5.1 — Consolidated statement of financial position

5.1.1 — Assets

In thousand euros	Note	12/31/2021	12/31/2020[1]
Non-current assets		**20,039,807**	**19,504,537**
Investment properties	5.5.5.1	17,983,515	17,744,334
Buildings under reconstruction	5.5.5.1	1,545,005	1,256,816
Operating properties	5.5.5.1	78,854	81,116
Other property, plant and equipment	5.5.5.1	10,423	12,077
Goodwill	5.5.5.1.4	184,663	191,079
Intangible assets	5.5.5.1	10,613	9,005
Financial receivables on finance leases	5.5.5.1	68,051	103,811
Financial fixed assets	5.5.5.2	47,839	24,592
Equity-accounted investments	5.5.5.3	57,670	54,387
Non-current financial instruments	5.5.5.12.2	51,508	25,419
Deferred tax assets	5.5.5.4	1,667	1,900
Current assets		**399,219**	**745,087**
Properties for sale	5.5.5.5	209,798	368,240
Inventories	5.5.5.6	0	3,810
Trade receivables	5.5.5.7	43,985	56,358
Other receivables	5.5.5.8	113,022	124,574
Prepaid expenses	5.5.5.9	17,312	17,983
Cash	5.5.5.10	15,102	174,123
TOTAL ASSETS		**20,439,026**	**20,249,624**

(1) The financial statements at December 31, 2020 have been restated to reflect the application of the IFRIC decision regarding the calculation of pension liabilities (see Note 5.5.2.2).

5.1.2 — Equity and liabilities

In thousand euros	Note	12/31/2021	12/31/2020[1]
Shareholders' equity	**5.5.5.11**	**12,983,197**	**12,503,573**
Capital		574,296	573,950
Additional paid-in capital		3,300,011	3,295,475
Consolidated reserves attributable to owners of the parent company		8,232,731	8,452,503
Consolidated net income attributable to owners of the parent company		849,292	155,070
Shareholders' equity attributable to owners of the parent company		**12,956,330**	**12,476,997**
Non-controlling interests		26,867	26,576
Non-current liabilities		**5,324,733**	**5,775,524**
Non-current financial debt	5.5.5.12.1	5,169,184	5,611,434
Non-current lease obligations		50,568	50,723
Non-current financial instruments	5.5.5.12.2	4,673	13,184
Deferred tax liabilities	5.5.5.4	0	64
Non-current provisions	5.5.5.13	100,309	100,118
Current liabilities		**2,131,096**	**1,970,527**
Current financial debt	5.5.5.12.1	1,743,828	1,612,885
Current financial instruments	5.5.5.12.2	4	0
Security deposits		78,438	73,340
Trade payables	5.5.5.14	188,401	159,235
Current tax and employee-related liabilities	5.5.5.15	48,635	51,762
Other current liabilities	5.5.5.16	71,790	73,304
TOTAL LIABILITIES AND EQUITY		**20,439,026**	**20,249,624**

(1) The financial statements at December 31, 2020 have been restated to reflect the application of the IFRIC decision regarding the calculation of pension liabilities (see Note 5.5.2.2).

5.2 — Consolidated statement of comprehensive income

In thousand euros	Note	12/31/2021	12/31/2020[1]
Gross rental income	**5.5.6.1**	**613,332**	**657,976**
Property expenses	5.5.6.2	(180,861)	(188,536)
Recharges to tenants	5.5.6.2	117,251	122,947
Net rental income		**549,722**	**592,387**
Current operating income on finance lease transactions	**5.5.6.3**	**2,993**	**2,449**
Current operating income on the hotel activity	**5.5.6.3**	**(213)**	**(877)**
Services and other income (net)	5.5.6.4	4,334	4,355
Overheads	5.5.6.5	(80,475)	(91,799)
EBITDA		**476,360**	**506,515**
Real estate margin	5.5.6.6	625	(7,096)
Gains or losses on disposals	5.5.6.7	24,396	(4,319)
Change in value of properties	5.5.6.8	460,407	(154,659)
Depreciation and amortization		(11,111)	(9,661)
Net impairments and provisions		(682)	(74,924)
Operating income		**949,996**	**255,855**
Net financial expenses	5.5.6.9	(81,857)	(90,815)
Financial impairment		0	(446)
Change in value of financial instruments	5.5.6.10	11,429	(23,990)
Premium and bond redemption costs		(31,707)	0
Net income from equity-accounted investments	5.5.5.3	4,600	4,402
Pre-tax income		**852,461**	**145,006**
Taxes	5.5.6.11	(1,846)	9,571
Consolidated net income		**850,616**	**154,578**
Of which consolidated net income attributable to non-controlling interests		1,323	(492)
Of which consolidated net income linked to owners of the parent company		**849,292**	**155,070**
Consolidated net earnings per share	5.5.6.12	€11.53	€2.11
Consolidated diluted net earnings per share	5.5.6.12	€10.50	€2.10

In thousand euros	12/31/2021	12/31/2020[1]
Consolidated net income	**850,616**	**154,578**
Items not to be recycled in the net income	**11,484**	**(1,258)**
Actuarial differences on post-employment benefit obligations	266	(546)
Change in value of non-consolidated interests	11,218	(712)
Items to be recycled in the net income	**(28)**	**(244)**
Currency translation differentials	(28)	(244)
Comprehensive income	**862,071**	**153,076**
Of which comprehensive income attributable to non-controlling interests	1,323	(492)
OF WHICH COMPREHENSIVE INCOME LINKED TO OWNERS OF THE PARENT COMPANY	**860,748**	**153,568**

(1) The financial statements at December 31, 2020 have been restated to reflect the application of the IFRIC decision regarding the calculation of pension liabilities (see Note 5.5.2.2).

5.3 — Statement of changes in consolidated equity

In thousand euros (except for number of shares)	Number of shares	Share capital	Additional paid-in capital and consolidated reserves	Shareholders' equity attributable to owners of the parent company	Shareholders' equity attributable to non-controlling interests	Total shareholders' equity
Shareholders' equity as at December 31, 2019 – published	**76,410,260**	**573,077**	**12,126,141**	**12,699,218**	**27,352**	**12,726,570**
Change of accounting method relating to IAS 19[1]			2,787	2,787	0	2,787
Shareholders' equity as at January 1, 2020 – restated	**76,410,260**	**573,077**	**12,128,929**	**12,702,006**	**27,352**	**12,729,358**
Dividends paid			(389,482)	(389,482)	(288)	(389,770)
Impact of share-based payments[2]			4,200	4,200	0	4,200
Actuarial differences on post-employment benefit obligations[1]			(546)	(546)	0	(546)
Group capital increase[3]	116,344	873	5,843	6,715	0	6,715
Change in value of non-consolidated interests			(712)	(712)	0	(712)
Other changes			(254)	(254)	5	(249)
Net income at December 31, 2020[1]			**155,070**	**155,070**	**(492)**	**154,578**
Shareholders' equity at December 31, 2020[1]	**76,526,604**	**573,950**	**11,903,047**	**12,476,997**	**26,576**	**12,503,573**
Dividends paid			(390,439)	(390,439)	(1,032)	(391,471)
Impact of share-based payments[2]			4,094	4,094	0	4,094
Actuarial differences on post-employment benefit obligations			266	266	0	266
Group capital increase[3]	46,246	347	4,571	4,918	0	4,918
Change in value of non-consolidated interests			11,218	11,218	0	11,218
Other changes			(16)	(16)	0	(16)
Net income at December 31, 2021			**849,292**	**849,292**	**1,323**	**850,616**
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2021	**76,572,850**	**574,296**	**12,382,033**	**12,956,330**	**26,867**	**12,983,197**

(1) The 2020 financial statements have been restated to reflect the application of the IFRIC decision on the calculation of pension liabilities (see Note 5.5.2.2).
(2) Impact of benefits related to share award plans (IFRS 2).
(3) Creation of shares linked to the capital increase reserved for Group employees (46,246 shares). For 2020, creation of shares linked to: the definitive vesting of shares awarded under the performance share award plan of July 17, 2017 (41,004 shares); the capital increase reserved for Group employees (55,914 shares); and the exercise of share subscription options (19,426 shares).

5.4 — Consolidated statement of cash flows

In thousand euros	Note	12/31/2021	12/31/2020[1]
Consolidated net income (including non-controlling interests)		**850,616**	**154,578**
Net income from equity-accounted investments		(4,600)	(4,402)
Net depreciation and amortization, impairments and provisions		11,793	84,585
Changes in fair value and premiums and repurchase costs on bonds	5.5.7.1	(440,129)	178,649
Calculated charges and income from performance shares	5.5.6.5	4,094	4,200
Tax expenses (including deferred tax)	5.5.6.11	1,846	(9,571)
Capital gains and losses on disposals	5.5.6.6, 5.5.6.7	(25,022)	11,415
Other calculated income and expenses		(7,537)	(14,053)
Net financial expenses	5.5.6.9	81,857	90,815
Net cash flow before cost of net debt and tax		**472,917**	***496,215***
Tax paid		(8,728)	(7,966)
Change in operating working capital requirements	5.5.7.2	17,495	16,420
Net cash flow from operating activities (A)		**481,684**	**504,669**
Acquisitions of property, plant and equipment and intangible assets	5.5.5.1.2	(360,656)	(277,748)
Disposals of property, plant and equipment and intangible assets	5.5.7.3	506,338	467,168
Acquisitions of financial fixed assets (non-consolidated interests)		(24,095)	(1,435)
Dividends received (equity-accounted investments, non-consolidated securities)		1,316	1,456
Changes in granted loans and credit lines		12	469
Other cash flows from investing activities		24,993	938
Change in working capital requirement relating to investing activities	5.5.7.4	45,993	(11,109)
Net cash flow from investing activities (B)		**193,901**	**179,739**
Proceeds from capital increase received from shareholders		4,918	5,126
Amounts received on the exercise of performance shares		0	1,589
Purchases and sales of treasury shares		12	0
Dividends paid to shareholders of the parent company	5.5.7.5	(390,308)	(389,352)
Dividends paid to non-controlling interests		(1,032)	(288)
New loans	5.5.7.6	3,487,234	3,840,343
Repayments of loans	5.5.7.6	(3,791,287)	(3,896,058)
Net interest paid		(92,846)	(94,019)
Other cash flows from financing activities		(51,296)	(15,472)
Net cash flow from financing activities (C)		**(834,605)**	**(548,132)**
Net change in cash and cash equivalents (A + B + C)		**(159,020)**	**136,277**
Opening cash and cash equivalents	5.5.5.10	174,123	37,846
CLOSING CASH AND CASH EQUIVALENTS	**5.5.5.10**	**15,102**	**174,123**

(1) The financial statements as at December 31, 2020 have been restated to reflect the application of the IFRIC decision on the calculation of pension liabilities (see Note 5.5.2.2).

5.5.1 — Highlights

2021 financial year

On February 9, 2021, Gecina finished setting up three new responsible credit lines, with financial conditions indexed against CSR performance, for a combined total of 350 million euros. The three CSR criteria used to determine the interest rate for these facilities are checked each year and focused on reducing greenhouse gas emissions for Gecina's assets, reducing energy consumption for the Group's operational offices and improving the certification rate for in-use office spaces. In addition, the Group signed three amendments in December 2020 and January 2021 to transform existing bank lines into responsible lines, for a total of 450 million euros.

On February 11, Gecina sold to two funds managed by Keys REIM, the Keys Asset Management Group's portfolio management company, a mixed portfolio of 16 non-strategic assets, for a total of 54.6 million euros excluding duties, and made up of office assets retail units and parking spaces.

On February 17, Gecina signed a lease with CGI for 11,600 sq.m, of the Carré Michelet building in La Défense for its French headquarters. This new nine-year lease will come into effect on October 1, 2022.

On March 2, Gecina announced the signing of a firm six-year lease for over 4,000 sq.m in Neuilly-sur-Seine in its building at 96-104 avenue Charles de Gaulle in Neuilly-sur-Seine, with Réside Etudes. This space was occupied at the date of the letting, was relet from July 1, 2021, the day after the former tenant's departure, highlighting this asset's attractive positioning and Gecina's ability to anticipate its letting challenges.

On March 30, Gecina revealed its CAN0P-2030 plan (Carbon Net Zero Plan), that targets net zero carbon for its operational portfolio by 2030. Building on the successful reduction of its carbon emissions (by 26% over the past four years), Gecina is accelerating its low-carbon roadmap advancing by 20 years its initial target.

On April 6, Gecina indicated the early redemption, three months prior to their July 30, 2021 maturity, for all its outstanding bonds issued with a 1.75% coupon on July 30, 2014, in accordance with the terms and conditions provided for in the bond's prospectus approved by the French Financial Markets Authority (AMF) under No. 14-430 on July 22, 2014. The early redemption of the Notes was made on April 30, 2021. The face value of the notes redeemed is 166.6 million euros.

On April 6, Gecina announced the signing of a lease for 2,500 sq.m in the Carré Michelet building. The new lease, with a firm six-year period, came into effect from September 1, 2021.

In addition, Gecina indicated the letting of more than 4,000 sq.m of Anthos, in Boulogne-Billancourt, to Pierre Fabre, a major French pharmaceutical group. This new lease was effective from July 1, 2021, and covers a firm nine-year period. This asset was delivered in the second quarter of 2021.

On May 6, 2021, Gecina and Woodeum signed a partnership agreement to develop 1,000 low-carbon, timber-frame housing units over four years (indicative timeline) in the Paris Region and major cities across France. The two groups will jointly develop projects based on a partnership, with 60% for Woodeum and 40% for Gecina. The buildings developed in this way will be acquired by Gecina's residential subsidiary, which is now called Homya, and let under Gecina's client-centric YouFirst Residence brand.

On May 10, 2021, Gecina signed a memorandum of understanding with Louis Vuitton for a new 18-year lease at 101 avenue des Champs-Elysées. To be able to carry out extensive work inside these premises, returning to the lines of its 1930s architecture, Louis Vuitton and Gecina committed to a new lease to let the entire space, representing nearly 10,000 sq.m (including around 6,000 sq.m of retail space). The lease will come into effect once the conditions precedent linked to the administrative authorizations in particular have been lifted.

On May 20, 2021, Gecina announced the pre-letting of the Montrouge Porte Sud building, located at the gateway to Paris, close to Porte d'Orléans, to Edenred France. This new firm nine-year lease concerns all the asset under redevelopment (12,000 sq.m), which delivery date will be autumn 2024. While waiting for this future building to be delivered, Edenred France renewed the lease for its current premises in Colombus, a Gecina building on Boulevard Gabriel Péri in Malakoff (Hauts-de-Seine).

On May 25, in line with its CAN0P-2030 plan, Gecina transformed all its bond debt into Green Bonds (15 bond issues for 5.6 billion euros) following a positive vote by bondholders. Gecina also made a commitment to apply the Green Bond format for all future issues.

On May 31, 2021, Gecina indicated to have completed or secured three new sales of mature and/or non-strategic office assets for a total of 349.3 million euros (excluding deduction of rent-free periods in effect on the day of the sale):

- Les Portes d'Arcueil office building with around 45,000 sq.m of space occupied by the Orange group,
- Tour Orion, an office building with around 12,200 sq.m of space in Montreuil,
- 55 Deguingand building, an office asset with around 5,100 sq.m of space in Levallois-Perret.

On June 9, 2021, Gecina pre-let all of the space in Building E of the Biopark building, under redevelopment and located in Paris' 13th arrondissement. The firm nine-year lease covers around 6,400 sq.m which will be available to Future 4 Care, a group of leading biotechnology, digital and health companies, from September 1, 2021.

