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2022 INTERIM FINANCIAL REPORT

This document is a free translation into English of the original French *Rapport financier semestriel*, referred to as the “Interim Financial Report”. It is not a binding document. In the event of a conflict in interpretation, reference should be made to the French version, which is the authentic text.

Copies of this Interim Financial Report may be obtained free of charge from Nexity (19 rue de Vienne – TSA 50029 – 75801 Paris Cedex 08 – France), and on the websites of Nexity (www.nexity.group) and the AMF (www.amf-france.org)

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MESSAGE FROM VÉRONIQUE BÉDAGUE, CHIEF EXECUTIVE OFFICER



« The geopolitical and macroeconomic uncertainty leads us to manage our operations with greater caution. To cope with inflationary pressures, we are more selective in launching operations and take the time to work on optimising our products in terms of both cost and selling price. Finally, once the launch has been decided, we capitalise on our diversified offer and our multi-channel marketing capability to ensure optimal time to market. This is how we protect our margins and contain our debt. This tight control of our supply for sale enables us to adapt to changes in demand, which remains strong, both from individuals and institutionals, despite macro-prudential measures aimed at reducing the credit availability to individuals and the rise in interest rates. Nexity's performance demonstrates the strength of its business model, capitalising in particular on its position as France's leading developer and on the very strong growth in the results of its service activities. The volume of our business potential, the strength of our backlog, the solidity of our balance sheet and the quality and commitment of our teams, give us confidence that we will be able to weather this period of uncertainty as well as possible, and we will be able to meet the immense needs in the French housing market. We have also just strengthened our positions in Occitania region (South of France) by acquiring a majority stake in Angelotti and remain in motion to participate in the future consolidation of the sector and better respond to the challenges of sustainable cities. »

1 INTERIM FINANCIAL INFORMATION

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1 Interim financial information

Highlights of the first-half of 2022

1.1 HIGHLIGHTS OF THE FIRST-HALF OF 2022

The financial data and indicators presented below are based on Nexity's operational reporting, with joint ventures proportionately consolidated.

Cautious management of residential development: commercial launches postponed

- Recovery in permits granted, but commercial launches postponed to manage the consequences of inflation and protect margins
- Anticipation of a 17% market decline in 2022 (estimated at ~130,000 units vs. 157,000 in 2021)
- Nexity's robustness: 7,639 reservations in the first half (-9% in volume, -5% in value)

Financial performance: resilience in development activities, strong growth in services, indebtedness under control

- Revenue of €1,964 million, with service activities up by 9%
- Current operating profit of €110m, i.e. a half-year margin of 5.6%, not representative of annual performance
- Solid financial structure: net debt of €878m, i.e. 2.3x EBITDA, highest point of annual debt

2022 targets specified to better reflect the uncertainty of the macro-economic environment

- Confirmation of over 14% market share in 2022, in a new home market now expected to decline
- Maintain a high operating margin around 8% based on revenue at least equal to 2021

Nexity is well-prepared to address the tremendous needs of the sustainable city

- Closing of the acquisition of the Angelotti Group, a leading residential developer in Occitanie (south of France), expected at year-end
- Investor Day on 28 September: accelerating Nexity's integrated real estate operator model for sustainable cities

BUSINESS ACTIVITY ¹			FINANCIAL RESULTS ¹			
	H1 2022	Change	(€m)	H1 2022	H1 2021	22 vs 21
New home reservations in France		vs. H1 2021	Revenue	1,964	2,063	-5%
Volume	7,639 units	-9%	Operating profit	110	133	-17%
Value	€1,756m	-5%	<i>Operating margin (% of revenue)</i>	5.6%	6.4%	-80 bps
Commercial real estate			Net profit – Group share	54	75	-27%
Order intake	€92m					
			(€m)	Jun-22	Dec-21	
Development outlook		vs. Dec-21	Net debt²	878	598	
Backlog	€6.5bn	-1%	<i>x EBITDA after leases (12 month)</i>	2,3x	1,5x	

¹ Data on a like-for-like basis i.e. without businesses sold in H1 2021; Century 21 consolidated until 31 March and Ægide-Domitys consolidated until 30 June 2021 figures have been restated following the IFRS-IC decision of March 2021 on the costs of software used in SaaS mode ² Net debt before leases.

Acquisition of a majority stake in the Angelotti group

As the regional leader in residential development and urban planning in Occitania region (South of France), this acquisition is a major step forward for Nexity. Fully in line with the Group's strategic ambition, this transaction will strengthen Nexity's urban planning offer, a business that has been in place for a long time and that transforms territories to serve our local authority clients. It will also enable Nexity to strengthen its market share in residential development in Occitania and

PACA regions, two regions with strong growth prospects, by relying on reputable and well-established local partners. In 2021, the Angelotti group totalled revenue of €150 million (+20% compared to 2020) and has a pipeline of projects representing around 6 years of activity.

1.2 SUMMARY FINANCIAL STATEMENTS OF THE GROUP AT 30 JUNE 2022

The Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) and IFRS Interpretations Committee (IFRS IC) interpretations as adopted within the European Union.

IFRS 11 Joint Arrangements, the application of which has been mandatory for annual reporting periods beginning on or after 1 January 2014, states that joint ventures must be accounted for using the equity method (whereas before they could be proportionately consolidated). Nexity's joint ventures are mainly co-development vehicles in Residential Real Estate and Commercial Real Estate. For operational reporting and management purposes, Nexity continues to apply proportionate consolidation to its joint ventures, which in its view provides a more accurate reflection of the Group's performance and risks as measured by revenue, operating profit, working capital and debt. The segment-specific

presentations in this financial report are based on operational reporting data.

The following summary tables show the Group's consolidated financial statements with joint ventures proportionately consolidated, in millions of euros, for the accounting periods ended 30 June 2022, 31 December 2021 and 30 June 2021.

30 June 2021 figures have been restated following the IFRS-IC decision of March 2021 on the costs of software used in Saas mode.

Tables showing the reconciliation with IFRSs are provided in Note 4 of Section 2, "Consolidated financial statements for the six months ended 30 June 2022."

New scope excludes disposed activities during H1 2021 (Century 21 and Ægide-Domitys) as well as capital gains on disposals. Century 21 was consolidated until 31 March 2021 and Ægide-Domitys until 30 June 2021.

Condensed consolidated income statement (operational reporting)

<i>(in millions of euros)</i>	30-June-22	30-June-21 Restated*
Revenue – New scope	1,964	2,063
Revenue – Disposed activities	-	212
Revenue	1,964	2,275
Current Operating profit – New scope	110	133
Current Operating profit – disposed activities and capital gains on disposals	-	226
Current Operating profit	362	359
Recurring net profit – new scope	54	75
Non-recurring net profit from disposed activities and capital gains on disposals	-	206
Net profit Group share	54	281

* 2021 figures have been restated following the IFRS-IC decision of March 2021 on the costs of software used in Saas mode

Condensed consolidated statement of financial position (operational reporting)

ASSETS		
<i>(in millions of euros)</i>	30 June 2022	31 December 2021
Non-current assets	2,294	2,237
Current assets	6,131	6,280
Total assets	8,425	8,516
LIABILITIES AND EQUITY		
<i>(in millions of euros)</i>	30 June 2022	31 December 2021
Equity attributable to equity holders of the parent company	1,849	1,929
Non-controlling interests	25	20
Total equity	1,873	1,948
Non-current liabilities	1,413	1,333
Current liabilities	5,138	5,235
Total liabilities and equity	8,425	8,516

1 Interim financial information

Summary financial statements of the Group at 30 June 2022

Consolidated statement of cash flows (operational reporting)

<i>in € million</i>	H1 2022	H1 2021*
Cash flow from operating activities before interest and tax expenses	188	233
Repayment of lease liabilities	(63)	(117)
Cash flow from operating activities after lease payments but before interest and tax expenses	125	116
Change in WCR	(196)	(355)
Interest and tax paid	(36)	(71)
Net cash from/(used in) operating activities	(107)	(310)
Net cash from/(used in) operating investments	(29)	(23)
Free cash-flow	(136)	(333)
Net cash from/(used in) financial investments	(7)	185
Dividends paid by Nexity SA	(138)	(111)
Net cash from/(used in) financing activities, excluding dividends	22	(165)
Change in cash and cash equivalents	(259)	(423)

* 2021 figures have been restated following the IFRS-IC decision of March 2021 on the costs of software used in Saas mode

1.3 H1 2022 ACTIVITY

1.3.1 RESIDENTIAL REAL ESTATE

Business Activity

The supply shortage, observed for several years on the French market, persists despite a recent recovery in the delivery of building permits for collective housing. The acceleration of the inflationary context recorded in the second quarter lengthens the operations' set-up time, delays the start of their marketing, thus constraining the supply for sale. The new home market in France is therefore affected despite a still sustained demand, both from individuals and institutional investors. According to the FPI (Fédération des Promoteurs Immobiliers), new home sales fell by around 20% in the first quarter which should continue for the rest of the year.

Against this backdrop, Nexity's business activity held up well in the first half of the year, with 7,639 reservations (-9% in volume compared with H1 2021, -5% in value to €1.8 billion), with its customer base still balanced between retail sales (63% of reservations in the first half of the year) and bulk sales (37%). Sales prices per square metre in supply constrained

areas (A and B1), which account for around 80% of reservations during the period, remain on an upward trend, in line with the first quarter (+3.7% vs H1 2021).

As expected, Nexity saw during the first half a recovery in building permits (+19% vs H1 2021), but is keen to secure its margins in a more difficult environment. Therefore, these new permits did not allow to increase the supply for sale as anticipated at the beginning of the year, mainly given the negotiation time required to integrate the inflationary trend in construction costs and validate the selling price. As a result, housing launches fell by 12% over the period. The supply for sale therefore remains low (7,199 units against 7,655 on 31 December 2021) and does not meet demand. This supply is low-risk (no stock of completed homes, and more than 70% of the supply not launched) and the time-to-market remains very fast (4.5 months vs. 4.4 months at 31 December 2021).

<i>New scope (€m)</i>	H1 2022	H1 2021	2022/2021 change
Revenue	1,377	1,398	- 2%
Current operating profit	65	81	- 20%
<i>Margin (as a % of revenue)</i>	<i>4.7%</i>	<i>5.8%</i>	<i>-110 bps</i>
	30/06/22	31/12/21	
Working capital requirement (WCR)	1,152	1,029	

Financial results

Revenue was slightly down in the first half of 2022, reflecting the lower level of new operations starts during the period. The margin rate is down, affected by the cautious management of operations leading to a lower coverage of fixed costs due to

operations delay and higher costs related to projects' exits. Working capital requirement amounted €1.2 billion. Working capital for new homes in France represented 18% of the backlog, in line with historical levels.

Outlook

Given the tougher housing environment observed in the second quarter, Nexity now expects the market to decline by 17% in 2022 (~130,000 units vs. 157,000 units in 2021). Nexity is maintaining its target of over 14% market share, with an acceleration in bulk sales expected in the second half of the year. The contribution to 2022 earnings from the acquisition of the Angelotti Group announced in June 2022 should be

small, in the event of a year-end closing. The Group remains confident in its ability to contain the pressure on construction costs for ongoing operations. Expectations of rising real estate mortgage rates lead us to increase our vigilance regarding the relevance of new production in relation to market conditions.

1 Interim financial information

H1 2022 activity

1.3.2 COMMERCIAL REAL ESTATE

Business activity

In a market context at the bottom of the cycle and still wait-and-see, Nexity recorded, as expected, a low level of order intake in the first half of the year (€92 million at the end of

June). This amount includes €66 million in order intake in the regions (+41% compared to H1 2021) where Nexity continues to strengthen its presence.

<i>New scope (€m)</i>	H1 2022	H1 2021	2022/2021 change
Revenue	161	280	- 43%
Current operating profit	21	44	- 53%
<i>Margin (as a % of revenue)</i>	<i>13.0%</i>	<i>15.8%</i>	<i>-280 bps</i>
	30/06/22	31/12/21	
Working capital requirement (WCR)	64	24	

Financial results

H1 2021 basis of comparison is high, as it included the contribution of the order intake for the Reiwa building in Saint-Ouen, which contributed €124 million to revenue and €16 million to operating profit. The half-year results for 2022 are logically down due to this significant base effect. Restated for this item, revenue is up 3%. The margin rate

for the first half of 2022 remains higher than the normative level of the business. The level of WCR remains low and takes into account the rate of customer advances collection during the construction period.

Outlook

The outlook for Commercial real estate business remains unchanged. Given the wait-and-see attitude of companies, order intake should reach a low point in 2022.

The backlog consumption should lead to achieve a consolidated revenue of around €400 million in 2022.

1.3.3 SERVICES

<i>New scope (€m)</i>	H1 2022	H1 2021	2022/2021 change
Revenue	421	385	9%
<i>o/w Property Management</i>	<i>188</i>	<i>186</i>	<i>1%</i>
<i>o/w Serviced Properties</i>	<i>102</i>	<i>70</i>	<i>45%</i>
<i>o/w Distribution</i>	<i>132</i>	<i>130</i>	<i>2%</i>
Current operating profit	36	26	39%
<i>Margin (as a % of revenue)</i>	<i>8.5%</i>	<i>6.7%</i>	<i>+180 bps</i>
	30/06/22	31/12/21	
Working capital requirement (WCR)	52	75	

Services revenue amounted 421 million in the first half of 2022, up 9% compared to H1 2021, mainly driven by serviced properties activities, particularly coworking (Morning), which saw its revenue double in H1 2022, driven by the increase in the occupancy rate over the period (+11 points) and the 30% increase in the number of managed spaces (9 openings during H1 representing 19,000 sqm). Student residencies (Studea) had also a strong performance with a 3 points increase in

occupancy rate at 96% compared to 93% at end-December 2021.

Current operating profit rose by 39% to €36 million. The operating margin rate increased by 180 basis points to 8.5%.

Outlook

In the second half of the year, the Services activities should benefit from the continued good momentum of profitable growth recorded in the first half of the year.

Consolidated results and balance sheet items in compliance with IFRS as applied at 30 June 2022

1.4 CONSOLIDATED RESULTS AND BALANCE SHEET ITEMS IN COMPLIANCE WITH IFRS AS APPLIED AT 30 JUNE 2022

The following tables present the income statement, statement of financial position, net debt and statement of cash flows for the first half of 2022.

