.4, page 15 Part II, Section 5, Sub-section 5.2.3, page 99
5.7	Investments	
5.7.1	Material investments made by the issuer	Part II, Section 2, Sub-sections 2.1.1 and 2.1.2, pages 67-68
5.7.2	Material investments in progress or for which firm commitments have already been made, including their geographic distribution and the method of financing	Part II, Section 2, Sub-sections 2.1.3 and 2.1.4, page 69 For firm commitments: Part II, Section 5, Sub-section 5.1.3, page 94
5.7.3	Joint ventures and undertakings in which the issuer holds a proportion of the capital likely to have a significant impact on the assessment of its own assets and liabilities, financial position or profits and losses	Part II, Section 2, Sub-sections 2.1.5, page 69 and 2.2.7, page 77 Part III, Section 1, Notes to the consolidated financial statements, page 129
5.7.4	A description of any environmental issues that may affect the issuer's utilisation of the tangible fixed assets	Part I, Section 7, pages 62-65
6	ORGANISATIONAL STRUCTURE	
6.1	Brief description of the Group	Part I, Section 8, page 66
6.2	List of significant subsidiaries	Part II, Section 2, Sub-section 2.2.7, pages 77-78
7.	OPERATING AND FINANCIAL REVIEW	
7.1	Financial condition	
7.1.1	Review of business for the periods presented	Part II, Section 2, Sub-sections 2.1 and 2.2, pages 69-75
7.1.2	Indication of the issuer's likely future development and its activities in the field of research and development	Part II, Section 2, Sub-section 2.1.4, page 69 and Sub-section 2.2.3, page 74 Part II, Section 5, Sub-section 5.1.3, page 94
7.2	Operating results	Part II, Section 2, Sub-sections 2.1 and 2.2, pages 67-75
7.2.1	Significant factors materially affecting the issuer's income from operations	Part II, Section 2, Sub-section 2.1.2, pages 67-69
7.2.2	Narrative discussion of the reasons for material changes in net sales or revenues	Part II, Section 2, Sub-section 2.1.2, pages 67-69
8.	CAPITAL RESOURCES	
8.1	Information concerning the issuer's capital resources	Part II, Section 1, Sub-section 1.1, page 67 Part II, Section 2, Sub-section 2.1.6, page 69 Part III, Section 1 consolidated financial statements, Statement of changes in consolidated equity, page 128 Part IV, Section 2, Sub-section 2.2, page 210

8.2	Sources and amounts of and a narrative description of the issuer's cash flows	Part III, Section 1 consolidated financial statements, Statement of consolidated cash flows, page 127
8.3	Information on the borrowing requirements and funding structure of the issuer	Part II, Section 2, Sub-section 2.1.2, pages 67-69
8.4	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations	N/A
8.5	Anticipated sources of funds needed to fulfil commitments referred to in item 5.7.2	Part II, Section 5, Sub-section 5.1.3, page 94
9.	REGULATORY ENVIRONMENT	
9.1	A description of the regulatory environment that the issuer operates in and that may materially affect its business, together with information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations	Part I, Section 5, Sub-section 5.4, pages 19-30 Part II, Section 2, Sub-section 2.1.2, pages 67-69
10.	TREND INFORMATION	
10.1	The most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the Universal Registration Document. Any significant change in the financial performance of the Group since the end of the last financial period to the date of the registration document, or provide an appropriate negative statement	Part I, Section 5, Sub-section 5.2, pages 11-18 Part II, Section 5, Sub-section 5.1.1, page 94
10.2	Any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year	Part I, Section 5, Sub-section 5.2, pages 11-18 Part II, Section 5, Sub-section 5.1.1, page 94
11.	PROFIT FORECASTS OR ESTIMATES	Part I, Section 2, Sub-section 2.1.4, page 69 Part I, Section 2, Sub-section 2.2.3, page 74
12.	ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT	
12.1	Information about the members of the Company's administrative and management bodies	Part II, Section 3, Sub-section 3.1.1, page 78 and Sub-section 3.2.1, pages 82-85
12.2	Administrative, management and supervisory bodies and senior management conflicts of interests	Part II, Section 3, Sub-section 3.1.1, page 78 and Sub-section 3.2.1, pages 82-85
13.	REMUNERATION AND BENEFITS	
13.1	Amount of remuneration paid and benefits in kind	Part II, Section 3, Sub-section 3.3, page 91 Part IV, Section 12, Sub-section 12.1.2, pages 234-240
13.2	The total amounts set aside or accrued by the issuer or its subsidiaries to provide for pension, retirement or similar benefits	Part IV, Section 12, Sub-section 12.1.2, pages 234-240

