SELECTIRENTE

Retail property investment company

2022 HALF-YEAR FINANCIAL REPORT

TABLE OF CONTENTS

Results for the first half of 2022

KEY FIGURES	H1 2022	2021	H1 2021
OPERATIONAL PERFORMANCE			
Growth in rental income	+25.0%	+28%	+29.0%
Growth in rental income on a like-for-like basis	+3.2%	+2.0%	+0.3%
Average financial occupancy rate (over the last 12 months)	95.8%	95.1%	94.3%
Direct and indirect investments (in millions of €, excl. duties)	104.9	109.1	47.8
EARNINGS (IN MILLIONS OF €)			
IFRS earnings	9.1	17.1	7.0
EPRA earnings	9.1	16.8	8.4
Operating cash flow	10.2	17.9	8.2
EPRA DATA PER SHARE (€/SHARE)			
EPRA earnings	2.19	4.04	2.01
EPRA NRV	96.76	96.69	N/A
EPRA NTA	86.33	88.15	N/A
EPRA NDV	89.11	88.71	85.86
Net initial yield	4.8%	4.8%	4.7%
Net initial yield excluding rent relief	4.8%	4.9%	4.7%
Vacancy rate	2.3%	2.8%	4.2%
Cost ratio (including vacancy costs)	20.3%	19.6%	17.5%
Cost ratio (excluding vacancy costs)	19.7%	19.1%	16.8%
PORTFOLIO AND DEBT			
Fair value of the Portfolio (in millions of €, excl. duties)[1]	616	510	462
Average yield on real estate appraisals	4.8%	4.7%	4.8%
Net LTV[1]	40.2%	26.7%	22.0%

(1) See Methodological note on page 15.

1 HALF-YEAR ACTIVITY REPORT

1.1 ECONOMIC CLIMATE AND REAL ESTATE MARKET

The first half of 2022 was marked by several macroeconomic and political events as well as by factors related to the health situation.

Despite this, the French economy is recovering: estimated GDP growth of 2.3% in 2022, strong job creation announced in 2021 with a fairly stable unemployment rate since the beginning of the year at 7.4% in France and the disappearing effects of the Covid-19 epidemic.

These events weighed on the French economy, in particular on retail trends in the first quarter of 2022. Then, a strong upturn in retail footfall as well as retailer revenue was observed in the second quarter of 2022 (105% of the level of the same period in 2019) and this despite an average decrease of 91% in footfall compared to its level of the first half of 2019.

The retail business climate indicator in the first half of 2022 was virtually stable compared to 2021 with an average of 99.4 points (vs 103.8 in 2021) but declining at the end of June 2022 to 95.2 points. .

The French commercial real estate investment market started off strongly in 2022, recording an all-time record for the best start of the year in the first half of 2022 in particular. Nearly €2.7 billion was invested in commercial real estate in the first half of 2022, i.e. nearly three times the amount in the first half of 2021 (€1 billion) and twice the long-term average. The volumes invested in retail in France rebounded sharply, representing 20% of total real estate investments in H1 2022 (compared to 13% in 2021), supported by the easing of health constraints and the gradual return of international tourism. Retail transaction activity was fuelled by two large-scale transactions (> €100 million) recorded this half-year and, with nearly €1.2 billion, large volumes accounted for half of the amounts invested at the end of this first half.

1.2 RESILIENCE OF OPERATIONAL PERFORMANCE

During a first half marked by increased macroeconomic and geopolitical unrest, in a context of inflationary pressures and sharply rising interest rates that weighed on growth, the French retail investment market has done well, achieving its best start ever.

SELECTIRENTE remains convinced of the resilience of local shops in city centres, thanks to consumer support, favourable changes in consumer habits and the development of soft mobility, which tends to make these shops more accessible. The Company continued its dynamic, rigorous investment strategy by selecting secure and value-creating business opportunities. The Company thus boosted its presence in the Paris and several other major French cities.

As SELECTIRENTE is particularly aware of its ESG policy, it extensively analyses the ESG scores of each of its acquisitions and ensures their long-term monitoring, thus helping to continuously improve its practices. On 30 June 2022, 29 assets entered the scope of the tertiary decree regarding the reduction of energy consumption and the strengthened communication of this issue to tenants.

1.3 INVESTMENTS AND DISPOSALS DURING THE HALF YEAR

1.3.1 INVESTMENTS

During the first half of 2022, marked by a strong recovery in economic activity and despite a complicated macroeconomic and geopolitical context, SELECTIRENTE was able to launch a major investment programme.

Since the beginning of the 2022 financial year, the Company has continued its development by undertaking a major investment programme equivalent to the amount of the investment programmes of each of the last two years. Without compromising on its strict selectivity criteria, the Company ended the first half with **€104.9 million in direct real estate investments** in quality assets offering reasonable rents compared to market rental values.

Thus, SELECTIRENTE acquired a total of 36 shops on the ground floor or stores (both individually and in the form of two portfolios) as well as a commercial complex, very well located, mainly in Paris, in the Paris region and in Bordeaux (33), for a total cost price of €104.9 million[2]:

- a 2,926m² commercial complex in Bordeaux, at Place des Grands Hommes, an iconic asset in city-centre hypermarkets, spread across two floors, and currently entirely let out to 13 tenants, including 12 stores and an office premises of 1,752m², for a cost price of over a €24 million;
- 22 shops and an office premises in the centre of Paris, across two sections of Rue Rambuteau in the 1st and 3rd arrondissements, in immediate proximity to the Forum des Halles and the Georges Pompidou centre, for a cost price of nearly €72 million;
- a portfolio of six stores and shops in Paris (in the 15th, 4th and 3rd arrondissements), Versailles (78) and Romainville (93), for a cost price of over €4.6 million;
- eight individual shops in Paris (in the 1st, 10th, 11th, 14th and 18th arrondissements) and the Paris region, for an overall cost price of nearly €4.4 million.

Since 1 July 2022, the Company has committed to the acquisition of two Parisian assets (in the 10th and 4th arrondissements) for a total cost price of €1.2 million.

1.3.2 DISPOSAL

Over H1 2022, SELECTIRENTE carried out disposals reflecting the “strategic refocus” aim of the portfolio: disposal of six retail units in Cholet (49), Bourg-en-Bresse (01), Beauvais (60), Arpajon (91) and Aillant-sur-Tholon (89), for a total net sales price of €2.1 million, generating a distributable capital gain of nearly €0.7 million.

At 30 June 2022, the Company committed to selling five assets located in Douai (59), Corbeil Essonnes (91), Puygouzon (81), Paris (18th arrondissement) and Lyon (1st arrondissement) for a net sales price of €1.4 million.

Since 1 July, SELECTIRENTE continued its strategic disposal transactions with the sale of four assets located in Lyon (69), Puygouzon (81) and Paris (18th) and Douai (59) for a net sales price of €1.3 million. The Company is also committed to the disposal of two more retail units in Orléans (45), Namur (Belgium) and Vannes (56) for a net sales price of €6.6 million.

1.3.3 COMPOSITION OF THE PORTFOLIO

The Company’s portfolio exceeded **the €600 million threshold** and stood at €616 million at 30 June 2022[3] excluding transfer duties, up 21% compared to the portfolio at 31 December 2021. It consists of:

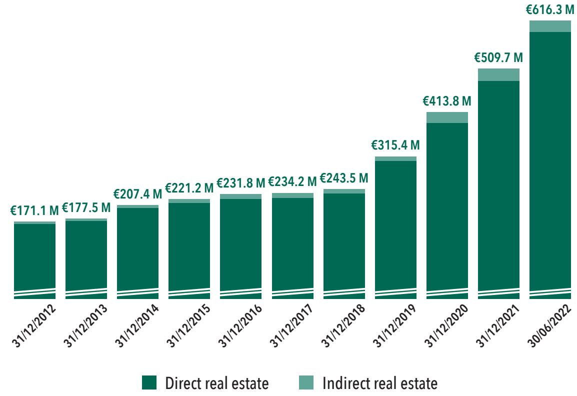
- €591 million in real estate assets acquired directly (appraisal values excluding transfer duties);
- indirect real estate investments for an amount of €25 million consisting of shares in the listed REIT Vastned Retail N.V. for €13.9 million, SCPI and OPCI shares for €9.6 million, an equity stake in a company (Rose SARL) for €1.1 million, and usufructs of SCPI shares for €0.4 million.

(2) Including purchase costs and excluding investment fees
(3) See Methodological note on page 15

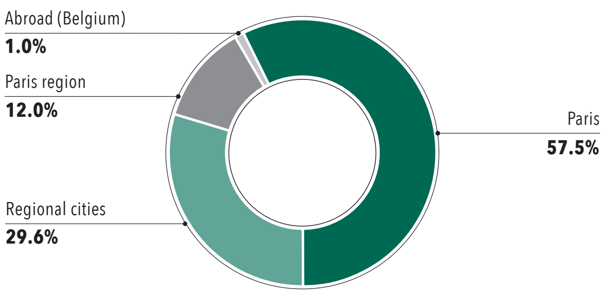
At 30 June 2022, changes in the real estate portfolio acquired directly and indirectly broke down as follows:

Distribution of the direct real estate portfolio by asset type (% in value as at 30 June 2022)

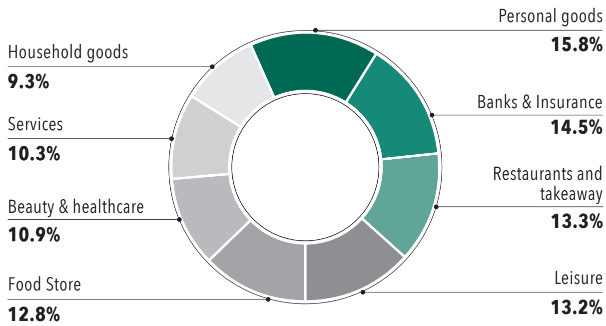
Change in the direct and indirect real estate portfolio



Geographic distribution of direct real estate portfolio (% in value as at 30 June 2022)



Sector distribution of direct real estate portfolio (% of theoretical annual rental income)



Lastly, SELECTIRENTE's direct real estate portfolio (value excluding taxes of €590.9 million) consists of 589 retail properties, single-storey office space in Paris, a shopping centre (12 shops and an office space) in Bordeaux (33) and two mixed-use real estate complexes (stores and offices) in Bordeaux (33) and Toulouse (31) at the end of June 2022.

