SELECTIRENTE

Retail property investment company

HALF-YEAR FINANCIAL REPORT

2024

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Results for the first half of 2024

KEY FIGURES	H1 2024	2023	H1 2023
OPERATIONAL PERFORMANCE			
Growth in rental income	-1%	+8%	+17%
Growth in rental income on a like-for-like basis	+3.5%	+2.2%	+2.9%
Average financial occupancy rate (over the last 12 months)	94.6%	95.6%	96.2%
Direct and indirect investments *(in millions of €, excl. duties)*	2.6	2.1	0
EARNINGS *(IN MILLIONS OF €)*			
IFRS earnings	13.2	13.2	5.0
EPRA earnings	10.5	22.3	10.9
Net recurring cash flow	10.9	18.5	10.8
EPRA DATA PER SHARE *(€/SHARE)*			
EPRA earnings	2.53	5.35	2.61
EPRA NRV	94.82	95.84	94.39
EPRA NTA	85.09	86.06	84.37
EPRA NDV	89.46	90.31	90.59
Net initial yield	5.1%	5.1%	5.1%
Net initial yield excluding rent concessions	5.1%	5.1%	5.1%
Vacancy rate	4.5%	4.1%	2.8%
Cost ratio (including vacancy costs)	22.0%	16.0%	17.0%
Cost ratio (excluding vacancy costs)	21.0%	15.4%	16.3%
EPRA LTV	37.5%	36.9%	39.8%
PORTFOLIO			
Fair value of the Portfolio *(in millions of €, excl. duties)*	575	577	592
Average yield on real estate appraisals (including duties)	5.2%	5.2%	5.0%

1 HALF-YEAR ACTIVITY REPORT

1.1 ECONOMIC CLIMATE AND REAL ESTATE MARKET

Despite ongoing macroeconomic and geopolitical uncertainties, French household consumption demonstrated notable resilient; after a rise of 0.1% in the first quarter, it increased by 0.5% over the period April/June. The fall in inflation, which stood at +2.2% year-on-year in June in France, due in particular to a slowdown in the rise of energy and food prices, should support this trend over the coming months.

According to a Cushman & Wakefield study, the volume of retail investment reached €900 million in the first half of the year, a decrease of 50% compared to the first six months of 2023, a period that was admittedly marked by the conclusion of several major transactions. Nevertheless, €470 million was invested in the second quarter, a figure that was virtually stable compared with the same period in 2023 (-3%). The decline in volumes affected all real estate segments and retail assets maintained their share at around 22% of the total invested by the end of June. City-centre retail premises accounted for 39% of the amounts invested in the first half of 2024 (+14 points compared with the ten-year average).

1.2 RESILIENCE OF OPERATIONAL PERFORMANCE

While nearly 15 million visitors flocked to Paris for the Olympic and Para-Olympic Games, the number of visitors to city centres was on the rise nationwide. According to the barometer conducted by the association "Centre-Ville en mouvement", 72% of French people say they visit city centres at least once a week, *i.e.* two points more than in 2023 and three more than in 2022.

SELECTIRENTE remains convinced of the vitality of local shops in city centres, which have demonstrated their ability to adapt to changing consumer habits, as evidenced in particular by the advent of phygital. Once again, the Company is seeing the relevance of its business model and is pursuing its strategy of investing selectively and rigorously in local retail assets located in city centres.

From SELECTIRENTE's perspective, retailers are benefiting in particular from consumer loyalty, the growth in soft mobility, which is helping to improve access to these stores, the advent of the "15-minute city" and the structural phenomena of metropolisation, all of which are enhancing their attractiveness. They can also build on the Action Cœur de Ville (ACV) programme, which aims to make city centres more attractive and dynamic. The second phase of this programme, covering the period 2023-2026, concerns 234 medium-sized towns.

Bolstered by its strong financial structure, SELECTIRENTE still boasts robust long-term fundamentals:

- quality locations: over 61% of assets located in Paris, 11% in the Paris region and 28% in five of France's ten largest provincial cities;
- reasonable rents compared to market rental values;
- strong portfolio granularity (406 assets and 532 leases) reflecting solid pooling of rental risk;
- controlled debt levels (EPRA LTV of 37.5% at end-June 2024);
- available cash of nearly €3 million;
- dynamic and disciplined rental management, led by a recognised and experienced team.

1.3 INVESTMENTS AND DISPOSALS DURING THE HALF YEAR

1.3.1 INVESTMENTS

Wishing to consolidate its solid financial position, SELECTIRENTE has continued to pursue a rigorous, selective and opportunistic investment policy. During the first half of 2024, the Company acquired a 200 m² retail unit in a prime location at 98 rue de Rivoli (11th *arrondissement* of Paris) for a total cost of €2.9 million. The yield on investment is 5.5% deed in hand. The deal, which was carried out under favourable financial conditions for SELECTIRENTE, involves a high-quality asset ideally located in a central district of Paris.

1.3.2 DISPOSALS

During the first half of the year, SELECTIRENTE continued to carry out arbitrage transactions reflecting its objective of "strategic refocusing" of its portfolio: sale of six retail premises located in Auch (32), Bourges (18), Dorlisheim (67), Epinay-sur-Seine (93), Le Touquet (62) and Arpajon (91), as well as an opportunistic value-creating arbitrage in Paris (7th *arrondissement*), for a total net asking price of €8.1 million, 15% higher than the appraisal value excluding transfer taxes at the end of 2023, and generating a distributable capital gain of nearly €3.8 million.

At 30 June 2024, the Company was also involved in the sale of seven assets located in Longjumeau (91), Nanterre (92), Asnières-sur-Seine (92), Vendôme (41), Rueil-Malmaison (92), Pontoise (93) and Courbevoie (92), for a total net asking price of €4.2 million.

1.3.3 COMPOSITION OF THE PORTFOLIO

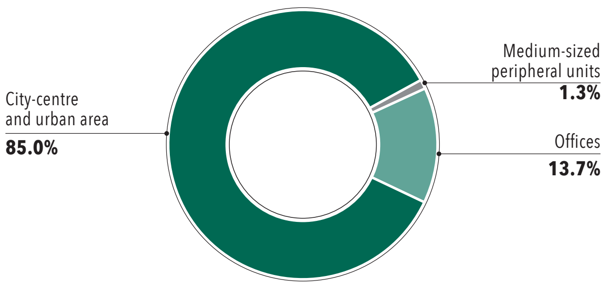
- The revalued portfolio of the Company stood at €575 million at 30 June 2024[1], excluding transfer taxes, compared with €577 million at 31 December 2023. The change is mainly due to arbitrages carried out. On a like-for-like basis, appraisal values increased by 0.1%.