On June 17, 2021, Gecina signed an off-plan reservation agreement to acquire a project with 113 apartments in Bordeaux and developed by Cogedim, Nexity and Pitch Promotion as part of a consortium of developers. With a total living space of 8,012 sq.m, once the residence has been built, it will be acquired by Homya, Gecina's residential subsidiary, for €38.1m excluding duties and including tax.

On June 22, 2021, Gecina successfully raised a new €500m Green Bond issue, with a maturity of 15 years and a 0.875% coupon. This operation is the first issue carried out since the Group transformed all of its outstanding issues into Green Bonds. Alongside this, on June 30, following the settlement-delivery of the new issue, Gecina will exercise its make-whole call option for the early redemption of the 378 million euros outstanding on the bond issue with a 2.00% coupon and a maturity of June 17, 2024. The redemption was realized on July 16, 2021.

On June 29, 2021, Gecina signed a two-year lease with Café Joyeux to set up an inclusive cafe-restaurant in a ground-floor unit at its building located at 1 boulevard de la Madeleine in Paris. This cafe-restaurant concept is opened since November 2021 and occupies a 430 sq.m unit.

On July 6, 2021, Gecina announced that Latham & Watkins has renewed its lease for 6,500 sq.m of space located 45-47 rue Saint-Dominique in Paris' 7th arrondissement, for a nine-year period.

On July 29, 2021, Gecina acquired 93 housing units off-plan in Rueil-Malmaison for €45.8m. At the heart of the L'Arsenal eco-district, this new residential project, developed by Les Nouveaux Constructeurs, will include 93 quality apartments spread across three independent buildings, representing a total of 6,000 sq.m. The residence is scheduled to be delivered in first quarter 2024, and the three buildings are targeting a range of certifications, including NF Habitat HQE, with an "Excellent" rating, and the Biosourcé level 2 label.

On August 2, 2021, Gecina signed an off-plan lease with a major international recruitment firm for 2,700 sq.m of the building located 6/8 rue de Pergolèse, which is an integral part of the l1ve real estate complex at 75 avenue de la Grande Armée in Paris' 16th arrondissement. This new lease is for a firm nine-year period. The space will be made available to the tenant when the building is delivered mid-2022.

On October 11, 2021, Gecina announced the sale of four non-strategic assets for €83m excluding duties. These sales, following the preliminary sales agreements signed in July, recorded an average premium of around 12.5% versus the end-2020 appraisals, with a loss of rental income representing 2.5%. In details:

- Sale of a fully occupied office building of around 3,000 sq.m on Rue Louise-Michel in Levallois-Perret (92), to the UNOFI Group,
- Sale of a portfolio of three assets to a French institutional investor, comprising an office building of around 2,200 sq.m in Paris' 10th arrondissement, a service station in Rueil-Malmaison (92) and a 239-room student residence in Le Bourget (93).

On October 26, 2021, Gecina announced the letting of more than 4,000 sq.m to ISS France in the Adamas building in La Défense, under a firm nine-year lease. This new client will be using this site for its French headquarters from March 2022.

Gecina's Board of Directors, chaired by Jérôme Brunel, met on December 10, 2021 and unanimously decided, as recommended by its Governance, Appointments and Compensation Committee, to appoint Beñat Ortega as Gecina's Chief Executive Officer. He will take over the position from Méka Brunel, Director and Chief Executive Officer, whose term of office is scheduled to expire, in accordance with the bylaws, at the end of the General Meeting on April 21, 2022.

5.5.2 — General principles of consolidation

5.5.2.1 Reporting standards

The consolidated financial statements of Gecina and its subsidiaries ("the Group") are prepared in accordance with IFRS as adopted by the European Union on the balance sheet date.

The effects of the decision taken by the IFRS Interpretations Committee (IFRIC) in April 2021 regarding the calculation of pension liabilities are detailed in Note 5.5.2.2.

The official standards and interpretations applicable from January 1, 2021, in particular the amendment to IFRS 16 on the Covid-19 rent concessions and the amendments to IAS 39, IFRS 7 and IFRS 9 on interest rate benchmark reform do not give rise to any significant impact on the Group.

The preparation of financial statements, in accordance with IFRS, requires the adoption of certain decisive accounting estimates. The Group is also required to exercise its judgment in the application of accounting principles. The areas with the most important issues in terms of judgment or complexity or those for which the assumptions and estimates are material in relation to the consolidated financial statements are presented in Note 5.5.3.16.

Climate change and sustainable development issues are factored in to the Group's financial statements via:

- implementation of the investment and divestment strategy,
- a sustainable financing strategy,
- specific expenditure aimed at responding to environmental issues, particularly in relation to applicable regulatory provisions,
- and the way in which the Group measures its assets and liabilities.

For the most part, climate-related issues are taken into account when determining the fair value of investment properties in accordance with IAS 40 and measuring other Group assets pursuant to IAS 36 rules on impairment tests.

In particular, it was deemed that there was no indication of impairment associated with climate change and that the useful lives used thus far in impairment tests did not require revision.

Gecina applies the Code of Ethics for Listed Real Estate Investment Companies (SIIC) as established by the Fédération des Sociétés Immobilières et Foncières.

5.5.2.2 Change of accounting method

IFRIC interpretation regarding the calculation of pension liabilities

In April 2021, the IFRS Interpretations Committee specified the method to be used to calculate pension liabilities associated with defined-benefit retirement plans. As a result, when a retirement plan provides for the payment of benefits capped at a certain number of years of service, provided that the employee is in service on the date of their retirement, the IFRIC considers that the pension liability should be based only on those years of services preceding retirement in which the employee generated a right to the benefit. Previously, the commitment was spread over the entire duration of the employee's employment.

The IFRIC decision involves a change of accounting method, which must be made retrospectively. The Group is therefore presenting its financial statements as if the new method had always been applied.

The impact of the change of accounting method at December 31,2020 on the consolidated financial statements is shown below:

Impact of the change of method on the opening consolidated accounts

At December 31, 2020, the non-current provisions for employee benefit commitments are adjusted by - €2.7 million, with an effect on consolidated reserves of +€2.4 million and on consolidated net income of +€0.2 million.

In thousand euros	01/01/2020	12/31/2020
Shareholders' equity – published	**12,726,570**	**12,500,901**
Impact on consolidated reserves	2,787	2,433
Impact on consolidated net income	n/a	239
Shareholders' equity – restated	**17,729,358**	**12,503,573**

In thousand euros	12/31/2020
Non-current provisions – published	**102,790**
Impact on non-current provisions	(2,672)
Non-current provisions – restated	**100,118**

In thousand euros	12/31/2020
Overheads – published	**(92,038)**
Impact on salaries and benefits	239
Overheads – restated	**(91,799)**

In thousand euros	12/31/2020
Comprehensive income – published	**153,192**
Impact on overheads	239
Impact on actuarial differences that cannot be reclassified to net income	(354)
Comprehensive income – restated	**153,076**

Details of the non-current provision for employee benefits

In thousand euros	12/31/2020 published	12/31/2020 restated
Present value of the liability	18,939	16,266
Fair value of hedging assets	(3,011)	(3,011)
Net present value of the liability	**15,928**	**13,256**

In thousand euros	12/31/2020 published	12/31/2020 restated
Net present value of the liability at beginning of period	**15,286**	**12,499**
Cost of services rendered during the year	1,124	906
Net interest	119	98
Actuarial differences	(173)	(173)
Expense recognized under salaries and benefits	**1,070**	**831**
Effects of any change or liquidation of the plan	0	0
Benefits paid (net)	(425)	(425)
Contributions paid	(194)	(194)
Actuarial differences not written to profit or loss	192	546
Net present value of the liability at end of period	**15,928**	**13,256**

5.5.2.3 Consolidation methods

All companies in which the Group holds direct or indirect exclusive control and companies in which Gecina exercises a notable influence or joint control are included in the scope of consolidation. The first group of companies are fully consolidated and the second group are consolidated using the equity method.

5.5.2.4 Scope of consolidation

At December 31, 2021, the scope of consolidation included the companies listed below:

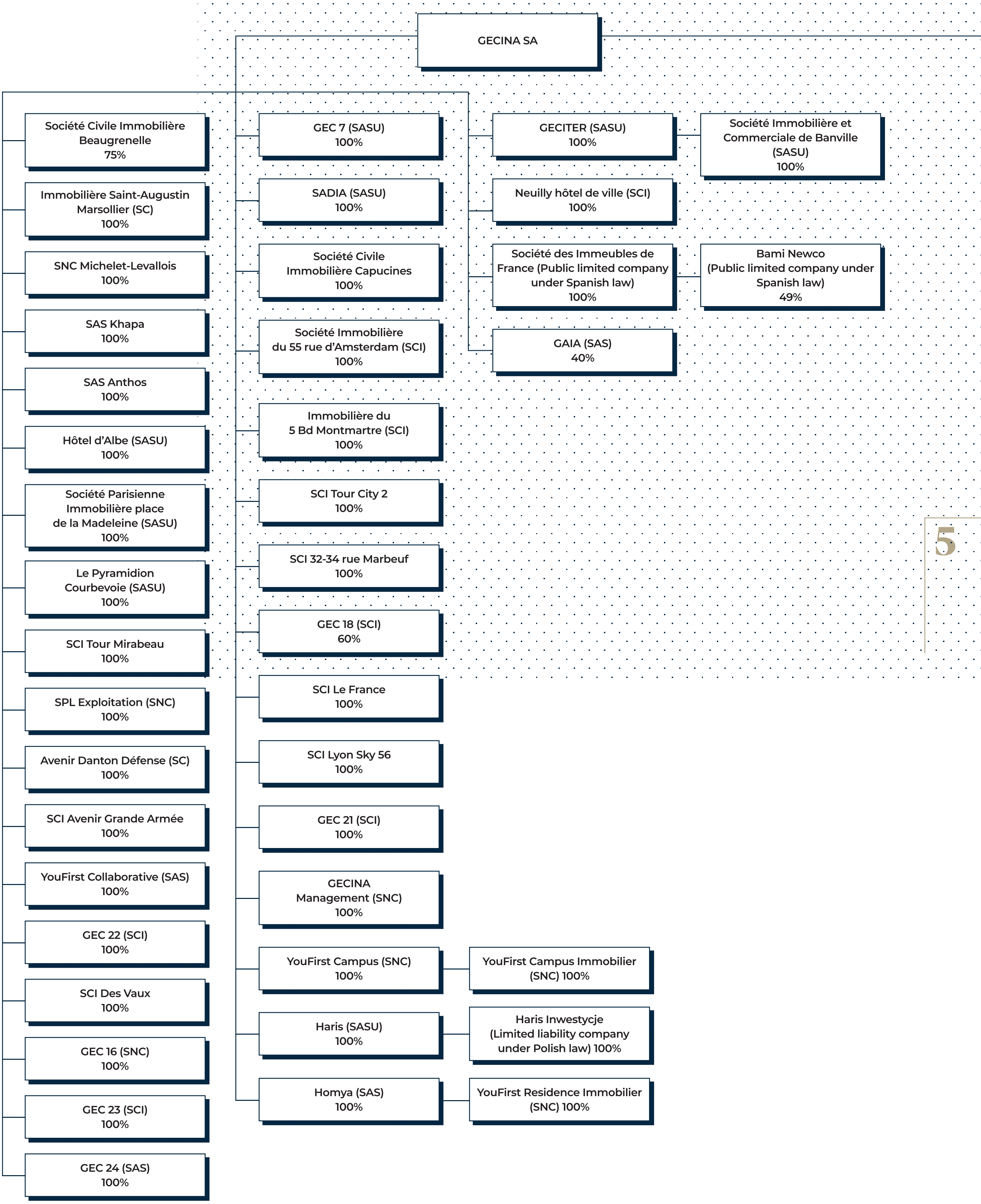
Companies	SIREN no.	12/31/2021 % interest	Consolidation method	12/31/2020 % interest
Gecina	592 014 476	100.00%	Parent company	100.00%
5, rue Montmartre	380 045 773	100.00%	FC	100.00%
55, rue d’Amsterdam	382 482 065	100.00%	FC	100.00%
Anthos	444, 465 298	100.00%	FC	100.00%
Beaugrenelle	307 961 490	75.00%	FC	75.00%
YouFirst Campus	501 705 909	100.00%	FC	100.00%
YouFirst Campus Immobilier	808 685 291	100.00%	FC	100.00%
Capucines	332 867 001	100.00%	FC	100.00%
GEC 16	788 912 343	100.00%	FC	100.00%
GEC 18	799 089 982	60.00%	FC	60.00%
GEC 21	810 066 126	100.00%	FC	100.00%
GEC 22	812 746 188	100.00%	FC	100.00%
GEC 23	819 358 201	100.00%	FC	100.00%
GEC 24	851 756 502	100.00%	FC	100.00%
GEC 7	423 101 674	100.00%	FC	100.00%
Gecina Management	432 028 868	100.00%	FC	100.00%
Geciter	399 311 331	100.00%	FC	100.00%
Haris	428 583 611	100.00%	FC	100.00%
Haris Inwestycje (Poland)		100.00%	FC	100.00%
Khapa	444 465 017	100.00%	FC	100.00%
Le Pyramidion Courbevoie	479 762 874	100.00%	FC	100.00%
YouFirst Residence Immobilier	328 921 432	100.00%	FC	100.00%
Marbeuf	751 139 163	100.00%	FC	100.00%
Michelet-Levallois	419 355 854	100.00%	FC	100.00%
Sadia	572 085 736	100.00%	FC	100.00%
Saint-Augustin-Marsollier	382 515 211	100.00%	FC	100.00%
SCI Le France	792 846 123	100.00%	FC	100.00%
SCI Avenir Danton Défense	431 957 356	100.00%	FC	100.00%
SCI Avenir Grande Armée	751 037 631	100.00%	FC	100.00%
SCI Lyon Sky 56	809 671 035	100.00%	FC	100.00%
SCI Neuilly Hôtel de Ville	785 420 746	100.00%	FC	100.00%
Société des Immeubles de France (Spain)		100.00%	FC	100.00%
Société Hôtel d’Albe	542 091 806	100.00%	FC	100.00%
Société Immobilière et Commerciale de Banville	572 055 796	100.00%	FC	100.00%
SPIPM	572 098 465	100.00%	FC	100.00%
SPL Exploitation	751 103 961	100.00%	FC	100.00%
Tour City 2	803 982 750	100.00%	FC	100.00%
Tour Mirabeau	751 102 773	100.00%	FC	100.00%
YouFirst Collaborative	823 741 939	100.00%	FC	100.00%

