5.2 PARENT COMPANY FINANCIAL STATEMENTS AT 31 DECEMBER 2021

5.2.1 Condensed financial statements

Statement of financial position

ASSETS

				31/12/2021	31/12/2020
(in thousands of euros)	Notes	Gross amount	Amortisation, depreciation and impairments	Net amount	Net amount
Intangible assets					
Concessions, patents and similar rights	6.1	150,053	(55,629)	94,424	79,956
Goodwill	6.1	-	-	-	-
Other intangible assets	6.1	52,925	-	52,925	47,801
Property, plant and equipment					
Property, plant and equipment	6.2	42,345	(34,125)	8,220	11,931
Assets in progress		2,199	-	2,199	128
Financial investments					
Equity investments	6.3	2,362,669	(243,657)	2,119,012	2,244,550
Receivables from equity investments	6.4	90,033	(4,317)	85,716	22,534
Other equity securities	6.5	27,429	(6,569)	20,860	24,860
Loans	6.6	319,481	(1,987)	317,494	308,420
Other financial investments	6.7	180,481	-	180,481	146,195
Non-current asset	6.8	3,227,615	(346,284)	2,881,331	2,886,375
Inventories and work-in-progress					
Advances and deposits paid on orders		244	-	244	22
Receivables					
Trade and other receivables	7.1	22,830	(1,940)	20,890	32,394
Other receivables	7.2	747,569	(38,610)	708,959	662,052
Other					
Marketable securities		-	-	-	-
Treasury shares held	7.3	30,707	-	30,707	24,819
Cash and cash equivalents	7.4	516,202	-	516,202	741,809
Adjustment accounts					
Prepaid expenses	7.5	4,120	-	4,120	6,891
Current assets		1,321,672	(40,550)	1,281,122	1,467,987
Deferred expenses	7.6	4,030	-	4,030	4,481
Translation differences assets		3,077	-	3,077	2,391
TOTAL ASSETS		**4,556,394**	**(386,834)**	**4,169,560**	**4,361,234**

LIABILITIES AND EQUITY

(in thousands of euros)	Notes	31/12/2021	31/12/2020
Equity			
Share capital	8.1	280,649	280,649
Share issue, merger, contribution premiums		1,130,173	1,130,173
Legal reserve		28,065	28,065
Other reserves (o/w purchase of original works)		-	-
Retained earnings		400,279	328,957
Profit (loss) for the period		**60,297**	**181,961**
Regulated provisions		6,834	5,856
TOTAL EQUITY	**8**	**1,906,297**	**1,955,661**
Provisions		31,536	40,926
TOTAL PROVISIONS	**9**	**31,536**	**40,926**
Financial debt			
Convertible bonds	10.1	440,599	470,170
Euro PP bonds	10.1	393,132	542,527
Loans and borrowings from financial institutions	10.2	30,170	100,031
Borrowings and financial liabilities	10.3	1,287,985	1,183,988
Operating liabilities			
Trade payables		46,797	35,659
Tax payable and social security contributions		26,029	22,140
Other liabilities			
Liabilities on non-current assets and related accounts		3,524	7,577
Other liabilities		2,713	1,927
Adjustment account			
Deferred income		-	56
TOTAL PAYABLES		**2,230,949**	**2,364,075**
Translation differences liabilities		778	572
TOTAL LIABILITIES AND EQUITY		**4,169,560**	**4,361,234**

Income statement

(in thousands of euros)	Notes	31/12/2021	31/12/2020
Production of services sold		132,779	136,125
Revenue		132,779	136,125
Capitalised production		19,520	15,993
Operating subsidies		143	-
Reversals on depreciation, provisions, transfers of charges		18,599	21,933
Other income		8	96
Operating income	11	171,049	174,147
Purchase of raw materials and other supplies		(7)	(5)
Other purchases and external expenses		(115,707)	(82,701)
Taxes, duties and other levies		(3,207)	(3,958)
Wages		(57,999)	(63,589)
Social security contributions		(22,495)	(18,493)
Operating additions			
On non-current assets: depreciation, amortisation and impairment		(16,116)	(14,955)
On non-current assets: provisions		-	(568)
On current assets: provisions		(1,940)	-
For risks and charges: provisions		(2,757)	(15,764)
Other expenses		(16,004)	(10,852)
Operating expenses	12	(236,232)	(210,885)
OPERATING RESULTS	**13**	**(65,183)**	**(36,738)**
Financial income from investments		214,370	225,987
Income from other securities and receivables from non-current assets		7,456	6,464
Other interest and equivalent		16,140	9,011
Reversals on provisions and transfers of charges		37,412	44,852
Positive exchange rate differences		26	24
Net income on disposals of marketable securities		-	-
Financial income	15	275,404	286,338
Financial additions to depreciation, amortisation and provisions		(108,413)	(76,025)
Interest and equivalent expenses		(70,872)	(21,186)
Negative exchange rate differences		(92)	(11)
Net expenses on sales of marketable securities		(16)	-
Financial expenses	16	(179,393)	(97,222)
NET FINANCE INCOME (EXPENSE)	**17**	**96,011**	**189,116**
CURRENT PROFIT (LOSS) BEFORE TAX		**30,828**	**152,378**
Non-recurring income from management operations		-	-
Non-recurring income from equity operations		2,660	3,172
Reversals on provisions and transfers of charges		2,198	1,083
Non-recurring income		4,858	4,255
Non-recurring expenses from management operations		(49)	(247)
Non-recurring expenses from equity operations		(15,048)	(3,329)
Non-recurring additions to depreciation, amortisation and provisions		(979)	(963)
Non-recurring expenses		(16,076)	(4,539)
NON-RECURRING PROFIT/(LOSS)	**18**	**(11,218)**	**(284)**
Employee profit-sharing	19	(393)	(224)
Income tax	20	41,080	30,091
Total income		451,311	464,740
Total expenses		(391,014)	(282,779)
PROFIT (OR LOSS)	**21**	**60,297**	**181,961**