It consists of:

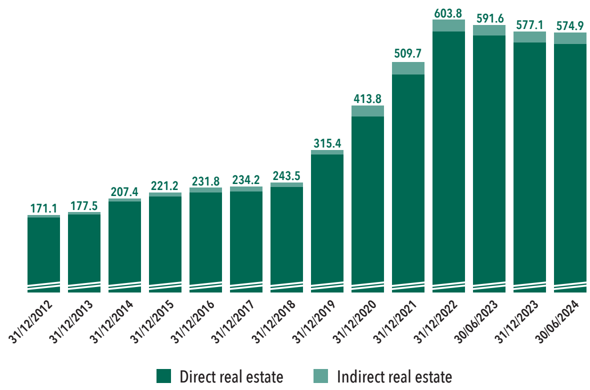
- €550.1 million in real estate assets acquired directly (appraisal values excluding transfer duties);
- €24.8 million in indirect real estate investments consisting of shares in the listed REIT Vastned Retail N.V. for €15.1 million, SCPI and OPCI shares for €8.4 million, an equity stake in a company (Rose SARL) for €1.1 million, and usufructs of SCPI units for €0.2 million.

At 30 June 2024, changes in the real estate portfolio acquired directly and indirectly broke down as follows:

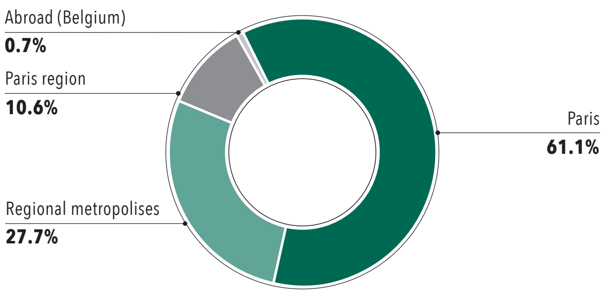
Distribution of the direct real estate portfolio by asset type (% in value as at 30 June 2024)



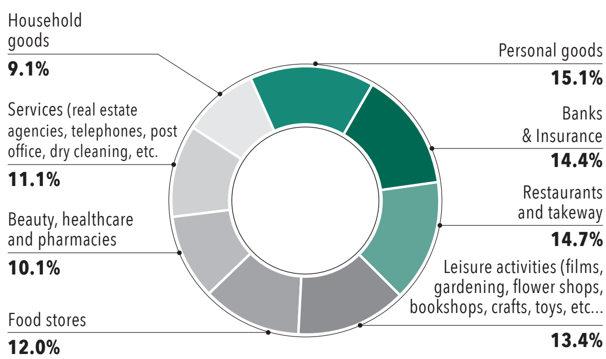
Change in the direct and indirect real estate portfolio (in € millions)



Geographic distribution of direct real estate portfolio (% in value as at 30 June 2024)



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



At the end of June 2024, SELECTIRENTE's direct real estate portfolio consisted of 406 real estate assets totalling approximately 100,000 m² and 532 leases. Its value excluding transfer taxes came to €550.1 million, mainly consisting of city-centre stores in Paris and the Paris region and in the largest regional cities.

(1) See methodological note on page 15.

1.4 FINANCIAL STRUCTURE

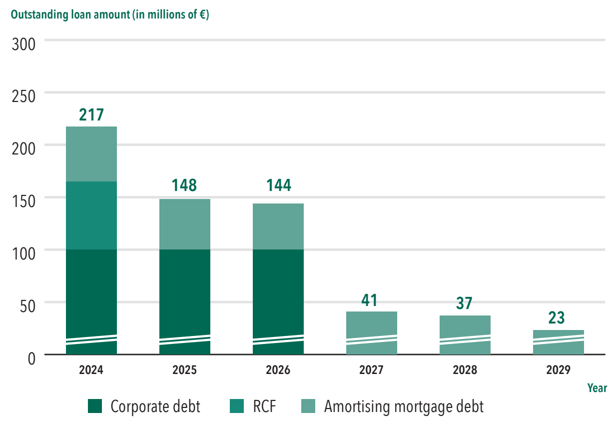
As a reminder, on 4 February 2022, SELECTIRENTE concluded a refinancing operation for its mortgage debt into corporate debt over five years and an RCF (Revolving Credit Facility) over three years, giving it increased investment capacity. On 5 April 2024, SELECTIRENTE voluntarily requested the cancellation of part of the RCF in the amount of €65 million, thus reducing the amount of this RCF from €140 million to €75 million. This transaction was carried out with a view to the proper management of the Company's costs and therefore to reduce the non-use fees of the amounts not drawn from the RCF.

At 30 June 2024, the outstanding RCF drawn down was €65 million.

As a result, at 30 June 2024, SELECTIRENTE's bank financing amounted to €217 million under IFRS (*vs* €220 million at end-2023) and was characterised by:

- 25% mortgage debt at fixed rate and 75% corporate debt at floating rate 100% hedged;
- an EPRA LTV debt ratio of 37.5%;
- an average cost of debt of 1.59%, benefiting from a provisional over-hedging of interest rate hedging instruments;
- a duration of nearly 3.2 years and an average duration of nearly 2.7 years;
- a portion of fixed-rate and/or variable-rate debt hedged at 100% until the corporate debt is extinguished in 2027.

The principal amount outstanding on SELECTIRENTE's current debt is presented below, with the next material maturity at 30 June 2024 scheduled for 2025:



On 12 July 2024, SELECTIRENTE refinanced its Revolving Credit Facility (RCF signed in February 2022), which matured in February 2025. Anticipating the maturity of this RCF by more than nine months, SELECTIRENTE concluded this refinancing, in the amount of €80 million, composed of two separate lines. Details of the transaction are presented in Note 17 to the IFRS financial statements, "Post-closing events".

1.5 LEASE AND REAL ESTATE MANAGEMENT

Since the beginning of the year, and despite macroeconomic uncertainties, rental management (re-letting and lease renewals) has been actively pursued, resulting in a slight net increase (+0.7%) in annual rents for the retail premises concerned to €1,115 thousand (compared with €1,107 thousand).

SELECTIRENTE's rental income amounted to €15.0 million in the first half of 2024, virtually stable compared with the first half of 2023. Like-for-like, rents alone increased by nearly 3.5%, offset by the increase in rent indexation (+4.9%), re-lettings and lease renewals (+3.3%) and, on the downside, vacancies (-2.8%), insolvency proceedings (court-ordered liquidations) and sales of business assets (-1.9%).

