INTERIM FINANCIAL REPORT

Six months ended 30 June 2022

OVERVIEW

1. INTERIM MANAGEMENT REPORT

Board of Directors

On 7 April 2022, the following changes in the membership of the Board of Directors took place:

- Pere Viñolas Serra was appointed Chairman of the Board of Directors, to replace Juan Jose Brugera Clavero, who had reached the age limit of 75 and was required to step down as Chairman in accordance with Article 17, paragraph 2, of the Articles of Association, following the Annual General Meeting of 7 April 2022 at which he was re-elected as a director.
- Angels Arderiu Ibars, Carlos Fernandez-Lerga Garralda, Carlos Krohmer, Luis Maluquer Trepat, Nuria Oferil Coll and Anthony Wyand stepped down from the Board upon expiry of their terms.

Following these changes, as of 30 June 2022, the membership of the Board of Directors of SFL was as follows:

Chairman:
- Pere Viñolas Serra

Directors:
- Ali Bin Jassim Al Thani
- Juan José Brugera Clavero
- Carmina Ganyet i Cirera
- Arielle Malard de Rothschild
- Alexandra Rocca

Senior Management

At its meeting on 15 June 2022, the Board of Directors decided to appoint Dimitri Boulte as Chief Executive Officer to replace Nicolas Reynaud and to appoint Aude Grant to take over from Dimitri Boulte as Managing Director. These changes were effective on 1 July 2022.

SFL - First-Half 2022 Results

A very active first half and record operating performance

The interim consolidated financial statements for the six months ended 30 June 2022 were approved by the Board of Directors of Société Foncière Lyonnaise on 25 July 2022, at its meeting chaired by Pere Viňolas Serra and attended by the new Chief Executive Officer.

These financial statements show a significant increase in all business indicators, the portfolio's appraisal value and the Company's NAV. First-half 2022 saw a record 21.1% increase in EPRA earnings per share, supported by strong 6.3% like-for-like growth in rental income. This performance, delivered in a more uncertain rental and investment market and an unsettled economic environment, demonstrates the relevance of SFL's business model, the growing polarisation of demand on inner Paris and the hard work of SFL's teams in the first half of the year.

Consolidated data (€ millions)

	H1 2022	H1 2021	**Change**
Rental income	98.0	86.1	+13.8%
Adjusted operating profit*	78.1	66.6	+17.3%
Attributable net profit	221.5	98.8	+124.3%
EPRA earnings	48.9	43.8	+11.6%
per share	€1.14	€0.94	+21.1%

* Operating profit before disposal gains and losses and fair value adjustments

	30/06/2022	31/12/2021	**Change**
Attributable equity	4,442	4,387	+1.2%
Consolidated portfolio value excluding transfer costs	8,357	7,606	+9.9%
Consolidated portfolio value including transfer costs	8,942	8,138	+9.9%
EPRA NDV	4,666	4,375	+6.7%
EPRA NDV per share	€108.9	€102.1	

A. Very robust first-half results and strong growth in key indicators

I. Sharply higher rental income, up 13.8% as reported (up 6.3% like-for-like)

First-half 2022 consolidated rental income amounted to €98.0 million versus €86.1 million for the same period of 2021, an increase of €11.9 million (up 13.8%):

- On a like-for-like basis (on revenue-generating surface areas, excluding all changes in the portfolio affecting period-on-period comparisons), rental income was €5.0 million higher (up 6.3%). The increase was primarily attributable to new leases signed in 2021 and 2022, mainly in the Edouard VII, 103 Grenelle and Washington Plaza properties, and to the effect of applying rent escalation clauses.

- Rental income from units being redeveloped or renovated in the periods concerned was up by €4.3 million, reflecting delivery of the redeveloped 83 Marceau building and the signature of leases on several floors refurbished in 2020 and 2021, mainly in the Cézanne Saint-Honoré and Washington Plaza buildings.

- Finally, the acquisition of the Pasteur building in April 2022 generated a significant increase in rental income which more than offset the income lost on disposal of the 112 Wagram and 9 Percier buildings at the beginning of 2021. All told, the net impact of these changes in the portfolio on first-half 2022 rental income was a positive €2.5 million.

Operating profit before disposal gains and losses and fair value adjustments to investment property came to €78.1 million in first-half 2022 versus €66.6 million in the year-earlier period, a significant increase of 17.3%.

II. Portfolio appraisal value of approximately €8.4 billion excluding transfer costs at 30 June 2022 (up 3.8% like-for-like)

The 3.8% like-for-like increase versus 31 December 2021 led to the recognition of positive fair value adjustments to investment property of €205.4 million in first-half 2022 compared with positive adjustments of €54.7 million in first-half 2021.

III. A record 21.1% increase in EPRA earnings per share compared to 2021

Net finance costs amounted to €13.8 million in first-half 2022 versus €14.8 million in the year-earlier period. The decline of €1.0 million primarily reflected the Group's lower average cost of debt, partly offset by an increase in average debt.

After taking account of these key items, EPRA earnings totalled €48.9 million in first-half 2022, versus €43.8 million in the year-earlier period. EPRA earnings per share stood at €1.14 in first-half 2022, up by a strong 21.1% from €0.94 in first-half 2021.

First-half 2022 attributable net profit came in at €221.5 million, versus €98.8 million in the same period of 2021.

B. First-half 2022 rental activity: SFL is reaping the full benefits of market polarisation

I. Intense leasing activity, with 100% of the office space in the Biome building pre-let, and a record high occupancy rate of 99.4%

Despite the sharp deterioration in the geopolitical and economic situation and contrary to the trends observed in other Paris region markets, the upturn in the Paris commercial property rental market observed in late 2021 continued in first-half 2022, particularly for high quality properties in prime locations. In this environment, the SFL Group signed leases on around 35,000 sq.m. of mainly office space in first-half 2022. Lease deals included:

- Biome, with the complex's 22,000 sq.m. of office space pre-let to La Banque Postale and SFIL; this was a benchmark transaction among the five over-20,000 sq.m. lease deals signed in the Paris region during the first half of the year;
- 103 Grenelle, with two new leases signed on a total of 2,700 sq.m.;
- Edouard VII, with leases signed on 2,700 sq.m., including one on a 1,700 sq.m. retail unit;

- 176 Charles de Gaulle in Neuilly, with leases signed on 1,900 sq.m., including one on a 1,200 sq.m. retail unit;
- along with new leases in the #cloud.paris, Washington-Plaza and 83 Marceau properties.

The average nominal rent on these leases stood at €729 per sq.m., corresponding to an effective rent of €604 per sq.m., for an average non-cancellable term of 8.4 years. These lease terms attest to the attractiveness of the Group's properties.

The occupancy rate for revenue-generating properties at 30 June 2022 was a record high 99.4% (compared with 98.0% at 31 December 2021). The EPRA vacancy rate was 0.6% (versus 1.7% at 31 December 2021).

II. A pipeline (redevelopment projects) of approx. 52,000 sq.m., of which 75% have been pre-let

Properties undergoing redevelopment at 30 June 2022 represented roughly 14% of the total portfolio (surface area attributable to SFL). The two main projects concerned:

- Retail space in the Louvre Saint-Honoré building, which is scheduled for delivery in late 2023 under a turnkey lease on over 20,000 sq.m. signed with Fondation Cartier. During first-half 2022, work on the project was pursued according to schedule.
- The Biome building on Avenue Emile Zola (approximately 25,000 sq.m.), which was delivered on 19 July following a major redevelopment programme. As explained above, all the office space was pre-let to La Banque Postale and SFIL.

Capitalised work carried out in first-half 2022 amounted to €69.0 million, including the above projects for a total of €50.0 million and large-scale renovations of complete floors in the Washington Plaza and Cézanne Saint-Honoré buildings.

III. Targeted property purchases and sales: refocusing on inner Paris

An asset rotation strategy to refocus on inner Paris and increase the average size of SFL's assets

On 25 April 2022, SFL acquired the Pasteur building from Primonial REIM France for €484 million including transfer costs. The 40,000 sq.m. building is located at 91-93 boulevard Pasteur in the 15th *arrondissement* of Paris, next to Montparnasse train station. It is currently let to Amundi under a 12-year non-cancellable lease.

On 30 May 2022, SFL sold the 6,300 sq.m. Le Vaisseau building in Issy-les-Moulineaux to the Institut Catholique de Lille for €27 million excluding transfer costs.

C. Financing: all bond issues converted into green bonds and loan-to-value ratio kept at a very reasonable 27.7%

During the first half of 2022, SFL carried out a number of refinancing transactions to provide funding for general corporate purposes and strengthen its liquidity:

- Bond debt: issuance of two €99 million taps on the 0.5% bonds due 21 April 2028 and the 1.5% bonds due 5 June 2027, and conversion of all of the Group's bond issues into green bonds.
- Signature with Caixabank of a new €100 million 5-year revolving line of credit.
- Signature with Cadif of a €175 million 3-year line of credit renewing a line for the same amount expiring in June 2023. This new line of credit is SFL's first impact loan, backed by a target to reduce its carbon footprint.

Net debt at 30 June 2022 amounted to €2,477 million (compared with €1,792 million at 31 December 2021), representing a loan-to-value ratio of 27.7%. The average cost of debt after hedging was 1.0% at 30 June 2022 and the average maturity was 4.1 years. At the same date, the interest coverage ratio stood at 5.8x.

At 30 June 2022, SFL had €1,090 million in undrawn lines of credit.

D. Net asset value: EPRA Net Disposal Value per share up 9.9% at €108.9 after payment of a dividend of €4.2 in April 2022

The consolidated appraisal value of the portfolio at 30 June 2022 was €8,357 million excluding transfer costs. The increase of 9.9% from €7,606 million at 31 December 2021 primarily reflected the acquisition of the Pasteur building. On a comparable portfolio basis, the increase was 3.8%, led primarily by the higher appraisal values of properties undergoing redevelopment.

The average EPRA topped-up net investment yield (NIY) stood at 3.0% as of 30 June 2022, compared with 2.9% as of 31 December 2021.

At 30 June 2022, EPRA Net Tangible Assets stood at €4,687 million and EPRA Net Disposal Value was €4,666 million.

Over the period, EPRA NTA per share increased by 1.3% to €109.3 and EPRA NDV per share by 6.7% to €108.9. Over one year, the increases were respectively 6.4% and 9.9%, after payment of a dividend of €4.20/share in April 2022.