Statement of cash flows

(in thousands of euros)	Notes	31/12/2021	31/12/2020
Net accounting profit/(loss)		60,297	181,961
Elimination of non-cash income and expenses and gains and losses:			
Elimination of depreciation, amortisation and provisions		75,301	47,093
Elimination of gains and losses on asset disposals		3,353	(492)
Elimination of losses net of gains arising on mergers of assets		7,736	
Other non-cash income and expenses		15,704	17,161
Cash flow		162,391	245,723
Change in Working Capital Requirement		48,256	(3,913)
Net cash from/(used in) operating activities		210,647	241,810
Purchase of intangible assets		(31,835)	(30,060)
Purchase of property, plant and equipment		(4,418)	(1,803)
Acquisition/increase in equity investments		(46,205)	(117,309)
Increase in receivables attached to investments and other financial investments		(212,307)	(413,696)
Acquisition of treasury shares		(20,000)	(20,074)
Proceeds from sale of property, plant, equipment and intangible assets		1,034	74
Proceeds from disposals of equity investments		-	1,416
Decrease in receivables attached to investments and other financial investments		137,261	120,537
Net cash from/(used in) investing activities		(176,470)	(460,915)
Dividends paid		(110,639)	(109,827)
Increase in convertible bond debt		240,000	
Increase in bank debt		30,000	100,000
Buyback/Redemption/Conversion of convertible bonds		(270,000)	-
Repayment of Euro PP bonds		(146,000)	(25,494)
Repayment of bank debts		(100,000)	
Change in negotiable debt securities (NEU CP and NEU MTN)		221,600	106,400
Net change in financial current accounts		(122,657)	384,163
Increase in deferred expenses		(1,541)	(203)
Net cash flow from/(used in) financing activities		(259,237)	455,039
Impact of changes in foreign currency exchange rates on cash and cash equivalents		(686)	(1,904)
CHANGE IN CASH AND CASH EQUIVALENTS	**25**	**(225,745)**	**234,030**
Cash and cash equivalents at beginning of period		741,777	507,748
Cash and cash equivalents at end of period		516,032	741,777

5.2.2 Notes to the parent company financial statements

Note 1 Information on the Company and significant developments

1.1 Information on the Company

Notes to the statement of financial position, before appropriation of earnings, for the financial year ended 31 December 2021, showing a total of €4,169,560,219.37, and to the income statement showing a profit of €60,297,102.19.

The Company's financial year runs from 1 January to 31 December 2021 (12 months).

The notes and tables presented below are an integral part of the parent company financial statements.

The Company's press releases and annual reports – including historical financial information about the Company and parent company 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 08 (France).

The Company is the central holding company of Nexity group and controls the Group's main subsidiaries (see list of the main subsidiaries in Note 30).

Nexity's shares are listed on Eurolist of Euronext Paris.

1.2 Significant developments during the financial year

2021 was marked by the following significant developments:

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.

Legal restructuring

The Company absorbed Ywood Gestion, Nexity Blue Office and Nexity Résidences Gérées through a universal transfer of assets during the financial year.

Financing

Issue on 19 April 2021 of a €240 million OCEANE (a bond that may be converted into new shares and/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, 1 January 2023, issued for €270 million.

1.3 Subsidiaries and investments

Equity investments and the associated technical merger losses went from €2,384 million at 31 December 2020 to €2,292 million net at 31 December 2021, i.e. a net decrease of €92 million which corresponds to:

- €80 million in securities as part of the universal transfer of assets: -€193 million in eliminated shares of companies absorbed through universal transfers of assets less Téréneo, Ægide-Domitys and Nexity Studéa shares contributed as part of these mergers for €113 million;
- €57 million in financial provisions net of impairment on equity investments.

Less:

- €3 million mainly due to capital increases for subsidiaries;
- €42 million related to net acquisitions of shares in companies, in particular Édouard Denis Développement (10%, increasing the investment from 68% to 78%).

The table below summarises movements relating to universal transfers of assets:

(in thousands of euros)	**31/12/2021**
Statement of financial position	
Shares eliminated	(193,607)
Shares contributed	80,141
Net securities (statement of financial position)	**(113,466)**
Gains allocated to assets contributed	33,301
Current accounts (statement of financial position) and other	72,429
Statement of financial position subtotal	**(7,736)**
Income	
Losses arising on mergers of assets	(23,605)
Gains arising on mergers of assets	15,869
Universal transfer of assets income subtotal	**(7,736)**
Provisions reversed	23,438
NET IMPACT ON NET FINANCE INCOME	**15,702**

GENERAL INFORMATION

Note 2 Accounting principles

The parent company financial statements were approved in accordance with the provisions of the French Commercial Code, Ruling No. 2014-03 of the French Accounting Standards Authority (Autorité des Normes Comptables – ANC) relating to the French General Accounting Plan and the applicable regulations.

The general accounting conventions were applied in compliance with the principle of prudence, in accordance with the basic assumptions: going concern, consistency of accounting policies from one financial year to another, independence of financial years, in accordance with the general rules for preparing and presenting parent company financial statements.

The basic method selected to assess the items entered into the accounts is the historical cost method.

Note 3 Change of method

The presentation of the parent company financial statements and the assessment methods selected have not changed compared to the previous financial year.

Note 4 Estimates and assumptions

In the process of preparing the parent company 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 notably concern the valuation of equity investments.

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 risk, Presidential and legislative elections in the second quarter of 2022, etc.) but which should have limited impacts on the Group’s activities.

Note 5 Accounting policies

5.1 Property, plant and equipment and intangible assets

Property, plant, equipment and intangible assets are stated at acquisition (purchase price and associated expenses) or contribution cost. Moreover, in accordance with the obligations placed by the BOI instruction 4 I-1-93 (paragraph 32), the cost of entry of the goods subject to a universal transmission of assets is broken down into gross value and depreciation.

Depreciation is calculated on a straight-line or degressive basis according to the estimated life of the goods:

- Software: 1 to 7 years straight-line basis;
- Fixtures and fittings: 7 to 9 years straight-line basis;
- Office equipment: 1 to 5 years straight-line basis;
- IT equipment: 1 to 5 years straight-line basis;
- Office furniture: 8 to 10 years straight-line basis.

Technical losses are allocated in the accounts according to Article 745-5 *et seq.* and Article 12 of the ANC Ruling No. 2015-06 of 23 November 2015. The technical losses presented in Nexity's financial statements are all allocated to the equity investments contributed by the absorbed company, and to the related depreciations (Note 6.6).

5.2 Financial investments

5.2.a Equity investments

Equity investments are stated according to the valuation rules for the cost of entry of assets. Assets acquired subject to payment are recognised at their acquisition cost, comprising the purchase price plus the directly attributable costs. Assets acquired by contribution are recognised at the value indicated on the contribution document.

Impairment is recognised when the current value of an equity investment becomes lower than its cost. The goodwill recognised is subject to impairment. Subsequently, if needed, the receivables held in the subsidiary may be impaired and a provision for risks may be recognised.

