

SELECTIRENTE

Retail property investment company

2021

HALF-YEAR FINANCIAL REPORT



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Results for the first half of 2021

KEY FIGURES	H121	2020	H120
OPERATIONAL PERFORMANCE			
Growth in rent	+29.0%	+22.7%	+17.8%
Growth in rent on a like-for-like basis	+0.3%	-1.4%	+0.1%
Average financial occupancy rate (over the last 12 months)	94.3%	95.1%	96.2%
Direct and indirect investments (in € million, excl. transfer taxes)	47.8	108.5	47.5
RESULTS (IN € MILLION)			
Gross rental income	10.6	17.7	8.2
Recurring Net Income	5.0	6.2	3.1
Net Result	5.9	10.9	2.6
Operating cash flow	8.6	12.8	6.4
DATA PER SHARE* (€/SHARE)			
Recurring Net Income	1.19	1.49	0.74
Net Result	1.41	2.62	0.63
NAV ERPA NDV	85.86	86.58	85.64
Operating cash flow	2.07	3.08	1.54
<i>Weighted average number of shares: 4,164,827 for H121 and 4,168,442 for 2020</i>			
PORTFOLIO AND DEBT			
Fair value of the Direct Portfolio (in € million, excl. transfer taxes) ⁽¹⁾	435.1	389.6	336.0
Average yield on real estate appraisals	4.8%	4.8%	4.9%
Net LTV ⁽¹⁾	22.0%	11.2%	0.0%

Rue du Cherche Midi - Paris (6th)

(1) See Methodological note on page 12.

1 HALF-YEAR ACTIVITY REPORT

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1.1 ECONOMIC CLIMATE AND REAL ESTATE MARKET

The first half-year of 2021 remained largely marked by the effects of the Covid-19 health crisis, impacting retail activity due to the measures imposed by public authorities to combat the spread of the epidemic. The business climate and consumer sentiment have been on an upward trajectory since the beginning of 2021 and more significantly since the lifting of health restrictions. The limits on maximum capacities were lifted on 30 June 2021 in places open to the public and the French mainland has not been subject to any curfew since 20 June 2021. As in 2020, a significant rebound was observed when so-called "non-essential" stores were allowed to reopen, reflecting French residents' strong desire to return to physical consumption.

The retail business climate indicator has also recovered well in 2021, to 90 points in April 2021 and to 116 in June 2021, compared to an average of 87.4 points in 2020, 61 in April 2020 and 86 in June 2020.

In this context of economic recovery, the gradual lifting of the restrictions in the spring should lift the French economy

out of recession in the first quarter (0.1% decline in GDP), towards a timid recovery in the second quarter (+0.7%); INSEE is therefore optimistic, with GDP growth estimated at 6% at the end of 2021. There are two main drivers for this recovery; namely household consumption and corporate investment. French household consumption expenditure should therefore restabilise in 2021 (+5.2% according to INSEE) after a disrupted year in 2020 (-7.2%).

The real estate investment market started the year at a slow pace, followed by the introduction of new health restrictions in the second quarter which had a severe impact on commercial real estate transaction activity. Nearly €650 million was invested in commercial real estate during the first half-year, taking the share of the compartment to 8%, its lowest level since 2008 (16% in 2020), to the benefit of the logistics compartment, whose share rose from 13% in 2020 to 18% in the first half of 2021. Retail transaction activity was fuelled by small unit volume transactions below €40 million, totalling 84% of the volume invested at the end of June 2021 and 99% by number of transactions.

1.2 RESILIENCE OF OPERATIONAL PERFORMANCE

In a context of successive lockdowns due to the COVID-19 health crisis and signs of economic recovery observed at the beginning of the year, SELECTIRENTE maintained its pace of investments and recorded half-year results for 2021 that demonstrate the resilience of its business model and the effectiveness of its positioning in the local city-centre retail market, thanks to the fundamentals of its portfolio.

In this context, SELECTIRENTE has proven its resilience by recording, on 2 September 2021, a rent and expense recovery rate for the first half of the year of 88%, compared to a recovery rate of 81% observed for the same period in 2020.

The Company estimates that its exposure to retail tenants affected by the temporary administrative closure measures has gradually reduced during the second quarter of 2021; whilst maintaining the necessary social distancing measures, all SELECTIRENTE tenants have resumed their activity and benefited from the new momentum in French household consumption since mid-June.

Despite its exposure to the temporary administrative closure of certain retail tenants, SELECTIRENTE posted a resilient operating performance with an average financial occupancy rate of 94.3% over the last twelve months and of 94.8% for the second quarter of 2021.

1.3 INVESTMENTS AND DISINVESTMENTS DURING THE HALF-YEAR

1.3.1 INVESTMENTS

During the first half of 2021, marked by the recovery of economic activity after a third lockdown, SELECTIRENTE was able to launch a major investment programme.

Since the beginning of the 2021 financial year, the Company has pursued its development with prudence and selectivity, and has made direct real estate investments in high-quality assets offering potential rent revaluation over time.

Thus, SELECTIRENTE acquired 31 ground floor shops (both individually and in the form of 3 portfolios) located in and around Paris and in regional cities, as well as an iconic asset located on Toulouse's main shopping street, rue de Metz, for a total cost price of €45.6 million⁽²⁾, as follows:

- 11 shops, of which 6 are located in Paris, the others being in Lyon (69), Toulouse (31), Bordeaux (33), Clermont-Ferrand (63) and Annemasse (74), for a total cost price of €13.7 million;
- a local cinema on rue des Ecoles in Paris (5th) for a total cost price of €1.3 million;
- a portfolio of 6 shops and 1 apartment in Paris (18th), Clermont-Ferrand (63) and Menton (06) for a cost price of €5.5 million;
- a portfolio of 9 shops and 4 dwellings in Paris (16th and 20th), Levallois-Perret (92), Asnières-sur-Seine (92), and Courbevoie (92) for a cost price of €4.7 million;

- a portfolio of 2 shops located in Paris (17th) and Versailles (78) for a cost price of €4.2 million;
- an iconic mixed-use building (shops/offices) located at the corner of rue de Metz and rue des Arts in Toulouse (31) and currently leased to 14 tenants, for a total cost price of €16.2 million.

The average immediate net profitability of these investments is 4.7%. These assets benefit from long-term value creation due to their conservative rents compared with market rental values.

In addition, SELECTIRENTE acquired an additional 23,127 shares in Vastned Retail N.V. for €0.5 million, bringing its overall stake in the share capital of this listed Dutch REIT to 640,855 shares, i.e. 3.37%.

Lastly, SELECTIRENTE acquired 5,602 shares (1.85% of the share capital) in SCPI Immorente 2 (managed by the asset management company Sofidy), which specialises in city-centre retail, for a total amount of €1.6 million, equal to a unit price of €288.75 including fees.

Given its financial structure, SELECTIRENTE has a strong ability to seize acquisition opportunities in the short and medium term.

Since 1 July 2021, the Company has acquired and/or committed to the acquisition of several assets for a total investment sum of nearly €60 million.

1.3.2 DISINVESTMENT

No assets have been sold since the beginning of the financial year.

As of 30 June 2021, the Company is committed to the sale of a vacant shop located in Sancerre (18) for a net asking price of €100 thousand and is considering the sale of a small portfolio of shops, as well as individual retail units.

1.3.3 COMPOSITION OF THE PORTFOLIO

The Company's portfolio is valued at €462.1 million⁽³⁾ as of 30 June 2021. It is made up of:

- real estate assets acquired directly for an amount of €435.1 million (appraisal values excluding transfer taxes);
- indirect real estate investments for an amount of €27 million consisting of shares in the listed REIT Vastned Retail N.V. for €15.8 million, SCPI and OPCI shares for an amount of €9.5 million, an equity stake in a company (Rose SARL) for an amount of €1.1 million, and usufructs of SCPI shares for an amount of €0.6 million.

