5. Consolidated financial statements

Biopark, Paris 13

5.1 | Consolidated statement of financial position

5.1.1 ASSETS

In thousand euros	Note	12/31/2022	12/31/2021
NON-CURRENT ASSETS		**20,267,293**	**20,039,807**
Investment properties	5.5.5.1	18,131,208	17,983,515
Buildings under redevelopment	5.5.5.1	1,354,068	1,545,005
Operating properties	5.5.5.1	78,371	78,854
Other property, plant and equipment	5.5.5.1	11,229	10,423
Goodwill	5.5.5.1.4	183,218	184,663
Other intangible assets	5.5.5.1	13,533	10,613
Financial receivables on finance leases	5.5.5.1	48,889	68,051
Other financial fixed assets	5.5.5.2	57,268	47,839
Equity-accounted investments	5.5.5.3	108,543	57,670
Non-current financial instruments	5.5.5.11.2	279,803	51,508
Deferred tax assets	5.5.5.4	1,163	1,667
CURRENT ASSETS		**410,565**	**399,219**
Properties for sale	5.5.5.5	207,519	209,798
Trade receivables	5.5.5.6	38,115	43,985
Other receivables	5.5.5.7	90,966	113,022
Prepaid expenses	5.5.5.8	23,393	17,312
Cash and cash equivalents	5.5.5.9	50,572	15,102
TOTAL ASSETS		**20,677,859**	**20,439,026**

5.1.2 EQUITY AND LIABILITIES

In thousand euros	Note	12/31/2022	12/31/2021
SHAREHOLDERS' EQUITY	**5.5.5.10**	**12,780,915**	**12,983,197**
Share capital		574,674	574,296
Additional paid-in capital		3,303,875	3,300,011
Consolidated reserves attributable to owners of the parent company		8,709,104	8,232,731
Consolidated net income attributable to owners of the parent company		169,583	849,292
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		**12,757,236**	**12,956,330**
Non-controlling interests		23,679	26,867
NON-CURRENT LIABILITIES		**5,591,721**	**5,324,733**
Non-current financial debt	5.5.5.11.1	5,298,245	5,169,184
Non-current lease obligations	5.5.5.12	50,069	50,568
Non-current financial instruments	5.5.5.11.2	152,227	4,673
Non-current provisions	5.5.5.13	91,179	100,309
CURRENT LIABILITIES		**2,305,223**	**2,131,096**
Current financial debt	5.5.5.11.1	1,929,043	1,743,828
Current financial instruments	5.5.5.11.2	0	4
Security deposits		87,565	78,438
Trade payables	5.5.5.14	178,218	188,401
Current tax and employee-related liabilities	5.5.5.15	41,833	48,635
Other current liabilities	5.5.5.16	68,565	71,790
TOTAL LIABILITIES AND EQUITY		**20,677,859**	**20,439,026**

5.2 | Consolidated statement of comprehensive income

In thousand euros	Note	12/31/2022	12/31/2021
GROSS RENTAL INCOME	**5.5.6.1**	**625,857**	**613,332**
Property expenses	5.5.6.2	(177,255)	(180,861)
Recharges to tenants	5.5.6.2	120,836	117,251
NET RENTAL INCOME		**569,438**	**549,722**
CURRENT OPERATING INCOME ON FINANCE LEASE TRANSACTIONS	**5.5.6.3**	**2,233**	**2,993**
CURRENT OPERATING INCOME ON THE HOTEL ACTIVITY	**5.5.6.3**	**757**	**(213)**
Services and other income (net)	5.5.6.4	(404)	4,334
Overheads	5.5.6.5	(79,716)	(80,475)
EBITDA		**492,308**	**476,360**
Real estate margin	5.5.6.6	0	625
Gains or losses on disposals	5.5.6.7	5,375	24,396
Change in value of properties	5.5.6.8	(285,747)	460,407
Depreciation and amortization		(9,875)	(11,111)
Net impairments and provisions		4,905	(682)
OPERATING INCOME		**206,966**	**949,996**
Net financial expenses	5.5.6.9	(87,141)	(81,857)
Financial impairment		2,415	0
Change in value of financial instruments	5.5.6.10	54,656	11,429
Premium and bond redemption costs		0	(31,707)
Net income from equity-accounted investments	5.5.5.3	(6,079)	4,600
PRE-TAX INCOME		**170,817**	**852,461**
Taxes	5.5.6.11	(3,381)	(1,846)
CONSOLIDATED NET INCOME		**167,436**	**850,616**
Of which consolidated net income attributable to non-controlling interests		(2,147)	1,323
OF WHICH CONSOLIDATED NET INCOME LINKED TO OWNERS OF THE PARENT COMPANY		**169,583**	**849,292**
Consolidated net earnings per share	5.5.6.12	2.30	11.53
Consolidated diluted net earnings per share	5.5.6.12	2.29	11.50

In thousand euros	12/31/2022	12/31/2021
CONSOLIDATED NET INCOME	**167,436**	**850,616**
Items not to be recycled in the net income	**13,144**	**11,484**
Revaluation of net defined benefit liability (asset)	2,447	266
Change in value of non-consolidated interests	10,697	11,218
Items to be recycled in the net income	**(129)**	**(28)**
Currency translation differentials	(129)	(28)
COMPREHENSIVE INCOME	**180,451**	**862,071**
Of which comprehensive income attributable to non-controlling interests	(2,147)	1,323
OF WHICH COMPREHENSIVE INCOME LINKED TO OWNERS OF THE PARENT COMPANY	**182,598**	**860,748**

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 AT DECEMBER 31, 2020	**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-bases payments			4,094	4,094		4,094
Group capital increase (1)	46,246	347	4,571	4,918		4,918
Transactions on treasury shares			12	12		12
Consolidated net Income			**849,292**	**849,292**	**1,323**	**850,616**
Revaluation of net defined benefit liability (asset)			266	266		266
Change in value of non-consolidated interests			11,218	11,218		11,218
Currency translation differentials			(28)	(28)		(28)
Comprehensive Income			**860,748**	**860,748**	**1,323**	**862,071**
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2021	**76,572,850**	**574,296**	**12,382,033**	**12,956,330**	**26,867**	**12,983,197**
Dividends paid			(390,828)	(390,828)	(1,041)	(391,869)
Impact of share-bases payments			4,870	4,870		4,870
Group capital increase (1)	50,342	378	3,901	4,279		4,279
Transactions on treasury shares			(13)	(13)		(13)
Consolidated net Income			**169,583**	**169,583**	**(2,147)**	**167,436**
Revaluation of net defined benefit liability (asset)			2,447	2,447		2,447
Change in value of non-consolidated interests			10,697	10,697		10,697
Currency translation differentials			(129)	(129)		(129)
Comprehensive Income			**182,598**	**182,598**	**(2,147)**	**180,451**
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2022	**76,623,192**	**574,674**	**12,182,561**	**12,757,236**	**23,679**	**12,780,915**

(1) Creation of shares linked to the capital increase reserved for Group employees

5.4 | Consolidated statement of cash flows

In thousand euros	Note	12/31/2022	12/31/2021
CONSOLIDATED NET INCOME (INCLUDING NON-CONTROLLING INTERESTS)		**167,436**	**850,616**
Net income from equity-accounted investments		6,079	(4,600)
Net depreciation and amortization, impairments and provisions		4,971	11,793
Changes in value and in bond redemption costs and premiums	5.5.7.1	231,091	(440,129)
Calculated charges and income from performance shares	5.5.6.5	4,870	4,094
Tax expenses (including deferred tax)	5.5.6.11	3,381	1,846
Capital gains and losses on disposals	5.5.6.6, 5.5.6.7	(5,375)	(25,022)
Other calculated income and expenses		8,228	(7,537)
Net financial expenses	5.5.6.9	87,141	81,857
Net cash flow before cost of net debt and tax		**507,821**	**472,917**
Tax paid		12,803	(8,728)
Change in operating working capital requirements	5.5.7.2	(36,818)	17,495
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**483,807**	**481,684**
Acquisitions of property, plant and equipment and intangible assets	5.5.5.1.2	(368,820)	(360,656)
Disposals of property, plant and equipment and intangible assets	5.5.7.3	129,306	506,338
Acquisitions of financial fixed assets		(58,289)	(24,095)
Dividends received (equity-accounted investments, non-consolidated shares)		1,074	1,316
Changes in granted loans and credit lines		1,961	12
Disposal of other non-current assets		11,619	24,993
Change in working capital requirement relating to investing activities	5.5.7.4	18,063	45,993
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		**(265,086)**	**193,901**
Proceeds from capital increase received from shareholders		4,279	4,918
Purchases and sales of treasury shares		(13)	12
Dividends paid to shareholders of the parent company	5.5.7.5	(390,949)	(390,308)
Dividends paid to non-controlling shares		(1,041)	(1,032)
New loans	5.5.7.6	6,348,796	3,487,234
Repayments of loans	5.5.7.6	(6,028,067)	(3,791,287)
Net interest paid		(94,020)	(92,846)
Premium and bond redemption costs		0	(28,129)
Premiums paid or received on financial instruments		(22,236)	(23,167)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)		**(183,251)**	**(834,605)**
NET CHANGE IN CASH AND CASH EQUIVALENTS (A + B + C)		**35,470**	**(159,020)**
Opening cash and cash equivalents	5.5.5.9	15,102	174,123
CLOSING CASH AND CASH EQUIVALENTS	**5.5.5.9**	**50,572**	**15,102**

5.5.1 HIGHLIGHTS

2022 financial year

Governance and Executive Management

As announced at the end of 2021, Beñat Ortega took office as Chief Executive Officer on April 21, 2022, following the General Meeting. He replaces Méka Brunel, whose term of office as Chief Executive Officer expired in accordance with the bylaws. Before joining Gecina, Beñat Ortega, an École Centrale Paris alumnus, was the Klépierre group's Chief Operating Officer from 2016 and a member of its Executive Board from 2020.