The current value of the investment is determined according to the share of the net position and the profitability forecasts.

The profitability outlook of operating subsidiaries is generally determined by the discounted future cash flow projection method, calculated based on the five-year business plan adopted by Executive Management in December 2021. The business plan includes differentiated growth assumptions depending on the business activity. These assumptions take into account current market conditions, their foreseeable changes, a moderate impact of the health crisis on the slowdown in activity, as well as the Company's assumptions on changes in the regulatory environment and competitive intensity.

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.

By way of derogation to the General Accounting Plan principle, reversals on amortisation and provisions relating to equity investments are recognised in non-recurring income if the investments are sold, so that all impacts of the disposal are recognised in non-recurring profit/(loss).

5.2.b Loans

Loans are stated at their nominal value. They are assessed on a case-by-case basis. Impairment is recognised when there is a strong risk of non-recovery.

5.2.c Other financial investments

Nexity shares held as part of a liquidity contract are recognised at their acquisition price less expenses. If at the end of the financial year, the average price of the last month of the financial year is lower than the purchase price, impairment is recognised. Gains and losses on asset disposals are recognised in non-recurring profit/(loss) according to the FIFO (First In – First Out) method.

By way of derogation to the General Accounting Plan principle, reversals on amortisation and provisions relating to treasury shares are recognised in non-recurring income if the investments are sold, so that all impacts of the disposal are recognised in non-recurring profit/(loss).

The technical losses allocated to the equity investments contributed by the absorbed company are impaired when the current value of the investments becomes lower than the cumulative value of the investments and the losses allocated to them.

5.3 Receivables

5.3.a Trade and other receivables

Trade receivables are stated at their nominal value. They are assessed on a case-by-case basis. Impairment is recognised when there is a strong risk of non-recovery.

5.3.b Other receivables

Other receivables are recognised at their nominal value. They are assessed individually and impaired if required.

Receivables acquired or contributed for a discounted value are stated at their purchase or contribution price.

The difference between the nominal value and the purchase or contribution price is only recognised in profit after cashing a surplus compared to the amount entered in the statement of financial position. The risk of non-recovery gives rise to the recognition of impairment only if the loss compared to the nominal value of the receivable exceeds the discount amount.

Receivables on indirect subsidiaries are not subject to impairment when the risks relating to these subsidiaries are entered into the financial statements of their direct parent companies.

5.4 Marketable securities

They are recognised at the acquisition cost. If at the end of the financial year, the asset value is lower than the purchase price, the difference is subject to financial impairment. Gains and losses on disposals are recognised the in net finance income (expense) according to the FIFO (First In – First Out) method.

5.5 Treasury shares

Treasury shares acquired for the purpose of their free allocation to Group employees (free share plans) are recognised in a "Treasury shares" item according to their destination, pursuant to the share allocation decision. These shares are not stated at their market value due to the commitment to allocate them to employees, which is subject to a provision for charges.

5.6 Deferred expenses

Bank commissions and miscellaneous costs paid as part of the setting up of loans are spread out as financial expenses over the duration of the loan. When a loan is repaid early, these commissions and costs are cleared into the net finance income (expense) of the repayment year.

5.7 Regulated provisions

The costs directly attributable to the acquisition of shares, incorporated into their entry costs, are amortised for tax purposes on a straight-line basis over a period of five years.

5.8 Provisions

The provisions are stated for the amount corresponding to the best estimate of the outflow of resources required to extinguish the obligation, pursuant to ANC Ruling No. 2014-03. At the reporting date, this estimate is made on the basis of the information known at the date of preparation of the financial statements. The provision for charges representing the obligation to deliver the securities to the beneficiaries of free shares was stated according to the cost of the purchased shares, the number of shares to be delivered and the services rendered. As each free share plan provides for a vesting period, the provision is calculated for each plan on a *pro rata temporis* basis for the vesting periods elapsed at the closing date.

STATEMENT OF FINANCIAL POSITION – ASSETS

Note 6 Non-current asset

6.1 Intangible assets

This item comprises:

- Concessions, patents and similar rights for €94,424 thousand net of depreciation, amortisation and impairment comprising the Nexity brand (€56,463 thousand) and various software used in the Group for €37,961 thousand net of depreciation, amortisation and impairment; and
- Other intangible assets comprising expenses related to IT projects in progress for €52,925 thousand.

6.2 Property, plant and equipment

Property, plant and equipment is mainly composed of fixtures and fittings, and office furniture at the Group's registered office and IT equipment. These non-current assets are used by the central services and other Group subsidiaries.

6.3 Equity investments

This item includes the shares of the Group's main operating subsidiaries. The main investments are indicated in Note 31.

6.4 Receivables from to equity investments

This item mainly consists of contributions granted to Group subsidiaries.

6.5 Other equity securities

This item mainly comprises the investments made by the Group in a certain number of investment funds in innovative activities. The share of the commitments not paid at the end of the financial year are indicated in "Liabilities on non-current assets and related accounts" for €2,942 thousand.

6.6 Loans

This item mainly comprises loans granted to subsidiaries and holdings.

It notably includes the loan of €240,000 thousand granted to Nexity Logement, of which €84,000 thousand maturing on 30 November 2026 and €156,000 thousand maturing on 30 November 2027.

This loan granted to Nexity Logement mirrors the Euro PP Green issued in December 2019, the purpose of which is to finance the Group's residential real estate projects, in compliance with the CSR commitments described in the prospectus.

6.7 Other financial investments

(in thousands of euros)	31/12/2021	31/12/2020
Guarantees paid	182	186
Amounts allocated to the liquidity contract:		
Cash account	4,390	2,554
Treasury shares	3,359	4,207
Technical losses allocated to equity investments	172,550	139,248
TOTAL OTHER FINANCIAL INVESTMENTS	**180,481**	**146,195**

Treasury shares held

In accordance with the authorisations granted by the Shareholders' Meeting and implemented by the Board of Directors, the Group may hold treasury shares up to a maximum of 10% of the share capital, i.e. 5,612,972 shares at 31 December 2021.

At the closing date, this holding was carried out for two reasons:

- Via the liquidity contract entered into with an investment services provider, recorded under "Other financial investments";
- In connection with treasury share buyback programmes implemented to cover free share plans, recorded under "Treasury shares".

NEXITY SHARES HELD

(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**

In respect of the liquidity contract, the Group owned 85,584 treasury shares at 31 December 2021. Their net value stood at €3,359 thousand. The cash account stood at €4,390 thousand. These elements are recorded in financial investments.

