5.1 CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2021

5.1.1 Condensed consolidated financial statements

Consolidated statement of financial position

ASSETS

(in thousands of euros)	Notes	Balance at 31/12/2021	Balance at 31/12/2020 Restated
Non-current assets			
Goodwill	7	1,356,493	1,484,027
Other intangible assets	8	117,895	110,200
Right-of-use assets	8	582,076	431,101
Property, plant and equipment	8	59,267	56,543
Investments in associates	9	124,934	57,764
Other financial assets	10	58,334	61,306
Deferred tax assets	31	23,037	29,187
Total non-current assets		2,322,036	2,230,128
Current assets			
Inventories and work in progress	12	1,811,194	1,603,975
Trade and other receivables	13	1,323,153	1,129,692
Tax receivable	31	23,562	22,744
Other current assets	14	1,515,489	1,430,834
Other financial receivables	22	236,125	193,637
Cash and cash equivalents	23	1,061,626	1,305,133
Total current assets		5,971,149	5,686,015
Assets held for sale		-	1,264,091
TOTAL ASSETS		**8,293,185**	**9,180,234**

LIABILITIES AND EQUITY

(in thousands of euros)	Notes	Balance at 31/12/2021	Balance at 31/12/2020 Restated
Equity			
Share capital	16	280,649	280,649
Additional paid-in capital		521,060	521,060
Treasury shares held	19	(34,066)	(29,025)
Reserves and net profit earnings		836,003	839,112
Net profit for the period		324,906	113,012
Equity attributable to equity holders of the parent company		1,928,552	1,724,809
Non-controlling interests	17	19,620	9,247
Total equity		1,948,172	1,734,056
Non-current liabilities			
Non-current borrowings and financial liabilities	21	708,033	946,465
Non-current lease liabilities	21	516,817	363,427
Employee benefits	26	24,964	25,462
Deferred tax liabilities	31	93,258	65,167
Total non-current liabilities		1,343,072	1,400,521
Current liabilities			
Short-term borrowings, financial liabilities and operating liabilities	21	1,086,306	1,078,614
Current lease liabilities	21	108,668	101,584
Current provisions	26	77,408	78,664
Trade and other payables		1,699,525	1,678,389
Current tax liabilities	31	24,941	40,516
Other current liabilities	15	2,005,093	1,877,075
Total current liabilities		5,001,941	4,854,842
Liabilities associated with assets held for sale		-	1,190,815
TOTAL LIABILITIES AND EQUITY		**8,293,185**	**9,180,234**

The statement of financial position at 31 December 2020 was restated to take into account the IFRS IC decisions published in 2021 (see Note 2.2).

Consolidated income statement

(in thousands of euros)	Notes	31/12/2021 (12-month period)	31/12/2020 (12-month period) Restated
Revenue	4	4,468,371	4,511,648
Purchases		(2,888,052)	(2,937,480)
Employee benefits expense	27	(730,020)	(751,436)
Other operating expenses	28	(284,463)	(300,519)
Taxes and duties		(34,916)	(32,631)
Depreciation, amortisation and impairment of non-current assets	29	(157,538)	(246,561)
Current operating profit		373,382	243,021
Non-recurring operating profit	3.3	115,608	-
Operating profit		488,990	243,021
Share of net profit from equity-accounted investments	9	31,094	28,737
Operating profit after share of net profit from equity-accounted investments		520,084	271,758
Financial expenses	30	(87,655)	(94,647)
Financial income	30	4,151	12,101
Net finance income (expense)		(83,504)	(82,546)
Pre-tax recurring profit		436,580	189,212
Income tax	31	(98,128)	(68,129)
Share of net profit/(loss) from other equity-accounted investments	9	(1,988)	(1,873)
NET PROFIT		**336,464**	**119,210**
attributable to equity holders of the parent company		324,906	113,012
attributable to non-controlling interests		11,558	6,198
(in euros)			
Net earnings per share	**32**	**5.85**	**2.05**
Diluted earnings per share	**32**	**5.25**	**1.77**

The income statement at 31 December 2020 was restated to take into account the IFRS IC decisions published in 2021 (see Note 2.2).

Consolidated statement of comprehensive income

(in thousands of euros)	31/12/2021 (12-month period)	31/12/2020 (12-month period) Restated
NET PROFIT	**336,464**	**119,210**
Foreign currency translation gains and losses	(38)	(2,785)
Gains and losses that may be recycled to net profit	(38)	(2,785)
Actuarial gains and losses on retirement benefits	221	(1,553)
Deferred tax on actuarial gains and losses	(61)	431
Gains and losses that may not be recycled to net profit	160	(1,122)
TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)	**122**	**(3,907)**
TOTAL COMPREHENSIVE INCOME	**336,586**	**115,303**
attributable to equity holders of the parent company	325,028	109,105
attributable to non-controlling interests	11,558	6,198

Change in consolidated equity

(in thousands of euros)	Share capital	Additional paid-in capital	Treasury shares held	Reserves and net profit earnings	Other compre-hensive income	Equity attributable to equity holders of the parent company	Non-controlling interests	Total equity
Movements in 2020								
At 1 January 2020	280,649	548,489	(24,657)	933,407	8,781	1,746,669	10,605	1,757,274
Restatement following IFRS IC decisions				128		128		128
At 1 January 2020 restated	280,649	548,489	(24,657)	933,535	8,781	1,746,797	10,605	1,757,402
Treasury shares			12,792	(16,039)		(3,247)		(3,247)
Share-based payments			(17,160)	11,656		(5,504)		(5,504)
Impact of acquisitions or disposals of non-controlling interests after acquisition of control				(12,321)		(12,321)		(12,321)
Dividends paid by Nexity (€2.00 per share)				(109,827)		(109,827)		(109,827)
Total movements linked to relationships with shareholders	-	-	(4,368)	(126,531)	-	(130,899)	-	(130,899)
Net profit for the period				113,012		113,012	6,198	119,210
Other comprehensive income					(3,907)	(3,907)		(3,907)
Total comprehensive income	-	-	-	113,012	(3,907)	109,105	6,198	115,303
Dividends paid by subsidiaries						-	(5,985)	(5,985)
Impact of changes in scope				(195)		(195)	(1,571)	(1,766)
AT 31 DECEMBER 2020 RESTATED	**280,649**	**548,489**	**(29,025)**	**919,822**	**4,874**	**1,724,809**	**9,247**	**1,734,056**
Movements in 2021								
At 1 January 2021	280,649	548,489	(29,025)	919,822	4,874	1,724,809	9,247	1,734,056
Treasury shares			(5,041)	(13,366)		(18,407)		(18,407)
Share-based payments				12,871		12,871		12,871
OCEANE 2021 equity component				18,679		18,679		18,679
Impacts of the 2016 OCEANE buyback				(13,553)		(13,553)		(13,553)
Impact of acquisitions or disposals of non-controlling interests after acquisition of control				(5,890)		(5,890)		(5,890)
Dividends paid by Nexity (€2.00 per share)				(110,639)		(110,639)		(110,639)
Total movements linked to relationships with shareholders	-	-	(5,041)	(111,898)	-	(116,939)	-	(116,939)
Net profit for the period				324,906		324,906	11,558	336,464
Other comprehensive income					122	122		122
Total comprehensive income	-	-	-	324,906	122	325,028	11,558	336,586
Dividends paid by subsidiaries						-	(6,527)	(6,527)
Impact of changes in scope				(4,346)		(4,346)	5,342	996
AT 31 DECEMBER 2021	**280,649**	**548,489**	**(34,066)**	**1,128,484**	**4,996**	**1,928,552**	**19,620**	**1,948,172**

Consolidated statement of cash flows

(in thousands of euros)	Notes	31/12/2021 (12-month period)	31/12/2020 12-month period restated
Net profit attributable to equity holders of the parent company		324,906	113,012
Net profit attributable to non-controlling interests		11,558	6,198
Consolidated net profit		336,464	119,210
Elimination of non-cash income and expenses:			
Elimination of depreciation, amortisation and provisions		37,065	58,648
Elimination of depreciation of right-of-use assets		124,794	196,025
Elimination of impairment of goodwill		61,088	
Elimination of gains and losses on asset disposals		(204,669)	(5,550)
Elimination of the impact of changes in fair value		422	(6,003)
Elimination of net profit from equity-accounted investments		(31,094)	(28,737)
Elimination of net profit from other equity-accounted investments		1,988	1,873
Elimination of the impact of share-based payments		12,871	11,659
Cash flow from operating activities after interest and tax expenses		338,929	347,125
Elimination of net interest expense/(income)		67,073	78,946
Elimination of tax expense, including deferred taxes and tax credits		96,526	64,866
Cash flow from operating activities before interest and tax expenses		502,528	490,937
Change in operating working capital	11	(318,500)	339,992
Dividends received from equity-accounted investments	9	22,242	17,824
Interest paid		(32,982)	(33,944)
Tax paid		(75,788)	(50,177)
Net cash from/(used in) operating activities		97,500	764,632
Purchase of subsidiaries, net of cash acquired	3.5	(237)	(40,243)
Proceeds from sale of subsidiaries, net of cash divested	3.6	212,025	621
Other changes in scope		129	304
Reclassification in accordance with IFRS 5		-	(59,688)
Purchase of property, plant, equipment and intangible assets		(54,649)	(76,115)
Purchase of financial assets		(28,921)	(15,936)
Proceeds from sale of property, plant, equipment and intangible assets		1,288	9,562
Proceeds from sale and redemption of financial assets		8,067	8,764
Net cash from/(used in) investing activities		137,702	(172.731)
Dividends paid to equity holders of the parent company		(110,639)	(109,827)
Dividends paid to minority shareholders of consolidated companies		(6,527)	(5,985)
Net disposal/(acquisition) of treasury shares		(18,148)	(22,178)
(Acquisitions)/disposals of non-controlling interests with no gain or loss of control		(41,553)	(37,483)
Proceeds from issuance of bonds		583,291	275,557
Redemption of bonds		(619,705)	(289,614)
Repayment of lease liabilities		(182,628)	(206,774)
Decrease in receivables and increase in short-term financial debt		(50,498)	12,434
Net cash from/(used in) financing activities		(446,407)	(383,870)
Impact of changes in foreign currency exchange rates on cash and cash equivalents		216	(991)
CHANGE IN CASH AND CASH EQUIVALENTS		**(210,989)**	**207,040**
Cash and cash equivalents at beginning of period		1,253,388	1,046,348
Cash and cash equivalents at end of period	23	1,042,399	1,253,388

5.1.2 Notes to the consolidated financial statements

Note 1 Information on the Company and significant developments

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 real estate 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.

The Group is present throughout France, with some limited operations elsewhere in Europe.

It is organised around the following three business divisions:

- The Development division, which includes the following activities:
  - Residential Real Estate Development, including the promotion of new homes and subdivisions of building land, in France, and marginally in other European countries,
  - Commercial Real Estate Development, corresponding to the development of office buildings, business parks, logistics platforms, shops and hotels;
- The Services division including:
  - services for individuals (property administration, management and transactions, management of student residences), for companies (management and consulting, coworking activities),
  - real estate product distribution activities;
- The Other activities division, which includes Nexity's urban regeneration business (Villes & Projets), investment activities, innovative start-ups in the incubation phase and the holding company.

The Century 21 France real estate franchise network was sold on 12 May 2021. The sale of Ægide shares to AG2R La Mondiale on 29 June 2021, resulted in a loss of control; this investment is now equity accounted.

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

1.2 Significant developments

The 2021 financial year was marked by the following events:

Business activity

- 20,838 new home reservations in France;
- €421 million in Commercial Real Estate order intake.

Refocusing of business activities

- Disposal of the Century 21 France real estate franchise network on 12 May 2021 (see Note 3.3);
- Sale of 45% of Ægide-Domitys shares on 29 June 2021, to AG2R La Mondiale, resulting in the loss of control of the Company. Nexity retains an 18% investment in Ægide-Domitys (see Note 3.3);
- Development resources focused on the French market and development stopped in Germany (see Note 3.3).

Financing

Issue on 19 April 2021 of a €240 million OCEANE (a bond that may be converted into new shares or exchanged for existing shares), maturing in seven years, under the following conditions:

- 35% conversion premium, or a conversion price of €59.81;
- Interest rate 0.875% per year.

This issue was coupled with the buyback of 100% of the OCEANE at maturity, on 1 January 2023, issued for €270 million (see Note 18.1).

Change in governance

As part of the Group's new governance separating the functions of Chairman of the Board of Directors and Chief Executive Officer, Ms Véronique Bédague was made Chief Executive Officer of Nexity at the Shareholders' Meeting on 19 May 2021. Mr Jean-Claude Bassien, Deputy CEO in charge of Services, has been appointed second company officer.

Mr Alain Dinin, Chairman, continues to support the Executive Management team in the major strategic choices and allocations of resources.

GENERAL INFORMATION

Note 2 Principles and policies

2.1 Statement of compliance

The consolidated financial statements of Nexity group as at 31 December 2021 are prepared in accordance with IFRS (International Financial Reporting Standards) and the interpretations and decisions of IFRS IC (IFRS Interpretations Committee) as adopted in the European Union.

The accounting policies and principles used to prepare the consolidated financial statements for the period ended 31 December 2021 were the same as those applied for the financial year ended 31 December 2020, except for the points described in Section 2.2.

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/en/group. Copies may also be obtained from Nexity's registered office at 19, rue de Vienne – TSA 50029 – 75801 Paris Cedex 8 (France).

The consolidated financial statements were approved by the Board of Directors on 23 February 2022 and will be submitted for approval at the Shareholders' Meeting of 18 May 2022.

2.2 New standards, interpretations and decisions of the IFRS IC

To take into account the IFRS IC decisions published in 2021, the 2020 income statement and statement of financial position have been restated for the following amounts:

(in thousands of euros)	31/12/2020 12-month period Published	Restatement of costs of software used in SaaS mode	Restatement of retirement benefits	31/12/2020 12-month period restated
Income statement				
Operating profit	249,827	(6,806)	-	243,021
Income tax	(69,886)	1,757	-	(68,129)
Net profit	124,259	(5,049)	-	119,210
Assets				
Other intangible assets	117,495	(7,295)	-	110,200
Deferred tax assets	27,474	1,884	(171)	29,187
Liabilities and equity				
Equity attributable to equity holders of the parent company	1,729,729	(5,411)	491	1,724,809
Employee benefits	26,124	-	(662)	25,462

IAS 19 (IFRS IC April 2021 decision)

Amendment of the deferral period for retirement benefit plans, by recognising the post-employment benefit expense over the last years of service of the employee, provided that these benefits meet three characteristics:

- Benefit conditional on continued employment on the retirement date;
- Amount of benefit based on seniority;
- Capped benefit.

The retrospective impact of this change in method was recognised in retained earnings on 1 January 2020 for an amount of €491 thousand. There is no impact on the restated income statement for 2020.

Costs of software used in SaaS mode (IFRS IC March 2021 decision)

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 1 January 2020 for an amount of €363 thousand and in 2020 income for €5,049 thousand.

2.3 Estimates and assumptions

In the process of preparing the consolidated financial statements, the measurement of certain statement of financial position and income statement items calls for the use of assumptions or assessments based, in particular, on budgets for real estate projects. These are used to measure the operating margin, non-current assets, provisions, inventory impairment and accrued expenses, as well as the assets held for sale and the associated liabilities. Other items also require the use of estimates based on assumptions regarding business plans, or changes in the rates applied, and include provisions, goodwill, and put options granted to minority shareholders.

These assumptions, estimates or assessments are established and reviewed regularly on the basis of information available and the actual position of the Company on the date the financial statements are prepared, taking into consideration past experience and other relevant factors. Actual results may differ significantly from estimates due to changes in the underlying conditions and assumptions.

The assumptions, estimates and assessments used in the presentation of the financial statements for 31 December 2021 were made in a context of continued high uncertainty (health crisis, risk of inflation, interest rate hikes, Presidential and legislative elections in the second quarter of 2022, etc.) but which should have limited impact on the Group's activities.

2.4 Reporting date

Group companies are consolidated on the basis of their financial statements for the period ended 31 December 2021.

Note 3 Scope of reporting and business combinations

3.1 Consolidation and reporting

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has power over the entity, has rights to variable returns from its involvement with the entity, and has the ability to affect those returns through its power over the entity.

In assessing control, potential voting rights that the Group is able in practice to exercise are taken into account.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Associates and joint ventures

Associates are entities in which the Group has significant influence, but not control, over financial and operating policies.

Joint ventures are entities over whose activities the Group has joint control, established by contractual agreement. Most joint ventures are real estate development programmes (residential or commercial) undertaken with another developer (joint ventures).