1.4 FINANCIAL STRUCTURE

As a reminder, on 4 February 2022, SELECTIRENTE completed a €100 million transaction with BECM, HSBC, Crédit du Nord and Société Générale, the Company's long-standing bank partners, to refinance its mortgage debt by means of a five-year corporate loan enabling it to repay over €80 million in existing mortgage debt. The Company has also signed *a* €140 million three-year revolving credit facility (RCF) to boost its investment capacity.

This defining transaction will enable the Company to support its growth policy by pursuing its rigorous strategy of acquiring assets in Paris, the major French cities, and dynamic communities with areas of high commercial density.

At 30 June 2022, SELECTIRENTE's bank financing amounted to €257.7 million and is characterised by:

- 24% mortgage debt and 76% corporate debt;
- a net LTV ratio of 40.2% and a gross LTV ratio of 41.8%;
- average cost of debt at 1.88%
- 24% fixed-rate debt and 76% floating-rate debt;
- 73% fixed-rate and hedged debt following the hedging of part of the floating-rate debt.

SELECTIRENTE has signed a swap contract to cover the entirety of its €100 million corporate credit, along with two €50 million swap contracts to cover 70% of its revolving credit facility by deferred tranches of €25 million at 1 April 2022, 1 July 2022, 1 October 2022 and 1 January 2023.

Thus, at 1 July 2022, the fixed-rate and/or hedged debts stood at over 83% and will amount to 100% at the end of 2022 if no new debts are incurred.

1.5 LEASE AND REAL ESTATE MANAGEMENT

Since the beginning of the year, and despite the macroeconomic situation, active actions have been carried out in terms of rental management (re-lettings, renewals and disposals with lease despecialisation), resulting in a net increase (+8.8%) in annual rents for the 17 stores concerned to €861 thousand (compared to €792 thousand previously) in addition to €20 thousand in the despecialisation indemnity concerning two shops in Paris 15th and Lyon 1st.

	Number	Surface area m²	Previous annual rental income (€)	Annual rental income obtained (€)
Lease renewal	5	601	€232,945	€209,954
Re-lettings	6	456	€454,294	€508,000
Lease transfers with change of tenant activity	6	267	€104,393	€143,341
TOTAL	**17**	**1,324**	**€791,632**	**€861,295**
Lettings				€0
Lease transfer payments or entry fees				€20,000

The financial occupancy rate continued to grow and stood at 95.8% on average over the last 12 months, up by 150 basis points compared to the first half of 2021 (94.3%). The financial occupancy rate of the 2nd quarter of 2022 was up by 90 basis points compared to the previous quarter and stood at 96.1% (95.2% in the 1st quarter of 2022). This growth is due to the work of the management teams who were able to re-let six temporarily vacant assets during the first half of 2022, in addition to those re-let in the second quarter of 2021, such as those located on avenue des Ternes in Paris (17th), rue de Turenne in Paris (3rd) and rue Rivoli in Paris (1st), as well as the full re-letting of the asset located on rue de la Liberté in Dijon in the second half of 2021. These six new relettings of vacant retail outlets were signed during the first half of 2022, generating net growth of €54 thousand over the overall annual rental income on re-lettings (+11.8%).

The amount of non-rebillable major works and maintenance expenses (recognised as expenses or as a new capitalised component, depending on their type) amounted to €749 thousand in the first half of 2022. This work mainly concerned the following assets:

The asset located on rue du Louvre in Paris (1st) (€11 thousand contribution to the renovation of the staircase), rue Chardon Lagache in Paris (16th) (€18 thousand contribution to the tenant's renovation work), rue du Mont Cenis in Paris (18th) (€20 thousand contribution to the renovation of the boiler room), rue Saint Jacques in Paris (5th) (€17 thousand contribution to the new tenant's renovation work), in Auxerre (89) (€8 thousand contribution to the restoration of the facade), rue des Petits Champs in Paris (1) (€27 thousand contribution to the restoration work), in Dijon (21) (€256 thousand contribution to the new tenant's compliance and fit-out works), in Namur (Belgium) (€14 thousand for the replacement of the boiler), rue Gomboust in Paris (1st) (€20 thousand for the installation of an extraction duct and €16 thousand contribution to the new tenant's fit-out works) rue des Grands Augustins in Paris (6th) (€12 thousand contribution to the restoration work), in Nice (06) (€7 thousand contribution to the roof repair work), rue des Frères Lumière in Lyon (69) (€8 thousand contribution to the restoration work), in Boulogne-sur-Mer (62) (€75 thousand for the structural and asbestos removal work).

Provisions for renovations and repairs were made as part of multi-year maintenance plans. A provision of €100 thousand was allocated in this respect in the financial statements at 30 June 2022 and renovation work was carried out in the first half of 2022, resulting in a reversal of provisions of €51 thousand. The balance of this provision for renovations stood at €497 thousand at 30 June 2022.

DISPUTES

At 30 June 2022, apart from the proceedings against tenants in arrears in the payment and / or renewal / setting of their rent, two significant disputes are to be noted:

- the assignment of SELECTIRENTE and its tenant (fast food restaurant brand) concerning olfactory nuisances generated by a lack of extraction and an imperfect airtightness of the ceiling of the commercial premises, noted by the owner of an office space located above a commercial premises 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 expenses. The legal proceedings are ongoing and the Company has recorded a provision of €70 thousand in the financial statements at 30 June 2022, unchanged since 31 December 2019, and
- SELECTIRENTE being blamed by its tenant for the fall of the ceiling of the 1st floor of the commercial premises located on rue Georges Clémenceau in Vichy (03). In his report, the legal expert held the owners' group liable and calculated the lessee's loss at €80 thousand, excluding tax, i.e. a share for SELECTIRENTE of €38.2 thousand. The proceedings are continuing and the Company has provisioned €40 thousand in its financial statements.

1.6 HALF-YEAR RESULTS

SELECTIRENTE's revenue amounted to €13.0 million at 30 June 2022, up 24.7% compared to the first half of 2021. Rental income alone increased by 24.5% compared to the first half of 2021 and by 3.2% on a like-for-like basis.(4)

In thousands of €	H1 2021	Q1 22	Q2 22	H1 2022	Change H1 2022 / H1 2021
Rent	10,365	6,302	6,603	12,905	+24.5%
Other revenues	102	373	-230	143	+40.8%
Net revenue	**10,467**	**6,675**	**6,373**	**13,049**	**+24.7%**

Income statement - IFRS (in thousands of €)	H1 2021	H1 2022	Change
Net rent	10,365	12,905	25%
Rental income	**10,467**	**13,049**	**25%**
Non-recoverable property charges and taxes	-401	-491	22%
Management fees and other overheads	-1,435	-2,072	44%
Change in value of investment properties	-1,866	2,178	N/A
Gains/losses on disposal of investment properties		-51	N/A
Other	-445	-102	-77%
Operating income	**6,319**	**12,512**	**98%**
Dividends	1,484	1,168	-21%
Net financial expense	-1,225	-2,782	127%
Gains/losses on disposal and change in financial values	577	-1,890	N/A
Net financial income/(expense)	**835**	**-3,504**	**N/A**
Profit (loss) before tax	**7,155**	**9,008**	**26%**
Tax	-182	85	-146%
Net result	**6,972**	**9,093**	**30%**
Operating cash flow	**8,162**	**10,242**	**+25%**

N/A: not applicable

SELECTIRENTE posted IFRS net result of €9.1 million, a strong increase of 30% compared to the same period in 2021. This increase in rental income (+25%) is linked to the investments made in the second half of 2021 and in the first half of 2022 and to the change in the value of investment properties, despite the investments of the first half of 2022, which were mostly made over the last two days of the half-year. The half-year results thus include all the acquisition costs related to these investments but little rental income. In addition, the investment in Vastned Retail NV's equity securities resulted in dividends of €0.8 million compared with €1.1 million in the first half of 2021.

The IFRS net result and current cash flow posted growth in line with the positive operating performance of the portfolio, i.e. increases of 30% and 25% year-on-year.

1.6.1 CHANGE IN THE PORTFOLIO AND SUMMARY OF PERFORMANCE INDICATORS

SELECTIRENTE's revalued assets exceeded **the €600 million threshold** and stood at €616 million(5) excluding transfer duties at 30 June 2022, compared with €510 million at 31 December 2021, an increase of 21%. SELECTIRENTE's direct real estate portfolio are independently valued on a half-yearly basis by the property expert Cushman & Wakefield.

Thanks to the quality of its locations and despite the increased economic uncertainty and inflationary pressure, the Company achieved good growth in the value of its direct real estate assets in the half year ended 30 June 2022. Appraisal values posted **an overall growth of 2.0% on a like-for-like basis over the past six months.**

(4) See Methodological note on page 15.

(5) The revalued portfolio at 30 June 2022 (€616 million) comprised directly held real estate assets valued at €591 million (appraisal values excluding transfer duties) and indirect property investments consisting of shares in SCPI and OPCI real estate investment companies valued at €11 million, SCPI share usufructs valued at €0.4 million and shares in the listed property company Vastned Retail NV valued at €14 million.

In detail, the value of city-centre shops, which represent 82% of the overall portfolio, recorded 2.1% growth on a like-for-like basis, as did offices, up 0.6%. The increase was more pronounced for out-of-town stores (+5.1%). Geographically, appraisal values were up in Paris (+2.5%) and the Paris region (+0.8%), which together account for nearly 70% of the total portfolio. Lastly, regional assets also recorded growth (+1.9%), while Belgian assets posted a decline (-2.6%).

At the end of June 2022, the average yield resulting from these appraisals (including transfer duties) was 4.8% on the entire portfolio, stable overall compared to the end of 2021. Rental yields stand at 4.7% for city-centre shops (including an average of 4.2% for Parisian premises estimated at between 3.2% and 6.2%, and 5.3% in the Paris region) and 7.1% for out-of-town retail premises (which represent 4.2% of the overall portfolio value).

1.6.2 SUMMARY OF EPRA PERFORMANCE INDICATORS

In accordance with the recommendations of the European Public Real Estate Association (EPRA), of which SELECTIRENTE is a member, the Company publishes the main performance indicators designed to promote transparency and comparability in the net financial income (expenses) of listed real estate companies in Europe.

Net asset value per share, or Net Disposal Value under EPRA standards, was €89.11 at 30 June 2022, compared to €88.71 at the end of 2021, representing growth of 0.4% year-on-year and 3.8% versus the first half of 2021.