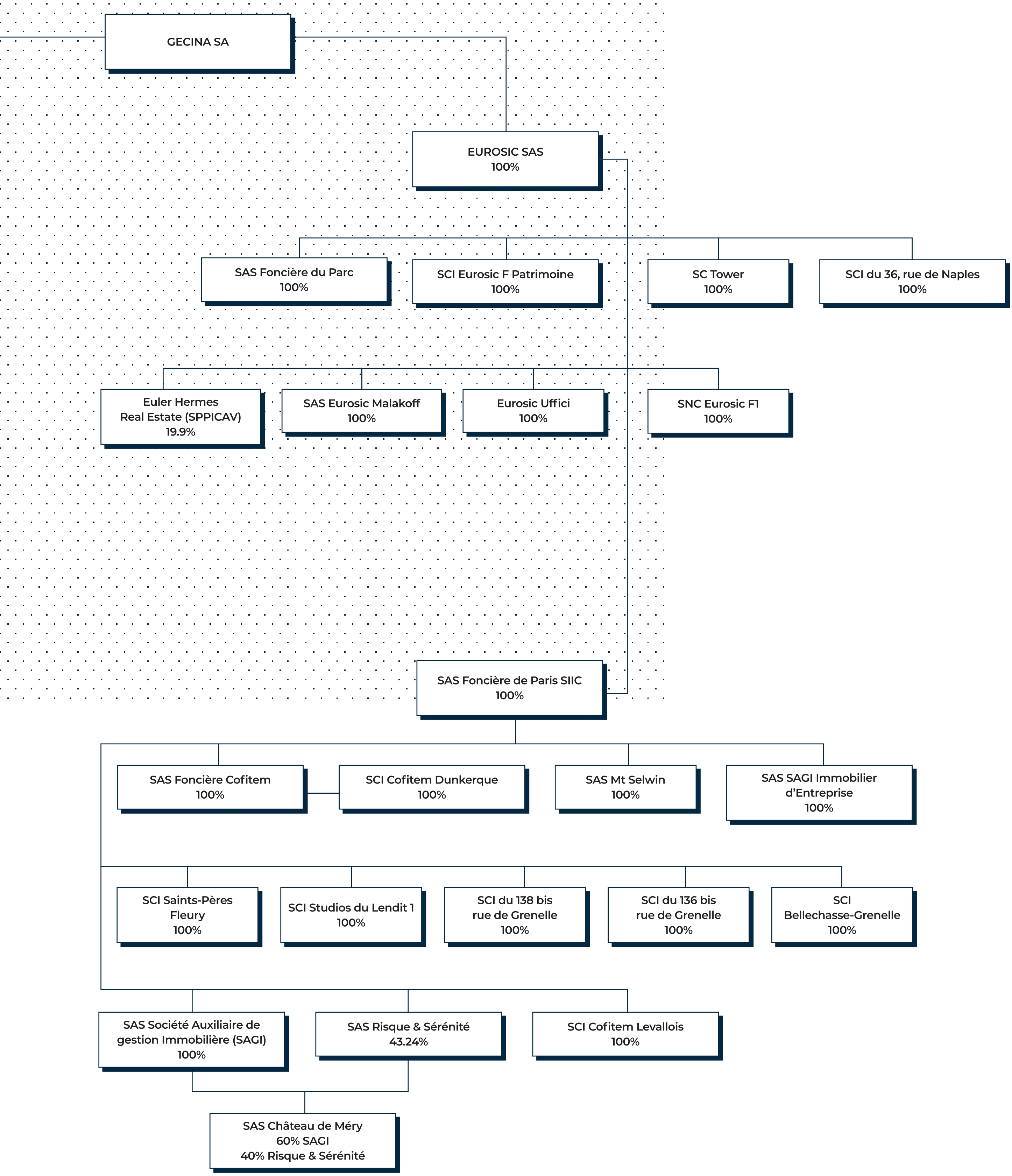
Companies	SIREN no.	12/31/2021 % interest	Consolidation method	12/31/2020 % interest
SCI Des Vaux	449 228 816	100.00%	FC	100.00%
SAS Eurosic	307 178 871	100.00%	FC	100.00%
SAS Eurosic Malakoff	453 385 601	100.00%	FC	100.00%
Foncière du Parc	445 394 851	100.00%	FC	100.00%
Tower	433 566 932	100.00%	FC	100.00%
SCI du 36 rue de Naples	479 871 659	100.00%	FC	100.00%
SCI Eurosic F Patrimoine	811 932 714	100.00%	FC	100.00%
SNC Eurosic F1	810 028 506	100.00%	FC	100.00%
Euler Hermes Real Estate	538 610 825	19.90%	EM	19.90%
Foncière de Paris SIIC	331 250 472	100.00%	FC	100.00%
Foncière Cofitem	411 846 033	100.00%	FC	100.00%
MT Selwin	418 089 280	100.00%	FC	100.00%
Risque & Sérénité	419 403 449	43.24%	EM	43.24%
Société Auxiliaire de Gestion Immobilière	508 928 926	100.00%	FC	100.00%
SAGI Immobilier d'entreprise	528 047 129	100.00%	FC	100.00%
Château de Méry	479 916 298	77.30%	FC	77.30%
SCI Saints Peres Fleury	509 110 151	100.00%	FC	100.00%
SCI du 136 bis rue de Grenelle	493 293 823	100.00%	FC	100.00%
SCI du 138 bis rue de Grenelle	493 293 633	100.00%	FC	100.00%
SCI Bellechasse-Grenelle	802 446 195	100.00%	FC	100.00%
SCI Cofitem Dunkerque	528 344 039	100.00%	FC	100.00%
SCI Cofitem Levallois	494 346 570	100.00%	FC	100.00%
SCI Studio du Lendit 1	508 475 662	100.00%	FC	100.00%
Eurosic UFFICI (Italy)		100.00%	FC	100.00%
Joined consolidation 2021				
Gaïa	897 700 621	40.00%	EM	
Left consolidation 2021				
Paris Investissements OPCI	793 904 640	Merged	FC	100.00%
SCI 54 Leclerc	381 619 535	Merged	FC	100.00%
SCI 738 Kermen	349 816 116	Merged	FC	100.00%
SCI du Port Chatou	491 025 441	Merged	FC	100.00%
SCI Eurosic R4	505 215 251	Merged	FC	100.00%
Grande Halle de Gerland	538 796 772	Merged	FC	100.00%
Joined consolidation 2020				
Homya	880 266 218	100.00%	FC	100.00%
Left consolidation 2020				
Colvel Windsor	477 893 366	Merged	FC	Merged
Faubourg Saint Martin	430 046 607	Merged	FC	Merged

FC: full consolidation.
EM: accounted for under the equity method.

Bami Newco is neither consolidated nor accounted for under the equity method since the Group has no control or significant influence over this entity (see Note 5.5.9.3.).

5.5.2.4.1 Legal organizational chart




GECINA SA
EUROSIC SAS
100%
SAS Foncière du Parc
100%
SCI Eurosic F Patrimoine
100%
SC Tower
100%
SCI du 36, rue de Naples
100%
Euler Hermes
Real Estate (SPPICAV)
19.9%
SAS Eurosic Malakoff
100%
Eurosic Uffici
100%
SNC Eurosic F1
100%
SAS Foncière de Paris SIIC
100%
SAS Foncière Cofitem
100%
SCI Cofitem Dunkerque
100%
SAS Mt Selwin
100%
SAS SAGI Immobilier
d'Entreprise
100%
SCI Saints-Pères
Fleury
100%
SCI Studios du Lendit 1
100%
SCI du 138 bis
rue de Grenelle
100%
SCI du 136 bis
rue de Grenelle
100%
SCI
Bellechasse-Grenelle
100%
SAS Société Auxiliaire de
gestion Immobilière (SAGI)
100%
SAS Risque & Sérénité
43.24%
SCI Cofitem Levallois
100%
SAS Château de Méry
60% SAGI
40% Risque & Sérénité

5.5.2.5 Consolidation adjustments and eliminations

5.5.2.5.1 Restatements to homogenize individual financial statements

The rules and methods applied by companies in the scope of consolidation are restated to make them consistent with those of the Group.

All the companies prepared an accounting statement as at December 31, 2021.

5.5.2.5.2 Intercompany transactions

Intercompany transactions and any profits on disposal resulting from transactions between consolidated companies are eliminated.

5.5.2.5.3 Business combinations (IFRS 3)

To determine if a transaction is a business combination placed under IFRS 3, the Group determines whether an integrated set of activities is acquired in addition to the real estate. The selected criteria may be the number of real estate assets held, the scope of the processes acquired or the autonomy of the target. In this case, acquisition cost corresponds to the fair value on the date of exchange of the contributed assets and liabilities and the equity instruments issued in exchange for the acquired entity. Goodwill is recognized as an asset in respect of the surplus of the acquisition cost over the buyer's share of the fair value of the assets and liabilities acquired net of deferred tax recognized if necessary, while an amount for negative goodwill is posted to the income statement. Costs directly attributable to the acquisition process are recognized under expenses.

Revised IFRS 3 specifies a period of twelve months starting from the acquisition date to finalize the accounting of the acquisition. Corrections to valuations made must be linked to events and circumstances existing at the date of acquisition. Goodwill is subject to an impairment test at least once a year or whenever there is an indication of loss of value.

IAS 40 "Investment property" applies to acquisitions that are not part of a business combination.

5.5.2.6 Foreign currency translation

The Group's operating currency is the euro. Transactions conducted by subsidiaries located outside the eurozone are translated at the closing exchange rate for balance sheet items and at the average exchange rate over the period of the income statement. Exchange differentials recognized in the balance sheet at the beginning of the period and on earnings for the year are recorded under shareholders' equity.

5.5.3 — Accounting methods

5.5.3.1 Property portfolio

5.5.3.1.1 Investment properties (IAS 40 and IFRS 13)

Investment properties are properties held to generate rental income and/or capital growth.

On acquisition, investment properties are recorded on the balance sheet at acquisition cost, inclusive of duties and taxes.

Investment expenses, marketing costs, eviction allowances paid to tenants, internal staff costs attributable to marketing operations and development projects, and financial expenses as detailed in IAS 23, are capitalized as part of the value of the properties.

The Group applies the fair value model to value its investment properties. The fair value of an investment property is the price that would be received from the sale of an asset in the context of a normal transaction between market participants on the valuation date. Fair value is calculated in accordance with IFRS 13 and takes into account the best use of the asset.

The Group has elected, by convention, to show the block value of properties, excluding duties, taxes, and fees, in the consolidated financial statements.

Each property asset is valued separately by independent property appraisers (at December 31, 2021: CBRE Valuation, Cushman & Wakefield, Jones Lang LaSalle and Catella Valuation Advisors) who value the property portfolio of the Group from the point of view of a sustainable holding at June 30 and December 31 of each financial year. The appraisers are members of the French Association of Property Valuation Firms (Association française des sociétés d'expertise immobilière – Afrexim). They comply with the professional real estate valuation charter and use the valuation methods described below.

The fair value of each asset is determined via the following three methods:

- direct comparison method: comparison of the asset that is the object of the appraisal with transactions made on assets of an equivalent type and location, on dates close to the date of appraisal. For the specific block valuation of residential assets, two discounts are applied to the transaction value of the flats: a discount between the block value and the unit value and a discount for occupation;
- net income capitalization method: capitalization of the recorded or potential net annual rent, excluding taxes and rental expenses, generated by the property on the basis of the yield to be expected by an investor from a similar type of asset. For occupied premises, the appraiser conducts an analysis of the legal and financial conditions of each lease and of the rental market. For vacant premises, the market rental value is used as a reference, taking account of re-

letting lead times, any renovation work and other miscellaneous expenditure;

- discounted cash flow (DCF) method: the value of the asset is equal to the discounted sum of the financial flows expected by the investor, including the assumed resale at the end of a ten-year holding period. The sale price at the end of the period is determined on the basis of the net cash flow in year 11 capitalized at yield. Discounted cash flow is determined on the basis of a risk-free interest rate (ten-year government bond equivalent) plus an appropriate risk premium for the property determined in comparison with standard discounted rates on cash flow generated by similar assets.

The appraiser determines the fair value of each property using a simple or weighted average based on the method that they deem most appropriate for the property.

IFRS 13 establishes a fair value hierarchy that categorizes into three levels the data used for measurements:

- level 1: price (not adjusted) on an active market for identical assets/liabilities available on the valuation date;
- level 2: valuation model using inputs directly or indirectly observable in an active market;
- level 3: valuation model using inputs not observable in an active market.

The fair value hierarchy is therefore established by reference to the levels of inputs to valuation techniques. When using a valuation technique based on inputs of several levels, the fair value level is then constrained by the lowest level.

The fair value measurement of investment properties involves the use of different valuation methods based on unobservable or observable inputs that have been subject to certain adjustments. Accordingly, the Group's property portfolio is categorized in its entirety in level 3 with respect to the fair value hierarchy established by IFRS 13, notwithstanding the recognition of certain level 2 observable inputs.

5.5.3.1.2 Buildings under reconstruction (IAS 40)

Properties under construction acquired with the intention of redevelopment or which are in the process of being redeveloped are valued according to the general principle of valuing investment properties at their fair value. If the fair value cannot be reliably determined, the property is provisionally valued at cost and is subject to impairment testing whenever there is an indication of loss of value.

The Group considers that fair value can be reliably measured when the asset is protected from rain, or as soon as construction begins if marketing is at an advanced stage. Fair value can also be reliably measured if the property has already been leased and signature of the works contracts has progressed sufficiently to allow the construction costs to be estimated.

The market value is determined by appraisers based on an evaluation of the exit price of the property less all direct and indirect future development costs.

5.5.3.1.3 Operating properties (IAS 16)

Operating properties are properties held by the Group that do not meet the definition of investment property. They are valued at cost, depreciated using the component method and adjusted for any impairment losses.

The Group's operating properties consist of the head office located at 16, rue des Capucines in Paris and properties that form part of the hotel business.

For each type of asset, the gross values of the buildings are divided by component, determined on the basis of technical data at the time of the acquisition, using the current estimated cost of new reconstruction.

Each component is depreciated using the straight-line method over its useful life. No residual value has been retained for any of the components identified.

In addition to the land, six components have been identified:

- structural system;
- walls and roofing;
- technical installations;
- parking;
- restoration;
- fixtures and fittings.

In the event of an indication of impairment, the book value of the property is written down to its recoverable value, which is determined by an independent appraisal conducted under the methods described in 5.5.3.1.1.

5.5.3.1.4 Properties for sale (IFRS 5)

A property is classified as a "property for sale" when it meets the criteria set out in IFRS 5, which specifies that a non-current asset is considered to be held for sale when it is available for immediate sale in its current condition, if the sale is highly probable and if its book value is recovered primarily through its disposal.

The sale of an asset is highly probable if the following three conditions are met:

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

When the sale pertains to a property or a portfolio of properties, these are classified as current assets under "Properties for sale" and are valued as follows:

- Properties in block sales: sale value recorded in the preliminary sales agreement or the purchase offer, subject to the deduction of selling expenses/fees and outstanding receivables from the straight-line recognition of commercial benefits under IFRS 16;
- Properties sold unit by unit (residential segment): Properties for which more than 60% of the surface area has been sold are subject to internal valuation. The value of each unit is determined from unit prices per square meter recorded on the market for vacant premises. The valuation includes discounts according to the size of the properties and the number of units included to reflect marketing periods, costs and the margin earned on the

sale of all the units. Properties for which less than 60% of the surface area has been sold are subject to independent appraisal using the same methods as for investment properties (see Note 5.5.3.1.1).

When a sale concerns a complete business line, the assets and liabilities of the business are presented separately under assets and liabilities on the balance sheet (Assets and Liabilities held for sale). The corresponding net gain or loss is isolated in the income statement on the line "Net gain or loss from discontinued operations".

5.5.3.1.5 Inventories

Buildings relating to real estate development operations or acquired under the tax system governing properties held for rapid resale by real estate traders, legally designated as "marchands de biens", are booked under inventories at their acquisition cost. An impairment test is carried out as soon as any indication of impairment is detected. In the event of such an indication and when the estimated recoverable amount is less than the carrying amount, an impairment loss is recognized based on the difference between those two amounts.

5.5.3.2 Other property, plant and equipment (IAS 16)

Other property, plant and equipment are recorded at acquisition cost and depreciated under the straight-line method for periods of three to ten years. They are primarily composed of computer hardware and furniture.