Main lettings

- l1ve (Paris's 16th arrondissement):

Gecina signed a lease with a group leader from the luxury industry for l1ve, the building located on avenue de la Grande Armée in the Paris Central Business District. This new firm nine-year lease covering over 3,000 sq.m is in addition to the ones signed with Boston Consulting Group (BCG) and major international recruiter Robert Walters. This means l1ve is now 100% leased.

- Boétie (Paris's 8th arrondissement):

Gecina signed a firm 12-year off-plan lease with operational and financial advisory firm Eight Advisory concerning the entirety of the Boétie building located in the heart of the Paris CBD. This asset, which measures close to 9,300 sq.m and is leased at current prime market rates, will be delivered in the first half of 2023.

- 3 Opéra (Paris's 2nd arrondissement):

In the third quarter, Gecina also finalized the letting of the whole of 3 Opéra, a 4,500 sq.m building on place de l'Opéra, to a leading finance company at above current prime market rates and cementing a significant reversionary potential.

- 64 Lisbonne (Paris's 8th arrondissement):

At the start of July, Gecina signed a firm 10-year lease, based on current prime rents, with a tenant from the luxury industry, Jacquemus, for all of the 64 Lisbonne building (7,850 sq.m), anticipating the departure of the previous tenant and enabling significant reversion.

- 157 avenue Charles de Gaulle (Neuilly-sur-Seine):

Several leases were signed in relation to the building at 157 Charles de Gaulle in Neuilly-sur-Seine, two of which were for a firm nine-year period with Sanofi and SPIE. These transactions concerning this property delivered during the first half confirm that prime rental values in Neuilly-sur-Seine are now approaching €650–€700/sq.m/year.

- 96/104 avenue Charles de Gaulle (Neuilly-sur-Seine):

Gecina announced that it had signed a firm nine-year lease for around 3,800 sq.m with a leading European hairdressing group on the asset located at 96/104 avenue Charles de Gaulle in Neuilly-sur-Seine. This space was relet from July 1, 2022, the day after the previous tenant's departure.

- Horizons (Boulogne-Billancourt):

At Horizons in Boulogne-Billancourt, where the building's top section—floors 7 to 20—is currently being renovated, Gecina welcomed Michelin, a large French group listed on the CAC 40, as of September 30, 2022. The nine-year lease covers a total of over 3,000 sq.m. This new lease represents a first transaction before the delivery of the work that is underway.

Portfolio turnover

- €134 m of sales completed during the year, achieving a premium of around +7.6% versus the end-2021 values.

This sales volume mainly includes the €100 m sale of the Being building in La Défense and two buildings in Paris at a premium of around +7.4% versus end-2021 appraisal values, and nearly €34 m of residential sales, achieving a premium of around +8.0% compared with the latest values from end-2021.

Loans, balance sheet and financial structure

On January 18, 2022, Gecina successfully placed a new €500 million Green Bond issue, with a maturity of 11 years (maturing in January 2033) and a coupon of 0.875%. In line with the Group's 100% Green program, rolled out last year, this issue is based on the Green Bond format. This bond issue, placed with leading investors, highlights the market's confidence in Gecina's credit rating.

In 2022, the Group also set up €1.8 bn of new responsible credit lines, including €0.6 bn in the second half, with average maturity of nearly seven years, via early renewal of lines maturing in 2023, 2024 and 2025. These new financing programs all have a margin that depends on achieving CSR objectives and have enabled the Group to renew all its bank loans expiring in 2023, as well as a significant portion of those falling due in 2024 and 2025, with longer maturities, mainly 2029 and 2030.

Non-financial ratings

The publication of CDP's ratings saw Gecina among the small number of companies with a climate change score of "A." Just 283 of the more than 18,000 companies assessed achieved this maximum score. Gecina is one of only 24 French companies appearing on this annual CDP list of climate change leaders.

GRESB, which evaluates real estate companies' ESG performance on an annual basis, increased Gecina's overall score by one point year on year to 94/100, confirming its improved CSR performance. The Group also saw its redevelopment score rise to 99/100.

Gecina also kept its AAA MSCI rating for the fifth consecutive year, putting the Group among the top 18% of performers worldwide.

In addition, Gecina was awarded a gold medal at the EPRA's Sustainability Best Practices Recommendations (sBPR) Awards for the ninth year in a row, which is testament to the quality and exhaustiveness of its CSR reporting.

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 financial statements were approved by the Board of Directors on February 15, 2023.

The official standards and interpretations applicable from January 1, 2022 do not have a material impact on the Group:

- amendments to IAS 16 (Property, Plant and Equipment – Proceeds before intended use), IAS 37 (Onerous contracts – Cost of fulfilling a contract) and IFRS 3 (Reference to the conceptual framework);
- amendments to IAS 1 (Taxation in fair value measurements), IFRS 1 (First-time adoption of IFRSs) and IFRS 9 (Fees in the "10 percent" test for derecognition of financial liabilities) as part of the annual Improvements to IFRSs 2018-2020 cycle.
- decisions taken by the IFRS Interpretations Committe, particularly the one on lessor forgiveness of lease payments.

The standards eligible for adoption ahead of January 1, 2022 (amendments to IAS 1, IAS 8 and IAS 18, as well as IFRS 17 and its amendments) were not adopted early.

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 5.5.3.17.

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 Entreprises Immobilières.*

5.5.2.2 Consolidation methods

All companies in which the Group holds direct or indirect 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.

5.5.2.3 Scope of consolidation

At December 31, 2022, the scope of consolidation included the companies listed below:

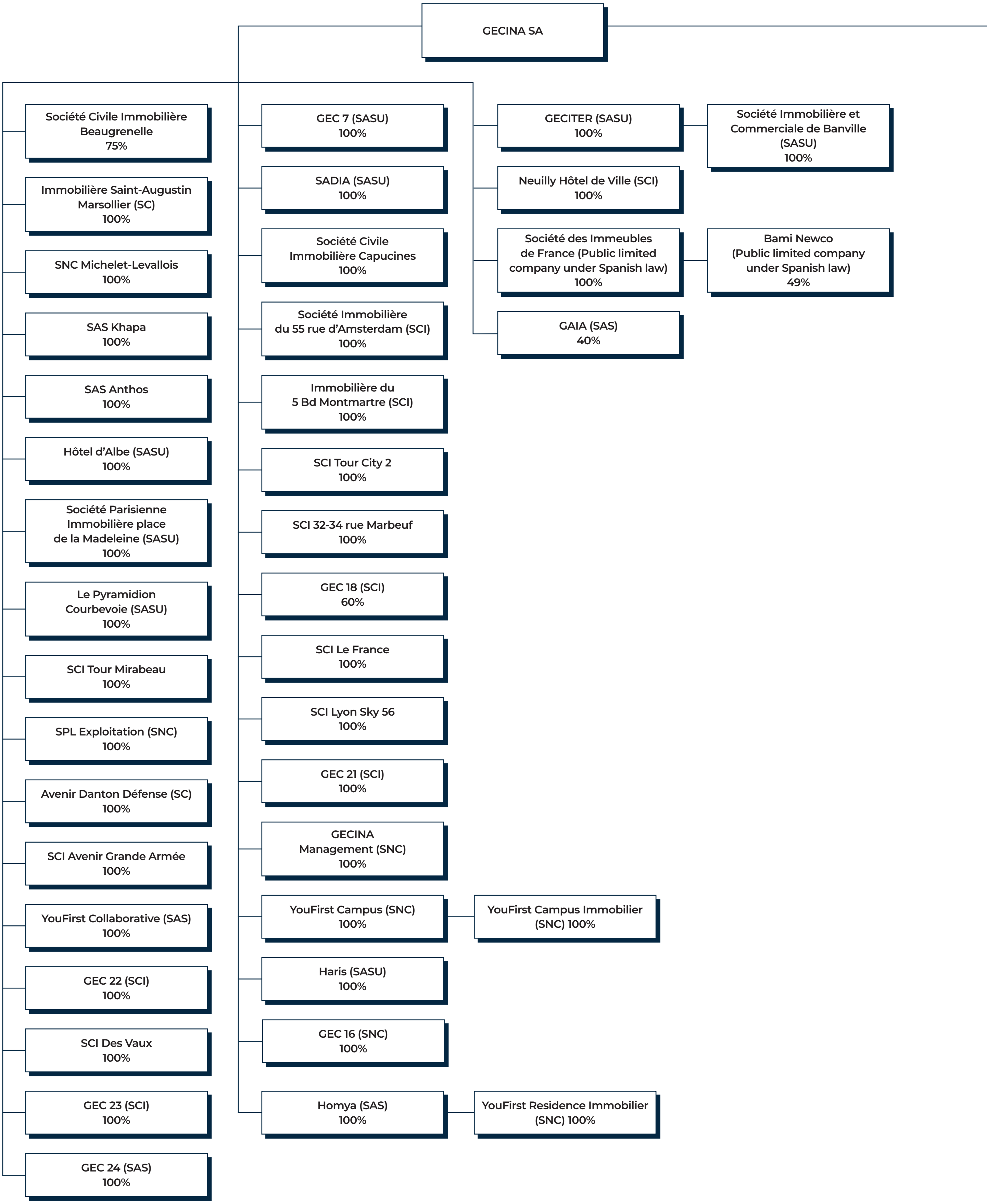
Companies	SIREN no.	12/31/2022 % interest	Consolidation method	12/31/2021 % interest
Gecina	592 014 476	100.00%	Parent company	100.00%
5 rue Montmartre	380 045 773	100.00%	FC	100.00%
55 rue d'Amsterdam	382 482 065	100.00%	FC	100.00%
Anthos	444 465 298	100.00%	FC	100.00%
Beaugrenelle	307 961 490	75.00%	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%	FG	100.00%

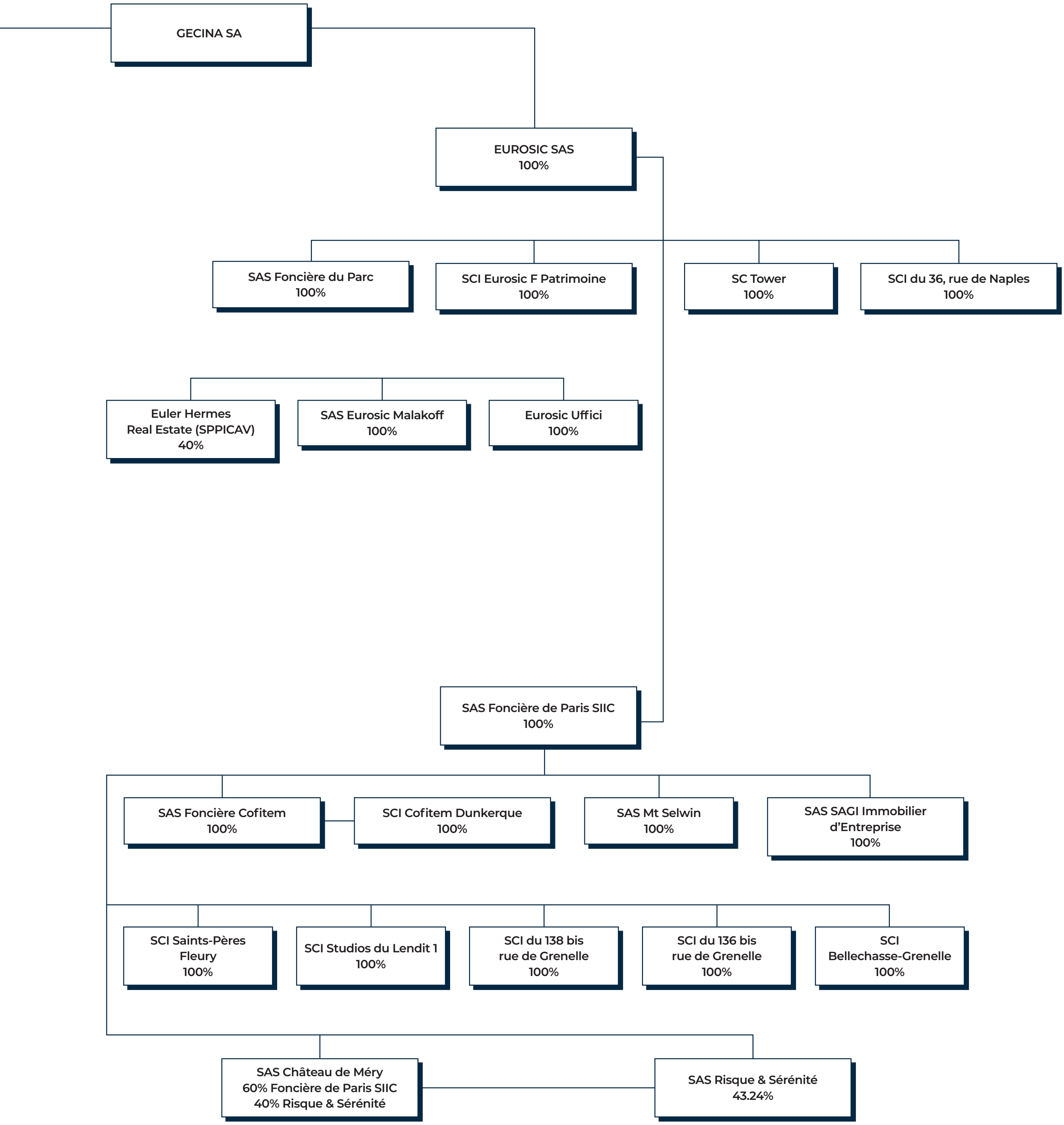
Companies	SIREN no.	12/31/2022 % interest	Consolidation method	12/31/2021 % interest
Homya	880 266 218	100.00%	IG	100.00%
Khapa	444 465 017	100.00%	FC	100.00%
Le Pyramidion Courbevoie	479 762 874	100.00%	FC	100.00%
YouFirst Residence Immobilier	328 921 432	100.00%	FC	100.00%
Marbeuf	751 139 163	100.00%	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%
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%
Euler Hermes Real Estate	538 610 825	40.00%	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%
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%
LEFT CONSOLIDATION 2022				
SCI Cofitem Levallois	494 346 570	Merged	FC	100.00%
Haris Inwestycje (Poland)		Liquidated	FC	100.00%
Société Auxiliaire de Gestion Immobilière	508 928 926	Merged	FC	100.00%
SNC Eurosic F1	810 028 506	Merged	FC	100.00%
JOINED CONSOLIDATION 2021				
Gaïa	897 700 621	40.00%	EM	40.00%
LEFT CONSOLIDATION 2021				
Paris Investissements OPCI	793 904 640	Merged	FC	Merged
SCI 54 Leclerc	381 619 535	Merged	FC	Merged
SCI 738 Kermen	349 816 116	Merged	FC	Merged
SCI du Port Chatou	491 025 441	Merged	FC	Merged
SCI Eurosic R4	505 215 251	Merged	FC	Merged
Grande Halle de Gerland	538 796 772	Merged	FC	Merged

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

Bami Newco (49% owned) 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.).

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)
40%
SAS Eurosic Malakoff
100%
Eurosic Uffici
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 Château de Méry
60% Foncière de Paris SIIC
40% Risque & Sérénité
SAS Risque & Sérénité
43.24%

5.5.2.4 Consolidation adjustments and eliminations

5.5.2.4.1 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, 2022.

5.5.2.4.2 Intercompany transactions

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

5.5.2.4.3 Business combinations (IFRS 3)

To determine if a transaction is a business combination placed under IFRS 3, the Group checks whether it is taking control of one or more activities. 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.

5.5.2.5 Foreign currency translation

The Group's presentation currency is the euro. Transactions conducted by subsidiaries whose functional currency is not the euro 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 other comprehensive income.

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, costs incurred for entering into leases, 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 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, 2022: 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;
- as soon as construction begins if marketing is at an advanced stage;
- or if the signature of the works contracts has progressed sufficiently to estimate costs and the property is leased.

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 the Chateau de Méry building (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 non-current asset is considered to be held for sale when it is available, 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 Other intangible assets (IAS 38)

Other intangible assets correspond mainly to the purchase and development of software under the Group's control. These are measured at acquisition cost and amortized over their estimated useful life (three to eight 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 accounted for under the equity method. These interests in equity-accounted companies are initially recognized at cost and then increased or decreased by the Group's share in the net income of the post-acquisition investee, as well as by dividends received from the investee.