	30/06/2022		31/12/2021		30/06/2021	
EPRA KPIs	€m	€/share	€m	€/share	€m	€/share
EPRA earnings	9.1	2.19	16.8	4.04	8.4	2.01
EPRA NRV	403.4	96.76	403.0	96.69	N/A	N/A
EPRA NTA	360.0	86.33	367.4	88.15	N/A	N/A
EPRA NDV	371.5	89.11	369.8	88.71	357.9	85.86
Net initial yield	4.8%		4.8%		4.7%	
Net initial yield excluding rent relief	4.8%		4.9%		4.7%	
Vacancy rate	2.3%		2.8%		4.2%	
Cost ratio (including vacancy costs)	20.3%		19.6%		17.5%	
Cost ratio (excluding vacancy costs)	19.7%		19.1%		16.8%	

EPRA NET RESULT

The EPRA net result is a measure of a property company's operating performance that does not take into account changes in fair value, the impact of asset disposals and other items considered to be non-core activities of a real estate company

(in thousands of €)	30/06/2022	31/12/2021	30/06/2021
NET RESULT (ACCORDING TO IFRS FINANCIAL STATEMENTS)	**9,093**	**17,062**	**6,972**
Adjustment to calculate EPRA earnings			
Change in value of investment properties, investment properties under redevelopment and other assets	-2,178	354	1,866
Net gain/loss on disposal of investment properties, investment properties under redevelopment and other assets	51	-470	0
Change in value of financial instruments and settlement costs	1,890	-250	-577
Deferred taxes related to EPRA adjustments	-255	51	37
EARNINGS	**8,600**	**16,748**	**8,299**
Company-specific adjustments to calculate net recurring cash flow:			
- Employee benefits, stock options and non-recurring operating expenses	511	97	97
EPRA EARNINGS	**9,111**	**16,845**	**8,396**
Average number of shares	4,169,634	4,168,093	4,167,827
EARNINGS PER SHARE	**2.06**	**4.02**	**1.99**
EPRA EARNINGS PER SHARE	**2.19**	**4.04**	**2.01**

EPRA INDICATORS OF NET ASSET VALUE

Net asset value data are key performance indicators developed to provide investors with appropriate and universal information on the fair value of assets and liabilities of real estate companies

Thus, **EPRA NRV** (formerly Net Reinstatement Value (NRV)) is intended to highlight the value of net long term assets and to represent the value required to rebuild the portfolio assuming no asset disposals. Therefore, deferred taxes under IFRS and real estate transfer taxes (RETT) are added back in the determination of this NRV. Intangible assets can be added if they are not already recognised in the IFRS statement of financial position and when their fair value can be reliably estimated.

The continuation **EPRA NTA** (Net Tangible Assets Value, NTA) reflects only the tangible assets of the Company and considers that companies buy and sell part of their assets, thus crystallising certain levels of unavoidable deferred tax and transfer tax liabilities. According to the new methodology defined by EPRA in 2020, the portfolio can be divided into three parts:

- assets that the Company does not expect to sell in the long term: 100% of deferred taxes under IFRS are added back in addition to 50% of transfer tax optimisation;
- assets likely to be sold in the context of share disposals: 50% of deferred taxes under IFRS and optimisation of transfer taxes are added back; and
- assets likely to be sold in the context of asset disposals: 50% of deferred taxes under IFRS are added back, but there is no restatement of transfer taxes

Finally, EPRA NDV is intended to represent shareholder value in the context of an orderly sale of a business, where all liabilities for transfer taxes, deferred taxes, financial instruments and certain other adjustments are calculated excluding any tax optimisation or transfer taxes. Intangible assets are also excluded from this methodology.

For further explanation of the EPRA recommendations and requirements, please see EPRA Best Practices Recommendations.

EPRA NET ASSET VALUE AT 30 JUNE 2022

	30/06/2022		
(in thousands of €)	EPRA NRV	EPRA NTA	EPRA NDV
Equity	**366,811**	**366,811**	**366,811**
Includes/excludes:			
i) Hybrid instruments	0	0	0
Diluted NAV at fair value	366,811	366,811	366,811
Excludes:			
ii) Deferred tax on changes in fair value of investment properties	-0	-0	
iii) Fair value of financial instruments	-6,830	-6,830	
iv) Goodwill relating to deferred taxes	0	0	0
v) Goodwill (as per IFRS statement of financial position)		0	0
vi) Intangible assets (as per IFRS statement of financial position)		0	
Includes:			
vi) Fair value of fixed-rate debt			4,729
vii) Revaluation of intangible assets at fair value	0		
viii) Transfer taxes	43,465	0	
NAV	**403,446**	**359,981**	**371,540**
Number of diluted shares	**4,169,634**	**4,169,634**	**4,169,634**
NAV PER SHARE (IN €)	**96.76**	**86.33**	**89.11**

EPRA NET INITIAL YIELD

The EPRA net initial yield is defined as the ratio of annualised rental income based on current rents, net of non-recoverable property expenses to the gross market value of the asset. The net initial yield excluding rent adjustments is calculated by adjusting the EPRA yield for the expiry of rent-free periods (or other benefits in the lease agreements such as an allowance or a step-up).

Initial yield	30/06/2022	31/12/2021	30/06/2021
Investment properties - 100% owned	591	483	435
Investment properties - share of joint ventures/funds	25	27	27
Total value of portfolio	**616**	**510**	**462**
Less: developments, land and other	-0	-0	-0
Value of portfolio in use (B)	**616**	**510**	**462**
Annualised rental income (current rents)	30	25	22
Annualised unrecovered rental expenses	1	1	0
Annualised net rental income (A)	**30**	**25**	**22**
Effect of concessions and deductibles	-0	0	-0
Annualised net rental income corrected for concessions and deductibles (C)	**30**	**25**	**22**
EPRA NET INITIAL YIELD (A/B)	**4.8%**	**4.8%**	**4.7%**
EPRA NET INITIAL YIELD EXCLUDING RENT CONCESSIONS (C/B)	**4.8%**	**4.9%**	**4.7%**

EPRA VACANCY RATE

The EPRA vacancy rate is the ratio of the estimated rental value of vacant space to the market rent of the total surface area of the Group's portfolio (including vacant space), excluding properties under development or whose vacancy is strategic.

EPRA vacancy rate	30/06/2022	31/12/2021	30/06/2021
Market rental values of vacant space	720,556	731,804	972,900
Potential rent	30,671,158	26,003,023	23,124,833
EPRA VACANCY RATE	**2.3%**	**2.8%**	**4.2%**

EPRA COST RATIO

The EPRA cost ratio appropriately presents the sector's overhead and operating expenses. It is calculated as the sum of operating costs (net of rental expenses and management fees charged for the management of third party assets) and administrative costs divided by gross rental income.

(in thousands of €)	30/06/2022	31/12/2021	30/06/2021
Overhead and operating expenses	2,072	2,918	1,435
Net rental expenses	425	1,164	326
Net management fees	33	83	1
EPRA costs (including vacancy costs) (A)	**2,529**	**4,165**	**1,762**
Direct vacancy costs	-66	-114	-75
EPRA costs (excluding vacancy costs) (B)	**2,464**	**4,051**	**1,686**
Gross rent less land rents	12,905	22,420	10,365
Less: rental expenses/costs related to rental income	-425	-1,164	-326
Gross rental income (C)	**12,481**	**21,256**	**10,039**
EPRA COST RATIO (INCLUDING VACANCY COSTS) (A/C)	**20.3%**	**19.6%**	**17.5%**
EPRA COST RATIO (EXCLUDING VACANCY COSTS) (B/C)	**19.7%**	**19.1%**	**16.8%**

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 2021 Universal Registration Document. The Company's 2021 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 RISKS LINKED 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 2021 Universal Registration Document which is available on its website (www.selectirente.com).

1.7.3 RISK RELATED TO THE WAR IN UKRAINE

The war in Ukraine generated inflation at levels not seen in decades in many countries and exacerbated supply difficulties. As central banks have raised interest rates to combat inflation, economic risks and uncertainties have increased significantly. In this changing environment, the cost of variable-rate debt could increase and the appraisal values of property assets established by independent valuers could be reviewed in the coming half-years.

1.8 OUTLOOK

While the macroeconomic and geopolitical uncertainties will likely continue to affect economic activity and concerns about the financial market, SELECTIRENTE intends to keep up its positive investment trend, (1) by continuing its strategy of identifying value-creating projects through a thorough, disciplined and cautious selection process, and (2) preparing to seize the opportunities that may arise in the current economic environment.

The Company, with the intention of creating long-term value, will continue to maintain dynamic and sustainable lease management all while strengthening its presence in major French cities, Paris and the Paris region.

1.9 METHODOLOGICAL NOTE

REASSESSED VALUE OF THE PORTFOLIO

The reassessed value (excl. transfer 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 2022 or its acquisition cost excluding transfer duties and fees for acquisitions after 9 June 2022.

Indirect real estate investments, consisting of:

- fully-owned SCPI shares recorded at their withdrawal value or market value as at 30 June 2022,
- OPCI shares recorded at their most recent net asset value at 30 June 2022,
- Rose shares recorded at their most recent net asset value, and
- Vastned Retail N.V. shares recorded at their stock market price at 30 June 2022.

LOAN-TO-VALUE

- The gross loan-to-value ratio corresponds to the ratio of bank borrowings (€258 million at 30 June 2022) to the reassessed value (excl. transfer duties) of the Company's portfolio (€616 million at 30 June 2022).
- The net loan-to-value ratio corresponds to the ratio of bank borrowings net of cash (€248 million at 30 June 2022) to the reassessed value (excl. transfer duties) of the Company's portfolio (€616 million at 30 June 2022).

OPERATING CASH FLOW

Operating cash flow corresponds to IFRS net result for the financial year restated for changes in the fair value of investment properties, gains/losses on disposal of investment properties, changes in the fair value of income statement items, and current and deferred tax expenses.