5.5.3.3 Intangible assets (IAS 38)

The costs to purchase software licenses are recorded as an asset based on the costs incurred in acquiring and commissioning the software concerned. These costs are amortized over the estimated useful life of the software (three to five years).

5.5.3.4 Equity interests

5.5.3.4.1 Equity-accounted investments

Equity interests in companies in which the Group exercises joint control or significant influence are recorded on the balance sheet at the Group share of their net assets restated at the reporting date using the Group's accounting principles. Adjustments are related to the harmonization of methods.

In the event that the Group's share in the negative equity of a company accounted for under the equity method were to exceed the book value of its investment, the Group considers its share to be nil and it ceases to recognize its share in upcoming losses, unless the Group is obliged or intends to financially support such investment.

5.5.3.4.2 Non-consolidated interests

Non-consolidated interests are valued at fair value pursuant to IAS 39.

5.5.3.4.3 Other financial fixed assets

Loans, receivables and other financial instruments are booked according to the amortized cost method on the basis of the effective interest rate. When there is non-recoverability or default risk, this is recognized in the profit and loss statement.

5.5.3.5 Operating receivables

Receivables are recorded for the initial amount of the invoice, after deduction for impairment valued on the basis of the risk of non-recoverability. The cost of non-recoverability risk is posted under property expenses.

These receivables are valued using the amortized cost method.

Impairment is valued using the optional simplified approach under IFRS 9. Expected credit losses are calculated over their lifetime, based on the Group's historical loss data.

Rent receivables are systematically written down according to the age of the receivables and situation of the tenants.

An impairment rate is applied to the amount excluding tax of the receivable minus the security deposit:

- tenant has left the property: 100%;
- tenant in the property:
  - receivable between 3 and 6 months: 25%,
  - receivable between 6 and 9 months: 50%,
  - receivable between 9 and 12 months: 75%,
  - over 12 months: 100%.

Impairment thus determined is adjusted to take account of particular situations.

Residual receivables relating to the deferral of commercial benefits in accordance with IFRS 16 (see Note 5.5.3.14), and recognized by the difference between the economic rent and the paid rent, result in a specific analysis covering the ability of the tenant to actually reach the end of the signed lease, in order to validate their basis at each reporting date.

5.5.3.6 Cash

Cash is recorded on the balance sheet at fair value.

5.5.3.7 Treasury shares (IAS 32)

Treasury shares held by the Group are deducted from consolidated shareholders' equity at acquisition cost.

5.5.3.8 Share-based payments (IFRS 2)

Gecina has instituted an equity-based remuneration plan (stock options and performance shares). The impact of services rendered by employees in exchange for the award of options or the allocation of performance shares is expensed against shareholders' equity. The total amount expensed over the rights vesting period is determined by reference to the fair value of equity instruments granted, the discounted value of future dividends paid over the vesting period, and the staff turnover rate.

At each balance sheet date, the number of options or number of shares that may be exercised or allocated is reviewed. Where applicable, the impact of revising estimates is posted to the income statement with a corresponding adjustment in shareholders' equity. Amounts received when options are exercised are credited to shareholders' equity, net of directly attributable transaction costs.

5.5.3.9 Financial instruments (IAS 32, IAS 39 and IFRS 9)

Hedging financial instruments

The Group hedges against interest rate risk as part of a macro-hedging strategy. It is covered by a portfolio of derivatives that are not specifically assigned and do not, therefore, meet hedge accounting eligibility criteria.

The Group decided not to adopt the hedge accounting proposed under IFRS 9 and to apply the provisions of IAS 39. Consequently, derivative instruments are recorded at fair value on the balance sheet with recognition of changes in fair value on the income statement.

Interest paid or received on derivative instruments is recorded under "Net financial expenses", while variations in value and any effects of disposals or terminations of contracts are recognized under "Change in value of financial instruments".

Fair value is determined in accordance with IFRS 13 (see Note 5.5.3.1.1) by an external financial organization using valuation techniques based on the discounted forward cash flow method, as well as the Black & Scholes model for optional products integrating the counterparty risks mentioned by IFRS 13. Estimates of probability of default are obtained by using bond spreads on the secondary market. Valuations are also confirmed by banking counterparties and in-house valuations.

Hedging financial instruments are valued at fair value based on observable market data and inputs classed as level 2 on the fair value hierarchy established by IFRS 13 (the fair value levels are detailed in Note 5.5.3.1.1).

Other financial assets and liabilities

Financial assets are initially recognized at amortized cost, at fair value through equity, or at fair value through profit or loss, depending on the type of financial instrument (debt or equity), the contractual cash flow characteristics, and the way in which the instruments are managed (based on the management model).

The classification and measurement criteria depend on the nature of the financial asset, i.e., whether it is categorized as a debt instrument (loan, advance, credit, bond, etc.) or as an equity instrument (shares).

Debt instruments (loans and fixed-yield or determinable-income securities) are classified and valued on the basis of their management model and on the analysis of contractual cash flow characteristics. Equity instruments are generally measured at fair value through profit or loss, except for those which the entity has irrevocably elected to measure at fair value through non-transferable equity (provided these instruments are not held for trading).

Financial liabilities consist primarily of bonds, bank borrowings, credit lines, commercial papers and other current liabilities.

Medium- and long-term credit lines can be utilized in drawings of variable lengths. Successive drawings are recognized in the financial statements at face value, with the unused portion of the borrowing facility representing an off-balance sheet commitment received.

Long-term bonds issued under the EMTN (Euro Medium-Term Notes) program are stated at their amortized cost (net of transaction costs) based on the effective interest rate method.

Other current liabilities are considered as short-term liabilities and are not subject to any discounting.

Impairment of financial assets

The impairment model requires the measurement of expected credit losses (ECL) on loans and debt instruments measured at amortized cost or at fair value through transferable equity, on loan commitments and financial guarantee contracts not measured at fair value.

The Group uses the optional simplified approach for the impairment of receivables from leases and trade receivables (see Note 5.5.3.5).

5.5.3.10 Leases (IFRS 16)

Leases covered by the standard primarily relate to construction leases, long leases and, to a lesser extent, leases on vehicles and reprographic equipment. Leases for less than twelve months or with a low unit value are not covered by this standard.

On this basis, the Group recognizes in its balance sheet:

- under liabilities, a debt for lease obligations in relation to rents for the balance of the lease term, discounted at the same rate as the cost of the debt that the Group would have incurred over the same term as the rental contracts;
- under assets and within investment properties, where applicable, usage rights amortized in a linear fashion from the implementation of the contracts.

In the income statement, rents and fees paid are replaced by:

- depreciation of rights of use recorded as a change in the valuation of investment properties where applicable;
- a financial expense, amounting to the interest included in rents paid in addition to the capital repaid to reduce the debt.

5.5.3.11 Long term non-financial provisions and liabilities (IAS 37)

In accordance with IAS 37 “Provisions, contingent liabilities and contingent assets”, a provision is recognized when the Group has a present obligation (legal or constructive) to a third party as a result of past events, and when it is probable or certain that this obligation will give rise to an outflow of resources to that third party, without at least the equivalent expected in exchange from that third party.

5.5.3.12 Employee benefit commitments (IAS 19)

IAS 19 specifies the accounting rules for employee benefits. This accounting occurs during the rights vesting period. It excludes from its scope share-based payments, which come under IFRS 2.

Short-term benefits

Short-term benefits (i.e., salaries, paid leave, social security contributions, incentives, etc.), which fall due within twelve months of the end of the year during which members of staff provided corresponding services, are recognized as “accrued expenses” under the heading “Current tax and employee-related liabilities” under balance sheet liabilities.

Long-term benefits

Long-term benefits correspond to benefits payable during the employee’s working life (anniversary premiums). They are recognized as non-recurring provisions.

Post-employment benefits

Post-employment benefits, also recognized as non-recurring provisions, correspond to end-of-career payments and supplementary pension commitments to some employees. The valuation of these retirement commitments assumes the employee’s voluntary departure.

These commitments that are related to the defined benefit plans for supplementary pensions are paid to external organizations.

No post-employment benefits were granted to executives.

The net commitment resulting from the difference between amounts paid and the probable value of the benefits granted, recognized under salaries and benefits, is calculated by an actuary using the method known as “projected unit credit method”, the cost of the provision being calculated on the basis of services rendered at the valuation date.

Actuarial differences are booked in equity.

The effects of the retrospective application of the IFRIC decision of April 2021 on the method used to calculate pension liabilities associated with defined-benefit retirement plans are detailed in Note 5.5.2.2.

5.5.3.13 Taxes

5.5.3.13.1 IFRIC 21 “Levies”

IFRIC 21 “Levies” stipulates the timing for the recognition of a liability as a tax or levy imposed by a government. These rules cover both the levies recognized in accordance with IAS 37 “Provisions, contingent liabilities and contingent assets” and those for which the timing and amount are certain.

The levies and taxes in question are defined as net outflows of resources (thus excluding VAT collected on behalf of the Government) levied by governments (as defined by IAS 20 and IAS 24) in application of legal and/or regulatory provisions other than fines or penalties linked to non-compliance with laws or regulations. These include taxes entering into the scope of application of IAS 37 on provisions (excluding those falling under the scope of IAS 12, such as income tax liabilities) as well as taxes with a certain amount and payment date (i.e., liabilities that do not fall within the scope of application of IAS 37).

Pursuant to the IFRIC 21 interpretation, the following taxes are recognized (and their potential reinvoicing at the same time) on a single occasion on the first day of the current year:

- property tax;
- tax on offices, commercial premises, storage premises and parking areas;
- annual tax on parking areas;
- company social solidarity contribution.

5.5.3.13.2 SIIC regime

The SIIC regime is a tax transparency regime which defers the payment of tax to the shareholder through the dividends they receive that result from a distribution obligation for the Company subject to the SIIC regime.

Opting for the SIIC regime means that an exit tax immediately falls due at the reduced rate of 19% on unrealized capital gains related to properties and investments in entities not subject to corporate income tax.

Profits subject to the SIIC regime are exempt from corporate income tax under certain distribution conditions (obligation to distribute 95% of operating income, 70% of capital gains on disposals and 100% of SIIC dividends received).

For newly acquired non-SIIC companies, a deferred tax liability is calculated at a rate of 19% corresponding to the amount of exit tax that these companies have to pay when opting for the SIIC regime, this option being included in the acquisition strategy.

The discounting of the exit tax liability due to opting for the SIIC regime is only recognized when considered material.

5.5.3.13.3 Standard regime

For companies not eligible under the SIIC regime, deferred taxes resulting from timing differences on taxation or deductions are calculated under the liability method on all timing differences existing in the individual accounts or deriving from consolidation adjustments or eliminations of internal profits and losses. This happens when the book value of an asset or liability is different from its tax value. A net deferred tax asset is only recognized on loss carryforwards provided that it is likely that it can be charged against future taxable income. Deferred tax is determined using the principles and tax rates of the finance laws in effect at the balance sheet date that are likely to be applied when the various taxes involved crystallize. The same rule applies for assets held abroad.

5.5.3.13.4 Deferred tax assets and liabilities

Deferred tax arises from temporary differences between the tax valuation of assets or liabilities and their book values. They particularly result from the fair value revaluation of investment properties held by companies who did not opt for the SIIC regime or from the cost related to the adoption of this regime. Deferred tax assets are recognized in respect of tax loss carryforwards if their future realization is likely.

5.5.3.14 Recognition of rental income (IFRS 16)

Rent is recorded in the income statement when invoiced. Under IFRS 16, incentives given to tenants (mainly rent-free periods and stepped rents) are spread in a straight line over the probable fixed term of the lease. Straight-line allocation of incentives given to tenants was offset by the recognition of a receivable up to December 31, 2017. From January 1, 2018, and for all leases with remaining rent-free periods and stepped rents, rent is now booked against the fair value adjustment of investment properties.

Consequently, rents shown in the income statement differ from rents paid.

Works carried out on behalf of tenants are capitalized and are not deferred over the probable fixed term of the lease.

5.5.3.15 Finance leases

In a finance lease, the lessor transfers all of the risks and benefits of the asset to the lessee. It is treated as financing granted to the lessee for the purchase of a property.

The current value of payments due under the lease, increased, as necessary, by the residual value, is entered under “Financial receivables on finance leases.” The net income of the transaction for the lessor or the lessee corresponds to the amount of interest on the loan. It is recognized in the income statement under “Current operating income on finance lease transactions”. The rents received are divided over the duration of the finance lease by recognizing them in capital amortization and interest such that the net income represents a constant rate of return over the residual outstanding. The rate of interest used is the implicit rate of interest in the lease.

5.5.3.16 Key accounting estimates and judgments

To establish the consolidated financial statements, the Group uses estimates and formulates judgments which are regularly updated and are based on historical data and other factors, especially forecasts of future events considered reasonable in the circumstances.

The significant estimates made by the Group mainly concern:

- the measurement of the fair value of investment properties;
- the measurement of the fair value of financial instruments;
- the measurement of equity interests;
- the measurement of provisions;
- the measurement of employee benefit commitments (pensions and share plans).

Due to the uncertainties inherent in any measurement process, the Group adjusts its estimates using regularly updated information. Estimates that carry a major risk of leading to a material adjustment in the net book value of assets and liabilities during the following period are analyzed below:

- the fair value of the property portfolio, whether it is held for the long term or for sale, is specifically determined based on the valuation of the portfolio by independent appraisers according to the methods described in Note 5.5.3.1. However, given the estimated nature inherent in these valuations, it is possible that the actual sales price of some properties will differ significantly from the valuation, even in the event of disposal within a few months following the balance sheet date;
- the fair value of the financial instruments that are not traded on an organized market (such as over-the-counter derivatives) is determined using valuation techniques. The Group uses methods and assumptions that it believes are the most appropriate, based on market conditions at the balance sheet date. The realizable value of these instruments may turn out to be significantly different from the fair value used for the accounting statement;
- the value in use and the fair value of equity investment securities are determined on the basis of estimates based on various data available to the Group as at the balance sheet date. New information obtained subsequent to the balance sheet date may have a material influence on this valuation.

The procedures for determining fair value according to IFRS 13 are detailed in section 5.5.3.1.1.

In addition to the use of estimates, the Group's management formulates judgments to define the appropriate accounting treatment for certain activities and transactions where the IFRS standards in force do not specifically deal with the issues concerned. This is especially the case for the analysis of leases, whether operating leases or finance leases.

5.5.4 — Management of financial and operational risks

No other risks and uncertainties other than those presented in this document are expected.

5.5.4.1 Real estate market risk

Holding property assets for rent exposes the Group to the risk of fluctuation of the value of property assets and rents as well as to the risk of vacancy.

However, this exposure is limited given that:

- the assets are essentially held for the long term and valued in the accounts at fair value, even if fair value is based on the estimates described in Note 5.5.3.1 above;
- invoiced rents come from rental commitments, the term and spread of which are liable to moderate the impact of fluctuations in the rental market.

With respect to development projects, the search for tenants begins once the investment decision is taken and results in the signing of preconstruction leases (baux en l'état futur d'achèvement – BEFA). These leases contain clauses on the definition of completion, the completion time and late penalties.

Certain aspects of this risk are quantified in Note 5.5.6.8.

5.5.4.2 Financial market risk

Holding financial instruments for the long term or for sale exposes the Group to the risk of fluctuation in the value of these assets. The analysis and quantification of the risk on hedging financial instruments are stated under Note 5.5.6.10.

In particular, the Group's exposure to equity risk in case of falling stock market indices gives rise to a problem of valuing hedging assets against pension liabilities. This risk is very limited with respect to the amounts of the hedging assets subject to equity risk.