	Number	Surface area m²	Previous annual rental income *(in thousands of €)*	Annual rental income obtained *(in thousands of €)*
Lease renewal	9	2,694 m²	€406 thousand	€405 thousand
Re-lettings	14	1,702 m²	€701 thousand	€710 thousand
TOTAL	**23**	**4,396 m²**	**€1,107 thousand**	**€1,115 thousand**

Under the 3.5% indexation cap voted by Parliament in 2023 to benefit SMEs and VSEs, and extended until 31 March 2024, only 42 cap applications had been received and accepted by the Company as at 30 June 2024, representing a very limited shortfall of around €43 thousand on the annual rents concerned.

The financial occupancy rate remains high, standing at 94.6% on average over the last 12 months, down slightly compared with that recorded in 2023 (95.6%). For Q2 2024 alone, the financial occupancy rate was 94%.

This decrease is mainly due to the default of a number of vulnerable independent tenants. In this respect, of the 25 properties left vacant following court-ordered liquidations in 2023 and the first half of 2024, the Company has already re-let 9 to date, with an increase in annual rent of 21% compared with the last rent invoiced.

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 €857 thousand in the first half of 2024. This work mainly concerned the following assets:

The asset located rue de Metz in Toulouse (31) (€73 thousand in fire compliance work), avenue de Suffren in Paris (15th *arrondissement*) (€27 thousand in car park maintenance work), rue du Louvre in Paris (1st *arrondissement*) (€54 thousand in roofing work), place

Bellecour in Lyon (69) (€30 thousand in roof repair work), place Charles Lepère in Auxerre (89) (€24 thousand in façade repair work).

Provisions for major maintenance work (*e.g.* refacing) were made as part of multi-year maintenance plans. A provision of €70 thousand was allocated in this respect in the financial statements at 30 June 2024 and renovation work was carried out in the first half of 2024, resulting in a reversal of provisions of €103 thousand. The balance of this provision for renovations stood at €435 thousand at 30 June 2024.

DISPUTES

At 30 June 2024, apart from the proceedings against tenants in payment arrears and/or renewal/setting of their rent, one significant dispute is to be noted:

SELECTIRENTE was implicated by its tenant concerning the fall of the 1st floor ceiling of the commercial premises located in rue Georges Clémenceau in Vichy (03). In his report, the legal expert found the co-owners' association (SDC) liable and calculated the tenant's loss at €80 thousand excluding tax, *i.e.* a share of €38.2 thousand for SELECTIRENTE. Under the terms of a judgment dated 30 October 2023, the Cusset Judicial Court ordered SELECTIRENTE, AXA France IARD and the SDC to pay the damages jointly and severally. On 15 December 2023, SELECTIRENTE lodged an appeal. The proceedings are continuing and the Company has set aside a provision of €720 thousand in its financial statements.

Other proceedings are ongoing for which the management has not considered it necessary to record a provision at this stage.

1.6 HALF-YEAR RESULTS

SELECTIRENTE's rental income amounted to €15.0 million in the first half of 2024, virtually stable compared with the first half of 2023. On a like-for-like basis, rents alone increased by nearly 3.5%.

(in thousands of €)	H1 2023	Q1 2024	Q2 2024	H1 2024	Change H1 2024 / H1 2023
Rent	15,111	7,542	7,459	15,001	-1%
Other revenues	158	144	43	187	+18%
Net revenue	**15,268**	**7,686**	**7,502**	**15,188**	**-1%**

Statement of comprehensive income under IFRS (in thousands of €)	H1 2023	H1 2024	Change
Net rent	15,111	15,001	-1%
RENTAL INCOME	**15,268**	**15,188**	**-1%**
Non-recoverable property charges and taxes	-705	-1,460	107%
Management fees and other overhead	-1,866	-1,644	-12%
Change in the value of investment properties	-3,976	-146	-96%
Gains/losses on disposal of investment properties	-1	1,158	N/A
Others	-140	-418	199%
Operating profit	**8,579**	**12,678**	**48%**
Dividends	1,204	1,233	2%
Net financial expense	-3,483	-2,261	-35%
Gains/losses on disposal and change in financial values	-1,120	1,722	-254%
Net financial income (expense)	**-3,399**	**693**	**-120%**
Income before tax	**5,180**	**13,371**	**158%**
Tax	-171	-162	-5%
Net result	**5,009**	**13,209**	**164%**
Net recurring cash flow	**10,841**	**10,865**	**0%**

N/A: not applicable.

SELECTIRENTE posted half-year IFRS net income of €13 million, up compared with the same period in 2023. This increase is mainly due to the stability of investment property values (+0.1% on a like-for-like basis), capital gains linked to arbitrages in the first half of 2024, as well as strong growth in financial income thanks to the impact of the value of Vastned shares (+€3 million) and the fall in the net cost of debt.

Recurring net income (€10.6 million) and current net cash flow (€10.9 million) were stable compared with the same period in 2023.

1.6.1 CHANGE IN THE PORTFOLIO AND SUMMARY OF PERFORMANCE INDICATORS

The value of SELECTIRENTE's direct real estate portfolio, consisting of 406 assets totalling approximately 100,000 m² and 532 leases, amounted to €550 million (excluding transfer taxes) at the end of June 2024 compared with €554 million at 31 December 2023. SELECTIRENTE's direct real estate portfolio is subject to an independent valuation on a half-yearly basis by the real estate expert Cushman & Wakefield.

Thanks to the quality of its locations and despite the increased economic uncertainty and inflationary pressure, the Company's direct real estate portfolio held up well in terms of valuation in the half year ended 30 June 2024. Appraisal values remained almost stable at +0.1% on a like-for-like basis over the past six months.

In detail, the values of city-centre shops, which represent 85% of the overall portfolio on a like-for-like basis, remained stable (+0.1%), as did those of offices (-0.1%), while the values of medium-sized retail premises in suburban areas grew by 4.1% on a like-for-like basis. Geographically, appraisal values are stable in Paris and the major French cities, which account for almost 89% of the overall portfolio, while the trend in the Paris region is upwards by 0.7%. Assets located in Belgium posted a 4.7% increase in value thanks to the various actions carried out in terms of rental management.

At the end of June 2024, the average yield resulting from these appraisals (including transfer duties) was 5.2% across the entire portfolio, virtually stable compared with the end of 2023. Rental yields also stood at 5.2% for city-centre retail premises (including an average of 4.8% for Parisian premises estimated between 2.3% and 6.3%, and 6.2% in the Paris region), 4.9% for offices and 7.7% for out-of-town retail premises (which represent 4.1% of the overall portfolio value).