The consolidated financial statements include the Group share of the total recognised gains and losses of associates and joint ventures on an equity-accounted basis, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

Transactions eliminated in the consolidated financial statements

The following are eliminated:

- Intragroup receivables and payables; and
- Intragroup balances and transactions (purchases, sales, dividends, profit, provisions recorded against consolidated companies, etc.).

3.2 Scope of reporting

3.2.1 Scope at 31 December 2021

Basis of reporting	Development	Services	Other activities	Total at 31/12/2021
Fully consolidated	**1,722**	**90**	**26**	**1,838**
Joint ventures	297	3	4	304
Associates	-	1	2	3
Equity-accounted	**297**	**4**	**6**	**307**
Total scope of reporting	2,019	94	32	2,145

3.2.2 Changes in scope

The number of consolidated companies decreased by 160 between 31 December 2020 and 31 December 2021.

109 companies were added to the scope of reporting in 2021. These are mainly companies created to serve as programme vehicles for the Group's real estate projects.

269 companies were removed from the scope of reporting in 2021, mainly corresponding to the disposals of Ægide-Domitys and Century 21 France.

3.3 Non-recurring operating profit

As at 31 December 2021, non-recurring operating profit of €115.6 million breaks down into €176.7 million profit on disposals of subsidiaries and €61.1 million in impairment losses on goodwill. Net profit from discontinued operations and non-recurring items amounted to €137 million.

(in millions of euros)	Disposal of Ægide-Domitys	Disposal of Century 21 France	Total disposals	International CGU	Total non-current
Capital gain on disposal	165.1	11.6	176.7	-	176.7
Impairment of goodwill	-	-	-	(61.1)	(61.1)
Non-recurring operating profit	**165.1**	**11.6**	**176.7**	**(61.1)**	**115.6**
Contribution to operating profit until disposal	39.4	2.0	41.4	-	41.4
Non-recurring operating profit and discontinued operations	**204.5**	**13.6**	**218.1**	**(61.1)**	**157.0**
Other items contributing to net profit	(19.7)	(0.1)	(19.8)	-	(19.8)
Net profit from non-recurring activities and from discontinued operations	**184.8**	**13.5**	**198.3**	**(61.1)**	**137.2**

3.3.1 Disposals of companies

Nexity made two disposals during the first half of 2021 (Century 21 France real estate franchise network, and operation of Ægide-Domitys senior residences).

The contribution of these disposals to the reduction in net debt amounted to €306.7 million and breaks down as follows:

(in thousands of euros)	Total	Ægide-Domitys	Century 21
Impact on the statement of cash flows			
Proceeds from disposals	**208.2**	121.9	86.3
Selling costs	**(8.6)**	(6.8)	(1.8)
Impact excluding the statement of cash flows (change in scope)			
Cancellation of the commitment to buy back the balance of the put options (value at 1 January)	**107.2**	107.2	-
TOTAL REDUCTION IN NET DEBT	**306.7**	222.2	84.5

Disposal of the Ægide-Domitys group

The loss of control of Ægide-Domitys led to the Company being equity accounted from 30 June 2021.

AG2R La Mondiale holds 67% of Ægide's share capital, following the sale, on 29 June 2021, of 45% of the shares in Ægide by Nexity and 22% by the founding shareholders. Nexity retains an 18% investment in Ægide, and the founding shareholders a 15% investment.

Based on an enterprise value of €375 million, Nexity generated a 100% capital gain of €165.1 million, net of selling costs. The commitment to buy back the balance of put options granted to non-controlling shareholders was cancelled for €107.2 million. Nexity retains 18% of Ægide's share capital, equity accounted on its statement of financial position and measured at fair value at €48.8 million.

Disposal capital gain details

(in thousands of euros)	**100%**
Transaction value	375.0
Net debt at 30 June 2021	(105.0)
SALE PRICE OF SHARES (A)	**270.0**
Of which proceeds from 45% of shares	*121.9*
Of which commitment sold under the agreement to sell non-controlling interests (37%)	*99.3*
Of which QP retained 18% (investments in associates)	*48.8*
Selling costs (B)	(6.8)
SALE PRICE OF SHARES NET OF SELLING COSTS C = (A-B)	**263.2**
Consolidated equity 31/12/2020 – IFRS 5	**73.3**
Contribution up to the disposal date	24.8
Contribution to consolidated equity on the disposal date (D)	**98.1**
DISPOSAL CAPITAL GAIN (C-D)	**165.1**

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Impact on consolidated net debt

(in thousands of euros)	**Disposal date**
Proceeds from the sale of shares 45%	121.9
Cancellation of commitment sold under the agreement to sell non-controlling interests (37%)	99.3
Fair value change on the commitment sold	7.8
Selling costs	(6.8)
NET DEBT IMPACT	**222.2**

At the same time, Nexity and Ægide-Domitys signed a long-term strategic partnership for the development of future serviced senior residences (RSS). In this context, Nexity will continue to carry out joint developments with Ægide-Domitys.

Disposal of Century 21 France

Disposal of Century 21 France on 12 May 2021 for €86 million. The capital gain recognised at the end of this disposal amounted to €11.6 million net of selling costs. The income statement simplifies the contribution of Century 21 France until 31 March 2021. There was no significant impact on profit between 31 March and the disposal date.

(in thousands of euros)	
Sale price of shares (A)	**86.3**
Selling costs (B)	(1.8)
Sale price of shares net of selling costs C = (A-B)	**84.5**
Contribution to consolidated equity on the disposal date (D)	72.9
Disposal capital gain (C-D)	**11.6**

3.3.2 Change in value of goodwill

The Group has decided to prioritise the allocation of development resources across the French market. The future cash flow projections of the International Real Estate Development CGU also take into account the discontinuation of development in Germany and generate an impairment of 100% of the goodwill of this CGU.

3.4 Additions to the scope

Property management firms

In 2021, the Group acquired several property management contract portfolios in France for a purchase price of €237 thousand. These transactions generated provisional goodwill of €237 thousand.

3.5 Detail of acquisitions reported in the consolidated statement of cash flows

(in thousands of euros)	Acquisitions 2021	Acquisitions 2020
Purchase price	237	50,295
Cash of subsidiaries acquired	-	(10,052)
ACQUISITIONS OF CONSOLIDATED COMPANIES, NET OF CASH ACQUIRED	**237**	**40,243**

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.

3.6 Detail of disposals reported in the consolidated statement of cash flows

(in thousands of euros)	Disposals in 2021	Disposals in 2020
Sale price received	212,148	621
Cash of subsidiaries sold	(123)	-
PROCEEDS FROM SALES OF CONSOLIDATED COMPANIES, NET OF CASH DIVESTED	**212,025**	**621**

3.7 Geographical breakdown of revenue

The Group conducts international business in Europe (Belgium, Germany, Italy, Poland, Portugal and Switzerland) which in 2021 represented 1.5% of the revenue generated by the Group (compared with 1.9% in 2020).

Financial year 2021

(in thousands of euros)	France	International	Total
Development	3,412,463	59,113	3,471,576
Services	986,858	9,937	996,795
	4,399,321	**69,050**	**4,468,371**

Financial year 2020

(in thousands of euros)	France	International	Total
Development	3,391,194	74,498	3,465,692
Services	1,035,206	10,750	1,045,956
	4,426,400	**85,248**	**4,511,648**

Note 4 Recognition of revenue and operating profit

Consolidated revenue represents the amount of activity of the Group's various divisions after elimination of intragroup transactions.

Development

Property development operations are carried out in France, in the form of VEFA off-plan sales or property development contracts. Revenue and margin from property development operations are then generated on the products sold as the stage of completion advances. The method is similar in Germany and Belgium.

Partially completed operations at the end of the financial year are recorded using the percentage-of-completion method on the basis of the most updated estimates of the results of operations, discounted at year-end.

The status percentage is calculated based on the commercial status and on the cost status percentage completed on the reporting date.

If results on completion cannot be determined reliably, revenue is only recognised on recoverable costs.

The operating margin for the Group's development activities includes all costs directly attributable to contracts:

- Land acquisition costs;
- Site development and construction costs;
- Urban planning taxes and duties;
- Preliminary contract costs, which are capitalised only if the probability of obtaining the contract is high;
- Project ownership costs;
- Directly allocated marketing and selling costs (in-house and external sales commissions, etc.); and
- Financial expense directly attributed to operations (if the sale is not finished prior to completion).

The development activities' revenue generated by the percentage of completion method amounted to €3,291 million in 2021.

Revenue and profit from real estate development programmes undertaken in Italy, Poland and Portugal are recognised at the time of sale, which cannot be prior to the building's completion.

Revenue from subdivision business (building land) and real estate development (purchase and then resale of land after obtaining authorisations) is recorded in the notarial deed.

Services and Other activities

Revenue is recognised when transactions are closed and over the period that services are provided.

Income for distribution activities under the iSelection and PERL brands is recognised when the notarial deed is signed, based on the contracts, in the form of fees or sales of real estate products. Indeed, the sales contract follows the disposal of a VEFA off-plan sales contract acquired from a third-party developer, or sales on existing buildings.

Current operating profit

Current operating profit includes all operating profit items with the exception of items resulting from unusual, abnormal and infrequently occurring transactions. In particular, the impairment of goodwill and the remeasurement of equity-accounted investments following the acquisition of control are not included in current operating profit.

Note 5 Alternative performance measures

EBITDA acts as a measurement of operational cash flow generated (see Note 6.2.2). EBITDA is equal to current operating profit before depreciation, amortisation and impairment of non-current assets, net changes in provisions, share-based payment expenses and the transfer from inventory of financial expense directly attributable to property developments, plus dividends received from equity-accounted companies whose operations are an extension of the Group's business.

Depreciation includes right-of-use assets calculated in accordance with IFRS 16 and the neutralisation of internal margins for sale and leaseback transactions.

The Group also presents EBITDA after rents (before application of the standard on leases).

The Group uses working capital requirements (see Note 11) and net debt (see Note 20) to analyse its financial structure.

The backlog comprises the Group's already secured future revenue, expressed in euros, for its development activities (Residential Real Estate and Commercial Real Estate). The backlog includes reservations for which notarial deeds of sale have not yet been signed and the portion of revenue remaining to be generated on units for which notarial deeds of sale have already been signed (portion still to be built).

Note 6 Segment information

6.1 Segment definitions

Operating segments are subgroups of companies or activities for which separate financial information is available and reviewed on a regular basis by Company Management with a view to allocating resources and assessing their economic performance.

Development

Residential Real Estate Development

- Housing development; in France and abroad (Belgium, Germany, Italy, Poland, Portugal);
- Development of subdivisions.

Commercial Real Estate Development

Development of offices (new or refurbished), high-rises, retail property and hotels; logistics facilities and other industrial spaces.

Services

- Property management: rental management, transaction, condominium managing agent services;
- Real Estate Services to Companies: rental management and property management advice and rental of short-term workspaces (coworking);
- Management of student residences;
- Distribution of housing units intended for renting to individual client investors.

Other activities

- Pre-development urban regeneration projects;
- Investments in investment vehicles;
- The Nexity holding company;
- Restatements related to sale-leaseback transactions.

Operational reporting

Segment information is based on the operational reporting that the Group uses for management purposes. In its operational reporting, Nexity applies 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.

Notes 6.2.1 and 6.3.1 present the condensed financial statements based on operational reporting data, with a reconciliation to the financial statements.

Operating reporting data are analysed and commented on in the management report and the press release on annual results.

6.2 Income statement

6.2.1 Income statement based on operational reporting

(in thousands of euros)	31/12/2021 (12-month period)	Restatement of joint ventures	31/12/2021 Operational reporting	31/12/2020 12-month period restated	Restatement of joint ventures	31/12/2020 Operational reporting Restated
Revenue	4,468,371	368,160	4,836,531	4,511,648	342,993	4,854,641
Purchases	(2,888,052)	(329,839)	(3,217,891)	(2,937,480)	(302,513)	(3,239,993)
Employee benefits expense	(730,020)	-	(730,020)	(751,436)	-	(751,436)
Other operating expenses	(284,463)	909	(283,554)	(300,519)	(4,046)	(304,565)
Taxes (other than income tax)	(34,916)	(655)	(35,571)	(32,631)	(1,002)	(33,633)
Depreciation, amortisation and impairment of non-current assets	(157,538)	-	(157,538)	(246,561)	-	(246,561)
Current operating profit	373,382	38,575	411,957	243,021	35,432	278,453
Non-recurring operating profit	115,608	-	115,608		-	
Operating profit	488,990	38,575	527,565	243,021	35,432	278,453
Share of net profit from equity-accounted investments	31,094	(31,094)	-	28,737	(28,737)	-
Operating profit after share of net profit from equity-accounted investments	520,084	7,481	527,565	271,758	6,695	278,453
Financial expenses	(87,655)	(3,620)	(91,275)	(94,647)	(2,564)	(97,211)
Financial income	4,151	(260)	3,891	12,101	(396)	11,705
Net finance income (expense)	(83,504)	(3,880)	(87,384)	(82,546)	(2,960)	(85,506)
Pre-tax recurring profit	436,580	3,601	440,181	189,212	3,735	192,947
Income tax	(98,128)	(3,601)	(101,729)	(68,129)	(3,735)	(71,864)
Share of net profit/(loss) from other equity-accounted investments	(1,988)	-	(1,988)	(1,873)	-	(1,873)
NET PROFIT	**336,464**	**-**	**336,464**	**119,210**	**-**	**119,210**
attributable to equity holders of the parent company	324,906	-	324,906	113,012	-	113,012
attributable to non-controlling interests	11,558	-	11,558	6,198	-	6,198
(in euros)						
Net earnings per share	**5.85**		**5.85**	**2.05**		**2.05**
Diluted earnings per share	**5.25**		**5.25**	**1.77**		**1.77**

The income statement at 31 December 2020 was restated to take into account the IFRS IC decisions published in 2021 (see Note 2.2).

6.2.2 Income statement broken down by segment

AT 31 DECEMBER 2021

(in thousands of euros)	Development	Services	Other activities	Total operational reporting
Total revenue	3,841,142	994,451	939	4,836,531
Revenue	3,841,142	994,451	939	4,836,531
Operating expenses	(3,477,345)	(767,352)	(12,518)	(4,257,216)
EBITDA	363,797	227,098	(11,580)	579,315
Rent	(19,776)	(154,096)	(8,755)	(182,628)
EBITDA after rent	344,020	73,002	(20,335)	396,688
Rent cancellation	19,776	154,096	8,755	182,628
Depreciation of right-of-use assets	(17,347)	(95,051)	(12,392)	(124,790)
Depreciation, amortisation and impairment of non-current assets	(8,181)	(19,737)	(4,906)	(32,825)
Net change in provisions	(537)	3,487	(613)	2,337
Share-based payments	(5,615)	(2,612)	(3,855)	(12,082)
Current operating profit	332,117	113,185	(33,346)	411,957
Non-recurring operating profit	(61,088)	-	176,696	115,608
Operating profit	271,029	113,185	143,350	527,565
Financial expenses	(33,784)	(4,247)	(28,764)	(66,795)
Financial income	1,656	(475)	2,711	3,891
Net finance income (expenses) before lease liability expenses	(32,128)	(4,722)	(26,053)	(62,903)
Financial expenses on lease liabilities	(1,757)	(21,281)	(1,443)	(24,481)
Net finance income (expense)	(33,885)	(26,003)	(27,496)	(87,384)
Pre-tax recurring profit	237,144	87,183	115,854	440,181
Income tax	(54,806)	(20,149)	(26,775)	(101,729)
Share of profit/(loss) from equity-accounted investments	(615)	-	(1,373)	(1,988)
NET PROFIT	**181,723**	**67,034**	**87,707**	**336,464**
attributable to equity holders of the parent company	170,268	66,916	87,722	324,906
attributable to non-controlling interests	11,455	118	(15)	11,558

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(in thousands of euros)	Development	Services	Other activities	Total operational reporting
Total revenue	3,809,538	1,045,103	-	4,854,641
Revenue	3,809,538	1,045,103	-	4,854,641
Operating expenses	(3,487,890)	(805,821)	(18,000)	(4,311,711)
EBITDA	321,648	239,283	(18,000)	542,930
Rent	(19,926)	(179,210)	(7,639)	(206,774)
EBITDA after rent	301,722	60,073	(25,639)	336,155
Rent cancellation	19,926	179,210	7,639	206,774
Depreciation of right-of-use assets	(17,573)	(165,868)	(12,584)	(196,025)
Depreciation, amortisation and impairment of non-current assets	(10,288)	(32,711)	(7,586)	(50,585)
Net change in provisions	(1,289)	(5,182)	261	(6,210)
Share-based payments	(6,068)	(3,396)	(2,192)	(11,656)
Current operating profit	286,430	32,126	(40,101)	278,453
Non-recurring operating profit				
Operating profit	286,430	32,126	(40,101)	278,453
Financial expenses	(27,448)	(6,662)	(33,640)	(67,750)
Financial income	6,606	639	4,460	11,705
Net finance income (expenses) before lease liability expenses	(20,841)	(6,023)	(29,180)	(56,045)
Financial expenses on lease liabilities	(1,817)	(26,615)	(1,029)	(29,461)
Net finance income (expense)	(22,658)	(32,638)	(30,209)	(85,506)
Pre-tax recurring profit	263,772	(512)	(70,310)	192,947
Income tax	(97,218)	189	25,163	(71,864)
Share of profit/(loss) from equity-accounted investments	(1,791)	(81)	(1)	(1,873)
NET PROFIT	**164,763**	**(405)**	**(45,148)**	**119,210**
attributable to equity holders of the parent company	158,495	(309)	(45,174)	113,012
attributable to non-controlling interests	6,268	(96)	26	6,198

The income statement at 31 December 2020 was restated to take into account the IFRS IC decisions published in 2021 (see Note 2.2).