E. EPRA indicators

	H1 2022	H1 2021
EPRA Earnings (€m)	**48.9**	43.8
/share	*€1.14*	*€0.94*
EPRA Cost Ratio (including vacancy costs)	17.9%	17.0%
EPRA Cost Ratio (excluding vacancy costs)	16.8%	15.1%

	30/06/2022	31/12/2021
EPRA NRV (€m)	**5,195**	5,084
/share	*€121.2*	*€118.6*
EPRA NTA (€m)	**4,687**	4,627
/share	*€109.3*	*€107.9*
EPRA NDV (€m)	**4,666**	4,375
/share	*€108.9*	*€102.1*
EPRA Net Initial Yield (NIY)	2.2%	2.5%
EPRA topped-up NIY	3.0%	2.9%
EPRA Vacancy Rate	0.6%	1.7%

Alternative Performance Indicators (APIs)

EPRA Earnings API

€ millions	H1 2022	H1 2021
Attributable net profit	**221.5**	98.8
Less:		
Profit (loss) on asset disposals	0.4	(0.1)
Non-recurring costs relating to disposals	-	2.5
Fair value adjustments to investment property	(205.4)	(54.7)
Fair value adjustments to financial instruments, discounting adjustments to debt and related costs	0.1	-
Tax on the above items	(0.7)	(3.2)
Non-controlling interests in the above items	33.0	0.5
EPRA earnings	**48.9**	43.8

EPRA NRV/NTA/NDV APIs:

€ millions	30/06/2022	31/12/2021
Attributable equity	**4,442**	4,387
Treasury shares	2	2
Fair value adjustments to owner-occupied property	34	34
Unrealised capital gains on intangible assets	4	4
Elimination of financial instruments at fair value	-	(4)
Elimination of deferred taxes	211	211
Transfer costs	502	451
EPRA NRV (Net Reinstatement Value)	**5,195**	5,084
Elimination of intangible assets	(2)	(2)
Elimination of unrealised gains on intangible assets	(4)	(4)
Elimination of transfer costs*	(502)	(451)
EPRA NTA (Net Tangible Assets)	**4,687**	4,627
Intangible assets	2	2
Financial instruments at fair value	-	4
Fixed-rate debt at fair value	188	(47)
Deferred taxes	(211)	(211)
EPRA NDV (Net Disposal Value)	**4,666**	4,375

Net debt API

€ millions	30/06/2022	31/12/2021
Long-term borrowings and derivative instruments	1,823	1,489
Short-term borrowings and other interest-bearing debt	789	413
Debt in the consolidated statement of financial position	**2,612**	1,902
Less:		
Accrued interest, deferred recognition of debt arranging fees, negative fair value adjustments to financial instruments	26	5
Cash and cash equivalents	(160)	(115)
Net debt	**2,477**	1,792

2. RISK FACTORS

The risk factors at 30 June 2022 are the same as those at 31 December 2021 described in section 6 of the 2021 Universal Registration Document (pages 16 to 27), filed with the *Autorité des Marchés Financiers* – AMF – on 14 March 2022.
(The 2021 Universal Registration Document is available on the Company's website: sfl-deu-2021-va.pdf (fonciere-lyonnaise.com)).

RISK MAP

Macroeconomic risks	
1	**Risk of a change in the economic environment and the office property market**
2	**Risks related to a global economic and health crisis**
RISKS THAT ARE SPECIFIC TO THE PROPERTY SECTOR	
3	**Tenant risks**
4	**Asset valuation risks**
5	**Risk of asset obsolescence and impairment**
6	**Property utilisation and development risks**
7	**Strategic risks**
FINANCIAL RISKS	
8	**Liquidity risk**
9	**Counterparty risk**
10	**Interest rate risk**
ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS	
11	**Environmental risks**
12	**Social risks**
13	**Governance risks**
LEGAL AND TAX RISKS	
14	**Legal and tax risks related to regulatory compliance**
TECHNOLOGICAL RISKS	
15	**Information system and data protection risks**

However, the risk rating has been updated at 30 June 2022 to take account of changing market conditions and the geopolitical environment.

UPDATING OF THE RISK RATING

- **MACROECONOMIC RISKS**

  1 – Risk of a change in the economic environment and the office property market
  The current economic market is shaped by a sharp decline in real estate investment and a change in attitudes towards flexible working. However, occurrence of the risk is considered 'almost certain', the impact is considered 'major' rather than 'capital' because demand for prime office space in the Central Business District (CBD) remains high and market rental values (MRV) are not declining.

- **RISKS THAT ARE SPECIFIC TO THE PROPERTY SECTOR**

  3 – Tenant risks
  Given SFL's resilience in the face of the health crisis, the very low vacancy rate (0.6% at 30 June 2022), the high-quality rental portfolio, the absence of any impact from the conflict in Ukraine and the

average lease term at 30 June 2022 (7.5 years), the impact of this risk is considered 'moderate' at 30 June 2022 (vs. 'major' at 31 December 2021).

4 – Asset valuation risks

Due to rising interest rates, occurrence of the risk is considered 'probable' because of the increased risk in the market. However, the impact continues to be rated as 'major' without any uplift because the value of SFL's portfolio is steadily increasing despite the conservative assumptions made by the appraisers in this environment.

7 – Strategic risks

With asset values likely to decline over time, SFL's exposure to strategic risks may increase. Although its occurrence is considered as 'possible', the impact would remain 'moderate' for SFL.

- **FINANCIAL RISKS**

8 – Liquidity risk

Accessing short-term financing in the current economic environment is more difficult because it is more expensive, but it is still 'possible' for SFL. No liquidity risk is expected to occur in the next six months, following the implementation of new measures to strengthen the Company's existing liquidity position and anticipate its future needs.

10 – Interest rate risk

The cost of debt is set to increase in the coming months and years. However, the impact on SFL's accounts will remain moderate.

Financial risks at 30 June 2022 are updated and summarised in notes VII-1) 'Borrowings and other interest-bearing debt' (page 30) and VII-4) 'Financial risk management objectives and policy' to the interim consolidated financial statements (pages 32 to 34).

- **TECHNOLOGICAL RISKS**

15 – Information system and data protection risks

The current geopolitical instability is triggering cyberattacks targeting companies. The occurrence of this risk is gradually becoming 'possible'. As a result, SFL launched a more comprehensive cybersecurity audit in 2022 (in progress), due to the migration of substantially all of its systems to the cloud, the shift towards home-working and the overall increase in malicious acts.

Investors should nevertheless note that the risks and uncertainties described in the Universal Registration Document do not necessarily include all the risks and uncertainties facing the Group.
First, the Company is exposed to general risks that are common to all businesses and not specific to SFL. Added to that, other unknown risks or uncertainties, or risks or uncertainties whose occurrence is not considered, at the date of this report, as likely to have a material adverse effect on the Company, its business, financial position, results or outlook, may exist or could become significant factors that may have a material adverse effect on the Company, its business, financial position, results or outlook.

3. SIX MONTHS ENDED 30 JUNE 2022

FINANCIAL STATEMENTS

The interim consolidated financial statements were approved for publication by the Board of Directors on 25 July 2022.

A – Consolidated Statement of Financial Position

(in thousands of euros) ASSETS	Notes Section E	30 June 2022	31 Dec. 2021
Intangible assets	V -1	2,227	2,237
Property and equipment	V-2	18,578	19,625
Investment property	V-4	8,232,416	7,496,094
Non-current financial assets	VII-5	244	4,346
Other non-current assets	VI-4	60,276	44,712
Total non-current assets		**8,313,741**	**7,567,015**
Trade and other receivables	VI-3	44,203	46,673
Other current assets	VI-4	3,818	2,762
Cash and cash equivalents	VII-6	160,401	114,881
Total current assets		**208,422**	**164,316**
Total Assets		**8,522,163**	**7,731,331**

(in thousands of euros) EQUITY AND LIABILITIES	Notes Section E	30 June 2022	31 Dec. 2021
Share capital	VIII-1	85,729	85,729
Reserves		4,134,320	4,009,052
Profit for the period		221,514	292,041
Equity attributable to owners of the parent		**4,441,564**	**4,386,822**
Non-controlling interests		1,104,397	1,097,177
Total non-controlling interests		**1,104,397**	**1,097,177**
Total equity		**5,545,961**	**5,483,999**
Long-term borrowings and derivative instruments	VII-1	1,822,899	1,488,742
Long-term provisions	IX-1	1,263	1,844
Deferred tax liabilities	XI-2	211,110	210,666
Other non-current liabilities	VI-6	40,074	28,748
Total non-current liabilities		**2,075,345**	**1,730,000**
Trade and other payables	VI-5	48,785	45,052
Short-term borrowings and other interest-bearing debt	VII-1	788,987	413,256
Short-term provisions	IX-1	2,656	960
Other current liabilities	VI-6	60,428	58,064
Total current liabilities		**900,857**	**517,332**
Total equity and liabilities		**8,522,163**	**7,731,331**

B – Consolidated Statement of Comprehensive Income

(in thousands of euros)	Notes Section E	First-half 2022	First-half 2021
Rental income		**97,971**	**86,077**
Gross property expenses		(21,409)	(18,776)
Property expenses recovered from tenants		15,853	14,581
Property expenses, net of recoveries		(5,557)	(4,194)
Net property rentals	**VI-1**	**92,414**	**81,882**
Other income	VI-2	2,608	795
Depreciation, amortisation and impairment	V-3	(1,398)	(616)
Provision expense, net	IX-2	(211)	(1,424)
Employee benefits expense	X-1	(10,665)	(9,821)
Other expenses	VI-7	(4,684)	(4,197)
Profit/(loss) on disposal of investment properties	V-5	(420)	96
Fair value adjustments to investment property	V-4	205,433	54,677
Operating profit		**283,076**	**121,393**
Finance costs and other financial expenses	VII-2	(13,801)	(14,726)
Financial income	VII-2	7	9
Discounting adjustments to receivables and payables		-	(40)
Profit before income tax		**269,281**	**106,636**
Income tax benefit/(expense)	XI-1-2	(2,616)	(97)
Profit for the period		**266,665**	**106,539**
Attributable to owners of the parent		**221,514**	**98,755**
Attributable to non-controlling interests	VIII-6	**45,151**	**7,784**
Earnings per share	VIII-4	€5.18	€2.13
Diluted earnings per share	VIII-4	€5.17	€2.13
Other comprehensive income			
Actuarial gains and losses	IX-1	461	157
Items that will not be reclassified to profit or loss		***461***	***157***
Valuation gains and losses on financial instruments (cash flow hedges)	VII-3	10,626	3,833
Items that may be reclassified subsequently to profit or loss		***10,626***	***3,833***
Other comprehensive income		**11,087**	**3,990**
Comprehensive income		**277,752**	**110,529**
Attributable to owners of the parent		**232,601**	**102,745**
Attributable to non-controlling interests	VIII-6	45,151	7,784