At 30 June 2024, SELECTIRENTE's indirect portfolio amounted to €24.8 million. This indirect portfolio consists of shares in the listed real estate company Vastned Retail N.V. for €15.1 million, shares in SCPI and OPCI for €8.4 million, and a stake in a real estate company (Rose SARL) for an amount of €1.1 million and usufructs of SCPI shares for an amount of €0.2 million.

SELECTIRENTE's total portfolio therefore stood at €575 million, virtually stable compared with 31 December 2023 (€577 million).

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 €89.46 at 30 June 2024, compared with €90.31 at the end of 2023, representing a 2.7% drop over the first half of 2024 and a 1.3% decrease *versus* H1 2023.

	30/06/2024		31/12/2023		30/06/2023	
EPRA KPI	*(in millions of €)*	€/share	*(in millions of €)*	€/share	*(in millions of €)*	€/share
EPRA earnings	10.5	2.53	22.3	5.35	10.9	2.61
EPRA NRV	394.8	94.82	399.3	95.84	393.6	94.39
EPRA NTA	354.3	85.09	358.5	86.06	351.8	84.37
EPRA NDV	372.5	89.46	376.3	90.31	377.8	90.59
Net initial yield	5.1%		5.1%		5.1%	
Net initial yield excluding rent concessions	5.1%		5.1%		5.1%	
Vacancy rate	4.5%		4.1%		2.8%	
Cost ratio (including vacancy costs)	22.0%		16.0%		17.0%	
Cost ratio (excluding vacancy costs)	21.0%		15.4%		16.3%	
EPRA LTV	37.5%		36.9%		39.8%	

EPRA NET RESULT

The EPRA net result is a measure of a real estate 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 €)	30/06/2024	31/12/2023	30/06/2023
NET RESULT (ACCORDING TO IFRS FINANCIAL STATEMENTS)	**13,209**	**13,196**	**5,009**
Adjustment to calculate EPRA earnings			
Change in value of investment properties, investment properties under redevelopment and other assets	146	7,757	3,976
Net gain/loss on disposal of investment properties, investment properties under redevelopment and other assets	-1,158	-645	1
Change in value of financial instruments and settlement costs	-1,721	1,370	1,120
Deferred taxes related to EPRA adjustments	-91	-48	-94
EARNINGS	**10,384**	**21,631**	**10,013**
Company-specific adjustments to calculate net recurring cash flow:			
- Employee benefits, stock options and non-recurring operating expenses	165	671	878
EPRA EARNINGS	**10,550**	**22,303**	**10,891**
Average number of shares	4,164,571	4,168,988	4,170,172
EARNINGS PER SHARE	**2.49**	**5.19**	**2.40**
EPRA EARNINGS PER SHARE	**2.53**	**5.35**	**2.61**

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 2024

	30/06/2024		
(in thousands of €)	EPRA NRV	EPRA NTA	EPRA NDV
Equity	**362,212**	**362,212**	**362,212**
Includes/excludes:			
i) Hybrid instruments			
Diluted NAV at fair value	362,212	362,212	362,212
Excludes:			
ii) Deferred tax on changes in fair value of investment properties			
iii) Fair value of financial instruments	-7,895	-7,895	
iv) Goodwill relating to deferred taxes			
v) Goodwill (as per IFRS statement of financial position)			
vi) Intangible assets (as per IFRS statement of financial position)			
Includes:			
vi) Fair value of fixed-rate debt			10,302
vii) Revaluation of intangible assets at fair value			
viii) Transfer taxes	40,506		
NAV	**394,824**	**354,317**	**372,515**
Number of diluted shares	4,164,085	4,164,085	4,164,085
NAV PER SHARE *(IN €)*	**94.82**	**85.09**	**89.46**

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).

Net initial yield (in millions of €)	30/06/2024	31/12/2023	30/06/2023
Investment properties - 100% owned	550	554	568
Investment properties - share of joint ventures/funds	25	24	24
Total value of portfolio	**576**	**577**	**593**
Less: developments, land and other			
Value of portfolio in use (B)	**576**	**577**	**593**
Annualised rental income (current rents)	30	30	31
Annualised unrecovered rental expenses	1	1	0
Annualised net rental income (A)	**29**	**29**	**30**
Effect of concessions and deductibles	-	-	-
Annualised net rental income corrected for concessions and deductibles (C)	**29**	**29**	**30**
EPRA NET INITIAL YIELD (A/B)	**5.1%**	**5.1%**	**5.1%**
EPRA NET INITIAL YIELD EXCLUDING RENT CONCESSIONS (C/B)	**5.1%**	**5.1%**	**5.1%**

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	30/06/2024	31/12/2023	30/06/2023
Market rental values of vacant space	1,440,643	1,292,666	881,002
Potential rent	31,738,716	31,613,747	31,796,299
EPRA VACANCY RATE	**4.5%**	**4.1%**	**2.8%**

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 €)	30/06/2024	31/12/2023	30/06/2023
Overhead and operating expenses	1,644	3,495	1,866
Net rental expenses	1,321	1,140	601
Net management fees	40	32	-
EPRA costs (including vacancy costs) (A)	**3,005**	**4,668**	**2,467**
Direct vacancy costs	-139	-175	-104
EPRA costs (excluding vacancy costs) (B)	**2,866**	**4,492**	**2,363**
Gross rent less land rents	15,001	30,316	15,111
Less: rental expenses/costs related to rental income	-1,321	-1,140	-601
Gross rental income (C)	**13,680**	**29,176**	**14,510**
EPRA COST RATIO (INCLUDING VACANCY COSTS) (A/C)	**22.0%**	**16.0%**	**17.0%**
EPRA COST RATIO (EXCLUDING VACANCY COSTS) (B/C)	**21.0%**	**15.4%**	**16.3%**

EPRA LTV

The objective of this ratio is to present in a consistent and comparable manner this KPI published on the market. The main changes are, on the one hand, the classification of hybrid debt instruments (such as convertibles, etc.), which are considered as debt until their conversion.

In addition, the EPRA LTV is calculated on a consolidated basis; thus including the Group's share in the net debt and net assets of joint ventures and/or tangible investments.

(in millions of €)	30/06/2024	31/12/2023	30/06/2023
INCLUDED:			
Loans	218.9	220.5	242.5
Net debt	-0.2	1.6	3.2
EXCLUDED:			
Cash and cash equivalents	2.7	9.1	9.9
NET DEBT (A)	**216.0**	**213.0**	**235.9**
INCLUDED:			
Real estate assets appraised	546.0	552.9	564.3
Real estate assets held for sale	4.2	0.7	3.9
Intangible assets	0.0	0.0	0.1
Net receivables	-	-	
Financial assets	25.5	23.7	24.3
TOTAL VALUE OF ASSETS (B)	**575.6**	**577.3**	**592.7**
LTV EPRA (A/B)	**37.5%**	**36.9%**	**39.8%**

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 2 of the Company's 2023 Universal Registration Document. The Company's 2023 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 RELATED TO GEOPOLITICAL CRISES

The Company has no business, employee, office or subsidiary domiciled in Russia, Ukraine, nor in the Middle East.