6.8 Gross non-current assets: changes

(in thousands of euros)	31/12/2020	Increase, acquisition, creation	Reclassification restructuring	Disposal, scrapping, reimbursement	31/12/2021
Concessions, patents and similar rights	125,667	212	25,554	(1,380)	150,053
Other intangible assets	49,999	31,623	(25,554)	(3,143)	52,925
Intangible assets	175,666	31,835	-	(4,523)	202,978
General installations, fixtures and fittings	13,689	57			13,746
Transport equipment	141				141
Office, IT equipment, furniture	26,246	2,290		(78)	28,458
Property, plant and equipment in progress	128	2,071			2,199
Property, plant and equipment	40,204	4,418	-	(78)	44,544
Equity investments	2,430,944	126,346	(1,010)	(193,611)	2,362,669
Receivables from equity investments	26,851	63,610		(428)	90,033
Other equity securities	25,042	2,627	1,010	(1,250)	27,429
Loans	310,407	15,194		(6,120)	319,481
Other financial investments	146,195	164,177		(129,891)	180,481
Financial investments	2,939,438	371,954	-	(331,300)	2,980,092
TOTAL NON-CURRENT ASSETS	**3,155,309**	**408,207**	**-**	**(335,901)**	**3,227,615**

Equity investments: the main changes are as follows:

- Increase of €126,346 thousand: purchase of securities (€43,041 thousand), contributions of shares in the context of universal transfers of assets during the financial year (€80,141 thousand), capital increases to reconstitute the equity of loss-making subsidiaries (€1,611 thousand) and subscription to the capital of companies (€1,553 thousand);
- Down by €193,611 thousand: mainly the elimination of shares in companies absorbed through universal transfers of assets during the financial year.

6.9 Amortisation, depreciation

Movements during the period

(in thousands of euros)	31/12/2020	Additions	Reversals	31/12/2021
Concessions, patents and similar rights (amortisation)	45,711	10,099	(181)	55,629
Concessions, patents and similar rights (depreciation)	-			-
Intangible assets	45,711	10,099	(181)	55,629
General installations, fixtures and fittings	9,902	1,800		11,702
Transport equipment	71	35		106
Office, IT equipment, furniture	18,172	4,182	(37)	22,317
Property, plant and equipment	28,145	6,017	(37)	34,125
TOTAL AMORTISATION	**73,856**	**16,116**	**(218)**	**89,754**

Amortisation for the period mainly comprises straight-line amortisation.

Note 7 Current assets

7.1 Trade and other receivables

This item mainly comprises intra-Group receivables due to invoicing of operating income.

7.2 Other receivables

(in thousands of euros)	31/12/2021	31/12/2020
Trade payables	24	675
Workforce and social organisations	44	39
State – Corporate income tax and VAT	21,535	14,034
Group: financial current accounts and share of profits	712,620	663,019
Impairment on Group current accounts	(38,610)	(36,397)
Group: tax consolidation current accounts	12,732	20,287
Group: miscellaneous payables	417	393
Miscellaneous payables	197	2
TOTAL OTHER RECEIVABLES	**708,959**	**662,052**

7.3 Treasury shares

At 31 December 2021, Nexity held a total of 943,587 treasury shares (1,68% of the share capital) for a total of €34,066 thousand:

- 85,584 shares for a total of €3,359 thousand in respect of the liquidity contract recognised in financial investments (see Note 6.8);
- 858,003 shares for a total of €30,707 thousand which are destined to be given to Group employees after the vesting period as part of free share plans, if the vesting conditions are met.

7.4 Cash and cash equivalents

Cash and cash equivalents of €516,202 thousand mainly include interest-bearing bank accounts and the balance of current bank accounts. At 31 December 2020, cash and cash equivalents amounted to €741,809 thousand.

(in thousands of euros)	31/12/2021	31/12/2020
Interest-bearing bank accounts and term deposits	290,688	379,484
Bank current accounts	225,514	362,325
TOTAL CASH AND CASH EQUIVALENTS	**516,202**	**741,809**

7.5 Prepaid expenses

The prepaid expenses comprise expenses relating to the following financial year for €4,120 thousand, compared to €6,891 thousand at 31 December 2020.

7.6 Deferred charges

These correspond to the commissions paid when credit facilities are set up, and are spread over the duration of the contract.

(in thousands of euros)	31/12/2020	Increases	Amortisation, depreciation	31/12/2021
Deferred bond issue expenses	4,481	1,541	(1,992)	4,030

STATEMENT OF FINANCIAL POSITION – LIABILITIES

Note 8 Equity

8.1 Share capital

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

8.2 Diluted share capital

The maximum potential dilution resulting from the conversion of all the OCEANE and ORNANE bonds and the free shares allocated not yet covered by a share buyback plan would be 12.8% (as a% of share capital ownership) based on the number of shares at the end of the period.

8.3 Change in equity

(in thousands of euros)	Share capital	Share issue, merger and contribution premiums	Legal reserve	Retained earnings	Profit (loss) for the period	Regulated provisions	Equity
AT 1 JANUARY 2021	**280,649**	**1,130,173**	**28,065**	**328,957**	**181,961**	**5,856**	**1,955,661**
Allocation of earnings				181,961	(181,961)		-
Distribution				(110,639)			(110,639)
Additions to regulated provisions						978	978
Profit (loss) for the period					60,297		60,297
AT 31 DECEMBER 2021	**280,649**	**1,130,173**	**28,065**	**400,279**	**60,297**	**6,834**	**1,906,297**

Note 9 Provisions

(in thousands of euros)	31/12/2020	Increases	Decreases		31/12/2021
		Additions for the financial year	Provisions used	Provisions not used	
Provisions for litigation	250	35		(250)	35
Provisions for exchange rate losses	1,818	810	(330)		2,298
Provisions for commitment to transfer free shares	19,889	2,722	(15,073)		7,538
Other provisions	18,969	9,047	(6,351)		21,665
TOTAL PROVISIONS	**40,926**	**12,614**	**(21,753)**	**(250)**	**31,536**

The provisions for free shares cover the expense corresponding to the commitment to allocate free shares to Group employees.

The other provisions mainly cover the risks due to the net financial positions of certain subsidiaries, notably real estate development companies.