(2) Including purchase costs and excluding investment fees

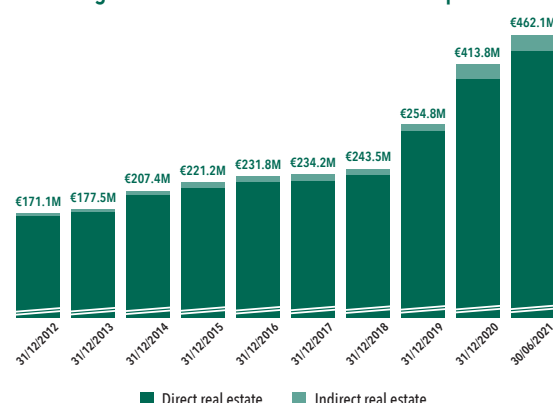
(3) See Methodological note on page 12.

At 30 June 2021, changes in the real estate portfolio acquired directly and indirectly broke down as follows:

Breakdown of direct real estate portfolio by asset type
(% of values at 30 June 2021)



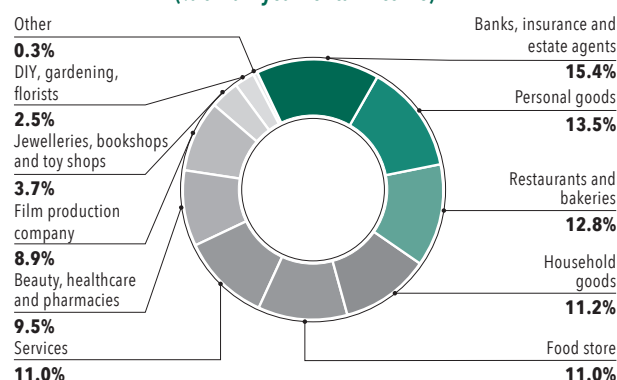
Change in the direct and indirect real estate portfolio



Geographic breakdown of direct real estate portfolio
(% of values at 30 June 2021)



Breakdown of direct real estate portfolio by sector
(% of full-year rental income)



Lastly, SELECTIRENTE's direct real estate portfolio (value excluding transfer taxes of €435.1 million) consists of 486 city-centre retail properties mainly located in and around Paris, single-storey office spaces in Paris (15th) and two mixed-use real estate buildings (shops and offices) in Bordeaux and Toulouse.

1.4 CHANGES IN DEBT AND INTEREST-RATE RISK MANAGEMENT

As of 30 June 2021, gross bank borrowings stood at €148.7 million, compared with €145.6 million as of 31 December 2020. They are made up of 130 mortgages with no financial covenants. The average cost of borrowing was 1.72% per year in the first half of the year, compared with 1.82% in 2020.

The main characteristics of SELECTIRENTE's bank borrowings changed as follows:

In €	31.12.2020	30.06.2021
Outstanding bank borrowings	145,608,070	148,718,536
Gross Loan-to-Value Ratio	35.2%	32.2%
Net Loan-to-Value Ratio	11.2%	22.0%
Average cost of debt over the period	1.82%	1.72%
Average residual lifespan remaining	112 months	107 months
% fixed-rate debt	92.1%	92.9%
% non-hedged variable-rate debt	7.8%	6.9%
% swapped variable-rate debt	0.2%	0.1%

The *net and gross loan-to-values*⁽⁴⁾ stood at 22.0% and 32.2% respectively at 30 June 2021, compared to 11.2% and 35.2% at the end of the previous financial year.

(4) See Methodological note on page 12.

1.5 LEASE AND REAL ESTATE MANAGEMENT

Since the beginning of the year, and despite the health crisis related to COVID-19, numerous actions have been carried out in the rental management activity (re-letting, renewals and lease transfers with change of tenant activity), resulting in a net increase (+1.6%) in the annual rental income from the 29 shops concerned to €1,441 thousand (compared with €1,419 thousand previously).

	Number	Surface area m ²	Previous annual rental income (in €)	Annual rental income obtained (in €)
Lease renewal	16	2,375	€645,319	€708,734
Re-lettings	13	4,946	€773,288	€732,020
Lease transfers with change of tenant activity	0	0	€0	€0
TOTAL	29	7,321	€1,418,607	€1,440,754
Lettings				€0
Lease transfer payments or entry fees				€0

The financial occupancy rate remained high at 94.3% over the last twelve months, compared to an average of 95.1% for 2020. The financial occupancy rate during the second quarter of 2021 was up by 130 basis points compared to the previous quarter and stood at 94.8% (93.5% in the first quarter). This growth is due to the work of the management teams who were able to re-let 13 temporarily vacant assets, including those located on Boulevard Haussmann in Paris (8th), Boulevard Voltaire in Paris (12th) and in Namur in Belgium, as well as part of the asset located on rue de la Liberté in Dijon (the lease on the other part had already been signed subject to administrative authorisations). These 13 new re-lettings were signed during the first half of 2021, generating a net decrease of €41 thousand in the overall annual rent of the re-lettings (-5.33%). This decrease mainly concerns three assets, located in Beauvais, Brussels and Troyes, which have remained vacant for more than three years, the other ten shops having been re-let at the same rent.

The amount of non-rebillable major works and maintenance expenses (recognised as expenses or as a new capitalised component, depending on their nature) amounted to €157 thousand in the first half of 2021. These works mainly concerned the following assets: asset located in Beauvais (60) (€20 thousand for air conditioning), Paris (1st) (€17 thousand on renovation), rue du Faubourg Montmartre in Paris (9th) (€16 thousand on upgrades), rue Saint Dominique in Paris (7th) (€19 thousand on renovation work for the new tenant), rue Réaumur in Paris (2nd) (€10 thousand in co-

ownership work), Andély (27) (€10 thousand to waterproof the roof), boulevard Haussmann in Paris (8th) (€8 thousand for roofing work), Place du Palais Bourbon in Paris (7th) (€7 thousand in renovation work), and Corbeil-Essone (91) (€7 thousand in ceiling restoration work).

Provisions for renovations and repairs were made as part of multi-year maintenance plans. A provision of €79 thousand was allocated in this respect in the financial statements at 30 June 2021 and renovation work was carried out in the first half of 2021, resulting in a reversal of provisions of €45 thousand. The balance of this provision for renovations stood at €464 thousand at 30 June 2021.

DISPUTES

At 30 June 2021, aside from proceedings against tenants with past-due rental payments and/or the renewal/setting of their rent, the only significant dispute related to SELECTIRENTE and its tenant (fast-food chain) being taken to court for odour pollution caused by a lack of extraction and the faulty airtightness of the ceiling in the commercial space by the owner of office premises located above a commercial space on Rue de Réaumur in Paris (4th). The amount claimed is approximately €100 thousand in compensation for loss of rental income and €10 thousand in reimbursement of costs. The legal proceedings are ongoing and the Company has recorded a provision of €70 thousand in the financial statements at 30 June 2021, unchanged since 31 December 2019.

1.6 HALF-YEAR RESULTS

SELECTIRENTE's revenue amounted to €10.6 million at 30 June 2021, up 28.6% compared to the first half of 2020. Rents alone increased by 29% compared to the first half of 2020 and by 0.3% on a like-for-like basis.⁽⁵⁾

In thousands of €	H120	Q121	Q221	H121	Change H121 / H120
Rent	8,090	4,989	5,445	10,434	+29.0%
Other income	144	97	60	157	+8.4%
Net revenue	8,234	5,085	5,505	10,591	+28.6%

(5) See Methodological note on page 12.