The war in Ukraine generated inflation at levels not seen in decades in many countries and exacerbated supply difficulties. As central banks raised interest rates to combat inflation, economic risks and uncertainties increased sharply. In this changing context, the cost of debt has increased since July 2022 and the appraisal values of certain real estate assets established by independent appraisers are reviewed, depending on the type, location and rental situation, and for certain assets, downwards.

Since June 2024 and for the first time since 2019, the European Central Bank lowered its key rates in June 2024 to ease the cost of loans.

1.8 OUTLOOK

While macroeconomic and geopolitical uncertainties are likely to continue to impact economic activity and financial markets, SELECTIRENTE intends to (1) continue its disposal policy intended to strategically refocus its portfolio, (2) keep its level of debt under control at around 40% maximum and (3) seize any 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

REAPPRAISED VALUE OF THE PORTFOLIO

The reappraised value (excl. duties) of the Company's portfolio is based on the following:

- the direct real estate portfolio used for its appraisal value at 30 June 2024.

Indirect real estate investments, consisting of:

- fully-owned real estate investment company (SCPI) units which are recorded at their withdrawal value or market value as at 30 June 2024;
- OPCI shares held for their last;
- known net asset value at 30 June 2024;
- Rose shares which are recorded at their most recent net asset value; and
- Vastned Retail N.V. shares recorded at their stock market price at 30 June 2024.

NET OPERATING CASH FLOW

Recurring net 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 net financial income items, and current and deferred tax expenses.

2 IFRS HALF-YEAR FINANCIAL STATEMENTS AND NOTES

IFRS HALF-YEAR FINANCIAL STATEMENTS

2.1 INDIVIDUAL FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

(in thousands of €)	Note	30/06/2024	31/12/2023	30/06/2023
Gross rental income	10	15,001	30,316	15,111
Related income		187	314	158
Rebilled rental expenses	11	2,615	5,740	2,348
Rental expenses and property taxes	11	-4,075	-7,056	-3,053
Net rental income		**13,728**	**29,315**	**14,563**
Management fees and other overhead	12	-1,644	-3,495	-1,866
Change in the value of investment properties	4	-146	-7,757	-3,976
Net gain/loss on disposal of investment properties	4	1,158	645	-1
Impairment of customer receivables		-378	-617	-189
Other non-recurring income and expenses		-40	-642	49
Operating profit		**12,678**	**17,447**	**8,579**
Dividends received	13	1,233	2,256	1,204
Finance income	13	258	571	319
Financial expenses	13	-2,519	-5,174	-3,802
Change in value of financial assets and financial instruments	5	1,722	-1,371	-1,120
Income from the disposal of financial assets				
Net financial income (expense)		**693**	**-3,719**	**-3,399**
Income before tax		**13,371**	**13,728**	**5,180**
Corporate income tax		-162	-532	-171
NET RESULT		**13,209**	**13,196**	**5,009**
COMPREHENSIVE INCOME FOR THE PERIOD		**13,209**	**13,196**	**5,009**
Basic earnings per share	15	3.17	3.16	1.20
Diluted earnings per share	15	3.17	3.17	1.20

OTHER COMPREHENSIVE INCOME

(in thousands of €)	Note	30/06/2024	31/12/2023	30/06/2023
Cash flow hedges - effective portion of the change in fair value		10,743	14,372	17,069
Cash flow hedges		-2,887	-6,314	-1,933
Related tax		-112	-143	-234
Items likely to be reclassified to profit or loss	13	7,744	7,916	14,902
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**7,744**	**7,916**	**14,902**
COMPREHENSIVE INCOME FOR THE PERIOD		**20,953**	**21,112**	**19,911**
Basic earnings per share *(in €)*	15	5.02	5.06	4.77
Diluted earnings per share *(in €)*	15	5.03	5.06	4.77

STATEMENT OF FINANCIAL POSITION

Assets (in thousands of €)	Note	30/06/2024	31/12/2023	30/06/2023
Investment properties	4	545,966	552,931	564,347
Intangible assets		1	1	
Portfolio securities	5	24,557	22,754	23,007
Other non-current assets	9	899	931	1,390
Deferred tax assets	14	217	239	34
Non-current assets		**571,640**	**576,856**	**588,778**
Trade receivables and related accounts		8,253	7,566	6,144
Tax and other receivables		3,170	4,405	4,352
Cash and cash equivalents		2,689	9,116	9,852
Fair value of interest rate hedging instruments - portion at less than one year	8	8,738	9,309	15,136
Non-current assets held for sale	6	4,166	665	3,938
Current assets		**27,016**	**31,061**	**39,422**
TOTAL ASSETS		**598,656**	**607,917**	**628,200**

Liabilities (in thousands of €)	Note	30/06/2024	31/12/2023	30/06/2023
Share capital	7	66,767	66,767	66,767
Premiums	7	202,718	202,717	202,706
Reserves		71,774	77,116	77,355
Other comprehensive income		7,744	7,916	14,902
Net result		13,209	13,196	5,009
Equity		**362,212**	**367,711**	**366,739**
Loans	8	149,591	215,162	235,239
Deferred tax liabilities		-	165	-
Security deposits		7,363	7,318	7,372
Provisions		720	720	61
Non-current liabilities		**157,674**	**223,365**	**242,672**
Loans	8	67,509	3,240	5,098
Trade and other payables		10,490	12,819	12,440
Current tax and social security payables		771	781	1,250
Current liabilities		**78,770**	**16,841**	**18,788**
Total liabilities		**236,444**	**240,206**	**261,461**
TOTAL EQUITY AND LIABILITIES		**598,656**	**607,917**	**628,200**