Furthermore, Gecina may be subject to changes in share prices for its financial investments and for its treasury shares. Gecina has set up a share buyback program and therefore holds a certain number of its own shares. A fall in the price of the Gecina share has no impact on the consolidated financial statements, only on the individual company financial statements.

5.5.4.3 Counterparty risk

With a customer portfolio of around 600 corporate tenants, from a wide variety of sectors, and around 8,300 individual tenants, the Group is not exposed to significant concentration risks. In the course of its development, the Group aims to acquire assets for which the rental portfolio is closely based on tenant selection criteria and the security provided by them. When a property is rented out, a detailed application is provided by the tenant and an analysis of the tenant's financial soundness is conducted. Tenant selection and rent collection procedures help to maintain a satisfactory rate of losses on receivables.

Financial transactions, especially hedging the interest rate risk, are carried out with a broad selection of leading financial institutions. Competitive tenders are conducted for all major financial transactions and the maintenance of a satisfactory diversification of sources of funds and counterparties is one of the selection criteria. Gecina has no material exposure to a single bank counterparty on its portfolio of derivatives. Counterparty risk is now an integral part of fair value as determined under IFRS 13 (see Note 5.5.3.9). The Group's maximum exposure on all its loans (used and unused) to a single counterparty is 5%.

5.5.4.4 Liquidity risk

Liquidity risk is managed by constantly monitoring the maturity of financing facilities, maintaining available credit lines and diversifying finance sources. Liquidity is managed in the medium and long term as part of multi-annual financing plans and, in the short term, by using confirmed undrawn credit lines and asset disposal programs. A debt maturity breakdown is provided in Note 5.5.5.12.1 as well as a description of the various limits that might affect interest conditions or early repayment, as stipulated in the credit agreements.

5.5.4.5 Interest rate risk

Gecina's interest rate risk management policy, which includes the use of hedging instruments, is aimed at limiting the impact of a change in interest rates on the Group's earnings, where a significant portion of the Group's loans is at a floating rate. With respect to the foregoing, a management framework was presented and validated by the Company's Audit and Risk Committee. This management framework defines in particular the management horizons, a percentage of coverage required on the time horizons, new hedging targets and the instruments enabling such management (mostly caps and swaps). The interest rate risk is analyzed and quantified in Notes 5.5.5.12.2 and 5.5.6.10, together with an analysis of interest rate sensitivity. Gecina's interest rate hedging policy is primarily implemented on a global basis for all its loans (i.e., not specifically assigned to certain loans). As a result, it does not meet the accounting qualification of hedging instruments and the fair value change therefore appears in the income statement, according to the procedures described in Note 5.5.3.9.

5.5.4.6 Foreign exchange risk

The Group conducts the majority of its business in the eurozone and almost all its revenues, operating expenses, investments, assets and liabilities are denominated in euros.

5.5.4.7 Other risks

Until 2009, when Mr. Joaquín Rivero was a corporate officer of Gecina or one of its subsidiaries, Gecina carried out a number of transactions, including the acquisition by SIF Espagne of a 49% equity investment in Bami Newco in 2009, and also undertook certain commitments, notably the granting of certain guarantees in relation to said transactions, as mentioned in Notes 5.5.5.13 and 5.5.9.3. When said commitments and transactions were revealed, impairment and provisions were recorded against some of them pursuant to applicable regulations. Some of the guarantees were also granted outside Gecina's internal control framework, despite the specific procedures implemented.

Gecina cannot totally rule out that non-compliance with internal control and risk management procedures, the deterioration in the economic environment in Spain or fraud attempts will not result in further financial, legal or regulatory risks which have not been identified to date. Occurrence of such risks may impact the Group's reputation, results or financial situation.

5.5.5 — Notes to the consolidated statement of financial position

5.5.5.1 Property portfolio

5.5.5.1.1 Statement of changes in portfolio

Gross value

In thousand euros	12/31/2020	Acquisitions	Asset disposal or exercise of options	Change in value	Other changes	Transfers between items	12/31/2021
Investment properties	17,744,334	117,552	0	351,744	23,893	(254,008)	17,983,515
Buildings under reconstruction	1,256,816	233,114	0	82,975	0	(27,900)	1,545,005
Operating properties	107,494	548	(375)	0	0	0	107,667
Other property, plant and equipment	32,228	3,783	(3,994)	0	0	0	32,017
Intangible assets	19,751	5,980	(70)	0	0	0	25,661
Financial receivables on finance leases	224,835	0	(44,644)	0	0	0	180,190
Properties for sale	368,240	(322)	(465,716)	25,688	0	281,908	209,798
Inventories	5,928	0	(5,928)	0	0	0	0
GROSS VALUE	**19,759,627**	**360,656**	**(520,729)**	**460,407**	**23,893**	**0**	**20,083,854**

Depreciation and impairment

In thousand euros	12/31/2020	Allocations	Disposals/ Write backs	Change in value	Other changes	Transfers between items	12/31/2021
Operating properties	26,377	2,811	(375)	0	0	0	28,813
Other property, plant and equipment	20,151	5,229	(3,786)	0	0	0	21,595
Intangible assets	10,747	4,372	(70)	0	0	0	15,049
Financial receivables on finance leases	121,023	10,094	(18,978)	0	0	0	112,139
Inventories	2,119	0	(2,119)	0	0	0	0
Depreciation and impairment	**180,417**	**22,506**	**(25,327)**	**0**	**0**	**0**	**177,596**
NET FIXED ASSETS	**19,579,210**	**338,150**	**(495,401)**	**460,407**	**23,893**	**0**	**19,906,258**

Pursuant to the accounting principles defined in Note 5.5.3.1.2, ten assets under reconstruction are recognized at their historical cost for a total amount of €95 million.

The other changes relate to the effect of the commercial benefits granted to tenants for €24 million.

5.5.5.1.2 Property acquisitions

Acquisitions concern the following:

In thousand euros	12/31/2021
Property acquisitions (including duties and costs)	**58,373**
Construction and redevelopment work	167,999
Renovation work	109,615
Works	**277,614**
Operating properties	486
Capitalized internal costs	5,748
Capitalized financial expenses	4,200
Marketing costs	4,292
Eviction allowances	180
Total property acquisitions	**350,893**
Property, plant and equipment	3,783
Intangible assets	5,980
TOTAL ACQUISITIONS	**360,656**

5.5.5.1.3 Detail of the disposals

Disposals are detailed in Note 5.5.6.7.

5.5.5.1.4 Goodwill

The goodwill results from the acquisition of Eurosic in August 2017 and is allocated to the cash-generating unit (CGU) Offices. It varied from €191 million at December 31, 2020 to €185 million at December 31, 2021.

According to IAS 36, an impairment test is performed when there is an indication that the goodwill may be impaired and at least once a year.

The continuation of the Covid-19 health crisis does not have a significant impact on the Group's business and does not constitute a new sign of impairment.

The valuation of the CGU was performed at December 31, 2021 incrementally using the fair value of the assets, as accounted for in the Group's financial statements, plus the valuation of the cash flows not taken into account in the financial statements.

5.5.5.2 Financial fixed assets

In thousand euros	12/31/2021	12/31/2020
Non-consolidated investments	142,458	131,240
Advances on property acquisitions	65,519	65,519
Deposits and guarantees	1,105	1,079
Other financial fixed assets [1]	14,108	2,105
GROSS FINANCIAL FIXED ASSETS	**223,190**	**199,943**
Impairment	(175,351)	(175,351)
NET FINANCIAL FIXED ASSETS	**47,839**	**24,592**

(1) Incudes advances on liquidity contract (see Note 5.9.9.1)

Impairment in the amount of €175.4 million is mainly related to the 49% equity interest in the Spanish company Bami Newco, which has been fully written down (€109.3 million) and the advance on property acquisitions granted to the Spanish company Bamolo, written down for €65.2 million (in order to reduce it to the land's latest appraisal value given as a guarantee of €0.3 million).

5.5.5.3 Equity-accounted investments

This item reflects the share held by the Group in the companies in which the Group exercises significant influence.

The elements of the financial situation of the main companies with investments that do not afford control are presented below:

In thousand euros	Euler Hermes Real Estate	Risque & Sérénité	Total
Property portfolio	304,100	0	304,100
Other assets	12,163	3,809	15,971
Total assets	**316,263**	**3,809**	**320,071**
Shareholders' equity	281,579	3,785	285,364
External loans and debts with partners	32,107	0	32,107
Other liabilities	2,577	24	2,600
Total liabilities	**316,263**	**3,809**	**320,071**
Revenue	10,096	0	10,096
Net income	**22,751**	**167**	**22,918**
% held	19.90%	43.24%	
Net income from equity-accounted investments	**4,527**	**72**	**4,600**
Shareholders' equity	281,579	3,785	285,364
EQUITY-ACCOUNTED INVESTMENTS	**56,034**	**1,637**	**57,670**

5.5.5.4 Deferred tax assets and liabilities

At December 31, 2021, net deferred taxes represented an asset of €1.7 million. They mainly include the effect of certain tax loss carryforwards.

In thousand euros	12/31/2020	Change in profit/loss	12/31/2021
Activation of tax losses	1,900	(233)	1,667
Deferred tax assets	**1,900**	**(233)**	**1,667**
Capital gains on finance leases	(64)	64	0
Deferred tax liabilities	**(64)**	**64**	**0**
NET DEFERRED TAXES	**1,836**	**(169)**	**1,667**

5.5.5.5 Properties for sale

Movements on properties for sale are included in the statement of changes in portfolio (see Note 5.5.5.1.1).

Properties for sale break down as follows:

In thousand euros	12/31/2021	12/31/2020
Properties for sale (block basis)	37,119	70,004
Properties for sale (unit basis)	172,679	298,236
PROPERTIES FOR SALE	**209,798**	**368,240**

5.5.5.6 Inventories

The last property held under the real estate trader regime was sold during the 2021 financial year.

5.5.5.7 Trade receivables

The breakdown by business sector is indicated in Note 5.5.8.

In thousand euros	12/31/2021	12/31/2020
Billed customers	43,339	45,307
Unbilled expenses payable	4,633	5,053
Balance of rent-free periods and stepped rents	19,982	30,758
GROSS TRADE RECEIVABLES	**67,954**	**81,119**
Impairment of receivables	(23,969)	(24,761)
NET TRADE RECEIVABLES	**43,985**	**56,358**

5.5.5.8 Other receivables

In thousand euros	12/31/2021	12/31/2020
Value added tax	45,620	48,282
Corporate income tax(1)	22,770	16,766
Bami Newco cash advances and guaranties(2)	32,763	32,763
Receivables on asset disposal	2,350	3,016
Other(3)	47,346	62,239
GROSS OTHER RECEIVABLES	**150,849**	**163,067**
Impairment	(37,827)	(38,493)
NET OTHER RECEIVABLES	**113,022**	**124,574**

(1) Includes €21 million related to ongoing disputes or claims with the tax administration.
(2) Fully impaired.
(3) Includes €21 million of advances for projects at December 31, 2021.

5.5.5.9 Prepaid expenses

In thousand euros	12/31/2021	12/31/2020
Loan application costs	9,415	9,787
10-year warranty insurance	3,030	2,857
Other	4,867	5,339
PREPAID EXPENSES	**17,312**	**17,983**

5.5.5.10 Cash

In thousand euros	12/31/2021	12/31/2020
Current bank accounts	15,102	174,123
GROSS CASH	**15,102**	**174,123**
Bank overdrafts	0	0
NET CASH	**15,102**	**174,123**

5.5.5.11 Consolidated shareholders' equity

See the accounting statement preceding this note in section 5.3 "Statement of changes in consolidated equity".

5.5.5.12 Borrowings, financial debt and financial instruments

5.5.5.12.1 Borrowings and financial debt

Outstanding debt

In thousand euros	Outstanding 12/31/2021	Repayments <1 year	Outstanding 12/31/2022	Repayments 1 to 5 years	Outstanding 12/31/2026	Repayments beyond 5 years
Fixed-rate debt	**5,283,293**	**(114,111)**	**5,169,184**	**(1,040,690)**	**4,128,494**	**(4,128,494)**
Fixed-rate bonds	5,150,753	(50,000)	5,100,753	(1,022,769)	4,077,984	(4,077,984)
Fixed-rate borrowings	45,383	(2,245)	43,138	(9,418)	33,720	(33,720)
Other fixed-rate debts	33,674	(8,382)	25,293	(8,502)	16,790	(16,790)
Accrued interest provisioned	53,483	(53,483)	0	0	0	0
Floating rate debt	**1,629,719**	**(1,629,719)**	**0**	**0**	**0**	**0**
Negotiable European Commercial Paper (NEU CP)	1,130,000	(1,130,000)	0	0	0	0
Floating-rate bonds	499,719	(499,719)	0	0	0	0
GROSS DEBT	**6,913,012**	**(1,743,828)**	**5,169,184**	**(1,040,690)**	**4,128,494**	**(4,128,494)**
Cash (floating rate)						
Liquidities	15,102	(15,102)	0	0	0	0
CASH	**15,102**	**(15,102)**	**0**	**0**	**0**	**0**
Net debt						
Fixed rate	5,283,293	(114,111)	5,169,184	(1,040,690)	4,128,494	(4,128,494)
Floating rate	1,614,617	(1,614,617)	0	0	0	0
NET DEBT	**6,897,910**	**(1,728,727)**	**5,169,184**	**(1,040,690)**	**4,128,494**	**(4,128,494)**
Undrawn credit lines	4,455,000	0	4,455,000	(3,485,000)	970,000	(970,000)
Future cash flows on debt	0	(93,671)	0	(296,069)	0	(235,713)

The interest that will be paid up to maturity of the entire debt, and which is estimated on the basis of the rate curve at December 31, 2021 amounts to €625 million.

The breakdown of the repayment of gross debt within less than one year is as follows:

In thousand euros	1st quarter 2022	2nd quarter 2022	3rd quarter 2022	4th quarter 2022	Total
	659,940	1,002,898	2,658	78,332	1,743,828

These debt maturities (consisting mainly of commercial papers and a bond maturing in June 2022) are covered by liquidity available at 31 December 2021 of €4,470 million (including €4,455 million of undrawn credit lines), as well as the €500 million bond issue completed in January 2022.

Details of bonds issued

During the financial year, the Group converted all its bonds into Green Bonds and committed to issuing all future bonds in this format.