In € per share⁽¹⁾

KEY FIGURES	H120	H121	Change H121 / H120	H120	H121
Gross rental income	8,234	10,591	+28.6%	1.97	2.54
- Real estate expenses	-409	-368	-10.0%	-0.10	-0.09
- Operating expenses	-1,242	-1,740	+40.1%	-0.30	-0.42
- Net depreciation, amortisation, impairment and provisions	-3,156	-3,638	+15.2%	-0.76	-0.87
+ Financial income	935	1,576	+68.6%	0.22	0.38
- Financial expenses	-1,161	-1,237	+6.5%	-0.28	-0.30
- Tax on recurring income	-28	-56	+99.7%	-0.01	-0.01
- Foreign tax	-81	-163	+101.5%	-0.02	-0.04
Recurring net income	3,091	4,965	+60.6%	0.74	1.19
Non-recurring operating and financial income/ expenses	0	0	N/A	0.00	0.00
Capital gains on disposals of real estate assets	1	0	N/S	0.00	0.00
Capital gains on disposals of financial assets	0	0	N/A	0.00	0.00
Impairment of assets and other	-469	921	N/A	-0.11	0.22
Net result	2,624	5,886	+124.3%	0.63	1.41
Operating cashflow	6,424	8,621	+34.2%	1.54	2.07

(1) Average number of diluted shares outstanding during the financial year

N/A: not applicable

N/S: not significant

SELECTIRENTE posted recurring net income after tax of €4,965 thousand in the first half of 2021, up 60.6% year-on-year. This strong increase is attributable to both the increase in rental income related to investments made during the second half of 2020 and the first half of 2021 and, to a lesser extent, the stability of financial expenses despite the strong growth of the portfolio (cross effect of the €19-million increase in borrowings and the decrease in the cost of financing by 10 bps compared to the first half of 2020). In addition, the investment in the equity of Vastned Retail N.V. enabled €1.1 million in dividends to be recognised in financial income.

In the first half of 2021, rent reductions and waivers amounted to €0.2 million (1.7% of invoiced rents). Residual arrears for the first half of 2021, which amounted to €2.2 million (20.8% of invoicing) at 30 June 2021, are subject to moratoriums for an amount for €0.1 million and provisions of €0.8 million, taking into account ongoing discussions with the tenants concerned.

Net income and current cash flow posted growth in line with the positive operating performance of the portfolio, i.e. increases of 124% and 34% year-on-year.

Lastly, a reversal of €1.2 million in provisions on equity investments was recorded in the financial statements at 30 June 2021, as a result of the increase in the share price of Vastned Retail N.V.

NET ASSET VALUE

SELECTIRENTE's reassessed portfolio stands at €462 million⁽⁶⁾, excluding duties, as of 30 June 2021, compared to €414 million as of 31 December 2020, i.e. an increase of 12%. SELECTIRENTE's direct real estate portfolio is subject to independent valuation on a half-yearly basis by the real estate expert Cushman & Wakefield.

On 30 June 2021, given the high-quality locations in its portfolio, and despite the health crisis, the valuation of the Company's direct real estate assets once again proved resilient. As a result, these appraisals have posted overall growth of 0.6% on a like-for-like basis over the last six months.

In retail, the values of city-centre shops, which account for 83% of the overall portfolio, are up (+0.7%), this increase being more marked for peripheral stores (+6.0%). Geographically, these appraisal values are up slightly across the entire scope in Paris (+0.7%) and in the Paris region (+0.4%), which account for nearly 70% of the overall regional portfolio (+0.5%), while the increase was more pronounced in Belgium (+2.3%). At the end of June 2021, the yields on these appraisals (including duties) stood at 4.6% for city-centre shops (of which an average of 4.2% for Parisian premises estimated at between 2.8% and 6%, and 5.5% in the Paris region), 7.9% for peripheral units, representing an average yield of 4.8% for the entire portfolio, which was stable overall compared to the end of 2020.

EPRA NAV Net Disposal Value stood at €85.86 at 30 June 2021, compared with €86.58 at 31 December 2020, representing a decline of 0.8%, mainly due to the payment of the annual dividend of €3.25 per share and the preferred dividend of €0.325 per share to the General Partner, offset by the increase in the appraisal values of the portfolio during the first half of 2021.

(6) The reassessed portfolio at 30 June 2021 (€462 million) is comprised of real estate assets held directly for €435 million (appraisal values excluding transfer taxes), indirect real estate investments consisting of SCPI and OPCI shares for €10.5 million, usufructs of SCPI shares for €0.6 million, and shares in the listed real estate company Vastned Retail N.V. for €15.8 million.

Net Asset Value - in €	31.12.2020	30.06.2021
Equity	300,735,957	292,345,681
Reassessed real estate portfolio ⁽¹⁾	389,606,000	435,143,000
- Net book value of real estate portfolio	-326,912,345	-370,420,494
Unrealised capital gains or losses	62,693,655	64,722,506
Valuation of the long-term shareholdings in trading portfolio	23,502,867	26,349,180
Net book value of the long-term shareholdings in trading portfolio	23,178,544	26,503,615
Unrealised capital gains or losses on securities	324,323	-154,435
Liquidation NAV (A)+(B)+(C)+(D)	363,753,936	356,913,751
Impact of EPRA compliance		
Restatement of equity under IFRS	-178,930	713,724
o/w: Amortisation of benefits granted to tenants and allowances	-50,936	37,792
Fair value adjustment of hedging instruments	-3,916	-1,176
Deferred taxes	-21,426	-14,359
Other IFRS restatements	-102,652	691,466
Fair value adjustment of fixed-rate debts	-2,755,952	233,088
EPRA NNNNAV	360,819,054	357,860,563
Number of non-treasury shares at 31 December	4,167,538	4,168,185
Going concern NAV incl. duties per share	94.18	96.55
Liquidation NAV per share	87.28	85.63
EPRA NNNNAV per share	86.58	85.86

(1) According to independent real estate appraisal value, excluding duties

1.7 OTHER INFORMATION

1.7.1 MAIN RISKS

The main risk factors which the Company believes could have a significant adverse impact on its business, financial position, results or outlook, are described in Chapter IV of the Company's 2020 Universal Registration Document. The Company's 2020 Universal Registration Document is available on the Company's website (www.selectirente.com). To the best of its knowledge, the Company believes that there has been no significant change in these risks as at the date of this half-year financial report.

1.7.2 RISK RELATED TO THE COVID-19 PANDEMIC

At the time of drafting the Half-Year Financial Report, the Company believes that the impact of the pandemic on its business, financial position, results and/or outlook is described in Chapter IV of the Company's 2020 Universal Registration Document which is available on its website (www.selectirente.com).

1.8 OUTLOOK

The economic outlook for the second half of 2021 remains uncertain given the evolution of the Covid-19 epidemic and in particular the pace and extent of economic recovery and household consumption. As since the beginning of this epidemic, the Company remains confident in the resilience of its portfolio, both in the solidity of the cash flows generated and in the upward rise in valuations, and intends to rely on the strong fundamentals of its business to get through this period: premium locations, asset quality and rental risk pooling.

Given its financial structure, SELECTIRENTE has a strong ability to seize acquisition opportunities in the short and medium term.

As of 15 September 2021, several investment transactions were undertaken to acquire retail assets in and around Paris, and in major regional cities for a total amount of almost €60 million.

1.9 METHODOLOGICAL NOTE

REASSESSED VALUE OF THE PORTFOLIO

The reassessed value (excluding duties) of the Company's portfolio is based on the following:

- the direct real estate portfolio is recognised at its appraisal value at 30 June 2021 or its acquisition cost excluding duties and fees for acquisitions after 6 May 2021,

Indirect real estate investments, consisting of:

- fully-owned SCPI shares, recorded at their withdrawal value or market value as at 30 June 2021,
- OPCI shares, recorded at their most recent net asset value as at 30 June 2021,
- Rose shares, recorded at their most recent net asset value, and
- Vastned Retail N.V. shares, recorded at their stock market price on 30 June 2021.