STATEMENT OF CASH FLOWS

(in thousands of €)	Note	30/06/2024	30/06/2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Net result		13,209	5,009
Elimination of non-cash or non-operating income and expenses			
- Changes in the fair value of investment properties	4	146	3,976
- Provisions and impairment			-203
- Net gain/loss on disposal of investment properties		-1,158	1
- Reclassification of interest and other financial income (expense)	13	-693	3,399
- Current and deferred tax expenses		162	171
Cash flow before tax and working capital		**11,522**	**12,354**
Taxes paid	14	-258	-23
Change in operating working capital requirement		-385	3,839
Net cash from operating activities (A)		**10,880**	**16,170**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of investment properties	4	-5,404	-1,315
Acquisitions of portfolio securities and other financial assets	5		-
Disposals of investment properties		8,072	6,830
Disposals of portfolio securities and other financial assets			346
Net cash from investing activities (B)		**2,667**	**5,861**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends received	13	1,248	1,223
Dividends paid	7	-18,323	-17,431
New loans	8	7,000	-
Loan repayments	8	-8,300	-12,979
Interest received	13	221	313
Interest paid	13	-1,869	-3,786
Change in security deposits and working capital		49	108
Net cash from financing activities (C)		**-19,974**	**-32,553**
Change in net cash and cash equivalents (A + B + C)		**-6,427**	**-10,522**
Cash and cash equivalents at 1 January		9,116	20,374
CASH AND CASH EQUIVALENTS AT 30 JUNE		**2,689**	**9,852**

STATEMENT OF CHANGES IN EQUITY

(in thousands of €)	Share capital	Share premiums	Reserve of treasury shares	Retained earnings	Total equity
BALANCE AT 31 DECEMBER 2023	**66,767**	**202,717**	**-616**	**98,843**	**367,711**
Net result for the period				13,209	13,209
Other items of comprehensive income for the period				-184	-184
Comprehensive income for the period				**13,025**	**13,025**
Treasury shares acquired			-265		**-265**
Treasury shares sold		1	63		**65**
Other changes					**-**
Dividends				**-18,323**	**-18,323**
Total contributions and distributions		**1**	**-202**	**-18,323**	**-18,524**
TOTAL TRANSACTIONS WITH COMPANY SHAREHOLDERS		**1**	**-202**	**-18,323**	**-18,524**
BALANCE AT 30 JUNE 2024	**66,767**	**202,718**	**-818**	**93,546**	**362,212**

2.2 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 - 91080 Évry-Courcouronnes.

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, medium-sized retail premises in the outskirts, and offices on an ancillary basis.

The Company is managed by a Manager, SELECTIRENTE GESTION SAS, which is also the sole general partner and 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 2024 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 2023;
- 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 2023.

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 2023. The accounting principles used to prepare the condensed financial statements at 30 June 2024 are identical to those applied for the individual IFRS annual financial statements for the financial year ended 31 December 2023.

Standards, interpretations and amendments applicable from the financial year beginning on 1 January 2024:

- IFRS 16 - Lease liabilities related to sale and leaseback;
- Amendment to IAS 1 - Classification of liabilities as current or non-current;
- Amendment to IAS 7 and IFRS 7 - Supplier Financing Arrangements.

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 other comprehensive income and statement of cash flows is provided in Note 18.

The individual half-year financial statements were approved by the Manager on 22 July 2024.

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 Management 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. Management regularly reviews key unobservable inputs and valuation adjustments. As the fair value is measured on the basis of information from third parties (independent "external" real estate experts), management 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 properties are 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 appraiser 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.

The fair values of real estate assets located in France are determined by weighting at 50%/50% the values obtained by the comparison and capitalisation methods.

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 2024: between 2.3% and 13.4%, weighted average of 5.0%; 2023: between 2.3% and 11.0%, weighted average of 4.9%).	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 relief was 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.	- Average rental value (June 2024: in Paris, close to €790 per m²; in the Paris region, close to €430 per m²; in the regions outside the Paris region, close to €390 per m² and in Belgium €230 per m²; 2023: in Paris, close to €780 per m²; in the Paris region, close to €430 per m²; in the regions outside the Paris region, close to €380 per m² and in Belgium €230 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, *i.e.* in the yield rates used.

The statement of comprehensive income 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].

During the 2023 financial year, SELECTIRENTE pursued its objective of strategic refocusing of its portfolio (assets no longer corresponding to its investment target) by disposing of 24 assets, mainly located in the regions in medium- or small-sized cities, for a total net asking price of close to €21 million (almost 4% above the appraised value at end-2022 and 15% above that at end-2021), generating a distributable capital gain of €11 million.

During the first half of the year, SELECTIRENTE continued to carry out arbitrage transactions reflecting its objective of "strategic refocusing" of its portfolio: sale of six retail premises located in Auch (32), Bourges (18), Dorlisheim (67), Epinay-sur-Seine (93), Le Touquet (62) and Arpajon (91), as well as an opportunistic value-creating arbitrage in Paris (7th *arrondissement*), for a total net asking price of €8.1 million, 15% higher than the appraisal value excluding transfer taxes at the end of 2023, and generating a distributable capital gain of nearly €3.8 million.

At 30 June 2024, the Company was also involved in the sale of seven assets located in Longjumeau (91), Nanterre (92), Asnières-sur-Seine (92), Vendôme (41), Rueil-Malmaison (92), Pontoise (93) and Courbevoie (92), for a total net asking price of €4.2 million.

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. 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 2024, 100% 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 appraiser.

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

(in thousands of €)	30/06/2024	31/12/2023	30/06/2023
Cost (gross values) at 1 January	**560,662**	**575,575**	**571,578**
Capital expenditure	3,403	3,543	1,315
Disposals	-5,951	-18,456	-6,053
Transfer to non-current assets held for sale			-3,938
Cost (gross values) at the reporting date	**558,114**	**560,662**	**562,902**
Cumulative fair value difference at 1 January	-7,066	2,222	5,078
Change in fair value of disposals	-944	-1,872	
Upward adjustments to the fair value of investment properties	2,524	9,780	5,851
Downward adjustments to the fair value of investment properties	-2,498	-17,196	-9,484
Cumulative difference in fair values at the reporting date	-7,983	-7,066	1,445
Fair value of investment properties at the reporting date before reclassification of assets held for sale	**550,131**	**553,596**	**564,347**
Transfer to non-current assets held for sale	-4,166	-665	0
Fair value of investment properties at the reporting date after reclassification of assets held for sale	**545,965**	**552,931**	**564,347**

(in thousands of €)	30/06/2024	31/12/2023	30/06/2023
Fair value of investment properties appraised at the end of the period[1]	**545,966**	**552,931**	**564,347**
Investment properties not appraised at the end of the period[1]			-
Fair value of investment properties at the end of the period[1]	**545,966**	**552,931**	**564,347**
Non-current assets held for sale at the end of the period (at fair value)[1]	4,166	665	3,938

(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:

(in millions of €)	Market value excl duties	Impact %
Avg market rent -10% | Rates -50 bps	545.5	-0.8
Avg market rent -10% | Rates 0 bp	495.1	-10.0
Avg market rent -10% | Rates +50 bps	453.4	-17.6
Avg market rent -0% | Rates -50 bps	606.1	+10.2
Avg market rent -0% | Rates 0 bps - Market value excluding duties appraised	**550.1**	
Avg market rent -0% | Rates +50 bps	503.8	-8.4
Avg market rent +10% | Rates -50 bps	666.8	+21.2
Avg market rent +10% | Rates 0 bp	605.2	+10.0
Avg market rent +10% | Rates +50 bps	554.2	+0.7

An increase of +50 basis points in the capitalisation rate, which is one of the two valuation methods used by the real estate appraisers, would result in a decrease of -€46 million (in the value of the portfolio); similarly, a 50 basis point decrease in capitalisation rates, the main indicator of the valuation models, would result in an increase of €56 million in the value of the portfolio.