Simplified consolidated income statement – 30 June 2022

<i>In € million</i>	30/06/2022 IFRS	30/06/2021 IFRS Restated*
Revenue	1,800.2	2,099.0
Operating expenses	(1,623.6)	(1,867.1)
Dividends received from equity-accounted investments	2.2	2.5
EBITDA	178.8	234.4
Lease payments	(63.5)	(116.7)
EBITDA after lease payments	115.3	117.7
Restatement of lease payments	63.5	116.7
Depreciation of right-of-use assets	(63.0)	(59.4)
Depreciation, amortisation and impairment of non-current assets	(16.6)	(16.0)
Net change in provisions	4.0	4.9
Share-based payments	(6.1)	(6.6)
Dividends received from equity-accounted investments	(2.2)	(2.5)
Current operating profit	94.9	154.8
Capital gains on disposal	-	184.7
Operating profit	94.9	339.5
Share of net profit from equity-accounted investments	9.8	13.3
Operating profit after share of net profit from equity-accounted investments	104.7	352.8
Cost of net financial debt	(14.1)	(24.2)
Other financial income/(expenses)	(2.0)	(2.0)
Interest expense on lease liabilities	(8.1)	(16.3)
Net financial income/(expense)	(24.2)	(42.5)
Pre-tax recurring profit	80.5	310.3
Income tax	(20.5)	(26.4)
Share of profit/(loss) from other equity-accounted investments	(1.0)	(0.9)
Consolidated net profit	59.0	283.0
Attributable to non-controlling interests	4.9	2.1
Attributable to equity holders of the parent company	54.2	280.9
<i>(in euros)</i>		
Net earnings per share	0.98	5.07

*2021 figures have been restated following the IFRS-IC decision of March 2021 on the costs of software used in Saas mode

Under IFRS, reported revenue was €1,800 million. It excludes revenue from joint ventures in application of IFRS 11, which requires their recognition by equity accounting of proportionally integrated joint ventures in operational reporting. Reported revenue in H1 2021 (€2,099 million) is not

comparable as it included the revenue of the disposed activities in 2021 (Century21 and Ægide-Domitys).

This revenue excludes revenues from joint ventures in application of IFRS 11, which requires the equity accounting of joint ventures proportionally integrated in the operational reporting.

An analysis of the change for each division is presented in Section 1.5, “Consolidated results based on operational reporting”, of this Interim Financial Report.

1 Interim financial information

Consolidated results and balance sheet items in compliance with IFRS as applied at 30 June 2022

Simplified consolidated balance-sheet - 30 June 2022

ASSETS <i>(in € million)</i>	30/06/2022 IFRS	31/12/2021 IFRS
Goodwills	1,358.2	1,356.5
Other non-current assets	873.8	817.6
Equity-accounted investments	126.8	124.9
Total non-current assets	2,358.8	2,299.0
Net WCR	1,150.2	943.8
Total Assets	3,509.0	3,242.8
Liabilities and equity <i>(in € million)</i>	30/06/2022 IFRS	31/12/2021 IFRS
Share capital and reserves	1,794.4	1,603.6
Net profit for the period	54.2	324.9
Equity attributable to equity holders of the parent company	1,848.6	1,603.6
Non-controlling interests	24.9	19.6
Total equity	1,873.5	1,948.2
Net debt	1,463.4	1,122.1
Provisions	99.0	102.4
Net deferred tax	73.1	70.2
Total Liabilities and equity	3,509.0	3,242.8

Non-current assets totalled €2,358.8 million at 30 June 2022 representing an increase of €59.8 million from 31 December 2021 (€2,299.0 million).

The net working capital requirement (WCR) totalled €1,150.2 million at 30 June 2022 up 22% relative to 31 December 2021 (€943.8 million).

Consolidated equity was €1,873.5 million at 30 June 2022, €74.7 million less than at 31 December 2021 (€1,948.2 million).

Provisions totalled €99.0 million at 30 June 2022, down 3% from 31 December 2021 (€102.4 million).

Consolidated net debt - 30 June 2022

<i>(in € million)</i>	30/06/2022 IFRS	31/12/2021 IFRS
Bond issues (incl. accrued interest and arrangement fees)	809.7	806.3
Loans and borrowings	904.1	865.7
Loans and borrowings	1,713.8	1,672.0
Other financial receivables and payables	(163.3)	(133.0)
Cash and cash equivalents	(782.9)	(1,061.6)
Bank overdraft facilities	19.0	19.2
Net cash and cash equivalents	(763.9)	(1,042.4)
Total net financial debt before lease liabilities	786.5	496.6
Lease liabilities	676.9	625.5
Total net debt	1,463.4	1,122.1

Consolidated net financial debt before lease liabilities totalled €786.5 million at 30 June 2022, representing an increase of €289.9 million from 31 December 2021 (€496.6 million).

After considering lease liabilities, total net debt amounted to €1,463.4 million as of 30 June 2022.

A more detailed analysis of these changes is presented in Section 1.6, "Balance sheet items based on operational reporting", of this Interim Financial Report.

Consolidated results and balance sheet items in compliance with IFRS as applied at 30 June 2022

Simplified cash flows statement - 30 June 2022

<i>(in € million)</i>	30/06/2022 IFRS	30/06/2021 IFRS Restated*
Consolidated net profit	59.0	283.0
Elimination of non-cash income and expenses	72.1	(136.8)
Cash flow from operating activities after interest and tax expenses	131.1	146.2
Elimination of net interest expense/(income)	22.2	40.5
Elimination of tax expense, including deferred tax	20.2	26.0
Cash flow from operating activities before interest and tax expenses	173.5	212.7
Repayment of lease liabilities	(63.5)	(116.7)
Cash flow from operating activities after lease payments but before interest and tax expenses	110.1	96.0
Change in operating working capital	(200.3)	(333.1)
Dividends received from equity-accounted investments	2.2	2.5
Interest paid	(7.7)	(14.7)
Tax paid	(26.2)	(45.3)
Net cash from/(used in) operating activities	(122.0)	(294.7)
Net cash from/(used in) net operating investments	(28.9)	(22.2)
Free cash flow	(151.0)	(316.8)
Acquisitions of subsidiaries and other changes in scope	(2.8)	208.2
Other net financial investments	(3.7)	(23.5)
Net cash from/(used in) investing activities	(6.5)	184.7
Dividends paid to equity holders of the parent company	(138.1)	(110.6)
Other payments to/(from) minority shareholders	0.2	(6.3)
Net disposal/(acquisition) of treasury shares	(1.5)	2.0
Change in financial receivables and payables (net)	18.3	(176.8)
Net cash from/(used in) financing activities	(121.2)	(291.8)
Impact of changes in foreign currency exchange rates	0.2	0.3
Change in cash and cash equivalents	(278.5)	(423.5)

1 Interim financial information

Consolidated results based on operational reporting

1.5 CONSOLIDATED RESULTS BASED ON OPERATIONAL REPORTING

The financial data and indicators presented in this section correspond to Nexity's operational reporting, with joint ventures proportionately consolidated and their reconciliation with IFRS as applied by the Group at 30 June 2022.

Nexity continues to apply proportionate consolidation to its joint ventures, which in its view provides a more accurate reflection of the Group's performance and risks as measured by revenue, operating profit, working capital requirement and debt.

Simplified consolidated income statement – 30 June 2022

	30/06/2022 IFRS	Restatement of joint ventures	30/06/2022 Operational reporting	30/06/2021 Restated* Operational reporting New scope before non- recurring items
<i>In € million</i>				
Revenue	1,800.2	163.5	1,963.7	2,063.5
Operating expenses	(1,623.6)	(1,772.0)	(1,772.0)	(1,853.4)
Dividends received from equity-accounted investments	2.2	(2.2)	-	-
EBITDA	178.8	12.9	191.7	210.1
Lease payments	(63.5)	-	(63.5)	(60.8)
EBITDA after lease payments	115.3	12.9	128.2	149.3
Restatement of lease payments	63.5	-	63.5	60.8
Depreciation of right-of-use assets	(63.0)	0.0	(63.0)	(59.3)
Depreciation, amortisation and impairment of non-current assets	(16.6)	(0.0)	(16.6)	(15.6)
Net change in provisions	4.0	0.2	4.1	4.1
Share-based payments	(6.1)	-	(6.1)	(6.3)
Dividends received from equity-accounted investments	(2.2)	(0.0)	-	-
Current operating profit	94.9	15.2	110.1	133.0
Capital gains on disposal	-	-	-	-
Operating profit	94.9	15.2	110.1	133.0
Share of net profit from equity-accounted investments	9.8	(9.8)	-	-
Operating profit after share of net profit from equity-accounted investments	104.7	5.4	110.1	133.0
Cost of net financial debt	(14.1)	(1.2)	(15.3)	(22.8)
Other financial income/(expenses)	(2.0)	(0.3)	(2.2)	(2.4)
Interest expense on lease liabilities	(8.1)	-	(8.1)	(5.9)
Net financial income/(expense)	(24.2)	(1.4)	(25.6)	(31.1)
Pre-tax recurring profit	80.5	4.0	84.5	101.9
Income tax	(20.5)	(4.0)	(24.4)	(24.2)
Share of profit/(loss) from other equity-accounted investments	(1.0)	-	(1.0)	(0.9)
Consolidated net profit	59.0	0.0	59.0	76.7
Attributable to non-controlling interests	4.9	-	4.9	1.9
Attributable to equity holders of the parent company	54.2	0.0	54.2	74.8
<i>(in euros)</i>				
Net earnings per share	0.98		0.98	1.35

*2021 figures have been restated following the IFRS-IC decision of March 2021 on the costs of software used in SaaS mode

<i>in € million</i>	H1 2021 restated*			H1 2022	2022/2021 change Like-for-like basis
	Reported	Disposed activities and non-recurring items	Like-for-like basis		
Consolidated revenue	2,275	211	2,063	1,964	-5%
Operating profit	359	226	133	110	-17%
<i>As a % of revenue</i>			6.4%	5.6%	
Net financial income/(expense)	(44)	(13)	(31)	(26)	-18%
Income tax	(31)	(7)	(24)	(24)	
Share of profit/(loss) from equity-accounted investments	(1)		(1)	(1)	
Net profit	283	206	77	59	-23%
Non-controlling interests	(2)		(2)	(5)	
Net profit attributable to equity holders of the parent company	281	206	75	54	-27%
<i>(in euros)</i>					
Net earnings per share	€5.07		€1.35	€0.98	

*2021 figures have been restated following the IFRS-IC decision of March 2021 on the costs of software used in Saas mode

1.5.1 REVENUE

Reported revenue amounted to €1,964 million, down 5% compared to H1 2021 on a like-for-like basis. H1 2021 reported revenue included revenue from disposed activities in 2021 (Century21 and Ægide-Domitys) and amounted to

€2,275 million. Restated for the base effect of the Reiwa Commercial real estate order taken in the first half of 2021, revenue rose by 1%.

<i>in € million</i>	H1 2022	H1 2021	2022/2021 change
Development	1,538	1,678	- 8%
Residential Real Estate Development	1,377	1,398	- 2%
Commercial Real Estate Development	161	280	- 43%
Services	421	385	+ 9%
Property Management	188	186	+ 1%
Serviced properties	102	70	+ 45%
Distribution	132	130	+ 2%
Other Activities	5	1	ns
Revenue new scope	1,964	2,063	- 5%
Revenue from disposed activities ⁽¹⁾		211	
Revenue	1,964	2,275	- 14%

(1) Disposed activities were consolidated until 31 March 2021 for Century 21 and until 30 June 2021 for Ægide-Domitys

Note: As a reminder, revenue generated by the development businesses from VEFA off-plan sales and CPI development contracts is recognised using the percentage-of-completion method, i.e. on the basis of notarised sales and pro-rated to reflect the progress of all inventoriable costs.

1 Interim financial information

Consolidated results based on operational reporting

1.5.2 OPERATING PROFIT

Current operating profit amounted to €110 million and the current operating margin reached 5.6% of revenue, at a level not representative of annual performance. Half of the decline

in the margin rate (-80 bps) is due to the base effect from the Reiwa Commercial real estate order taken in H1 2021.

<i>in € million</i>	H1 2022		H1 2021*	
	Operating profit	Margin rate	Operating profit	Margin rate
Development	86	5.6%	125	7.4%
Residential Real Estate Development	65	4.7%	81	5.8%
Commercial Real Estate Development	21	13.0%	44	15.8%
Services	36	8.5%	26	6.7%
Other Activities	(11)	ns	(18)	ns
Current operating profit new scope	110	5.6%	133	6.4%

* 2021 figures have been restated following the IFRS IC decision of March 2021 on the costs of software used in Saas mode

1.5.3 OTHER INCOME STATEMENT ITEMS

Financial expense amounted to -€26 million in H1 2022 and improved by €5 million compared to 30 June 2021 on a like-for-like basis. The increase in interest expenses on leases (€2 million vs. H1 2021) following the growth in coworking activities is largely offset by the decrease in the cost of financial debt for €7 million. The **average cost of financing** is down to 1.8% from 2.1% at end 2021. Given its mainly fixed-rate debt structure, the Group has little exposure to an increase in interest rates on the 2022 financial result.

Tax expense (including the CVAE levy, a French business value-added tax) on a like-for-like basis was stable at -€24 million. The current effective tax rate (excluding CVAE) was 27% at end-June 2022 in line with the normative fiscal rate.

Net profit Group's share on a like-for-like basis during H1 2022 was €54 million (compared to €75 million as of 30 June 2021).

1.6 BALANCE SHEET ITEMS BASED ON OPERATIONAL REPORTING

The financial data presented below are based on Nexity's operational reporting, with joint ventures proportionately consolidated.