LOAN-TO-VALUE

- The gross loan-to-value corresponds to the ratio of bank borrowings (€148 719 thousand at 30 June 2021) to the reassessed value (excluding duties) of the Company's portfolio (€462,098 thousand at 30 June 2021).
- The net loan-to-value corresponds to the ratio of bank borrowings net of cash (€101 700 thousand at 30 June 2021) to the reassessed value (excluding duties) of the Company's portfolio (€462 098 thousand at 30 June 2021).

OPERATING CASH FLOW

Operating cash flow corresponds to the profit (loss) for the financial year (€5,886 thousand at 30 June 2021) plus net amortisation, depreciation, impairment and provisions for the year (€2 735 thousand at 30 June 2021) and adjusted for capital gains and/or losses on disposals, net of tax (€0 thousand at 30 June 2021).

RENT ON A LIKE-FOR-LIKE BASIS

The change in rent on a like-for-like basis is determined as follows:

<i>H120 rent</i>	8,090
- H120 rent neutralised of H120 acquisitions	-163
+ H120 rent semestrialised of H120 acquisitions	884
- H120 rent neutralised of H120 disposals	-9
- H120 rent neutralised of H220 disposals	-164
H120 rent restated	8,637
H121 rent	10,434
- H121 rent neutralised of H121 disposals	0
- H121 rent neutralised of H121 acquisitions	-1,770
H121 rent restated	8,664
Change as %	+0.3%

2

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2.1 BALANCE SHEET

Assets (in €)	Gross	30 June 2021 Amort., depr., prov.	Net	31 December 2020 Net
Intangible Assets				
Concession and Patents	522		522	522
Start-up costs				
Other intangible assets	1,655,571	1,049,651	605,920	714,998
Property, Plant and Equipment				
Land	165,012,300		165,012,300	144,654,117
Construction	256,521,276	51,113,082	205,408,194	182,258,228
Other property, plant and equipment				
Assets under construction	714,430		714,430	1,364,758
Non-Current Financial Assets				
Equity Investments	16,063,851		16,063,851	14,317,250
TIAP*	10,578,927	139,163	10,439,764	8,861,294
Receivables relating to equity holdings				
Working capital	382,766		382,766	258,570
Other financial assets	591,761		591,761	572,853
NON-CURRENT ASSETS	451,521,404	52,301,896	399,219,508	353,002,590
Trade receivables				
Lease receivables	602,040		602,040	298,732
Bad debts	4,246,205	2,316,884	1,929,321	1,300,976
Customers not yet invoiced	67,169		67,169	64,369
Rental expense receivables	2,170,262		2,170,262	1,584,638
Other receivables				
Tax receivables	238,193		238,193	260,751
Accrued income	133,622		133,622	143,023
Other receivables	1,308,865		1,308,865	48,646
Trade payables - advances and prepayment	794,040		794,040	109,312
Cash				
Marketable securities	0		0	0
Cash instruments	0		0	60,137,473
Cash and cash equivalents	47,018,208		47,018,208	39,173,053
Prepaid expenses	67,623		67,623	18,381
CURRENT ASSETS	56,646,227	2,316,884	54,329,343	103,139,353
Expenses to be spread over several years	587,576		587,576	
Bond repayment premium				
GRAND TOTAL	508,755,207	54,618,780	454,136,427	456,141,943

* Long-term portfolio investment securities

Liabilities (in €)	30 June 2021	31 December 2020
Share capital	66,767,008	66,767,008
Share premiums	202,619,937	202,619,937
Revaluation adjustment	9,872,313	10,205,338
Distributable revaluation adjustment	3,094,014	7,301,578
Legal reserve	3,452,527	2,907,141
Unavailable reserve		
Regulated reserves		
Others reserves	11,905	11,905
Retained earnings	642,263	15,327
Profit (loss) for the financial year	5,885,713	10,907,724
EQUITY	292,345,681	300,735,957
Provisions for risks	70,000	70,000
Provisions for contingent liabilities	463,832	430,451
PROVISIONS FOR RISKS AND LIABILITIES	533,832	500,451
Borrowings		
Convertible bond borrowings		
Borrowings from credit institutions	148,897,038	145,810,280
Other borrowings and financial liabilities		
Security deposit	5,278,736	4,736,551
Bank overdrafts		
Liabilities		
Customer credit notes to be issued	120,674	73,703
Credit balances on trade receivables	866,738	421,534
Prepaid rental expenses from trade receivables	2,221,132	1,695,088
Trade payables	315,671	791,844
Tax and social security payables	1,039,457	701,554
Payables on non-current assets		
Other payables	898,543	11,664
Other liabilities	1,363,945	567,858
Prepaid income	254,982	95,458
LIABILITIES	161,256,914	154,905,535
GRAND TOTAL	454,136,427	456,141,943

2.2 INCOME STATEMENT

In €	30 June 2021 (6 months)	31 December 2020 (12 months)	30 June 2020 (6 months)
Operating income			
Rent	10,433,957	17,441,368	8,089,890
Related income	156,626	253,720	144,427
Net revenue	10,590,583	17,695,088	8,234,317
Rebillable rental expenses	952,660	1,097,142	415,883
Rebillable taxes	620,357	1,087,070	484,179
Reversal of depreciation, amortisation and provisions and transfers	610,532	722,510	270,617
Other income	0	13,220	6,839
Total operating revenues	12,774,132	20,615,029	9,411,834
Real estate expenses			
Non-rebillable rental expenses	108,827	274,118	137,011
Rebillable rental expenses	952,660	1,097,142	415,883
Non-rebillable maintenance	45,230	140,175	59,294
Taxes, duties and similar payments			
Non-rebillable taxes	106,763	142,291	59,351
Rebillable taxes	620,356	1,087,070	484,179
Other taxes	107,412	323,968	153,699
Other purchases and external expenses			
Remuneration of the management company	994,588	1,462,424	700,493
Professional fees	421,795	1,118,345	367,045
Insurance	13,474	23,129	11,408
Banking services	67,585	118,463	84,059
Other purchases	26,991	49,749	21,486
Provisions for liabilities			
Amortisation and depreciation	3,340,613	5,949,805	2,761,162
Provisions for bad debts	828,858	1,475,268	602,919
Provisions for major maintenance	78,612	129,889	62,988
Provisions for risks			
Provisions for Deferred Charges			
Other operating expenses (including bad debt)	215,455	350,107	64,135
Total operating expenses	7,929,218	13,741,942	5,985,112
OPERATING PROFIT (LOSS)	4,844,914	6,873,087	3,426,722
Income from equity investments	1,085,969	484,500	484,500
Other securities and receivables from fixed assets	397,646	727,657	342,994
Net income from disposals of non-current financial assets		15,520,416	
Other interest receivable and similar income	92,292	240,478	107,236
Provision reversals and expense transfers	1,204,723		
Total financial income	2,780,631	16,973,050	934,730
Interest payable and similar expenses	1,234,403	2,481,803	1,155,981
Net expenses from disposals of marketable securities			
Net expenses from disposals of non-current financial assets		10,229,988	
Other interest payable and similar expenses	2,140	8,718	5,047
Depreciation, amortisation and impairment	102,507	1,204,936	218
Total financial expenses	1,339,050	13,925,445	1,161,246
FINANCIAL INCOME (EXPENSE)	1,441,581	3,047,605	-226,517
RECURRING INCOME/(LOSS) BEFORE TAX	6,286,495	9,920,692	3,200,205
Non-recurring income on revenue transactions	21,308	207,257	177,481
Non-recurring income on capital transactions		4,535,530	1 459
Provision reversals and expense transfers	131,727	189,808	149 190
Total non-recurring income	153,035	4,932,594	328,130
Non-recurring expenses on revenue transactions	3,297	2,053	982
Non-recurring expenses on capital transactions		2,702,739	
Depreciation, amortisation and impairment	331,220	1,195,076	794,240
TOTAL NON-RECURRING EXPENSES	334,517	3,899,868	795,222
NET NON-RECURRING INCOME/(EXPENSE)	-181,482	1,032,727	-467,092
Corporate income tax	56,404	-37,059	28,247
Foreign tax	162,895	82,753	80,858
PROFIT OR LOSS	5,885,713	10,907,724	2,624,009