14.	BOARD PRACTICES	
14.1	Date of expiration of the current term of office	Part II, Section 3, Sub-section 3.1.1, page 78 and Sub-section 3.2.1, page 82
14.2	Members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries	Part II, Section 3, Sub-section 3.1.1, page 78 and Sub-section 3.2.1, page 82
14.3	Information about the issuer's audit committee and remuneration committee	Part II, Section 3, Sub-section 3.2.4, page 87 Part IV, Section 12, Sub-section 12.1.1.3, page 244
14.4	A statement as to whether or not the issuer complies with the corporate governance regime(s) applicable to the issuer	Part II, Section 3, Sub-section 3.2.3, page 87 Part IV, Section 12, Sub-section 12.1.1.3, page 244
14.5	Potential material impacts on the corporate governance, including future changes in board and committee composition	Part II, Section 1, Sub-section 1.3, page 67 Part II, Section 3, Sub-section 3.2.1, pages 82-85 Part IV, Section 12, Sub-section 12.1.1.1, pages 227-234
15.	EMPLOYEES	
15.1	Number of employees	Part I, Section 7, Sub-section 7.1, page 62 Part II, Section 4, pages 92-93
15.2	Shareholdings and stock options	Part II, Section 4, Sub-section 4.1.2, pages 92-93
15.3	Arrangements for involving the employees in the capital of the issuer	Part II, Section 4, Sub-section 4.1.2, pages 92-93
16.	MAJOR SHAREHOLDERS	
16.1	Shareholders holding more than 5% of the capital	Part II, Section 6, Sub-section 6.2.1, page 105
16.2	Existence of different voting rights	Part IV, Section 2, Section 2.1, Quorum – Voting, page 209
16.3	Direct or indirect ownership or control of the issuer	Part IV, Section 12, Sub-section 12.1.1.1, page 227
16.4	Any arrangements, the operation of which may result in a change in control of the issuer.	Part IV, Section 6, page 221
17.	RELATED PARTY TRANSACTIONS	
17.1	Details of related party transactions	Part III, Section 2 – Statutory Auditors' Special Report, page 200 Part IV, Section 8, page 222
18.	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
18.1	Historical financial information	
18.1.1	Audited historical financial information covering the latest three financial years and the audit report in respect of each year.	Part III, pages 124-203
18.1.2	Change of accounting reference date	N/A
18.1.3	Accounting standards	Part III, pages 124-203
18.1.4	Change in accounting framework	N/A
18.1.5	The audited financial information must include at least the following: (a) the balance sheet; (b) the income statement; (c) a statement showing either all changes in equity or changes in equity other than those arising from capital transactions with owners and distributions to owners; (d) the cash flow statement; (e) the accounting policies and explanatory notes.	Part III, pages 124-203
18.1.6	Consolidated financial statements	Part III, pages 124-203
18.1.7	Date of the latest financial information	Part IV, Section 11.3, page 226
18.2	Interim and other financial information	N/A

18.3	Auditing of historical annual financial information	
18.3.1	The historical annual financial information must be independently audited	Part III, pages 124-203
18.3.2	Indication of other information in the Universal Registration Document that has been audited by the auditors	Part III, pages 124-203
18.3.3	Where financial information in the Universal Registration Document is not extracted from the issuer's audited financial statements, state the source of the information and state that the information is not audited.	Part III, pages 124-203
18.4	Pro forma financial information	N/A
18.5	Dividend policy	
18.5.1	A description of the issuer's policy on dividend distributions and any restrictions thereon	Part II, Section 6, Sub-section 6.3, Page 106
18.5.2	The amount of the dividend per share for each financial year for the period covered by the historical financial information adjusted, where the number of shares in the issuer has changed, to make it comparable	Part II, Section 6, Sub-section 6.3, Page 106
18.6	Legal and arbitration proceedings	
18.6.1	Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement	Part II, Section 5, Sub-section 5.2.7, page 103 Part IV, Section 9, page 222
18.7	Significant change in the issuer's financial position	
18.7.1	A description of any significant change in the financial position of the group which has occurred since the end of the last financial period for which either audited financial statements or interim financial information have been published, or provide an appropriate negative statement	Part II, Section 5, Sub-section 5.1.1, page 94
19.	ADDITIONAL INFORMATION	
19.1	Share capital	
19.1.1	Amount of issued capital and information for each class of share capital	Part II, Section 1, Sub-section 1.1, page 67 Part II, Section 6, Sub-section 6.1, page 104 Part IV, Section 2, Sub-section 2.2, page 210
19.1.2	If there are shares not representing capital, state the number and main characteristics of such shares	N/A
19.1.3	The number, book value and face value of shares in the issuer held by or on behalf of the issuer itself or by subsidiaries of the issuer	Part II, Section 6, Sub-section 6.2.1, page 105
19.1.4	The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription	N/A