RENTAL INCOME ON A LIKE-FOR-LIKE BASIS

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

Change H1 2022 /H1 2021 (in thousands of €)	
H1 2021 rental income	**10,434**
- H1 2021 rental income neutralised from H1 2021 acquisitions	-659
+ H1 2021 rental income semi-annualised from H1 2021 acquisitions	1,156
- H1 2021 rental income neutralised from 2021 disposals	-287
- H1 2021 rental income neutralised from H1 2022 disposals	-82
Restated H1 2021 rental income	**10,562**
H1 2022 rental income	12,968
- H1 2022 rental income neutralised from H1 2022 disposals	-56
- H1 2022 rental income neutralised from H1 2022 acquisitions	-2,014
Restated H1 2022 rental income	**10,898**
Change as %	**+3.2%**

2 FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS

2.1 HALF-YEAR INDIVIDUAL FINANCIAL STATEMENTS IN IFRS

2.1.1 INDIVIDUAL FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

In thousands of €	Note	30 June 2022	31 December 2021	30 June 2021
Gross rental income	10	12,905	22,420	10,365
Related income		143	229	102
Rebilled rental expenses	11	2,256	3,341	1,628
Rental expenses and property taxes	11	-2,746	-4,620	-2,029
Net rental income		**12,558**	**21,371**	**10,065**
Management fees and other overheads	12	-2,072	-2,918	-1,435
Change in value of investment properties	4	2,178	-354	-1,866
Gains/losses on disposal of investment properties	4	-51	470	
Impairment losses on trade receivables		-68	-355	-444
Other income and expenses		-33	-83	-1
Operating income		**12,512**	**18,131**	**6,319**
Dividends received	13	1,168	2,201	1,484
Finance income	13	-	88	92
Financial expenses	13	-2,782	-2,618	-1,317
Change in value of financial assets and financial instruments	5	-1,890	-390	577
Income from the disposal of financial assets				
Net financial income/(expense)		**-3,504**	**-718**	**835**
Profit (loss) before tax		**9,008**	**17,413**	**7,155**
Corporate income tax		85	-351	-182
NET RESULT		**9,093**	**17,062**	**6,972**
COMPREHENSIVE INCOME FOR THE PERIOD		**9,093**	**17,062**	**6,972**
Basic earnings per share	15	2.18	4.09	1.67
Diluted earnings per share	15	2.18	4.09	1.67

OTHER ITEMS OF COMPREHENSIVE INCOME

In thousands of €	Note	30/06/2022	31/12/2021	30/06/2021
Cash flow hedges - effective portion of the change in fair value		6,830	-	-
Related tax		-83	-	-
Items likely to be reclassified to profit or loss	13	6,746	-	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**6,746**	**-**	**-**
COMPREHENSIVE INCOME FOR THE PERIOD		**15,839**	**17,062**	**6,972**
Basic earnings per share (in €)	15	3.80	4.09	1.67
Diluted earnings per share (in €)	15	3.80	4.09	1.67

STATEMENT OF FINANCIAL POSITION

Assets (in thousands of €)	Note	30 June 2022	31 December 2021	30 June 2021
Investment properties	4	589,486	481,580	435,175
Portfolio securities	5	24,612	26,372	26,349
Other non-current financial assets	9	1,478	1,513	1,430
Deferred tax assets	14	197	25	113
Non-current assets		**615,773**	**509,490**	**463,067**
Trade receivables and related accounts		5,283	4,333	4,769
Tax and other receivables		5,041	4,913	1,859
Cash and cash equivalents		10,061	23,364	47,019
Fair value of interest rate hedging instruments - share at less than a year	8	6,830		
Non-current assets held for sale	6	1,407	1,025	100
Current assets		**28,622**	**33,634**	**53,747**
TOTAL ASSETS		**644,395**	**543,124**	**516,815**

Liabilities (in thousands of €)	Note	30 June 2022	31 December 2021	30 June 2021
Share capital	7	66,767	66,767	66,767
Premiums	7	202,620	202,620	202,620
Reserves		81,585	80,967	80,855
Other items of comprehensive income		6,746		
Net result		9,093	17,062	6,972
Equity		**366,811**	**367,416**	**357,214**
Borrowings	8	250,363	131,837	147,965
Security deposits		6,354	5,879	5,279
Provisions		110	70	70
Non-current liabilities		**256,827**	**137,786**	**153,314**
Borrowings	8	4,705	27,466	
Trade and other payables		14,184	8,422	5,248
Current tax and social security payables		1,867	2,034	1,039
Current liabilities		**20,756**	**37,923**	**6,287**
Total liabilities		**277,584**	**175,709**	**159,600**
TOTAL EQUITY AND LIABILITIES		**644,395**	**543,124**	**516,815**

STATEMENT OF CASH FLOWS

In thousands of €	Note	30 June 2022	30 June 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net result		9,093	6,972
Elimination of non-cash or non-operating income and expenses			
- Changes in the fair value of investment properties	4	-2,178	1,866
- Gains/losses on disposal of investment properties		51	-
- Reclassification of interest and other financial income (expense)	13	3,504	-835
- Current and deferred tax expenses		-85	182
Cash flow from operations before tax and working capital		**10,385**	**8,185**
Taxes paid	14	-143	-23
Change in working capital requirement linked to the activity		3,719	141
Net cash from operating activities (A)		**13,961**	**8,303**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of investment properties	4	-107,336	-47,173
Acquisitions of portfolio securities and other financial assets	5	-	-2,159
Disposals of investment properties		2,032	-
Net cash from investing activities (B)		**-105,304**	**-49,333**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends received	13	1,066	1,327
Dividends paid	7	-16,513	-14,900
New loans	8	192,440	8,247
Loan repayments	8	-97,654	-5,195
Interest received	13	-	90
Interest paid	13	-1,747	-1,249
Change in security deposits and working capital		449	418
Net cash from financing activities (C)		**78,041**	**-11,262**
Change in net cash and cash equivalents (A + B + C)		**-13,302**	**-52,291**
Cash and cash equivalents at 1 January		23,364	99,311
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		**10,061**	**47,019**

STATEMENT OF CHANGES IN EQUITY

In thousands of €	Share capital	Share premiums	Reserve of treasury shares	Retained earnings	Total equity
BALANCE AT 31 DECEMBER 2021	**66,767**	**202,620**	**-239**	**98,267**	**367,416**
Net result for the period				9,093	9,093
Other items of comprehensive income for the period				6,746	6,746
Comprehensive income for the period			**-**	**15,839**	**15,839**
Treasury shares acquired			-20		-20
Treasury shares sold			90		90
Dividends				-16,513	-16,513
Total contributions and distributions	**-0**	**-0**	**70**	**-16,513**	**-16,444**
Total transactions with company owners	**-0**	**-0**	**70**	**-16,513**	**-32,887**
BALANCE AT 30 JUNE 2022	**66,767**	**202,620**	**-169**	**97,593**	**366,811**

2.1.2 NOTES TO THE FINANCIAL STATEMENTS

Note 1. Reporting entity

SELECTIRENTE SCA is a *Société en Commandite par Actions* (partnership limited by shares) registered in the Trade and Companies Register of Évry under number: 414 135 558. The Company's headquarters is at 303 Square des Champs Élysées – Évry-Courcouronnes - 91026 Évry Cedex.

The Company is a real estate company specialising in local retail real estate, listed on compartment B of Euronext Paris since 2006 and opted for the listed real estate investment companies (SIIC) regime in 2007.

Its business is the leasing of city-centre and urban area shops, offices and medium-sized peripheral units.

The Company is managed by a manager, SELECTIRENTE Gestion SAS, which is also the sole General Partner whose share capital is wholly owned by Sofidy, a simplified joint-stock company.

The Company has no subsidiaries.

Note 2. Accounting principles

The condensed financial statements of SELECTIRENTE SCA for the half-year ended 30 June 2022 were prepared in accordance with the provisions of IAS 34 relating to interim financial information and on the basis of IFRS standards and interpretations published by the International Accounting Standards Board (IASB) as adopted in the European Union and mandatory on 1 January 2022. In accordance with IAS 34, the explanatory notes included in these condensed financial statements are intended to:

- update the accounting and financial information contained in the most recent financial statements published at 31 December 2021;
- provide new accounting and financial information on significant events during the period.

Thus, the notes presented relate to significant events and transactions during the half-year and should be read in conjunction with the IFRS individual financial statements at 31 December 2021.

They are, in fact, inseparable from the information presented in the individual IFRS financial statements included in the Company's Universal Registration Document published for the financial year 2021. The accounting principles used to prepare the condensed financial statements at 30 June 2022 are identical to those applied for the individual annual financial statements in IFRS for the financial year ended 31 December 2021.

Standards, interpretations and amendments applicable from the financial year beginning on 1 January 2022:

- Amendments to IFRS 3 - Change in the conceptual framework;
- Amendments to IAS 16 - Recognition of revenue generated before commissioning;
- Amendments to IAS 37 - Clarification of costs to be used when analysing onerous contracts;
- Annual Improvements to IFRS - 2018 - 2020 Cycle (IFRS 1, IFRS 9, IAS 41, IFRS 16)

These amendments have no impact on the Company.

Note 3. Basis of preparation

Declaration of compliance

The individual annual financial statements have been prepared in accordance with IFRS and their interpretations, as adopted by the European Union pursuant to European Regulation (EC) No. 1606/2002 of 19 July 2002 (amended by Regulation (EC) No. 297/2008 of 11 March 2008). These are the first individual annual financial statements prepared in accordance with IFRS as adopted by the European Union and IFRS 1 "First-time adoption of IFRS" has been applied.

An explanation of the impacts of the transition to IFRS as adopted by the European Union on the statement of financial position, statement of net income and other comprehensive income and statement of cash flows is provided in Note 18.

The separate annual financial statements were approved by the Manager on 25 July 2022.

Measuring elements

They have been prepared on the basis of historical cost except for the following items in the statement of financial position:

- investment properties are recognised using the fair value model;
- temporary usufructs of SCPI units are financial assets recognised at fair value through profit or loss;
- equity instruments and debt instruments that do not meet the SPPI criteria are recognised at their fair value through profit or loss;
- derivatives are measured at their fair value;
- non-current assets held for sale are measured at the lower of their carrying amount and their fair value net of disposal costs.

Functional and presentation currency

The separate annual financial statements are presented in euros, which is the Company's functional currency. Amounts are rounded to the nearest thousand euros, unless otherwise indicated.

Use of judgements and estimates

In preparing these separate annual financial statements, the Manager has made judgements and estimates that have an impact on the application of the Company's accounting policies and on the amounts of assets and liabilities, income and expenses. Actual values may differ from estimated values.

Estimates and underlying assumptions are reviewed on an ongoing basis. The impact of changes in estimates is recognised prospectively.

A - Judgements

Information relating to the critical judgements made to apply the accounting policies having the most significant impact on the amounts recognised in the individual annual financial statements is in Note 4 - Investment properties.