When the recoverable value of an equity interest is less than its book value, an impairment loss is recognized as a reduction of the interest in the equity-accounted company, offset under the Group's share in said company's net income.

5.5.3.4.2 Non-consolidated interests

Non-consolidated interests are valued at fair value through other comprehensive income 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 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 (cf. Note 5.5.3.10) result in a specific analysis covering the ability of the tenant to actually reach the end of the signed lease.

5.5.3.6 Cash and cash equivalents

Cash and cash equivalents are 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. Performance share award plans result in a personnel expense charged against shareholders' equity for the fair value of services rendered, divided on a straight-line basis over the rights' vesting period.

For each performance share award plan, the fair value of one awarded share is determined by an independent actuary on the award date. The number of shares likely to be awarded based on internal performance (some relating to environmental performance) and attendance conditions is reviewed on every reporting date so that the fair value of the plan can be adjusted if necessary. This fair value is not amended if market parameters change.

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, derivatives are recorded at their fair value through profit or loss.

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 recognized at amortized costs, at fair value through other comprehensive income or at fair value through profit or loss. Debt instruments (those with contractually defined cash flows) are classified in the three categories depending on their management model and on analysis of their contractual 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 other comprehensive income (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 other comprehensive income, on loan commitments and financial guarantee contracts not measured at fair value.

The Group uses the 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 Rental expenses (IFRS 15)

The Group acts as principal when rental expenses are billed back to tenants. In compliance with IFRS 15, property expenses and recharges are presented separately in the consolidated statement of comprehensive income.

5.5.3.12 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.

Contingent assets and liabilities are not recognized; they are instead recorded in off balance sheet commitments.

5.5.3.13 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 (see Note 5.5.3.8).

Short-term benefits

Short-term benefits (i.e., salaries, paid leave, social security contributions, incentives, etc.) 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 other comprehensive income.

5.5.3.14 Taxes

5.5.3.14.1 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.

5.5.3.14.2 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.

5.5.3.14.3 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 closing date that are likely to be applied when the various taxes involved crystallize. The same rule applies for assets held abroad.

5.5.3.14.4 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.

5.5.3.15 Recognition of rental income (IFRS 16)

Rental income is recognized on a straight-line basis over the duration of the lease. The commercial 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. From January 1, 2018, these are booked against the fair value adjustment of investment properties.

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

5.5.3.16 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 se dis the implicit rate of interest in the lease.

5.5.3.17 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 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 Group leases, particularly when determining the period during which it is reasonably certain that the tenant will remain in the property to benefit from the incentives of the lease.

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 640 corporate tenants, from a wide variety of sectors, and around 8,500 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 5.5.5.11.1 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 5.5.5.11.2 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.

5.5.5 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	12/31/2021	Acquisitions	Asset disposal or exercise of options	Change in value	Other changes	Transfers between items	12/31/2022
Investment properties	17,983,515	127,416	0	(459,487)	5,234	474,530	18,131,208
Buildings under redevelopment	1,545,005	227,543	0	169,590	4,090	(592,160)	1,354,068
Operating properties	107,667	1,008	0	0	0	0	108,675
Other property, plant and equipment	32,017	4,477	(4,095)	0	0	0	32,400
Other intangible assets	25,661	8,226	(5,214)	0	0	0	28,673
Financial receivables on finance leases	180,190	0	(37,642)	0	0	0	142,548
Properties for sale	209,798	149	(124,164)	4,150	(44)	117,630	207,519
GROSS VALUE	**20,083,854**	**368,820**	**(171,115)**	**(285,747)**	**9,280**	**0**	**20,005,091**

Depreciation, amortization and impairment

In thousand euros	12/31/2021	Allocations	Disposals/ Write backs	Change in value	Other changes	Transfers between items	12/31/2022
Operating properties	28,813	2,064	(574)	0	0	0	30,304
Other property, plant and equipment	21,595	2,390	(2,814)	0	0	0	21,171
Other intangible assets	15,049	5,304	(5,213)	0	0	0	15,140
Financial receivables on finance leases	112,139	9,832	(28,311)	0	0	0	93,659
DEPRECIATION, AMORTIZATION AND IMPAIRMENT	**177,596**	**19,590**	**(36,913)**	**0**	**0**	**0**	**160,274**
NET FIXED ASSETS	**19,906,258**	**349,229**	**(134,202)**	**(285,747)**	**9,280**	**0**	**19,844,817**

Investment properties were appraised by independent property appraisers as described in Note 5.5.3.1.1. Their reports stated that the economic and financial uncertainty particularly linked to inflation, rising interest rates and the context of war in Ukraine would impact the real estate market in France, but that this market had sufficient transparency and transaction volumes for the appraisals at December 31, 2022.

Pursuant to the accounting principles defined in Note 5.5.3.1.2, 10 assets under reconstruction (including off-plan property sales) are recognized at their historical cost for a total amount of €168 million.

The other changes relate to the effect of the commercial benefits granted to tenants for €9 million.

5.5.5.1.2 Property acquisitions

Acquisitions concern the following:

In thousand euros	12/31/2022
PROPERTY ACQUISITIONS (INCLUDING DUTIES AND COSTS)	**51,389**
Construction and redevelopment work	166,153
Renovation work	120,070
WORKS	**286,222**
Operating properties	956
Capitalized internal costs	5,961
Capitalized financial expenses	5,337
Costs incurred for entering into leases	6,146
Eviction allowances	105
TOTAL PROPERTY ACQUISITIONS	**356,117**
Other property, plant and equipment	4,477
Other intangible assets	8,226
TOTAL ACQUISITIONS	**368,820**

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 €185 million at December 31, 2021 to €183 million at December 31, 2022.

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 valuation of the CGU was performed at December 31, 2022 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 Other financial fixed assets

In thousand euros	12/31/2022	12/31/2021
Non-consolidated investments	151,365	142,458
Advances on property acquisitions	63,369	65,519
Deposits and guarantees	1,210	1,105
Other financial fixed assets[1]	14,259	14,108
GROSS OTHER FINANCIAL FIXED ASSETS	**230,203**	**223,190**
Impairment	(172,936)	(175,351)
NET OTHER FINANCIAL FIXED ASSETS	**57,268**	**47,839**

(1) Incudes advances on liquidity contract.

Impairment in the amount of €172.9 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 €63.1 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.

In thousand euros	Euler Hermes Real Estate	Risque & Sérénité	Total
GROUP SHARE AT 12/31/2021	**56,034**	**1,637**	**57,670**
Share in the result[1]	(6,130)	51	(6,079)
Dividends received	(1,074)	0	(1,074)
Change in scope of consolidation[2]	58,027	0	58,027
GROUP SHARE AT 12/31/2022	**106,856**	**1,688**	**108,543**

(1) Including impairment of equity-accounted investments.
(2) Following a purchase of shares, the investment in Euler Hermes Real Estate increased from 19.90% at December 31, 2021 to 40.00% at December 31, 2022.

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

In thousand euros	12/31/2022	12/31/2021
Property portfolio	290,000	304,100
Other assets	17,196	15,971
TOTAL ASSETS	**307,196**	**320,071**
Shareholders' equity	270,891	285,364
External loans and debts with partners	32,254	32,107
Other liabilities	4,052	2,600
TOTAL LIABILITIES	**307,196**	**320,071**
Revenue	9,184	10,096
NET INCOME	**(9,074)**	**22,918**

5.5.5.4 Deferred tax

Deferred tax assets correspond to the activation of certain tax loss carryforwards.

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	12/31/2022	12/31/2021
Properties for sale (block basis)	34,980	37,119
Properties for sale (unit basis)	172,539	172,679
PROPERTIES FOR SALE	**207,519**	**209,798**

5.5.5.6 Trade receivables

The breakdown by business sector is indicated in Note 5.5.8.

In thousand euros	12/31/2022	12/31/2021
Billed customers	48,646	43,339
Unbilled expenses payable	4,789	4,633
Balance of rent-free periods and stepped rents	10,543	19,982
GROSS TRADE RECEIVABLES	**63,978**	**67,954**
Impairment of receivables	(25,863)	(23,969)
NET TRADE RECEIVABLES	**38,115**	**43,985**

5.5.5.7 Other receivables

In thousand euros	12/31/2022	12/31/2021
Value added tax	51,671	45,620
Corporate income tax[1]	7,092	22,770
Bami Newco cash advances and guaranties[2]	32,763	32,763
Receivables on asset disposal	1,729	2,350
Other	36,307	47,346
GROSS OTHER RECEIVABLES	**129,562**	**150,849**
Impairment	(38,597)	(37,827)
NET OTHER RECEIVABLES	**90,966**	**113,022**

(1) Includes €6 million related to ongoing disputes or claims with the tax administration at December 31, 2022, a claim of €15 million having been repaid in 2022.
(2) Fully impaired.