Note 10 Payables

10.1 Bond issues

(in thousands of euros)	Issue date	Opening amount	Closing amount	Maturity	Fixed annual rate
Convertible bond issue (OCEANE)	13 May 2016	270,000	0	19 April 2021	
Convertible bond issue (ORNANE)	2 March 2018	200,000	200,000	2 March 2025	0.250%
Convertible bond issue (OCEANE)	13 April 2021	0	240,000	19 April 2028	0.875%
Accrued interest		170	599		
Convertible bond issue subtotal		470,170	440,599		
Euro PP bonds	5 May 2014	146,000	0	5 May 2021	3.522%
Euro PP bonds	29 June 2017	30,000	30,000	10 November 2023	2.053%
Euro PP bonds	29 June 2017	121,000	121,000	29 June 2025	2.600%
Euro PP Green bond issue	20 December 2019	84,000	84,000	20 December 2026	2.257%
Euro PP Green bond issue	20 December 2019	156,000	156,000	20 December 2027	2.464%
Accrued interest		5,527	2,132		
Bond issues subtotal		542,527	393,132		
TOTAL		**1,012,697**	**833,731**		

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), redeemable at maturity in January 2023 and paying an annual coupon rate of 0.125%.

This OCEANE was bought back for a total of €280 million during the first half of 2021.

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

In 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 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% (as a percentage of share capital ownership).

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

In 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%.

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).

Other bonds – EURO PP

On 5 May 2020, Nexity SA redeemed the Euro PP bond issued on 5 May 2014 for a nominal amount of €146 million.

Under the terms of the other bond issues, the Group must maintain certain financial ratios (net debt/equity, net debt/EBITDA, EBITDA/cost of borrowing), calculated based on the Group's consolidated financial statements excluding the impact of IFRS 16 *Lease contracts*.

At 31 December 2021, the Group was in compliance with all its financial covenants.

10.2 Loans and borrowings from financial institutions

This item mainly comprises the outstanding capital on credit drawdowns, accrued interest and bank overdrafts.

The Company has syndicated corporate credit facilities of €500 million, maturing on 31 July 2023, unused at 31 December 2021.

The Company also has various credit facilities totalling €130 million, of which €30 million had been used as at 31 December 2021.

€105 million of these loans matures in 2023 and €25 million in 2024.

Under the terms of the corporate credit lines, the Group must maintain certain financial ratios (net debt/equity, net debt/EBITDA, EBITDA/cost of borrowing), calculated based on the Group's consolidated financial statements excluding the impact of IFRS 16 *Lease contracts*.

At 31 December 2021, the Group was in compliance with all its financial covenants.

10.3 Borrowings and financial liabilities

This item essentially comprises:

- Negotiable debt securities in the form of a NEU CP (Negotiable EUropean Commercial Paper) and NEU MTN (Negotiable EUropean Medium Term Notes) for €448.0 million:

(in thousands of euros)	Authorisations	Outstanding
Negotiable European Commercial Paper < 1 year	300,000	217,000
Negotiable European Medium Term Notes > 1 year	300,000	231,000
TOTAL AT 31 DECEMBER 2021	**600,000**	**448,000**

- Financial current account advances granted by the direct and indirect subsidiaries as part of the Group's cash centralisation, and shares of losses to be paid, totalling €839.0 million.

INCOME STATEMENT

Note 11 Operating income

(in thousands of euros)	31/12/2021	31/12/2020
Brand fees	32,856	30,502
Professional assistance fees	31,861	29,019
IT services	40,358	37,225
Rent from sub-lettings and services related to premises	15,155	15,526
Provision of workforce	6,956	6,473
Rebilling of expenses related to free shares	169	11,540
Rebilling of other operating expenses	5,424	5,840
Revenue subtotal	132,779	136,125
Reversals on operating provisions and other income	250	174
Reversals on provisions for free share expense	15,073	15,019
Transfers of charges	3,275	6,568
Capitalised production	19,520	15,993
Other income	152	268
TOTAL OPERATING INCOME	**171,049**	**174,147**

Note 12 Operating expenses

(in thousands of euros)	31/12/2021	31/12/2020
Salaries and social security contributions	(64,789)	(58,555)
Free shares	(15,704)	(23,527)
Rent and related expenses	(19,568)	(18,783)
IT hosting	(13,265)	(10,477)
Fees	(18,627)	(10,913)
Additions to amortisation and depreciation	(16,116)	(14,955)
Additions to impairment of assets	(1,940)	(588)
Additions to provisions: free shares	(2,722)	(15,764)
Additions to provisions: other	(35)	-
Expenses related to the strategic review	(15,500)	-
Other overheads	(67,966)	(57,323)
TOTAL OPERATING EXPENSES	**(236,232)**	**(210,885)**

IT hosting was recorded in “Other overheads” for €10,477 thousand in 2020.

Note 13 Analysis of the operating results

The Company generated revenue of €132,779 thousand in 2021 compared to revenue of €136,125 thousand in 2020. The revenue mainly corresponds to invoicing to other Group companies.

99.7% of the revenue is generated in France.

The operating expenses, net of reversals of provisions, which amounted to €236,232 thousand in 2021, compared to €210,885 thousand in 2020, correspond to the costs of the Group’s central services and to the holding’s overheads.

The operating loss was €65,183 thousand compared to a loss of €36,738 thousand in 2020.

Note 14 Impact of share buyback on the operating results

The net expense for buyback of treasury shares due to be transferred to cover free share awards stood at -€1,592 thousand, compared with an expense of -€6,365 thousand in 2020, and is broken down as follows under different income statement items:

(in thousands of euros)	31/12/2021	31/12/2020
Rebilling of expenses related to free shares (subsidiary employees)	169	11,540
Revenue subtotal	169	11,540
Reversals on provisions for free share expense (awarded during the financial year)	15,073	15,020
Transfers of charges	1,592	6,365
Total operating income	16,834	32,925
Salaries and social security contributions: securities awarded during the financial year and transferred expenses	(15,704)	(23,526)
Provisions for expenses: delivery commitment	(2,722)	(15,764)
Total operating expenses	(18,426)	(39,290)
NET EXPENSE ON FREE SHARES	**(1,592)**	**(6,365)**

Note 15 Financial income

(in thousands of euros)	31/12/2021	31/12/2020
Dividends and share of profits	206,513	225,987
Reversals of depreciation, amortisation and provisions	37,412	44,852
Gains arising on mergers of assets	15,868	-
Interest on financial current accounts and loans to subsidiaries	15,585	15,475
Other financial income	26	24
TOTAL FINANCIAL INCOME	**275,404**	**286,338**

Note 16 Financial expenses

(in thousands of euros)	31/12/2021	31/12/2020
Additions to depreciation, amortisation and provisions	(106,420)	(74,446)
Additions to amortisation of deferred expenses (loans)	(1,993)	(1,579)
Share of losses	(28,291)	(101)
Losses arising on mergers of assets	(23,605)	-
Interest and commissions on bond issues	(13,326)	(15,802)
Interest and commissions on bank loans	(5,650)	(5,283)
Exchange rate losses	(108)	(11)
TOTAL FINANCIAL EXPENSES	**(179,393)**	**(97,222)**

The additions to depreciation, amortisation and provisions are related to the amortisation of equity investments or subsidiary current accounts and other equity securities.