Bonds	Issuer	Issue date	Issue amount *(in million euros)*	Outstanding amount *(in million euros)*	Issue price	Redemption price	Nominal rate	Maturity date
Bond 05/2023	Gecina	05/30/2013	300	200.2	€98,646	€100,000	2.875%	05/30/2023
Bond 01/2023	Gecina	12/15/2014	125	125	€100,000	€100,000	3.051%	01/16/2023
Bond 01/2025	Gecina	01/20/2015	500	500	€99,256	€100,000	1.50%	01/20/2025
Bond 11/2022	Gecina	11/06/2015	50	50	€100,000	€100,000	2.75%	11/06/2022
Bond 11/2023	Gecina	11/06/2015	100	100	€100,000	€100,000	3.00%	11/06/2023
Bond 06/2026	Gecina	12/01/2015	100	100	€100,000	€100,000	3.00%	06/01/2026
Bond 01/2029	Gecina	09/30/2016	500	500	€99,105	€100,000	1.00%	01/30/2029
Bond 06/2032	Gecina	06/30/2017	500	500	€98,535	€100,000	2.00%	06/30/2032
Bond 06/2022	Gecina	06/30/2017	500	500	€100,000	€100,000	Euribor 3 months +0.38%	06/30/2022
Bond 06/2027	Gecina	06/30/2017	500	500	€99,067	€100,000	1.375%	06/30/2027
		10/30/2020	200	200	€108,578	€100,000		
Bond 01/2028	Gecina	09/26/2017	700	700	€98,710	€100,000	1.375%	01/26/2028
Bond 03/2030	Gecina	03/14/2018	500	500	€97,325	€100,000	1.625%	03/14/2030
Bond 05/2034	Gecina	05/29/2019	500	500	€98,597	€100,000	1.625%	05/29/2034
		10/30/2020	200	200	€109,722	€100,000		
Bond 06/2036	Gecina	06/30/2021	500	500	€98,349	€100,000	0.875%	06/30/2036

Covenants

The company's main credit facilities are accompanied by contractual clauses relating to compliance with certain financial ratios determining interest rates charged and early repayment clauses, the most restrictive of which are summarized below:

	Benchmark standard	12/31/2021	12/31/2020
Net financial debt/revalued block value of property holding (excluding duties)	Maximum 55%/60%	34.2%	35.6%
EBITDA/net financial expenses	Minimum 2.0x	5.8x	5.6x
Outstanding secured debt/revalued block value of property holding (excluding duties)	Maximum 25%	0.2%	0.2%
Revalued block value of property holding (excluding duties), *in € billion*	Minimum 6/8	20.1	19.7

Change of control clauses

For bonds issued by Gecina, a change of control leading to the downgrading of its credit rating to "Non-Investment Grade" and not raised to "Investment Grade" within 120 days, could lead to the early repayment of the loan.

5.5.5.12.2 Financial instruments

The financial instruments (level 2 fair value as defined by IFRS 7 and IFRS 13) held by the Group are hedging instruments. They are traded on the over-the-counter market and valued on the basis of valuation models using observable inputs.

Portfolio of derivatives

In thousand euros	Outstanding 12/31/2021	Maturity or effective date <1 year	Outstanding 12/31/2022	Maturity or effective date 1 to 5 years	Outstanding 12/31/2026	Maturity or effective date more than 5 years
Portfolio of outstanding derivatives at December 31, 2021						
Fixed-rate receiver swaps	650,200	0	650,200	(400,200)	250,000	(250,000)
Fixed-rate payer swaps	400,000	0	400,000	0	400,000	(400,000)
Selling of puts and calls on fixed-rate payer swaps	0	0	0	0	0	0
Purchasing of puts and calls on fixed-rate receiver swaps	0	0	0	0	0	0
Cap purchases	1,700,000	(450,000)	1,250,000	(850,000)	400,000	(400,000)
Cap sales	0	0	0	0	0	0
Floors sales	0	0	0	0	0	0
TOTAL	**2,750,200**	**(450,000)**	**2,300,200**	**(1,250,200)**	**1,050,000**	**(1,050,000)**
Portfolio of derivatives with deferred impact at December 31, 2021						
Fixed-rate receiver swaps	0	300,000	300,000	0	300,000	(300,000)
Fixed-rate payer swaps	0	300,000	300,000	0	300,000	(300,000)
Selling of puts and calls on fixed-rate payer swaps	0	0	0	0	0	0
Purchasing of puts and calls on fixed-rate receiver swaps	0	0	0	0	0	0
Cap purchases	0	0	0	0	0	0
Cap sales	0	0	0	0	0	0
Floors sales	0	0	0	0	0	0
TOTAL	**0**	**600,000**	**600,000**	**0**	**600,000**	**(600,000)**
Portfolio of derivatives at December 31, 2021						
Fixed-rate receiver swaps	650,200	300,000	950,200	(400,200)	550,000	(550,000)
Fixed-rate payer swaps	400,000	300,000	700,000	0	700,000	(700,000)
Selling of puts and calls on fixed-rate payer swaps	0	0	0	0	0	0
Purchasing of puts and calls on fixed-rate receiver swaps	0	0	0	0	0	0
Cap purchases	1,700,000	(450,000)	1,250,000	(850,000)	400,000	(400,000)
Cap sales	0	0	0	0	0	0
Floors sales	0	0	0	0	0	0
TOTAL	**2,750,200**	**150,000**	**2,900,200**	**(1,250,200)**	**1,650,000**	**(1,650,000)**
Future interest cash flows on derivatives	0	9,569	0	19,542	0	5,393

Gross debt hedging

In thousand euros	12/31/2021 Fixed rate	Floating rate	Total
Gross debt	**5,283,293**	**1,629,719**	**6,913,012**
Fixed-rate debt converted to floating rate	(650,200)	650,200	
Fixed-rate payer swaps and activated caps/floors	400,000	(400,000)	
Cap purchases	1,700,000	(1,700,000)	
Cap sales	0	0	
Gross debt after hedging	**6,733,093**	**179,919**	**6,913,012**

The fair value of hedging instruments, as recorded on the balance sheet, breaks down as follows:

In thousand euros	12/31/2020	Acquisitions/ disposals	Change in value	Other items	12/31/2021
Non-current assets	25,419	22,322	3,767	0	51,508
Current assets	0	0	0	0	0
Non-current liabilities	(13,184)	0	8,330	182	(4,673)
Current liabilities	0	0	(667)	663	(4)
HEDGING INSTRUMENTS	**12,235**	**22,322**	**11,429**	**845**	**46,832**

5.5.5.13 Non-current provisions

In thousand euros	12/31/2020(1)	Allocations	Write backs	Utilizations	12/31/2021
Tax reassessments	7,000	0	(400)	0	6,600
Employee benefit commitments	13,256	33	0	(72)	13,217
Other disputes	79,862	4,687	(3,730)	(326)	80,493
NON-CURRENT PROVISIONS	**100,118**	**4,719**	**(4,130)**	**(398)**	**100,309**

(1) The financial statements at December 31, 2020 have been restated to reflect the application of the IFRIC decision regarding the calculation of pension liabilities (see Note 5.5.2.2).

Some companies within the consolidation have been the subject of tax audits leading to notifications of tax reassessments, the majority of which are contested. At December 31, 2021, the total amount accrued as a provision for the fiscal risk is €6.6 million, based on the assessments of the Company and its advisers.

The Group has also, directly or indirectly, been the subject of liability actions and court proceedings instigated by third parties. Based on the assessments of the Company and its advisers, all risks that would be likely to significantly impact the Company's earnings or financial situation have been provisioned.

Employee benefit commitments (€13.2 million) concern supplementary pensions, lump-sum retirement benefits, and anniversary premiums. They are valued by independent experts.

Other disputes (€80.5 million) include miscellaneous business-related litigations (€16.7 million) as well as provisions for commitments in Spain (€63.8 million) with the following breakdown.

In the context of the proceedings instigated by Abanca in Madrid in 2015, regarding its demand for Gecina to pay €48.7 million plus interest, pursuant to the guarantee letters of commitment allegedly signed by Mr. Joaquín Rivero (former Gecina officer), the Madrid Court of Appeal upheld the ruling whereby the Court of First Instance of Madrid had ordered Gecina to pay this amount as well as the default interest to Abanca. A provision of €62.3 million (including interest) is recognized in this regard. Gecina considers this situation to be the result of the fraudulent actions of Mr. Joaquín Rivero and is contesting the decision of the Spanish courts. The Group has therefore lodged an appeal in Spain and is vigorously pursuing both the civil and criminal actions instigated in France with regard to this matter.

Moreover, the guarantees granted by SIF Espagne on November 13, 2009, then represented by Mr. Joaquín Rivero, concerning Bami Newco's repayment of credit facilities granted by Banco Popular is accrued at December 31, 2021 for €1.5 million. During the financial year, a reversal of €3.3 million was recorded due to the expiration of one of the guarantees granted in 2009.

The contingent receivable resulting from theses guarantees had been reported under the bankruptcy proceedings of Bami Newco.

Non-current provisions for employee benefit commitments

The amounts recognized for long-term benefits (anniversary premiums) and retirement benefits (lump-sum retirement payments and supplementary pension liabilities) granted to employees are as follows:

In thousand euros	12/31/2021	12/31/2020[1]
Present value of the liability	16,167	16,266
Fair value of hedging assets	(2,950)	(3,011)
Net present value of the liability	**13,217**	**13,256**
Non-recognized profits (losses)	0	0
Non-recognized costs of past services	0	0
NET LIABILITY	**13,217**	**13,256**

The net commitment recorded as non-recurring provisions amounted to €13 million after taking into account hedging assets estimated at €3 million at December 31, 2021.

The actuarial difference for the period recorded in shareholders' equity amounts to €0.3 million.

Change in liability

In thousand euros	12/31/2021	12/31/2020[1]
Net present value of the liability at beginning of period	**13,256**	**12,499**
Cost of services rendered during the year	1,000	906
Net interest	63	98
Actuarial differences	(301)	(173)
Expense recognized under salaries and benefits	**762**	**831**
Effects of any change or liquidation of the plan	0	0
Benefits paid (net)	(513)	(425)
Contributions paid	(22)	(194)
Actuarial differences not written to profit or loss	(266)	546
Net present value of the liability at end of period	**13,217**	**13,256**

(1) The financial statements at December 31, 2020 have been restated to reflect the application of the IFRIC decision regarding the calculation of pension liabilities (see Note 5.5.2.2).

The main actuarial assumptions used to calculate Group commitments are as follows:

	12/31/2021	12/31/2020
Wage increase rate (net of inflation)	0.25%	0.25%
Discount rate	0.00% - 1.00%	0.00% – 0.50%
Inflation rate	1.50%	1.50%

5.5.5.14 Trade payables

In thousand euros	12/31/2021	12/31/2020
Trade payables on goods and services	57,061	61,458
Fixed asset trade payables	131,341	97,777
TRADE PAYABLES	**188,401**	**159,235**

5.5.5.15 Current tax and employee-related liabilities

In thousand euros	12/31/2021	12/31/2020
Social security liabilities	29,597	26,531
Value added tax	15,013	20,736
Other tax liabilities	4,025	4,495
CURRENT TAX AND EMPLOYEE-RELATED LIABILITIES	**48,635**	**51,762**

5.5.5.16 Other current liabilities

In thousand euros	12/31/2021	12/31/2020
Customer credit balance	61,564	61,913
Other payables	6,827	8,886
Deferred income	3,398	2,506
OTHER CURRENT LIABILITIES	**71,790**	**73,304**

5.5.5.17 Off-balance sheet commitments

In thousand euros	12/31/2021	12/31/2020
Commitments given – Operating activities		
Asset-backed liabilities	45,383	47,587
Works amount to be invested (including off-plan property sales)	639,014	473,872
Preliminary property sale agreements	32,008	58,162
Other(1)	17,270	18,403
COMMITMENTS GIVEN	**733,675**	**598,023**
Commitments received – Financing		
Undrawn credit lines	4,455,000	4,505,000
Commitments received – Operating activities		
Preliminary property sale agreements	29,254	55,450
Mortgage-backed receivable	300	300
Financial guarantees for management and transaction activities	880	660
Guarantees received in connnection with works (including off-plan property sales)	226,154	33,728
Other(2)	1,328,891	1,249,057
COMMITMENTS RECEIVED	**6,040,478**	**5,844,195**

(1) Of which €17 million in liability guarantees granted as part of the sale of shares of subsidiaries (€14 million for former Eurosic subsidiaries and €3 million for Hôtelière de La Villette).
(2) Of which a €1,240 million guarantee received as part of the acquisition of Avenir Danton Défense and Avenir Grande Armée equities.

During the course of its normal business operations, Gecina made certain commitments to be fulfilled within a maximum of ten years, and which do not appear in the table of commitments given because their cost is not yet known. Based on the assessments of the Group and its advisers, there are currently no commitments likely to be called and which would materially impact Gecina's earnings or financial position.

5.5.5.18 Recognition of financial assets and liabilities

In thousand euros	Assets/ liabilities valued at fair value through the income statement	Assets/ liabilities held to maturity	Loans and receivables	Liabilities at amortized cost	Historic cost[1]	Fair value through shareholders' equity	Total	Fair value
Financial fixed assets	0	300	15,150	0	0	32,389	47,839	47,839
Equity-accounted investments	0	0	0	0	57,670	0	57,670	57,670
Cash	15,102	0	0	0	0	0	15,102	15,102
Financial instruments[2]	51,508	0	0	0	0	0	51,508	51,508
Other assets	0	0	0	0	157,007	0	157,007	157,007
FINANCIAL ASSETS	**66,610**	**300**	**15,150**	**0**	**214,677**	**32,389**	**329,126**	**329,126**
Financial debt[3]	0	1,262,540	0	5,650,472	0	0	6,913,012	7,086,223
Financial instruments[2]	4,676	0	0	0	0	0	4,676	4,676
Other liabilities	0	0	0	0	383,866	0	383,866	383,866
FINANCIAL LIABILITIES	**4,676**	**1,262,540**	**0**	**5,650,472**	**383,866**	**0**	**7,301,554**	**7,474,765**

(1) Due to the short-term nature of these receivables and debts, the book value represents a good estimate of fair value, as the discount effect is immaterial.
(2) According to IFRS 7 and IFRS 13, the fair value of the financial instruments is classified as level 2, which means that the valuation is based on observable market data.
(3) See Note 5.5.5.12.1.

5.5.6 — Notes to the consolidated statement of comprehensive income

5

5.5.6.1 Gross rental income

The revenue analysis by segment is detailed in Note 5.5.8.

Minimum future rents receivable until the next possible termination date under the operating leases of commercial properties are as follows:

In thousand euros	12/31/2021	12/31/2020
Less than 1 year	439,595	456,573
1 to 5 years	997,531	1,181,307
Over 5 years	301,010	493,021
TOTAL	**1,738,136**	**2,130,901**

5.5.6.2 Direct operating expenses

Property expenses largely comprise:

- rental expenses, including expenses related to building staff as well as local taxes;
- expenses related to non-capitalizable work, property management and any disputes;
- cost of rental risk consisting of net impairments plus the amount of losses and profits on unrecoverable receivables for the period.

The health crisis did not have a significant impact on rental risk. At December 31, 2021, rental risk amounted to€0.2 million, compared with €5.5 million at December 31, 2020.

Net direct operating expenses primarily represent non-rechargeable property expenses by type, the share of rental expenses not billed to tenants due to vacancy, and the cost of rental risk.

In thousand euros	12/31/2021	12/31/2020
External purchases and services	(109,263)	(107,830)
Taxes and other payables	(67,062)	(70,708)
Salaries and benefits	(4,265)	(4,483)
Cost of rental risk[1]	(238)	(5,471)
Other expenses[1]	(33)	(44)
Property expenses	**(180,861)**	**(188,536)**
Recharges to tenants	**117,251**	**122,947**
Net direct operating expenses	**(63,610)**	**(65,589)**

(1) In the 2021 Universal Registration Document, the cost of the rental risk was included in "other expenses".

5.5.6.3 Operating income from finance leases and hotel activities

In thousand euros	12/31/2021	12/31/2020
Financial fees and other income on finance lease transactions	17,835	21,542
Operating expenses	(14,842)	(19,094)
CURRENT OPERATING INCOME ON FINANCE LEASE TRANSACTIONS	**2,993**	**2,449**
Hotel operating income	2,642	1,306
Hotel operating expenses	(2,082)	(1,395)
Depreciation of the hotel activity	(773)	(788)
CURRENT OPERATING INCOME ON THE HOTEL ACTIVITY	**(213)**	**(877)**

5.5.6.4 Services and other income (net)

These largely comprise the following items:

In thousand euros	12/31/2021	12/31/2020
Income from service activities	584	449
Reversals of investment subsidies	91	575
Other income[1]	3,659	3,331
SERVICES AND OTHER INCOME (NET)	**4,334**	**4,355**

(1) Including an insurance indemnity of €2.4 million, received in connection with a claim on an asset sold, and now definitively acquired.