5.5.5.8 Prepaid expenses

In thousand euros	12/31/2022	12/31/2021
Loan application costs [1]	14,764	9,415
10-year warranty insurance	3,011	3,030
Other[2]	5,618	4,867
PREPAID EXPENSES	**23,393**	**17,312**

(1) Primarily including arrangement fees.

(2) Mainly relate to expenses of the current activity.

5.5.5.9 Cash and cash equivalents

In thousand euros	12/31/2022	12/31/2021
Cash equivalents	464	0
Current bank accounts	50,108	15,102
CASH AND CASH EQUIVALENTS (GROSS)	**50,572**	**15,102**
Bank overdrafts	0	0
CASH AND CASH EQUIVALENTS (NET)	**50,572**	**15,102**

5.5.5.10 Consolidated shareholders' equity

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

5.5.5.11 Borrowings, financial debt and financial instruments

5.5.5.11.1 Borrowings and financial debt

Outstanding debt

In thousand euros	Outstanding 12/31/2022	Repayments <1 year	Outstanding 12/31/2023	Repayments 1 to 5 years	Outstanding 12/31/2027	Repayments beyond 5 years
FIXED-RATE DEBT	**5,653,288**	**(355,043)**	**5,298,245**	**(1,310,471)**	**3,987,775**	**(3,987,775)**
Fixed-rate bonds	5,577,907	(300,063)	5,277,843	(1,306,107)	3,971,736	(3,971,736)
Other fixed-rate debts	24,177	(3,775)	20,402	(4,364)	16,038	(16,038)
Accrued interest provisioned	51,204	(51,204)	0	0	0	0
FLOATING RATE DEBT	**1,574,000**	**(1,574,000)**	**0**	**0**	**0**	**0**
Negotiable European Commercial Paper (NEU CP)	1,574,000	(1,574,000)	0	0	0	0
GROSS DEBT	**7,227,288**	**(1,929,043)**	**5,298,245**	**(1,310,471)**	**3,987,775**	**(3,987,775)**
Cash (floating rate)						
Liquidities	50,572	(50,572)	0	0	0	0
CASH	**50,572**	**(50,572)**	**0**	**0**	**0**	**0**
Net debt						
Fixed rate	5,653,288	(355,043)	5,298,245	(1,310,471)	3,987,775	(3,987,775)
Floating rate	1,523,428	(1,523,428)	0	0	0	0
NET DEBT	**7,176,716**	**(1,878,471)**	**5,298,245**	**(1,310,471)**	**3,987,775**	**(3,987,775)**
Undrawn credit lines	4,610,000	(25,000)	4,585,000	(2,405,000)	2,180,000	(2,180,000)
Future cash flows on debt	0	(93,919)	0	(300,922)	0	(215,762)

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, 2022 amounts to €611 million.

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

In thousand euros	1st quarter 2023	2nd quarter 2023	3rd quarter 2023	4th quarter 2023	Total
	1,524,787	301,908	1,404	100,944	1,929,043

These debt maturities (consisting of NEU CP and bond maturities) are covered by available liquidity at December 31, 2022 of €4,661 million (including €4,610 million of undrawn credit lines).

Details of bonds issued

In 2021, 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 01/2025	Gecina	01/20/2015	500	500	€99,256	€100,000	1.50%	01/20/2025
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 06/2027	Gecina	06/30/2017 10/30/2020	500 200	500 200	€99,067 €108,578	€100,000 €100,000	1.375%	06/30/2027
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 10/30/2020	500 200	500 200	€98,597 €109,722	€100,000 €100,000	1.625%	05/29/2034
Bond 06/2036	Gecina	06/30/2021 12/13 /2022	500 50	500 50	€98,349 €68,711	€100,000 €100,000	0.875%	06/30/2036
Bond 01/2033	Gecina	01/25/20221 12/13/2022	500 100	500 100	€98,211 €76,150	€100,000 €100,000	0.875%	01/25/2033

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	12/31/2022	12/31/2021
Net financial debt/revalued block value of property holding (excluding duties)	Maximum 60%	35.7%	34.2%
EBITDA/net financial expenses	Minimum 2.0x	5.6x	5.8x
Outstanding secured debt/revalued block value of property holding (excluding duties)	Maximum 25%	-	0.2%
Revalued block value of property holding (excluding duties), *in billion euros*	Minimum 6/8	20.1	20.1

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.

5.5.5.11.2 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 12/31/2022	Maturity or effective date <1 year	Outstanding 12/31/2023	Maturity or effective date 1 to 5 years	Outstanding 12/31/2027	Maturity or effective date more than 5 years
Portfolio of outstanding derivatives at December 31, 2022						
Fixed-rate receiver swaps	850,000	0	850,000	0	850,000	(850,000)
Fixed-rate payer swaps	700,000	0	700,000	0	700,000	(700,000)
Cap purchases	1,250,000	0	1,250,000	(1,100,000)	150,000	(150,000)
TOTAL	**2,800,000**	**0**	**2,800,000**	**(1,100,000)**	**1,700,000**	**(1,700,000)**
Portfolio of derivatives with deferred impact at December 31, 2022						
Fixed-rate receiver swaps	0	100,000	100,000	0	100,000	(100,000)
Fixed-rate payer swaps	0	0	0	300,000	300,000	(300,000)
Short fixed rate swaption [1]	0	0	0	0	0	0
TOTAL	**0**	**100,000**	**100,000**	**300,000**	**400,000**	**(400,000)**
Portfolio of derivatives at December 31, 2022						
Fixed-rate receiver swaps	850,000	100,000	950,000	0	950,000	(950,000)
Fixed-rate payer swaps	700,000	0	700,000	300,000	1,000,000	(1,000,000)
Cap purchases	1,250,000	0	1,250,000	(1,100,000)	150,000	(150,000)
Short fixed rate swaption [1]	0	0	0	0	0	0
TOTAL	**2,800,000**	**100,000**	**2,900,000**	**(800,000)**	**2,100,000**	**(2,100,000)**
Future interest cash flows on derivatives	0	48,800	0	90,698	0	(34,909)

[1] Short fixed-rate swaptions for €300 million with start and expiry dates greater than 5 years appear as 0 in the table above.

Gross debt hedging

	12/31/2022		
In thousand euros	Fixed rate	Floating rate	Total
BREAKDOWN OF GROSS DEBT BEFORE HEDGING	**5,653,288**	**1,574,000**	**7,227,288**
Fixed-rate receiver swaps	(850,000)	850,000	
Fixed-rate payer swaps and activated caps/floors	1,950,000	(1,950,000)	
Non activated caps/floors	0	0	
BREAKDOWN OF GROSS DEBT AFTER HEDGING	**6,753,288**	**474,000**	**7,227,288**

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

In thousand euros	12/31/2021	Acquisitions/ Disposals	Change in value	Other items	12/31/2022
Non-current assets	51,508	6,342	221,953	0	279,803
Current assets	0	0	0	0	0
Non-current liabilities	(4,673)	19,425	(167,166)	186	(152,227)
Current liabilities	(4)	0	4	0	0
FINANCIAL INSTRUMENTS	**46,832**	**25,767**	**54,790**	**186**	**127,576**

5.5.5.12 Lease obligations

The debt for lease obligations arises from applying IFRS 16, as described in Note 5.5.3.10.

It relates primarily to construction leases and long leases and, to a lesser extent, leases on vehicles and reprographic equipment.

5.5.5.13 Non-current provisions

In thousand euros	12/31/2021	Allocations	Write-backs	Utilizations	12/31/2022
Tax reassessments	6,600	0	0	0	6,600
Employee benefit commitments	13,217	6	0	(2,929)	10,293
Other disputes	80,493	3,019	(4,514)	(4,711)	74,286
NON-CURRENT PROVISIONS	**100,309**	**3,024**	**(4,514)**	**(7,640)**	**91,179**

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, 2022, 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.

Employee benefit commitments (€10.3 million) concern supplementary pensions, lump-sum retirement benefits, and anniversary premiums. They are valued by independent experts.

Other disputes (€74.3 million) include miscellaneous business-related litigations (€8.0 million) as well as provisions for commitments in Spain (€66.3 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 €64.8 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, 2022 for €1.5 million.

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

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.

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	12/31/2022	12/31/2021
Present value of the liability	13,342	16,167
Fair value of hedging assets	(3,049)	(2,950)
NET PRESENT VALUE OF THE LIABILITY	**10,293**	**13,217**
Non-recognized profits (losses)	0	0
Non-recognized costs of past services	0	0
NET LIABILITY	**10,293**	**13,217**

The net commitment recorded as non-recurring provisions amounted to €10.2 million after taking into account hedging assets estimated at €3.0 million at December 31, 2022.