Note 17 Analysis of the net finance income (expense)

The net finance income (expense) totalled €96,011 thousand in 2021, compared to €189,116 thousand in 2020.

The net finance income (expense) is broken down as follows:

- €178,221 thousand in respect of dividends net of losses arising on mergers of assets and liabilities, and shares of income paid to Group subsidiaries and holdings (compared to €225,886 thousand in 2020);
- €7,737 thousand in merger losses (Ywood Gestion and Nexity Blue Office), net of merger gains (Nexity Résidences Gérées);
- -€68,560 thousand in respect of the different movements of additions and reversals on current accounts and equity investments induced by subsidiary profit/(loss) forecasts (compared to -€28,711 thousand in 2020); and
- -€5,370 thousand in respect of finance cash costs (compared to -€7,188 thousand in 2020), resulting from €20,938 thousand in financial expenses for deferred interest and expenses on bank financing and current accounts of subsidiaries lending to Nexity, less €15,568 thousand of net income on disposals of marketable securities and interest on current accounts granted to subsidiaries.

Note 18 Analysis of the non-recurring profit/(loss)

The non-recurring income, which amounted to -€11,218 thousand, mainly takes into account the expense on the buyback of the 2023 OCEANE of €10,040 thousand, the income from the disposal of non-current assets, the income from the share liquidity contract and derogatory amortisation and depreciation.

Note 19 Employee profit-sharing

The Company is part of an Economic and Social Unit (UES). As such, employee profit-sharing is calculated at the UES level by each company generating profit-sharing. Profit-sharing relating to the employees of the UES is allocated to the expenses of each company employing beneficiary employees.

The profit-sharing relating to employees of the Company estimated for the 2021 financial year (to be paid in 2022) amounted to €393 thousand.

Note 20 Income taxes

As a parent company, the Company has opted for the tax consolidation regime, stipulated in the provisions of Article 223A of the French General Tax Code. Consequently, the Company is the only entity that pays corporate income tax for the entire consolidated tax Group.

The Group's principle is that the Group's consolidation option should be financially neutral for all of the member subsidiaries during the consolidation period.

The income on the line "Income taxes" of €41,080 thousand (compared to €30,091 thousand in 2020) mainly comprises the amount of income tax, the social contribution of 3.3% from each of the subsidiaries consolidated under the income tax deduction (including additional contributions) calculated for the whole Group.

Note 21 Net profit

The Company's net profit amounted to €60,297 thousand (compared to €181,961 thousand in 2020).

ADDITIONAL INFORMATION

Note 22 Analysis by nature of the regulated provisions, depreciation, amortisation and provisions

(in thousands of euros)	31/12/2020	Additions	Reversals	31/12/2021
Derogatory amortisation and depreciation	4,907	610		5,517
Non-recurring amortisation and depreciation	948	368		1,317
Regulated provisions	5,855	978	-	6,833
Provisions for litigation	250	35	(250)	35
Provisions for exchange rate losses	1,818	810	(330)	2,298
Provisions for free shares	19,889	2,722	(15,073)	7,538
Other provisions	18,969	9,047	(6,351)	21,665
Provisions	40,926	12,614	(22,004)	31,536
Amortisation and impairment on concessions, patents and similar rights	2,198		(2,198)	-
Amortisation and impairment on equity investments	186,394	78,110	(20,847)	243,657
Amortisation and impairment on receivables attached to investments	4,317			4,317
Impairment of other equity securities	182	6,387		6,569
Amortisation and impairment on loans	1,987			1,987
Amortisation and impairment on customer accounts	-	1,940		1,940
Other amortisation and impairment	36,397	12,067	(9,853)	38,610
Depreciation and impairment	231,475	98,504	(32,898)	297,080
TOTAL	**278,256**	**112,096**	**(54,902)**	**335,450**
Operating additions and reversals		4,697	(15,323)	
Financial additions and reversals		106,421	(37,381)	
Non-current additions and reversals		978	(2,198)	
Additions and reversals for income taxes				

Note 23 Schedules of receivables and payables

23.1 Receivables

	Gross amount	Schedule	
(in thousands of euros)	31/12/2021	1 year at most	Over 1 year
Receivables from equity investments	90,033		90,033
Loans	319,481	10,481	309,000
Other financial investments	180,481		180,481
Trade and other receivables	22,830	22,831	
Other receivables	747,569	747,569	
Prepaid expenses	4,120	4,120	
TOTAL RECEIVABLES	**1,364,514**	**785,001**	**579,514**
Amount of loans granted during the financial year	15,194		
Amount of repayments obtained during the financial year	6,120		

23.2 Payables

	Gross amount	Schedule		
(in thousands of euros)	31/12/2021	1 year at most	Over 1 year, less than 5 years	Over 5 years
Convertible bonds	440,599	599	200,000	240,000
Bond issues	393,132	2,132	235,000	156,000
Loans and borrowings from financial institutions	30,170	170	30,000	
Negotiable debt securities	448,000	249,400	198,600	
Trade payables	46,797	34,297	12,500	
Tax payable and social security contributions	26,029	26,029		
Liabilities on non-current assets and related accounts	3,524	1,582	1,942	
Group and partners	839,985	839,985		
Other liabilities	2,713	2,713		
Deferred income	-	-		
TOTAL DEBT	**2,230,949**	**1,156,907**	**678,042**	**396,000**
Loans subscribed during the financial year	270,000			
Loans repaid during the financial year	516,000			

Note 24 Adjustment accounts

24.1 Statement of accrued income

(in thousands of euros)	31/12/2021
Other financial investments	3,721
Trade and other receivables	8,229
Other receivables	7,036
Cash management	46
TOTAL ACCRUED INCOME	**19,032**