Simplified consolidated statement of financial position – 30 June 2022

ASSETS <i>(in € million)</i>	30/06/2022 IFRS	Restatement of joint ventures	30/06/2022 Operational reporting	31/12/2021 Operational reporting
Goodwills	1,358.2	-	1,358.2	1,356.5
Other non-current assets	873.8	0.2	874.1	817.7
Equity-accounted investments	126.8	(65.3)	61.5	62.5
Total non-current assets	2,358.8	(65.1)	2,293.7	2,236.7
Net WCR	1,150.2	168.2	1,318.4	1,118.9
Total Assets	3,509.0	103.1	3,612.1	3,355.6
Liabilities and equity <i>(in € million)</i>	30/06/2022 IFRS	Restatement of joint ventures	30/06/2022 Operational reporting	31/12/2021 Operational reporting
Share capital and reserves	1,794.4	(0.0)	1,794.4	1,603.6
Net profit for the period	54.2	0.0	54.2	324.9
Equity attributable to equity holders of the parent company	1,848.6	(0.0)	1,848.6	1,928.6
Non-controlling interests	24.9	0.0	24.9	19.6
Total equity	1,873.5	(0.0)	1,873.5	1,948.2
Net debt	1,463.4	91.0	1,554.5	1,223.8
Provisions	99.0	1.7	100.6	104.2
Net deferred tax	73.1	10.4	83.5	79.5
Total Liabilities and equity	3,509.0	103.1	3,612.1	3,355.6

Net debt - 30 June 2022

<i>(in € million)</i>	30/06/2022 IFRS	Restatement of joint ventures	30/06/2022 Operational reporting	31/12/2021 Operational reporting
Bond issues (incl. accrued interest and arrangement fees)	809.7	-	809.7	806.3
Loans and borrowings	904.1	78.2	982.3	955.3
Loans and borrowings	1,713.8	78.2	1,792.0	1,761.6
Other financial receivables and payables	(163.3)	157.5	(5.8)	4.7
Cash and cash equivalents	(782.9)	(164.8)	(947.7)	(1,204.2)
Bank overdraft facilities	19.0	20.2	39.2	36.2
Net cash and cash equivalents	(763.9)	(144.6)	(908.5)	(1,168.0)
Total net financial debt before lease liabilities	786.5	91.0	877.6	598.3
Lease liabilities	676.9	-	676.9	625.5
Total net debt	1,463.4	91.0	1,554.5	1,223.8

1 Interim financial information

Balance sheet items based on operational reporting

Simplified statement of cash flows - 30 June 2022

<i>(in € million)</i>	30/06/2022 IFRS (6-month period)	Restatement of joint ventures	30/06/2022 Operational reporting	30/06/2021 Restated* operational reporting
Consolidated net profit	59.0	-	59.0	283.0
Elimination of non-cash income and expenses	72.1	9.6	81.7	(123.5)
Cash flow from operating activities after interest and tax expenses	131.1	9.6	140.8	159.5
Elimination of net interest expense/(income)	22.2	1.2	23.4	41.4
Elimination of tax expense, including deferred tax	20.2	4.0	24.2	31.0
Cash flow from operating activities before interest and tax expenses	173.5	14.8	188.3	231.9
Repayment of lease liabilities	(63.5)	-	(63.5)	(116.7)
Cash flow from operating activities after lease payments but before interest and tax expenses	110.1	14.8	124.8	115.2
Change in operating working capital	(200.3)	4.4	(195.9)	(355.2)
Dividends received from equity-accounted investments	2.2	(2.2)	-	-
Interest paid	(7.7)	(1.1)	(8.8)	(15.5)
Tax paid	(26.2)	(1.3)	(27.6)	(50.9)
Net cash from/(used in) operating activities	(122.0)	14.6	(107.4)	(306.4)
Net cash from/(used in) net operating investments	(28.9)	-	(28.9)	(22.2)
Free cash flow	(151.0)	14.6	(136.4)	(328.6)
Acquisitions of subsidiaries and other changes in scope	(2.8)	(0.0)	(2.9)	208.1
Other net financial investments	(3.7)	(0.1)	(3.8)	(27.4)
Net cash from/(used in) investing activities	(6.5)	(0.1)	(6.7)	180.7
Dividends paid to equity holders of the parent company	(138.1)	-	(138.1)	(110.6)
Other payments to/(from) minority shareholders	0.2	-	0.2	(6.3)
Net disposal/(acquisition) of treasury shares	(1.5)	-	(1.5)	2.0
Change in financial receivables and payables (net)	18.3	4.5	22.8	(160.8)
Net cash from/(used in) financing activities	(121.2)	4.5	(116.6)	(275.8)
Impact of changes in foreign currency exchange rates	0.2	-	0.2	0.4
Change in cash and cash equivalents	(278.5)	19.0	(259.4)	(423.3)

*2021 figures have been restated following the IFRS-IC decision of March 2021 on the costs of software used in Saas mode

1.6.1 CASH FLOWS AND WORKING CAPITAL REQUIREMENT (WCR)

Cash flow from operating activities after lease payments but before interest and tax expenses was €125 million at end-June 2022, comparable to the contribution in the first half of 2021.

Operating working capital (excluding tax) rose by €196 million, which is comparable to the usual increase in the first half of the year, still marked by expenditure flows on construction sites, which exceeds the inflows for the period. The change in WCR in H1 2021, which amounted to

€355 million, took into account €238 million related to the consumption of advances paid for Commercial real estate on 2020 orders (mainly the Eco-campus in La Garenne Colombes).

Nexity's free cash-flow was a net outflow of €136 million at end-June 2022 compared to a net outflow of €95 million at 30 June 2021 restated for the effect of the consumption of customer advances. This reflects a controlled increase in working capital in H1 2022.

Balance sheet items based on operational reporting

<i>in € million</i>	H1 2022	H1 2021*
Cash flow from operating activities before interest and tax expenses	188	233
Repayment of lease liabilities	(63)	(117)
Cash flow from operating activities after lease payments but before interest and tax expenses	125	116
Change in working capital requirement	(196)	(355)
Interest and tax paid	(36)	(71)
Net cash from/(used in) operating activities	(107)	(310)
Net cash from/(used in) operating investments	(29)	(23)
Free cash-flow	(136)	(333)
Net cash from/(used in) financial investments	(7)	185
Dividends paid by Nexity SA	(138)	(111)
Net cash from/(used in) financing activities, excluding dividends	22	(165)
Change in cash and cash equivalents	(259)	(423)

* 2021 figures have been restated following the IFRS-IC decision of March 2021 on the costs of software used in SaaS mode

Net cash from/(used in) financial investments totalled €7 million in H1 2022. It mainly included in H1 2021, the disposal of 100% of Century 21 and 45% of Ægide.

Net cash flow from/(used in) financing activities totalled only €22 million as there were no repayments during the period. In H1 2021, they included the repayment at maturity of a bond.

<i>in € million</i>	30 June 2022	31 December 2021	2022/2021 change
Development	1,215	1,053	162
Residential Real Estate Development	1,152	1,029	123
Commercial Real Estate Development	64	24	39
Services	52	75	(23)
Other Activities	46	(7)	52
Total WCR excluding tax	1,313	1,121	192
Corporate income tax	5	(2)	7
Working capital requirement (WCR)	1,318	1,119	199

At 30 June 2022, WCR excluding tax increased by €192 million compared to end-December 2021, driven by Residential real estate (+€123 million).

Land commitments considered as Landbank totalled around €250 million at 30 June 2022 (compared to around €280 million at 31 December 2021).

1.6.2 FINANCIAL STRUCTURE

Equity attributable to equity holders of the parent company totalled €1,848.6 million at end-June 2022, down relative to end-December 2021 (€1,928.6 million). The Group's net debt before lease liabilities amounted to €878 million at end-June 2022, up €280 million compared to end-2021. This increase came in particular from the dividend payment in the first half of the year (€138 million) and the increase in working capital requirement (€192 million).

The level at end-June represents the highest point in annual indebtedness.

Leverage ratio was 2.3x EBITDA at 30 June 2022, well below the bank covenant thresholds (3.5x).

The Group has a solid financial situation as of 30 June 2022, with a total cash position of €914 million, to which are added €600 million of confirmed and undrawn credit lines.

Gross debt is mainly fixed rate (56%), reducing the Group's exposure to rising interest rates.

1 EXAMEN DE LA SITUATION FINANCIÈRE ET DU RÉSULTAT DU 1ER SEMESTRE

2022 outlook

<i>in € million</i>	30 June 2022	31 December 2021	2022/2021 change
Bond issues and others	999	994	5
Bank debt and commercial papers	793	768	26
Net cash and cash equivalents	(914)	(1,163)	249
Net financial debt before lease liabilities	878	598	280

At 30 June 2022, the **average debt maturity** was high at 2.6 years (compared to 3.1 years at end-2021) with an **average cost of debt** down to 1.8% compared to 2.1% in 2021 given the refinancing policy pursued in 2021.

Lease liabilities rose during H1 2022 by €51 million, to reach €677 million, reflecting the growth in the number of managed coworking office spaces. Net debt including lease liabilities amounted to €1,554 million at 30 June 2022, compared to €1,224 million at 31 December 2021.

1.7 2022 OUTLOOK

2022 targets specified ¹ to better reflect the uncertainty of the macro-economic environment

- Confirmation of over 14% market share in 2022, in a new home market now expected to decline;
- Maintain a high operating margin around 8% based on revenue at least equal to 2021.

Nexity will continue to closely monitor the current economic, social and health situation.

1.8 MAIN RISKS AND UNCERTAINTIES TO WHICH THE GROUP IS EXPOSED

The main risks and uncertainties for the remaining 6 months of the fiscal year are of the same nature as those presented for the whole fiscal year and which are detailed in chapter 2 - Risk management of the Universal Registration Document filed with the Autorité des marchés financiers (www.amf-france.org et www.nexity.group).

The continuing high level of uncertainty in which the Group operates (Russian-Ukrainian war, health crisis, inflation, rise in interest rates, etc.) should have limited effects on its activities and results.

Additional risks not currently known to Nexity may also adversely affect its business and financial performance.

1.9 MAIN RELATED-PARTY TRANSACTIONS

1.9.1 MATERIAL TRANSACTIONS WITH RELATED ENTITIES

No significant changes took place in related-party relationships during the first half of 2022.

1.9.2 MATERIAL TRANSACTIONS WITH DIRECTORS AND COMPANY OFFICERS

Remuneration payable to directors and company officers concerns company officers.

Details on remuneration and changes in remuneration are presented in Chapter 4 of the 2021 Universal Registration Document (URD) (filed on 6 April 2022).

For the Board of Directors

¹ Objectives for the full year 2022 communicated last February and April: a market share of over 14% in a new home market expected to slightly grow (c.150,000 units) and a current operating profit of at least €380 million, enabling the operating margin to be maintained at around 8%.

2 CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

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2 CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

Summary financial statements

2.1 SUMMARY FINANCIAL STATEMENTS

2.1.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS			
<i>(in thousands of euros)</i>	Notes	30/06/2022	31/12/2021
Non-current assets			
Goodwill	5	1,358,164	1,356,493
Other intangible assets	6	124,142	117,895
Right-of-use assets	6	625,910	582,076
Property, plant and equipment	6	65,652	59,267
Equity-accounted investments	7	126,831	124,934
Other financial assets	8	58,124	58,334
Deferred tax assets	28	14,957	23,037
Total non-current assets		2,373,780	2,322,036
Current assets			
Inventories and work in progress	10	1,767,124	1,811,194
Trade and other receivables	11	1,222,908	1,323,153
Tax receivable	28	14,394	23,562
Other current assets	12	1,562,154	1,515,489
Other financial receivables	19	262,262	236,125
Cash and cash equivalents	20	782,929	1,061,626
Total current assets		5,611,771	5,971,149
Total assets		7,985,551	8,293,185
LIABILITIES AND EQUITY			
<i>(in thousands of euros)</i>		30/06/2022	31/12/2021
Equity			
Share capital	14	280,649	280,649
Additional paid-in capital		521,060	521,060
Treasury shares	16	(29,735)	(34,066)
Reserves and retained earnings		1,022,436	836,003
Net profit for the period		54,173	324,906
Equity attributable to equity holders of the parent company		1,848,583	1,928,552
Non-controlling interests		24,892	19,620
Total equity		1,873,475	1,948,172
Non-current liabilities			
Long-term borrowings and financial debt	18	729,577	708,033
Non-current lease liabilities	18	570,869	516,817
Employee benefits	23	25,881	24,964
Deferred tax liabilities	28	88,053	93,258
Total non-current liabilities		1,414,380	1,343,072
Current liabilities			
Short-term borrowings, financial liabilities and operating liabilities	18	1,102,154	1,086,306
Current lease liabilities	18	106,034	108,668
Current provisions	23	73,087	77,408
Trade and other payables		1,492,642	1,699,525
Current tax liabilities	28	6,824	24,941
Other current liabilities	13	1,916,955	2,005,093
Total current liabilities		4,697,696	5,001,941
Total liabilities and equity		7,985,551	8,293,185

2.1.2 CONSOLIDATED INCOME STATEMENT

<i>(in thousands of euros)</i>	Notes	30/06/2022 (6-month period)	30/06/2021 Restated (6-month period)
Revenue		1,800,187	2,099,003
Purchases		(1,157,005)	(1,304,957)
Personnel costs	24	(329,719)	(389,595)
Other operating expenses	25	(123,050)	(155,019)
Taxes (other than income tax)		(15,953)	(19,189)
Depreciation, amortisation and impairment of non-current assets	26	(79,585)	(75,395)
Current operating profit		94,875	154,848
Non recurring operating profit		-	184 651
Operating profit		94,875	339,499
Share of net profit from equity-accounted investments	7	9,790	13,281
Operating profit after share of net profit from equity-accounted investments		104,665	352,780
Financial expense	27	(27,811)	(44,533)
Financial income	27	3,658	2,008
Net financial income/(expense)		(24,153)	(42,525)
Pre-tax recurring profit		80,512	310,255
Income tax	28	(20,453)	(26,369)
Share of net profit/(loss) from other equity-accounted investments	7	(1,011)	(907)
Net profit		59,048	282,979
Attributable to equity holders of the parent company		54,173	280,914
Attributable to non-controlling interests		4,875	2,065
<i>(en euros)</i>			
Net earnings per share	29	0.98	5.07
Diluted earnings per share	29	0.87	4.61

Income statement as of 30 June 2021 has been restated to take into account IFRS IC decision published in 2021 (see note 2.2).