6.2.3 Impact of disposals on comparative information

In order to have an understanding of the operating performance of the business activities on the basis of a like-for-like basis, the tables below present the segment income statement by separating the like-for-like scope and the contribution of discontinued operations (Ægide-Domitys until 30 June and Century 21 France until 31 March), with the non-recurring profit.

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(in thousands of euros)	Development	Services	Other activities	Like-for-like scope	Non-recurring profit and discontinued operations	Total operational reporting
Total revenue	3,771,445	852,855	939	4,625,239	211,293	4,836,531
Revenue	3,771,445	852,855	939	4,625,239	211,293	4,836,531
Operating expenses	(3,410,612)	(665,343)	(11,339)	(4,087,294)	(169,923)	(4,257,216)
EBITDA	360,833	187,512	(10,400)	537,945	41,370	579,315
Rent	(19,379)	(99,349)	(7,998)	(126,727)	(55,901)	(182,628)
EBITDA after rent	341,454	88,163	(18,398)	411,219	(14,531)	396,688
Rent cancellation	19,379	99,349	7,998	126,727	55,901	182,628
Depreciation of right-of-use assets	(17,347)	(95,069)	(12,392)	(124,808)	18	(124,790)
Depreciation, amortisation and impairment of non-current assets	(7,447)	(18,574)	(6.374)	(32,395)	(430)	(32,825)
Net change in provisions	(463)	2,663	(595)	1,606	731	2,337
Share-based payments	(5,615)	(2,587)	(3,587)	(11,789)	(293)	(12,082)
Current operating profit	329,962	73,945	(33,347)	370,560	41,396	411,957
Non-recurring operating profit				-	115,608	115,608
Operating profit	329,962	73,945	(33,347)	370,560	157,004	527,565
Financial expenses	(33,225)	(4,206)	(26,835)	(64,266)	(2,529)	(66,795)
Financial income	1,652	334	1,557	3,542	349	3,891
Net finance income (expenses) before lease liability expenses	(31,573)	(3,872)	(25,278)	(60,723)	(2,180)	(62,903)
Financial expenses on lease liabilities	(1,714)	(10,997)	(1,393)	(14,104)	(10,377)	(24,481)
Net finance income (expense)	(33,287)	(14,869)	(26,671)	(74,827)	(12,557)	(87,384)
Pre-tax recurring profit	296,675	59,076	(60,018)	295,733	144,447	440,181
Income tax	(104,513)	(19,639)	29,645	(94,507)	(7,222)	(101,729)
Share of profit/(loss) from equity-accounted investments	(615)	-	(1,373)	(1,988)		(1,988)
NET PROFIT	**191,547**	**39,438**	**(31,747)**	**199,238**	**137,225**	**336,464**
attributable to equity holders of the parent company	180,199	39,326	(31,745)	187,780	137,126	324,906
attributable to non-controlling interests	11,348	112	(2)	11,458	99	11,558

In accordance with IFRS 5, the assets and liabilities of the Ægide-Domitys group were isolated on specific lines of the assets and liabilities of the consolidated statement of financial position at 31 December 2020. From the date of this reclassification, non-current assets were no longer amortised.

Non-recurring operating profit includes capital gains on disposals (Century 21 France and Ægide-Domitys) as well as the impairment of activities in Germany.

AT 31 DECEMBER 2020 RESTATED

(in thousands of euros)	**Development**	**Services**	**Other activities**	**Like-for-like scope**	**Non-recurring profit and discontinued operations**	**Total operational reporting**
Total revenue	3,653,556	767,436	-	4,420,992	433,649	4,854,641
Revenue	3,653,556	767,436	-	4,420,992	433,649	4,854,641
Operating expenses	(3,346,388)	(614,480)	(14,357)	(3,975,225)	(336,487)	(4,311,711)
EBITDA	307,168	152,956	(14,357)	445,768	97,162	542,930
Rent	(19,247)	(88,240)	(6,157)	(113,644)	(93,131)	(206,774)
EBITDA after rent	287,922	64,716	(20,514)	332,124	4,032	336,155
Rent cancellation	19,247	88,240	6,157	113,644	93,131	206,774
Depreciation of right-of-use assets	(16,956)	(81,184)	(11,216)	(109,356)	(86,669)	(196,025)
Depreciation, amortisation and impairment of non-current assets	(8,044)	(23,405)	(7,911)	(39,360)	(11,225)	(50,585)
Net change in provisions	(1,367)	(4,402)	302	(5,467)	(743)	(6,210)
Share-based payments	(5,893)	(3,070)	(2,016)	(10,979)	(677)	(11,657)
Current operating profit	274,909	40,895	(35,198)	280,606	(2,152)	278,453
Non-recurring operating profit	-	-	-	-		-
Operating profit	274,909	40,895	(35,198)	280,606	(2,152)	278,453
Financial expenses	(26,591)	(4,648)	(31,044)	(62,283)	(5,467)	(67,750)
Financial income	6,547	487	2,030	9,064	2,641	11,705
Net finance income (expenses) before lease liability expenses	(20,045)	(4.161)	(29,014)	(53,220)	(2,826)	(56,045)
Financial expenses on lease liabilities	(1,729)	(9,248)	(902)	(11,879)	(17,582)	(29,461)
Net finance income (expense)	(21,774)	(13,409)	(29,916)	(65,099)	(20,408)	(85,506)
Pre-tax recurring profit	253,135	27,486	(65,114)	215,507	(22,560)	192,947
Income tax	(78,431)	(13,591)	17,647	(74,375)	2,509	(71,864)
Share of profit/(loss) from equity-accounted investments	(1,791)	-	(1)	(1,792)	(81)	(1,873)
NET PROFIT	**172,912**	**13,896**	**(47,468)**	**139,340**	**(20,131)**	**119,210**
attributable to equity holders of the parent company	167,952	13,991	(47,494)	134,449	(21,438)	113,012
attributable to non-controlling interests	4,960	(95)	26	4,891	1,307	6,198

The income statement at 31 December 2020 was restated to take into account the IFRS IC decisions published in 2021 (see Note 2.2).

6.3 Statement of financial position

6.3.1 Statement of financial position based on operational reporting

ASSETS

(in thousands of euros)	Balance at 31/12/2021	Restatement of joint ventures	31/12/2021 Operational reporting	Balance at 31/12/2020 Restated	Restatement of joint ventures	31/12/2020 Operational reporting Restated
Non-current assets						
Goodwill	1,356,493	-	1,356,493	1,484,027	-	1,484,027
Other intangible assets	117,895	-	117,895	110,200	-	110,200
Right-of-use assets	582,076	-	582,076	431,101	-	431,101
Property, plant and equipment	59,267	-	59,267	56,543	-	56,543
Investments in associates	124,934	(62,427)	62,507	57,764	(56,808)	956
Other financial assets	58,334	142	58,476	61,306	701	62,007
Deferred tax assets	23,037	1,843	24,880	29,187	2,263	31,450
Total non-current assets	2,322,036	(60,442)	2,261,594	2,230,128	(53,844)	2,176,284
Current assets						
Inventories and work in progress	1,811,194	184,848	1,996,042	1,603,975	131,022	1,734,997
Trade and other receivables	1,323,153	52,337	1,375,490	1,129,692	223,878	1,353,570
Tax receivable	23,562	417	23,979	22,744	338	23,082
Other current assets	1,515,489	54,338	1,569,827	1,430,834	48,631	1,479,465
Other financial receivables	236,125	(126,046)	110,079	193,637	(107,294)	86,343
Cash and cash equivalents	1,061,626	142,532	1,204,158	1,305,133	122,331	1,427,464
Total current assets	5,971,149	308,426	6,279,575	5,686,015	418,906	6,104,921
Assets held for sale		-		1,264,091	75,892	1,339,983
TOTAL ASSETS	**8,293,185**	**247,984**	**8,541,169**	**9,180,234**	**440,954**	**9,621,188**

LIABILITIES AND EQUITY

(in thousands of euros)	Balance at 31/12/2021	Restatement of joint ventures	31/12/2021 Operational reporting	Balance at 31/12/2020 Restated	Restatement of joint ventures	31/12/2020 Operational reporting Restated
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 held	(34,066)	-	(34,066)	(29,025)	-	(29,025)
Reserves and retained earnings	836,003	-	836,003	839,112	-	839,112
Net profit for the period	324,906	-	324,906	113,012	-	113,012
Equity attributable to equity holders of the parent company	1,928,552	-	1,928,552	1,724,809	-	1,724,809
Non-controlling interests	19,620	-	19,620	9,247	-	9,247
Total equity	1,948,172	-	1,948,172	1,734,056	-	1,734,056
Non-current liabilities						
Non-current borrowings and financial liabilities	708,033	3,413	711,446	946,465	1,670	948,135
Non-current lease liabilities	516,817	-	516,817	363,427	-	363,427
Employee benefits	24,964	-	24,964	25,462	-	25,462
Deferred tax liabilities	93,258	11,074	104,332	65,167	10,904	76,071
Total non-current liabilities	1,343,072	14,487	1,357,559	1,400,521	12,574	1,413,095
Current liabilities						
Short-term borrowings, financial liabilities and operating liabilities	1,086,306	114,808	1,201,114	1,078,614	37,478	1,116,092
Current lease liabilities	108,668	-	108,668	101,584	-	101,584
Current provisions	77,408	1,813	79,221	78,664	1,688	80,352
Trade and other payables	1,699,525	114,834	1,814,359	1,678,389	140,266	1,818,655
Current tax liabilities	24,941	1,532	26,473	40,516	4,931	45,447
Other current liabilities	2,005,093	510	2,005,603	1,877,075	168,125	2,045,200
Total current liabilities	5,001,941	233,497	5,235,438	4,854,842	352,488	5,207,330
Liabilities associated with assets held for sale		-		1,190,815	75,892	1,266,707
TOTAL LIABILITIES AND EQUITY	**8,293,185**	**247,984**	**8,541,169**	**9,180,234**	**440,954**	**9,621,188**

6.3.2 Statement of financial position items broken down by segment

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(in thousands of euros)	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
Assets held for sale	-	-	-		-
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
Liabilities associated with assets held for sale	-	-	-		-
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**

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(in thousands of euros)	Development	Services	Other activities	Inter-division eliminations and not segmented	Total Operational reporting
Assets					
Non-current division assets	469,425	1,545,071	400,944	(270,606)	2,144,835
Deferred tax assets				31,449	31,449
Total non-current assets	469,425	1,545,071	400,944	(239,157)	2,176,284
Current division assets	4,346,337	1,678,683	1,580,061	(1,523,241)	6,081,840
Tax receivable				23,082	23,082
Total current assets	4,346,337	1,678,683	1,580,061	(1,500,159)	6,104,921
Assets held for sale	258,485	1,060,487	21,011		1,339,983
TOTAL ASSETS	**5,074,247**	**4,284,241**	**2,002,016**	**(1,739,316)**	**9,621,188**
Liabilities and equity					
Total equity				1,734,056	1,734,056
Non-current division liabilities	322,589	338,211	946,829	(270,606)	1,337,023
Deferred tax liabilities				76,071	76,071
Total non-current liabilities	322,589	338,211	946,829	(194,535)	1,413,095
Current division liabilities	3,133,180	1,788,301	1,763,888	(1,523,487)	5,161,883
Current tax liabilities				45,447	45,447
Total current liabilities	3,133,180	1,788,301	1,763,888	(1,478,040)	5,207,330
Liabilities associated with assets held for sale	247,505	1,041,142	(21,940)		1,266,707
TOTAL LIABILITIES AND EQUITY	**3,703,275**	**3,167,654**	**2,688,777**	**61,482**	**9,621,188**
Working capital requirement	**719,298**	**48,646**	**(64,015)**	**(22,118)**	**681,811**

ANALYSIS OF THE FINANCIAL STATEMENTS

Non-current assets

Note 7 Goodwill

Nexity has five CGUs:

- Residential Real Estate Development;
- Commercial Real Estate Development;
- International Real Estate Development;
- Services;
- Distribution.

Goodwill impairment testing

Goodwill reflects the expertise and synergies expected from acquired companies.

Goodwill is tested for impairment at least once a year and when there is an indication of impairment loss.

To test for impairment, goodwill is broken down into cash-generating units (CGUs), which are groups of similar assets generating identifiable cash flows. An impairment test involves comparing the net carrying amount of each CGU with the recoverable amount. The recoverable amount corresponds to the value in use, determined on the basis of the present value of expected future cash flows, which is the most suitable method considering the lack of recent comparable transactions. In the event of impairment the corresponding amount is recognised as an expense in the income statement.

An impairment loss recognised for a CGU is first allocated to the carrying amount of the goodwill associated with the CGU and then to the other non-monetary assets of the CGU in proportion to their carrying amount.

An impairment loss of goodwill may not be reversed.

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(in thousands of euros)	Balance at 31/12/2020	Acquisitions and remeasurements	Disposals	Impairment	Adjustments during the allocation period	Balance at 31/12/2021
Residential Real Estate Development	771,566	108	-	-	-	771,674
Commercial Real Estate Development	74,110	-	-	-	-	74,110
International Real Estate Development	68,295	-	-	(61,088)	(7,207)	-
Services	490,323	237	(59,584)	-	-	430,976
Distribution	79,733	-	-	-	-	79,733
TOTAL GOODWILL	**1,484,027**	**345**	**(59,584)**	**(61,088)**	**(7,207)**	**1,356,493**

The disposals correspond to the Century 21 real estate franchise network.

The loss of control of Ægide-Domitys had no impact as the corresponding goodwill had been reclassified to the line “Assets held for sale” at 31 December 2020 (application of IFRS 5).

The Group has decided to prioritise the allocation of development resources across the French market. The future cash flow projections of the International Real Estate Development CGU also take into account the discontinuation of development in Germany and generate an impairment of 100% of the goodwill of this CGU.

Main assumptions used for testing

At 31 December 2021, the same independent expert as the previous financial year calculated the discount rate of the future cash flows for the CGUs, using the Capital Asset Pricing Model (*Modèle d’Évaluation des Actifs Financiers* – CAPM) to measure the cost of equity, and using the actual cost method to measure the cost of debt.

Discount rate (WACC after tax)	31/12/2021	31/12/2020
Residential Real Estate Development	6.7%	6.4%
Commercial Real Estate Development	7.2%	6.9%
International Real Estate Development	7.2%	6.9%
Services	7.5%	6.8%
Distribution	6.7%	6.4%

Impairment tests use the five-year business plan adopted by Executive Management. The business plan includes differentiated growth assumptions depending on the business activity. These assumptions take into account current market conditions, their foreseeable changes, as well as the Group’s assumptions on the evolution of the regulatory environment and the intensity of competition. The budgeted margin levels are consistent with the margin targets set by the Commitments Committee for commercial and residential real estate development projects, and with the current profit margin for the business activities of the Services division.

The residential real estate market continues to be supported by the structural need for new housing and growing demand from institutional investors in a context of mortgage rates that are still low, but penalised by a supply shortage. The tertiary property market is in decline given the economic situation (decline in volumes invested, decline in take-up), but is expected to recover, driven by new uses (teleworking, coworking) and CSR requirements. Services benefits from a base of return clients. These assumptions are made in a context of moderate impact of the health crisis and macroeconomic conditions on activity.

Beyond the five-year plan, the perpetual growth rate used to calculate the terminal value is 1.5% (the same rate as at 31 December 2020). This rate is lower than the average growth rate for the business activities over the period of the business plan.

As part of the determination of forecast cash flows, the impacts of IFRS 16 on EBITDA and operating profit were neutralised in order to obtain cash operating flows after taking into account rental income.

In parallel, the tested carrying amount does not take into account the IFRS 16 right-of-use.

Sensitivity of useful life values to key assumptions

The Group carried out sensitivity tests at 31 December 2021. These tests involved calculating the potential impact of a change in the discount rate of up to 100 bps, as well as the cumulative application of substantially downgraded assumptions on terminal flows: a 20% decrease in revenue and a 1-point decrease in the margin.