C – Consolidated Statement of Changes in Equity

(in thousands of euros)	Share capital	Share premium account[(1)]	Revaluation reserve	Treasury shares	Cash flow hedging reserve	Other reserves[(1)]	Profit for the period	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	**Total equity**
Equity at 31 December 2020	**93,058**	**560,380**	**22,621**	**(17,953)**	**(170)**	**3,701,714**	**286,879**	**4,646,526**	**550,442**	**5,196,968**
Profit for the period	-	-	-	-	-	-	98,755	98,755	7,784	106,539
Other comprehensive income, net of tax					3,833	157		3,990	-	3,990
Comprehensive income	**-**	**-**	**-**	**-**	**3,833**	**157**	**98,755**	**102,745**	**7,784**	**110,529**
Appropriation of profit	-	-	-			286,879	(286,879)	-		-
Treasury share transactions	-	-	-	4,028	-	-	-	4,028	-	4,028
Gains and losses on sales of treasury shares	-	-	-	(3,995)	-	-	-	(3,995)	-	(3,995)
Share-based payments	-	-	-	-	-	1,938	-	1,938	-	1,938
Dividends paid to owners of the parent	-	-	-	-	-	(97,476)	-	(97,476)	(9,944)	(107,420)
Equity at 30 June 2021	**93,058**	**560,380**	**22,621**	**(17,920)**	**3,663**	**3,893,212**	**98,755**	**4,653,766**	**548,282**	**5,202,048**
Profit for the period	-	-	-	-	-	-	193,286	193,286	62,225	255,511
Other comprehensive income, net of tax	-	-	-	-	2,918	(193)	-	2,725	-	2,725
Comprehensive income	**-**	**-**	**-**	**-**	**2,918**	**(193)**	**193,286**	**196,011**	**62,225**	**258,236**
Share cancellations	(7,329)	(346,921)	-	-	-	(1,097)	-	(355,347)	-	(355,347)
Treasury share transactions	-	-	-	(187)	-	-	-	(187)	-	(187)
Gains and losses on sales of treasury shares	-	-	-	(3)	-	-	-	(3)	-	(3)
Share-based payments	-	-	-	-	-	1931	-	1,931	-	1,931
Changes in ownership interests without loss/acquisition of control	-	-	-	-	-	(109,350)	-	(109,350)	486,674	377,324
Dividends paid to owners of the parent	-	(53,456)	-	-	-	53,456	-	-		-
Equity at 31 December 2021	**85,729**	**160,003**	**22,621**	**(18,110)**	**6,581**	**3,837,960**	**292,041**	**4,386,822**	**1,097,177**	**5,483,999**
Profit for the period	-	-	-	-	-	-	221,514	221,514	45,151	266,665
Other comprehensive income, net of tax	-	-	-	-	10,626	461	-	11,087	-	11,087
Comprehensive income	**-**	**-**	**-**	**-**	**10,626**	**461**	**221,514**	**232,601**	**45,151**	**277,752**
Appropriation of profit			-	-	-	292,041	(292,041)	-	-	-
Treasury share transactions	-	-	-	4,769	-	-	-	4,769	-	4,769
Gains and losses on sales of treasury shares	-	-	-	(4,798)	-	-	-	(4,798)	-	(4,798)
Share-based payments	-	-	-	-	-	1,998	-	1,998	-	1,998
Dividends paid to owners of the parent	-	-	-	-	-	(179,828)	-	(179,828)	(37,931)	(217,759)
Equity at 30 June 2022	**85,729**	**160,003**	**22,621**	**(18,139)**	**17,207**	**3,952,632**	**221,514**	**4,441,564**	**1,104,397**	**5,545,961**

[(1)] *At 31 December 2020, €4,264 thousand was reclassified from "Other reserves" to "Share premium account" to correct a classification error. This reclassification had no impact on the total equity attributable to owners of the parent or on the disclosures in the other financial statements or notes.*

D – Consolidated Statement of Cash Flows

(in thousands of euros)	Notes Section E	First-half 2022	First-half 2021
Cash flows from operating activities			
Profit for the period attributable to owners of the parent		221,514	98,755
Fair value adjustments to investment property	V-4	(205,433)	(54,677)
Depreciation and amortisation expense (excluding impairment)	V-3	1,398	616
Net additions to provisions	IX-1	(717)	(25)
Net (gains)/losses from disposals of investment property	V-5	420	(96)
Discounting adjustments to debt and fair value adjustments to financial instruments		-	40
Deferral of rent-free periods and key money	VI-1	(10,179)	2,680
Employee benefits	X-3	1,998	1,938
Non-controlling interests in profit for the period	VIII-6	45,151	7,784
Cash flow after finance costs and income tax		**54,153**	**57,014**
Finance costs	VII-2	13,794	14,717
Income tax	XI-1-2	2,616	97
Cash flow before finance costs and income tax		**70,564**	**71,828**
Change in working capital		(2,118)	(11,357)
Interest paid		(2,660)	(18,422)
Interest received		7	5
Income tax paid		(2,773)	372
Net cash provided by operating activities		**63,019**	**42,425**
Cash flows from investing activities			
Acquisitions of and improvements to investment property	XIII-1	(539,618)	(65,038)
Acquisitions of intangible assets and property and equipment		(341)	(536)
Amounts due on asset acquisitions		2,432	439
Proceeds from disposals of investment property, intangible assets and property and equipment	V-5	26,872	264,000
Investment property disposal costs	V-5	(278)	(1,291)
Other cash inflows and outflows		(22)	-
Net cash provided by (used by) investing activities		**(510,954)**	**197,573**
Cash flows from financing activities			
Purchases and sales of treasury shares, net		(30)	33
Dividends paid to owners of the parent	VIII-3	(179,828)	(97,476)
Dividends paid to non-controlling interests		(37,931)	-
Proceeds from borrowings	XIII-2	1,266,500	51,791
Repayments of borrowings	XIII-2	(555,000)	(170,402)
Other movements in financing items		(257)	4,030
Net cash provided by (used by) financing activities		**493,455**	**(212,024)**
Net change in cash and cash equivalents		**45,520**	**27,975**
Cash and cash equivalents at beginning of period		114,881	10,921
Cash and cash equivalents at end of period	XIII-1	160,401	38,896
Net change in cash and cash equivalents		**45,520**	**27,975**

E – Notes to the Consolidated Financial Statements

I - Accounting Policies

I - 1) Accounting standards

As required under European Commission regulation (EC) 16/06/2002 dated 19 July 2002, the consolidated financial statements of the SFL Group have been prepared in accordance with the International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) and related interpretations (SICs and IFRICs) adopted by the European Union.

The following standards and amendments published by the IASB and adopted by the European Union are effective for the period ended 30 June 2022:

- Amendments to IAS 1 – Disclosure of Accounting Policies. The purpose of these amendments is to help companies improve accounting policy disclosures so that they provide more useful information to users of the financial statements. They require companies to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

- Amendments to IAS 8 – Definition of Accounting Estimates. Changes in accounting estimates were previously defined as follows: "A change in accounting estimate is an adjustment to the carrying amount of an asset or liability, or to the amount of the periodic consumption of an asset, resulting from an assessment of the current status of the asset or liability and the expected future benefits and obligations associated with it. Changes in accounting estimates result from new information or new developments and, therefore, are not corrections of errors." This definition has been deleted and replaced by the following definition of accounting estimates: "Accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty." The IASB has stipulated that the amendments to IAS 8 are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

The following amendments published by the IASB had not yet been adopted by the European Union at 30 June 2022:

- Amendments to IAS 1 – Presentation of Financial Statements – Classification of Liabilities as Current or Non-current. These amendments clarify the criteria for classifying liabilities as current or non-current, which could affect a company's loan covenants. To give companies time to prepare for the amendments, the IASB has set the effective date for these amendment at January 2023.

- Amendments to IFRS 17 – Insurance Contracts. The purpose of these amendments is to help companies implement the standard. The Group is not concerned by these amendments because IFRS 17 only applies to insurance companies.

- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction. Under certain circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations – transactions for which companies recognise both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations. The amendments are effective for annual periods beginning on or after 1 January 2023, for qualifying transactions occurring on or after the opening date of the first comparative period presented. Early application is permitted.
The Group's financial statements at 30 June 2022 do not include any assets and liabilities recognised in a single transaction and therefore, the amendment was not early-adopted.

I - 2) Accounting conventions

The consolidated financial statements are presented in thousands of euros. They include the financial statements of SFL and its subsidiaries. The financial statements of subsidiaries cover the same period as those of SFL and have been prepared according to the same accounting policies. Intragroup transactions are eliminated in consolidation.

Subsidiaries are consolidated from the date when control is acquired and are removed from the scope of consolidation when control is transferred outside the Group. When SFL ceases to exercise control over a subsidiary, the consolidated financial statements include the subsidiary's results for the period from the beginning of the period to the date when control is transferred.

Material companies in which the Group exercises control, pursuant to the terms of a shareholders' pact, through ownership of the majority of voting rights or otherwise, are fully consolidated.
The Group has chosen to measure investment property using the fair value model (see Note IV-4).

I - 3) Critical accounting estimates and judgements

The property portfolio is valued by independent experts using assumptions concerning future cash flows and interest rates that have a direct impact on their valuations. A reduction in the value assessed by these experts would lead to a decrease in the Group's earnings (see Note V-4).

All of the Group's financial instruments are measured using standard market valuation models (see Note VII-4).

Impact of the Ukraine crisis on critical accounting estimates and judgements

The war in Ukraine has had virtually no impact on the Group's business and financial statements, as all of its assets and customers are located in France and it has no exposure to the countries involved in the conflict. The crisis has not affected SFL's ability to continue as a going concern and it has had no impact on the Group's estimates, fair value measurements, credit losses or compliance with debt covenants.

The indirect consequences (rising interest rates, raw materials cost inflation, etc.) are difficult to assess at this stage, particularly insofar as they are difficult to dissociate from other macroeconomic impacts not linked to the conflict in Ukraine. Rising interest rates could have an impact on the Group's financing, but their effect would remain limited due to its debt structure, with 75% at fixed rates as at 30 June 2022.

To date, the impact of raw materials cost inflation on operations has been contained and SFL has not incurred any additional costs or construction delays. There are likely to be impacts in the future, but the Group's operations programmes are already being adapted to minimise these impacts without affecting our products.

II - Significant Events of the Period

II - 1) Redevelopment and renovation programmes

Properties undergoing redevelopment at 30 June 2022 represented roughly 14% of the total portfolio. The two main projects concerned:

- Retail space in the Louvre Saint-Honoré building, which is scheduled for delivery in late 2023 under a turnkey lease on over 20,000 sq.m. During first-half 2022, work on the project was pursued according to schedule.

- The Biome office building on Avenue Emile Zola (approximately 25,000 sq.m.), which was delivered on 19 July following a major redevelopment programme. In June 2022, all the office space and support areas (staff restaurant, service facilities, conference centre), representing over 23,000 sq.m., were pre-let to La Banque Postale and SFIL.

On 25 April 2022, SFL acquired the Pasteur building from Primonial REIM France for €485 million including transfer costs. The 40,000 sq.m. building is located at 91-93 boulevard Pasteur in the 15th *arrondissement* of Paris, next to Montparnasse train station. It is currently let to Amundi under a 12-year non-cancellable lease.