2 CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

Summary financial statements

2.1.3 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(in thousands of euros)</i>	30/06/2022 (6-month period)	30/06/2021 Restated (6-month period)
Net profit	59,048	282,979
Foreign currency translation gains and losses	175	822
Gains and losses that may be recycled to net profit	175	822
Gains and losses that may not be recycled to net profit	-	-
Total other comprehensive income (net of tax)	175	822
Total comprehensive income	59,223	283,801
Attributable to equity holders of the parent company	54,348	281,736
Attributable to non-controlling interests	4,875	2,065

2.1.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>(in thousands of euros)</i>	Share capital	Additional paid-in capital	Treasury shares held	Reserves and net profit earnings	Other comprehensive income	Equity attributable to equity holders of the parent company	Non-controlling interests	Total equity
Movements in 2021								
As of 1st January 2021	280,649	548,489	(29,025)	919,822	4,874	1,724,809	9,247	1,734,056
Treasury shares			14,200	(12,594)		1,606		1,606
Share-based payments				6,554		6,554		6,554
2021 OCEANE bond equity component				18,679		18,679		18,679
2016 OCEANE buyback effects				(13,745)		(13,745)		(13,745)
Impact of acquisitions or disposals of minority interests after acquisition of control				(2,780)		(2,780)		(2,780)
Dividends paid by Nexity (€2.00 per share)				(110,639)		(110,639)		(110,639)
Total movements linked to relationships with shareholders	-	-	14,200	(114,525)	-	(100,325)	-	(100,325)
Net profit for the period				280,914		280,914	2,065	282,979
Other comprehensive income				822		822		822
Total comprehensive income	-	-	-	281,736	-	281,736	2,065	283,801
Dividends paid by subsidiaries						-	(438)	(438)
Impact of changes in scope				(4,309)		(4,309)	5,622	1,313
Restated, as of 30 June 2021	280,649	548,489	(14,825)	1,082,724	4,874	1,901,911	16,496	1,918,407
Movements in 2022								
As of 1st January 2022	280,649	548,489	(34,066)	1,128,484	4,996	1,928,552	19,620	1,948,172
Treasury shares			4,331	(5,566)		(1,235)		(1,235)
Share-based payments				6,149		6,149		6,149
2021 OCEANE bond equity component						-		-
2016 OCEANE buyback effects						-		-
Impact of acquisitions or disposals of minority interests after acquisition of control				(639)		(639)		(639)
Dividends paid by Nexity (€2.50 per share)				(138,100)		(138,100)		(138,100)
Total movements linked to relationships with shareholders	-	-	4,331	(138,156)	-	(133,825)	-	(133,825)
Net profit for the period				54,173		54,173	4,875	59,048
Other comprehensive income					175	175		175
Total comprehensive income	-	-	-	54,173	175	54,348	4,875	59,223
Dividends paid by subsidiaries						-	195	195
Impact of changes in scope				(492)		(492)	202	(290)
As of 30 June 2022	280,649	548,489	(29,735)	1,044,009	5,171	1,848,583	24,892	1,873,475

2 CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

Summary financial statements

2.1.5 CONSOLIDATED CASH FLOW STATEMENT

<i>(in thousands of euros)</i>	Notes	30/06/2022 (6-month period)	30/06/2021 Restated (6-month period)
Net profit attributable to equity holders of the parent company		54,173	280,914
Net profit attributable to non-controlling interests		4,875	2,065
Consolidated net profit		59,048	282,979
Elimination of non-cash income and expenses:			
Elimination of depreciation, amortisation and provisions		12,128	12,013
Elimination of depreciation of right-of-use assets		63,033	59,356
Elimination of gains and losses on asset disposals		(458)	(202,805)
Elimination of the impact of changes in fair value			422
Elimination of net profit from equity-accounted investments		(9,790)	(13,281)
Elimination of net profit from other equity-accounted investments		1,011	907
Elimination of the impact of share-based payments		6,149	6,554
Cash flow from operating activities after interest and tax expenses		131,121	146,145
Elimination of net interest expense/(income)		22,182	40,493
Elimination of tax expense, including deferred taxes and tax credits		20,228	25,994
Cash flow from operating activities before interest and tax expenses		173,531	212,632
Change in operating working capital	9	(200,335)	(333,100)
Dividends received from equity-accounted investments	7	2,187	2,461
Interest paid		(7,706)	(14,715)
Tax paid		(26,215)	(45,323)
Net cash from/(used in) operating activities		(58,538)	(178,045)
Purchase of subsidiaries, net of cash acquired	3.3	(2,736)	(237)
Proceeds from sale of subsidiaries, net of cash divested	3.4	-	208,190
Other changes in scope		(80)	283
Purchase of property, plant, equipment and intangible assets		(29,061)	(22,796)
Purchase of financial assets		(6,246)	(25,458)
Proceeds from sale of property, plant, equipment and intangible assets		122	630
Proceeds from sale and redemption of financial assets		2,512	1,972
Net cash from/(used in) investing activities		(35,489)	162,584
Dividends paid to equity holders of the parent company		(138,100)	(110,639)
Dividends paid to minority shareholders of consolidated companies		195	(438)
Net disposal/(acquisition) of treasury shares		(1,507)	1,959
(Acquisitions)/disposals of minority interests with no gain or loss of control		-	(5,876)
Proceeds from issuance of bonds		77,440	404,416
Redemption of bonds		(40,522)	(580,115)
Repayment of lease liabilities		(63,479)	(116,657)
Decrease in receivables and increase in short-term financial debt		(18,671)	(1,079)
Net cash from/(used in) financing activities		(184,644)	(408,429)
Impact of changes in foreign currency exchange rates		201	347
Change in cash and cash equivalents		(278,470)	(423,543)
Cash and cash equivalents at beginning of period		1,042,399	1,253,388
Cash and cash equivalents at end of period	20	763,929	829,845

2.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Information on the Company and key highlights

1.1 Information on the Company

Nexity is an integrated real estate operator harnessing the entire spectrum of property know-how and skills to serve private individuals, companies, institutional investors and local authorities. Covering all segments of the property development and services markets, Nexity is one of the top players in French real estate and offers its clients a unique range of expertise and advice, products, services and solutions to meet their evolving needs.

Nexity is present throughout France and has a limited presence elsewhere in Europe.

The Group is organised around the following three operating divisions :

- The Property Development division comprising the following activities:
 - Residential real estate development, including the development of new housing units and building lots in France and, to a lesser extent, in other European countries;
 - Commercial property development, corresponding to the development of office buildings, business parks, logistics platforms, shops and hotels.

- The Property Services division comprising the following activities:
 - Services for individuals (property administration, management and transactions, management of student residences) and for companies (management and consulting, co-working activities);
 - Distribution of new apartment for retail investors.
- The Other Activities division, which includes Nexity's urban regeneration business (Villes & Projets), investment activities, innovative startups in the incubation phase, the Group's main digital projects and the holding company.

Nexity's shares are listed on Eurolist by NYSE Euronext Paris.

1.2 Key highlights

Significant developments in the first half of 2021 were as follows:

The economical situation reinforces short-term uncertainties

The Covid wave and the war in Ukraine happened both at the beginning of the year, have been two exogenous shocks during the semestre. They have led to a sharp slowdown in growth, with an acceleration of inflation that accelerates and a rise in interest rates.

Business activity

- 7,639 new home reservations in France
- €92 million of commercial real estate order instakes
- Growth in services with revenue of €421 million, up 9%.

2 CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

Notes to the consolidated financial statements

2.2.1 GENERAL INFORMATION

Note 2 Principles and policies

2.1 Statement of compliance

The Nexity group's consolidated financial statements for the six months ended 30 June 2022 were prepared in accordance with International Financial Reporting Standards (IFRSs) and IFRS Interpretations Committee (IFRS IC) interpretations, as adopted by the European Union.

These consolidated interim financial statements were also prepared in compliance with IAS 34 Interim Financial Reporting, as adopted by the European Union. They do not include all the information required for the complete set of annual financial statements and should be read in conjunction with the Group's financial statements for the financial year ended 31 December 2021.

The accounting principles and methods used to prepare the consolidated financial statements for the period ended 30 June 2021 were the same as those applied for the

financial year ended 31 December 2021, in the absence of new standards, amendments and interpretations adopted by the European Union and subject to mandatory application in 2022 that have a material impact on the financial statements.

The Company's press releases and annual reports – including historical financial information about the Company and the consolidated financial statements – are available on the Company's website (www.nexity.fr). Copies may also be obtained from Nexity's head office at 19 rue de Vienne, TSA 50029, 75801 Paris Cedex 8 (France).

The consolidated interim financial statements were approved by the Board of Directors on 27 July 2022.

2.2 New standards, interpretations and decisions made by IFRS IC

To reflect IFRS IC decisions released in 2021, the interim 2021 income statement has been restated by the following amounts :

<i>(in thousands of euros)</i>	30/06/2021 (6-month period) Released	Restatement of Software Costs in SaaS mode	30/06/2021 Restated (6-month period)
Income statement			
Operating profit	342,534	(3,035)	339,499
Income tax	(27,153)	784	(26,369)
Net profit	285,230	(2,251)	282,979

Reprocessing Software Costs in Saas (IFRS IC decision in mars 2021) :

Nexity uses SaaS contracts which do not give exclusive control rights over the software used and are treated as service contracts.

The IFRS IC has ruled on the costs of configuring and adapting these tools: these cannot give rise to the recognition of a non-

current asset but must be expensed as soon as they are realised.

The retrospective impact of this change in method was recognised in retained earnings on January 1st, 2020 and in earnings from the second half of 2021.

Other developments in IFRS IC standards and decisions have no impact on the Nexity Group's consolidated financial statements.

2.3 Estimates and assumptions

In the process of preparing the consolidated financial statements, the valuation of certain balance sheet and income statement balances requires the use of assumptions or assessments based in particular on the budgets for real estate transactions. These include the valuation of the operating margin, non-current assets, the determination of provisions, inventory write-downs and accrued expenses, as well as assets held for sale and related liabilities. Other items also require the use of estimates based on assumptions about the development of business plans or changes in the forecast rates used: valuation of provisions, estimates relating to goodwill, put options granted to minority shareholders and the annual Group tax rate applied to first-half earnings.

These assumptions, estimates and assessments are prepared and reviewed on an ongoing basis, based on information and situations existing at the date of preparation of the financial statements, past experience and other factors deemed reasonable. Actual results may differ materially from these estimates as a result of changes in assumptions and conditions.

Assumptions, estimates, and assessments contributing to the presentation of the financial statements as of 30 June 2022 were carried out in a remaining high uncertainty context (Russian-Ukrainian war, health crisis, risk of inflation, rise in interest rates, etc) but which should result in limited effects on the Group's activities.

Note 3 Scope of reporting and business combinations

3.1 Scope of reporting

3.1.1 Scope as of June 30, 2022

Basis of reporting	Development	Services	Other Activities	Total as of 30/06/2021
Fully consolidated	1,597	91	24	1,712
Joint ventures	299	3	4	306
Associates	-	1	2	3
Equity-accounted	299	4	6	309
Total scope of reporting	1,896	95	30	2,021

3.1.2 Changes in scope

The number of entities in the reporting scope decreased from 2,145 to 2,021 companies, i.e. a drop of 124 entities between 31 December 2021 and 30 June 2022.

The deconsolidation of 150 companies is explained in particular by the exit of real estate projects that have been achieved and have become inactive.

26 companies were added to the scope of consolidation during the first half of the year. They are mainly companies created to serve as program supports for the Group's real estate operations.

The Group realises its new real estate projects in multi-programme companies, which explains the lower number of creations.

3.2 Acquisition of companies

Property administration firms

During the 1st half of 2022, the Group acquired a property administration firm in France, for a purchase price of €2,760 thousand.

This transaction generated provisional goodwill of €1,671 thousand.

3.3 Detail of acquisitions reported in the consolidated cash flow statement

<i>(in thousands of euros)</i>	2022 Acquisitions (6-month period)	2021 Acquisitions (6-month period)
Purchase price	2,760	237
Cash of subsidiaries acquired	(24)	-
Acquisitions of consolidated companies, net of cash acquired	2,736	237

In addition, acquisitions of companies carrying assets used to support development activities and not corresponding to business combinations in accordance with IFRS 3 are restated as a change in activity in the financial statements, and appear as a change in working capital requirement in the statement of cash flows.

3.4 Detail of disposals reported in the consolidated cash flow statement

<i>(in thousands of euros)</i>	2022 Disposals (6-month period)	2021 Disposals (6-month period)
Sale price received	-	208,313
Cash of subsidiaries sold	-	(123)
Proceeds from sales of consolidated companies, net of cash divested	-	208,190

The 2021 divestments correspond to the deconsolidation of Ægide-Domitys group as of 30 June and century 21 France as of 31 March.

2 CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

Notes to the consolidated financial statements

Note 4 Segment information

4.1 Segment definitions

The definition of segments is identical to that provided in the consolidated financial statements for the year ended 31 December 2021.

Operational reporting

Segment reporting reflects the operational reporting that serves as the basis for the Group's management. Nexity uses the proportional method for reporting joint ventures, as it considers that this presentation better reflects the measurement of its performance and risks in terms of revenue, operating income, working capital requirements and indebtedness.

Notes 4.2.1 and 4.3.1 present the summary statements according to operational reporting, and a reconciliation with the financial statements.

The operating reporting information is analyzed and commented on in the half-yearly activity report and the first-half press release.