5.5.6.5 Overheads

Overheads break down as follows:

In thousand euros	12/31/2021	12/31/2020[1]
Salaries and benefits	(65,289)	(64,232)
Internal costs	6,830	5,537
Share-based payments	(4,094)	(4,200)
Net management costs	(24,542)	(35,995)
Invoicing of fees for rental and technical management	6,620	7,091
OVERHEADS	**(80,475)**	**(91,799)**

(1) The financial statements at December 31, 2020 have been restated to reflect the application of the IFRIC decision regarding the calculation of pension liabilities (see Note 5.5.2.2).

Salaries and benefits relate to the Company's staff, with the exception of building staff included in property expenses.

Depending on their nature, certain salaries and fringe benefits and management fees are reclassified in a total amount of €6.8 million as at December 31, 2021 (internal costs). Expenses attributable to disposals are recorded under gains or losses on disposal, those attributable to projects under development and marketing actions are recognized as fixed assets. Lastly, fees attributable to ongoing studies are booked as prepaid expenses.

Share-based payments concern stock options for the purchase of new or existing shares and performance shares (see Note 5.5.9.5) and are booked in accordance with IFRS 2 (see Note 5.5.3.8).

Management costs primarily include fees paid by the Company and head office operating costs.

5.5.6.6 Real estate margin

In thousand euros	12/31/2021	12/31/2020
Disposal of inventories	4,650	25,846
Net book value of inventories	(3,810)	(31,885)
Disposal cost of inventories	(215)	(1,058)
REAL ESTATE MARGIN	**625**	**(7,096)**

The last asset held under the real estate trader regime was sold during the financial year.

5.5.6.7 Gains or losses on disposals

Disposals represented:

In thousand euros	12/31/2021	12/31/2020
Block sales	501,312	424,507
Unit sales	6,407	20,503
Proceeds from disposals	**507,719**	**445,010**
Block sales	(461,701)	(421,043)
Unit sales	(5,260)	(17,411)
Net book value	**(466,961)**	**(438,455)**
Block sales	(9,425)	(4,889)
Unit sales	(521)	(937)
Cost of sales	**(9,946)**	**(5,826)**
Share of goodwill	**(6,416)**	**(5,048)**
GAINS OR LOSSES ON DISPOSALS	**24,396**	**(4,319)**

Gains and losses on disposal amount to €24 million, including -€6 million for the share of goodwill written back with respect to the assets transferred within the Offices CGU.

Salaries and benefits and management costs reclassified as a result of disposal to internal costs are €1.3 million at December 31, 2021, compared to €1 million at December 31, 2020.

5.5.6.8 Change in value of properties

Changes in the fair value of the property portfolio break down as follows:

In thousand euros	12/31/2020	12/31/2021	Change
Investment properties	17,744,334	17,983,515	
Changes in consolidation scope	(412,610)	(159,568)	
Investment properties on a comparable basis	**17,331,724**	**17,823,946**	**492,222**
Capitalized works on investment properties			(108,984)
Capitalized salaries and fringe benefits on investment properties			(3,192)
Linearization of commercial benefits			(23,893)
Other capitalized charges on investment properties[1]			(4,410)
Change in value of investment properties on a comparable basis			**351,744**
Change in value of buildings under reconstruction or acquired			82,975
Change in value of properties for sale			25,688
CHANGE IN VALUE OF PROPERTIES			**460,407**

(1) Mainly marketing costs and eviction allowances.

Pursuant to IFRS 13 (see Note 5.5.3.1.1), the tables below break down, by activity sector, the ranges of the main unobservable inputs (level 3) used by property appraisers:

Commercial sector	Yield rate	DCF discount rate	Market rental value *(in €/sq.m)*
Paris CBD	2.20% - 3.70%	2.85% - 4.50%	525 - 900
Paris non-CBD	2.65% - 6.80%	3.25% - 6.15%	280 - 850
Paris	**2.20% - 6.80%**	**2.85% - 6.15%**	**280 - 900**
Inner Ring	3.55% - 6.20%	4.00% - 7.35%	115 - 650
Outer Ring	9.75% - 9.75%	9.80% - 9.80%	75 - 185
Paris Region	**3.55% - 9.75%**	**4.00% - 9.80%**	**75 - 650**
Rest of France	3.95% - 4.25%	4.50% - 4.70%	210 - 290
COMMERCIAL	**2.20% - 9.75%**	**2.85% - 9.80%**	**75 - 900**

Traditional Residential	Yield rate	DCF discount rate	Unit sale price *(in €/sq.m)*
Paris	2.40% - 2.90%	2.65% - 3.90%	8 930 - 13 180
Inner Ring	3.05% - 3.70%	3.55% - 4.20%	4 930 - 8 590
TRADITIONAL RESIDENTIAL	**2.40% - 3.70%**	**2.65% - 4.20%**	**4 930 - 13 180**

Student Residences	Yield rate	DCF discount rate
Paris	2.80% - 3.00%	3.50% - 3.50%
Paris Region	3.75% - 4.50%	3.50% - 4.50%
Rest of France	3.75% - 4.50%	4.00% - 5.00%
STUDENT RESIDENCES	**2.80% - 4.50%**	**3,50% - 5,00%**

Sensitivity to changes in the capitalization rate

An unfavorable situation on the real estate market could have a negative impact on the valuation of Gecina's property portfolio and its operating income. All other things being equal, a downturn in the real estate market, resulting in an increase of 50 basis points (+0.5%) in capitalization rates, could result in a decrease of approximately 11.0% in the appraised value of Gecina's property portfolio (on the assumption that such a downturn would affect all the different segments of Gecina's real estate business) representing around €2,213 million based on the block valuation of the assets at December 31, 2021, and would also have an unfavorable impact on Gecina's consolidated earnings.

Change in capitalization rate	Valuation of assets *(in million euros)*	Change in assets *(in %)*	Impact on consolidated income *(in million euros)*
All sectors[1]			
+0.50%	17,824	-11.0%	(2,213)
+0.25%	18,865	-5.8%	(1,172)
+0.00%	20,037	n.a.	n.a.
–0.25%	21,366	+6.6%	1,329
–0.50%	22,887	+14.2%	2,850
Offices			
+0.50%	14,431	-10.6%	(1,719)
+0.25%	15,242	-5.6%	(908)
+0.00%	16,150	n.a.	n.a.
–0.25%	17,173	+6.3%	1,023
–0.50%	18,334	+13.5%	2,185
Traditional residential			
+0.50%	3,042	-13.1%	(457)
+0.25%	3,254	-7.0%	(245)
+0.00%	3,498	n.a.	n.a.
–0.25%	3,783	+8.1%	285
–0.50%	4,119	+17.7%	620
Student residences			
+0.50%	343	-9.6%	(36)
+0.25%	361	-5.0%	(19)
+0.00%	380	n.a.	n.a.
–0.25%	401	+5.6%	21
–0.50%	425	+11.9%	45
Hotels			
+0.50%	8	-5.0%	0
+0.25%	9	-2.5%	0
+0.00%	9	n.a.	n.a.
–0.25%	9	+2.7%	0
–0.50%	9	+5.5%	0

(1) Except finance leases.

5.5.6.9 Net financial expenses

In thousand euros	12/31/2021	12/31/2020
Interest and charges on loans (including undrawn credit lines)	(91,608)	(96,936)
Other financial expenses	(46)	0
Losses from translation differentials	(31)	(59)
Capitalized interests on projects under development	4,200	3,785
Interest on lease obligations	(1,526)	(1,529)
Financial expenses	**(89,010)**	**(94,739)**
Interest income on hedging instruments	6,698	3,547
Other financial income	25	90
Foreign exchange gains	429	287
Financial income	**7,153**	**3,924**
NET FINANCIAL EXPENSES	**(81,857)**	**(90,815)**

The average cost of the drawn debt amounted to 0.9% in 2021.

5.5.6.10 Change in value of financial instruments

Based on the existing hedging portfolio and taking into account contractual conditions at December 31, 2021, and the anticipated debt in 2022, a 0.5% increase in the interest rate would generate an additional financial expense of €7.5 million in 2022. An interest rate decrease of 0.5% would lead to a drop in financial expenses in 2022 of €7.3 million.

Net valuation of financial instruments increased by €35 million over the period.

Based on the portfolio at December 31, 2021, the change in fair value of the derivatives portfolio as a result of a 0.5% increase in the interest rate would be +€13 million recognized in income. A 0.5% interest rate cut would lead to a fair value decrease of -€9 million in net income.

The Group holds all financial instruments to hedge its debt. None of them are held for speculative purposes.

5.5.6.11 Taxes

In thousand euros	12/31/2021	12/31/2020
Contribution on the value added of companies[1]	(2,605)	(5,883)
Corporate income tax	(134)	0
Recurrent tax	**(2,739)**	**(5,883)**
Corporate income tax	1,062	13,864
Deferred taxes	(169)	1,590
Non-recurrent tax	**894**	**15,455**
TAXES	**(1,846)**	**9,571**

(1) The Contribution on the value added of companies (Cotisation sur la valeur ajoutée des entreprises – CVAE) is considered as income tax, whereas the business real estate tax (Cotisation foncière des entreprises – CFE), which mainly pertains to the corporate head office, is recognized under overheads.

The SIIC regime is a tax transparency regime which defers the payment of tax to the shareholder through the dividends they receive that result from a distribution obligation for the Company subject to the SIIC regime (see Note 5.5.3.13.2).

IAS 12 “Income taxes” requires the reconciliation of the booked tax charge with the theoretical tax charge (equal to the multiplication of pre-tax income with the theoretical tax rate defined below).

- The theoretical tax rate of 28.4% corresponds to the ordinary tax rate of 27.5% and to the corporate income tax social contribution of 3.3%.
- The effective tax rate presented covers corporate income tax and the CVAE, excluding all other taxes, local taxes and royalties.

In thousand euros	12/31/2021	12/31/2020[1]
Consolidated net income	850,616	154,578
Tax (incl. CVAE)	1,846	(9,571)
Pre-tax income	**852,461**	**145,006**
Theoretical tax in %	**28.40%**	**32.00%**
Theoretical tax in value	**242,099**	**46,402**
Impact of tax rate differences between France and other countries	(59)	52
Impact of permanent and timing differences	709	(11,865)
Equity-accounted investments	(1,306)	(1,409)
SIIC regime effect	(242,202)	(48,636)
Contribution on the value added of companies	2,605	5,883
TOTAL	**(240,253)**	**(55,973)**
Effective tax expense per income statement	1,846	(9,571)
EFFECTIVE TAX RATE	**0.22%**	**-6.60%**

(1) The financial statements at December 31, 2020 have been restated to reflect the application of the IFRIC decision regarding the calculation of pension liabilities (see Note 5.5.2.2).

5.5.6.12 Earnings per share

Earnings per share are calculated by dividing net income attributable to shareholders by the weighted average number of ordinary shares in circulation during the year.

Diluted earnings per share are calculated by dividing net income for the year attributable to shareholders by the weighted average number of ordinary shares outstanding during the year, adjusted for the impact of equity instruments to be issued when the issue conditions are met and the dilutive effect of the benefits granted to employees through the allocation of stock options and performance shares.

In accordance with IAS 33 “Earnings per share”, the amounts per share for the previous financial period were restated retroactively, where applicable, to take the new shares created over the financial period into account.

5

	12/31/2021	12/31/2020[1]
Earnings attributable to owners of the parent company *(in thousand euros)*	849,292	155,070
Weighted average number of shares before dilution	73,681,782	73,559,730
Undiluted earnings per share attributable to owners of the parent company *(in euros)*	**11.53**	**2.11**
Earnings attributable to owners of the parent company, after the effect of dilutive securities (In thousand euros)	849,292	155,070
Weighted average number of shares after dilution	73,833,951	73,702,836
DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY *(IN EUROS)*	**11.50**	**2.10**

	12/31/2021	12/31/2020[1]
Earnings attributable to owners of the parent company before dilution (In thousand euros)	849,292	155,070
Impact of dilution on earnings (securities allocations effect)	0	0
Diluted earnings attributable to owners of the parent company (in thousand euros)	**849,292**	**155,070**
Weighted average number of shares before dilution	73,681,782	73,559,730
Impact of dilution on average number of shares	152,169	143,106
WEIGHTED AVERAGE NUMBER OF SHARES AFTER DILUTION	**73,833,951**	**73,702,836**

(1) The financial statements at December 31, 2020 have been restated to reflect the application of the IFRIC decision regarding the calculation of pension liabilities (see Note 5.5.2.2).

5.5.7 — Notes to the consolidated statement of cash flows

5.5.7.1 Change in value, premium and bond redemption costs

In thousand euros	Note	12/31/2021	12/31/2020
Change in value of properties	5.5.6.8	(460,407)	154,659
Change in value of financial instruments	5.2	(11,429)	23,990
Premium and bond redemption costs	5.2	31,707	0
CHANGE IN VALUE, PREMIUM AND BOND REDEMPTION COSTS		**(440,129)**	**178,649**

5.5.7.2 Change in operating working capital requirements

In thousand euros	12/31/2021	12/31/2020
Customers change	(2,388)	(420)
Change in other receivables	(18,029)	(3,915)
Change in prepaid expenses	(671)	(1,214)
Total balance sheet assets	**(21,087)**	**(5,549)**
Change in tenants' security deposits	5,097	(7,206)
Change in trade payables	(4,406)	14,052
Change in tax and employee-related liabilities	(2,482)	3,512
Change in other debts	(2,695)	5,157
Change in deferred income	893	(4,642)
Total balance sheet liabilities	**(3,593)**	**10,872**
CHANGE IN OPERATING WORKING CAPITAL REQUIREMENTS	**17,495**	**16,420**

5.5.7.3 Proceeds from disposals of property, plant and equipment and intangible assets

In thousand euros	12/31/2021	12/31/2020
Block sales	505,185	452,961
Unit sales	6,407	20,503
Proceeds from disposals	**511,592**	**473,465**
Block sales	(4,734)	(5,360)
Unit sales	(520)	(937)
Cost of sales	**(5,254)**	**(6,296)**
CASH INFLOW LINKED TO DISPOSALS[1]	**506,338**	**467,168**

(1) Includes the disposals of assets held under the real estate trader regime and recorded in the real estate margin.

5.5.7.4 Change in working capital requirements from investing activities

In thousand euros	12/31/2021	12/31/2020
Change in other receivables (fixed asset buyers)	14,790	(5,031)
Change in fixed asset trade payables	31,203	(6,077)
CHANGE IN WORKING CAPITAL REQUIREMENTS FROM INVESTING ACTIVITIES	**45,993**	**(11,109)**

5.5.7.5 Dividends paid to shareholders of the parent company

After paying an interim dividend of €2.65 per share on March 5, 2021, the General Meeting of April 22, 2021 approved the payment of a dividend of €5.30 per share for the 2020 financial year. The balance of €2.65 per share still owing was paid out on July 5, 2021.

For the 2019 financial year, the Group distributed a dividend per share of €5.30 for a total of €389 million.

5.5.7.6 New loans and repayments of loans

In thousand euros	12/31/2021	12/31/2020
New loans(1)	3,487,234	3,840,343
Repayments of loans(1)	(3,791,287)	(3,896,058)
CHANGE IN LOANS	**(304,053)**	**(55,716)**

(1) Includes renewals of Negotiable European Commercial Paper (NEU CP) during the year.