Given the very pronounced difference between the DCF value and the value to be tested, there is no potential loss of value for all CGUs with downgraded assumptions.

Note 8 Right-of-use assets, other property, plant, equipment and intangible assets

(in thousands of euros)	Gross	Depreciation, amortisation and impairment	Balance at 31/12/2021	Gross	Depreciation, amortisation and impairment	Balance at 31/12/2020 restated
Other intangible assets	239,970	(122,075)	117,895	229,979	(119,779)	110,200
Right-of-use assets (IFRS 16)	955,961	(373,886)	582,076	672,227	(241,126)	431,101
Property, plant and equipment	209,332	(150,065)	59,267	198,248	(141,705)	56,543
TOTAL NON-CURRENT ASSETS	**1,405,264**	**(646,026)**	**759,238**	**1,100,454**	**(502,610)**	**597,844**

CHANGES IN THE FINANCIAL YEAR

(in thousands of euros)	Balance at 31/12/2020 restated	Movements, acquisitions and disposals	Additions for the financial year	Changes in scope and other	Balance at 31/12/2021
Other intangible assets	110,200	26,129	(15,504)	(2,931)	117,895
Right-of-use assets (IFRS 16)	431,101	266,678	(124,794)	9,091	582,076
Property, plant and equipment	56,543	27,812	(17,321)	(7,767)	59,267
TOTAL NON-CURRENT ASSETS	**597,844**	**320,620**	**(157,618)**	**(1,608)**	**759,238**

Rents not eligible under IFRS 16 amounted to €10.6 million for low value or short-term exemptions.

8.1 Other property, plant and equipment and intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses. They consist mainly of software, IT developments, and client relationships that may be recognised when accounting for business combinations.

Amortisations are calculated on a straight-line basis based on the anticipated useful life of each asset: between one and seven years for software and IT developments, two years for client relationships as part of real estate development operations, and 20 years for client relationships as part of real estate services.

Property, plant and equipment is stated at acquisition or production cost less accumulated depreciation and impairment losses.

Property, plant and equipment is mainly composed of fixtures and fittings, office and computer equipment, and office furniture.

Amortisations are calculated on a straight-line basis based on the useful life of each asset's components. The amortisation periods generally used vary from three to ten years.

8.2 Right-of-use assets

Right-of-use assets correspond to the initial amount of lease liabilities as defined by IFRS 16 (see Note 21.3), minus completed depreciation, amortisation and impairment, and by the restatement of leaseback transactions.

The lease term used is the enforceable term of the contract, corresponding to the non-cancellable period of the contract during which the lessee has the right to use the asset, plus the periods covered by a renewal option that will probably be exercised or a termination option that will probably not be exercised. The lease liability should be valued over the "economic" term of the contract (*vs*. legal term), taking into account work carried out but not fully amortised, which would require continued operation. The included rent is either fixed or linked to a real estate index. Variable rent based on the lessee's income is excluded from lease liabilities and recognised in the profit (loss) for the period in question.

In order to apply the IFRS 16 standard, the Group restates leases for assets of more than €5,000 and of a duration of more than one year.

The standard requires the neutralisation of margins in the case of sale-leaseback transactions: at Nexity, this concerns the sale of real estate assets to investors who then lease these assets to the Group's subsidiaries (managed residential activities and, on occasion, office buildings occupied by Nexity employees). The portion of the margin generated by the share of rents discounted in relation to the sale price is neutralised during construction by a reduction in the value of rights of use, which reduces depreciation over the duration of the lease. These transactions are carried out in the ordinary course of business and represent individually insignificant amounts. At 31 December 2021, the total neutralised margins amounted to €6.4 million.

Right-of-use assets mainly concern real estate assets, including student residences, and managed office buildings for coworking or *use* by the Group's employees.

The amount of non-restated rents amounted to €15.1 million for low value exemptions.

BREAKDOWN BY TYPE OF RIGHT-OF-USE ASSET

(in thousands of euros)	Average duration 2021 *(in years)*	Balance at 31/12/2021	Balance at 31/12/2020
Student residences	5.8	322,100	275,534
Coworking spaces	6.7	113,317	47,212
Serviced residence and coworking space activities		**435,417**	**322,745**
Corporate assets	**3.3**	**146,659**	**108,355**
TOTAL RIGHT-OF-USE ASSETS	**5.0**	**582,076**	**431,101**

CHANGES IN THE FINANCIAL YEAR

(in thousands of euros)	Balance at 31/12/2020	Movements, acquisitions and disposals	Additions for the financial year	Changes in scope and other	Balance at 31/12/2021
Student residences	275,534	104,313	(58,049)	301	322,100
Coworking spaces	47,212	82,942	(16,841)	4	113,317
Corporate assets	**108,355**	**79,423**	**(49,904)**	**8,785**	**146,659**
TOTAL RIGHT-OF-USE ASSETS	**431,101**	**266,678**	**(124,794)**	**9,091**	**582,076**

Movements of acquisitions and disposals on IFRS 16 rights of use (€266,678 thousand) are primarily linked to new leases or renewals signed in 2021.

Note 9 Investments in associates

The Group's investments in associates are initially recorded at acquisition cost including any goodwill generated. Their carrying amount is then increased or decreased to take into account the Group share in any profit and loss generated after the acquisition date.

If the Group share of the losses of an associate or joint venture exceeds the carrying amount of the investee, the carrying amount is reduced to nil and the recognition of further losses is discontinued unless the Group has a legal or constructive obligation to cover the losses or make payments in respect of said associate or joint venture.

If there is an indicator of impairment, a test is performed which compares the carrying amount of the investee to its recoverable amount.

CHANGE IN THE PERIOD

(in thousands of euros)	31/12/2021	31/12/2020
Value of investments at beginning of period	**57,764**	**39,926**
Change in scope and foreign exchange gains and losses	11,251	4,448
Change in equity of associates	281	4,350
Share of profit from investees with activities that are an extension of the Group's operating activities	31,094	28,737
Group share of profit/(loss) from other investees	(1,988)	(1,873)
Dividends paid	(22,242)	(17,824)
Dividends distributed not paid		-
Reclassification of Ægide shares	48,774	-
VALUE OF INVESTMENTS AT PERIOD-END	**124,934**	**57,764**
o/w: investees with activities that are an extension of the Group's operating activities	62,427	56,808
o/w other investees	62,507	956

"Investees with activities that are an extension of the Group's operating activities" are joint ventures. Most joint ventures are real estate development programmes (residential or commercial) undertaken with another developer (joint ventures).

Other investees, amounting to €62,507 thousand, are associates: investments in Ægide-Domitys (development and operation of senior independent living facilities) and Bien'ici, a property listings website.

The change in investments in associates is mainly due to:

- Maintaining an 18% investment in Ægide-Domitys, which was remeasured at its fair value, i.e. €48.8 million at 31 December 2021. Ægide-Domitys is the French leader in the development and management of senior independent living facilities. Ægide-Domitys manages 137 serviced senior residences, i.e. more than 16,000 housing units at the end of 2021. Ægide-Domitys generated consolidated revenue of around €415 million in 2021;
- An additional €11.3 million investment in Bien'ici.

Note 10 Other financial assets

(in thousands of euros)	Balance at 31/12/2020	Movements, acquisitions and disposals	Additions for the financial year	Changes in scope and other	Balance at 31/12/2021
Start-up investments	26,087	4,098	(6,387)	-	23,798
Unconsolidated acquired companies	-	1,400	-	-	1,400
Companies soon to be dissolved	1,069	41	207	71	1,388
Cash allocated to the liquidity contract	2,554	1,877	-	-	4,431
Deposits and guarantees	14,585	(3,358)	200	41	11,468
Investments in funds and real estate projects	7,868	192	-	-	8,060
Loans for property acquisitions from Crédit Financier Lillois	8,820	(1,395)	(1)	-	7,424
Other	323	(325)	369	-	367
TOTAL OTHER FINANCIAL ASSETS	**61,306**	**2,530**	**(5,612)**	**112**	**58,336**

"Start-up 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 reporting date and intended to be consolidated in the following financial year.

"Companies soon to be dissolved" means investments in private companies that have been used as vehicles for real estate developments that have been delivered.

"Cash allocated to the liquidity contract" designates the financial resources made available to the investment services provider contracted to manage the liquidity contract 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 real estate development programmes are included in the calculation of the working capital requirement (WCR).

"Investments in funds and real estate projects" refers to medium-term financing contributed by the Group to joint ventures, and investments in real estate investment funds.

"Loans for property acquisitions from Crédit Financier Lillois" came to €7,424 thousand (including €387 thousand maturing in less than one year) at 31 December 2021, compared to €8,820 thousand (including €431 thousand maturing in less than one year) at 31 December 2020.

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

WORKING CAPITAL REQUIREMENT

Note 11 Breakdown of working capital requirement

(in thousands of euros)	Notes	Balance at 31/12/2021	Balance at 31/12/2020
Current assets			
Inventories and work in progress	12	1,811,194	1,603,975
Trade and other receivables	13	1,323,153	1,129,692
Other current assets	14	1,515,489	1,430,834
Current liabilities			
Trade and other payables		(1,699,525)	(1,678,389)
Other current liabilities	15	(2,005,093)	(1,877,075)
WORKING CAPITAL REQUIREMENT BEFORE TAX		**945,218**	**609,038**
Tax receivable	31	23,562	22,744
Current tax liabilities	31	(24,941)	(40,516)
TOTAL WORKING CAPITAL REQUIREMENT		**943,839**	**591,265**

CHANGE IN THE PERIOD

(in thousands of euros)	Change in the period
WORKING CAPITAL REQUIREMENT BEFORE TAX AT 31/12/2020	**609,038**
Change in working capital requirement as per cash flow statement	318,500
Impact of changes in scope	21,526
Change in receivables and payables for non-current assets and similar items (included in trade payables)	(3,846)
WORKING CAPITAL REQUIREMENT BEFORE TAX AT 31/12/2021	**945,218**

Note 12 Inventories and work in progress

"Inventories and work in progress" includes land recorded at acquisition cost, construction in progress (site development and construction costs), selling expenses assignable to contracts (in-house and external commissions) and finished products, recorded at production cost.

Preliminary contract costs for real estate development programmes are included in the cost of inventories if the probability of securing the contract is high. If the contract is not obtained, the related costs are expensed.

When the net realisable value of inventories and work in progress is less than their cost, impairment losses are recorded.

(in thousands of euros)	Gross	Impairment	Balance at 31/12/2021	Gross	Impairment	Balance at 31/12/2020
TOTAL INVENTORIES AND WORK IN PROGRESS	**1,854,425**	**(43,231)**	**1,811,194**	**1,649,216**	**(45,241)**	**1,603,975**

Note 13 Trade and other receivables

Client receivables

Current contracts are recorded at the original cost, minus any payments and increased by the profit amount recorded up to the statement of financial position date (minus anticipated losses) and interim invoices issued.

The amount of client receivables due at 31 December 2021 stood at €353,473 thousand.

Trade and other receivables

Trade and other receivables are stated at fair value upon initial recognition, then at amortised cost less allowances for uncollectible items.

(in thousands of euros)	Gross	Impairment	Balance at 31/12/2021	Gross	Impairment	Balance at 31/12/2020
Assets in VEFA off-plan sales contracts	969,681		969,681	913,559		913,559
Trade and other receivables	375,147	(21,675)	353,472	236,213	(20,080)	216,133
TOTAL TRADE AND OTHER RECEIVABLES	**1,344,828**	**(21,675)**	**1,323,153**	**1,149,772**	**(20,080)**	**1,129,692**

(in thousands of euros)	Balance at 31/12/2020	Movements related to operations	Balance at 31/12/2021
Residential Real Estate Development	850,418	52,444	902,862
Commercial Real Estate Development	63,141	3,829	66,970
TOTAL ASSETS IN VEFA OFF-PLAN SALES CONTRACTS	**913,559**	**56,273**	**969,681**

Assets in contracts are the share of performance obligations already completed by the Group, for which the final cash collection right is subject to a contractual payment schedule. Assets in contracts gradually become receivables as calls for funds are issued to clients, demonstrating the Group's unconditional cash collection right. Assets in contracts are therefore representative of some of the future payments to be received by the Group for on-going 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 the revenue on a percentage-of-completion basis, totalled €3.3 billion at 31 December 2021.

Note 14 Other current assets

The Real Estate Services business enters into agreements with clients to perform services on their behalf as authorised agents. For this purpose, the Group holds client working capital accounts. As the authorised agent, the Group manages these accounts and reports them as separate accounts in its statement of financial position under the line items "Other current assets" and "Other current liabilities".

(in thousands of euros)	Gross	Impairment	Balance at 31/12/2021	Gross	Impairment	Balance at 31/12/2020
Suppliers – advances and deposits paid	123,015	(82)	122,933	87,280	(128)	87,152
Government receivables	320,289	-	320,289	315,492	-	315,492
Prepaid expenses	29,564	-	29,564	21,756	-	21,756
Other receivables	61,372	(6,971)	54,401	94,060	(7,550)	86,510
Cash held in client working capital accounts	988,303	-	988,303	919,924	-	919,924
TOTAL OTHER CURRENT ASSETS	**1,522,542**	**(7,053)**	**1,515,489**	**1,438,512**	**(7,678)**	**1,430,834**

Note 15 Other current liabilities

(in thousands of euros)	Balance at 31/12/2021	Balance at 31/12/2020
Tax payable and social security contributions	548,482	548,717
Prepaid income and other accruals	335,301	268,054
Clients – Advances and deposits received	132,972	125,243
Client working capital accounts	988,303	919,924
Reservation deposits held in escrow	36	15,137
TOTAL OTHER CURRENT LIABILITIES	**2,005,093**	**1,877,075**

In 2021, deferred income included €93,071 thousand in liabilities on Commercial Real Estate contracts, which represents the share of performance obligations which the Group has not yet completed, and for which payment has already been received.

EQUITY

Note 16 Share capital

At 31 December 2021, the share capital of the parent company comprised 56,129,724 shares with a par value of €5 per share, unchanged since 31 December 2020.

Note 17 Non-controlling interests

Non-controlling interests are mainly non-controlling interests in the subsidiaries that are not wholly owned by the Group.

For certain entities, the Group has made undertakings to purchase the remaining stake that it does not own. In such cases, the minority stake is reclassified as a financial liability (see Note 21.2). The non-controlling interest is no longer recognised, and the entity's profit or loss is fully consolidated in the Group's financial statements.

Note 18 Free share award plans

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

Employee incentive plans offering free share awards, ongoing or ended in the period, are as follows:

NEXITY PLANS

(in number of shares)	Awarded	Cancelled	Vested*	Awarded, not cancelled and not vested	Vesting period ends
May 2018 plan	284,950	53,208	231,742	-	Q2 2021
May 2018 plan for all employees	209,070	73,140	135,930	-	Q2 2021
October 2018 plan	24,000	11,100	12,900	-	Q4 2021
May 2019 plan	222,700	34,550	-	188.150	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	60,000	60,000	-	-	Q2 2023
May 2020 plan for all employees	222,670	44,905	175	177,590	Q2 2023
July 2020 plan	122,400	8,900	-	113,500	Q3 2023
March and April 2021 plans	147,700	-	-	147,700	Q3 2024
May 2021 plan	373,400	7,100	-	366,300	Q3 2024
October 2021 plan	22,000	-		22,000	Q4 2024
TOTAL NEXITY PLANS	**2,020,390**	**346,403**	**380,747**	**1,293,240**	

* Including 455 in previous years.

The Shareholders' Meeting has granted the Board of Directors the right until 17 July 2022 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 395,400 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 0.8% (as a percentage of share capital ownership) if all free shares already awarded were to vest, and 1.1% if the calculation includes all possible free shares not yet awarded.

In 2021, 380,292 free shares were vested, and with all awards satisfied using treasury shares, the shares were transferred to their recipients.

Valuation of Nexity's free share plans

Free shares are recognised at the grant date at their fair value. Changes in value after the grant date have no effect on the initial measurement.

The calculated value of the free shares is recognised as an employee benefits expense on a straight-line basis over the vesting period with a corresponding increase in equity.

The aggregate value is modulated to take into account the probability of the allocation conditions being met for each plan, based on the following criteria:

- Length of service at the Company at the end of the plan; and
- Where applicable, financial or non-financial performance conditions determined on the basis of multi-year objectives.

The aggregate value of Nexity's free share plans was €52,929 thousand in 2021, representing an expense of €12,871 thousand.