4.2 Income statement

4.2.1 Income statement based on operational reporting

<i>(in thousands of euros)</i>	30/06/2022 (6-month period)	Restatement of joint ventures	30/06/2022 Operational reporting	30/06/2021 Restated operational reporting like-for-like basis
Revenue	1,800,187	163,488	1,963,675	2,063,480
Purchases	(1,157,005)	(143,784)	(1,300,789)	(1,401,574)
Personnel costs	(329,719)	-	(329,719)	(320,840)
Other operating expenses	(123,050)	(4,093)	(127,143)	(116,235)
Taxes (other than income tax)	(15,953)	(393)	(16,346)	(16,903)
Depreciation, amortisation and impairment of non-current assets	(79,585)	-	(79,585)	(74,983)
Current operating profit	94,875	15,218	110,093	132,946
Non recurring operating profit	-	-	-	-
Operating profit	94,875	15,218	110,093	132,946
Share of net profit from equity-accounted investments	9,790	(9,790)	-	-
Operating profit after share of net profit from equityaccounted investments	104,665	5,428	110,093	132,946
Financial expense	(27,811)	(1,278)	(29,089)	(32,830)
Financial income	3,658	(169)	3,489	1,658
Net financial income/(expense)	(24,153)	(1,447)	(25,600)	(31,172)
Pre-tax recurring profit	80,512	3,981	84,493	101,774
Income tax	(20,453)	(3,981)	(24,434)	(24,163)
Share of net profit/(loss) from other equityaccounted investments	(1,011)	-	(1,011)	(907)
Net profit	59,048	-	59,048	76,704
Attributable to equity holders of the parent company	54,173	-	54,173	74,739
Attributable to non-controlling interests	4,875	-	4,875	1,966
<i>(in euros)</i>				
Net earnings per share	0.98		0.98	1.35
Diluted earnings per share	0.87		0.87	1.23

<i>(in thousands of euros)</i>	30/06/2021 Restated (6-month period)	Restatement of joint ventures	30/06/2021 Restated Operational reporting
Revenue	2,099,003	175,770	2,274,773
Purchases	(1,304,957)	(159,740)	(1,464,697)
Personnel costs	(389,595)	-	(389,595)
Other operating expenses	(155,019)	4,005	(151,014)
Taxes (other than income tax)	(19,189)	(541)	(19,730)
Depreciation, amortisation and impairment of non-current assets	(75,395)	-	(75,395)
Current operating profit	154,848	19,494	174,342
Non recurring operating profit	184,651	-	184,651
Operating profit	339,499	19,494	358,993
Share of net profit from equity-accounted investments	13,281	(13,281)	-
Operating profit after share of net profit from equityaccounted investments	352,780	6,213	358,993
Financial expense	(44,533)	(1,203)	(45,736)
Financial income	2,008	(1)	2,007
Net financial income/(expense)	(42,525)	(1,204)	(43,729)
Pre-tax recurring profit	310,255	5,009	315,264
Income tax	(26,369)	(5,009)	(31,378)
Share of net profit/(loss) from other equityaccounted investments	(907)	-	(907)
Net profit	282,979	-	282,979
Attributable to equity holders of the parent company	280,914	-	280,914
Attributable to non-controlling interests	2,065	-	2,065
<i>(in euros)</i>			
Net earnings per share	5.07		5.07
Diluted earnings per share	4.61		4.61

Income statement as of 30 June 2021 has been restated to take into account IFRS IC decision published in 2021 (see note 2.2).

2 CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

Notes to the consolidated financial statements

4.2.2 Income statement broken down by segment

JUNE 30, 2022

<i>(in thousands of euros)</i>	Development	Services	Other Activities	Total Operational reporting
Total revenue	1,537,544	421,308	4,824	1,963,675
Revenue	1,537,544	421,308	4,824	1,963,675
Operating expenses	(1,442,645)	(325,538)	(3,801)	(1,771,984)
EBITDA	94,899	95,770	1,022	191,691
Leases	(9,059)	(49,970)	(4,450)	(63,479)
EBITDA after leases	85,840	45,800	(3,428)	128,212
Restatement of leases	9,059	49,970	4,450	63,479
Depreciation of right-of-use assets	(8,449)	(49,818)	(4,765)	(63,031)
Depreciation, amortisation and impairment of non-current assets	(3,214)	(9,074)	(4,267)	(16,555)
Net change in provisions	4,986	(40)	(808)	4,138
Share-based payments	(2,614)	(1,070)	(2,465)	(6,149)
Current operating profit	85,607	35,769	(11,283)	110,094
Non recurring operating profit	-	-	-	-
Operating profit	85,607	35,769	(11,283)	110,094
Financial expense	(11,509)	(1,853)	(7,627)	(20,988)
Financial income	2,132	82	1,276	3,489
Net financial income/(expense) before expense on lease liabilities	(9,377)	(1,771)	(6,351)	(17,499)
Financial expense on lease liabilities	(886)	(6,658)	(558)	(8,102)
Net financial income/(expense)	(10,263)	(8,430)	(6,909)	(25,601)
Pre-tax recurring profit	75,345	27,340	(18,192)	84,493
Income tax	(21,788)	(7,906)	5,261	(24,434)
Share of profit/(loss) from equity-accounted investments	(264)	270	(1,017)	(1,011)
Net profit	53,292	19,703	(13,948)	59,047
Attributable to equity holders of the parent company	48,044	20,077	(13,948)	54,173
Attributable to non-controlling interests	5,248	(373)		4,875

RESTATED AS OF JUNE 30, 2021

<i>(in thousands of euros)</i>	Development	Services	Other Activities	Like-for-like basis	Disposed activities contribution	Total Operational reporting
Total revenue	1,677,531	385,345	604	2,063,480	211,293	2,274,773
Revenue	1,677,531	385,345	604	2,063,480	211,293	2,274,773
Operating expenses	(1,539,959)	(309,004)	(4,425)	(1,853,389)	(169,923)	(2,023,311)
EBITDA	137,572	76,341	(3,822)	210,091	41,370	251,461
Leases	(9,689)	(47,591)	(3,476)	(60,756)	(55,901)	(116,657)
EBITDA after leases	127,883	28,750	(7,298)	149,336	(14,531)	134,805
Restatement of leases	9,689	47,591	3,476	60,756	55,901	116,657
Depreciation of right-of-use assets	(8,496)	(43,838)	(7,043)	(59,377)	18	(59,359)
Depreciation, amortisation and impairment of non-current assets	(3,759)	(8,770)	(3,030)	(15,559)	(430)	(15,989)
Net change in provisions	1,575	3,084	(607)	4,052	731	4,783
Share-based payments	(2,059)	(1,024)	(3,178)	(6,261)	(293)	(6,554)
Current operating profit	124,832	25,793	(17,680)	132,946	41,396	174,342
Non recurring operating profit	-	-	-	-	184,651	184,651
Operating profit	124,832	25,793	(17,680)	132,946	226,047	358,993
Financial expense	(13,513)	(1,626)	(11,744)	(26,883)	(2,529)	(29,412)
Financial income	939	100	619	1,658	349	2,007
Net financial income/(expense) before expense on lease liabilities	(12,574)	(1,526)	(11,125)	(25,225)	(2,180)	(27,405)
Financial expense on lease liabilities	(831)	(4,807)	(308)	(5,946)	(10,377)	(16,323)
Net financial income/(expense)	(13,405)	(6,333)	(11,433)	(31,172)	(12,557)	(43,729)
Pre-tax recurring profit	111,427	19,460	(29,113)	101,774	213,490	315,264
Income tax	(31,131)	(6,480)	13,449	(24,162)	(7,217)	(31,379)
Share of profit/(loss) from equity-accounted investments	(907)	-	-	(907)	-	(907)
Net profit	79,388	12,981	(15,664)	76,704	206,275	282,979
Attributable to equity holders of the parent company	77,819	12,584	(15,664)	74,739	206,176	280,914
Attributable to non-controlling interests	1,569	396	-	1,966	99	2,065

To ease comparison with 2022, the segmented income statement as of 30 June 2021 has been restated on a like-for-like basis (constant scope) by isolating the results of disposals of the divested activities (Century 21 and Ægide -Domitys.)

2 CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

Notes to the consolidated financial statements

4.3 Balance sheet

4.3.1 Balance sheet based on operational reporting

ASSETS <i>(in thousands of euros)</i>	30/06/2022	Restatement of joint ventures	30/06/2022 Operational reporting	31/12/2021	Restatement of joint ventures	31/12/2021 Operational reporting
Non-current assets						
Goodwill	1,358,164	-	1,358,164	1,356,493	-	1,356,493
Other intangible assets	124,142	-	124,142	117,895	-	117,895
Right-of-use assets	625,910	-	625,910	582,076	-	582,076
Property, plant and equipment	65,652	-	65,652	59,267	-	59,267
Equity-accounted investments	126,831	(65,336)	61,495	124,934	(62,427)	62,507
Other financial assets	58,124	225	58,349	58,334	142	58,476
Deferred tax assets	14,957	(7,410)	7,547	23,037	1,843	24,880
Total non-current assets	2,373,780	(72,521)	2,301,259	2,322,036	(60,442)	2,261,594
Current assets						
Inventories and work in progress	1,767,124	179,341	1,946,465	1,811,194	184,848	1,996,042
Trade and other receivables	1,222,908	275,229	1,498,137	1,323,153	52,337	1,375,490
Tax receivable	14,394	(6,474)	7,920	23,562	417	23,979
Other current assets	1,562,154	47,996	1,610,150	1,515,489	54,338	1,569,827
Other financial receivables	262,262	(141,726)	120,536	236,125	(126,046)	110,079
Cash and cash equivalents	782,929	164,812	947,741	1,061,626	142,532	1,204,158
Total current assets	5,611,771	519,178	6,130,949	5,971,149	308,426	6,279,575
Total assets	7,985,551	446,657	8,432,208	8,293,185	247,984	8,541,169
LIABILITIES AND EQUITY <i>(in thousands of euros)</i>	30/06/2022	Restatement of joint ventures	30/06/2022 Operational reporting	31/12/2021	Restatement of joint ventures	31/12/2021 Operational reporting
Equity						
Share capital	280,649	-	280,649	280,649	-	280,649
Additional paid-in capital	521,060	-	521,060	521,060	-	521,060
Treasury shares	(29,735)	-	(29,735)	(34,066)	-	(34,066)
Reserves and retained earnings	1,022,436	-	1,022,436	836,003	-	836,003
Net profit for the period	54,173	-	54,173	324,906	-	324,906
Equity attributable to equity holders of the parent company	1,848,583	-	1,848,583	1,928,552	-	1,928,552
Non-controlling interests	24,892	-	24,892	19,620	-	19,620
Total equity	1,873,475	-	1,873,475	1,948,172	-	1,948,172
Non-current liabilities						
Long-term borrowings and financial debt	729,577	2,923	732,500	708,033	3,413	711,446
Non-current lease liabilities	570,869	-	570,869	516,817	-	516,817
Employee benefits	25,881	-	25,881	24,964	-	24,964
Deferred tax liabilities	88,053	2,999	91,052	93,258	11,074	104,332
Total non-current liabilities	1,414,380	5,922	1,420,302	1,343,072	14,487	1,357,559
Current liabilities						
Short-term borrowings, financial liabilities and operating liabilities	1,102,154	111,208	1,213,362	1,086,306	114,808	1,201,114
Current lease liabilities	106,034	-	106,034	108,668	-	108,668
Current provisions	73,087	1,661	74,748	77,408	1,813	79,221
Trade and other payables	1,492,642	106,588	1,599,230	1,699,525	114,834	1,814,359
Current tax liabilities	6,824	(3,912)	2,912	24,941	1,532	26,473
Other current liabilities	1,916,955	225,190	2,142,145	2,005,093	510	2,005,603
Total current liabilities	4,697,696	440,735	5,138,431	5,001,941	233,497	5,235,438
Total liabilities and equity	7,985,551	446,657	8,432,208	8,293,185	247,984	8,541,169

4.3.2 Balance sheet items broken down by segment

AS OF JUNE 30, 2022

<i>(in thousands of euros)</i>	Development	Services	Other Activities	Inter-division eliminations and not segmented	Total Operational reporting
Assets					
Non-current division assets	404,675	1,677,985	549,194	(338,142)	2,293,712
Deferred tax assets				7,547	7,547
Total non-current assets	404,675	1,677,985	549,194	(330,595)	2,301,259
Current division assets	4,454,145	1,845,053	1,377,181	(1,553,350)	6,123,029
Tax receivable				7,920	7,920
Total current assets	4,454,145	1,845,053	1,377,181	(1,545,430)	6,130,949
Total assets	4,858,820	3,523,038	1,926,375	(1,876,025)	8,432,208
Liabilities and equity					
Total equity				1,873,476	1,873,476
Non-current division liabilities	388,873	533,155	745,364	(338,142)	1,329,249
Deferred tax liabilities				91,052	91,052
Total non-current liabilities	388,873	533,155	745,364	(247,090)	1,420,301
Current division liabilities	3,227,168	1,937,065	1,524,883	(1,553,597)	5,135,520
Current tax liabilities				2,912	2,912
Total current liabilities	3,227,168	1,937,065	1,524,883	(1,550,685)	5,138,431
Total liabilities and equity	3,616,041	2,470,220	2,270,247	75,700	8,432,208
Working capital requirement	1,215,124	52,453	45,553	5,256	1,318,385

DECEMBRE 31, 2021

<i>(in thousands of euros)</i>	Development	Services	Other Activities	Inter-division eliminations and not segmented	Total Operational reporting
Assets					
Non-current division assets	406,486	1,616,569	542,409	(328,751)	2,236,713
Deferred tax assets				24,880	24,880
Total non-current assets	406,486	1,616,569	542,409	(303,871)	2,261,594
Current division assets	4,466,204	1,808,887	1,421,242	(1,440,737)	6,255,596
Tax receivable				23,979	23,979
Total current assets	4,466,204	1,808,887	1,421,242	(1,416,758)	6,279,575
Total assets	4,872,691	3,425,456	1,963,651	(1,720,629)	8,541,169
Liabilities and equity					
Total equity				1,948,172	1,948,172
Non-current division liabilities	410,790	472,535	698,653	(328,751)	1,253,227
Deferred tax liabilities				104,332	104,332
Total non-current liabilities	410,790	472,535	698,653	(224,419)	1,357,559
Current division liabilities	3,096,266	1,896,778	1,656,905	(1,440,984)	5,208,965
Current tax liabilities				26,473	26,473
Total current liabilities	3,096,266	1,896,778	1,656,905	(1,414,511)	5,235,438
Total liabilities and equity	3,507,056	2,369,312	2,355,558	309,242	8,541,169
Working capital requirement	1,052,745	75,332	(6,930)	(2,247)	1,118,900

2 CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

Notes to the consolidated financial statements

2.2.2 ANALYSIS OF THE FINANCIAL STATEMENTS

NON-CURRENT ASSETS

Note 5 Goodwill

<i>(in thousands of euros)</i>	31/12/2021	Acquisitions and remeasurements	30/06/2022
Residential Real Estate development	771,674	-	771,674
Commercial Real Estate development	74,110	-	74,110
Services	430,976	1,671	432,647
Distribution	79,733	-	79,733
Total goodwills	1,356,493	1,671	1,358,164

Given the evolution of the stock price in the first half of 2022, the Group's market capitalisation is lower than its consolidated equity, which constitute an indication of loss of value. Nevertheless, the Group's business outlook is not questioned.

The goodwill impairment tests and sensitivity tests performed as of 31 December 2021 showed significant room for manoeuvre.

As of 30 June 2022, no depreciation test has been implemented.