B - Estimation assumptions and uncertainties

Information on assumptions and uncertainties related to estimates that involve a significant risk of material adjustment to the carrying amount of assets and liabilities is provided in the following notes:

- Note 4 - Investment properties;
- Note 5 - Portfolio securities and other financial assets, excluding derivatives and trade receivables;

Some of the Company's accounting policies and disclosures involve measuring the fair value of financial and non-financial assets and liabilities.

The Company has implemented a system to control fair value measurements. The Manager regularly reviews key unobservable data and valuation adjustments. As the fair value is measured on the basis of information from third parties (independent "external" real estate appraisers), the team in charge of the revaluation analyses the information thus obtained to ensure that it complies with the provisions of IFRS and that the level of the fair value hierarchy used is relevant.

To the extent possible, the Company relies on observable market data when measuring the fair value of an asset or liability. Fair value measurements are classified according to a three-level hierarchy, depending on the inputs used in the valuation technique.

- Level 1: fair value measured on the basis of prices (unadjusted) observed in active markets for identical assets or liabilities.
- Level 2: fair value measured using inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (in the form of prices) or indirectly (determined from price).
- Level 3: fair value of the asset or liability measured using inputs that are not based on observable market data (unobservable inputs).

Further information on the assumptions used in the measurement of fair value can be found in the following notes: 4; 5; 8 and 9.

Note 4. Investment properties

Investment property is initially measured at cost and subsequently at fair value, with any resulting change being recognised in profit or loss in accordance with IAS 40 (fair value model), on the lines "Upward or downward adjustments of fair values of investment properties" in the income statement.

Acquisition costs related to the acquisition of an asset are capitalised in the value of the investment property. Capitalised expenses include the cost of works and, where applicable, acquisition costs invoiced by intermediaries.

The fair value of investment properties is that determined by an independent real estate expert with the appropriate qualifications and who is recognised by the profession, who values the Company's portfolio at 30 June and 31 December of each year. These valuations comply with the national professional standards of the Charter of expertise in real estate valuation, the COB report (AMF) of February 2000, as well as the Tegova European professional standards and the principles of the Royal Institution of Chartered Surveyors (RICS). In accordance with IFRS 13, all assets were valued according to their "Highest and best use value".

The fair value is estimated by the appraisers on the basis of values derived from two methodologies:

- net income capitalisation method: this method consists of using recorded or potential income and then capitalising it on the basis of a yield expected by an investor for the same type of asset. The revenue base generally consists either of the net annual rent excluding taxes and rental charges, or the market rental value. For occupied premises, the appraiser performs a lease-by-lease analysis of the legal, financial and rental market conditions. For vacant premises, the market rental value is taken as a reference taking into account re-letting periods, any renovation work and other miscellaneous costs;
- direct comparison method: this method consists in comparing the asset being appraised with transactions carried out on assets equivalent in terms of type and location, at dates close to the appraisal date.

For buildings located in Belgium, only the revenue capitalisation method is applied.

The following table presents the fair value measurement technique for investment properties and the key unobservable data used:

Valuation techniques	Significant unobservable data	Correlations between key unobservable data and fair value measurement
The valuation methods used by the external real estate expert are based on the direct comparison method and the net income and potential future income capitalisation method.	- Capitalisation rate (June 2022: between 2.9% and 9.5%, weighted average of 4.8%; 2021: between 2.8% and 9.5%, weighted average of 4.7%).	The estimated fair value would increase (decrease) if: - the capitalisation rate was lower (higher); - rental values increased (decreased); - the occupancy rate was higher (lower); - the vacancy periods were shorter (longer); or - rent deductibles were shorter (longer).
The valuation method by direct comparison consists of comparing the asset to be appraised with transactions carried out on equivalent assets or assets whose characteristics are closest in nature and location, at a date as close as possible to the appraisal.	- Rental value (June 2022: in Paris close to €640 per m²; in the Paris region close to €240 per m²; in the regions outside the Paris region close to €195 per m² and in Belgium at €145 per m²; 2021: in Paris close to €625 per m²; in the Paris region, close to €330 per m²; in the regions outside the Paris region close to €190 per m² and in Belgium €145 per m²).	
The method for capitalising net income and potential future income takes into account the yield, net income or market rental value. The estimate of the yield takes into account the quality and location (first- or second-rate) of the building, the tenant's credit quality and the term of the lease.		

The appraisers have access to all the information necessary for the valuation of the assets, in particular the confidential rental statements of the assets, including data on vacancies, the dates of the next exit option, the due date and rent adjustments, performance indicators (tenant revenue and number of visits, for example), commercial data and cash flow forecasts prepared by the Company through detailed annual business plans by asset. On this basis, the appraisers independently establish their market rental value estimates, and apply risk factors on future rent levels, necessary investments, vacancy periods, rent adjustments, rent reductions and lower variable rents due to the Covid-19 pandemic, i.e. in the yield rates used.

The income statement for the financial year (N) records the change in value of each building, determined as follows: market value N - [market value N-1 + amount of works and capitalised expenses for financial year N].

In 2021, SELECTIRENTE carried out strategic disposals for "value creation" of a portfolio of ten assets and "strategic refocus" of two assets. These three transactions generated a capital gain of €470 thousand recorded in the Company's income statement. During this first half-year 2022, SELECTIRENTE carried out disposal transactions reflecting the objective of "strategic refocus" of its portfolio: sale of six stores located in Cholet (49), Bourg-en-Bresse (01), Beauvais (60), Arpajon (91) and Aillant-sur-Tholon (89), for a total net sales price of €2.1 million, generating a small capital loss of €51 thousand.

Given the limited public data available, the complexity of real estate asset valuations and the fact that real estate experts use the Company's confidential rental statements for their valuations, the Company has considered the classification of its assets in level 3, within the meaning of IFRS 13, as the most appropriate. The Covid-19 pandemic had no impact on the methodology used. In addition, data that are not publicly observable, such as rent growth rate assumptions or capitalisation rates, are used by the appraisers to determine the fair values of the Company's assets.

At 30 June 2022, 88% of the value of investment properties is based on the fair value determined on the basis of valuations carried out by an independent real estate expert. Assets not valued by the appraiser correspond to acquisitions (more than €73 million excluding transfer duties of acquisitions) in the last month of the first half of 2022.

The following table shows the reconciliation between the cost and the fair value of the Company's investment properties.

In thousands of €	30/06/22	31/12/21	30/06/21
Cost (gross values) at 1 January	**476,738**	**375,904**	**375,904**
Capital expenditure	108,479	108,835	46,352
Disposals	1,401	6,824	8
Transfer to non-current assets held for sale	2,314	1,177	-
Cost (gross values) at end of period	**581,502**	**476,738**	**422,248**
Cumulative fair value difference at 1 January	4,841	14,846	14,846
Upward adjustments to the fair value of investment properties	14,378	11,597	3,898
Downward adjustments to the fair value of investment properties	11,235	21,602	5,817
Cumulative difference in fair value at 31 December	7,984	4,842	12,927
Fair value of investment properties at the end of the period	**589,486**	**481,580**	**435,175**

In thousands of €	30/06/22	31/12/21	30/06/21
Fair value of investment properties appraised at the end of the period[1]	**516,188**	**453,955**	**418,664**
Investment properties not appraised at the end of the period[1]	73,298	27,625	16,479
Fair value of investment properties at the end of the period[1]	**589,486**	**481,580**	**435,175**
Non-current assets held for sale at the end of the period (at fair value)[1]	1,407	1,025	100

(1) End of period: either 30 June or 31 December

Sensitivity analysis

Significant judgement is required to measure the key parameters used to estimate the fair value of an investment property. Reasonably foreseeable changes at the reporting date concerning one of the assumptions used, the others remaining unchanged, would have led to a change in the fair value excluding rights for the property in terms of commercial use in the proportions described below:

	30/06/22		31/12/21		30/06/21	
Impact in thousands of €	Increase	Decrease	Increase	Decrease	Increase	Decrease
Capitalisation rate (June 2022: change of 25 bps; 2021: change of 25 bps)	-23,975	26,422	-21,042	23,186	-19,357	21,330
Occupancy rate (June 2022: change of 100 bps; 2021: change of 100 bps)	5,176	-5,176	4,550	-4,550	4,187	-4,187

An increase of +25 basis points in the capitalisation rate, which is one of the two valuation methods used by the real estate experts, would result in a decrease of -€24 million (in the value of the portfolio); similarly, a 25 basis point decrease in capitalisation rates, the main indicator of the valuation models, would result in an increase of €26 million in the value of the portfolio.

Sales agreements signed

Since 1 July 2022, the Company has committed to the acquisition of two Parisian assets (in the 10th and 4th arrondissements) for a total cost price of €1.2 million.

Note 5. Portfolio securities and other financial assets, excluding derivatives and trade receivables

SCPI units with fixed capital are equity financial instruments recognised at fair value through profit or loss. Dividends are recognised as income in the income statement, unless the dividend clearly represents the recovery of a portion of the cost of the investment.

Temporary usufructs of SCPI units, SCPI units, and OPCI shares are recognised as financial assets at fair value through profit or loss.

The Company assesses whether the contractual cash flows of financial assets correspond solely to repayments of principal and payments of interest on the outstanding principal ("SPPI" criterion).

For the purposes of this measurement, the term "principal" refers to the fair value of the financial asset at its initial recognition. "Interest" refers to the counterparty for the time value of money, the credit risk associated with the principal remaining due for a given period of time and the other risks and costs associated with a basic loan (e.g. liquidity risk and administrative expenses), as well as a margin.

When determining whether contractual cash flows correspond solely to repayments of principal and interest payments on the outstanding principal, the Company considers the contractual terms of the financial instrument. In particular, it must assess whether the financial asset includes a contractual term that is likely to change the maturity schedule or the amount of contractual cash flows so that it no longer meets this condition. In making this assessment, the Company takes the following elements into account:

- contingencies that could change the amount or timing of cash flows;
- the conditions likely to adjust the contractual coupon rate, in particular the variable rate characteristics;
- early repayment and extension clauses; and
- the conditions limiting the Company's recourse to obtain cash flows from specific assets (for example, in the case of a financial asset secured solely by collateral).

An early payment clause may be consistent with the "SPPI" criterion if the amount of the early repayment essentially represents the outstanding principal and the related interest. It may also include a reasonable additional amount in return for early termination of the contract. In addition, for a financial asset acquired at a discount or premium in relation to its contractual nominal value, a clause allowing or requiring early repayment for an amount essentially representing the contractual nominal value and the contractual interest accrued (but unpaid), (which may include a reasonable supplement to compensate for early termination of the contract) does not contradict this "SPPI" criterion, if the fair value of the early repayment clause is not material at initial recognition.