2.3 STATEMENT OF CHANGES IN EQUITY

In €	Position at 31/12/20	Change in the share capital	Appropriation of N-1 earnings	Other movements	Position at 30/06/21
Share capital	66,767,008				66,767,008
Share premiums	202,619,937				202,619,937
Revaluation adjustment	10,205,338			-333,025	9,872,313
Distributable revaluation adjustment	7,301,578		-4,540,589	333,025	3,094,014
Legal reserve	2,907,141		545,386		3,452,527
Unavailable reserve	0				0
Others reserves	11,905				11,905
Retained earnings	15,327		2,781	624,156	642,263
Interim dividends	0				0
Profit (loss) for the financial year	10,907,724		-10,907,724	5,885,713	5,885,713
EQUITY	300,735,957		-14,900,146	6,509,869	292,345,681
Dividends and preferred dividends paid ⁽¹⁾			14,900,146		

(1) After deduction of dividends on treasury shares

2.4 CASH FLOW STATEMENT

In €	30 June 2021 (6 months)	31 December 2020 (12 months)	30 June 2020 (6 months)
Profit (loss) for the financial year	5,885,713	10,907,724	2,624,009
Net depreciation, amortisation and impairment	2,734,826	9,042,655	3,801,720
Gains or losses on disposals, net of taxes	0	-7,123,218	-1,459
Cash flow	8,620,539	12,827,161	6,424,269
Change in working capital requirement	-1,611,002	-616,032	-769,479
Net cash flow generated by activity	7,009,537	12,211,129	5,654,791
Acquisition of intangible assets	0	0	0
Acquisition of property, plant and equipment	-47,002,570	-102,689,103	-40,051,703
Acquisition of financial assets	-2,159,461	-25,750,404	-9,218,156
Disposal of property, plant and equipment net of fees and taxes	0	4,489,089	1,459
Disposal of financial assets net of fees and taxes	0	15,518,864	0
Other changes in non-current assets	631,420	-631,796	-2,187,549
Cash flow from investments	-48,530,611	-109,063,350	-51,455,949
Change in share capital and share premium	0	0	0
Dividends paid to shareholders	-14,900,146	-14,589,957	-14,589,957
New loans contracted	8,305,000	23,000,000	0
Repayments of bank loans	-5,194,540	-11,373,877	-14,355,736
Repayment of convertible bonds	0	-69,077	-69,077
Changes in security deposits	417,989	1,055,742	150,056
Other financial changes	600,454	-2,815	-29,877
Net cash flow related to financing	-10,771,243	-1,979,984	-18,894,590
Change in cash flow	-52,292,318	-98,832,205	-64,695,748
Cash and cash equivalents at the beginning of the period	99,310,526	198,142,733	198,142,733
Cash flow at the end of the period	47,018,208	99,310,526	133,446,985
Change in cash flow	-52,292,318	-98,832,207	-64,695,749

2.5 NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

Accounting principles, rules and methods

The financial statements to 30 June 2021 have been prepared according to the principles of the French General Accounting Charter (). SELECTIRENTE does not prepare consolidated financial statements and does not fall within the scope of IFRS.

General accounting conventions were applied in compliance with the principles of prudence in accordance with the following basic assumptions:

- going concern;
- consistent accounting methods;
- separate financial years;

and in accordance with general guidelines for the preparation and presentation of annual financial statements.

The method used to measure the items recorded in the financial statements is the historical cost method. Only one change in accounting method occurred during the period.

INTANGIBLE ASSETS

Intangible assets are measured at their acquisition cost (purchase price including all costs). The temporary usufruct of SCPI shares is amortised on a straight-line basis over the unwinding period.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are assessed at their acquisition cost (purchase price including all costs).

In accordance with the CRC ruling 2002-10, the Company has recognised its non-current assets according to the component method.

The breakdown of the acquisition cost between the land and the various components of the construction, as well as the depreciation periods of the latter, are determined on the basis of the information contained in the deed of purchase, appraisals or specific analyses. Otherwise, for acquisitions made since 1 January 2020, the tables below are applied insofar as they do not appear to be manifestly inappropriate.

Share of land and breakdown by components:

Land/construction breakdown

Location	Land share (%)	Construction share (%)
Paris	60%	40%
Inner-ring suburbs	45%	55%
Outer-ring suburbs and regional cities	35%	65%

Construction share breakdown

In %	Structure	Exteriors ⁽¹⁾	GTI ⁽²⁾	Fittings
Stone offices buildings (dressed stone)	50%	20%	20%	10%
Other offices	50%	20%	20%	10%
Ground floor shops	80%	15%	5%	-
Peripheral stores	75%	20%	5%	-

(1) Roof, façade (skin), openings, car parks

(2) General and technical installations

Amortisation and depreciation periods:

Components	Ground floors		Peripheral stores		Offices	
	Method	Duration	Method	Duration	Method	Duration
Structure	Straight-line	60 years	Straight-line	30 years	Straight-line	60-80 years*
Exteriors	Straight-line	15 years	Straight-line	15 years	Straight-line	30 years
GTI	Straight-line	10 years	Straight-line	10 years	Straight-line	20 years
Fittings	Straight-line	10 years	Straight-line	10 years	Straight-line	10 years

* 80 years for stone office buildings and 60 years for others

Revaluation of non-current assets as part of the adoption of the SIIC tax regime with effect from 1 January 2007

Note that SELECTIRENTE opted for the SIIC tax regime effective from 1 January 2007.

As part of this option and in compliance with the option offered, the Company conducted a revaluation of its property, plant and equipment and non-current financial assets.

Impairment

The Company's assets are subject to independent assessments every six months. These assessments have been entrusted to Cushman & Wakefield since 2019 for the entire portfolio.

The work conducted by the experts comprises:

- an appraisal conducted when a building enters the portfolio;
- an annual appraisal update;
- a five-year review.

As of 30 June 2021, only the last three acquisitions of the financial year, carried out on 28 May, 31 May and 4 June 2021, were not subject to an appraisal or an appraisal update by the independent external expert.

The assessment methods used by Cushman & Wakefield are based on the net income and future potential income capitalisation method.

In the event of an indication of impairment on a given real estate asset (contraction of net cash flows generated, deterioration, decline in appraisal value, or significant drop in market value, etc.), an impairment test is performed. Where applicable, this results in the recognition of a provision for impairment when the present value of the asset is significantly lower than the net carrying amount (excluding the share of unamortised costs and duties). The present value of properties is determined on the basis of reports from external property appraisers.

For the first half of 2021, new provisions were made for a total of €273 779 and reversals of provisions were made for a total of €131 727.

NON-CURRENT FINANCIAL ASSETS

Non-current financial assets are recognised at their acquisition cost including costs.

In the event of an indication of impairment, a provision for impairment is made if the current value of the concerned asset is significantly lower than its net carrying amount excluding acquisition costs.

The Company did not make any new provisions in respect of the first half of 2021.

RECEIVABLES

In the context of the Covid-19 pandemic, SELECTIRENTE applied the same methodology for the provisioning of doubtful receivables as at 31 December 2020. Thus, as at 30 June 2021, in addition to its usual methodology of recording a provision for impairment in the amount of the entire receivable, excluding tax and net of guarantees (security deposit excluding tax or bank guarantee) when the tenant is in bankruptcy proceedings or is liable for two full rents in the case of quarterly rents to fall due (and between three or four full rents in the case of overdue or monthly rent), all receivables excluding tax and net of guarantees with an age of more than 90 days have been fully provisioned.