Note 6 Right-of-use assets, other intangible assets and other property, plant and equipment

<i>(in thousands of euros)</i>	30/06/2022			31/12/2021		
	Gross	Depreciation, amortisation and impairment		Gross	Depreciation, amortisation and impairment	
Other intangible assets	253,467	(129,325)	124,142	239,970	(122,075)	117,895
Right-of-use assets (IFRS 16 Leases)	1,060,386	(434,477)	625,910	955,961	(373,886)	582,076
Property, plant and equipment	223,465	(157,812)	65,652	209,332	(150,065)	59,267
Total non-current assets	1,537,318	(721,614)	815,704	1,405,264	(646,026)	759,238

DÉTAIL DES MOUVEMENTS DE L'EXERCICE

<i>(in thousands of euros)</i>	31/12/2021	Movements:			30/06/2022
		Acquisitions and disposals	Net charges for the period	Changes in scope and other	
Other intangible assets	117,895	12,579	(7,275)	943	124,142
Right-of-use assets (IFRS 16 Leases)	582,076	106,460	(63,033)	407	625,910
Property, plant and equipment	59,267	15,505	(9,244)	125	65,652
Total non-current assets	759,238	134,544	(79,553)	1,476	815,704

Rents not eligible for IFRS 16 amount to €7 million for low-value or short-term exemptions.

BREAKDOWN BY TYPE OF RIGHT-OF-USE ASSET

<i>(in thousands of euros)</i>	Average term in 2021 (in years)	30/06/2022	31/12/2021
- Student residences	5.4	311,296	322,100
- Coworking spaces	7.7	185,224	115,624
Serviced residence and coworking space activities		496,520	437,724
Corporate assets	3.2	129,390	144,352
Total right-of-use assets	5.1	625,910	582,076

CHANGES IN THE PERIOD

<i>(in thousands of euros)</i>	31/12/2021	Movements: Acquisitions and disposals	Net charges for the period	Changes in scope and other	30/06/2022
Student residences	322,100	18,276	(29,085)	5	311,296
Coworking spaces	115,624	81,645	(12,045)	-	185,224
Corporate assets	144,352	6,539	(21,904)	402	129,390
Total right-of-use assets	582,076	106,460	(63,033)	407	625,910

Movements in acquisitions and disposals of rights of use under IFRS 16, amounting to €106.4 million correspond mainly to new leases (rental agreements) or renewals signed in 2022.

Note 7 Equity-accounted investments

CHANGES IN THE PERIOD

<i>(in thousands of euros)</i>	30/06/2022	31/12/2021
Value of investments at beginning of period	124,934	57,764
Change in scope and foreign exchange gains and losses	5	11,251
Change in equity of equity-accounted investments		281
Share of profit from investees with activities that are an extension of the Group's operating activities	9,790	31,094
Share of Group profit from other investees	(1,011)	(1,988)
Dividends paid	(2,187)	(22,242)
Unpaid dividends	(4,700)	
Reclassification of Ægide-Domitys shares		48,774
Value of investments at period-end	126,831	124,934
<i>o/w: Investees with activities that are an extension of the Group's operating activities</i>	65,336	62,427
<i>o/w: Other investees</i>	61,495	62,507

Companies with an operational nature in line with the Group's activity are joint ventures. These are mainly real estate development operations (residential or business) carried out with another developer (co-development).

The other companies that represent a value of €61.5 million, are equity investments: mainly the stake in Ægide-Domitys

(development and operation of non-medical senior residences) for an amount of €47.4 million.

Ægide-Domitys is the French leader in the development and operation of non-medical senior residences for seniors. Ægide-Domitys manages 137 senior service residences, more than 16,000 housings at year-end 2021.

Ægide-Domitys achieved a consolidated revenue of around €415 million in 2021.

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Note 8 Other financial assets

<i>(in thousands of euros)</i>	31/12/2021	Movements acquisitions and disposals	Net charge For the period	Change in scope and other	30/06/2022
Startup investments	23,797	(591)	-	-	23,206
Unconsolidated acquired companies	1,400	-	-	(500)	900
Companies soon to be dissolved	1,387	(517)	411	(441)	840
Cash allocated to the liquidity agreement	4,431	(2,439)	-	-	1,992
Deposits and guarantees	11,468	4,584	-	8	16,060
Investments in funds and property developments	8,060	-	-	-	8,060
Loans for property acquisitions	7,424	(726)	-	-	6,698
Other	367	1	-	-	368
Total other financial assets	58,334	312	411	(933)	58,124

“Startup investments” are investments in FPCIs (French private equity funds for professional investors) or direct investments in private companies, in business sectors such as digital technology that may offer future synergies or growth opportunities.

“Unconsolidated acquired companies” consists of firms in property management for individuals acquired at the end of the period and intended to be consolidated in the following period.

“Companies soon to be dissolved” means investments in private companies that have been used as vehicles for property developments that have been delivered.

“Cash allocated to the liquidity agreement” designates the financial resources made available to the investment services provider contracted to manage the liquidity of Nexity’s publicly traded shares in accordance with the authorisations approved at the Shareholders’ Meeting.

“Deposits and guarantees” are held by third parties, and mainly include security deposits on the office buildings leased and occupied by the Group and on the surety bonds obtained for property management and brokerage activities in real estate services. Deposits and guarantees relating to the completion of property developments are included in the calculation of the working capital requirement.

“Investments in funds and property developments” refers to medium-term financing contributed by the Group to co-developments, and investments in real estate investment funds.

“Loans for property acquisitions ” corresponds to activities being phased out and came to €6,698 thousand (of which €365 thousand within one year) at 30 June 2022 compared with €7,424 thousand (of which €387 thousand within one year) at 31 December 2021.

All the other financial assets mainly mature in more than one year.

WORKING CAPITAL REQUIREMENT

Note 9 Breakdown of working capital requirement

<i>(in thousands of euros)</i>	Notes	30/06/2022	31/12/2021
Current assets			
Inventories and work in progress	10	1,767,124	1,811,194
Trade and other receivables	11	1,222,908	1,323,153
Other current assets	12	1,562,154	1,515,489
Current liabilities			
Trade and other payables		(1,492,642)	(1,699,525)
Other current liabilities	13	(1,916,955)	(2,005,093)
Working capital requirement before tax		1,142,588	945,218
Tax receivable	28	14,394	23,562
Current tax liabilities	28	(6,824)	(24,941)
Total working capital requirement		1,150,159	943,839

CHANGE IN THE PERIOD

<i>(in thousands of euros)</i>	Change in the period
Working capital requirement before tax at 31/12/2021	945,218
Change in working capital requirement as per cash flow statement	200,335
Impact of changes in scope	(8,528)
Change in receivables and payables for non-current assets and similar items (included in trade payables)	5,563
Working capital requirement before tax at 30/06/2022	1,142,588

Note 10 Inventories and work in progress

<i>(in thousands of euros)</i>	Gross	Impairment	30/06/2022	Gross	Impairment	31/12/2021
Total inventories and work in progress	1,805,042	(37,918)	1,767,124	1,854,425	(43,231)	1,811,194

Note 11 Trade and other receivables

<i>(in thousands of euros)</i>	Gross	Impairment	30/06/2022	Gross	Impairment	31/12/2021
Assets in VEFA contracts	837,429		837,429	969,681		969,681
Trade and other receivables	408,505	(23,026)	385,479	375,147	(21,675)	353,472
Total trade and other receivables	1,245,934	(23,026)	1,222,908	1,344,828	(21,675)	1,323,153

Trade receivables due as of 30 June 2022 amounts to €385,479 thousand.

<i>(in thousands of euros)</i>	31/12/2021	Movements related to operations	30/06/2022
Residential Real Estate Development	902,862	(182,291)	720,571
Commercial Real Estate Development	66,970	49,462	116,432
Total assets in VEFA contracts	969,832	(132,829)	837,003

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Contract assets correspond to the share of performance obligations already completed by the Group, for which the final cash collection right is subject to a contractual payment schedule. Contract assets gradually become receivables as calls for funds are issued to clients, demonstrating the Group's unconditional cash collection right. Contract assets therefore represent a portion of the future payments to be received by the Group for ongoing contracts.

The Group believes that its credit risk is not material as it essentially operates in a regulated business environment, which secures the payment of trade receivables.

Services covered by a VEFA off-plan sales contract but not yet recognised in revenue on a percentage-of-completion basis totalled €3,1 billion at 30 June 2022.

Note 12 Other current assets

<i>(in thousands of euros)</i>	Gross	Impairment	30/06/2022	Gross	Impairment	31/12/2021
Suppliers – Advances and deposits paid	82,332	(71)	82,261	123,015	(82)	122,933
Government receivables	380,076	-	380,076	320,289	-	320,289
Prepaid expenses	30,830	-	30,830	29,564	-	29,564
Other receivables	92,475	(7,612)	84,863	61,372	(6,971)	54,401
Cash held in client working capital accounts	984,124	-	984,124	988,303	-	988,303
Total other current assets	1,569,837	(7,683)	1,562,154	1,522,542	(7,053)	1,515,489

Note 13 Other current liabilities

<i>(in thousands of euros)</i>	30/06/2022	31/12/2021
Tax payable and social security contributions	515,546	548,482
Prepaid income and other accruals	322,673	335,301
Clients – Advances and deposits received	94,612	133,008
Client working capital accounts	984,124	988,303
Total other current liabilities	1,916,955	2,005,093

At 30 June 2022, prepaid income included €87,197 thousand in liabilities on Commercial Clients contracts, which represents the share of performance obligations that the Group has not yet completed, and for which payment has already been received.

EQUITY

Note 14 Share capital

As of 30 June 2022, the share capital of the parent company comprised 56,129,724 shares with a par value of €5 per share, unchanged since 31 December 2021.

Note 15 Free share award plans

Free shares may be granted to Group employees and senior executives by the Board of Directors, as authorised by a vote at a Shareholders' Meeting.

The following employee incentive plans offering free share awards were ongoing or ended during the period:

Nexity plans <i>(number of shares)</i>	Awarded	Cancelled	Vested*	Awarded, not cancelled and not vested	Vesting period ends
May 2019 plan	222,700	41,949	180,751	-	Q2 2022
October 2019 plan	235,500	21,500	-	214,000	Q4 2022
April 2020 plan	48,000	8,000	-	40,000	Q2 2023
May 2020 plan	48,000	24,000	-	24,000	Q2 2023
May 2020 plan for all employees	222,670	59,185	175	163,310	Q2 2023
July 2020 plan	122,400	13,700	-	108,700	Q3 2023
March and April 2021 plans	147,700	4,000	-	143,700	Q3 2024
May 2021 plan	373,400	18,800	-	354,600	Q3 2024
October 2021 plan	22,000	-	-	22,000	Q4 2024
April 2022 plan	165,800	-	-	165,800	Q2 2025
May 2022 plan	189,200	1,500	-	187,700	Q2 2025
May 2022 plan for all employees	219,060	-	-	219,060	Q2 2025
Total Nexity plans	2,016,430	192,634	180,926	1,642,870	

* of which 175 on previous fiscal years

The Shareholders' Meeting has granted the Board of Directors the right until 17 July 2023 to allocate 1% of the share capital for free share awards (subject to certain conditions and with a minimum three-year vesting period). A total of 408,260 free shares have been awarded under this authorisation.

The maximum potential dilution (taking into account treasury shares acquired and held to be granted to recipients of free

share awards) would be 1.7 % (as a percentage of share capital ownership) if all free shares already awarded were to vest, and 1.9 % if the calculation includes all possible free shares not yet awarded.

A total of 180,751 free shares vested during the first half of 2022, with all awards satisfied using treasury shares, and the shares were transferred to their recipients.

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Note 16 Treasury shares held

As authorised at the Shareholders' Meeting and implemented by the Board of Directors, the Group may find it necessary to hold treasury shares up to the limit of 10% of the share capital, adjusted for changes.

At 30 June 2022, treasury shares were held to meet two objectives:

in connection with a liquidity agreement entered into with an investment services provider;

in connection with share buyback programmes implemented to cover free share plans.

Nexity's treasury shares are recognised at cost and presented as a deduction from equity. Any gains from the disposal of treasury shares (as per the first-in-first-out (FIFO) method) are directly recognised in equity and have no effect on profit or loss of the period.

<i>(number of shares)</i>	Authorisations	Of which held under the liquidity agreement	Of which to be used for free share awards	Total held at transaction date
Position at 31 December 2021	5,612,972	85,584	858,108	943,692
Purchase, disposal and transfer of shares				
- Via the liquidity agreement entered into with an investment services provider	-	45,277	-	45,277
- held to be used for free share awards	-	-	-	-
- transferred during the financial year to cover free shares vested	-	-	(180,751)	(180,751)
Implementation of the programme authorised by the Shareholders' Meeting of 18 May 2022	10 % of the adjusted share capital according to its change	-	-	-
Position at 30 June 2022	5,612,972	130,861	677,357	808,218

The 808,218 treasury shares held as of 30 June 2022 were recognised as a deduction from net assets for a value of €29,735 thousand.