The actuarial difference for the period recorded in other comprehensive income amounts to €2.4 million.

Change in liability

In thousand euros	12/31/2022	12/31/2021
NET PRESENT VALUE OF THE LIABILITY AT BEGINNING OF PERIOD	**13,217**	**13,256**
Cost of services rendered during the year	1,036	1,000
Net interest	123	63
Actuarial differences	(551)	(301)
Effects of any change or liquidation of the plan	82	0
EXPENSE RECOGNIZED UNDER SALARIES AND BENEFITS	**690**	**762**
Benefits paid (net)	(817)	(513)
Contributions paid	(349)	(22)
Actuarial differences not written to profit or loss	(2,447)	(266)
NET PRESENT VALUE OF THE LIABILITY AT END OF PERIOD	**10,293**	**13,217**

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

	12/31/2022	12/31/2021
Wage increase rate (net of inflation)	0.00% - 0.25%	0.00% – 0.25%
Discount rate	3.75% - 4.00%	0.00% – 1.00%
Inflation rate	2.00%	1.50%

5.5.5.14 Trade payables

In thousand euros	12/31/2022	12/31/2021
Trade payables on goods and services	49,187	57,061
Fixed asset trade payables	129,031	131,341
TRADE PAYABLES	**178,218**	**188,401**

5.5.5.15 Current tax and employee-related liabilities

In thousand euros	12/31/2022	12/31/2021
Social security liabilities	27,444	29,597
Value added tax	10,614	15,013
Other tax liabilities	3,775	4,025
CURRENT TAX AND EMPLOYEE-RELATED LIABILITIES	**41,833**	**48,635**

5.5.5.16 Other current liabilities

In thousand euros	12/31/2022	12/31/2021
Customer credit balance	58,474	61,564
Other payables	7,913	6,827
Deferred income	2,177	3,398
OTHER CURRENT LIABILITIES	**68,565**	**71,790**

5.5.5.17 Off balance sheet commitments

In thousand euros	12/31/2022	12/31/2021
Commitments given – Operating activities		
Asset-backed liabilities	0	45,383
Works amount to be invested (including off-plan property sales)	430,950	639,014
Preliminary property sale agreements	27,930	32,008
Other(1)	17,270	17,270
COMMITMENTS GIVEN	**476,150**	**733,675**
Commitments received – Financing		
Undrawn credit lines	4,610,000	4,455,000
Commitments received – Operating activities		
Preliminary property sale agreements	27,000	29,254
Mortgage-backed receivable	300	300
Financial guarantees for management and transaction activities	880	880
Guarantees received in connection with works (including off-plan property sales)	223,621	226,154
Guarantees received from tenants	86,767	82,583
Other(2)	1,244,557	1,246,307
COMMITMENTS RECEIVED	**6,193,125**	**6,040,478**

(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, 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 other comprehensive income	Total	Fair value
Financial fixed assets	0	300	15,672	0	0	41,296	57,268	57,268
Equity-accounted investments	0	0	0	0	108,543	0	108,543	108,543
Cash	50,572	0	0	0	0	0	50,572	50,572
Financial instruments(2)	279,803	0	0	0	0	0	279,803	279,803
Other assets	0	0	0	0	129,081	0	129,081	129,081
FINANCIAL ASSETS	**330,375**	**300**	**15,672**	**0**	**237,625**	**41,296**	**625,267**	**625,267**
Financial debt(3)	0	1,649,382	0	5,577,907	0	0	7,227,288	6,383,515
Financial instruments(2)	152,227	0	0	0	0	0	152,227	152,227
Other liabilities	0	0	0	0	374,003	0	374,003	374,003
FINANCIAL LIABILITIES	**152,227**	**1,649,382**	**0**	**5,577,907**	**374,003**	**0**	**7,753,518**	**6,909,745**

(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 5.5.5.11.1.

5.5.6 NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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	12/31/2022	12/31/2021
Less than 1 year	485,676	439,595
1 to 5 years	1,117,940	997,531
Over 5 years	510,712	301,010
TOTAL	**2,114,327**	**1,738,136**

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.

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	12/31/2022	12/31/2021
External purchases and services	(104,789)	(109,263)
Taxes and other payables	(65,819)	(67,062)
Salaries and benefits	(4,516)	(4,265)
Cost of rental risk	(2,130)	(238)
Other expenses	0	(33)
PROPERTY EXPENSES	**(177,255)**	**(180,861)**
RECHARGES TO TENANTS	**120,836**	**117,251**
NET DIRECT OPERATING EXPENSES	**(56,419)**	**(63,610)**

5.5.6.3 Operating income from finance leases and hotel activities

In thousand euros	12/31/2022	12/31/2021
Financial fees and other income on finance lease transactions	13,861	17,835
Operating expenses	(11,628)	(14,842)
CURRENT OPERATING INCOME ON FINANCE LEASE TRANSACTIONS	**2,233**	**2,993**
Hotel operating income	5,084	2,642
Hotel operating expenses	(3,573)	(2,082)
Depreciation of the hotel activity	(754)	(773)
CURRENT OPERATING INCOME ON THE HOTEL ACTIVITY	**757**	**(213)**

5.5.6.4 Services and other income (net)

These largely comprise the following items:

In thousand euros	12/31/2022	12/31/2021
Income from service activities	521	584
Reversals of investment subsidies	90	91
Other income (net)	(1,015)	3,659
SERVICES AND OTHER INCOME (NET)	**(404)**	**4,334**

5.5.6.5 Overheads

Overheads break down as follows:

In thousand euros	12/31/2022	12/31/2021
Salaries and benefits	(65,086)	(65,289)
Internal costs	6,956	6,830
Share-based payments	(4,870)	(4,094)
Net management costs	(23,532)	(24,542)
Invoicing of fees for rental and technical management	6,816	6,620
OVERHEADS	**(79,716)**	**(80,475)**

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 €7.0 million as at December 31, 2022 (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.

Share-based payments concern 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

The last asset held under the real estate trader regime was sold in the second half of 2021.

5.5.6.7 Gains or losses on disposals

Disposals represented:

In thousand euros	12/31/2022	12/31/2021
Block sales	118,439	501,312
Unit sales	16,845	6,407
PROCEEDS FROM DISPOSALS	**135,283**	**507,719**
Block sales	(109,838)	(461,701)
Unit sales	(14,331)	(5,260)
NET BOOK VALUE	**(124,168)**	**(466,961)**
Block sales	(3,002)	(9,425)
Unit sales	(1,294)	(521)
COST OF SALES	**(4,295)**	**(9,946)**
SHARE OF GOODWILL	**(1,444)**	**(6,416)**
GAINS OR LOSSES ON DISPOSALS	**5,375**	**24,396**

Gains and losses on disposal amount to €5.4 million, including -€1.4 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 €1.0 million at December 31, 2022, compared with €1.3 million at December 31, 2021.

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	12/31/2021	12/31/2022	Change
Investment properties	17,983,515	18,131,208	
Changes in consolidation scope	(384,640)	(859,170)	
INVESTMENT PROPERTIES ON A COMPARABLE BASIS	**17,598,875**	**17,272,038**	**(326,837)**
Capitalized works on investment properties			(119,921)
Capitalized salaries and fringe benefits on investment properties			(3,419)
Linearization of commercial benefits			(5,234)
Other capitalized charges on investment properties[1]			(4,076)
CHANGE IN VALUE OF INVESTMENT PROPERTIES ON A COMPARABLE BASIS			**(459,487)**
Change in value of buildings under reconstruction or acquired			169,590
Change in value of properties for sale			4,150
CHANGE IN VALUE OF PROPERTIES			**(285,747)**

(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 euros/sq.m)*
Paris CBD	2.25% - 3.75%	3.30% - 5.75%	€560 - 1,000 /sq.m
Paris non-CBD	2.80% - 5.10%	3.40% - 6.15 %	€280 - 925/sq.m
PARIS	**2.25% - 5.10%**	**3.30% - 6.15%**	**€280 - 1,000/sq.m**
Inner Rim	3.50% - 9.50%	4.25% - 7.55%	€120 - 660 /sq.m
Outer Rim	9.90% - 9.90%	10.80% - 10.80%	€75 - 185/sq.m
PARIS REGION	**3.50% - 9.90%**	**4.25% - 10.80%**	**€75 - 660/sq.m**
Rest of France	4.20% - 4.50%	5.00% - 5.45%	€215 - 290 /sq.m
COMMERCIAL	**2.25% - 9.90%**	**3.30% - 10.80%**	**€75 - 1,000/sq.m**