In thousand euros	12/31/2021	12/31/2020
Debts at year closing	6,913,012	7,224,320
Debts at year opening	(7,224,320)	(7,283,484)
Accrued interest at year closing	(53,483)	(58,851)
Accrued interest at year opening	58,851	58,270
Impact of bonds issued	2,043	3,786
Other changes	(156)	243
CHANGE IN LOANS	**(304,053)**	**(55,716)**

5.5.8 — Segment reporting

The Group operates in France (except for minimal operations in other European countries). It is structured into various business sectors, as follows:

5.5.8.1 Income statement for business sectors at December 31, 2021

In thousand euros	Commercial	Residential	Student residences	Other sectors[1]	Segments total
Rent on commercial properties	485,374	8,626	426	0	494,426
Rent on residential properties	5,065	96,812	0	0	101,876
Rent on student residences	0	0	17,030	0	17,030
Gross rental income[2]	**490,439**	**105,437**	**17,456**	**0**	**613,332**
Property expenses	(141,188)	(32,293)	(7,381)	0	(180,861)
Recharges to tenants	101,406	13,271	2,574	0	117,251
Net rental income	**450,657**	**86,416**	**12,649**	**0**	**549,722**
% margin on rents	**91.9%**	**82.0%**	**72.5%**		**89.6%**
Current operating income on finance lease transactions				**2,993**	**2,993**
Current operating income on the hotel activity				**(213)**	**(213)**
Services and other income	906	3,305	124	0	4,334
Overheads					(80,475)
EBITDA					**476,360**
Real estate margin	625	0	0	0	625
Gains or losses on disposals	25,449	455	(1,507)	0	24,396
Change in value of properties	349,916	100,011	10,480	0	460,407
Depreciation and amortization					(11,111)
Net impairments and provisions					(682)
Operating income					**949,996**
Net financial expenses					(81,857)
Change in value of financial instruments					11,429
Premium and bond redemption costs					(31,707)
Net income from equity-accounted investments					4,600
Pre-tax income					**852,461**
Taxes					(1,846)
Consolidated net income					**850,616**
Of which consolidated net income attributable to non-controlling interests					1,323
Of which consolidated net income attributable to owners of the parent company					**849,292**
Assets and liabilities by segment at December 31, 2021					
Gross portfolio (excl. headquarters)	15,882,775	3,475,599	379,944	203,950	19,942,268
Of which property acquisitions	529	57,845	0	0	58,373
Of which properties for sale	8,400	201,398	0	0	209,798
Amounts due from tenants	45,517	7,352	777	14,307	67,954
Provisions for tenant receivables	(8,608)	(6,072)	(680)	(8,609)	(23,969)
Security deposits received from tenants	66,568	9,370	2,340	159	78,438

(1) The other business segments include finance leasing and hotel company operations.
(2) Rents are presented by type of lease agreement, while the segment analysis is based on the Group's internal management organization.

5.5.8.2 Income statement for business sectors at December 31, 2020

In thousand euros	Commercial	Residential	Student residences	Other sectors[1]	Segments total[3]
Rent on commercial properties	528,559	9,447	661	0	538,667
Rent on residential properties	5,009	96,540	0	0	101,548
Rent on student residences	0	0	17,761	0	17,761
Gross rental income[2]	**533,568**	**105,987**	**18,422**	**0**	**657,976**
Property expenses	(149,570)	(31,320)	(7,646)	0	(188,536)
Recharges to tenants	107,337	13,328	2,282	0	122,947
Net rental income	**491,335**	**87,995**	**13,057**	**0**	**592,387**
% margin on rents	**92.1%**	**83.0%**	**70.9%**		**90.0%**
Current operating income on finance lease transactions				**2,449**	**2,449**
Current operating income on the hotel activity				**(877)**	**(877)**
Services and other income	3,476	758	119	0	4,355
Overheads					(91,799)
EBITDA					**506,515**
Real estate margin	(7,096)				(7,096)
Gains or losses on disposals	(5,901)	2,155	0	(572)	(4,319)
Change in value of properties	(309,564)	153,878	1,027	0	(154,659)
Depreciation and amortization					(9,661)
Net impairments and provisions					(74,924)
Operating income					**255,855**
Net financial expenses					(90,815)
Financial impairment					(446)
Change in value of financial instruments					(23,990)
Net income from equity-accounted investments					4,402
Pre-tax income					**145,006**
Taxes					9,571
Consolidated net income					**154,578**
Of which consolidated net income attributable to non-controlling interests					(492)
Of which consolidated net income attributable to owners of the parent company					**155,070**

Assets and liabilities by segment at December 31, 2020					
Gross portfolio (excl. headquarters)	15,733,943	3,274,268	367,108	248,563	19,623,883
Of which property acquisitions	24,190	35,813	0	0	60,002
Of which properties for sale	70,004	298,236	0	0	368,240
Amounts due from tenants	56,655	7,444	761	16,260	81,119
Provisions for tenant receivables	(10,063)	(6,384)	(627)	(7,687)	(24,761)
Security deposits received from tenants	61,372	9,636	2,150	182	73,340

(1) The other business segments include finance leasing and hotel company operations.
(2) Rents are presented by type of lease agreement, while the segment analysis is based on the Group's internal management organization.
(3) The financial statements at December 31, 2020 have been restated to reflect the application of the IFRIC decision regarding the calculation of pension liabilities (see Note 5.5.2.2).

5.5.9 — Other information

5.5.9.1 Shareholding structure of the Group

Gecina's shareholding is structured as follows:

Breakdown of share capital and voting rights at December 31, 2021

Shareholders	Number of shares	% of share capital	% of theoretical voting rights(1)	% of exercisable voting rights(2)
Ivanhoé Cambridge	11,575,623	15.12%	15.12%	15.70%
Crédit Agricole Assurances – Predica	10,515,849	13.73%	13.73%	14.27%
Norges Bank	7,160,959	9.35%	9.35%	9.71%
Other shareholders(3)	44,461,601	58.06%	58.06%	60.32%
Treasury shares	2,858,818	3.73%	3.73%	
TOTAL	**76,572,850**	**100.00%**	**100.00%**	**100.00%**

(1) The calculation of percentages of voting rights takes into account all shares entitled to voting rights, including shares with restricted voting rights (treasury shares).
(2) The calculation of percentages does not include the treasury shares held by the Company which have restricted voting rights.
(3) Removal of obligatory registered basis form of shares on May 4, 2020 (General Meeting of April 23, 2020).

Change in the breakdown of share capital over the last three years

	12/31/2021			12/31/2020			12/31/2019		
	% of share capital	% of theoretical voting rights(1)	% of exercisable voting rights(2)	% of share capital	% of theoretical voting rights(1)	% of exercisable voting rights(2)	% of share capital	% of theoretical voting rights(1)	% of exercisable voting rights(2)
Ivanhoé Cambridge	15.12%	15.12%	15.70%	15.13%	15.13%	15.72%	15.15%	15.15%	15.76%
Crédit Agricole Assurances – Predica	13.73%	13.73%	14.27%	13.74%	13.74%	14.28%	13.75%	13.75%	14.31%
Norges Bank	9.35%	9.35%	9.71%	9.36%	9.36%	9.73%	9.31%	9.31%	9.68%
Other resident shareholders							6.48%	6.48%	6.74%
Individual shareholders							3.72%	3.72%	3.87%
Non-resident shareholders							47.72%	47.72%	49.64%
Other shareholders(3)	58.06%	58.06%	60.32%	57.98%	57.98%	60.26%			
Treasury shares	3.73%	3.73%		3.80%	3.80%		3.87%	3.87%	
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

(1) The calculation of percentages of voting rights takes into account all shares entitled to voting rights, including shares with restricted voting rights (treasury shares).
(2) The calculation of percentages does not include the treasury shares held by the Company which have restricted voting rights.
(3) Removal of obligatory registered basis form of shares on May 4, 2020 (General Meeting of April 23, 2020).

At December 31, 2021, the percentages of share capital and voting rights held by the members of the administrative and management bodies were 28.2% and 29.3% respectively.

At December 31, 2021, Group employees held 1,059,529 Gecina shares directly and 66,674 Gecina shares indirectly via the Gecina employee shareholding fund ("FCPE Gecina actionnariat"), representing a total of 1.5% of the share capital.

To the Company's klowledge, no other shareholder than those listed in the table above, owns more than 5% of the share capital or voting rights at December 31, 2021.

The company has no pledges on its treasury shares.

Company transactions on treasury shares

The General Meeting of shareholders of April 22, 2021 renewed the authorization given to the Company to purchase treasury shares on the stock market for a period of 18 months. The maximum purchase price was set at €170. The number of shares purchased by the Company during the duration of the buyback program cannot exceed, at any time whatsoever, 10% of the shares comprising the Company's share capital, and 5% in the event of share buybacks aimed at external growth projects at the time of the transaction. The maximum number of shares that can be held, at any time whatsoever, is set at 10% of the shares comprising the share capital. Given that the General Meeting of shareholders of April 22, 2021 granted authorization for a period of 18 months, a motion has been put forward for its renewal, which will be submitted for the approval of the General Meeting convened to approve the financial statements for 2021.

During the financial year 2021, Gecina has used the authorization, given by the Annual General Meeting of shareholders of April 22, 2021, to purchase shares within a liquidity contract signed with Rothschild Martin Maurel Company on November 8, 2021. 12 million euros in cash have been allocated to the liquidity account for the implementation of this contract.

A total of 2,858,818 treasury shares were held at December 31, 2021, i.e., 3.73% of the share capital. The treasury shares represent a total investment of €342.0 million, at an average price per share of €119.62.

Aggregate information 2021		% of share capital
Number of shares comprising the issuer's share capital at December 31, 2021	76,572,850	
Number of treasury shares at December 31, 2020	2,906,905	3.80%
Bonus share award plan	48,087	
Share buyback	none	
Average price of share buybacks including transaction fees		
Liquidity contract		
Number of shares purchased	119,987	
Number of shares sold	119,987	
Average purchase price	€119.48	
Average sale price	€119.58	
Number of treasury shares at December 31, 2021	2,858,818	3.73%

5.5.9.2 Dividends distributed

Pursuant to the provisions concerning the regime of French listed real estate investment trusts (SIIC), the system selected by Gecina, a proposal was made at the General Meeting for the distribution, in 2022, of a dividend of €5.30 per share for the 2021 financial year.

Pursuant to article 158 of the French General Tax Code and Article L. 221-31 of the French Monetary and Financial Code, the dividends distributed by listed real estate investment trusts (SIIC) to individual investors resident in France do not qualify for the 40% rebate. In addition, the 20% withholding tax was introduced under article 208C-II ter of the French General Tax Code.

Consequently, a proposal will be put to the General Meeting to appropriate income for the financial year 2021 as follows, and to decide, after taking into account:

- profit amounting to €164,705,881.20 for the financial year;
- retained earnings of €221,132,239.79;
- representing distributable earnings of €385,838,120.99;
- to distribute a dividend per share of €5.30 under the SIIC tax regime, representing a maximum overall amount of €405,836,105.00 taken from the distributable earnings for €385,838,120.99 and from the distributable reserves for the surplus of €19,997,984.01.

The total amount of the aforementioned distribution is calculated based on the number of shares entitled to dividends at December 31, 2021, i.e. 76,572,850 shares, and may vary if the number of shares entitled to dividends changes between January 1, 2022 and the ex-dividend date, notably depending on the number of shares held as treasury stock, as well as any definitive awards of bonus shares (if beneficiaries are entitled to dividends in accordance with the terms of the plans concerned).

An interim payment of 50% will be paid out on March 3, 2022 and the balance will be paid on July 6, 2022.

The dividends distributed in the previous five financial years are set out below:

	2017	2018	2019	2020	2021(1)
Distribution	€399,426,253	€419,467,125	€404,974,378	€405,591,001	€405,836,105
Number of shares	75,363,444	76,266,750	76,410,260	76,526,604	76,572,850
Dividend under the SIIC regime	€5.30	€5.50	€5.30	€5.30	€5.30

(1) Proposal submitted for approval by the General Meeting called to approve the financial statements for 2021.

Dividends not claimed at the end of a period of five years are time-barred and paid to the French finance authorities.

5.5.9.3 Related parties

A co-exclusive sale mandate for a building located in Neuilly-sur-Seine (Hauts-de-Seine) was signed in May 2011, between YouFirst Residence Immobilier, a subsidiary of Gecina, and Resico, a subsidiary of Predica, shareholder and Director of the Company. In this respect, YouFirst Residence Immobilier invoiced Resico the sum of €28,000 during the financial year.

Bami Newco is the subject of insolvency proceedings that commenced in June 2013. Gecina and SIF Espagne reported their receivables in the context of these bankruptcy proceedings.

Bami Newco is neither consolidated nor accounted for under the equity method by Gecina since the Group has no control or significant influence over this entity.

The liquidation plan sent to the parties in November 2015 is still in execution by the court-ordered liquidator. This plan shows a liability significantly higher than the remaining assets of Bami Newco, thereby confirming that it is unlikely for Gecina and SIF Espagne to recover their receivables, considered as subordinated debt, and which amount to a total of €38 million, fully impaired. On January 22, 2016, Gecina and SIF Espagne filed pleadings seeking a classification of fraudulent bankruptcy and liability of the de facto and de jure directors of Bami Newco and they continue to assert their rights and defend their interests in this proceeding.

5.5.9.4 Group employees

Average headcount[(1)]	12/31/2021	12/31/2020	12/31/2019
Managers	263	267	262
Employees and supervisors	175	178	183
Building staff	55	57	59
TOTAL	**493**	**503**	**504**

(1) Average headcount including short-term contracts.

5.5.9.5 Performance shares

Grant date	Vesting date	Number of shares granted	Stock price when granted	Balance at 12/31/2020	Shares acquired in 2021	Shares canceled in 2021	Balance at 12/31/2021
02/21/2018	02/22/2021	57,920	€153.70	48,087	48,087		0
02/19/2019	02/20/2022	49,010	€127.60	42,604		1,910	40,694
02/19/2020	02/20/2023	53,285	€182.00	52,415		1,770	50,645
02/18/2021	02/19/2024	62,350	€120.00			1,520	60,830

5.5.9.6 Compensation for administrative and management bodies

Compensation for management bodies concerns Gecina's corporate officers.

In thousand euros	12/31/2021	12/31/2020
Short-term benefits	1,805	1,822
Post-employment benefits	N/A	N/A
Long-term benefits	N/A	N/A
End-of-contract benefits (ceiling for 100% of criteria)	N/A	N/A
Share-based payment	N/A	N/A

5.5.9.7 Statutory Auditors' fees

The fees of the Statutory Auditors recognized in the income statement for 2021 for the audit and certification of the individual and consolidated financial statements and for audit-related missions amounted to:

	PricewaterhouseCoopers Audit				Mazars				Total			
	Amount (net of tax)		%		Amount (net of tax)		%		Amount (net of tax)		%	
In thousand euros	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Audit												
Statutory auditing, certification, review of individual and consolidated financial statements	1,061	1,073	96%	96%	520	538	96%	97%	1,581	1,610	96%	96%
Services other than the certification of accounts	45	45	4%	4%	19	19	4%	3%	64	64	4%	4%
TOTAL	**1,106**	**1,117**	**100%**	**100%**	**539**	**557**	**100%**	**100%**	**1,646**	**1,675**	**100%**	**100%**

In 2021, services other than the certification of accounts mainly included various certificates and work related to bond issues.

Fees paid to other firms totaled €18,000 in 2021 and are not included in the table above.

5.5.9.8 Post-balance sheet events

None.