Financial assets that do not meet the "SPPI" criterion are recognised at fair value through profit or loss.

Fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability in a normal transaction between market participants at the measurement date, in the principal market, or without such market, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its risk of non-performance.

The Company measures the fair value of an instrument based on its quoted price in an active market, when available. An active market is defined as a market in which transactions in the asset or liability take place with sufficient frequency and volume to provide continuous price information.

If it does not have a quoted price in an active market, the Company relies on valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The valuation technique used incorporates all the factors that market participants would take into account when setting the price of a transaction.

The best indication of the fair value of a financial instrument at initial recognition is normally the transaction price, i.e. the fair value of the consideration paid or received.

The following tables show the level 2 and 3 fair value measurement techniques for financial instruments in the statement of financial position and the key unobservable inputs used.

Financial instruments measured at fair value:

Type	Valuation techniques	Correlation between key unobservable inputs and fair value measurement
Equity instruments	The valuation method is based on the stock market price at 30 June and/or 31 December for investments in listed companies, on the last net asset value and/or withdrawal value and/or execution value known at 30 June and/or 31 December for investments in real estate investment companies (SCPIs) and/or real estate collective investment organisations (OPCIs) or the amount of NAV for unlisted companies.	Not applicable.
Debt instruments	Comparable market technique/discounted cash flows: Fair value is estimated based on (i) current or recent quoted prices of similar securities in non-active markets and (ii) net present value, calculated using discount rates derived from the indicated yields of securities with similar maturities and credit ratings that are traded in active markets, adjusted for an illiquidity factor.	Not applicable.

Financial assets

In thousands of €	30/06/22	31/12/21	30/06/21
SCPI units	7,482	7,401	7,370
SPPICAV shares (Tikehau)	2,112	2,120	2,066
SIIC shares (Vastned)	13,878	15,768	15,829
Shares of SARL (Rose)	1,139	1,083	1,083
Fair values of portfolio securities	**24,612**	**26,372**	**26,349**
Usufructs of SCPI units	609	740	832
Interest rate swaps	6,830		
Other financial assets, including derivatives at fair value	**7,439**	**740**	**832**
TOTAL FAIR VALUES OF FINANCIAL ASSETS	**32,051**	**27,112**	**27,181**

Fair value hierarchy of financial instruments

The table below shows the carrying amounts and fair values of financial assets and financial liabilities, as well as their level in the fair value hierarchy. It does not include information on the fair value of financial assets and financial liabilities that are not measured at fair value insofar as the carrying amount corresponds to a reasonable approximation of the fair value.

Trade and other receivables and trade and other payables are not included in the table below. Their carrying amount corresponds to a reasonable approximation of their fair value.

	Carrying amount			Fair value			
30 June 2022 (in thousands of €)	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Debt instruments	9,335		9,335	2,112	7,223		9,335
Equity instruments	15,887		15,887	13,878	1,399	610	15,887
Interest rate swaps	6,830		6,830				
Financial assets valued at fair value	**32,051**		**32,051**	**15,990**	**8,622**	**610**	**25,222**
Financial assets not valued at fair value		**868**	**868**				

	Carrying amount			Fair value			
31 December 2021 (in thousands of €)	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Debt instruments	7,729		7,729	2,120	5,609		7,729
Equity instruments	19,383		19,383	15,768	2,875	740	19,383
Financial assets valued at fair value	**27,112**	**-**	**27,112**	**17,888**	**8,484**	**740**	**27,112**
Other financial assets in non-current assets not valued at fair value	**-**	**773**	**773**	**-**	**-**	**-**	

			Carrying amount				Fair value
30 June 2021 (in thousands of €)	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Debt instruments	7,648		7,648	2,066	5,581		7,648
Equity instruments	19,533		19,533	15,829	2,872	832	19,533
Financial assets valued at fair value	**27,181**	**-**	**27,181**	**17,896**	**8,454**	**832**	**27,181**
Other financial assets in non-current assets not valued at fair value	**-**	**597**	**597**	**-**	**-**	**-**	

Note 6. Non-current assets held for sale

Non-current assets or groups of assets and liabilities are classified as assets held for sale if it is highly probable that they will be recovered primarily through a sale rather than through continued use.

Investment properties held for sale are presented at their fair value on a separate line in the statement of financial position.

The highly probable nature of the sale is assessed based on the signing of the agreement to sell, given that three conditions must be met:

- a plan to sell the asset has been initiated by an appropriate level of management;
- the asset is actively marketed at a reasonable price in relation to its current fair value;
- it is likely that the sale will be completed within one year except in special circumstances.

Note 7. Share capital

Ordinary shares	30/06/22	30/06/21
Outstanding at 1 January	4,172,938	4,172,938
Issue in cash	-	-
Outstanding at end of period - fully paid-up shares	**4,172,938**	**4,172,938**

All ordinary shares give entitlement to the Company's residual assets.

The holders of ordinary shares are entitled to dividends when they are decided, and have one voting right per share at the Company's General Meeting of the Shareholders. All rights attached to Company shares held by the Company are suspended until these shares are returned to circulation.

Issuance of ordinary shares

During the first half of 2022, no ordinary shares were issued (2021: nil).

Incidental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

Treasury shares

If the Company repurchases its own equity instruments under the liquidity contract, the amount of the consideration paid, including directly attributable costs, is deducted from equity. Shares purchased are classified as treasury shares in the treasury share reserve. When treasury shares are sold or put back into circulation, the amount received is recognised as an increase in equity, and the positive or negative balance of the transaction is presented as an issue premium.

The reserve relating to treasury shares includes the cost of the Company's shares held by the Company. At 30 June 2022, the Company held 2,844 Company shares (30 June 2021: 4,753 shares).

Dividends

For the financial year, the following dividends were decided and paid by the Company.

In thousands of €	30/06/22	31/12/21
€3.60 per eligible ordinary share excluding praecipium dividend (2021: €3.25)	15,023	13,900

Note 8. Borrowings

Borrowings are financial liabilities classified as being measured at amortised cost using the effective interest rate method.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. It also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability is recognised at fair value under the modified terms.

When a financial liability is derecognised, the difference between the carrying amount allocated to the derecognised part and the consideration paid is recognised in profit or loss.

As a reminder, on 4 February 2022, SELECTIRENTE completed a €100 million transaction with BECM, HSBC, Crédit du Nord and Société Générale, the Company's long-standing bank partners, to refinance its mortgage debt by means of a five-year corporate loan enabling it to repay over €80 million in existing mortgage debt. The Company has also signed a €140 million three-year revolving credit facility (RCF) to boost its investment capacity.

This defining transaction will enable the Company to support its growth policy by pursuing its rigorous strategy of acquiring assets in Paris, the major French cities, and dynamic communities with areas of high commercial density.

The terms and conditions of the outstanding loans are as follows:

In thousands of €	Ongoing 31/12/2021	Ongoing 30/06/2022	Repayments < 1 year	Repayments 1 to 5 years	Repayments > 5 years	Accrued interest on borrowings	EIR
Fixed-rate debt							
Fixed-rate loans	-135,352	-60,166	-3,750	-15,548	-43,116	-189	2,348
Variable-rate debt							
Variable-rate loans	-24,810	-194,904	-	-195,000	-	-274	370
GROSS DEBT	**-160,163**	**-255,070**	**-3,750**	**-210,458**	**-43,116**	**-462**	**2,717**
Cash and cash equivalents	23,364	10,061					
TOTAL CASH POSITION	**-136,799**	**-245,009**	**-3,750**	**-210,458**	**43,116**	**-461**	**2,717**

Since the refinancing transaction in February 2022, SELECTIRENTE has reduced the number of credit lines to 14 lines, including two corporate credit lines of €100 million and a RCF of €140 million (of which €95 million drawn down at 30 June 2022). The 12 bank loan lines are all of the repayable mortgage type and are secured by the investment properties financed by these loans. The term of these mortgages varies between 10 and 15 years, while the corporate loan is five years and the RCF is three years.

Commitments and mortgages

Under the terms of the loan agreements entered into with BECM (Crédit Mutuel group) and BPI France, security interests (mortgage or lender's liens) have been granted on the financed assets.

Note 9. Risk management

The Company's Manager defines and oversees the Company's risk management framework. The Manager is responsible for defining and monitoring the Company's risk management policy.

The purpose of the Company's risk management policy is to identify and analyse the risks faced by the Company, to define the limits within which the risks must fall and the controls to be implemented, to manage the risks, and to ensure compliance with the defined limits. The risk management policy and systems are regularly reviewed to take into account changes in market conditions and the Company's activities. The Company, through its training and management rules and procedures, aims to maintain a rigorous and constructive control environment in which all staff of the advisory service and assistance provider have a good understanding of their roles and obligations.

The Company's Audit Committee is responsible for overseeing the application by the Manager of the Company's risk management policy and procedures, and for reviewing the adequacy of the risk management framework in helping the Company deal with the risks it faces.

The Company's activities expose it to the following financial risks:

Market risk

Market risk is the risk that changes in market prices, such as interest rates and the prices of equity instruments, will affect the Company's earnings or the value of the financial instruments held. The aim of market risk management is to manage and control market risk exposures within acceptable limits, while optimising the profitability/risk ratio.

The Company's exposure to market risk is limited due to the composition of the statement of financial position.

At 30 June 2022, the Company held three interest rate hedging instruments (SWAP). SELECTIRENTE has taken out a SWAP contract to hedge its entire €100 million corporate loan, as well as two SWAPs of €50 million each to hedge 70% of its RCF credit line, in deferred tranches of €25 million at 1 April 2022, 1 July 2022, 1 October 2022 and 1 January 2023.

Thus, at 1 July 2022, the fixed-rate and/or hedged debts stood at over 83% and will amount to 100% at the end of 2022 if no new debts are incurred.

Interest rate risk

Investment property acquisitions are financed in part by loans from credit institutions. The market value of these debts depends on changes in interest rates.

Regarding the variable rate corporate debt and the RCF contracted by the Company in February 2022, the Company contracted a SWAP to hedge its entire corporate loan of €100 million as well as two SWAPs of €50 million each to cover 70% of its RCF credit line, in deferred tranches of €25 million as mentioned above.