CHANGE IN ACCOUNTING METHOD

The only change in method during this period relates to the recognition of refinancing costs, which are now spread over the term of the loan. For the exercise of the change in method, the change has been applied retrospectively and the impact of the change in method has been recognised on the opening equity (retained earnings) for an amount of €624 thousand.

2.6 NOTES ON THE BALANCE SHEET

2.6.1 NON-CURRENT ASSETS

	31/12/2020	Increase		Decrease		30/06/2021
		Free revaluation as at 01/01/2007	Acquisitions, inceptions and contributions	Reclassifications	Disposals, removed from service	
NON-CURRENT ASSETS in €	Gross values					Gross values
Intangible assets						
Start-up costs						
Concession and Patents	522					522
Other intangible assets	1,816,883				161,312	1,655,570.54
TOTAL	1,817,405				161,312	1,656,092.54
Property, plant and equipment						
Land	144,654,117		20,358,183			165,012,299.86
Construction	229,884,640		26,636,636			256,521,275.88
Other property, plant and equipment						
Property, plant and equipment under construction	1,364,758		959,114	1,609,442		714,429.98
TOTAL	375,903,515		47,953,933	1,609,442		422,248,005.72
Non-current financial assets						
Equity Investments	15,521,968		541,883			16,063,851.47
TIAP*	8,961,349		1,617,578			10,578,926.98
Receivables related to TIAPs*	0					0
Working capital	258,570		129,462	5,266		382,766.27
Other financial assets	572,853			-18,908		591,761.37
TOTAL	25,314,741		2,288,923	-13,642		27,617,306
GRAND TOTAL	403,035,661		50,242,856	1,595,800	161,312	451,521,404

* Long-term portfolio investment securities

Intangible assets consist exclusively of temporary usufructs of SCPI shares.

Property, plant and equipment consist of buildings in the rental property portfolio.

Property, plant and equipment in progress are made up of capital expenses paid on the signing of promises to sell with a view to acquiring assets, as well as work in progress at 30 June 2021.

Non-current financial assets consist of:

- shares in the listed REIT Vastned Retail N.V. for €16,063,851;
- long-term investments in the amount of €10,578,927;
- various working capital set up with condominium managers for €382,766;
- assets held under the liquidity contract (treasury shares and cash) for €591,761.

EQUITY INVESTMENTS AND LONG-TERM PORTFOLIO INVESTMENT SECURITIES

SELECTIRENTE's financial investments break down as follows on 30 June 2021:

In €	Number of securities held	Share capital (nominal)	Share of capital held by SELECTIRENTE	Book value of securities held	Revenue of the last financial year ended (2020) ⁽¹⁾	Net result of the last financial year ended (2020)
Equity Investments						
VASTNED RETAIL N.V.	640,855	19,036,646	3.37%	16,063,851	50,249 ⁽²⁾	23,925 ⁽²⁾
TIAP						
SCPI shares						
SCPI Immorente	3,773	1,610,758,592	0.04%	1,047,678	213,738,645	139,559,719
SCPI Efimmo 1	738	1,061,971,712	0.01%	136,161	115,184,091	69,307,460
SCPI Sofipierre	1,294	30,461,864	0.65%	533,514	9,130,697	4,738,332
SCPI Immorente 2	5,602	60,600,000	1.85%	1,617,578	5,866,303	3,014,606
SCPI Cifocoma 2	373	6,809,112	0.84%	167,801	n.c.	n.c.
SCPI Select Invest 1	147	376,165,341	0.01%	84,756	119,524,897	67,277,261
SCPI Ficommerce	820	465,559,461	0.03%	165,024	51,641,619	30,891,286
SCPI Atlantique Pierre 1	663	35,026,749	0.29%	202,389	5,502,091	3,636,996
SCPI Novapieere	2,530	103,954,560	0.58%	1,047,002	13,677,967	7,820,455
SCPI Actipierre 2	100	49,936,718	0.03%	26,196	6,853,591	4,989,710
SCPI Foncia Pierre Rendement	2,300	176,975,200	0.52%	1,983,721	27,225,545	18,858,787
SCPI Buroboutic	1,465	218,116,650	0.10%	367,107	26,276,316	15,857,399
Other securities held						
SPPICAV Tikehau Retail Properties III	200	179,296,990	1.14%	2,000,000	7,021,745	5,723,298
SARL Rose	6,000	12,500	48.00%	1,200,000	n.c.	-29,362
TOTAL				26,642,778		

(1) Income from real estate activity

(2) In thousands of euros

As SELECTIRENTE only owns minority investments that it does not control either exclusively or jointly, the Company is not required to prepare consolidated financial statements.

The SCPI shares are subject to a pledge as explained in the paragraph "Commitments and mortgages" in Title IV of this report - Off-balance sheet commitments and other information.

2.6.2 AMORTISATION, DEPRECIATION AND PROVISIONS FOR ASSET IMPAIRMENT

<i>Amortisation/Depreciation</i> <i>in €</i>	31/12/2020	Increase Charges	Decrease Reversals	30/06/2021
Intangible assets				
Start-up costs				
Concession and Patents				
Other intangible assets	1,101,885	161,216	213,450	1,049,651
TOTAL	1,101,885	161,216	213,450	1,049,651
Property, plant and equipment				
Construction	43,883,324	4,946,193	1,616,515	47,213,002
Other property, plant and equipment				
TOTAL	43,883,324	4,946,193	1,616,515	47,213,002
Non-current financial assets				
Equity Investments	-	-	-	-
TIAP*	-	-	-	-
Receivables related to TIAPs*				
Working capital				
Other financial assets				
TOTAL	-	-	-	-
GRAND TOTAL	44,985,209	5,107,409	1,829,965	48,262,653

* Long-term portfolio investment securities

<i>Impairment</i> <i>in €</i>	31/12/2020	Increase Charges	Decrease Reversals	30/06/2021
Provisions for impairment				
On intangible assets				
On property, plant and equipment	3,743,088	288,719	131,727	3,900,080
On non-current financial assets	1,304,774	39,113	1,204,723	139,163
On customer receivables	2,053,328	828,858	565,302	2,316,884
On other receivables	0			0
TOTAL	7,101,190	1,156,690	1,901,753	6,356,127

Provisions for property, plant and equipment break down as follows:

- €135 888 in impairment of components for which replacement or repair work has been identified and already committed or where this work will take place during the following financial year;
 - €184,454 for a shop in Saint-Chamond (42);
 - €135,682 for a shop on rue Vaugirard in Paris (15th);
 - €119,402 for a shop in Mol (Belgium);
- €3 764 192 in impairment of assets for which impairment indicators have been identified:
 - €658,773 for a shop in Lille (59);
 - €413 707 for a peripheral store in Puygouzon (81);
 - €364,871 for a shop in Vichy (03);
 - €353,950 for a shop in Alsemberg Brussels (Belgium);
 - €283,192 for a shop in Saint Quentin (02);
 - €274 438 for a shop in Antwerp (Belgium);
 - €235,780 for a shop in Mortsel (Belgium);
 - €106 243 for a shop in Angers (49);
 - €104,881 for a shop in Auxerre (89);
 - €103 151 for a shop in Sens (89);
 - €94 002 for a shop in Dreux (28);
 - €69,816 for a shop in Troyes (10);
 - €68 811 for a shop in Aillant-sur-Tholon (89);
 - €68 070 for a shop in La Louvière (Belgium);
 - €64,359 for a shop in Anost (71);
 - €60,611 for a shop in Alba la Romaine (07).

In the first half of 2021, rent reductions and waivers amounted to €0.2 million (1.7% of invoiced rents). Residual arrears for the first half of 2021, which totalled €2.2 million (20.8% of invoicing), are subject to moratoriums for €0.1 million and provisions for €0.8 million, in light of ongoing discussions with the tenants concerned.

Provisions for non-current financial assets correspond mainly to provisions for asset impairment on SCPI shares.