Traditional Residential	Yield rate	DCF discount rate	Unit sale price *(in euros/sq.m)*
Paris	2.50% - 3.00%	3.25% - 4.20%	€8,850 - 14,180/sq.m
Inner Rim	3.20% - 3.75%	3.95% - 4.60%	€4,290 - 8,580/sq.m
TRADITIONAL RESIDENTIAL	**2.50% - 3.75%**	**3.25% - 4.60%**	**€4,290 - 14,180/sq.m**

Student Residences	Yield rate	DCF discount rate
Paris	3.00% - 3.00%	4.00% - 4.00%
Paris Region	3.75% - 4.50%	4.00% - 5.00%
Rest of France	4.00% - 4.50%	4.50% - 5.50%
STUDENT RESIDENCES	**3.00% - 4.50%**	**4.00% -5.50%**

Sensitivity to changes in capitalization rates

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 100 basis points (+1.0 %) in capitalization rates, could result in a decrease of approximately 19.1 % 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 €3,832 million based on the block valuation of the assets at December 31, 2022, 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]			
+1.00%	16,211	-19.1%	(3,832)
+0.50%	17,922	-10.6%	(2,120)
+0.25%	18,923	-5.6%	(1,120)
OFFICES			
+1.00%	13,112	-18.5%	(2,970)
+0.50%	14,446	-10.2%	(1,637)
+0.25%	15,220	-5.4%	(862)
TRADITIONAL RESIDENTIAL			
+1.00%	2,758	-22.4%	(798)
+0.50%	3,107	-12.6%	(449)
+0.25%	3,316	-6.7%	(240)
STUDENT RESIDENCES			
+1.00%	333	-15.8%	(63)
+0.50%	361	-8.6%	(34)
+0.25%	377	-4.5%	(18)

(1) Except finance leases.

5.5.6.9 Net financial expenses

In thousand euros	12/31/2022	12/31/2021
Interest and charges on loans (including undrawn credit lines)	(99,603)	(91,608)
Other financial expenses (including loan termination costs))	(4,077)	(46)
Losses from translation differentials	(104)	(31)
Capitalized interests on projects under development	5,337	4,200
Interest on lease obligations	(1,512)	(1,526)
FINANCIAL EXPENSES	**(99,958)**	**(89,010)**
Interest income on hedging instruments	12,128	6,698
Other financial income	588	25
Foreign exchange gains	102	429
FINANCIAL INCOME	**12,817**	**7,153**
NET FINANCIAL EXPENSES	**(87,141)**	**(81,857)**

The average cost of the drawn debt amounted to 0.9% in 2022.

5.5.6.10 Change in value of financial instruments

Net valuation of financial instruments increased by €80.7 million over the period (see Note 5.5.5.11.2).

Based on the existing hedging portfolio, contractual conditions at December 31, 2022 and the anticipated debt in 2023:

- a 0.5% increase in the yield curve compared to that of December 31, 2022 would generate an additional financial expense of +€2.5 million in 2023, as well as a change in fair value of the derivatives portfolio recognized in income of +€13.8 million;
- a 0.5% decrease in the yield curve compared to that of December 31, 2022 would lead to a drop in financial expenses in 2023 of -€2.5 million, as well as a change in fair value of -€13.7 million.

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	12/31/2022	12/31/2021
Contribution on the value added of companies[1]	(3,227)	(2,605)
Corporate income tax	(325)	(134)
RECURRENT TAX	**(3,552)**	**(2,739)**
Corporate income tax	675	1,062
Deferred taxes	(504)	(169)
NON-RECURRENT TAX	**171**	**894**
TAXES	**(3,381)**	**(1,846)**

(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 5.5.3.14.2).

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Reconciliation of the tax expense and the theoretical tax

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 25.8% corresponds to the ordinary tax rate of 25% and to the corporate income tax social contribution of 3.3%;
- the effective tax presented covers corporate income tax and the CVAE, excluding all other taxes, local taxes and royalties.

In thousand euros	12/31/2022	12/31/2021
Consolidated net income	167,436	850,616
Tax expense including CVAE	**3,381**	**1,846**
Pre-tax income	170,817	852,461
Theoretical tax in %	25.80%	28.40%
Theoretical tax in value	**44,071**	**242,099**
DIFFERENCE BETWEEN TAX EXPENSE AND THEORETICAL TAX	**(40,689)**	**(240,253)**
Impact on theoretical tax :		
▸ Impact of SIIC regime related to the change in value of properties	73,256	(131,460)
▸ Impact of SIIC regime related to the other items of net income	(117,539)	(110,742)
▸ Impact of permanent and timing differences	(241)	709
▸ Companies taxed abroad	(477)	(59)
▸ Equity-accounted investments	1,086	(1,306)
▸ Contribution on the value added of companies	3,227	2,605

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.

	12/31/2022	12/31/2021
Earnings attributable to owners of the parent company *(in thousand euros)*	169,583	849,292
Weighted average number of shares before dilution	73,763,378	73,681,782
UNDILUTED EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY *(in euros)*	**2.30**	**11.53**
Earnings attributable to owners of the parent company, after the effect of dilutive securities *(in thousand euros)*	169,583	849,292
Weighted average number of shares after dilution	73,936,761	73,833,951
DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY (€)	**2.29**	**11.50**

	12/31/2022	12/31/2021
Earnings attributable to owners of the parent company before dilution *(in thousand euros)*	169,583	849,292
Impact of dilution on earnings (securities allocations effect)	0	0
DILUTED EARNINGS ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY *(in thousand euros)*	**169,583**	**849,292**
Weighted average number of shares before dilution	73,763,378	73,681,782
Impact of dilution on average number of shares	173,383	152,169
WEIGHTED AVERAGE NUMBER OF SHARES AFTER DILUTION	**73,936,761**	**73,833,951**

5.5.7 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

5.5.7.1 Changes in value and in bond redemption costs and premiums

The consolidated statement of comprehensive income items below are restated in the cash flow statement:

In thousand euros	Note	12/31/2022	12/31/2021
Change in value of properties	5.5.6.8	(285,747)	460,407
Change in value of financial instruments	5.2	54,656	11,429
Bond redemption costs and premiums	5.2	0	(31,707)
CHANGES IN VALUE AND IN BOND REDEMPTION COSTS AND PREMIUMS		**(231,091)**	**440,129**

5.5.7.2 Change in operating working capital requirements

In thousand euros	12/31/2022	12/31/2021
Customers change	5,402	(2,388)
Change in other receivables	12,562	(18,029)
Change in prepaid expenses	6,081	(671)
TOTAL BALANCE SHEET ASSETS	**24,045**	**(21,087)**
Change in tenants' security deposits	9,126	5,097
Change in trade payables	(7,798)	(4,406)
Change in tax and employee-related liabilities	(7,213)	(2,482)
Change in other debts	(5,667)	(2,695)
Change in deferred income	(1,221)	893
TOTAL BALANCE SHEET LIABILITIES	**(12,772)**	**(3,593)**
CHANGE IN OPERATING WORKING CAPITAL REQUIREMENTS	**(36,818)**	**17,495**

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

In thousand euros	12/31/2022	12/31/2021
Block sales	116,762	505,185
Unit sales	16,845	6,407
PROCEEDS FROM DISPOSALS	**133,606**	**511,592**
Block sales	(3,006)	(4,734)
Unit sales	(1,294)	(520)
COST OF SALES	**(4,300)**	**(5,254)**
CASH INFLOW LINKED TO DISPOSALS[1]	**129,306**	**506,338**

(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	12/31/2022	12/31/2021
Change in other receivables (fixed asset buyers)	18,307	14,790
Change in fixed asset trade payables	(244)	31,203
CHANGE IN WORKING CAPITAL REQUIREMENTS FROM INVESTING ACTIVITIES	**18,063**	**45,993**

5.5.7.5 Dividends paid to shareholders of the parent company

After paying an interim dividend of €2.65 per share on March 3, 2022, the General Meeting of April 21, 2022 approved the payment of a dividend of €5.30 per share for the 2021 financial year. The balance of €2.65 per share still owing was paid out on July 6, 2022.

For the 2020 financial year, the Group distributed a dividend per share of €5.30 for a total of €390 million.