19.1.5	Information about and terms of any acquisition rights and/or obligations over authorised but unissued capital or an undertaking to increase the capital	N/A
19.1.6	Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate	N/A
19.1.7	A history of share capital for the period covered by the historical financial information	Part II, Section 6, Sub-section 6.1, page 104 Part IV, Section 1, Sub-section 1.7, page 204
19.2	Memorandum and Articles of Association	Part IV, Section 1, Sub-section 1.7, page 204 and Sub-section 2.1, page 207
19.2.1	Register and entry number in the register; Issuer's corporate purpose	Part IV, Section 1, Sub-section 1.2, page 204 and Section 2, Sub-section 2.1.1, page 207
19.2.2	Where there is more than one class of existing shares, a description of the rights, preferences and restrictions attaching to each class	Part IV, Section 2, Sub-section 2.2.3, page 212
19.2.3	A brief description of any provision of the issuer's Articles of Association, statutes, charter or bylaws that would have the effect of delaying, deferring or preventing a change in control of the issuer	Part II, Section 6.5, pages 107
20.	MATERIAL CONTRACTS	
20.1	A summary of each material contract, other than contracts entered into in the ordinary course of business, to which the issuer or any member of the group is a party	N/A
21	DOCUMENTS AVAILABLE	
21.1	A statement that the following documents can be inspected: (a) the up-to-date Memorandum and Articles of Association of the issuer; (b) all reports, letters, and other documents, valuations and statements prepared by any expert at the issuer's request. An indication of the website on which the documents may be inspected	Part IV, Section 11, Sub-sections 11.3 and 11.4, page 226
ANNEX 2		
1.	INFORMATION TO BE DISCLOSED ABOUT THE ISSUER	
1.1	The issuer shall disclose information in accordance with the disclosure requirements for the Universal Registration Document for equity securities laid down in Annex 1	See Annex 1
1.2	When the Universal Registration Document is filed and published without prior approval, item 1.5 of Annex 1 shall be replaced with a statement that: (a) the Universal Registration Document has been filed with the French Financial Markets Authority (AMF) as competent authority under Regulation (EU) 2017/1129 without prior approval pursuant to Article 9 of Regulation (EU) 2017/1129; (b) the Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if approved by the AMF together with any amendments, if applicable, and a securities note and summary approved in accordance with Regulation (EU) 2017/1129	Inset on page 1 of this Universal Registration Document

	<p>in accordance with Article 9 of the said Regulation; b) the Universal Registration Document may be used for the purpose of a public offer of securities or the admission of securities to trading on a regulated market if approved by the Autorité des marchés financiers, as well as any amendments thereto, and a securities note and the summary approved in accordance with Regulation (EU) 2017/1129</p>	
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The cross-reference table below identifies the information for inclusion in the Annual Financial Report to be published by listed companies in accordance with Articles L.451-1-2 of the French Monetary and Financial Code and 222-3 of the General Regulations of the AMF:

Cross-reference table for the Annual Financial Report and the Universal Registration Document		
Information required by the annual financial report	Universal Registration Document	
Headings	Part	Section/Paragraph
1. Annual financial statements	III	Section 2, page 166
2. Consolidated financial statements	III	Section 1, page 124
3. Management report	II	Page 67
Information referred to in Articles L.225-100-1 and L.22-10-35 of the French Commercial Code	II	Section 1 to Section 7, pages 67 to 123
Information referred to in Article 225-100-3 of the French Commercial Code	II	Section 6, Sub-section 6.5, page 107
Information referred to in Article 225-211 of the French Commercial Code (Table of delegations of authority)	IV	Section 4, page 204
4. Statement by natural persons with responsibility for the annual financial report	IV	Section 11, Sub-section 11.1, page 224
5. Statutory auditors' reports on the annual and consolidated financial statements	III	Section 1, page 161 Section 2, page 194
6. Statutory auditors' fees	IV	Section 11, Sub-section 11.2, page 226
7. Supervisory Board's report on corporate governance	IV	Section 12.1, page 227



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