24.2 Statement of accrued expenses

(in thousands of euros)	31/12/2021
Accrued interest on bond issues	2,806
Borrowings and financial liabilities	29,488
Trade payables	42,962
Tax payable and social security contributions	20,228
Other liabilities	571
Loans and borrowings from financial institutions	169
TOTAL ACCRUED EXPENSES	**96,224**

Note 25 Analysis of the statement of cash flows and change in net debt

Cash and cash equivalents amounted to €516,032 thousand (excluding treasury shares) at 31 December 2021 (compared to €741,777 thousand at 31 December 2020), down €225,745 thousand mainly due to:

- Cash flows from/(used in) operating activities of €210,647 thousand notably including the cash flow position (€162,391 thousand) plus the decrease in the working capital requirement (€48,256 thousand);
- Net cash from/used in investing activities of -€176,470 thousand, mainly corresponding to -€36,253 thousand in acquisitions of non-current assets, the acquisition of treasury shares for -€20,000 thousand and -€140,217 thousand in changes in financial investments; and
- Net cash flow from/(used in) financing activities of -€259,237 thousand, including in particular, the payment of the dividend of -€110,639 thousand and the net balance of bond and bank financing (-€148,498 thousand).

The Company's net debt amounted to €611,877 thousand (compared to €619,569 thousand in 2020). It corresponds to the amount of bond issues (€863,730 thousand) plus debts (€264,179 thousand) and less gross cash (-€516,032 thousand).

Note 26 Off-statement of financial position commitments

26.1 Commitments given

Related to the current operations of Group subsidiaries

As parent company of Nexity group, the Company guarantees or counter-guarantees some commitments made by its subsidiaries within the normal framework of their activities.

In accordance with the contractual provisions of the syndicated corporate credit facility of July 2018, the Company is jointly and severally liable to lenders for all sums owed to the latter under signed commitments (completion bonds, guarantees, etc.) as part of the €1.6 billion package awarded on behalf of its development subsidiaries.

The following table summarises the other off statement of financial position commitments made in the context of the subsidiaries' activities:

(in thousands of euros)	31/12/2021	31/12/2020
Completion bonds	179,955	201,165
Reservation fees	-	396
Other guarantees on real estate projects	75,565	71,506
Loan guarantees	35,750	-
Liability guarantees	37,090	1,390
Other commitments	20,152	21,077
TOTAL	**348,512**	**295,534**

Other commitments given

As part of the tax consolidation agreements, the amount of tax deficits likely to be used by the consolidated subsidiaries would represent an income tax expense of €115.3 million for the Company.

As part of various external growth operations, the Company granted several put options to minority shareholders for their investments. These options mainly concern Bureaux à Partager, Ægide, Édouard Denis, Accessite and pantera securities. Based on the price or price formulas defined in the contracts and the probable date of execution of the contractual commitments, the discounted amount of these commitments may be estimated at €332.7 million.

26.2 Commitments received

The Company is the beneficiary of liability guarantees totalling €8.9 million in respect of the acquisitions of Némoa, Bureaux à Partager and Accessite.

26.3 Workforce commitments

Pensions

Pension commitments amounted to €2.5 million and are stated according to the updated IAS 19 method.

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 13.5% and a social security contribution rate of 42%. The mortality table used is that of INSEE 2013/2015, the discount rate at year-end is 0.59% and the salary increase rate at year-end is 2%.

26.4 Deferred and unrealised tax position

Deferred tax position: the temporarily non-deductible provisions and charges generate corporate income tax savings for a total of €18,434 thousand during reversal financial years.

Unrealised tax position: the unrealised tax gains would lead to an increase in corporate income tax expense of €18,798 thousand in the event of the disposal of the concerned assets.

Note 27 Workforce

In 2021, the Company's average headcount was 579, compared with 484 in 2020. The headcount in 2021 includes 29 employees seconded to subsidiaries.

Note 28 Free share plans

A total of 380,152 free shares were vested during the financial year, with all awards satisfied using existing shares, and the shares were transferred to their recipients. At the end of the financial year, the number of free shares in vesting periods amounted to 1,293,240 shares, for all plans.

Vesting of free shares is subject to conditions of presence at the end of the plans and, if applicable, to performance conditions (achievement of a level of operating profit or cumulative EBITDA over the plan's duration, and/or minimum backlog at plan maturity, and/or minimum level of operating income or EBITDA at plan maturity, and/or maximum net debt at plan maturity).

The following table summarises the plans which expired in 2021, and which were ongoing at year-end:

NEXITY PLANS

(in number of shares)	Awarded	Cancelled	Vested*	Awarded, not cancelled and not vested	Vesting period ends
May 2018 plan for managers	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 plan	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	**1,502,370**	**346,403**	**380,747**	**1,293,240**	

* Of which 455 from previous years.

The Shareholders' Meeting has granted the Board of Directors the right until 18 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.

At 31 December 2020, the Company held a total of 858,003 treasury shares, set aside to cover the delivery commitment to employees and to limit the impact of any dilution.

Note 29 Information on related parties

The remuneration of Nexity's directors and executive officers (company officers) amounted to €3,800 thousand in 2021, including €730 thousand of termination benefits.

The remuneration for directors who are neither employees nor company officers amounted to €309 thousand for the 2021 financial year.

Note 30 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 31 List of significant subsidiaries and holdings