(in thousands of euros)	May 2018 plan	October 2018 plan	May 2019 plan	October 2019 plan	April 2020 plan	May 2020 plan	July 2020 plan	March 2021 plan	April 2021 plan	May 2021 plan	October 2021 plan	Total
Aggregate value	14,968	415	5,610	7,228	833	3,680	2,444	4,727	294	12,073	657	**52,929**
Expenses 2021	2,792	(115)	1,885	2,445	279	1,170	816	1,097	63	2,395	44	**12,871**
Assumptions												
Share price on grant date *(in euros)*	49.8	42.1	40.5	45.0	26.3	28.1	27.6	43.16	46.04	45.16	39	
Vesting period *(in years)*	3	3	3	3	3	3	3	3	3	3	3	
Dividend rate [1]	5.0%	5.0%	6.5%	6.0%	6.5%	6.5%	5.5%	5%	5%	5%	5%	

(1) Based on the Nexity underlying rate.

Note 19 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 31 December 2021, treasury shares were held for two main purposes:

- In connection with a liquidity contract entered into with an investment services provider;
- In connection with share buyback programmes implemented to cover free share plans.

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

(in number of shares)	Authorisations	O/w liquidity contract	O/w to cover free share plans	Total holding (at transaction date)
POSITION AT 31 DECEMBER 2020	**5,612,972**	**125,642**	**732,434**	**858,076**
Purchase, sale and transfer of shares				
• via the liquidity contract	-	(40,058)	-	(40,058)
• held to be used for free share awards	-	-	505,861	505,861
• transfers during the financial year to cover free shares vested	-	-	(380,292)	(380,292)
Implementation of the programme authorised by the Shareholders' Meeting of 19 May 2021	10% of the adjusted capital according to its change			
POSITION AT 31 DECEMBER 2021	**5,612,972**	**85,584**	**858,003**	**943,587**

The 943,587 treasury shares held at 31 December 2021 were recognised as a deduction from net assets for a value of €34,066 thousand.

DEBT AND FINANCIAL RISK FACTORS

Note 20 Breakdown of net debt

BREAKDOWN OF NET DEBT

(in thousands of euros)	Notes	Balance at 31/12/2021	Balance at 31/12/2020
Bond issues	21	806,317	997,044
Long-term borrowings and financial debt	21	118,333	341,120
Short-term borrowings and financial debt	21	747,380	536,498
Loans and borrowings		**1,672,029**	**1,874,662**
Current accounts held as liabilities and related payables	21	103,082	98,673
Current accounts held as assets and related receivables	22	(236,125)	(193,637)
Other financial receivables and payables		**(133,043)**	**(94,964)**
Cash and cash equivalents	23	(1,061,626)	(1,305,133)
Bank overdraft facilities	23	19,227	51,745
Net cash and cash equivalents		**(1,042,399)**	**(1,253,388)**
TOTAL NET FINANCIAL DEBT BEFORE LEASE LIABILITIES		**496,587**	**526,310**
Lease liabilities	**21**	**625,485**	**465,010**
TOTAL NET DEBT		**1,122,072**	**991,320**

Components of net debt recognised in the statement of cash flows

CHANGE IN THE PERIOD

(in thousands of euros)	Balance at 31/12/2020	Cash flows	Impact of changes in scope	Change in fair value	Leases	Other	Balance at 31/12/2021
Loans and borrowings	1,874,662	(77,967)	(107,217)	1,377	-	(18,826)	1,672,029
Other financial receivables and payables	(94,964)	(50,498)	-	-	-	12,418	(133,043)
Net cash and cash equivalents	(1,253,388)	210,989	-	-	-	-	(1,042,399)
TOTAL NET DEBT BEFORE LEASE LIABILITIES	**526,310**	**82,524**	**(107,217)**	**1,377**	**-**	**(6,407)**	**496,587**
Lease liabilities	465,010	(182,628)	-	24,481	323,926	(5,304)	625,485
TOTAL NET DEBT	**991,320**	**(100,104)**	**(107,217)**	**25,858**	**323,926**	**(11,711)**	**1,122,072**

(in thousands of euros)	Cash flows
Proceeds from issuance of bonds	583,291
Redemption of bonds	(619,705)
Acquisitions of non-controlling interests	(41,553)
Change in bank borrowings and acquisition-related debt	(77,967)
Repayment of lease liabilities	(182,628)
Change in other borrowings and other financial receivables	(50,498)
Change in cash and cash equivalents	210,989
Total change in net debt	(100,104)

Note 21 Borrowings and financial liabilities

	Balance at 31/12/2021		Balance at 31/12/2020	
(in thousands of euros)	Non-current	Current	Non-current	Current
Bond issues	589,700	216,617	605,347	391,697
Loans and borrowings	118,333	747,380	341,120	536,498
Current account and equivalent liabilities	-	103,082	-	98,673
Bank overdraft facilities	-	19,227	-	51,745
TOTAL BORROWINGS AND FINANCIAL LIABILITIES BEFORE LEASE LIABILITIES	**708,033**	**1,086,306**	**946,467**	**1,078,614**
Lease liabilities	516,817	108,668	363,427	101,584
TOTAL BORROWINGS AND FINANCIAL LIABILITIES	**1,224,849**	**1,194,974**	**1,309,893**	**1,180,197**

21.1 Bond issues

At 31 December 2021, the reported nominal amount of bond issues (€831 million) differed from their consolidated value (€806 million), as a result of the restatement of the OCEANE bond 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.

Nexity SA Euro PP bond issues

EURO PP BONDS

Issue date	Nominal amount at 31/12/2021 *(in millions of euros)*	Nominal amount at 31/12/2020 *(in millions of euros)*	Annual interest rate (i)	Maturity
05/05/2014	-	146.0	3.52%	05/05/2021
29/06/2017	30.0	30.0	2.05%	10/11/2023
29/06/2017	121.0	121.0	2.60%	29/06/2025
20/12/2019 – Green Euro PP	84.0	84.0	2.26%	20/12/2026
20/12/2019 – Green Euro PP	156.0	156.0	2.46%	20/12/2027
TOTAL	**391.0**	**537.0**		

On 5 May 2021, Nexity SA redeemed the Euro PP bond issued on 5 May 2014 for a nominal amount of €146 million.

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 were met as at 31 December 2021.

Issue date of bonds	Ratio limit	Ratio at 31/12/2021
Net debt before IFRS 16/Consolidated equity	≤ 2	0.3
Leverage ratio: Net debt before 16 and project-related debt (1)/EBITDA after rent	≤ 3.5	1.3
Ratio of EBITDA after rent/Net borrowing costs excl. IFRS 16	≥ 2.5	8.9

(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 leverage ratio at 31 December 2021 was calculated as follows:

(in millions of euros)	Calculation of the leverage ratio at 31/12/2021
Net debt before IFRS 16	496.6
Neutralisation of non-recourse project-related debt	(58.6)
Neutralisation of non-recourse project-related cash	52.5
Net debt before IFRS 16 and project-related debt	490.4
EBITDA after rent	380.2
Leverage ratio	**1.29**

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

(in millions of euros)	31/12/2021 12 months	31/12/2020 12 months
Current operating profit	373.4	249.8
Depreciation of right-of-use assets	124.8	196.0
Depreciation, amortisation and impairment of non-current assets	32.8	50.6
Net change in provisions	(2.5)	6.6
Share-based payments	12.1	11.7
Dividends received from equity-accounted investees that are operational in nature	22.2	17.8
EBITDA	**562.9**	**532.5**
Restatement of rent	(182.6)	(206.8)
EBITDA AFTER RENT	**380.2**	**325.7**

Convertible bonds issued by Nexity SA

CONVERTIBLE BONDS ISSUES

Issue date	Nominal amount at 31/12/2021 *(in millions of euros)*	Nominal amount at 31/12/2020 *(in millions of euros)*	Annual interest rate	Maturity	Number of bonds
OCEANE 2016 – 13/05/2016	-	270.0	0.125%	01/01/2023	4,199,066
ORNANE 2018 – 27/02/2018	200.0	200.0	0.250%	02/03/2025	2,902,336
OCEANE 2021 – 19/04/2021	240.0	-	0.875%	19/04/2028	4,012,706
TOTAL	**440.0**	**470.0**			

2016 OCEANE bond issue (bonds that may be converted or exchanged for new or existing shares)

In 2016, the Group issued €270 million of 6.5-year bonds that may be converted or exchanged for new or existing shares (OCEANE bonds), for a nominal value of €64.30, redeemable at maturity in January 2023 and paying an annual coupon rate of 0.125%.

This OCEANE bond was repurchased for a total amount of €280 million during the first half of 2021. The difference with the value of the debt component, i.e. €260 million at the date of the buyback, impacted equity in the amount of €19.2 million and financial expenses in the amount of €0.4 million. The cost of the buyback includes transaction-related costs, i.e. €1.7 million, also recognised in financial expenses over the period.

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 seven-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 and conditions of the bond, the conversion rate was adjusted after the dividend distribution in June 2021 and amounts to 1.243 shares, with a nominal value of €5, for one bond (compared to one share for one bond at the date of issue).

If all convertible bonds were converted, the dilution would be 6.0% (as a percentage of share capital ownership).

At 31 December 2021, the market value of this instrument was €200 million, which is fully accounted for under the "Borrowings and financial liabilities" item. For the recognition of this instrument, Nexity group has selected the fair value option: all changes in fair value are recorded through "Net finance income (expenses)".

2021 OCEANE bond issue (bonds that may be converted or exchanged for new or existing shares)

On 19 April 2021, the Group issued €240 million of seven-year bonds that may be converted into cash and/or new shares and/or existing shares (OCEANE) for a nominal value of €59.81, redeemable at maturity in April 2028 and paying an annual coupon rate of 0.875%.

In accordance with IAS 32, an entity recognises separately the components of a financial instrument that creates a financial liability of the entity, and grants an option to the holder of the instrument to convert it into an equity instrument of the entity. The liability component is measured at fair value in reference to a similar liability without an associated equity component. The carrying amount of the equity instrument represented by the option to convert the instrument into ordinary shares is then determined by deducting the fair value of the financial liability from the fair value of the compound financial instrument as a whole.

After this initial measurement of the debt and equity portion, the debt component is measured at amortised cost. The interest expense on the debt is calculated using the effective interest rate and recognised in net profit. The equity component is not remeasured.

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 and conditions of the bond, the conversion rate was adjusted after the dividend distribution in June 2021 and amounts to 1,046 shares with a nominal value of €5, for one bond (compared to one share for one bond at the date of issue).

If all convertible bonds were converted, the dilution would be 7.0% (as a percentage of share capital ownership).

At 31 December 2021, after taking into account financial expenses for the period, the equity component of this instrument amounted to €23 million and its debt component to €217 million.

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21.2 Credit facilities

	31/12/2021			31/12/2020
(in millions of euros)	Non-current payables	Current payables	Total payables	Total payables
Nexity corporate borrowing facilities	-	30.0	30.0	100.0
Other corporate borrowing facilities	-	-	-	62.0
Negotiable debt securities (NEU CP and NEU MTN)	-	448.0	448.0	226.4
Put options granted to minority shareholders	118.3	69.4	187.8	336.5
TOTAL CORPORATE DEBT	**118.3**	**547.4**	**665.8**	**724.9**
Project-related loans	-	199.9	199.9	152.7
TOTAL CREDIT FACILITIES	**118.3**	**747.4**	**865.7**	**877.6**

At 31 December 2021, the credit facilities and put options granted to non-controlling shareholders totalled €865.7 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 contracts require the borrower to comply with a number of covenants, particularly of a financial nature, as summarised below:

Nexity corporate borrowing facilities

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 granted by 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 2023. One of the clauses of the credit contract 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.

These credit facilities were not used as at 31 December 2021.

In addition, Nexity SA benefits from a non-allocated drawn loan of €30 million maturing in March 2023.

Banking contracts are subject to the same financial covenants as bond debt. At 31 December 2021, the Group was in compliance with all its financial covenants.

Other corporate borrowing facilities

Some subsidiaries use borrowing facilities to finance their operating requirements or transactions.

Negotiable debt securities

The Group has set up negotiable debt securities (commercial paper) in the form of NEU CP (Negotiable EUropean Commercial Paper) and NEU MTN (Negotiable EUropean Medium Term Notes):

(in millions of euros)	Authorisations	Outstanding
Negotiable European Commercial Paper < 1 year	300.0	217.0
Negotiable European Medium Term Notes > 1 year	300.0	231.0
TOTAL AT 31 DECEMBER 2021	**600.0**	**448.0**

Put options granted to minority shareholders

The amount of put options was down €149 million at 31 December 2021 compared to 31 December 2020. This change was mainly due to the cancellation of the Ægide-Domitys buyback commitment for €107.2 million. The balance corresponds to the remeasurement of the commitments to take into account the updating of assumptions, net of payments for the year.

The maturity schedule of put options granted to minority shareholders is based on the probable date of performance of the contractual commitments. At 31 December 2021, Bureaux à Partager (Morning), Accessite, Édouard Denis, pantera AG and Prado Gestion were mainly concerned.

Project-related loans

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

21.3 Lease liabilities

(in thousands of euros)	Balance at 31/12/2020	Repayment for the period	Financial expenses	Reclassification	New leases	Other	Balance at 31/12/2021
Current lease liabilities	101,584	(182,628)	5,348	161,934	22,782	(352)	108,668
Non-current lease liabilities	363,426	-	19,133	(161,934)	301,144	(4,952)	516,817
TOTAL LEASE LIABILITIES	**465,010**	**(182,628)**	**24,481**	**-**	**323,926**	**(5,304)**	**625,485**

The discount rate is the marginal rate of the lessee's debt on the lease start date. This rate is calculated each half-year by group of subsidiaries with the same risk profiles. At 31 December 2021, these rates were between 1.36% and 2.9%.

21.4 Liquidity risk

Amortisation schedule

(in millions of euros)	Drawn 31/12/2021	Depreciation 2022	2023	2024	2025	2026	> 5 years
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	187.8	69.4	28.7	89.7	-	-	-
TOTAL BOND DEBT AND PUT OPTIONS	**1,018.8**	**69.4**	**58.7**	**89.7**	**321.0**	**84.0**	**395.9**
Holding company corporate credit line	30.0	-	30.0	-	-	-	-
Negotiable debt securities (NEU CP and NEU MTN)	448.0	249.4	102.0	96.6	-	-	-
Project-related loans	199.9	125.6	66.8	7.5	-	-	-
TOTAL BANK DEBT	**677.9**	**375.0**	**198.8**	**104.1**	**-**	**-**	**-**
Total amortisation		**444.4**	**257.6**	**193.8**	**321.0**	**84.0**	**395.9**
TOTAL BORROWINGS AND FINANCIAL LIABILITIES BEFORE LEASE LIABILITIES	**1,696.7**	**1,252.3**	**994.8**	**801.0**	**480.0**	**396.0**	**0.0**
Lease liabilities	625.5	98.0	82.3	75.0	55.3	60.7	254.2
TOTAL BORROWINGS AND FINANCIAL LIABILITIES	**2,322.2**	**1,779.8**	**1,439.9**	**1,171.1**	**794.8**	**650.1**	**0.0**

The other components of net debt shown in Note 20 are short-term items.

At 31 December 2021, the maturity of borrowings and financial liabilities prior to IFRS 16 was 74% higher at one year, and 23% higher at five years.

The average maturity of debt outstanding at 31 December 2021 was three years and one month.

21.5 Derivative instruments

The Group is exposed to market risk, particularly in terms of interest rates. The Group may use a number of derivatives to manage this risk (such as swaps, caps and collars). The purpose is to reduce, where appropriate, the fluctuations in cash flows related to changes in interest rates.

Derivative instruments are recognised at fair value in the statement of financial position, based on external appraisals. The gain or loss on remeasurement of the derivative instruments to fair value is recognised in the income statement, unless the instruments are used for hedging purposes. At 31 December 2021, the Group had no hedging derivatives in place.

Note 22 Other financial receivables

(in thousands of euros)	Gross	Impairment	Balance at 31/12/2021	Gross	Impairment	Balance at 31/12/2020
Current accounts – Assets and similar receivables	241,097	(4,972)	236,125	193,767	(130)	193,637
TOTAL OTHER FINANCIAL RECEIVABLES	**241,097**	**(4,972)**	**236,125**	**193,767**	**(130)**	**193,637**

Note 23 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and highly liquid investments, generally with maturities of three months or less, with immaterial risk of changes in value. This item includes reservation deposits held in escrow for clients of the Residential Real Estate division.

Highly liquid investments are measured to fair value at the reporting date. Highly liquid investments are recognised on the transaction date. Changes in value are recorded in the net finance income (expenses).

Cash held in client working capital accounts by the Services division is recorded as a separate item under “Other current assets”.

(in thousands of euros)	Balance at 31/12/2021	Balance at 31/12/2020
Marketable securities – Cash equivalents	295,530	382,258
Cash and cash equivalents	766,096	907,738
Reservation deposits held in escrow	-	15,137
TOTAL CASH AND CASH EQUIVALENTS	**1,061,626**	**1,305,133**

Deposits held in escrow for clients of the Residential Real Estate division are now held with notaries. Previously, these deposits were placed in escrow accounts at the time of the reservation (under "Reservation deposits held in escrow" at 31 December 2020).