Sensitivity analysis of the fair value of bank loans

At 30 June 2022, the Company's debt consisted of 24% fixed-rate borrowings and 76% of variable-rate borrowings, compared with 8.6% of variable-rate borrowings at 31 December 2021. The portion of fixed-rate and hedged debt stands at 73% following the hedging of a variable-rate portion; this portion stands at 83% from 1 July 2022.

The Company does not recognise any fixed-rate financial liabilities at fair value through profit or loss.

Based on the rate situation at 30 June 2022, an average increase of 100 basis points in interest rates beyond -0.51% (Euribor three-month rate of 30 June 2022) would have a negative impact on the 2022 net result of €214 thousand (compared to €92 thousand in 2021).

In addition, the Company strives to actively manage its financial debt through regular refinancing transactions, in order to minimise this risk.

Average cost of debt

The average cost of debt ratio is calculated as follows: recurring financial expenses (excluding expenses related to finance leases and partners' current accounts) + capitalised financial expenses (excluding non-recurring financial expenses such as: the fair value adjustment and cancellation fees of financial instruments including bond buybacks and currency effects) compared to the average net financial debt over the period.

The average cost of debt for the period was 1.88%

Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulties in honouring its debts as they fall due. The financing policy for operating transactions is in line with the Company's strategy. In particular, it allows flexibility and responsiveness to opportunities while leading to a medium-term debt. The Company had a positive net cash position in the first half of 2022.

The residual contractual maturities of financial liabilities at the reporting date break down as follows. The amounts, expressed in gross and non-discounted data, include contractual interest payments and exclude the impact of netting agreements.

30 June 2022

In thousands of €	Carrying amount	Contractual cash flows				
		Total	< 1 year	1 to 2 years	2 to 5 years	More than 5 years
Non-derivative financial liabilities						
Guaranteed bank loans	255,069	257,325	3,750	3,806	206,652	43,116
Trade payables and related accounts	14,184	14,184	14,184			
Derivative financial liabilities						
Interest rate swaps used as hedges	6,830	-	-			

31 December 2021

In thousands of €	Carrying amount	Contractual cash flows				
		Total	< 1 year	1 to 2 years	2 to 5 years	More than 5 years
Non-derivative financial liabilities						
Guaranteed bank loans	159,303	160,163	27,614	13,810	32,403	86,335
Trade payables and related accounts	8,422	8,422	8,422			
Derivative financial liabilities						
Interest rate swaps used as hedges	-	-	-			

30 June 2021

In thousands of €	Carrying amount	Contractual cash flows				
		Total	< 1 year	1 to 2 years	2 to 5 years	More than 5 years
Non-derivative financial liabilities						
Guaranteed bank loans	147,965	155,321	13,737	12,107	34,933	95,545
Trade payables and related accounts	5,278	5,278	5,278			
Derivative financial liabilities						
Interest rate swaps used as hedges	-	-	-			

The Company tends to maintain a higher level of cash and cash equivalents, as well as highly negotiable debt instruments, than the cash outflows expected from financial liabilities (other than trade payables and related accounts).

The Company also monitors the level of expected cash inflows from trade and other receivables as well as expected cash outflows from trade and other payables.

Credit risk

Credit risk is the risk of financial loss for the Company in the event that a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk concerns cash and cash equivalents, as well as credit exposure relating to tenant customers.

The Company's exposure to credit risk is mainly influenced by the individual characteristics of its customers.

The Company modulates the level of credit risk it bears by limiting its exposure to each contracting party. The Company applies procedures to ensure that customers who enter into leases have an acceptable credit history.

The main tenants of the assets are:

Tenants	**Activities**	**Number of rental units**	**% of rent out of all rent**
Illumination Mac Guff SAS	Film and short film producer	1	6.6%
Maaf Assurances	Insurance	29	4.8%
Société Générale	Banking services	6	4.6%
Rallye Group (Casino, Franprix, etc.)	Food	9	2.3%
BNP PARIBAS	Banking services	6	1.5%
La Poste (Media Post)	Postal services	2	1.3%
Picard Surgelés	Food	6	1.2%
Kiloutou	Rental and leasing of other personal and domestic goods	3	1.1%
Crédit Agricole Group	Banking services	6	1.0%
Sandro (SMCP Group)	Ready-to-wear	1	1.0%
TOTAL		**75**	**25.4%**

According to IFRS 9, the estimated impairment is the amount that the Company does not expect to recover. However, potential future losses are partially covered by the collection of tenant guarantees or by obtaining bank guarantees (security deposits or bank guarantees).

SELECTIRENTE'S impairment policy complies with the simplified model of IFRS 9:

- estimated losses are calculated by homogeneous segment of receivables;
- the estimated loss rate reflects the best estimate of expected future losses for the customer segment in question: the Company complies with the concept of ex-post control (comparisons are made with historical default rates) and, if necessary, the rates are adjusted to take into account any new event triggering a potential loss;
- historical data are reviewed to better reflect the current situation and incorporate the best short-term estimates.

The Company applies the following rules to calculate the impairment of doubtful receivables as at 30 June 2022:

- the receivables of tenants subject to bankruptcy proceedings have been fully impaired;
- impairment of doubtful receivables is determined on the basis of a default rate estimated using a prospective approach. This default rate is rationalised on the basis of recent events such as tenant bankruptcies in 2022 and also the evolution of the closures of premises in recent quarters;
- this rate was applied to the amount of receivables net of security deposits.

Note 10. Rental income

Rental income from investment properties is recognised in income on a straight-line basis over the entire lease term. The benefits granted by the Company under a lease are an integral part of the total net rental income over the entire term of the lease.

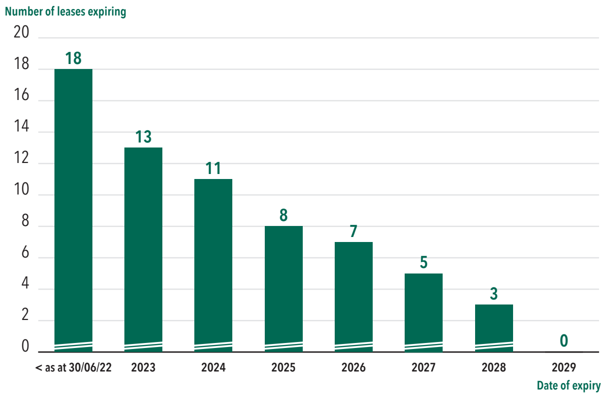
Rental income consists of rents and similar income (e.g. occupancy fees, entry fees, parking revenues) invoiced for stores and office buildings and others during the period.

In accordance with IFRS 16, rent-free periods, rent increments, other rent adjustments and entry fees are spread over the estimated term of the lease.

For rent concessions granted to tenants in the context of the Covid-19 pandemic and when these concessions are considered as a modification of the lease due to the consideration given by the tenant (e.g. extension of the lease or increase in the variable rent percentage), IFRS 16 applies, according to which the reduction is treated as a rent adjustment that is spread over the estimated term of the lease as a reduction in rental income.

As at 30 June 2022, the minimum future rents receivable until the next possible termination date under operating leases break down as follows:

Minimum future rents per year (in millions of €) as at 30/06/2022



Note 11. Property expenses

They consist of rental expenses borne by the owner, expenses related to works, litigation costs, expenses on doubtful receivables as well as costs related to property management.

Under IFRS 15, the Company presents the rental expenses rebilled to tenants separately from the rebillable rental expenses. Indeed, the rental, administrative and technical management of the real estate assets held by the Company is carried out by a third-party management company (see note on related parties) which receives fees as remuneration for its renewable three-year management mandate. SELECTIRENTE acts as principal between the company managing the real estate assets and the tenant, given that SELECTIRENTE retains responsibility and control over the services provided.

The net amount corresponds mainly to expenses on vacant premises.

The Company re-invoices almost all of the rental expenses to its tenants.

Note 12. Management and operating expenses

The Company has no employees.

For the Company, management and operating expenses consist mainly of commissions paid to the Manager as defined by the Articles of Association, as well as operating expenses and expenses relating to the management of the portfolio and the remuneration of the governance bodies.

Note 13. Net financial income/(expense)

The Company's finance income and expenses include:

- interest income;
- interest expenses;
- the cost of hedging instruments;
- dividends received;
- gains and losses on financial assets at fair value through profit or loss;
- impairment losses (and reversals) on debt instruments and hedges at amortised cost.

Interest income and expenses are recognised using the effective interest method.

Hedging instruments are recognised using the hedge accounting method.

Dividends are recognised in net result as soon as the Company acquires the right to receive payments.

The effective interest rate is the rate that discounts estimated future cash outflows or inflows over the expected life of a financial instrument to obtain the amortised cost of the financial liability.

When calculating interest income and expenses, the effective interest rate is applied to the amortised cost of the liability.

In thousands of €	30/06/2022	31/12/2021	30/06/2021
Finance income			
- Dividends	1,168	2,201	1,484
- Revenues from marketable securities	-	84	84
- Other finance income	-	5	9
- Increase in the fair value of financial assets			577
- ICNE SWAP	150		
TOTAL FINANCE INCOME	**1,317**	**2,290**	**2,152**
Financial expenses			
- Interest on borrowings from credit institutions	2,064	2,614	
- Penalties for early repayment of borrowings	238	-	
- Bank interest			2
- Other financial expenses	480	4	2
- Decrease in fair value of financial assets	1,890	390	
TOTAL FINANCIAL EXPENSES	**4,672**	**3,008**	**1,317**

Note 14. Deferred tax and corporate income tax

The Company opted for the SIIC regime as of 1 January 2007. As a result, current income and capital gains on disposals in France are exempt from corporate income tax.

Current tax includes the estimated amount of tax due (or receivable) in respect of the taxable segment. Corporate income tax thus includes current and deferred tax for activities in Belgium. It is recognised in the income statement unless it relates to items that are recognised directly in equity or in other comprehensive income.

The valuation of deferred tax must reflect the tax consequences that would result from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

In thousands of €	30/06/2022	30/06/2021
Deferred tax	171	219
Total tax expense	-255	-37
(in thousands of €)	**-85**	**182**

Note 15. Earnings per share

A. Basic earnings per share

Basic earnings per share are calculated based on the following net income attributable to holders of ordinary shares and the following weighted average number of ordinary shares outstanding.