Name Registered office	Share capital Equity other than share capital	Share held Dividends received	Gross value Shares Net value Shares	Loans, advances Guarantees	Revenue Income
(in thousands of euros)					
1 - Subsidiaries					
1.1 - French subsidiaries (more than 50%)					
NEXITY LOGEMENT	6,562	100.00%	969,558	240,499	2,024
19, rue de Vienne – TSA 60030 – 75801 PARIS CEDEX 08	430,281	79,990	969,558	0	79,678
ISELECTION	2,578	100.00%	154,688	0	85,676
400, promenade des Anglais – 06600 NICE	28,197	20,000	154,688	0	19,265
PERL	3,568	100.00%	143,218	31,945	44,708
115, Rue Réaumur – 75002 PARIS	83,100		143,218	0	690
ÉDOUARD DENIS DÉVELOPPEMENT	32,625	78.00%	119,308	67,139	18,593
2, rue Leday-Le-Nouvel-Hermitage – 80100 ABBEVILLE	13,764	2,219	119,308	-	10,607
NEXITY IMMOBILIER D'ENTREPRISE	150	99.68%	55,909	-	32,913
19, rue de Vienne – TSA 50029 75801 – PARIS CEDEX 08	(12,408)	-	-	-	1,887
NEXITY LAMY	219,388	100.00%	258,632	101,653	210,260
19, rue de Vienne – TSA 10034 –75801 PARIS CEDEX 08	7,749	-	258,632	-	9,746
ORALIA PARTENAIRES	33,098	100.00%	87,597	-	9,606
94, quai Charles-de-Gaulle – 69006 LYON	4,148	-	87,597	-	(227)
NEXITY PROPERTY MANAGEMENT	11,519	100.00%	30,712	3,642	54,848
2, rue Olympe de Gouges – 92600 ASNIÈRES-SUR-SEINE	26,504		30,712	-	2,143
BUREAUX À PARTAGER	21	57.70%	32,348	4,326	3,697
21, Place de la République – 75003 PARIS	8,455	0	32,348	23,737	218
COMPAGNIE IMMOBILIÈRE ET DIGITALE	29,037	100.00%	29,037	194	-
19, rue de Vienne – TSA 50029 – 75801 PARIS CEDEX 08	15	-	29,037	-	(18)
ACCESSITE	80	90.40%	13,626	0	13,047
35, quai du Lazaret – 13006 MARSEILLE 06	6,368	0	13,626	1	1,313
1.2 - Foreign subsidiaries (more than 50%)					
NEXITY HOLDING ITALIA	17,771	100.00%	50,010	20,426	-
Corso Galileo Ferraris n° 110 – 10129 TURIN – Italy	8,547	0	24,695	4,185	545
NEXITY DEUTSCHLAND	47,150	100.00%	47,153	56,215	-
Carmertstrasse 2, 10623 Berlin – Germany	56,029	-	15,379	-	(148)

Name Registered office	Share capital Equity other than share capital	Share held Dividends received	Gross value Shares Net value Shares	Loans, advances Guarantees	Revenue Income
(in thousands of euros)					
2 – Holdings (10% to 50%)					
3 – Subsidiaries not covered in paragraph 1					
French			180,156	95,020	
		86,893	69,161	167,305	
Foreign			61,832	49,422	
		6,915	46,358	14,272	
4 – Investments not covered in paragraph 2					
French			36,839	10,142	
		8,860	35,133	1,390	
Foreign			32	320	
		-	28	7,000	
5 – Other holdings (less than 10%)			**9,550**	**25**	
			9,550		
6 – Overall information					
French subsidiaries			2,157,251	544,797	
		189,102	1,987,867	191,043	
Foreign subsidiaries			158,995	126,063	
		6,915	86,432	18,631	
Equity investments in French companies			46,388	12,214	
		8,860	44,683	1,390	
Equity investments in foreign companies			32	323	
		-	28	7,000	
			2,362,669	**683,397**	
TOTAL		**204,877**	**2,119,012**	**218,064**	

5.2.3 Statutory Auditors' report on the 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 financial statements of Nexity for the year ended 31 December 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of Nexity as at 31 December 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

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 Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us for the period from 1 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) No 537/2014 or in the French code of ethics (*Code de déontologie*) for statutory auditors.

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 hereby inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the 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 financial statements.

Measurement of equity investments

(Note 5.2 to the financial statements)

Risk identified

Equity investments reported in the company's statement of financial position as at 31 December 2021 at a carrying amount of €2,119 million, represented 51% of the company's total assets. They are recognized at acquisition cost less any applicable impairment observable at year end, as determined by management based on the company's share of the investee's net assets and the investee's profitability outlook.

The profitability outlook of operating subsidiaries is generally determined using the discounted cash flow method, calculated based on the 5-year business plan adopted by management. The business plan includes differentiated growth assumptions depending on the business activity. These assumptions take into account current market conditions, foreseeable changes thereof, a moderate impact of the Covid-19 pandemic on the slowdown of business, as well as the Company's assumptions regarding changes in the regulatory environment and competitive intensity.

Estimation of the present value of investments requires judgement by management in choosing the elements to be taken into consideration which, for each investment, may be based on historical (net assets) or forward-looking (profitability outlook, in particular in the current context of the Covid-19 pandemic) information.

For these reasons, we considered the measurement of equity investments to be a key audit matter.

Audit procedures in response to the risk identified

To assess the reasonableness of the estimated present values of the equity investments, based on the information provided, our work mainly consisted in verifying that management's estimates were based on appropriate justification of the valuation method applied and financial data used and, depending on the investments, in:

For valuations based on historical data (net assets): verifying that the net asset values used were consistent with the financial statements of the applicable entities subject to an audit or analytical review and that any equity adjustments were backed up by adequate supporting documentation.

For valuations based on forward-looking data (profitability outlook): assessing the approach used to determine the present value of the investments, in particular with regard to:

- The reasonableness of the approach used to determine the 5-year business plan, comparing the prior year's impairment test projections with the current year's results adjusted to factor in the impacts of the Covid-19 pandemic;
- The consistency of the estimated future cash flows used to calculate the present value of the investments 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.

In addition to the assessment of the value in use of the investments, our work also consisted in:

- Assessing the collectability of any associated receivables;
- Verifying the due recognition of a provision for risk in the event of the company being required to absorb the losses of an equity investment with negative equity.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

nformation given in the management report and in other documents with respect to the company's financial position and to the financial statements provided to Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in other documents with respect to the company's financial position and to the financial statements provided to Shareholders.

In accordance with French law, we hereby report that the information relating to payment times referred to in Article D.441-6 of the French Commercial Code (*Code de commerce*) is fairly presented and consistent with the financial statements.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code (*Code de commerce*) relating to the remuneration and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare the financial statements and, where applicable, with the information obtained by your company from controlled companies included in the consolidation scope. Based on these procedures, we attest to the accuracy and fair presentation of the information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L.22-10-11 of the French Commercial Code (*Code de commerce*), we checked this information with the source documents communicated to us. Based on these procedures, we have no observations to make on the information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of voting rights have been properly disclosed in the management report.

Other Verifications or Report on Other Legal and Regulatory Requirements

Presentation of the 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.

Based on our work, we conclude that the presentation of the annual financial statements to be included in the annual financial report complies, in all material respects, with the European single 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 2020, Mazars and KPMG were in the 14th year and 19th year of the total uninterrupted engagement, which are the 14th and 18th 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 accounting and financial reporting procedures.

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

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the 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 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 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 financial statements;

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a 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 financial statements or, if such disclosures are not provided or are inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the financial statements and assesses whether they represent the underlying transactions and events in a manner that achieves fair presentation.

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 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 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 statement provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France as 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