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 statement of cash flows were as follows:

(in thousands of euros)	Balance at 31/12/2021	Balance at 31/12/2020
Cash and cash equivalents	1,061,626	1,305,133
Bank overdraft facilities	(19,227)	(51,745)
CASH AND CASH EQUIVALENTS AS REPORTED IN THE STATEMENT OF CASH FLOWS	**1,042,399**	**1,253,388**
o/w available cash	1,042,399	1,238,251
o/w unavailable cash	-	15,137

Note 24 Financial risk factors

24.1 Interest rate risk

Exposure to interest rate risk

Bond issues pay a fixed rate. The majority of the Group's bank borrowings are at floating interest rates.

The Group's cash is mainly invested in demand deposit and term deposit accounts with leading banks offering immediate or short-notice liquidity, and to a limited extent in UCITS funds applying a "standard money-market management" approach with portfolios favouring liquidity and a high level of security.

The cost of borrowing on debt drawn down by the Group was 2.1% in 2021 (2.2% in 2020).

The Group may set up interest rate hedging instruments using hedge accounting (where effective) to mitigate the effects of severe interest rate movements. Such instruments are entered into with top-ranking financial institutions.

Interest rate sensitivity analysis

The fixed-rate debt share (before IFRS 16) represents approximately 60% of total debt at 31 December 2021.

The Group's exposure to interest rate risk excludes fixed-rate debt and debt hedged by financial instruments (swaps), but includes the following items with respect to net interest income:

- In terms of borrowings, all floating-rate loans and borrowings, whether or not hedged by interest rate caps and floors, and held-for-trading financial instruments;
- In terms of financial income, cash and cash equivalents and demand deposit accounts; and
- In terms of operating profit generated by the Services division, the interest on cash held in client working capital accounts (except for separate accounts).

The Group is not exposed to long-term interest rate risk as regards its net finance expense because its floating-rate debt is mostly indexed to 3-month Euribor.

The following tables provide a simulation sensitivity analysis of a 50 basis point instantaneous rise in short-term interest rates (and symmetrically a 50 basis point instantaneous decrease in short-term interest rates) on the various items described above based on the Group's financial structure at 31 December 2021.

The simulation merely reflects the purely mathematical impact of a change in interest rates on the Group's financial assets and liabilities. It does not show the more pervasive influence of interest rate movements on the borrowing capacity of the Group's clients and the potential impact of such movements on the Group's business activity and performance.

INTEREST RATE SENSITIVITY ANALYSIS OF FLOATING-RATE DEBT INSTRUMENTS WITHIN NET DEBT ACCOUNTS AFTER HEDGING AND OF CASH AND CASH EQUIVALENTS HELD IN CLIENT WORKING CAPITAL

(in millions of euros)	Impact on the income statement after tax
Sensitivity analysis at 31 December 2021	
Impact of a 50-bp increase in short-term interest rates	(0.5)
Impact of a 50-bp decrease in short-term interest rates	1.0
Sensitivity analysis at 31 December 2020 restated	
Impact of a 50-bp increase in short-term interest rates	(0.2)
Impact of a 50-bp decrease in short-term interest rates	0.3

24.2 Foreign exchange risk

The Group's exposure to exchange rate risk is not material because it has no material operations outside the eurozone.

24.3 Equity risk

The Group does not hold any listed securities. However, under the liquidity contract in place, the Group may hold a small percentage of treasury shares.

The other treasury shares are allocated to the delivery of shares under free share plans.

The Group thus deems itself not exposed to any material equity risk.

Note 25 Fair value of financial instruments by accounting category

POSITION AT 31 DECEMBER 2021

		Accounting categories						Fair value measured on the basis of			
Statement of financial position items *(in millions of euros)*	**Notes**	**Assets and liabilities at fair value through profit or loss**	**Hedging derivatives**	**Financial instruments available for sale**	**Loans and receivables**	**Liabilities at amortised cost**	**Total net carrying amount**	**Listings on an active market Level 1**	**Internal model based on observable data Level 2**	**Internal model based on non-observable data Level 3**	**Total fair value**
Equity investments unconsolidated	10			9.1			9.1		9.1		9.1
Capitalised receivables	10				49.3		49.3		49.3		49.3
Current accounts and other financial receivables	20				236.1		236.1	236.1	-		236.1
Cash and reservation deposits	20				1,061.6		1,061.6	1,061.6			1,061.6
TOTAL FINANCIAL ASSETS		**-**	**-**	**9.1**	**1,347.0**	**-**	**1,356.1**	**1,297.8**	**58.3**	**-**	**1,356.1**
Credit facilities	20					865.7	865.7		865.7		865.7
Bond issues	20					806.3	806.3		806.9		806.9
IFRS 16 Lease liabilities	20					625.5	625.5		625.5		625.5
Current account liabilities	20					103.1	103.1		103.1		103.1
Bank overdraft facilities	20					19.2	19.2	19.2			19.2
TOTAL FINANCIAL LIABILITIES		**-**	**-**	**-**	**-**	**2,419.8**	**2,419.8**	**19.2**	**2,401.2**	**-**	**2,420.4**

POSITION AT 31 DECEMBER 2020

		Accounting categories						Fair value measured on the basis of			
Statement of financial position items *(in millions of euros)*	**Notes**	**Assets and liabilities at fair value through profit or loss**	**Hedging derivatives**	**Financial instruments available for sale**	**Loans and receivables**	**Liabilities at amortised cost**	**Total net carrying amount**	**Listings on an active market** Level 1	**Internal model based on observable data** Level 2	**Internal model based on non-observable data** Level 3	**Total fair value**
Equity investments unconsolidated	10			6.3			6.3		6.3		6.3
Capitalised receivables	10				55.0		55.0		55.0		55.0
Current accounts and other financial receivables	20				193.6		193.6	193.6	-		193.6
Cash and reservation deposits	20				1,305.1		1,305.1	1,305.1			1,305.1
TOTAL FINANCIAL ASSETS		**-**	**-**	**6.3**	**1,553.8**	**-**	**1,560.1**	**1,498.8**	**61.3**	**-**	**1,560.1**
Derivative instruments held for trading	20	-					-		-		-
Derivative instruments for hedging	21		-				-		-		-
Credit facilities	20					877.6	877.6		877.6		877.6
Bond issues	20					997.0	997.0		1,000.7		1,000.7
IFRS 16 Lease liabilities	20					465.0	465.0		465.0		465.0
Current account liabilities	20					98.7	98.7		98.7		98.7
Bank overdraft facilities	20					51.7	51.7	51.7			51.7
TOTAL FINANCIAL LIABILITIES		**-**	**-**	**-**	**-**	**2,490.1**	**2,490.1**	**51.7**	**2,442.0**	**-**	**2,493.7**

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 26 Current and non-current provisions

26.1 Provisions

A provision is recognised in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and when it is probable that an outflow of economic benefits will be required to settle that obligation.

If the effect of the time value of money is material, the provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

CHANGES IN PROVISIONS

(in thousands of euros)	Balance at 31/12/2020 restated	Additions	Reversals used	Reversals unused	Changes in scope and other	Balance at 31/12/2021
Employee benefits	25,462	2,399	(1,970)	-	(927)	24,964
Total non-current provisions	25,462	2,399	(1,970)	-	(927)	24,964
Litigation	49,997	12,702	(8,457)	(4,584)	224	49,882
Tax and investment risk	43	2	(265)	-	265	45
Employee benefits (short-term portion)	1,239	-	(9)	-	88	1,318
Provisions for risks and charges	27,385	7,247	(7.898)	(539)	(33)	26,163
Total current provisions	78,664	19,951	(16,629)	(5,123)	544	77,408
TOTAL PROVISIONS	**104,126**	**22,350**	**(18,599)**	**(5,123)**	**(383)**	**102,372**

ANALYSIS BY TYPE OF EXPENSE

(in thousands of euros)	Balance at 31/12/2020 restated	Net change for operations	Net change for financing	Net change for tax	Changes in scope and other	Balance at 31/12/2021
Employee benefits	25,462	429	-	-	(927)	24,964
Total non-current provisions	25,462	429	-	-	(927)	24,964
Litigation	49,997	(339)	-	-	224	49,882
Tax and investment risk	43	-	2	(265)	265	45
Employee benefits (short-term portion)	1,239	(9)	-	-	88	1,318
Provisions for risks and charges	27,385	(1,147)	(43)	-	(33)	26,163
Total current provisions	78,664	(1,538)	2	(265)	544	77,408
TOTAL PROVISIONS	**104,126**	**(1,109)**	**2**	**(265)**	**(383)**	**102,372**

"Changes in scope and other" primarily refers to the actuarial gains and losses on employee benefits (see Note 26.2).

- Non-current provisions (for the share due after one year) include provisions for employee benefits (see Note 26.2);
- Current provisions include:
  - provisions for disputes ongoing at the date of the financial statements. They are valued based on current proceedings and estimated risk exposure on the date of the financial statements,

    there are many disputes, but the individual amount of each one is not very significant at the Group level. These disputes often take a long time to resolve, due to their technical nature and the time required to seek expert opinions,
  - provisions for tax to cover risks resulting from tax audits. Any additional tax due is expensed in the financial year the reassessment is accepted. If contested, the risk may be provisioned,
  - provisions for risks and charges including accrued expenses mainly related to ordinary operations. The individual amounts are relatively low at the Group level.

26.2 Employee benefits

As regards the Group, employee benefits are provided through defined-benefit and defined-contribution plans. Obligations relating to these plans involve retirement and long-service benefits, less the fair value of any qualifying plan assets (defined-benefit plans). Estimates for these obligations, which are discounted to present value, are calculated annually on the basis of actuarial assumptions for life expectancy and rates of employee turnover and salary increases.

The values obtained are subject to verification by an independent actuary using the projected unit credit method. Actuarial gains and losses on retirement benefits are recognised directly in other comprehensive income. Actuarial gains and losses on long-service benefits are recognised in income statement.

DETAIL OF EMPLOYEE BENEFIT OBLIGATIONS (STATEMENT OF FINANCIAL POSITION)

(in thousands of euros)	Balance at 31/12/2021	Balance at 31/12/2020
Measurement of obligations		
Obligations at beginning of financial year	26,702	25,203
Net current service cost	2,108	2,261
Interest expense	36	126
Employee benefits paid	(1,291)	(2,163)
Change of scheme	(132)	-
Reclassification under IFRS 5	-	(775)
Disposals	(853)	-
EXPECTED OBLIGATION AT YEAR-END	**26,570**	**24,652**
o/w current value at year-end	26,282	26,702
o/w actuarial gains/(losses)	288	(2,050)
Changes in assumptions	(789)	731
Changes in turnover assumptions	(188)	1,011
Experience adjustments	690	308
Reconciliation of financial position (at year-end)		
Current value of benefit obligation	26,282	26,702
NET BENEFIT LIABILITY RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION	**26,282**	**26,702**
o/w non-current provisions	24,964	25,462
o/w current provisions	1,318	1,240
Assumptions relating to obligations		
Retirement benefits discount rate at year-end	0.59%	0.23%
Long-service award discount rate at year-end	0.16%	-0.11%
Salary increase rate (at year-end)	2.00%	2.00%

The main assumptions for calculating employee benefits are based on a retirement departure age of 62 years for non-managers and 64 years for managers, on the employee's initiative, an average turnover rate of 14.86% and a social security contribution rate of 42%.

The INSEE 2013/2015 mortality table is still used.

The discount rate is determined on the basis of the index rate for AA-rated corporate bonds in the eurozone.

The actuarial difference (gain or loss) is recognised in:

- "Other comprehensive income" for retirement benefits;
- "Income statement" for long-service awards.

DETAIL OF EXPENSES IN THE PERIOD

(in thousands of euros)	Balance at 31/12/2021	Balance at 31/12/2020
Expense for the year		
Net current service cost	2,108	2,261
Interest expense	36	126
Change of scheme	(132)	-
Amortisation of unrecognised actuarial gains and losses	(68)	498
TOTAL EXPENSE RECOGNISED UNDER OPERATING PROFIT	**1,945**	**2,885**
o/w net expense recognised for employee benefits	654	722
o/w expenses included under employee benefits expense	1,291	2,163
CHANGE IN GAINS AND LOSSES RECOGNISED DIRECTLY IN OTHER COMPREHENSIVE INCOME	**(221)**	**1,552**
Actuarial gains and losses on retirement benefits	(221)	1,552
o/w changes in assumptions	(674)	619
o/w changes in turnover assumptions	(91)	792
o/w experience adjustments	544	142

CHANGE IN THE PERIOD

(in thousands of euros)	Balance at 31/12/2020	Gains and losses recognised directly in other comprehensive income	Income	Changes in scope	Balance at 31/12/2021
Employee benefits	26,702	(221)	654	(853)	26,282

SENSITIVITY OF PROVISIONS FOR EMPLOYEE BENEFITS TO RATE ASSUMPTIONS

(in thousands of euros)	Provisions for employee benefits
Provisions for employee benefits at 31 December 2021	**26,282**
Sensitivity analysis at 31 December 2021	
Impact of a 10-bp increase in the discount rate	(226)
Impact of a 10-bp decrease in the discount rate	230
Impact of a 50-bp increase in the salary increase rate	1,140

INCOME

Note 27 Employee benefits expense

(in thousands of euros)	31/12/2021 (12-month period)	31/12/2020 (12-month period)
Salaries and withholdings	(696,157)	(726,412)
Tax credit on remuneration	405	229
Employee profit-sharing	(21,397)	(13,597)
Expense related to share-based payments	(12,871)	(11,656)
TOTAL EMPLOYEE BENEFITS EXPENSE	**(730,020)**	**(751,436)**

The Group's average full-time equivalent workforce was 9,822 employees at 31 December 2021, *versus* 11,067 employees at 31 December 2020. At 31 December 2021, there was a total workforce of 8,296 employees.

Salaries and withholdings for continuing operations amounted to €628,038 thousand in 2021, corresponding to an average workforce of 8,120 employees.

Note 28 Other operating expenses

(in thousands of euros)	31/12/2021 (12-month period)	31/12/2020 12-month period restated
Rent	(12,795)	(14,496)
Rental expenses	(15,492)	(18,974)
Fees and commissions	(70,147)	(74,290)
Other external services	(188,375)	(197,679)
Other income	24,167	14,796
Other expenses	(21,084)	(11,039)
Gain/(loss) on disposal of consolidated shares	(737)	1,163
TOTAL OTHER OPERATING EXPENSES	**(284,463)**	**(300,519)**

Note 29 Depreciation, amortisation and impairment of non-current assets

(in thousands of euros)	31/12/2021 (12-month period)	31/12/2020 (12-month period)
Depreciation of right-of-use assets	(124,794)	(196,025)
Net increase/(decrease) in depreciation, amortisation and impairment of non-current assets	(32,744)	(50,536)
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT OF NON-CURRENT ASSETS	**(157,538)**	**(246,561)**

The non-current assets of Ægide-Domitys are classified as “Assets” held for sale from 31 December 2020. They are, therefore, not amortised over the 2021 financial year.

Note 30 Net finance income (expense)

30.1 Breakdown of net finance income (expense)

(in thousands of euros)	31/12/2021 (12-month period)	31/12/2020 (12-month period)
Interest expense	(44,891)	(53,955)
Interest income	2,299	4,470
Cost of financial debt before interest expense on lease liabilities	**(42,592)**	**(49,485)**
Interest expense on lease liabilities	(24,481)	(29,461)
COST OF NET FINANCIAL DEBT	**(67,072)**	**(78,946)**
Other financial expenses	(18,284)	(11,231)
Other financial income	1,852	7,631
OTHER NET FINANCIAL INCOME/(EXPENSE)	**(16,432)**	**(3,599)**
Total financial expenses	(87,655)	(94,647)
Total financial income	4,151	12,101
TOTAL NET FINANCE INCOME (EXPENSE)	**(83,504)**	**(82,546)**

Interest expense on lease liabilities in 2021 includes €10,277 thousand for Domitys-managed senior residences, compared with €17,335 thousand in 2020.

30.2 Detail of other financial income/(expense) by type

(in thousands of euros)	31/12/2021 (12-month period)	31/12/2020 (12-month period)
Other net financial expenses	(4,874)	(7,615)
Other net financial income	1,047	1,528
Change in fair value of ORNANE bonds	-	2,003
Impact of OCEANE exchange	(2,133)	-
Discount expenses for supplier debts of 1 year or more	(395)	(1,521)
Net gain/(loss) on derivative instruments	-	4,000
Net financial impairment and provisions	(10,454)	(2,305)
Transfer of financial expense to inventories	377	310
OTHER NET FINANCIAL INCOME/(EXPENSE)	**(16,432)**	**(3,599)**

For the recognition of ORNANE for 2018 (see Note 18.1), Nexity group has selected the fair value option: all changes in fair value are recorded through "Net finance income (expense)".