5.5.7.6 New loans and repayments of loans

In thousand euros	**12/31/2022**	**12/31/2021**
New loans[1]	6,348,796	3,487,234
Repayments of loans[1]	(6,028,067)	(3,791,287)
CHANGE IN LOANS	**320,729**	**(304,053)**

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

In thousand euros	**12/31/2022**	**12/31/2021**
Debts at year closing	7,227,288	6,913,012
Debts at year opening	(6,913,012)	(7,224,320)
Accrued interest at year closing	(51,204)	(53,483)
Accrued interest at year opening	53,483	58,851
Impact of bonds issued	4,600	2,043
Other changes	(426)	(156)
CHANGE IN LOANS	**320,729**	**(304,053)**

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, 2022

In thousand euros	Commercial	Residential	Student residences	Other sectors[1]	Segments total
Rent on commercial properties	493,375	8,612	451	0	502,437
Rent on residential properties	5,137	98,196	0	0	103,332
Rent on student residences	0	0	20,087	0	20,087
GROSS RENTAL INCOME[2]	**498,511**	**106,807**	**20,539**	**0**	**625,857**
Property expenses	(136,574)	(32,841)	(7,841)	0	(177,255)
Recharges to tenants	103,593	13,961	3,282	0	120,836
NET RENTAL INCOME	**465,530**	**87,927**	**15,980**	**0**	**569,438**
% MARGIN ON RENTS	**93.4%**	**82.3%**	**77.8%**		**91.0%**
CURRENT OPERATING INCOME ON FINANCE LEASE TRANSACTIONS				**2,233**	**2,233**
CURRENT OPERATING INCOME ON THE HOTEL ACTIVITY				**757**	**757**
Services and other income (net)	(1,707)	616	687	0	(404)
Overheads					(79,716)
EBITDA					**492,308**
Gains or losses on disposals	4,529	863	(18)	0	5,375
Change in value of properties	(191,201)	(102,234)	7,689	0	(285,747)
Depreciation and amortization					(9,875)
Net impairments and provisions					4,905
OPERATING INCOME					**206,966**
Net financial expenses					(87,141)
Financial impairment					2,415
Change in value of financial instruments					54,656
Net income from equity-accounted investments					(6,079)
PRE-TAX INCOME					**170,817**
Taxes					(3,381)
CONSOLIDATED NET INCOME					**167,436**
Of which consolidated net income attributable to non-controlling interests					(2,147)
OF WHICH CONSOLIDATED NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY					**169,583**
Assets and liabilities by segment at December 31, 2022					
Gross portfolio (excl. headquarters)	15,789,408	3,508,327	395,061	166,435	19,859,231
Of which property acquisitions	17,414	28,941	5,034	0	51,389
Of which properties for sale	34,980	172,539	0	0	207,519
Amounts due from tenants	37,224	9,014	1,018	16,723	63,978
Provisions for tenant receivables	(10,212)	(5,967)	(621)	(9,062)	(25,863)
Security deposits received from tenants	75,232	9,749	2,419	164	87,565

(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 organization.

5.5.8.2 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 (net)	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
Bond redemption costs and premiums					(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 organization.

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, 2022

Shareholders	Number of shares	% of share capital	% of theoretical voting rights(1)	% of exercisable voting rights(2)
Ivanhoé Cambridge	11,575,623	15.11%	15.11%	15.68%
Crédit Agricole Assurances – Predica	10,516,249	13.72%	13.72%	14.25%
Norges Bank	7,168,025	9.35%	9.35%	9.71%
Other shareholders(3)	44,542,651	58.13%	58.13%	60.35%
Treasury shares	2,820,644	3.68%	3.68%	
TOTAL	**76,623,192**	**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).

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

	12/31/2022			12/31/2021			12/31/2020		
	% 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	15.11%	15.11%	15.68%	15.12%	15.12%	15.70%	15.13%	15.13%	15.72%
Crédit Agricole Assurances – Predica	13.72%	13.72%	14.25%	13.73%	13.73%	14.27%	13.74%	13.74%	14.28%
Norges Bank	9.35%	9.35%	9.71%	9.35%	9.35%	9.71%	9.36%	9.36%	9.73%
Other shareholders	58.13%	58.13%	60.35%	58.06%	58.06%	60.32%	57.98%	57.98%	60.26%
Treasury shares	3.68%	3.68%		3.73%	3.73%		3.80%	3.80%	
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.

At December 31, 2022, the percentages of share capital and voting rights held by the members of the administrative and management bodies were 27.8% and 28.9% respectively.

At December 31, 2022, Group employees held 1,118,651 Gecina shares directly and 69,457 Gecina shares indirectly *via* the Gecina employee shareholding fund ("FCPE Gecina actionnariat"), representing a total of 1.6% of the share capital.

To the Company's knowledge, no other shareholder than those listed in the table above, owns more than 5% of the share capital or voting rights at December 31, 2022.

The Company has no pledges on its treasury shares.

Company transactions on treasury shares

The General Meeting of shareholders of April 21, 2022 renewed the authorization given to the Company to purchase treasury shares on the stock market for a period of eighteen 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 21, 2022 granted authorization for a period of eighteen 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 2022.

During the financial year 2022, Gecina has used the authorizations, given by the Annual General Meetings of shareholders dated April 22, 2021 and April 21, 2022, to purchase shares within the liquidity contract given to Rothschild Martin Maurel Company. 12 million euros in cash have been allocated to the liquidity account for the implementation of this contract.

A total of 2,820,644 treasury shares were held at December 31, 2022, i.e., 3.68% of the share capital. The treasury shares represent a total investment of €339.4 million, at an average price per share of €120.33.

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Aggregate information 2022		% of share capital
Number of shares comprising the issuer's share capital at December 31, 2022	76,623,192	
Number of treasury shares at December 31, 2021	2,858,818	3.73%
Bonus share award plan	38,174	0.05%
Share buyback		
Average price of share buybacks including transaction fees		
Liquidity contract		
Number of shares purchased	746,880	0.97 %
Number of shares sold	746,880	0.97 %
Average purchase price	102.62€	
Average sale price	102.60€	
Number of treasury shares at December 31, 2022	2,820,644	3.68%

5.5.9.2 Dividends distributed

It is proposed to the General Meeting to distribute in 2023, for the financial year 2022, a dividend of 5.30 euros per share.

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 2022 as follows, and to decide, after taking into account:

- profit amounting to €288,893,656.14 for the financial year, representing distributable earnings;
- to distribute a dividend per share of €5.30 under the SIIC tax regime, representing a maximum overall amount of €406,102,917.60 taken from the distributable earnings for €288,893,656.14 and from the distributable reserves for the surplus of €117,209,261.46.

The total amount of the aforementioned distribution is calculated based on the number of shares entitled to dividends at December 31, 2022, i.e. 76,623,192 shares, and may vary if the number of shares entitled to dividends changes between January 1, 2023 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 6, 2023 and the balance will be paid on July 3, 2023.

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

	2018	2019	2020	2021	2022(1)
Distribution	€419,467,125	€404,974,378	€405,591,001	€405,836,105	€406,102,918
Number of shares	76,266,750	76,410,260	76,526,604	76,572,850	76,623,192
Dividend under the SIIC regime	€5.50	€5.30	€5.30	€5.30	€5.30

(1) Proposal submitted for approval by the General Meeting called to approve the financial statements for 2022.

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

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 FTE [1]	12/31/2022	12/31/2021	12/31/2020
Managers	277	263	267
Employees and supervisors	162	175	178
Building staff	53	55	57
TOTAL	**492**	**493**	**503**

(1) Full-time equivalent, including short-term contracts

For 2022, the number of permanent employees (average monthly number of full-time employees on permanent contracts) is 429.

5.5.9.5 Performance shares

Grant date	Vesting date	Number of shares granted	Stock price when granted	Balance at 12/31/2021	Shares acquired in 2022	Shares canceled in 2022	Balance at 12/31/2022
02/19/2019	02/20/2022	49,010	€127.60	40,694	38,174	2,520	0
02/19/2020	02/20/2023	53,285	€182.00	50,645		3,275	47,370
02/18/2021	02/19/2024	62,350	€120.00	60,830		2,892	57,938
02/17/2022	02/18/2025	64,775	€115.50			1,700	63,075

5.5.9.6 Compensation for administrative and management bodies

Compensation for management bodies concerns Gecina's corporate officers.

In thousand euros	12/31/2022	12/31/2021
Short-term benefits	1,644	1,805
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	105	N/A

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5.5.9.7 Statutory Auditors' fees

The fees of the Statutory Auditors recognized in the income statement for 2022 for the audit and certification of the individual and consolidated financial statements and for audit-related missions amounted to:

	PricewaterhouseCoopers Audit				KPMG		Mazars		Total			
	2022		2021		2022		2021		2022		2021	
Amount excluding tax *In thousand euros*	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Audit												
Statutory auditing, certification, review of individual and consolidated financial statements	1,097	90%	1,061	96%	416	96%	520	96%	1,513	91%	1,581	96%
Services other than the certification of accounts	128	10%	45	4%	16	4%	19	4%	144	9%	64	4%
TOTAL	**1,225**	**100%**	**1,106**	**100%**	**432**	**100%**	**539**	**100%**	**1,658**	**100%**	**1,645**	**100%**

In 2022, services other than the certification of accounts mainly included the control of non-financial data and various certificates and work related to bond issues.

Fees paid to other firms totaled €18 thousand in 2022 and are not included in the table above.

5.5.9.8 Post-balance sheet events

None.