DEBT AND FINANCIAL RISK FACTORS

Note 17 Breakdown of net debt

Breakdown of net debt			30/06/2022	31/12/2021
<i>(in thousands of euros)</i>		Notes		
Bond issues	18		809,660	806,317
Long-term borrowings and financial debt	18		141,901	118,333
Short-term borrowings and financial debt	18		762,228	747,380
Loans and borrowings			1,713,789	1,672,029
Current accounts held as liabilities and related payables	18		98,942	103,082
Current accounts held as assets and related receivables	19		(262,262)	(236,125)
Other financial receivables and payables			(163,320)	(133,043)
Cash and cash equivalents	20		(782,929)	(1,061,626)
Bank overdraft facilities	20		19,000	19,227
Net cash and cash equivalents			(763,929)	(1,042,399)
Total net financial debt before lease liabilities			786,540	496,587
Lease liabilities	18		676,903	625,485
Total net debt			1,463,443	1,122,072

CHANGE IN THE PERIOD							
<i>(in thousands of euros)</i>	31/12/2021	Cash flows	Impact of changes in scope	Change in fair value	New leases	Other	30/06/2022
Loans and borrowings	1,672,029	36,918	-	1,516	-	3,325	1,713,789
Other financial receivables and payables	(133,043)	(18,671)	(9,215)	-	-	(2,391)	(163,320)
Net cash and cash equivalents	(1,042,399)	278,470	-	-	-	-	(763,929)
Total net debt before lease liabilities	496,587	296,717	(9,215)	1,516	-	935	786,540
Lease liabilities	625,485	(63,479)	-	8,102	109,496	(2,700)	676,904
Total net debt	1,122,072	233,238	(9,215)	9,618	109,496	(1,765)	1,463,444

COMPONENTS OF NET DEBT RECOGNISED IN THE STATEMENT OF CASH FLOWS

<i>(in thousands of euros)</i>	Cash flows
Proceeds from issuance of bonds	77,440
Redemption of bonds	(40,522)
Acquisitions of minority interests	-
Change in bank borrowings and acquisition-related debt	36,918
Repayment of lease liabilities	(63,479)
Change in other borrowings and other financial receivables	(18,671)
Change in cash and cash equivalents	278,470
Total change in net debt	233,238

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Notes to the consolidated financial statements

Note 18 Borrowings and financial liabilities

<i>(in thousands of euros)</i>	30/06/2022		31/12/2021	
	Non-current	Current	Non-current	Current
Bond issues	591,351	218,309	589,700	216,617
Loans and borrowings	138,226	765,903	118,333	747,380
Current account and equivalent liabilities	-	98,942	-	103,082
Bank overdraft facilities	-	19,000	-	19,227
Total borrowings and financial liabilities before lease liabilities	729,577	1,102,154	708,033	1,086,306
Lease liabilities	570,869	106,034	516,817	108,668
Total borrowings and financial liabilities	1,300,446	1,208,188	1,224,849	1,194,974

18.1 Bond issues

At 30 June 2022, the reported nominal amount of bond issues (€831 million) differed from their consolidated value (€809.7 million), as a result of the restatement of the OCEANE equity component and the phasing of arrangement costs.

Bondholders may ask for early redemption in whole or in part, in cash, if at least 50% of the voting rights attaching to Nexity's shares are directly held by a single third party.

Euro PP notes issued by Nexity SA

EURO PP NOTES

Issue date	Nominal amount at 30/06/2022 <i>(in millions of euros)</i>	Nominal amount at 31/12/2021 <i>(in millions of euros)</i>	Annual interest rate (i)	Maturity
29 June 2017	30.0	30.0	2.05%	10 November 2023
29 June 2017	121.0	121.0	2.60%	29 June 2025
20 December 2019 – Green Bond	84.0	84.0	2.26%	20 December 2026
20 December 2019 – Green Bond	156.0	156.0	2.46%	20 December 2027
Total	391.0	391.0		

Financial covenants

Under the terms of these issues, the Group is required to comply with the following covenants, which are calculated on the basis of the consolidated financial statements every six months on a rolling 12-month basis. All of these ratios have been met as of 30 June 2022.

Bond issue date	Ratio limit	Ratio at 30/06/2022
Net debt before IFRS 16 / Consolidated equity	≤ 2	0.4
Leverage ratio: Net debt before IFRS 16 and project-related debt ¹ / EBITDA after lease payments	≤ 3.5	2.1
EBITDA after lease payments / Cost of net financial debt before IFRS 16	≥ 2.5	11.6

¹ Project-related debt is debt linked to commercial real estate developments that have been sold, and debt linked to real estate assets, taken out by Nexity or one of its subsidiaries, with no possibility of recourse against other members of the Group

The calculation of the leverage ratio as of 30 June 2022 is determined as follows:

<i>(in millions of euros)</i>	Calculation of the leverage ratio at 30/06/2022
Net debt before IFRS 16	786.5
Neutralisation of non-recourse project-related debt	(50.7)
Neutralisation of non-recourse project-related cash	45.1
Net debt before IFRS 16 and project-related debt	781.0
EBITDA after lease payments (rolling 12-month basis)	377.9
Leverage ratio	2.07

EBITDA after lease payments (rolling 12-month basis) was determined as follows:

<i>(in millions of euros)</i>	31/12/2021 (12-month period)	<i>o/w</i> H1 2021 <i>restated</i>	H1 2022
Current operating profit	373.4	154.9	94.9
Depreciation of right-of-use assets	124.8	59.4	63.0
Depreciation, amortisation and impairment of non-current assets	32.8	16.0	16.6
Net change in provisions	(2.5)	(4.9)	(4.0)
Share-based payments	12.1	6.6	6.1
Dividends received from equity-accounted investees that are operational in nature	22.2	2.5	2.2
EBITDA	562.9	234.4	178.8
Restatement of lease payments	(182.6)	(116.7)	(63.5)
EBITDA after lease payments	380.2	117.7	115.3
EBITDA after lease payments H2 2021			262.5
EBITDA after lease payments (on a rolling 12-month basis)			377.8

Convertible bonds issued by Nexity SA

CONVERTIBLE BONDS ISSUES

Issue date	Nominal amount at 30/06/2022 <i>(in millions of euros)</i>	Nominal amount at 31/12/2021 <i>(in millions of euros)</i>	Annual interest rate	Maturity	Number of bonds
2018 ORNANE - 27 February 2018	200.0	200.0	0.250%	2 March 2025	2,902,336
2021 OCEANE – 19 April 2021	240.0	240.0	0.875%	19 April 2028	4,012,706
Total	440.0	440.0			

2018 ORNANE bond issue (bonds that may be converted into cash and/or new shares and/or existing shares)

On 27 February 2018, the Group issued €200 million of 7-year bonds that may be converted into cash and/or new shares and/or existing shares (ORNANE bonds), redeemable at maturity in March 2025 and paying an annual coupon rate of 0.25%.

The nominal unit value per 2018 ORNANE convertible bond was set at €68.91. In accordance with the dividend protection clause included in the terms of the bond, the conversion rate was adjusted following the dividend distribution in June 2021. It is 1.321 shares with a €5 par value for one bond (as opposed to one share for one bond at the date of issuance).

If all convertible bonds were converted, the dilution would be 6.4 % (as a percentage of share capital ownership).

At 30 June 2022, the market value of this instrument was €200 million recognised in its entirety under “Borrowings and financial liabilities”. For the recognition of this instrument, the Nexity group has selected the fair value option: all changes in fair value are recorded through “Net financial income/(expense)”.

2021 OCEANE bond issue (bonds that may be converted into new shares and/or existing shares)

On 19 April 2021, the Group issued €240 million of 7-year bonds that may be converted into new shares and/or existing shares (OCEANE bonds), redeemable at maturity in April 2028 and paying an annual coupon rate of 0.875%.

The nominal unit value per 2021 OCEANE convertible bond was set at €59.81. In accordance with the dividend protection clause included in the terms of the bond, the conversion rate was adjusted following the dividend distribution in June 2021. It was 1.141 shares with a €5 par value for one bond (as opposed to one share for one bond at the date of issuance).

If all convertible bonds were converted, the dilution would be 7.5 % (as a percentage of share capital ownership).

At 30 June 2022, the equity component of this instrument, after taking into account the financial expenses of the period was €22 million and the debt component was €218 million.

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18.2 Credit facilities

	30/06/2022			31/12/2021
<i>(in millions of euros)</i>	Non-current borrowings	Current borrowings	Total borrowings	Total borrowings
Nexity corporate credit line	-	30.0	30.0	30.0
Negotiable debt securities (NEU CP and NEU MTN)	-	498.0	498.0	448.0
Put options granted to minority shareholders	141.9	47.1	189.0	187.8
Total corporate debt	141.9	575.1	717.0	665.8
Non-recourse project-related loans	-	187.1	187.1	199.9
Total credit facilities	141.9	762.2	904.1	865.7

At 30 June 2022, credit facilities and put options granted to minority shareholders amounted to €904.1 million. The Group has revolving non-allocated credit facilities and credit facilities earmarked to fund real estate development programmes. Borrowings and financial liabilities are mainly denominated in euros and are at floating rates indexed to Euribor.

Generally, credit agreements require the borrower to comply with a number of covenants, particularly of a financial nature, as summarised below:

Nexity corporate credit lines

Nexity SA has access to non-allocated credit facilities for a maximum amount of €600 million, which breaks down as follows:

- Up to €500 million on a credit facility taken out with a syndicate of banks maturing in July 2023. One of the clauses of the credit agreement provides for early repayment in the event of a change in the control of Nexity SA affecting at least 30% of its share capital or if the Group's equity interest in Nexity Logement were to fall below 95%.
- Up to €100 million on another credit facility, including €75 million maturing in June 2023 and €25 million maturing in April 2024. One of the clauses of the credit agreement provides for early repayment in the event of a change in the control of Nexity SA affecting at least 50.01% of its share capital.

The credit facilities are not drawn down at 30 June 2022.

In addition, Nexity SA has an unrestricted loan of €30 million maturing in March 2023.

Under the terms of these credit facilities, and on a consolidated basis, the Group must maintain the same financial ratios as for its bond issues. At 30 June 2022, the Group is in compliance with all its financial covenants.

Negotiable debt securities

The Group has set up negotiable debt securities with NEU CP (Negotiable European Commercial Paper) and NEU MTN (Negotiable European Medium Term Notes) programmes.

<i>(in millions of euros)</i>	Authorisation	Drawn down amount
Negotiable European Commercial Paper < 1 year	300.0	207.0
Negotiable European Medium Term Notes > 1 year	450.0	291.0
Total at 30 June 2022	750.0	498.0

Put options granted to minority shareholders

Put options granted amount was stable compared to 31 December 2021.

The maturity schedule of put options granted to minority shareholders is based on the probable date of performance of the contractual obligations. At 30 June 2022, those put options related mainly to Bureaux à Partager (Morning), Accessite, Edouard Denis, pantera AG and Prado Gestion.

Non-recourse project-related loans

Specific financing may be arranged on an individual project basis to cover funding requirements.

18.3 Lease liabilities

<i>(in thousands of euros)</i>	31/12/2021	Payments during the period	Financial expense	Reclassification (portion <1 year)	New Leases	Other	30/06/2022
Current lease liabilities	108,668	(63,479)	1,408	56,415	3,413	(391)	106,034
Non-current lease liabilities	516,817		6,694	(56,415)	106,082	(2,309)	570,869
Total lease liabilities	625,485	(63,479)	8,102	-	109,495	(2,700)	676,903

The discount rate is the lessee's incremental borrowing rate at the lease commencement date. This rate is calculated

every six months by each group of subsidiaries with the same risk profile. At 30 June 2022, these rates were between 1.36% and 2.9%.

18.4 Liquidity risk

AMORTISATION SCHEDULE

<i>(in millions of euros)</i>	Drawn 30/06/2022	Amortisation					
		2022 (6-month period)	2023	2024	2025	2026	> 5 ans
Bond issues	391.0	-	30.0	-	121.0	84.0	156.0
Convertible bonds (OCEANE and ORNANE)	440.0	-	-	-	200.0	-	240.0
Put options granted to minority shareholders	189.0	47.1	9.4	132.5	-	-	-
Total bond debt and put options	1,020.0	47.1	39.4	132.5	321.0	84.0	396.0
Holding company corporate credit line	30.0	-	30.0	-	-	-	-
Negotiable debt securities (NEU CP and NEU MTN)	498.0	239.4	102.0	156.6	-	-	-
Non-recourse project-related loans	187.1	115.1	54.7	17.3	-	-	-
Total corporate debt	715.1	354.5	186.7	173.9	-	-	-
Total amortisation		401.6	226.1	306.4	321.0	84.0	396.0
Total borrowings and financial liabilities before lease liabilities	1,735.1	1,333.5	1,107.4	801.0	480.0	396.0	-
Lease liabilities	676.9	50.0	53.2	44.0	42.2	38.2	449.3
Total borrowings and financial liabilities	2,412.0	1,960.4	1,681.1	1,330.7	967.5	845.3	-

The other components of net debt shown in Note 17 are short-term items.

The average maturity of debt outstanding at 30 June 2022 was 2 years and 8 months.

At 30 June 2022, 71% of loans and financial liabilities before IFRS 16 drawn down will mature in more than one year, with 23% maturing in more than five years.

18.5 Derivative instruments

At 30 June 2022, the Group had no interest rate hedging derivatives in place.

Note 19 Other financial receivables

<i>(in thousands of euros)</i>	Gross	Impairment	30/06/2022	Gross	Impairment	31/12/2021
Current accounts – Assets and similar receivables	267,234	(4,972)	262,262	241,097	(4,972)	236,125
Total other financial receivables	267,234	(4,972)	262,262	241,097	(4,972)	236,125

2 CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

Notes to the consolidated financial statements

Note 20 Cash and cash equivalents

<i>(in thousands of euros)</i>	30/06/2022	31/12/2021
Marketable securities – Cash equivalents	86,408	295,530
Cash and cash equivalents	696,521	766,096
Total cash and cash equivalents	782 929	1,061,626

The majority of cash and cash equivalents are invested in fixed-rate demand deposit accounts.

Aggregate cash and cash equivalents at the reporting date in the cash flows statement were as follows:

<i>(in thousands of euros)</i>	30/06/2022	31/12/2021
Cash and cash equivalents	782,929	1,061,626
Bank overdraft facilities	(19,000)	(19,227)
Cash and cash equivalents as reported in the statement of cash flows	763,929	1,042,399
<i>o/w: Available cash</i>	763,929	1,042,399
<i>o/w: Unavailable cash</i>	-	-

Note 21 Financial risk factors

21.1 Interest rate risk

Interest rate risk

The cost of financing on debt drawn down by the Group was 1.8% in the first half of 2022 (versus 2.1% in 2021).

Liquidity risk

Nexity benefits from a high level of available cash (€764 million), which enables it to uphold its commitments and pursue its development.

Solvency risk

Nexity is committed to respecting certain financial covenants in connection with its corporate loans and Euro PP bonds.

At 30 June 2022, Nexity was in compliance with all its bank covenants.