At 31 December 2021, the market value of this instrument was €200 million, which is fully accounted for under the "Borrowings and financial liabilities" item.

The 2016 OCEANE bond buyback generated an expense of €2.1 million, which breaks down into €0.4 million related to the difference between the amortised value and the fair value of the debt at the buyback date, €1.3 million in transaction costs and €0.4 million for the balance of the initial issue costs that remained to be spread.

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Note 31 Taxes

31.1 Income taxes

(in thousands of euros)	31/12/2021 (12-month period)	31/12/2020 12-month period restated
Corporate income tax	(54,229)	(83,079)
Deferred tax	(35,342)	33,935
CVAE (French business value-added tax)	(8,822)	(19,043)
Net change in tax provisions	265	57
TOTAL INCOME TAXES	**(98,128)**	**(68,129)**

31.2 Changes in statement of financial position tax items

CHANGES IN STATEMENT OF FINANCIAL POSITION TAX ITEMS

(in thousands of euros)	Balance at 31/12/2020 restated	Expense*	Tax credits	Not recognised in the income statement	Net payments*	Balance at 31/12/2021
Current tax						
Tax receivable	22,744					23,562
Current tax liabilities	(40,516)					(24,941)
TOTAL CURRENT TAX	**(17,773)**	**(63,051)**	**1,867**	**1,790**	**75,788**	**(1,379)**
Deferred tax						
Assets	29,187					23,037
Liabilities and equity	(65,167)					(93,258)
TOTAL DEFERRED TAX	**(35,980)**	**(35,342)**		**1,101**		**(70,221)**

* Included in the CVAE (French business value-added tax).

31.3 Tax proof

RECONCILIATION OF THEORETICAL AND ACTUAL TAX RATES IN THE CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Balance at 31/12/2021	Balance at 31/12/2020 restated
Theoretical tax base		
Net profit	324,906	113,012
Share of profit from investees with activities that are an extension of the Group's operating activities	(31,094)	(28,737)
Share of profit/(loss) from other equity-accounted investments	1,988	1,873
Change in value of goodwill	61,088	
Attributable to non-controlling interests	11,558	6,198
Income tax	98,128	68,129
Pre-tax profit on activities	466,574	160,475
Non-taxable portion of capital gains on disposals	(195,780)	
Pre-tax recurring profit	270,794	160,475
Theoretical tax rate used by the Group	28.41%	32.02%
Actual tax rate for current activities	36.24%	42.45%
Actual tax rate for current activities excluding CVAE	34.09%	34.30%
Theoretical income tax expense	(76,933)	(51,384)
Difference between theoretical tax and actual income tax	(21,195)	(16,745)
The difference is due to:		
Tax on equity-accounted flow-through entities	(4,007)	(3,905)
Impact of the CVAE levy (net of the income tax saving)	(6,316)	(12,945)
Effect of tax rates	9,672	9,154
Tax on non-taxable net income for the period	556	1,424
Tax on non-deductible or uncapitalised net expenses for the period	(20,515)	(9,994)
Impact of derecognition of bases for prior periods	(585)	(479)
NET DIFFERENCE	**(21,195)**	**(16,745)**

In 2021, profit(loss) before tax includes capital gains on disposals of Ægide-Domitys and Century 21, which are largely non-taxable. The effective tax rate is shown excluding these capital gains to facilitate comparison with the previous year.

The differences observed between the income tax expense based on the theoretical tax rate in France and the tax expense recognised for the financial year exist mainly for the following reasons:

As most equity-accounted investments are tax-transparent, their contribution to the income statement is presented pre-tax. The matching income tax expense is included in the Group's income tax expense.

The CVAE levy is classified under "Income taxes". Excluding the CVAE levy, the Group's tax rate was 34.1% in 2021.

The effect of tax rates is primarily due to the difference between Nexity group's tax consolidation rate, which is subject to corporate tax rates (28.41%), and the rate for subsidiaries consolidated for all but tax purposes with revenue of less than €250 million (26.5%).

The non-deductible net expenses primarily comprise discount expenses for payables calculated under IFRS, and permanently non-deductible losses for certain subsidiaries.

Excluding the CVAE levy, the Group's income tax rate was 34.1% compared with 34.3% in 2020. The fall in the income tax rate on large companies in France was offset at Nexity by an increase in non-deductible losses on certain subsidiaries.

31.4 Deferred tax assets and liabilities by nature

Deferred taxes are generally recorded for all timing differences between the tax value and book value of assets and liabilities on the consolidated statement of financial position, and are determined based on the liability method. The effects of changes in tax rates are recorded in the income statement for the year in which the change in tax rate is approved by Parliament. Deferred tax assets resulting from temporary differences, tax losses and tax credits carried forward are only recognised if their future realisation is probable. This likelihood is assessed at the end of the financial year based on the forecast results of the tax entities concerned.

Deferred taxes are reported net on the statement of financial position at Group tax consolidation level, and in the asset and liability columns of the consolidated statement of financial position.

(in thousands of euros)	31/12/2021	31/12/2020 Restated
Employee benefits	5,456	6,023
Loss carryforwards	7,511	9,864
Portion of contract revenues earned	(98,909)	(66,648)
Other deferred provisions, income and expenses	15,721	14,781
NET DEFERRED TAX	**(70,221)**	**(35,980)**
O/w deferred tax assets	23,037	29,187
O/w deferred tax liabilities	(93,258)	(65,167)

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31.5 Tax amounts by type without tax base

(in thousands of euros)	Balance at 31/12/2021	Balance at 31/12/2020	Change
Loss carryforwards	89,324	81,801	7,522
Other deferred provisions, income and expenses	21,994	22,380	(385)
TOTAL AMOUNTS WITHOUT TAX BASE	**111,318**	**104,181**	**7,137**

Deferred taxes have not been calculated for these amounts as it is unlikely that they will be used and/or the timing of their use cannot be estimated reliably or is too distant in the future.

Note 32 Earnings per share

The calculation of basic earnings per share (EPS) is based on the net profit attributable to shareholders of the parent company and the average number of shares outstanding during the financial year, less the average number of treasury shares held during the financial year.

As regards free share allocations, the calculation of diluted earnings per share is based on the treasury stock method assuming that all dilutive options and other dilutive potential ordinary shares are exercised. Dilution is attributable to the free share award plans described in Note 18. The average number of shares is calculated as the weighted average number of shares outstanding, which reflects the grant dates of plans during the financial year.

The numbers of potentially dilutive shares only take into account plans valued at a price lower than the average share price during the period.

Convertible bonds have a dilutive impact on the diluted earnings per share when the net interest expense recorded is lower than the basic earnings per share for each bond. The weighted average number of shares is therefore increased by the weighted average number of convertible bonds, and the Group share of net profit is adjusted for the net financial expense of the convertible bonds.

The maximum potential dilution resulting from the conversion of all the convertible bonds and the vesting of all free shares in awards granted would be 12.8% (as a percentage of share capital ownership) based on the number of shares at the end of the period.

	31/12/2021 *(in number of shares)*	Earnings per share *(in euros)*	31/12/2020 *(number of shares)*	Restated earnings per share *(in euros)*
Number of shares at end of period	56,129,724		56,129,724	
Average number of shares outstanding during the period	55,507,254	5.85	55,229,796	2.05
Dilutive effect of share plans using the treasury stock method	96,397		197,083	
Dilutive effect of convertible bond issues	6,558,075		8,614,408	
Average number of shares (diluted)	62,161,726	5.25	64,041,287	1.77

ADDITIONAL INFORMATION

Note 33 Off-statement of financial position commitments

Off-statement of financial position items are described in the consolidated financial statements for the year ended 31 December 2021.

33.1 Off-statement of financial position commitments related to the Group's scope

LIABILITY GUARANTEES

(in thousands of euros)	Total at 31/12/2021	Total at 31/12/2020
Liability guarantees received	17,728	20,828
Liability guarantees given	61,150	4,090

Liability guarantees received are related to the acquisition of companies and decrease at the end of the guaranteed period.

The increase in liability guarantees given corresponds to commitments related to the disposals of Ægide and Century 21 France.

33.2 Off-statement of financial position commitments related to Group financing

The amount of credit facilities granted is shown in Note 21.2.

Guarantees, collateral and pledges granted to banks in connection with certain credit facilities break down as follows:

TYPE OF GUARANTEE

(in thousands of euros)	Date of departure	Maturity date	Amount payables guaranteed	Total consolidated statement of financial position item	% of item posted
Intangible assets:			-	2,056,464	
Property, plant and equipment:			-	59,267	
Financial assets:			-	58,334	
Inventories:			1,500	1,811,194	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**	**8,293,185**	**0.0%**

33.3 Off-statement of financial position commitments relating to operating activities

The commitments given and received listed below include activities related to joint ventures and reflect operational reporting.

Commitments received

COMMITMENTS RECEIVED FOR RECURRING OPERATIONS

(in thousands of euros)	Total at 31/12/2021	Total at 31/12/2020
Payment guarantees received from clients in respect of development contracts	979,264	1,167,422
Other commitments	6	6
TOTAL COMMITMENTS RECEIVED	**979,270**	**1,167,428**

Payment guarantees in respect of development contracts primarily relate to Commercial Real Estate. These guarantees are issued by financial institutions. Their amount is calculated every six months in relation to the total outstanding balance owed by the client. The Group grants the client a corresponding performance bond (see below).

Other commitments mainly concern guarantees on various indemnity payments.

In the course of its ordinary business in France, the Group also receives retention bonds in lieu of holdback from contractors on construction projects (up to 5% of the contract amount).

Commitments given

COMMITMENTS GIVEN FOR RECURRING OPERATIONS

(in thousands of euros)	Total at 31/12/2021	Total at 31/12/2020
Residential Real Estate	2,869,340	2,686,305
Commercial Real Estate	1,033,111	1,173,832
Counter-guarantees for performance bonds	3,902,451	3,860,137
Counter-guarantees for deposit payment bonds	59,041	53,226
Other commitments given	436,043	365,845
TOTAL COMMITMENTS GIVEN	**4,397,535**	**4,279,208**

Completion bonds are issued on a case-by-case basis by financial institutions to clients buying property, in accordance with existing law. In exchange, Nexity grants financial institutions an irrevocable undertaking to mortgage the property and a commitment not to transfer or sell its shares in the Company backing the development project.

The value of completion bonds is measured internally on a quarterly basis, before being reconciled and adjusted to the values set by the financial institutions based on changes in their commitments. Such a guarantee has never been exercised.

Deposit payment bonds are bank guarantees that may substitute cash payments on reacquisition agreements and promises to buy land and involve counter guarantees offered by Nexity to the financial institutions issuing the guarantees (see section on bilateral commitments below).

Other commitments given include guarantees on deferred payments relating to land purchases and planning taxes and duties.

Bilateral commitments

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

- In order to secure land for future housing and land development, the Group signs unilateral and bilateral purchase agreements with landowners:
  - under a unilateral purchase agreement to sell, the landowner agrees to sell the land. In exchange, the Group agrees to pay an indemnity, which the landowner may retain if the transaction falls through,
  - under bilateral purchase agreements, the landowner agrees to sell the land, and the Group agrees to buy it if the conditions precedent are fulfilled. The Group undertakes to pay an indemnity, or penalty clause, if it does not purchase the land despite all the conditions precedent being lifted,
  - when the commitments are signed, the reservation fees are either paid by the Group and sequestered by the notary, or are subject to a bank guarantee;

- In order to market its real estate development and subdivision programmes, the Group signs reservation or purchase agreements with its clients:
  - the pre-acquisition agreements become deeds of sale if the conditions precedent are fulfilled (particularly if clients obtain financing to buy the property),
  - in return for the reservation of the property, the clients pay a deposit (or guarantee), which is returned if the sale falls through; and
- Real estate agents and intermediaries from the Services division are also required to provide guarantees pursuant to the Hoguet Act, which sets forth regulations governing the profession, particularly with regard to the management of client working capital accounts. At 31 December 2021, the amount guaranteed came to €1,298 million.

33.4 Schedule of contractual commitments and obligations

(in thousands of euros)	Total at 31/12/2021	Schedule at 31 December 2021 under 1 year	1 year to 5 years	over 5 years
Non-current borrowings and financial liabilities	951,602	-	715,632	235,970
Operating loans and borrowings	720,111	645,723	74,387	-
Completion bonds	3,902,451	1,729,694	2,072,711	100,046
Other off statement of financial position commitments	436,043	76,125	351,642	8,276
TOTAL CONTRACTUAL AND COMMITMENT OBLIGATIONS	**6,010,207**	**2,451,543**	**3,214,372**	**344,292**

Note 34 Statutory Auditors' fees

FINANCIAL YEARS: 2021 AND 2020 (1)	KPMG				MAZARS				OTHER AUDIT FIRMS			
	Amount excl. VAT		%		Amount excl. VAT		%		Amount excl. VAT		%	
(in thousands of euros)	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Statutory Auditors, certification, review of individual and consolidated financial statements (2)												
Issuer: Nexity SA	449	380	19%	16%	409	357	31%	25%				
Fully consolidated subsidiaries	1,941	1,994	81%	83%	859	1,061	66%	73%	163	259	100%	100%
Services excluding account certification (3)												
Issuer: Nexity SA		0	-	-	31	31	2%	2%				
Fully consolidated subsidiaries	20	31	1%	1%	0	0	0%	0%			-	-
TOTAL	**2,410**	**2,404**	**100%**	**100%**	**1,299**	**1,449**	**100%**	**100%**	**163**	**259**	**100%**	**100%**

(1) Services provided during the accounting period and expensed in the income statement.
(2) Including the services of independent experts and members of the audit firm's network, who were called upon in connection with the statutory audit.
(3) Mainly certification of CSR information, pre-acquisition audits and various certificates.

Note 35 Information on related parties

35.1 Services between related parties

Ægide-Domitys

Nexity holds 18% of this company, which is the French leader in the development and management of senior independent living facilities. At 31 December 2021, the Ægide-Domitys group managed 137 serviced senior residences i.e. more than 16,000 housing units. As part of the sale of Ægide shares to AG2R LA MONDIALE, a long-term partnership was signed which provides for an ambitious development plan with a rate of opening of around twenty new residences built as a joint venture each year, to reach more than 300 residences by 2030.

Ægide-Domitys generated 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.

35.2 Remuneration of directors and executive officers

Remuneration of directors and executive officers concerns company officers.

The amounts equal the expense recognised in the income statement for the period.

(in thousands of euros)	31/12/2021
Short-term benefits	3,069
Post-employment benefits	NA
Long-term benefits	NA
Termination benefits	731
Share-based payments	(749)

N/A: Not applicable.

Note 36 Events after the reporting period

No significant events occurred between 31 December 2021 and the Board of Directors’ meeting of 23 February 2022 convened to approve the financial statements for the period ended 31 December 2021.