On 30 May 2022, SFL sold the 6,300 sq.m. Le Vaisseau building in Issy-les-Moulineaux to the Institut Catholique de Lille for €27 million excluding transfer costs.

In first-half 2022, leases were signed on around 35,000 sq.m. of mainly office space, including pre-lets for the office space at the Biome property (see above).

II - 2) Financing

During the first half of the year, the Group carried out the following transactions:

- Issuance of two €99 million taps on the 0.5% bonds due 21 April 2028 and the 1.5% bonds due 5 June 2027, leading to €200 million worth of pre-hedges being unwound. In addition, in early 2022, SFL converted all of its bond issues to green bonds.

- Signature with Caixabank of a new €100 million 5-year revolving line of credit.

- Signature with Cadif of a €175 million 3-year line of credit renewing a line for the same amount expiring in June 2023. This new line of credit is SFL's first impact loan, backed by a target to reduce its carbon footprint.

These transactions have strengthened SFL's liquidity position and extended the average maturity of the Group's debt as part of its proactive balance sheet management strategy. The funds will be used for general corporate purposes.

II - 3) Subsequent events

None.

III - Effects of Climate Change

Climate change is bringing about profound changes in the economy, which is why increasing attention needs to be paid to its effects on companies' financial and non-financial performance. To address the major challenges associated with these changes, very ambitious objectives have been set in the European Green Deal, the Glasgow Climate Pact (COP26) and the Paris Agreement (COP21). Meeting these objectives will involve radical transformations.

The purpose of this note is to present the impact of these changes on the Group's business and performance, as well as the main impacts on the consolidated financial statements.

III - 1) Effects of climate change on the Group's financial position

The construction industry accounts for nearly one quarter of all greenhouse gas emissions in France, For this reason, the Group has developed a strategy to monitor the risks and impacts of climate change, supported by measures to address them.

The main effects of changing weather conditions on the consolidated financial statements have been identified. These effect cannot be measured with perfect accuracy, as it is difficult to separate them from other factors that influence developments over the reporting period. However, the main effects on the Group's financial information can be summarised as follows:

- The impact on appraisal values should be positive. The Group's buildings are recognised as being of a high environmental quality (as evidenced by the certifications they have received) and the appraisers have therefore included a 15% average premium in their estimates of market rents and capitalisation rates.

- Capital expenditure and building operating costs have increased due to the cost of work needed to anticipate changes in industry regulations and strengthen customer loyalty. For example, the installation of LED lighting, more efficient heating systems, and digital technical systems to track energy use more accurately is required.

- Various other expenditures will be necessary, such as environmental certification costs (mainly Building Research Establishment Environmental Assessment Method (BREEAM), Global Real Estate Sustainability Benchmark (GRESB), and European Public Real Estate Association (EPRA)), ESG data publication costs (data collection, preparation of reports, other internal and external resources), and the cost of bonuses paid to certain employees and/or members of the Management Committee for meeting ESG objectives.

- During the period, the Group converted all of its bond debt into green bonds. The conversion costs totalled €177 thousand.

III - 2) Other potential effects on the consolidated financial statements

Other potential climate-related effects, none of which had an impact on the consolidated financial statements, include:

- Provisions for environmental levies (IAS 37): the Group's investment choices have ensured that it is in compliance with climate-related regulations. As a result, the Group has not received any penalties for non-compliance. A regulatory watch system has been set up to anticipate changes in climate-related legal requirements and proactively initiate any necessary compliance measures. For this reason, no provision has been set aside at 30 June 2022 for levies or penalties for non-compliance with emerging regulatory standards.

- Impairment of assets (IAS 36) or adjustment of the useful lives and residual values of plant, property and equipment (IAS 16): the Group's portfolio consists mainly of investment properties measured using the Fair Market Value option; consequently, the application of IAS 36 and IAS 16 has no impact on the consolidated financial statements.

IV- Segment Information

The Group's properties are similar in nature and, although they are managed separately in the same manner, none are large enough to be treated as a separate reportable segment. They are grouped into geographical segments in accordance with IFRS 8.

Comprehensive income can be analysed as follows by geographical segment:

(in thousands of euros)	Paris CBD	Other Paris	Western Crescent	Corporate	First-half 2022
Rental income	**76,901**	**19,712**	**1,357**	**-**	**97,971**
Gross property expenses	(15,613)	(5,055)	(741)	-	(21,409)
Property expenses recovered from tenants	12,332	3,185	336	-	15,853
Property expenses, net of recoveries	(3,282)	(1,869)	(405)	-	(5,557)
Net property rentals	**73,619**	**17,842**	**952**	**-**	**92,414**
Other income	910	161	(42)	1,579	2,608
Depreciation, amortisation and impairment	-	-	-	(1,398)	(1,398)
Provision expense, net	155	198	-	(564)	(211)
Employee benefits expense	-	-	-	(10,665)	(10,665)
Other expenses	-	-	-	(4,684)	(4,684)
Profit on disposal of investment property	-	-	(420)	-	(420)
Fair value adjustments to investment property	171,324	27,505	6,605	-	205,433
Operating profit/(loss)	**246,008**	**45,706**	**7,094**	**(15,732)**	**283,076**
Finance costs and other financial expenses	-	-	-	(13,801)	(13,801)
Financial income	-	-	-	7	7
Profit/(loss) before income tax	**246,008**	**45,706**	**7,094**	**(29,527)**	**269,281**
Income tax benefit/(expense)	-	-	-	(2,616)	(2,616)
Profit/(loss) for the period	**246,008**	**45,706**	**7,094**	**(32,143)**	**266,665**
Attributable to owners of the parent	**99,535**	**8,987**	**7,094**	**105,898**	**221,514**
Attributable to non-controlling interests	146,472	36,720	-	(138,041)	45,151
Other comprehensive income					
Actuarial gains and losses	-	-	-	461	461
Items that will not be reclassified to profit or loss	-	-	-	*461*	*461*
Valuation gains and losses on financial instruments (cash flow hedges)	-	-	-	10,626	10,626
Items that may be reclassified subsequently to profit or loss	-	-	-	*10,626*	*10,626*
Other comprehensive income	**-**	**-**	**-**	**11,087**	**11,087**
Comprehensive income/(expense)	**246,008**	**45,706**	**7,094**	**(21,056)**	**277,752**
Attributable to owners of the parent	**99,535**	**8,987**	**7,094**	**116,985**	**232,601**
Attributable to non-controlling interests	146,472	36,720	-	(138,041)	45,151

(in thousands of euros)	Paris CBD	Other Paris	Western Crescent	Corporate	30 June 2022
Segment assets	6,414,899	1,309,540	96,702	181,131	8,002,273
Unallocated assets	-	-	-	519,890	519,890
Total assets	**6,414,899**	**1,309,540**	**96,702**	**701,021**	**8,522,163**

The segment analysis for first-half 2021 is as follows:

(in thousands of euros)	Paris CBD	Other Paris	Western Crescent	Corporate	First-half 2021
Rental income	**69,852**	**15,159**	**1,065**	**-**	**86,077**
Gross property expenses	(14,295)	(3,626)	(855)	-	(18,776)
Property expenses recovered from tenants	11,741	2,577	263	-	14,581
Property expenses, net of recoveries	(2,554)	(1,049)	(592)	-	(4,194)
Net property rentals	**67,299**	**14,110**	**473**	**-**	**81,882**
Other income	104	194	11	486	795
Depreciation, amortisation and impairment	-	-	-	(616)	(616)
Provision (expense)/reversals, net	(858)	160	-	(726)	(1,424)
Employee benefits expense	-	-	-	(9,821)	(9,821)
Other expenses	-	-	-	(4,197)	(4,197)
Profit on disposal of investment properties	96	-	-	-	96
Fair value adjustments to investment property	61,235	(4,598)	(1,959)	-	54,677
Operating profit/(loss)	**127,875**	**9,866**	**(1,474)**	**(14,874)**	**121,393**
Finance costs and other financial expenses	-	-	-	(14,726)	(14,726)
Financial income	-	-	-	9	9
Fair value adjustments to financial instruments	-	-	-	-	-
Discounting adjustments to receivables and payables	-	-	-	(40)	(40)
Profit/(loss) before income tax	**127,875**	**9,866**	**(1,474)**	**(29,631)**	**106,636**
Income tax expense	-	-	-	(97)	(97)
Profit/(loss) for the period	**127,875**	**9,866**	**(1,474)**	**(29,728)**	**106,539**
Attributable to owners of the parent	**118,976**	**9,866**	**(1,474)**	**(28,613)**	**98,755**
Attributable to non-controlling interests	8,899	-	-	(1,115)	7,784
Other comprehensive income					
Actuarial gains and losses	-	-	-	157	157
Items that will not be reclassified to profit or loss	-	-	-	*157*	*157*
Valuation gains and losses on financial instruments (cash flow hedges)	-	-	-	3,833	3,833
Items that may be reclassified subsequently to profit or loss	-	-	-	*3,833*	*3,833*
Other comprehensive income	**-**	**-**	**-**	**3,990**	**3,990**
Comprehensive income/(expense)	**127,875**	**9,866**	**(1,474)**	**(25,738)**	**110,529**
Attributable to owners of the parent	**118,976**	**9,866**	**(1,474)**	**(24,623)**	**102,745**
Attributable to non-controlling interests	8,899	-	-	(1,115)	7,784

(in thousands of euros)	Paris CBD	Other Paris	Western Crescent	Corporate	30 June 2021
Segment assets	5,968,146	1,204,817	114,450	65,055	7,352,468
Unallocated assets	-	-	-	45,874	45,874
Total assets	**5,968,146**	**1,204,817**	**114,450**	**110,929**	**7,398,342**

Segment assets correspond mainly to the Group's property assets.

No segment analysis of liabilities is presented, as they correspond primarily to unsecured financing for general corporate purposes and unsecured bonds that are not allocated to any specific segment.

The Group's main geographical segments are as follows:

* **Paris Central Business District:** market comprising the Golden Triangle and the Financial District, spanning parts of the 1st, 2nd, 9th, 8th, 16th and 17th *arrondissements* of Paris. The segment extends from Porte Maillot, avenue de Malakoff and Trocadéro in the west to rue Montmartre and rue du Louvre in the east, and from Porte Champerret, avenue de Villiers and Saint-Lazare railway station in the north to rue de Rivoli in the south.

* **Other Paris:** corresponding to the rest of Paris, outside the Central Business District.

* **Western Crescent:** located to the west of Paris on the other side of the Boulevard Périphérique ring-road, comprising notably Neuilly-sur-Seine, Boulogne-Billancourt, Issy-les-Moulineaux and Levallois-Perret.

These geographic segments have been defined by the main Paris-based real estate professionals by combining neighbourhoods with similar economic features.