Sales agreements signed

Since 1 July 2024, the Company has not committed to acquire any assets.

Between 1 July and 20 September 2024, SELECTIRENTE signed the deeds of sale for assets located in Longjumeau (91), Nanterre (92), Rueil-Malmaison (92), Vendôme (41), Pontoise (93) and Courbevoie (92) for a net asking price of €3.8 million.

As of 20 September 2024, the Company is also engaged in the sale of four additional assets located in Asnières-sur-Seine (92), Le Mans (72), Dreux (28), and Toulouse (31) for a total net asking price of €1.5 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 valuation 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 assets valued 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 €)	30/06/2024	31/12/2023	30/06/2023
SCPI units	**6,692**	6,716	6,897
SPPICAV shares (Tikehau)	**1,682**	1,700	2,077
SIIC shares (Vastned)	**15,116**	13,096	12,705
Shares of SARL (Rose)	**1,068**	1,242	1,242
Fair values of portfolio securities	**24,557**	**22,754**	**22,921**
Usufructs of SCPI shares	**239**	320	412
Interest rate swaps	**8,738**	9,309	15,136
OTHER FINANCIAL ASSETS, INCLUDING DERIVATIVES AT FAIR VALUE	**8,977**	**9,630**	**15,548**
TOTAL FAIR VALUES OF FINANCIAL ASSETS	**33,534**	**32,384**	**38,469**

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 2024 (in thousands of €)	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Debt instruments	8,235		8,235	1,682	6,553		8,235
Equity instruments	16,562		16,562	15,116	1,207	239	16,562
Hedging instruments	8,738		8,738	8,738			8,738
Financial assets valued at fair value	**33,534**		**33,534**	**25,536**	**7,760**	**239**	**33,534**
Other financial assets in non-current assets not valued at fair value		**660**	**660**				

	Carrying amount			Fair value			
31 December 2023 (in thousands of €)	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Debt instruments	8,275		8,275	1,700	6,574		8,275
Equity instruments	14,800		14,800	13,096	1,384	320	14,800
Hedging instruments	9,309		9,309	9,309			9,309
Financial assets valued at fair value	**32,384**		**32,384**	**24,106**	**7,958**	**320**	**32,384**
Other financial assets in non-current assets not valued at fair value		**611**	**611**				

	Carrying amount			Fair value			
30 June 2023 (in thousands of €)	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Debt instruments	8,830		8,830	2,077	6,753		8,830
Equity instruments	14,503		14,503	12,705	1,386	412	14,503
Hedging instruments	15,136		15,136		15,136		15,136
Financial assets valued at fair value	**38,469**		**38,469**	**14,782**	**23,275**	**412**	**38,469**
Other financial assets in non-current assets not valued at fair value		**978**	**978**				

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 on the basis of the signature of the undertaking 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	30/06/2024	30/06/2023
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 2024, no ordinary shares were issued (2023: 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 2024, the Company held 8,853 Company shares (30 June 2023: 2,685 shares).

Dividends

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

(in thousands of €)	30/06/2024	30/06/2023
€4 per eligible ordinary share excluding preferred dividend (2023: €3.80)	16,657	15,857

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.

On 5 April 2024, SELECTIRENTE voluntarily requested the cancellation of part of the RCF in the amount of €65 million, thus reducing the amount of this RCF from €140 million to €75 million. This transaction was carried out with a view to the proper management of the Company's costs and therefore to reduce the non-use fees of the amounts not drawn from the RCF.

On 12 July 2024, SELECTIRENTE refinanced its Revolving Credit Facility (RCF signed in February 2022), which was due to mature in February 2025. Anticipating the maturity of this RCF by more than nine months, SELECTIRENTE concluded this refinancing for €80 million, made up of two separate lines. Details of the transaction are presented in Note 17 of this Half-year financial report, "Post-closing events".

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

(in thousands of €)	Ongoing 31/12/2023	Ongoing 30/06/2024	Repayments < 1 year	Repayments 1 to 5 years	Repayments beyond 5 years	Accrued interest on loans	Accrued income SWAP
Fixed-rate debt							
Fixed-rate loans	55,053	53,489	3,560	14,250	35,638	41	
Variable-rate debt							
Variable-rate loans	163,349	163,609	64,233	99,703		957	-1,284
GROSS DEBT	**218,402**	**217,099**	**67,794**	**113,953**	**35,638**	**999**	**-1,284**
Cash and cash equivalents	9,116	2,689	2,689				
TOTAL CASH POSITION	**-209,286**	**-214,410**	**-65,105**	**-113,953**	**-35,638**	**-999**	**1,284**

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 an RCF of €140 million (of which €65 million drawn down at 30 June 2024). 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 agreement entered into with BECM (Crédit Mutuel group) and BPI France, real guarantees (mortgage or lender's lien) were 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 and Risk Management 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 business exposes 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 2024, the Company held three interest rate hedging instruments (SWAP). SELECTIRENTE has entered into a SWAP agreement to hedge its entire €100 million corporate loan, as well as two SWAP agreements of €50 million each to hedge 70% of its RCF line, in deferred tranches of €25 million on 1 April 2022, 1 July 2022, 1 October 2022 and 1 January 2023. At 30 June 2024, fixed-rate or hedged debt therefore stood at 100%.

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 2024, the Company's debt consisted of 25% of fixed-rate borrowings and 75% of variable-rate borrowings. The proportion of fixed-rate and variable-rate debt hedged is 100% following the hedging of the variable-rate debt.

The Company does not recognise any fixed-rate financial liabilities at fair value through the statement of comprehensive income.

An average increase of 100 basis points in the average cost of current debt (1.59%) would have a negative impact on net result at 30 June 2024 of close to €0.7 million.

In addition, the Company aims to actively manage its financial debt through regular refinancing transactions, which should mitigate 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 net cost of the hedging instruments.

The average cost of debt for the period was 1.59%.

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 2024.