2.6.3 RECEIVABLES

In €	Gross Amount	One year or less	More than one year
Receivables from fixed assets			
Working capital	382,766		382,766
Receivables from current assets			
Customers	602,040	602,040	
Doubtful and disputed trade	4,246,205	4,246,205	
Other trade receivables (prepayments/charges)	2,170,262	2,170,262	
Customers - not yet invoiced	67,169	67,169	
State: corporate income tax	0	0	
State: VAT	25,939	25,939	
State: other taxes, duties and similar payments	212,254	212,254	
Group and associates			
Other receivables	2,102,905	2,102,905	
Accrued income	133,622	133,622	
Prepaid expenses	67,623	67,623	
TOTAL	10,010,785	9,628,019	382,766

2.6.4 SHARE CAPITAL

At 30 June 2021, SELECTIRENTE's share capital amounted to €66,767,008, comprising 4,172,938 shares with a par value of €16 each.

2.6.5 REVALUATION ADJUSTMENT

In 2007, as part of the option for the SIIC tax regime, SELECTIRENTE decided to carry out a revaluation of the property, plant and equipment and the non-current financial assets on its balance sheet. In accordance with opinion No. 2003-C of 11 June 2003 from the (National Accounting Council), the revaluation adjustment was recorded in equity at the start of the 2007 financial year for a gross amount of €23,611,731, from which €3,895,936 of capital gains tax due in the context of the option for the SIIC tax regime was deducted.

It is also stipulated that the revaluation adjustment recorded in the non-distributable revaluation reserve may be transferred to a distributable reserve item upon the sale of the asset that generated the difference, as well as each year for the share of depreciation corresponding to the revaluation adjustment.

In accordance with the resolution adopted at the General Meeting of 4 June 2021, a portion of the revaluation adjustment was transferred to a distributable reserve item in the amount of €333,025. As of 30 June 2021, the balance of this item amounted to €3,094,014.

2.6.6 PROVISIONS FOR RISKS AND LIABILITIES

PROVISIONS in €	31/12/20	Increase Charges	Decrease Reversals	30/06/21
Provisions for risks and liabilities				
Provisions for disputes	0			0
Provisions for major maintenance	430,451	78,612	45,230	463,832
Other provisions for risks and liabilities	70,000			70,000
TOTAL	500,451	78,612	45,230	533,832

Provisions for major maintenance correspond to a multi-year renovation plan specific to city-centre retail assets. A provision of €78,612 was made in this respect during the first half of the year and €45,230 was reversed as it had been spent.

The provision for risk of €70 thousand recorded in the financial statements at 31 December 2020 to cover the dispute related to SELECTIRENTE and its tenant (fast-food

chain) being taken to court for odour pollution caused by a lack of extraction and the faulty airtightness of the ceiling in the commercial space by the owner of office premises located above a commercial space on rue de Réaumur in Paris (4th). The amount claimed is approximately €100 thousand in compensation for loss of rental income and €10 thousand in reimbursement of costs. Legal proceedings are ongoing.

2.6.7 LIABILITIES

In €	Amount Gross	1 year or less	from 1 to 5 years	More than 5 years
Other bond issues				
Borrowings and debts/credit institutions				
- ≤2 years originally				
- >2 years originally	148,897,038	13,282,630	45,087,630	90,526,778
Miscellaneous financial liabilities (security deposit from tenants)	5,278,736			5,278,736
Trade payables and related accounts	315,671	315,671		
Personnel and related accounts				
Social Security and social organisations				
State: corporate income tax	227,478	227,478		
State: VAT	761,127	761,127		
State: other taxes and duties	50,851	50,851		
Payables on non-current assets				
Groups and associates				
Other liabilities	5,471,031	5,471,031		
Prepaid income	254,982	254,982		
TOTAL	161,256,914	20,363,771	45,087,630	95,805,513

2.6.8 CASH

In €	Purchase price (= gross carrying amount)	Provision at 30/06/2021	Net carrying amount at 30/06/2021	Cost price *	Valuation at 30/06/2021	Unrealised capital gain	Unrealised capital loss
Certificates of deposit	0		0	0	0		
Cash instruments	-0						
Cash and cash equivalents	47,018,208		47,018,208	47,018,208	47,018,208		
TOTAL CASH	47,018,208	0	47,018,208	47,018,208	47,018,208	0	0

* The cost price of unlisted shares includes acquisition costs

2.6.9 CHANGES IN TREASURY SHARES

As part of the liquidity contract, the following changes in treasury shares were made during the first half of 2021:

In €	Number of shares	Gross carrying amount	Provision	Net carrying amount	Capital gains or losses
Treasury shares held as at 31/12/2020	5,400	417,010			72,057
Purchases during the financial year	405	30,470			
Sales during the financial year	1,052	70,375			18,908
Treasury shares held at 30/06/2021	4,753	377,106		377,106	90,965
Cash balance		214,655		214,655	
TOTAL LIQUIDITY ACCOUNT		591,760	0	591,760	

2.7 NOTES ON THE INCOME STATEMENT

2.7.1 REVENUE

Revenue for the first half of the 2021 financial year amounted to €10 590 583 and is comprised of:

- rents for €10 433 957 or 98.5% of revenue;
- additional income for €156 626 or 1.5% of revenue.

2.7.2 REAL ESTATE EXPENSES

Real estate expenses comprise:

- recoverable expenses with a counterparty in income for €952 660;
- non-recoverable asset maintenance expenses on tenants (including vacant premises) for €45 230.
- non-recoverable rental expenses on tenants (or vacant premises) for €108 827;

2.7.3 TAXES, DUTIES AND SIMILAR PAYMENTS

These comprise:

- rebillable taxes with a counterparty in income for €620 356;
- non-recoverable VAT for €29 717;
- non-rebillable land taxes for €106 763;
- contributions on rental income (CRL) for €8 262.
- the territorial economic contribution (CET) for €69 432;

2.7.4 OTHER PURCHASES AND EXTERNAL EXPENSES

In accordance with the management delegation agreement of 23 October 1997 and its amendments, effective until 3 February 2021 (the date of the transformation of the Company's legal form), asset management company Sofidy receives a management fee of 8% excluding tax on rental income excluding tax, entry fees excluding tax, and net financial income. As of 30 June 2021, the expense recognised in this respect amounted to €151 thousand. The expense related to the management of SELECTIRENTE Gestion, in accordance with the new Articles of Association following this same transformation, was €844 thousand at 30 June 2021.

Excluding the management fee received by the Manager, SELECTIRENTE Gestion, this item mainly comprises:

- miscellaneous fees (notably including re-letting fees) for €135 681;
- real estate appraisal fees for €115 573;

- fees of the custodian whose activity ceased at the time of transformation of the Company's legal form, for €20,638;
- Statutory Auditors' fees for €49 302;
- costs for proceedings and litigation for €74 287;
- bank expenses for €67 585;
- audit and diagnostic costs for €26,314;
- insurance premiums for €13 474.

2.7.5 NET FINANCIAL INCOME (EXPENSE)

Since the first half of 2020, income from equity investments (SCPI, OPCI) and usufructs of SCPI shares have been classified as net financial income. They were previously recorded as revenue. As such, financial income amounted to €2,780,631 and mainly corresponded to the equity investments in Vastned Retail N.V. for €1,085,969, income from equity investments (SCPI, OPCI) and usufructs on SCPI shares for €397,646, certificates of deposits totalling €92,292, and a €1,204,723 reversal on the provision made at 31 December 2020 on the Vastned Retail N.V. securities. Financial expenses amounted to €1,339,050 and mainly corresponded to interest on bank loans for €1,234,403.