V - Intangible Assets, Property and Equipment, and Investment Property

V - 1) Intangible assets

Accounting policy

Intangible assets correspond mainly to purchased software and software development costs incurred in connection with the Group's systems upgrades, accounted for in accordance with IAS 38.
Intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.
Intangible assets with a finite useful life are amortised on a straight-line basis over their useful life. Intangible assets with an indefinite useful life are not amortised but are tested for impairment annually (in accordance with IAS 36) or more frequently if there is an indication that they may be impaired.
Software development costs for the main projects are amortised over the software's expected period of use from the date it is put in production. Other software development costs are amortised over the period in which they are capitalised.

(in thousands of euros)	31 Dec. 2021	Increases	Decreases	Reclassifications	30 June 2022
Cost					
Computer software	9,097	-	(1,050)	-	8,047
Other	1,189	245	(786)	-	648
Amortisation and impairment					
Computer software	(7,218)	(255)	1,050	-	(6,423)
Other	(832)	-	786	-	(46)
Carrying amount	**2,237**	**(10)**	**-**	**-**	**2,227**

V - 2) Property and equipment

Accounting policy

Property and equipment consist mainly of furniture, computer equipment and owner-occupied property.
Owner-occupied property is property held by the owner for use in the production or supply of goods or services or for administrative purposes. The only property in this category is the section of the Washington Plaza building used by the Group for administrative purposes.
Property and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses, in accordance with IAS 16. Depreciation is calculated by the straight-line method over the asset's estimated useful life. Each part of an item of property or equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Washington Plaza owner-occupied property:

Shell	105 to 118 years
Roof, windows, doors	8 to 24 years
Fixtures, fittings and installations	5 to 29 years

Other:

Fixtures and installations	2 to 20 years
Fittings and equipment	5 to 10 years
Computer and other equipment	2 to 5 years

The gain or loss arising from derecognition of an item of property or equipment, corresponding to the difference between the net disposal proceeds and the carrying amount of the item, is included in profit when the item is derecognised.

(in thousands of euros)	31 Dec. 2021	Increases	Decreases	Reclassifications	30 June 2022
Cost					
Owner-occupied property	21,238	-	-	-	21,238
Other property and equipment	6,836	96	(1,696)	-	5,236
Depreciation and impairment					
Owner-occupied property	(4,000)	(100)	-	-	(4,100)
Other property and equipment	(4,449)	(1,043)	1,696	-	(3,796)
Carrying amount	**19,625**	**(1,048)**	**-**	**-**	**18,578**

The fair value excluding transfer costs of owner-occupied property – corresponding to the Company's headquarters – was €51,481 thousand at 30 June 2022 and €51,040 thousand at 31 December 2021.

V - 3) Depreciation, amortisation and impairment

(in thousands of euros)	First-half 2022	First-half 2021
Amortisation and impairment of intangible assets	(255)	(227)
Depreciation and impairment of property and equipment	(1,143)	(389)
Total	**(1,398)**	**(616)**

Amortisation and impairment of intangible assets relate to computer software. Depreciation and impairment of property and equipment concern owner-occupied property (corresponding to the Company's headquarters) and other property and equipment.

V - 4) Investment property

Accounting policy

Investment property is property held by the owner or by the lessee under a finance lease to earn rentals or for capital appreciation or both.

Acquisitions of property companies that do not meet the definition of a business combination under IFRS 3 are treated as direct acquisitions of the underlying investment property.

Investment property is initially recognised at cost. SFL has chosen to measure investment property in subsequent periods using the fair value model as provided for in IAS 40 (paragraph 30). Under this model, investment property is measured at fair value and gains or losses arising from changes in fair value are recognised in profit or loss. Investment property is not depreciated.

The fair value of investment property is the amount at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. The fair values of investment property carried in the Group's statement of financial position correspond to the prices obtained from independent valuations performed using the method described below.

Changes in fair value, which are recognised in the income statement under "Fair value adjustments to investment property", are calculated as follows:
Change in fair value = Market value at the period-end – Market value at the prior period-end – Work and other costs capitalised during the period.

The change in fair value is adjusted to exclude the effects of specific lease terms or provisions recognised under other asset captions that are included in the fair value calculation, to avoid these effects being taken into account twice.

Investment property is reclassified as held for sale when their sale is considered as highly probable. It continues to be measured at fair value after reclassification in accordance with IFRS 5.

Valuation method

The Group's entire property portfolio was valued at 30 June 2022 by Cushman & Wakefield and CBRE.
The valuations were performed in accordance with the *Charte de l'Expertise en Evaluation Immobilière* (property valuation charter) included in the February 2000 report of France's securities regulator (COB, renamed AMF), and also complied with the standards issued by The European Group of Valuers' Associations (TEGOVA) as well as with Royal Institution of Chartered Surveyors (RICS) standards.

Independent experts are rotated in compliance with the SIIC code of ethics, which states: "Regardless of the number of independent experts used by the SIIC, the following principles must be upheld:
- Appointments should be based on a selection process evaluating each candidate's independence, qualifications and competency to value property within the asset classes and geographical locations concerned.
- When a firm of valuers is used, the SIIC should ensure that the firm's internal valuation teams are rotated after a period of seven years.
- An independent valuer may serve for no more than two four-year terms for any given client, unless that valuer is a company in which case the above team rotation rule applies."

The Group's portfolio is appraised at half-yearly intervals by a group of two independent firms, each of which is responsible for valuing part of the total portfolio as follows (the percentages below are determined by reference to the total value of the properties, excluding transfer costs):
- Cushman & Wakefield: 56%
- CBRE: 44%
The firms ensure that their internal teams are rotated as required. In addition, certain properties are assigned to different valuers each year to ensure a gradual rotation of assets among them. The valuers' fees are agreed before the appraisal process begins and do not depend in any way on the value of the properties to be appraised. They are determined at a flat rate based exclusively on the number of properties to be valued and the complexity of the appraisal process. Fees paid to the valuers in first-half 2022 other than for half-yearly appraisals amounted to €25 thousand, and mainly related to market research.

The properties are valued primarily by the discounted cash flows method, which consists of discounting projected future cash flows. Assumptions concerning future revenue flows take into account passing rents, estimated market rents for the period beyond the lease expiry date, any rent-free periods and rent step-ups, vacancy risk and projected changes in the construction cost index (ICC), office rent index (ILAT) and retail rent index (ILC). Each property is analysed in detail, according to the type of use and the surface area of each unit, lease by lease.

Based on information provided by the Group, the valuers noted that rents on certain units were above or below market rents for the period on similar properties. These differences were taken into account to value the properties according to their current occupancy, based on the duration of the underlying leases.
Vacant units were valued on the basis of assumed rents, excluding rent for the estimated marketing period, the period needed to complete the renovation work and any rent-free period expected to be granted. Expenditure assumptions cover non-recoverable costs – determined on a lease-by-lease basis – and projected capital expenditure to achieve the asset's highest and best use as defined by IFRS 13. Asset valuations include the estimated cost of future work (based on expenditure budgets for properties in the process of being redeveloped), including any lessor contributions to the cost of work carried out by the tenant.
Net cash flows for the final year of the projection period are capitalised to calculate the terminal value, corresponding to the property's resale price at the end of the period.
The results obtained are then compared to market data and adjusted, if necessary, to obtain a market-consistent value. However, given that these appraisal values are essentially estimates that are sensitive to changes in rental values and discount rates, the proceeds from the sale of certain property assets may be different to their appraisal value, even if the sale takes place within a few months of the period-end.
The appraisal values are quoted both including transfer costs (calculated on the basis of a flat 7.5% rate for all properties subject to registration duty and 1.8% for properties subject to VAT) and excluding transfer costs and acquisition expenses.

Properties in the process of being redeveloped are measured at fair value. Fair value estimates for these properties are determined using the discounted cash flows method and are considered to be reliable.

Fair value measurement of investment property

IFRS 13 – Fair Value Measurement establishes a single definition of fair value and describes all the information concerning fair value to be disclosed in the notes to the financial statements.

Fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The valuation of investment property takes into account this definition of fair value.

In IFRS 13, fair value measurements are categorised into a three-level hierarchy. Level 3 concerns unobservable inputs for the asset or liability. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Due to the nature of the investment property market in France and the characteristics of the Group's investment property, the most meaningful inputs, particularly market rents, investment yields and/or discount rates, represent Level 3 inputs.

(in thousands of euros)	**31 Dec. 2021**	**Acquisitions**	**Increases**	**Gains from remeasurement at fair value**	**Decreases**	**Losses from remeasurement at fair value**	**30 June 2022**
Investment property	7,496,094	485,173	72,730	267,424	(27,014)	(61,991)	8,232,416
Total	**7,496,094**	**485,173**	**72,730**	**267,424**	**(27,014)**	**(61,991)**	**8,232,416**

The amount reported under "Acquisitions" corresponds to the purchase value of the investment property held by SCI Pasteur 123 (see Note VIII - 7).

Reconciliation of the appraisal values of investment property to their fair values in the statement of financial position:

(in thousands of euros)	30 June 2022	31 Dec. 2021
Appraisal value of investment property, excluding transfer costs	8,356,804	7,606,153
Deduction of owner-occupied property (see Note V-2)	(51,481)	(51,040)
Adjustments to reflect specific lease terms and other adjustments	(72,907)	(59,019)
Fair value of investment property in the statement of financial position	**8,232,416**	**7,496,094**

The table below shows the fair value measurement inputs for each asset class:

Geographic area	Value excluding transfer costs 30 June 2022 (in € millions, on a 100% basis)	Inputs	Range of values[1]	Weighted average[1]
Paris Central Business District	6,470	Market rents	€630 - €940	€793
		Exit yield	2.70 - 3.10%	2.92%
		Discount rate	3.50 - 4.25%	3.86%
Other Paris	1,790	Market rent	€548 - €764	€654
		Exit yield	2.75% - 3.90%	3.26%
		Discount rate	4.15 - 5.50%	4.68%
Western Crescent	97	Market rent	€536 - €536	€536
		Exit yield	3.40 - 3.40%	3.40%
		Discount rate	4.50 - 4.50%	4.50%
Total	**8,357**			

[1] *Offices.*

A 25-bps increase in the exit yield combined with a 25-bps increase in the discount rate would have the effect of reducing the portfolio's appraisal value by €699,634 thousand, while a 25-bps decrease in the exit yield combined with a 25-bps decrease in the discount rate would have the effect of increasing the portfolio's appraisal value by €825,796 thousand.