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 2024

(in thousands of €)	Carrying amount	Contractual cash flows				
		Total	< One year	One to two years	Two to five years	More than five years
Non-derivative financial liabilities						
Guaranteed bank loans	217,099	218,892	68,731	3,786	110,622	35,753
Trade payables and related accounts	10,490	10,490	10,490			
Derivative financial liabilities						
Interest rate swaps used as hedges	8,738				8,738	

31 December 2023

(in thousands of €)	Carrying amount	Contractual cash flows				
		Total	< One year	One to two years	Two to five years	More than five years
Non-derivative financial liabilities						
Guaranteed bank loans	218,402	220,476	3,703	68,758	110,855	37,160
Trade payables and related accounts	12,819	12,819	12,819			
Derivative financial liabilities						
Interest rate swaps used as hedges	9,309				9,309	

30 June 2023

(in thousands of €)	Carrying amount	Contractual cash flows				
		Total	< One year	One to two years	Two to five years	More than five years
Non-derivative financial liabilities						
Guaranteed bank loans	240,338	242,411	3,476	88,774	111,083	39,078
Trade payables and related accounts	12,440	12,440	12,440			
Derivative financial liabilities						
Interest rate swaps used as hedges	15,136	-	15,136			

The Company tends to maintain a higher level of cash and cash equivalents, as well as highly negotiable debt instruments, greater 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:

Tenant	**Activities**	**Number of rental units**	**% of rent out of all rent**
Illumination Mac Guff SAS	Film and short film producer	1	7.4%
Société Générale	Banking services	6	5.2%
Maaf Assurances	Insurance	29	4.7%
BNP PARIBAS	Banking services	6	1.7%
La Poste (Media Post)	Postal services	2	1.5%
Rallye Group (Casino, Franprix, etc.)	Food	6	1.4%
BZB	Ready-to-wear	1	1.4%
HEMA France	Miscellaneous items	1	1.3%
IWG (formerly The Regus Group)	Offices	1	1.3%
Crédit Agricole	Banking services	6	1.1%
LVMH	Luxury	3	1.1%
BPCE	Banking services	7	1.1%
Maisons du Monde	Furniture	2	1.1%
Exki France	Restaurant	1	1.1%
TOTAL		**78**	**31.4%**

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 2024:

- 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 2024 and also the change in 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 retail 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.

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. 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 mission. 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 €)	30/06/2024	31/12/2023	30/06/2023
Finance income			
- Dividends	1,233	2,256	1,204
- Revenues from marketable securities			-
- Other finance income	258	571	319
- Increase in the fair value of financial assets			-
- ICNE SWAP	2,736	5,063	1,933
TOTAL FINANCE INCOME	**4,378**	**9,140**	**3,457**
Financial expenses			
- Interest on loans from credit institutions	5,299	10,424	4,839
- Facility fee	107	271	104
- Penalties for early repayment of borrowings		31	31
- Interest on interest rate hedges			-
- Other financial expenses		1	-
- Impact of Exit Tax (December 2021 transaction)	-	761	761
- Decrease in fair value of financial assets	-1,721	1,370	1,120
TOTAL FINANCIAL EXPENSES	**3,686**	**12,859**	**6,856**

Note 14. Deferred tax and corporate income tax

The Company opted for the SIIC regime on 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 €)	30/06/2024	30/06/2023
Current tax	253	265
Deferred tax	-93	-94
Total tax expenses	**162**	**171**

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)

	30/06/2024	30/06/2023
Ordinary shares at 1 January	4,172,938	4,172,938
Treasury shares	-8,850	-2,766
Stock options exercised		-
Shares issued in 2023		-
Weighted average number of ordinary shares at the end of the period	**4,164,088**	**4,170,172**

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 issues

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 98.5% of the Company's portfolio at 30 June 2024, 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 arbitrage transactions since 1 July 2024, with deeds of sale of assets signed in the amount of €3.8 million as of 20 September 2024, as well as commitments in the sale of four additional assets for an amount of €1.5 million.
- On 12 July 2024, SELECTIRENTE successfully concluded the refinancing of the RCF with its historical banking partners, Société Générale, BECM and HSBC. This refinancing represented 35% of its debt at 30 June 2024. Anticipating the maturity of its current Revolving Credit Facility (RCF) by more than nine months, the Company no longer has any significant debt maturities before 2027. This transaction significantly extends the maturity of the overall debt and enables the Company to pursue its development strategy.

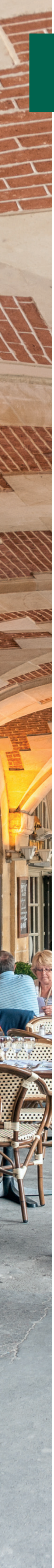
As a result, the Company concluded this refinancing of €80 million, comprising two separate lines:

- a €50 million corporate mortgage loan *in fine*, with a five-year maturity and two one-year extension options;
- a new €30 million three-year RCF, with a possible one-year extension, to finance the Company’s growth, in particular through opportunistic acquisitions.

By extending the maturity of the debt, which is now close to five years, this financing will provide the real estate company with new financial resources to seize market opportunities and consolidate its financial structure, with the Company’s available liquidity now standing at €25 million (€20 million not drawn from the new RCF and €5 million of cash available to date), and with a competitive average cost of debt.

- On 31 July 2024, in order to hedge 100% against interest rate changes on this refinancing, SELECTIRENTE entered into three new deferred interest rate hedging instruments with effect from 4 February 2025:
  - a €25 million SWAP maturing on 12 July 2029;
  - a €25 million interest rate collar maturing on 12 July 2029; and
  - a €30 million interest rate collar maturing on 12 July 2027.
- On 31 July 2024, SELECTIRENTE also sold a €25 million SWAP maturing on 4 February 2025. As a result, the nominal value of the SWAPs contracted in February 2022 and maturing on 4 February 2025 is €75 million (compared with €100 million at 30 June 2024).

3 STATEMENT BY THE PERSONS RESPONSIBLE



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 5 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.”

Mr Jérôme Descamps

Chairman of SELECTIRENTE GESTION, Manager

4 STATUTORY AUDITORS' REPORT

4.1 STATUTORY AUDITORS' REPORT ON THE HALF YEAR FINANCIAL INFORMATION

Period from 1 January 2024 to 30 June 2024

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 2024 to 30 June 2024, 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.

II - 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, 23 September 2024
KPMG Audit FS I

Régis Chemouny
Partner

Paris, 23 September 2024
RSM Paris

Adrien Fricot
Partner

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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 - 91080 Évry Courcouronnes
Website: www.selectirente.com - Email: selectirente@selectirente.com
Tel : 01 69 87 02 00 - Fax : 01 69 87 02 01

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