Weighted average number of ordinary shares (basic)

	30/06/2022	30/06/2021
Ordinary shares at 1 January	4,172,938	4,172,938
Treasury shares	-3,303	-5,111
Stock options exercised	-	-
Shares issued in 2021	-	-
Weighted average number of ordinary shares at the end of the period	**4,169,634**	**4,167,827**

B. Diluted earnings per share

Diluted earnings per share have been calculated based on the following net income attributable to holders of ordinary shares and the following weighted average number of ordinary shares outstanding. The Company has no dilutive instruments.

Note 16. Climate risks

According to forecasts, climate change is expected to lead to an increase in the number of extreme weather events. The occurrence of such events, such as heat waves, snowfall and flooding, could disrupt the business continuity of the Company's real estate assets and could result in the temporary closure or deterioration of such real estate assets. Rising temperatures could affect consumer habits and mobility and lead to a decline in the use of the Company's assets.

In light of the percentage of real estate assets held by the Company that are located in city centres and urban areas, representing 95.8% of the Company's portfolio at 30 June 2022, and the geographical distribution of these assets, the Company considers that the occurrence of the events described above could affect its results.

However, the wide diversity of the Company's portfolio serves to minimise this risk.

Note 17. Events after the reporting period

The Company has continued its investments since 1 July 2022 with commitments of more than €1.2 million at 31 August 2022.

Since 1 July 2022, the portion of fixed-rate and hedged debt increased to 83% following the hedging of a variable-rate portion.

Note 18. Explanatory note on the transition to IFRS

As specified in Note 2, these are the first financial statements under IFRS as adopted by the European Union.

As part of the development of its activities, the institutionalisation of its shareholder base and the change in its organisation, SELECTIRENTE has voluntarily undertaken to implement IFRS and presents the main impacts of these international accounting standards in its financial communication.

SELECTIRENTE's financial statements will from now on be presented in accordance with IFRS. Driven by its desire for transparency and its ambition to expand internationally, the Company believes that using the same standards as the majority of companies in the sector will enable better assessment and comparison of the Company's economic and financial performance.

The accounting principles presented above were applied to prepare the financial statements for the half-year ended 30 June 2022, and the comparative information presented in these financial statements for the half-year ended 30 June 2021 under IFRS standards as adopted by the European Union on 31 December 2021.

In preparing the opening statement of financial position under IFRS as adopted by the European Union, the Company has adjusted the amounts previously published in the financial statements under French accounting rules. An explanation of the impacts of the transition from previous accounting rules to IFRS as adopted by the European Union on the statement of financial position, the statement of net and comprehensive income and the statement of cash flows is presented in the following tables and notes.

As a reminder, the first annual financial statements under IFRS standards published by the Company are for the 2021 financial year. For more information, please refer to the 2021 Universal Registration Document, Chapter 18.2, Note 24.

Reconciliation between the statement of financial position under French accounting rules and under IFRS standards at 30 June 2022

In thousands of €	Note	30/06/2022 according to French accounting rules	Impact of the transition to IFRS as at 30/06/2022	30/06/2022 under IFRS
Investment properties	18.1	-0	589,486	589,486
Tangible fixed assets		528,068	-528,068	-
Intangible assets		-	-	-
Portfolio securities	18.2	25,359	-747	24,612
Other non-current financial assets excluding treasury shares		1,281	197	1,478
Treasury shares	18.4	239	-239	-
Deferred tax assets	18.3	-	197	197
Non-current assets		**554,948**	**60,825**	**615,773**
Trade receivables and related accounts	18.7	5,283	-	5,283
Tax and other receivables		6,916	-1,874	5,041
Cash and cash equivalents		10,061	-	10,061
Fair value of interest rate hedging instruments - share at less than a year			6,830	6,830
Non-current assets held for sale		-	1,407	1,407
Current assets		**22,260**	**6,363**	**28,622**
TOTAL ASSETS		**577,208**	**67,187**	**644,395**

In thousands of €		30/06/2022 according to French accounting rules	Impact of the transition to IFRS as at 30/06/2022	30/06/2022 under IFRS
Share capital		66,767	-	66,767
Premiums		202,620	-	202,620
Reserves		21,617	59,968	81,585
Other items of comprehensive income		-	6,746	6,746
Net result		5,406	3,687	9,093
Equity		**296,409**	**70,402**	**366,811**
Borrowings	18.5	254,036	-2,718	251,318
Deferred tax liabilities		-	-	-
Security deposits		6,354	-	6,354
Provisions	18.6	607	-497	110
Non-current liabilities		**260,997**	**-3,215**	**257,782**
Borrowings		3,750	-	3,750
Trade and other payables		14,184	-	14,184
Current tax and social security payables		1,867	-	1,867
Other liabilities		-	-	-
Current liabilities		**19,802**	-	**19,802**
Total liabilities		**280,798**	**-3,215**	**27,584**
TOTAL EQUITY AND LIABILITIES		**577,208**	**67,187**	**644,395**

Reconciliation of 30/06/2022 income statement under French accounting rules and IFRS

(in thousands of €)	Note	30/06/2022 according to French accounting rules	Impact of the transition to IFRS as at 30/06/2022	30/06/2022 under IFRS
Gross rental income	18.7	12,968	-62	12,905
Related income		143	-	143
Rebilled rental expenses		2,256	-	2,256
Rental expenses and property taxes		-2,695	-51	-2,746
Net rental income		**12,672**	**-114**	**12,558**
Management fees and other overheads		-4,632	2,560	-2,072
Change in value of investment properties		-3,687	5,865	2,178
Gains/losses on disposal of investment properties		643	-694	-51
Impairment losses on trade receivables		-68	-	-68
Other income and expenses		-120	87	-33
Operating income		**4,808**	**7,704**	**12,512**
Dividends received		1,168	-	1,168
Finance income		1,231	-1,231	-
Financial expenses	18.5	-2,080	-702	-2,782
Change in value of financial assets and financial instruments	18.6	450	-2,340	-1,890
Income from the disposal of financial assets				
Net financial income/(expense)		**769**	**-4,273**	**-3,504**
Profit (loss) before tax		**5,576**	**3,431**	**9,008**
Income tax expense		-171	255	85
NET RESULT		**5,406**	**3,687**	**9,093**

Given its activity, the main impacts of the transition to IFRS for SELECTIRENTE concern the recognition of investment properties and financial instruments, as well as the recognition of rental income.

Note 18.1 Recognition of investment property

In accordance with IAS 40, the Company has chosen the fair value model for the recognition of investment properties. Under French accounting rules, real estate assets are recognised by component, depreciated over their useful life and are subject to impairment if their recoverable value falls below their market value.

At 30 June 2022, tangible fixed assets meeting the definition of investment property have been reclassified as investment property. Investment property is recognised at fair value excluding transfer duties of €589,486 thousand.

Depreciation of tangible fixed assets meeting the definition of investment properties was cancelled and the change in the fair value of investment properties between 1 January 2022 and 30 June 2022 is recognised in the income statement. The impact of this restatement is €6,423 thousand.

The €694 thousand capital gain realised in the first half of 2022 on the disposal of real estate assets was eliminated through equity in the financial statements under IFRS at 30 June 2022 due to the fair value adjustment.

Note 18.2 Portfolio securities

Portfolio securities include:

- SCPI units with fixed capital and shares classified as equity instruments recognised at fair value through profit or loss, on option; and
- units in OPCIs and SCPIs with variable capital classified as debt instruments, recognised at fair value through profit or loss.

The impact of the fair value adjustment of these financial instruments as at 1 June 2022 was €2,150 thousand offset in equity.

Note 18.3 Deferred taxes

Deferred tax assets are calculated on the temporary differences between the tax base and the carrying amount of investment properties and financial assets and liabilities allocated to the taxable segment. The opening impact as at 1 June 2022 of €197 thousand is recognised as an offset in equity and the impact on the first half of 2022 is shown on the Corporate income tax line for an amount of €255 thousand.

Note 18.4 Recognition of treasury shares

Treasury shares under the liquidity contract are deducted from equity under IFRS. Treasury shares of €1,361 thousand appearing as assets under French accounting rules were therefore reclassified from the line "Other financial assets" to equity as at 1 June 2022.

Note 18.5 Recognition of bank borrowings

Bank loans are recognised at amortised cost using the effective interest rate (EIR) method. The Company did not use the IFRS 1 option for the fair value of borrowings at the opening date and has applied the effective interest rate method retrospectively from the inception of the borrowings. The negative impact of €6,468 thousand was recognised as an increase in equity on the line Reserves as at 1 June 2022. The impact on the financial year 2020 is –€702 thousand and is shown on the "Financial expenses" line.

Note 18.6 Provisions

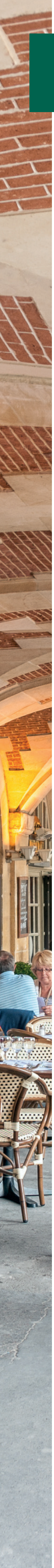
Provisions for major maintenance of €497 thousand were eliminated at 1 June 2022 through equity.

Note 18.7 Trade receivables and rental income

Under IFRS 16, the benefits granted to tenants considered as lease incentives (rent-free periods, rent increments, financing of the lessee’s work since the date on which these benefits were granted) are spread over the fixed term of the lease.

The impact of the spreading of benefits granted is –€62 thousand on the profit (loss) for the first half of 2022 (Gross rental income line).

3 STATEMENT BY THE PERSONS RESPONSIBLE



“I certify that the information contained in this Half-Year Financial Report is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

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

Chairperson of SELECTIRENTE Gestion, Manager

4 STATUTORY AUDITORS' REPORT

4.1 STATUTORY AUDITORS' REPORT ON THE HALF YEAR FINANCIAL INFORMATION

Period from 1 January to 30 June 2022

To the Shareholders,

In accordance with the mission entrusted to us by your General Meeting of the Shareholders 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 2022 to 30 June 2022, as appended to this report;
- verified the information presented in the half-year activity report.

These half-year 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.

I - Conclusion on the financial statements

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

A limited review consists mainly of meeting with the members of the department 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 of the half-year financial statements with IAS 34, the IFRS standard as adopted by the European Union for interim financial information.

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 La Défense, 28 September 2022
KPMG Audit FS I

Régis Chemouny
Partner

Paris, 28 September 2022
RSM Paris

Adrien Fricot
Partner

SELECTIRENTE GESTION 09-2022 I Document produced by SELECTIRENTE GESTION / Photos by Sylvain Bardin, Shutterstock

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 Élysees - 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
ÉPARGNER - INVESTIR

BY TIKEHAU CAPITAL