Investment property valuation inputs used at 31 December 2021 were as follows for each asset class:

Geographic area	Value excluding transfer costs 31 December 2021 (in € millions, on a 100% basis)	Inputs	Range of values[1]	Weighted average[1]
Paris Central Business District	6,252	Market rents	€630 - €940	€797
		Exit yield	2.60 - 3.11%	2.95%
		Discount rate	3.55 - 4.10%	3.76%
Other Paris	1,238	Market rent	€548 - €760	€684
		Exit yield	2.75 - 3.25%	2.99%
		Discount rate	3.90 - 5.50%	4.71%
Western Crescent	116	Market rent	€310 - €535	€479
		Exit yield	3.41 - 5.00%	3.80%
		Discount rate	4.35 - 6.10%	4.78%
Total	**7,606**			

[1] *Offices.*

V - 5) Profit on disposal of investment property

During the period, the Group sold the Le Vaisseau investment property. The table below shows the key data relating to the sale of this asset:

(in thousands of euros)	Sale price excl. transfer costs and tax	Carrying amount of the sold properties	Disposal gain	Disposal date
Le Vaisseau	26,872	27,292	(420)	30 May 2022
Total	**26,872**	**27,292**	**(420)**	

The above carrying amount takes into account disposal costs of €278 thousand.

VI - Operating Activities

VI - 1) Net property rentals

Accounting policy

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount can be measured reliably. The specific revenue recognition criteria applied by the Group are as follows:

Rental income

Rental income from investment property is recognised on a straight-line basis over the fixed lease term. The economic benefits are transferred on the effective date stipulated in the contract, or the date the tenant moves into the property if stipulated in the contract. Rental income also comprises income from external management contracts.

Specific lease terms

Current leases include various specific terms concerning rent-free periods, step-up clauses, key money and eviction compensation. In compliance with IFRS 16, the effects of rent-free periods and step-up clauses are recognised over the non-cancellable lease term.

Key money received by the lessor is recognised in rental income over the non-cancellable lease term.

Penalties paid by tenants for terminating their lease in advance of the expiry date are treated as revenue from the terminated lease and are recognised in revenue on the payment date.

Eviction compensation may be paid to secure the departure of a tenant, either to allow renovation work to be performed or so that the property can be re-let at a higher rent. In both cases this has the effect of increasing the asset's value and the compensation is therefore capitalised as part of the cost of the asset.

Property expenses

An analysis of the principal versus agent distinction under IFRS 15 led to the conclusion that the Group acts as principal. Accordingly, gross property expenses are presented separately from property expenses recovered from tenants in the statement of comprehensive income.

The Group's principal business is the rental of office and retail properties which accounts for 98.3% of rental income. Rental income takes into account the deferral over the non-cancellable lease term of rent-free periods and rent step-ups (positive net impact of €10,029 thousand) and of key money (positive impact of €150 thousand). Revenue from external management contracts amounted to €2,941 thousand.

At 30 June 2022, future minimum lease payments receivable over the remaining term of non-cancellable operating leases break down as follows:

(in thousands of euros)	Total	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due beyond 5 years
Rental income	1,379,173	172,168	162,941	144,353	129,907	122,504	647,301

The future minimum lease payments presented above include the impact of rent-free periods, unlike the 31 December 2021 figures, which were determined on the basis of nominal rent. They break down as follows:

(in thousands of euros)	Total	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due beyond 5 years
Rental income(1)	1,174,056	187,707	171,290	143,078	105,756	90,507	475,719

(1) Nominal rent, without taking into account any rent-free periods.

VI - 2) Other income

(in thousands of euros)	First-half 2022	First-half 2021
Own-work capitalised	1,560	482
Other income	1,048	313
Total	2,608	795

The caption "Other income" corresponds mainly to rental repairs and other work billed to tenants.

VI - 3) Trade and other receivables

Accounting policy

Trade receivables are initially recognised at amortised cost, corresponding to the initial invoice amount. Upon origination, the receivables are written down using the simplified expected loss-to-maturity model, in accordance with IFRS 9. The model is based on observed actual historical losses and projections of expected future losses taking into account identified risk factors. A receivables ageing analysis is used to determine historical losses. Expected losses are then determined based on observed historical losses adjusted for a forward-looking component.

In subsequent periods, the collection risk is systematically reviewed on a case-by-case basis, and a loss allowance is recorded if necessary to reflect the incurred risk.

(in thousands of euros)	30 June 2022			31 Dec. 2021
	Total	Due within 1 year	Due in 1 year or more	
Trade receivables	26,424	21,103	5,321	27,517
Provisions	(3,962)	(668)	(3,294)	(5,139)
Trade receivables	**22,462**	**20,435**	**2,027**	**22,378**
Prepayments to suppliers	41	41	-	83
Employee advances	44	44	-	6
Tax receivables (other than income tax)	20,035	20,035	-	21,810
Other operating receivables	1,066	1,066	-	1,280
Other receivables	555	555	-	1,116
Other receivables	**21,741**	**21,741**	-	**24,295**
Total	44,203	42,176	2,027	46,673

Trade receivables include outstanding receivables, and the short-term portion of receivables relating to the recognition of rent-free periods and rent concessions in accordance with IFRS for €12,632 thousand (31 December 2021: €14,307 thousand). Receivables do not bear interest.

Cost of risk can be analysed as follows:

(in thousands of euros)	First-half 2022	First-half 2021
Increases in provisions	(177)	(926)
Reversals of provisions	529	228
Bad debt write-offs, net of recoveries	(2)	(23)
Total	**351**	**(721)**
Rental income	97,971	86,077
Cost of risk as a % of rental income	**-0.36%**	**0.84%**

VI - 4) Other current and non-current assets

(in thousands of euros)	30 June 2022	31 Dec. 2021
Other trade receivables	60,276	44,712
Total other non-current assets	**60,276**	**44,712**
Income tax prepayments	47	47
Current prepayments	3,771	2,715
Total other current assets	**3,818**	**2,762**

Other trade receivables recorded under “Other non-current assets” correspond to the long-term portion of receivables relating to the recognition of rent-free periods and rent concessions in accordance with IFRS.
Current prepayments correspond mainly to office tax payments.

VI - 5) Trade and other payables

(in thousands of euros)	30 June 2022	31 Dec. 2021
Trade payables	9,791	8,547
Amounts due within one year on asset acquisitions	38,994	36,505
Total	**48,785**	**45,052**

Amounts due within one year on asset acquisitions correspond mainly to the amounts payable to building contractors in connection with renovation work on the Louvre Saint-Honoré and Biome buildings.

VI - 6) Other current and non-current liabilities

(in thousands of euros)	30 June 2022	31 Dec. 2021
Deposits	40,074	28,748
Total other non-current liabilities	**40,074**	**28,748**
Deposits	3,782	3,438
Customer prepayments	15,921	31,277
Accrued employee benefits expense	10,664	13,487
Accrued taxes	12,642	4,064
Other liabilities	12,634	3,846
Accruals	4,784	1,952
Total other current liabilities	**60,428**	**58,064**

The caption “Deposits” corresponds mainly to guarantee deposits and bonds received from tenants.
Accrued employee benefits expense includes statutory and discretionary profit-sharing and bonus accruals.
The amounts reported under “Accruals” correspond to deferred revenue.

VI - 7) Other expenses

(in thousands of euros)	First-half 2022	First-half 2021
Fees	(877)	(730)
Taxes other than on income	(1,126)	(1,069)
Other	(2,681)	(2,398)
Total	(4,684)	(4,197)

VII - Financing Activities

VII - 1) Borrowings and other interest-bearing debt

Accounting policy

Loans and borrowings are initially recognised at fair value, corresponding to the consideration paid or received, net of directly attributable transaction costs.

Interest-bearing loans and borrowings must subsequently measured at amortised cost, using the effective interest method. In principle, amortised cost takes into account all debt issuance costs and any difference between the initial amount and the amount at maturity. Finance costs are recalculated based on this amortised cost figure and the related effective interest rate.
For simplicity, the Group amortises debt issuance costs and premiums on a straight-line basis, as the results obtained using this method are almost identical to those obtained using the effective interest rate method.

Borrowing costs directly attributable to the acquisition, construction or production of property assets are capitalised as part of the cost of the asset.

			30 June 2022	31 Dec. 2021	30 June 2022	31 Dec. 2021
(in thousands of euros)	Nominal rate (%)	Expiry date	Short-term portion		Long-term portion	
Bonds						
€500 million bond issue, 2021-2028	0.50%	21 April 2028	582	493	500,000	500,000
€500 million bond issue, 2020-2027	1.50%	5 June 2027	640	4,315	599,000	500,000
€500 million bond issue, 2018-2025	1.50%	29 May 2025	678	4,459	599,000	500,000
€500 million bond issue, 2015-2022	2.25%	16 Nov. 2022	293,652	290,421	-	-
Bank loans						
BECM	0.410%	27 July 2023	139	-	150,000	-
Negotiable European commercial paper (NEU-CP)	Fixed rate (payable in advance)	Within 1 year	500,000	117,000	-	-
Bank overdrafts	Various	-	85	16	-	-
Impact of deferred recognition of debt arranging fees		-	(6,790)	(3,448)	(25,101)	(11,258)
Total			788,987	413,256	1,822,899	1,488,742

The following table analyses borrowings by maturity:

(in thousands of euros)	30 June 2022	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	31 Dec. 2021
Bonds	1,993,553	295,553	1,099,000	599,000	1,799,688
Bank loans	150,139	139	150,000	-	-
NEU CP	500,000	500,000	-	-	117,000
Bank overdrafts	85	85	-	-	16
Deferred debt arranging fees	(31,891)	(6,790)	(22,660)	(2,441)	(14,706)
Total	**2,611,886**	**788,987**	**1,226,340**	**596,559**	**1,901,998**

Debt covenants and acceleration clauses in force at 30 June 2022 concerned the following lines of credit: Société Générale, BECM, BNP Paribas, Cadif, Intesa Sanpaolo, Caixabank and La Banque Postale. They can be broken down as follows:

Applicable ratios	Actual ratios at 30 June 2022	Actual ratios at 31 Dec. 2021	Main acceleration clauses
Loan-to-value (LTV) <= 50%	27.7%	22.0%	Default Termination of operations
Interest cover >= 2x	5.8	4.9	Bankruptcy proceedings
Secured LTV <= 20%	0.0%	0.0%	Breach of financial covenants
Unrestricted property portfolio value >= €2bn	€8.9bn	€8.1bn	Material adverse event

The Group was not in breach of any of its financial covenants at 30 June 2022.

VII - 2) Finance costs and other financial income and expenses

(in thousands of euros)	First-half 2022	First-half 2021
Interest on bank loans, bonds and commercial paper	(13,325)	(16,361)
Interest on external current account advances	-	(37)
Other financial expenses	(2,729)	(1,841)
Capitalised interest expense	2,252	3,513
Finance costs and other financial expenses	**(13,801)**	**(14,726)**
Interest income	7	9
Financial income	**7**	**9**
Finance costs and other financial income and expenses, net	**(13,794)**	**(14,717)**

Capitalised interest expense corresponds to interest capitalised at the rate of 1.11% during the redevelopment of the Louvre Saint-Honoré and Biome buildings.