Note 37 Main consolidated companies at 31 December 2021

MAIN FULLY CONSOLIDATED COMPANIES

Company name	Address	Siren	Legal form	% of holding
NEXITY	**19, rue de Vienne – 75801 PARIS CEDEX 08**	**444 346 795**	**SA**	**100.00%**
ACCESSITE	35, quai du Lazaret – 13002 MARSEILLE	394 232 300	SAS	90.40%
APOLLONIA	19, rue de Vienne – 75801 PARIS CEDEX 08	332 540 087	SAS	100.00%
ATHIS MONS QUAI DE L'INDUSTRIE	25, allée Vauban – 59562 LA MADELEINE CEDEX	751 068 313	SCI	100.00%
BUREAUX À PARTAGER	21, place de la république – 75003 PARIS	789 597 317	SAS	57.70%
BYM STUDIO	21, place de la république – 75003 PARIS	879 907 020	SAS	57.70%
CERGY BOULEVARD DE L'OISE	25, allée Vauban – 59562 LA MADELEINE CEDEX	814 368 023	SNC	100.00%
COLOMBES ILOT MAGELLAN	25, allée Vauban – 59562 LA MADELEINE CEDEX	835 177 478	SCI	100.00%
COMPAGNIE IMMOBILIERE ET DIGITALE	19, rue de Vienne – 75801 PARIS CEDEX 08	851 681 874	SAS	100.00%
CONSTRUGESTION	2, rue Leday-Le-Nouvel-Hermitage – 80100 ABBEVILLE	430 342 667	SARL	78.00%
EDMP - HAUTS DE France	2, rue Leday Le Nouvel Hermitage – 80100 ABBEVILLE	879 769 115	SAS	78.00%
ÉDOUARD DENIS DÉVELOPPEMENT	2, rue Leday-Le-Nouvel-Hermitage – 80100 ABBEVILLE	531 728 889	SAS	78.00%
ÉDOUARD DENIS INGIENERING	2, rue Leday Le Nouvel Hermitage – 80100 ABBEVILLE	484 839 857	SARL	78.00%
ETOILE PROPERTY MANAGEMENT	2, rue Olympe de Gouges – 92600 ASNIERES-SUR-SEINE	425 059 904	SAS	100.00%
FEREAL	19, rue de Vienne – 75801 PARIS CEDEX 08	334 850 690	SA	100.00%
FONCIER CONSEIL	19, rue de Vienne – 75801 PARIS CEDEX 08	732 014 964	SNC	100.00%
GARENNE AMENAGEMENT	19, rue de Vienne – 75801 PARIS CEDEX 08	837 487 172	SAS	100.00%
GARENNE DEVELOPPEMENT	19, rue de Vienne – 75801 PARIS CEDEX 08	839 944 352	SCI	100.00%
GEORGE V GESTION	19, rue de Vienne – 75801 PARIS CEDEX 08	327 256 947	SAS	100.00%
HIPTOWN	19, rue de Vienne – 75801 PARIS CEDEX 08	843 950 494	SAS	75.00%
I INVEST	400, promenade des Anglais – 06200 NICE	479 020 893	SAS	100.00%
IMMOPERL 1	115, rue Réaumur – 75002 PARIS	820 891 778	SNC	100.00%
IMMOPERL 2	115, rue Réaumur – 75002 PARIS	820 891 612	SNC	100.00%
ISELECTION	400, promenade des Anglais – 06200 NICE	432 316 032	SAS	100.00%
L ESPACE	21, place de la république – 75003 PARIS	811 806 215	SAS	57.70%
LES DUNES DE FLANDRES	2, rue Leday-Le-Nouvel-Hermitage – 80100 ABBEVILLE	408 888 659	SARL	78.00%
MONTREUIL LES RESERVOIRS BOULEVARD DE LA BOISSIERE	25, allée Vauban – 59562 LA MADELEINE CEDEX	480 556 042	SCI	70.00%

MAIN FULLY CONSOLIDATED COMPANIES

Company name	Address	Siren	Legal form	% of holding
NEXIMMO 96	19, rue de Vienne – 75801 PARIS CEDEX 08	808 177 364	SAS	100.00%
NEXIMMO 103	19, rue de Vienne – 75801 PARIS CEDEX 08	814 256 483	SAS	100.00%
NEXIMMO 104	19, rue de Vienne – 75801 PARIS CEDEX 08	814 257 036	SAS	100.00%
NEXIMMO 110	19, rue de Vienne – 75801 PARIS CEDEX 08	823 425 889	SAS	100.00%
NEXIMMO 116	19, rue de Vienne – 75801 PARIS CEDEX 08	834 215 485	SAS	100.00%
NEXIMMO 120	19, rue de Vienne – 75801 PARIS CEDEX 08	834 215 865	SAS	100.00%
NEXITY BELGIUM	53-55, rue Vilain XIIII – 1000 BRUSSELS	872 755 619	SA	100.00%
NEXITY CONTRACTANT GENERAL	10/12, rue Marc-Bloch – 92110 CLICHY-LA-GARENNE	813 337 136	SAS	100.00%
NEXITY DEUTSCHLAND	Carmerstraße 2 – D-10623 Berlin	HRB24493	GmbH	100.00%
NEXITY HOLDING ITALIA	Corso Galileo Ferraris -110 – 10129 TURIN	4 950 890 964	SRL	100.00%
NEXITY IMMOBILIER D'ENTREPRISE	19, rue de Vienne – 75801 PARIS CEDEX 08	332 335 769	SA	100.00%
NEXITY IR PROGR AQUITAINE	25, allée Vauban – 59562 LA MADELEINE CEDEX	824 381 289	SAS	100.00%
NEXITY IR PROGR ATLANTIQUE	25, allée Vauban – 59562 LA MADELEINE CEDEX	824 381 305	SAS	100.00%
NEXITY IR PROGR BRETAGNE	25, allée Vauban – 59562 LA MADELEINE CEDEX	824 381 354	SAS	100.00%
NEXITY IR PROGR CENTRE	25, allée Vauban – 59562 LA MADELEINE CEDEX	824 381 453	SAS	100.00%
NEXITY IR PROGR COTE D'AZUR	25, allée Vauban – 59562 LA MADELEINE CEDEX	824 485 320	SAS	100.00%
NEXITY IR PROGR DOMAINES	25, allée Vauban – 59562 LA MADELEINE CEDEX	824 309 751	SAS	100.00%
NEXITY IR PROGR EST	25, allée Vauban – 59562 LA MADELEINE CEDEX	824 485 304	SAS	100.00%
NEXITY IR PROGR GFI	25, allée Vauban – 59562 LA MADELEINE CEDEX	824 381 586	SAS	100.00%
NEXITY IR PROGR GRAND PARIS	25, allée Vauban – 59562 LA MADELEINE CEDEX	824 350 763	SAS	100.00%

MAIN FULLY CONSOLIDATED COMPANIES

Company name	Address	Siren	Legal form	% of holding
NEXITY IR PROGR LANGUEDOC ROUSSILLON	25, allée Vauban – 59562 LA MADELEINE CEDEX	824 350 789	SAS	100.00%
NEXITY IR PROGR LOIRE	25, allée Vauban – 59562 LA MADELEINE CEDEX	824 485 353	SAS	100.00%
NEXITY IR PROGR NORMANDIE	25, allée Vauban – 59562 LA MADELEINE CEDEX	824 418 503	SAS	100.00%
NEXITY IR PROGR PAYS BASQUE	25, allée Vauban – 59562 LA MADELEINE CEDEX	824 381 768	SAS	100.00%
NEXITY IR PROGR RHÔNE LOIRE AUVERGNE	25, allée Vauban – 59562 LA MADELEINE CEDEX	824 350 813	SAS	100.00%
NEXITY IR PROGR SEERI	25, allée Vauban – 59562 LA MADELEINE CEDEX	824 350 797	SAS	100.00%
NEXITY LAMY	19, rue de Vienne – 75801 PARIS CEDEX 08	487 530 099	SAS	100.00%
NEXITY LOGEMENT	19, rue de Vienne – 75801 PARIS CEDEX 08	399 381 821	SAS	100.00%
NEXITY PATRIMOINE	19, rue de Vienne – 75801 PARIS CEDEX 08	329 087 118	SNC	100.00%
NEXITY POLSKA	ul. Aleje Jerozolimskie, n 98 – 00807 VARSOVIE	281 618	SP.Z.O.O	100.00%
NEXITY PORTUGAL	Rua Professor Carlos Alberto da Mota Pinto, n°9 – 1070-374 Lisboa	514 895 900	SARL	100.00%
NEXITY PROPERTY MANAGEMENT	2, rue Olympe de Gouges – 92600 ASNIERES-SUR-SEINE	732 073 887	SA	100.00%
NEXITY STUDÉA	19, rue de Vienne – 75801 PARIS CEDEX 08	342 090 834	SA	100.00%
NICE AVENUE CYRILLE BESSET	25, allée Vauban – 59562 LA MADELEINE CEDEX	812 601 649	SNC	100.00%
NP 10	ul. Aleje Jerozolimskie, n 98 – 00807 VARSOVIE	647 694	SP.Z.O.O	100.00%
ORALIA INVESTISSEMENTS	94, quai Charles de Gaulle – 69006 LYON	395 329 113	SAS	100.00%
ORALIA MANAGEMENT	94, quai Charles de Gaulle – 69006 LYON	395 190 051	SARL	100.00%
ORALIA PARTENAIRES	94, quai Charles de Gaulle – 69006 LYON	397 581 984	SAS	100.00%
PANTERA AG	Salierring 32 – D-50677 COLOGNE	HRB69948	AG	65.00%
PARC DE SENART	19, rue de Vienne – 75801 PARIS CEDEX 08	482 815 552	SNC	100.00%
PERL	115, rue Réaumur – 75002 PARIS	438 411 035	SAS	100.00%
PRADO GESTION	30 rue Louis Rège – 13008 MARSEILLE	479 927 238	SAS	65.00%
PRIMOSUD	30 rue Louis Rège – 13008 MARSEILLE	339 901 365	SAS	65.00%
QUIMPER SULLY	25, allée Vauban – 59562 LA MADELEINE CEDEX	821 145 125	SCI	100.00%
RICHARDIÈRE	22, rue Georges Picquart – 75017 PARIS	682 009 121	SAS	100.00%
SEERI	19, rue de Vienne – 75801 PARIS CEDEX 08	331 129 437	SAS	100.00%
ST DENIS GEORGES SAND	25, allée Vauban – 59562 LA MADELEINE CEDEX	814 296 349	SCI	100.00%
ST OUEN COURS DES DOCKS N11	25, allée Vauban – 59562 LA MADELEINE CEDEX	825 382 393	SCI	100.00%
STRASBOURG BOULEVARD DE DRESDE	25, allée Vauban – 59562 LA MADELEINE CEDEX	530 829 712	SCI	100.00%
SYNONIM PROGRAMMES	25, allée Vauban – 59562 LA MADELEINE CEDEX	834 116 261	SAS	100.00%

MAIN FULLY CONSOLIDATED COMPANIES				
Company name	Address	Siren	Legal form	% of holding
TÉRÉNÉO	10, rue Horus – 59650 VILLENEUVE D'ASCQ	502 931 777	SAS	100.00%
TOULOUSE ARÈNE	25, allée Vauban – 59562 LA MADELEINE CEDEX	814 795 779	SAS	60.00%
VILLENEUVE LE ROI CŒUR DE SEINE	25, allée Vauban – 59562 LA MADELEINE CEDEX	498 975 507	SNC	100.00%
VILLES & PROJETS	19, rue de Vienne – 75801 PARIS CEDEX 08	409 260 775	SAS	100.00%

MAIN EQUITY-ACCOUNTED COMPANIES				
Company name	Address	Siren	Legal form	% of holding
Joint ventures				
BAGNEUX BRIAND	19, rue de Vienne – 75801 PARIS CEDEX 08	818 336 059	SAS	50.00%
ÉCO-CAMPUS À CHATILLON	19, rue de Vienne – 75801 PARIS CEDEX 08	751 851 726	SAS	50.00%
MERCEDES	19, rue de Vienne – 75801 PARIS CEDEX 08	383 288 305	SAS	50.00%
Associates				
ÆGIDE	42, avenue Raymond Poincaré – 7 5116 PARIS	401 397 765	SA	18.00%
BIEN'ICI	19, rue de Vienne – 75801 PARIS CEDEX 08	488 073 412	SAS	56.10%

5.1.3 Statutory Auditors' report on the consolidated financial statements

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended 31 December 2021

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Nexity for the year ended 31 December 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit and Financial Statements Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for statutory auditors for the period from1 January 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5 of Regulation (EU).

Observation

Without calling into question the opinion expressed above, we draw your attention to Note 2.2 to the consolidated financial statements which presents the effects of the change in accounting method arising from application of the IFRS IC decisions on configuration and customisation costs in cloud computing arrangements and on attributing retirement benefits to periods of service

Justification of Assessments – Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken for the public health emergency have had many consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on companies' internal organisation and the performance of audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

hereby the These matters were addressed in the context of our audit of the consolidated financial statements as a whole, approved in the aforementioned context, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of goodwill

(Notes 7 to the consolidated financial statements)

Risk identified

In the framework of its development, the Group has undertaken a certain number of acquisitions and has recognised goodwill in the consolidated statement of financial position as at 31 December 2021 for a total carrying amount of €1,356.5 million.

At each year end, the Group's management reviews the carrying amounts of goodwill and tests them for impairment at least once per year and whenever any indication of impairment is noted. For that purpose, goodwill is allocated to cash-generating units (CGUs) defined as homogeneous groups of assets that generate separately identifiable cash flows. Impairment testing involves comparing the carrying amount of each CGU with its recoverable amount. The bases applied for that purpose by management, and details of the applicable assumptions, are described in Note 7 to the consolidated financial statements. Recoverable amounts are determined by reference to the value in use of each CGU based on the present value of its estimated future cash flows, the applicable 5-year business plan used by general management and presented to the Board of Directors, and the perpetual growth rate estimated for the period beyond the 5-year horizon.

The Group performs sensitivity analyses as described in Note 7 to the consolidated financial statements.

Given the judgement required by management to determine recoverable amounts, in the context of the current health crisis, the sensitivity analysis, the impact of the new allocation and the materiality of goodwill, we consider the measurement of goodwill to be a key audit matter.

Audit procedures in response to the risk identified

We assessed the compliance of the Company's valuation methodology with the applicable accounting standards, and its bases of application, with regard to:

- The reasonableness of the approach used to determine which CGUs on which to perform impairment tests;
- The reasonableness of the process for preparing the applicable 5-year business plan, in particular by comparing the prior year's impairment test projections with the current year's results in order to assess the achievement of past objectives and factor in the impacts of the Covid-19 pandemic;
- The consistency of the estimated future cash flows used to calculate the values in use of each CGU with those included in the 5-year business plan presented by management;
- The reasonableness of the applicable discount rate and perpetual growth rate assumptions as assessed by our financial appraisal specialists;
- Management's analysis of the sensitivity of value in use to changes in the main underlying assumptions.

We also assessed the appropriateness of the financial information provided in Note 7 to the consolidated financial statements.

Recognition of revenue and profit based on percentage of completion for real estate development operations under VEFA off-plan agreements and CPI development contracts

(Note 4 to the consolidated financial statements)

Risk identified

As indicated in Note 4 to the consolidated financial statements, Nexity's revenue from residential and commercial real estate development operations involving VEFA off-plan agreements and CPI property development contracts amounts to €3,291 million, accounting for 73% of consolidated revenue.

Revenue and profit for such real estate development operations are recognised using the percentage of completion method.

Percentage of completion is determined on the basis of the commercial stage of development and on the percentage of development expenditure already incurred at year-end in comparison with the latest budget estimate updated at year-end.

In the context of the current health crisis that has impacted real estate development operations, and as determining the operating budgets used for the percentage of completion method requires management to exercise judgement and make estimates, we consider the recognition of revenue and profit based on the percentage of completion of real estate development operations involving VEFA off-plan agreements and CPI property development contracts to be a key audit matter.

Audit procedures in response to the risk identified

Our approach was adapted to the degree of maturity of the system of internal control applicable to each business or subsidiary:

The first such approach was notably based on the following work:

- Assessment of the relevant controls implemented by Group management for the preparation and updating of operating budgets contributing to their reliability;
- Assessment of the relevant controls implemented by Group management for the management of purchases and sales contributing to the reliability of the calculation of percentage of technical and commercial completion of real estate development operations;

- Carrying out substantive procedures (changes in revenue and profit from one period to the next, review of sales with conditions subsequent, review of risks of discontinuing operations, etc.).

The second such approach was notably based on the following work:

- Assessment of the consistency of the latest updated operating budgets for the period and comparison with supporting documentation and information obtained from the applicable financial controllers and/or programme managers;
- Comparison of accounting data with the operating data for each programme and cross-checking of percentage of completion data with operating data on contract progress or architects' certificates or sale agreements.

We also assessed the appropriateness of the financial information provided in the notes to the consolidated financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group information given in the management report of the Board of Directors.

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

We attest that the consolidated non-financial information required by Article L.225-102-1 of the French Commercial Code (*Code de commerce*) is included in the Group's management report, it being specified that, in accordance with article L.823-10 of the Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Other Verifications or Report on Other Legal and Regulatory Requirements

Presentation of the consolidated financial statements included in the annual financial report

In accordance with the professional standard applicable in France relating to procedures performed by statutory auditors on annual and consolidated financial statements presented in the European single electronic reporting format, we have also verified that the presentation of the consolidated financial statements to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (*code monétaire et financier*), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic reporting format defined in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the markup of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material respects, with the single European electronic reporting format.

It is not our responsibility to verify that the annual financial statements that your company actually includes in the annual financial report filed with the AMF match those on which we have worked.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Nexity by the annual general meeting held on 30 April 2008 for Mazars and on 16 October 2003 for KPMG.

As at 31 December 2021, Mazars and KPMG were in the 14^{th} year and 19^{th} year of the total uninterrupted engagement, which are the 14^{th} and 18^{th} years, respectively, since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is intended to liquidate the Company or to cease operations.

The Audit and Financial Statements Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements have been approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for the audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether any material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the consolidated financial statements and assesses whether they represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on the consolidated financial statements.

Report to the Audit and Financial Statements Committee

We submit a report to the Audit and Financial Statements Committee which includes a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Financial Statements Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Financial Statements Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set out in Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French code of ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit and Financial Statements Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, 29 March 2022

The Statutory Auditors

KPMG Audit IS	MAZARS
François Plat	Claire Gueydan-O'Quin
Partner	Partner