2.7.6 NET NON-RECURRING INCOME/(EXPENSE)

The net non-recurring expense for the half-year amounted to €181,482 and mainly consisted of:

• provisions for asset impairment:	-€331,220
• a reversal of provisions for asset impairment:	+€131 727
• other exceptional items (gain/loss on the buyback and conversion of treasury shares...):	+€18 011

2.7.7 BREAKDOWN OF CORPORATE INCOME TAX

In €	Accounting result before tax	Tax base	Tax payable	Net result
Recurring				
- exempt/subject to 95% distribution obligation	5,292,189			5,292,189
- not exempt	831,410	1,037,619	56,085	775,325
Non-recurring				
- exempt/subject to 60% distribution obligation	0			0
- exempt/subject to 95% distribution obligation	-182,685			-182,685
- not exempt	1,203	1,203	319	884
SUB-TOTAL	5,942,117	1,038,823	56,404	5,885,713
TOTAL	5,942,117	1,038,823	56,404	5,885,713

2.8 OFF-BALANCE SHEET COMMITMENTS AND OTHER INFORMATION

2.8.1 ACQUISITION/DISPOSAL COMMITMENTS

Since 30 June 2021, the Company has been involved (firm commitment and signed promise) in several new operations for a total amount of approximately €60 million in real estate assets, with a view to acquiring retail assets located in Paris and other major French cities that offer potential for rental development or conversion.

As of 30 June 2021, the Company is committed to the sale of a vacant shop located in Sancerre (18) for a net sales price of €100 thousand.

2.8.2 COMMITMENTS AND MORTGAGES

According to the terms of the loan agreements entered into with BECM (Crédit Mutuel Group), BNP Paribas, Crédit Agricole Ile-de-France, Crédit du Nord, Crédit Foncier de France, Société Générale, OSEO, BPI France and HSBC, security interests (mortgages and/or lender's liens) have been granted on the assets financed. As of 30 June 2021, 113 stores (the majority of which were acquired in 2020 and during the first half of 2021) are not subject to any mortgage or lender's lien.

According to the terms of a contract signed with Palatine Bank, 738 shares of the SCPI EFIMMO1, 1,294 shares of the SCPI SOFIERRE, 3,773 shares of the SCPI IMMORENTE, 1,465 shares of the SCPI BUROBOUTIC, 1,200 shares of the SCPI FONCIA PIERRE RENDEMENT, and 2,530 shares of the SCPI NOVAPIERRE have been pledged.

2.8.3 DERIVATIVES

SELECTIRENTE hedges part of its variable-rate bank borrowings by swap contracts perfectly linked to borrowings with the following characteristics:

Nominal	Residual notional at 30/06/2021	Duration	Rate paid	Rate received
€830,000 amortisable	€27,667	15 years from 17/10/06 to 17/10/21	4.00%	Euribor 3 months
€1,200,000 amortisable	€40,000	15 years from 25/10/06 to 25/10/21	4.07%	Euribor 3 months

On 12 December 2007, SELECTIRENTE also took out a variable-rate loan for a nominal amount of €1,500,000, amortisable over 15 years, including its own hedging. The interest rate on the loan (Euribor 3 months + 0.685%) is contractually capped at 5.29%(starting rate) with a floor of 4.29%.

2.8.4 OTHER COMMITMENTS

As part of the transformation of the Company into a limited partnership company on 3 February 2021, the Company undertook to pay its current Manager, SELECTIRENTE Gestion, compensation in the event of termination by decision of the Extraordinary General Meeting. Accordingly, SELECTIRENTE Gestion will be entitled to a payment from the Company, of the remuneration due to it until the day on which it ceases to act as Manager and to compensation from the Company corresponding to the sum of:

- two-thirds of its annual fixed remuneration (based on the average fixed remuneration over the last two full financial years) and
- one-third of its annual variable remuneration (based on the average variable remuneration over the last two full financial years),

this amount being payable in cash within ten (10) days of the date of the General Meeting.

In the event of automatic resignation pursuant to a Change in Control, the Manager shall be entitled to receive from the Company, the remuneration due to it up to the day of its removal from office as Manager. This amount is payable in cash within ten (10) days following the closing date of the financial statements for the half-year during which the Change in Control occurred.

In the event of the termination of duties of all of the Company's Managers, irrespective of the reason therefor, resulting in a Manager vacancy, the General Partner(s) shall manage the Company pending the appointment of one or more new Manager(s) under the terms and conditions laid down in the Articles of Association in force.

2.8.5 RELATED-PARTY DEBTS AND RECEIVABLES

In accordance with Article C. com. L 233-18, since no company is fully consolidated in the same consolidated group as SELECTIRENTE, there are no related companies.

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STATEMENT BY THE PERSONS RESPONSIBLE



I certify, to the best of my knowledge, that the full financial statements for the past half-year have been prepared in accordance with the applicable accounting standards and give a true and fair view of the Company's assets, financial position and results, and that the half-year activity report featured on page 4 presents an accurate picture of the significant events that occurred during the first six months of the financial year, of their impact on the financial statements, the main transactions between related parties, as well as a description of the main risks and uncertainties for the remaining six months of the financial year.

Jérôme DESCAMPS

Chairman of SELECTIRENTE Gestion, Manager

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STATUTORY AUDITORS' REPORT

4.1

STATUTORY AUDITOR'S REPORT ON THE HALF-YEAR FINANCIAL INFORMATION

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4.1 STATUTORY AUDITORS' REPORT ON THE HALF-YEAR FINANCIAL INFORMATION

Period from 1 January to 30 June 2021

To the Shareholders,

In accordance with the mission entrusted to us by your General Meeting and pursuant to Article L.451-1-2 III of the French Monetary and Financial Code, we have:

- carried out a limited review of the half-year financial statements of SELECTIRENTE, covering the period from 1 January 2021 to 30 June 2021, as appended to this report;
- verified the information presented in the half-year activity report.

The global crisis linked to the Covid-19 pandemic has created special conditions for the preparation and limited review of half-yearly financial statements. Indeed, this crisis and the exceptional measures taken in the context of the state of health emergency have resulted in multiple consequences for companies, particularly in respect of their activity and financing, as well as increased uncertainty regarding their outlook. Some of these measures, such as travel restrictions and remote working, have also had an impact on the internal organisation of companies and on the way in which our work is carried out.

These half-yearly financial statements were prepared under the responsibility of the Manager. Our role is to express a conclusion on these financial statements based on our limited review.

Conclusion on the financial statements

We conducted our limited review in accordance with the professional standards applicable in France.

Paris La Défense, 24 September 2021
KPMG Audit FS I

Régis Chemouny
Partner

A limited review consists mainly of meeting with the members of the management team in charge of accounting and financial matters and implementing analytical procedures. This work is less extensive than that required for an audit conducted in accordance with the professional standards applicable in France. Consequently, the assurance that the financial statements, taken as a whole, are free from material misstatement, obtained during a limited review, is a moderate assurance and lower than that obtained in the context of an audit.

Based on our limited review, we did not identify any material misstatements likely to call into question the consistency and accuracy of the half-year financial statements, their fair representation of the results of operations undertaken during the half-year, nor their presentation of the company's financial position and assets at the end of this half-year, in accordance with French accounting principles and rules.

Specific verification

We have also verified the information provided in the half-year activity report on the half-year financial statements covered by our limited review.

We have no matters to report as to their fair presentation or their consistency with the half-year financial statements.

Paris, 24 September 2021
RSM Paris

Martine Leconte
Partner



SELECTIRENTE

Manager and General Partner: **SELECTIRENTE
GESTION**

SELECTIRENTE Gestion is a subsidiary of Sofidy

SELECTIRENTE Gestion SAS

Simplified joint-stock company with a share capital of €100,000

Registered office: 303, Square des Champs Élysées - Évry Courcouronnes - 91026 Évry Cedex

Website: www.selectirente.com - Email: selectirente@selectirente.com

Tel: +33 (0)1 69 87 02 00 - Fax: +33(0)1 69 87 02 01

Sofidy SOCIÉTÉ DE GESTION
DE FONDS IMMOBILIERS DEPUIS 1987

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CAPITAL