Note 22 Fair value of financial instruments by accounting category

POSITION AT 30 JUNE 2022

Balance sheet items (in millions of euros)	Notes	Accounting categories					Total carrying amount	Fair value measured on the basis of			Total fair value
		Assets and liabilities at fair value through profit or loss	Hedging derivatives	Available-for-sale financial instruments	Loans and receivables	Liabilities at amortised cost		Prices quoted on an active market	Internal model using directly observable market data	Internal model without observable market data	
							Level 1	Level 2	Level 3		
Unconsolidated investments	8			7.7		7.7		7.7		7.7	
Capitalised receivables	8				50.4	50.4		50.4		50.4	
Current accounts and other financial receivables	17				262.3	262.3	262.3	-		262.3	
Cash and reservation deposits	17				782.9	782.9	782.9			782.9	
Total financial assets		-	-	7.7	1,095.6	-	1,103.3	1,045.2	58.1	-	1,103.3
Credit facilities	17					904.1	904.1	904.1		904.1	
Bond issues	17					809.7	809.7	691.2		691.2	
IFRS 16 lease liabilities	17					676.9	676.9	676.9		676.9	
Current account liabilities	17					98.9	98.9	98.9		98.9	
Bank overdraft facilities	17					19.0	19.0			19.0	
Total financial liabilities		-	-	-	-	2,508.6	2,508.6	19.0	2,371.2	-	2,390.2

In the absence of an active market, the fair value of bonds has been determined using the risk-free interest rate and a stable risk premium.

PROVISIONS

Note 23 Current and non-current provisions

CHANGES IN PROVISIONS

(in thousands of euros)	31/12/2021	Additions	Reversals: used	Reversals: unused	Changes in scope and other	30/06/2022
Employee benefits	24,964	765	(335)	-	487	25,881
Total non-current provisions	24,964	765	(335)	-	487	25,881
Litigation	49,882	4,325	(5,964)	(2,573)	(18)	45,652
Tax and investment risk	45	365	(365)	-	-	45
Employee benefits (short-term portion)	1,318	-	(1)	-	(369)	948
Provisions for risks and charges	26,163	1,185	(1,041)	(342)	477	26,442
Total current provisions	77,408	5,875	(7,371)	(2,915)	90	73,087
Total provisions	102,372	6,640	(7,706)	(2,915)	577	98,968

2 CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

Notes to the consolidated financial statements

ANALYSIS BY TYPE OF EXPENSE

<i>(in thousands of euros)</i>	31/12/2021	Net change for operations	Net change for financing	Net change for tax	Changes in scope and other	30/06/2022
Employee benefits	24,964	430	-	-	487	25,881
Total non-current provisions	24,964	430	-	-	487	25,881
Litigation	49,882	(4,212)	-	-	(18)	45,652
Tax and investment risk	45	-	-	-	-	45
Employee benefits (short-term portion)	1,318	(1)	-	-	(369)	948
Provisions for risks and charges	26,163	(198)	-	-	477	26,442
Total current provisions	77,408	(4,411)	-	-	90	73,087
Total provisions	102,372	(3,981)	-	-	577	98,968

Long-term rates used to discount staff benefits increased in the first half of the year.

This increase should lead to lower the amount of this provision.

However, the uncertainties about the other variables in this calculation do not allow a new amount to be reliably estimated in the half-yearly accounts.

INCOME

Note 24 Personnel costs

<i>(in thousands of euros)</i>	30/06/2022 (6-month period)	30/06/2021 (6-month period)
Salaries and withholdings	(317,406)	(377,509)
Tax credit on remuneration	93	58
Employee profit-sharing	(6,257)	(5,590)
Expense related to share-based payments	(6,149)	(6,554)
Total personnel costs	(329,719)	(389,595)

The Group's average full-time equivalent workforce was 8,298 employees in the first half of 2022, versus 11,479 employees in the first half of 2021 and 8,142 on a like-for-

like basis. 2021 like-for-like salaries and benefits expenses (excluding divested activities) amounted to €321 million.

Note 25 Other operating expenses

<i>(in thousands of euros)</i>	30/06/2022 (6-month period)	30/06/2021 (6-month period)
Leases	(6,956)	(7,722)
Rental expenses	(5,469)	(9,793)
Fees and commissions	(32,199)	(36,851)
Other external services	(80,258)	(100,748)
Other income	4,499	5,657
Other expenses	(2,667)	(5,563)
Total other operating expenses	(123,050)	(155,019)

2021 like-for-like other operating expenses (excluding divested activities) amounted to €114.3 million.

Note 26 Depreciation, amortisation and impairment of non-current assets

<i>(in thousands of euros)</i>	30/06/2022 (6-month period)	30/06/2021 (6-month period)
Depreciation of right-of-use assets	(63,032)	(59,358)
Net increase/(decrease) in depreciation, amortisation and impairment of non-current assets	(16,584)	(16,037)
Total depreciation, amortisation and impairment of non-current assets	(79,616)	(75,395)

Note 27 Net financial income/(expense)

27.1 Analysis of financial income/(expense)

<i>(in thousands of euros)</i>	30/06/2022 (6-month period)	30/06/2021 (6-month period)
Interest expense	(16,089)	(25,473)
Interest income	2,010	1,303
Cost of financial debt before interest expense on lease liabilities	(14,080)	(24,169)
Interest expense on lease liabilities	(8,102)	(16,323)
Cost of net financial debt	(22,182)	(40,493)
Other financial expenses	(3,643)	(2,737)
Other financial income	1,672	705
Other net financial income/(expense)	(1,971)	(2,032)
Total financial expenses	(27,811)	(44,533)
Total financial income	3,658	2,008
Total financial income/(expense)	(24,153)	(42,525)

Interest expense on rental lease liabilities in 2021, includes an amount of €10,277 thousand relating to Domitys senior managed residences.

2 CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

Notes to the consolidated financial statements

27.2 Analysis of other financial income/(expense) by type

<i>(in thousands of euros)</i>	30/06/2022 (6-month period)	30/06/2021 (6-month period)
Other net financial expenses	(3,643)	(1,062)
Other net financial income	1,142	656
Impact from convertible bond exchange	-	(2,133)
Net financial impairment and provisions	410	506
Other net financial income/(expense)	(1,971)	(2,032)

Note 28 Taxes

28.1 Income tax

<i>(in thousands of euros)</i>	30/06/2022 (6-month period)	30/06/2021 Restated (6-month period)
Corporate income tax	(15,755)	(18,025)
Deferred tax	(3,100)	(4,672)
CVAE (French business value-added tax)	(1,598)	(3,672)
Total income taxes	(20,453)	(26,369)

The tax charge was calculated on the basis of the forecast tax rate for the year of 28.9% or 26.7% excluding CVAE (French business value-added tax).

28.2 Changes in balance sheet tax items

CHANGES IN BALANCE SHEET TAX ITEMS

<i>(in thousands of euros)</i>	31/12/2021	Expense *	Tax credits	Not recognised in the income statement	Net payments*	30/06/2022
Current tax						
Tax receivable	23,562					14,394
Current tax liabilities	(24,941)					(6,824)
Total current tax	(1,379)	(17,353)	218	(131)	26,215	7,571
Deferred tax						
Assets	23,037					14,957
Liabilities and equity	(93,258)					(88,053)
Total deferred tax	(70,221)	(3,100)		226		(73,096)

* Including the CVAE (French business value-added tax)

Note 29 Earnings per share

	30/06/2022 (number of shares)	Earnings per share (in euros)
Number of shares at end of period	56,129,724	
Average number of shares outstanding during the period	55,196,743	0.98
Dilutive effect of share plans using the treasury stock method	202,612	
Dilutive effect of convertible bond issues	7,804,894	
Average number of shares (diluted)	63,204,249	0.87

The maximum potential dilution resulting from the conversion of the whole convertible bonds and the acquisition of the whole free shares awarded would come at a percentage of capital ownership based on the number of shares at the end of the period at 12.7%.

2.2.3 ADDITIONAL INFORMATION

Note 30 Off-balance sheet commitments

Off-balance sheet items are described in the consolidated financial statements for the year ended 31 December 2021.

30.1 Off-balance sheet commitments related to the Group's scope of reporting

LIABILITY GUARANTEES	Total as of 30/06/2022	Total as of 31/12/2021
<i>(in thousands of euros)</i>		
Liability guarantees received	8,026	17,728
Liability guarantees given	58,450	61,150

Guarantees of liabilities received are related to company acquisitions and decrease at the end of the guaranteed period.

30.2 Off-balance sheet commitments related to Group financing

The amount of credit facilities granted is shown in Note 18.2.

Guarantees, collateral and pledges granted to banking institutions related to credit lines are described below :

Type of guarantee	Inception date	Maturity date	Amount guaranteed	Total consolidated balance sheet item	% of item posted
<i>(in thousands of euros)</i>					
Intangible assets:			-	2,108,216	
Property, plant and equipment:			-	65,652	
Financial assets:			-	58,124	
Inventories:			1,500	1,767,124	0.1%
Pledging of securities by Oralia Investissements as collateral for a loan to acquire companies	18/10/2016	29/11/2022	1,500		
Cash and cash equivalents:			-		
Ratio of total guarantees to total consolidated assets			1,500	7,985,551	0.0%

2 CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

Notes to the consolidated financial statements

30.3 Off-balance sheet commitments relating to operating activities

The commitments given and received listed below include activities related to co-developments and reflect operational reporting.

Commitments received

COMMITMENTS RECEIVED FOR RECURRING OPERATIONS		
<i>(in thousands of euros)</i>	30/06/2022	31/12/2021
Payment guarantees received from clients in respect of development contracts	954,973	979,264
Other commitments	4	6
Total commitments received	954,977	979,270

Payment guarantees on development contracts mainly restate concern the commercial real estate business. These guarantees are issued by financial institutions. Their amount are calculated on a half year basis in relation to the total outstanding balance due by the client. At the same time, the Group gives the client a financial guarantee of completion (see below).

Other commitments relate mainly to the guarantee of payment of various indemnities.

In addition, in its ordinary course of business in France, the Group receives deposits from companies on works contracts, which cover (up to a limit of 5% of the amount of the works) the retention of guarantees.

Commitments given

COMMITMENTS GIVEN FOR RECURRING OPERATIONS		
<i>(in thousands of euros)</i>	30/06/2022	31/12/2021
<i>Residential Real Estate</i>	1,759,201	2,869,340
<i>Commercial Real Estate</i>	867,858	1,033,111
Counter-guarantees for performance bonds	2,627,059	3,902,451
Counter-guarantees for deposit payment bonds	58,051	59,041
Other commitments given	404,769	436,043
Total commitments given	3,089,879	4,397,535

Financial guarantees of completion are issued by the financial institutions, transaction by transaction, for the benefit of customers in the context of their acquisition, and in accordance with legal provisions. In return, Nexity grants the financial institutions a mortgage commitment and an undertaking not to sell shares in the company carrying out the transaction.

A quarterly valuation of the financial guarantees for completion is carried out internally, and then is reconciled and updated according to the valuations used by the financial institutions to update their own commitments. These guarantees have never been called in the past.

Immobilization indemnities given in the form of bank guarantees replace cash payments on promises to purchase land (see paragraph below on reciprocal commitments) and are counter-guaranteed from Nexity with the financial institutions that issued them.

Reciprocal commitments

In its normal course of business, the Group enters into the following reciprocal commitments:

In order to secure control over the land for future development and subdivision projects, the Group signs unilateral or bilateral promises of sale with landowners:

- In the case of a unilateral promise to sell, the owner undertakes to sell his land. In return, the Group may undertake to pay a fixed asset indemnity, which will

be acquired by the owner if the transaction does not take place;

- In the case of a synallagmatic promise to sell, the owner undertakes to sell the land and the Group undertakes to buy it if the conditions precedent are lifted. The Group undertakes to pay an indemnity or penalty clause if it does not purchase the land despite the lifting of all conditions precedent;
- At the time of signature of the promises, the immobilization indemnities are either paid by the Group and escrowed with the notary or are subject to a bank guarantee.

To market its development and subdivision operations, the Group signs reservation contracts or promises to sell with its clients:

- The transformation into deeds of sale is conditioned by the lifting or not of conditions in favour of the clients (notably linked to obtaining their financing);
- In return for the immobilization of the good, the customers pay a deposit (or give a guarantee), which is restored to them if the sale does not take place.

Professional sureties are required by the Hoguet law to be able to practice the professions of property administrator and real estate agent (management of principals' funds) within the framework of the Services activities. The amount guaranteed by these sureties amounts to €1,301 million as of 30 June 2022.

Note 31 Information on related parties

31.1 Services between related parties

Ægide-Domitys

Nexity owns 18% of this company, which is the french leader in senior independent living facilities. As of 31 December 2021, the Ægide-Domitys group manages 137 senior service residences, more than 16,000 housings. As part of the sale of Ægide shares to AG2R LA MONDIALE, a long-term partnership has been settled which provides for an ambitious development plan with a pace of opening of about twenty new residences built in co-promotion every year, to reach more than 300 residences by 2030.

Ægide-Domitys achieved a consolidated revenue of around €415 million in 2021.

Co-development projects

The Group engages in numerous co-developments via programme-specific companies. In accordance with IFRS 11, those entities are accounted for using the equity method. Their results are reflected in the column entitled "Restatement of joint ventures" in Note 6

31.2 Remuneration of directors and company officers

Remuneration payable to directors and company officers relates company officers and the Deputy CEOs.

Details on remuneration and changes in remuneration during the first half of 2022 are presented in Chapter 4 of the 2021 Universal Registration Document (URD).

Note 32 Subsequent events

No significant events occurred between 30 June 2022 and the Board of Directors' meeting of 27 July 2022 called to approve the financial statements for the six months ended 30 June 2021.

2 CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

Statutory Auditors' Review Report on the Half-yearly Financial Information

2.3 STATUTORY AUDITORS' REVIEW REPORT ON THE HALF-YEARLY FINANCIAL INFORMATION

For the period from January 1 to June 30, 2022

To the Shareholders,

In compliance with the assignment entrusted to us by annual general meeting and in accordance with the requirements of article L.451-1-2-III of the French Monetary and Financial Code ("code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Nexity, for the period from 1 January to 30 June 2022
- the verification of the information presented in the half-yearly management report.

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

I – Conclusion on the financial statements

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

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II – Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris La Défense, 27 July 2022

The Statutory Auditors

KPMG Audit IS

MAZARS

François Plat
Partner

Claire Gueydan-O'Quin
Partner

3 STATEMENT BY THE PERSON RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS REPORT

Period: Six months ended 30 June 2022

I confirm, to the best of my knowledge, that the condensed financial statements for the half-year period under review have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and all consolidated entities. I also confirm that the attached interim report presents a true and fair view of the main events that took place during the first six months of the financial year, their impact on the financial statements and the main transactions between related parties; and that it describes the main risks and uncertainties for the remaining six months of the financial year.

Paris, 27 July 2022

Véronique Bédague

Chief Executive Officer