VII - 3) Financial instruments

Accounting policy

The Group uses derivative instruments such as interest rate swaps and caps to hedge the risk of changes in interest rates. These instruments are measured at fair value at each period-end.

All of the derivative instruments held by the Group are considered as macro-hedges and qualify for hedge accounting. Prospective hedge effectiveness tests performed at the period-end showed that the hedges were 100% effective. All of the Group's hedging positions correspond to cash flow hedges. The portion of the gain or loss on these instruments that is determined as being an effective hedge is recognised directly in equity and the ineffective portion is recognised through profit or loss. When a hedging relationship is discontinued, it no longer qualifies for hedge accounting and any subsequent changes in fair value of the hedging instrument are recognised directly through profit or loss. The cumulative gains and losses on the instrument recorded in equity at that date are reclassified ("recycled") to the income statement over the remaining life of the hedged item.

Standard market valuation methods are used – corresponding to Level 2 inputs in the fair value hierarchy (see Note V-4) – taking into account the risk of non-performance (particularly the Group's own credit risk), in line with IFRS 13.

Fair value of hedging instruments

At 30 June 2022, the Group no longer held any derivative instruments. At 1 January 2022, the portfolio of hedging instruments had a positive fair value of €4,124 thousand (including the cost of credit), breaking down as follows:

(in thousands of euros)	Notional amount	Maturity	30 June 2022	31 Dec. 2021
Société Générale collar -0.11%/-0.60%	100,000	April 2022[1]	-	1,671
CIC collar -0.25%/-0.52%	100,000	June 2022[1]	-	2,453
Total			-	4,124

[1] *Date on which the instrument was unwound.*

The two hedging instruments held by the Group at the beginning of the period were unwound to coincide with a new debt issue (see Note VII - 1), in exchange for a balancing payment. The instruments concerned were:

- A 7-year collar set up with Société Générale (the option writer) on a notional amount of €100,000 thousand, with a -0.11% cap and a -0.60% floor. No premium is payable on this collar, which was set up on 4 September 2019 and restructured in May 2021. It is a cash flow hedge qualifying for hedge accounting.

- A 5-year collar set up with CIC (the option writer) on a notional amount of €100,000 thousand, with a -0.25% cap and a -0.52% floor. No premium is payable on this collar, which will come into effect on 16 November 2022. It is a cash flow hedge qualifying for hedge accounting.

As the hedges were 100% effective, the cumulative gains on these instruments recorded in the cash flow hedging reserve in equity are being reclassified to the profit and loss account to match the interest on the debt.

The table below shows the change in gains and losses accumulated in equity on hedging instruments that qualify for cash flow hedge accounting. The change amounts to €10,626 thousand (first-half 2021: €3,833 thousand).

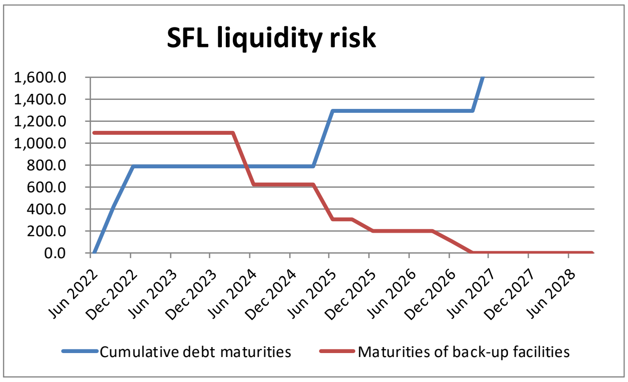
(in thousands of euros)	Date on which the instrument was unwound	Gains/losses accumulated in equity 31 Dec. 2021	Instrument balance during the period	Balancing payment received during the period	Gains/losses reclassified to profit for the period	Gains/losses accumulated in equity 30 June 2022
CA-CIB Nov.2021 swap at -0.3475%	Oct. 2021	975	-	-	(77)	898
CIC Nov.2021 swap at -0.4525%	Oct. 2021	1,482	-	-	(117)	1,365
CIC collar -0.25% cap/-0.52% floor	April 2022	1,671	(1,671)	8,645	(240)	8,405
SG collar -0.11% cap/-0.60% floor	June 2022	2,453	(2,453)	6,650	(111)	6,539
Total		6,581	(4,124)	15,295	(545)	17,207

VII - 4) Financial risk management objectives and policy

The Group prudently manages its various financial risks.

1 - Liquidity risk

Liquidity risk is covered by confirmed undrawn lines of credit. At 30 June 2022, SFL had access to confirmed undrawn lines of credit in the amount of €1,090 million, compared with €1,140 million at 31 December 2021. As shown in the graph below, the liquidity represented by these back-up facilities is sufficient to cover the Group's repayment obligations under its lines of credit up until June 2024.



In addition to its undrawn lines of credit, SFL has diversified sources of financing (comprising bilateral lines of credit, bonds, NEU CP commercial paper programme, etc.) and a portfolio of high quality assets, all of which reduce its exposure to liquidity risk.

The acceleration clauses contained in the facility agreements are presented in Note VII-1.

2 - Counterparty risk

All financial instrument contracts are entered into with leading financial institutions. The contracts concern either interest rate hedges or the short-term investment of available cash in money market funds. It should be emphasised that these same banks finance a portion of the Group's debt. The rental deposits obtained from tenants offer protection against the risk of rent default. The Group considers that its exposure to counterparty risk on operations is not material.

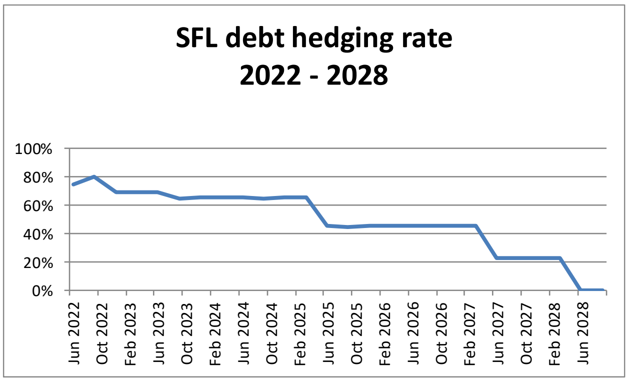
3 - Market risk

The Group did not have any exposure to currency risk at 30 June 2022. Interest rate risks are prudently and actively managed using an information system that tracks changes in the financial markets and calculates the fair value of hedging instruments in real time, thereby allowing the Group to efficiently quantify and analyse the risks associated with interest rate fluctuations.

a/ Objectives and strategy

Standard interest rate derivatives and fixed rate borrowings are used with the dual objective of reducing the sensitivity of borrowing costs to rising interest rates and minimising the cost of the derivatives. Steeper or flatter yield curves, market volatility, intrinsic interest rate levels and expected interest rate trends influence the choice of hedging instruments.

At 30 June 2022, 75% of debt was at fixed rates of interest (including variable rate debt swapped for fixed rate).



b/ Risk assessment

The average spot cost of debt stood at 0.96% at 30 June 2022, versus 1.23% at 31 December 2021.

A 50-basis point rise in interest rates across the yield curve would have had the effect of increasing the average cost of debt to 1.08%, driving up finance costs by €1,625 thousand or 11.8%. A 50-basis point decline in interest rates across the yield curve would have had the effect of decreasing the average cost of debt to 0.84%, reducing finance costs by €1,625 thousand or 11.8%.

c/ Interest rate risk

The following table provides an analysis by maturity of the notional amount of financial instruments exposed to interest rate risk at 30 June 2022.

(in thousands of euros)	Due within 1 year	Due in 1-2 years	Due in 2-3 years	Due in 3-4 years	Due in 4-5 years	Due beyond 5 years	Total
Negotiable European commercial paper (NEU-CP)	500,000	-	-	-	-	-	**500,000**
BECM bank loans	-	150,000	-	-	-	-	**150,000**
Total floating rate debt	**500,000**	**150,000**	-	-	-	-	**650,000**

The other financial instruments used by the Group are not listed in the table above because they do not bear interest or are not exposed to any interest rate risk.

Fair value of bonds

The fair value of the Group's outstanding bond issues at 30 June 2022 was €1,799,234 thousand, as follows:

(in thousands of euros)	Notional amount	Maturity	30 June 2022	31 Dec. 2021
November 2015 bonds	289,600	Nov. 2022	290,428	294,219
May 2018 bonds	500,000	May 2025	477,035	521,590
June 2020 bonds	599,000	June 2027	544,473	526,975
October 2021 bonds	599,000	April 2028	487,298	494,070
Total	**1,987,600**		**1,799,234**	**1,836,854**

VII - 5) Financial assets

Accounting policy

Non-current financial assets comprise deposits paid to third parties and derivative instruments.

They are initially recognised at fair value, generally corresponding to their purchase price plus transaction costs.
The accounting treatment of derivative instruments is presented in Note VII-3.

(in thousands of euros)	30 June 2022	31 Dec. 2021
Deposits	244	222
Interest rate hedges	-	4,124
Total	**244**	**4,346**

Cash flow hedges with a positive fair value of €4,124 thousand at 31 December 2021 were unwound during the period (see Note VII-3).

VII - 6) Cash and cash equivalents

Accounting policy

Cash and cash equivalents carried in the statement of financial position include cash at bank and on hand and short-term deposits with original maturities of less than three months. They are short-term, highly liquid investments that are readily convertible into a known amount of cash and that are subject to an insignificant risk of changes in value.
Bank overdrafts represent a source of financing for the Group and they are therefore included in cash flows from financing activities in the statement of cash flows.

(in thousands of euros)	30 June 2022	31 Dec. 2021
Cash at bank and in hand	160,401	114,881
Total	**160,401**	**114,881**

VIII - Equity and Earnings Per Share

VIII - 1) Equity

Equity is analysed in the consolidated statement of changes in equity included in the financial statements.
The Company's share capital at 30 June 2022 amounted to €85,729 thousand, represented by 42,864,715 ordinary shares with a par value of €2. At the beginning of the previous period, the share capital stood at €93,058 thousand, represented by 46,528,974 shares with a par value of €2, and a total of 3,664,259 SFL shares were cancelled during the previous period.

VIII - 2) Treasury shares

Accounting policy

Acquisitions, disposals and cancellations of treasury shares are recorded as a deduction from equity.

	31 Dec. 2021	Increases	Decreases	30 June 2022
Number of treasury shares	114,163	5,650	(70,317)	49,496
Average purchase/sale price, in euros	€79.19	€85.54	€74.69	€86.30
Total (in thousands of euros)	**9,040**	**483**	**(5,252)**	**4,271**

VIII - 3) Dividends

(in thousands of euros)	First-half 2022		First-half 2021	
	Total payout	Per share	Total payout	Per share
Dividends paid out during the period	179,828	€4.20	97,476	€2.10
Total	**179,828**	**€4.20**	**97,476**	**€2.10**

Dividends paid during the period to non-controlling interests amounted to €37,931 thousand.

VIII - 4) Earnings per share

Earnings per share are calculated by dividing profit attributable to ordinary owners of the parent by the weighted average number of shares outstanding during the period, i.e., the number of ordinary shares outstanding at the beginning of the period, net of treasury shares, adjusted for the time-weighted number of ordinary shares cancelled or issued during the period.

Diluted earnings per share are calculated by dividing profit attributable to ordinary owners of the parent by the weighted average number of ordinary shares outstanding during the period, net of treasury shares and adjusted for the dilutive effect of outstanding performance shares awarded to employees and corporate officers.

(in thousands of euros)	First-half 2022	First-half 2021
Profit used to calculate basic earnings per share	221,514	98,755
Average number of ordinary shares	42,864,715	46,528,974
Average number of treasury shares	(80,972)	(154,903)
Average number of ordinary shares excluding treasury shares	**42,783,743**	**46,374,072**
Basic earnings per share	**€5.18**	**€2.13**
Profit used to calculate basic earnings per share	221,514	98,755
Average number of ordinary shares	42,864,715	46,528,974
Average number of treasury shares	(80,972)	(154,903)
Average potential ordinary shares corresponding to dilutive instruments	72,454	64,942
Diluted weighted average number of ordinary shares excluding treasury shares	**42,856,197**	**46,439,013**
Diluted earnings per share	**€5.17**	**€2.13**

There were no other transactions on ordinary shares or potential ordinary shares between the period-end and the date when these financial statements were drawn up.

VIII - 5) Changes in ownership interests

There were no changes in ownership interests during the period.

In the second half of 2021, the Group entered into an asset swap with its minority shareholder Prédica, whereby SFL acquired Prédica's interests in SCI Washington (34%) and SAS Parholding (50%), and sold its 49% minority interests in SCI Paul Cézanne, SCI 103 Grenelle, SAS 92 Champs-Elysées and SAS Cloud.

VIII - 6) Non-controlling interests in profit

Non-controlling interests in profit for the period break down as follows:

(in thousands of euros)	SCI Washington	Parholding Group	SCI Paul Cézanne	SCI 103 Grenelle	SAS 92 Champs-Elysées	SAS Cloud	Total First-half 2022
Rental income	-	-	3,018	2,386	2,758	4,661	12,823
Fair value adjustments to investment property	-	-	9,843	8,375	(5,916)	20,687	32,989
Finance costs and other financial income and expense	-	-	(11)	(15)	(16)	(33)	(74)
Other	-	-	34	(96)	(136)	(388)	(587)
Total	**-**	**-**	**12,884**	**10,650**	**(3,309)**	**24,927**	**45,151**

The first-half 2021 breakdown was follows:

(in thousands of euros)	SCI Washington	Parholding Group	SCI Paul Cézanne	SCI 103 Grenelle	SAS 92 Champs Elysées	SAS Cloud	Total First-half 2021
Rental income	3,479	7,020	-	-	-	-	10,499
Fair value adjustments to investment property	5,004	(6,108)	-	-	-	-	(1,105)
Finance costs and other financial income and expense	(15)	(1,007)	-	-	-	-	(1,023)
Other	(142)	(445)	-	-	-	-	(588)
Total	**8,325**	**(541)**	**-**	**-**	**-**	**-**	**7,784**

VIII - 7) First-time consolidation

Accounting policy

When acquiring an entity, the Group determines whether the entity should be analysed as a 'business' within the meaning of IFRS 3. If substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets, the entity is not a business. The transaction does not therefore meet the definition of a business combination and acquisition accounting is not applicable.

In this case, the acquisition cost of the asset or group of assets is allocated to the identifiable assets and liabilities acquired (no goodwill is recognised). There are two possible methods for this allocation. The one chosen by the Group consists of two steps:

1- Assets and liabilities that are not measured at cost are measured in accordance with the applicable IFRSs.

2- The residual unallocated acquisition cost is then allocated to the assets and liabilities measured at cost in proportion to their respective fair values.

In some cases (e.g. for investment property in accordance with IAS 40), transaction costs may be included in the initial measurement of the acquired asset or group of assets.

On 25 April 2022, SFL acquired all of SCI Pasteur 123's equity from Primonial REIM for €283 million. The analysis conducted by the Group concluded that the transaction was an acquisition of an asset, as the investment property held on the balance sheet of the acquired company represented approximately 95% of the company's acquisition-date gross asset value.

The allocation of the acquisition cost to the identifiable assets acquired and liabilities assumed is presented below.

(in thousands of euros)	Amount
Acquisition cost	
Price of the shares	282,579
Transaction costs	14,909
Total acquisition cost of the acquired entity	**297,488**
Acquired identifiable assets not measured at cost	
Financial assets	17
Other assets	11,218
Value of acquired assets measured according to the applicable standards	**11,235**
Assumed identifiable liabilities not measured at cost	
Borrowings and other interest-bearing debt	185,275
Short-term provisions	2,293
Other liabilities	11,353
Value of assumed identifiable liabilities measured according to the applicable standards	**198,921**
Residual unallocated acquisition cost	**485,173**
Identifiable assets measured at cost	
Investment property	485,173
Value of acquired identifiable assets measured at cost	**485,173**

Other assets correspond mainly to trade receivables and cash acquired during the transaction.

Short-term borrowings and other interest-bearing debt correspond to debt carried in the balance sheet of SCI Pasteur 123 prior to the acquisition that was settled immediately post-acquisition using a current account advance granted by the Group to the company. This amount therefore represents an intra-group debt (eliminated in consolidation) in the accounts at 30 June 2022.

Other liabilities correspond mainly to deposits and bonds received.

IX - Provisions

IX - 1) Short and long-term provisions

Accounting policy

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are recorded in the financial statements if, and only if, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.
Provisions for contingencies and charges are determined using Management estimates and assumptions based on information and circumstances existing at the time of preparation of the financial statements, and therefore require the use of judgement.
When the Group expects reimbursement of some or all of the expenditure required to settle a provision, the reimbursement is recognised as a separate asset when, and only when, it is almost certain that it will be received.
In the income statement, the provision expense is presented net of the amount recognised for the reimbursement.

(in thousands of euros)	31 Dec. 2021	Acquisitions	Increases	Decreases	*o/w utilisations*	Actuarial gains and losses	Reclassifications	30 June 2022
Provisions for employee benefits	1,844	-	564	-	-	(461)	(684)	1,263
Long-term provisions	**1,844**	**-**	**564**	**-**	**-**	**(461)**	**(684)**	**1,263**
Provisions for refurbishment work and tenant claims	-	2,293	-	(321)	(321)	-	-	1,972
Provisions for employee benefits	960	-	-	(960)	*(960)*	-	684	684
Short-term provisions	**960**	**2,293**	**-**	**(1,281)**	***(1,281)***	**-**	**684**	**2,656**
Total	**2,804**	**2,293**	**564**	**(1,281)**	***(1,281)***	**(461)**	**-**	**3,919**

The provision for refurbishment work concerns repairs to the SCI Pasteur 123 building following an insured event.

Provisions for employee benefits include provisions for length-of-service awards payable to employees on retirement and jubilees for €945 thousand. See Note X-2 for more details.

Short- and long-term provisions covering benefits payable to members of senior management amounted to €15.3 thousand at 30 June 2022 and €72.7 thousand at 31 December 2021.

IX - 2) Net change in provisions and impairment

(in thousands of euros)	First-half 2022	First-half 2021
Charges to provisions for impairment of current assets	(177)	(926)
Charges to provisions for operating contingencies and charges	(504)	(631)
Charges to provisions for other contingencies and charges	(60)	(95)
Total charges	**(741)**	**(1,653)**
Reversals of provisions for impairment of current assets	529	228
Total reversals	**529**	**228**
Total	**(211)**	**(1,424)**

X - Remuneration and Other Employee Benefits

X - 1) Employee benefits expense

Employee benefits expense breaks down as follows:

(in thousands of euros)	First-half 2022	First-half 2021
Wages and salaries	(5,638)	(3,515)
Payroll taxes	(2,276)	(1,985)
Other employee benefits	(2,057)	(1,922)
Statutory and discretionary profit-sharing	(694)	(2,400)
Total	**(10,665)**	**(9,821)**

The Group had 69 administrative staff (including two corporate officers) and two building staff at 30 June 2022, versus 70 at 30 June 2021, compared with 70 administrative staff and two building staff at 30 June 2021.

X - 2) Length-of-service awards payable to employees on retirement

Accounting policy

IAS 19R requires companies to recognise all of their employee benefit liabilities in the statement of financial position. Employee benefit plan costs are recognised over the vesting period. The main employee benefit plans concern length-of-service awards payable to employees on retirement.

Measurement method

Long-term employee benefits are recognised in the period in which the qualifying service is rendered by the employee. They are discounted at a rate defined in IAS 19. Short-term employee benefits are recognised in current liabilities and in expenses for the period. They are calculated at six-monthly intervals based on actuarial assumptions. Actuarial gains and losses are included in "Other comprehensive income". The benefit cost is determined based on employee service rendered up to the measurement date, assuming employees retire at their own initiative.

Long-term employee benefits are allocated to the periods of service in which the obligation arises, in accordance with the 2021 IFRIC decision on this subject.

(in thousands of euros)	First-half 2022	First-half 2021
Projected benefit obligation at beginning of period	**1,346**	**1,215**
Benefits paid during the period	-	(20)
Service cost	51	92
Interest cost	9	3
Actuarial gains and losses	(461)	(157)
Projected benefit obligation at end of period	**945**	**1,133**

The projected benefit obligation is calculated at six-monthly intervals based on actuarial assumptions, including, at 30 June 2022, a discount rate of 3.37% (31 December 2021: 0.78%) and a 2.50% rate of future salary increases (unchanged from 31 December 2021). Actuarial gains and losses are recognised in equity.

A 25-bps reduction in the discount rate at 30 June 2022 would lead to a €18.1 thousand increase in the projected benefit obligation at that date.

The Group's employee benefit plans are as follows:

- Length-of-service awards payable to employees on retirement: benefits payable under this plan are specified in a corporate agreement signed with employee representatives.
- Post-employment medical care: this plan concerns a closed group of retired SFL employees. Benefits consist of the payment by SFL of two-thirds of the contributions due to the insurance company responsible for reimbursing medical costs.
- Jubilees: the agreements in force within the Group provide for the payment of one month's salary to administrative staff who complete 20, 30, 35 and 40 years of service with the SFL Group, and one month's salary to building staff who complete 25 years of service.

Employees are not covered by any defined benefit pension plan and are not entitled to any other post-employment benefits. As the Group does not have any defined benefit obligations, no sensitivity analyses are presented.

X - 3) Share-based payments

Accounting policy

IFRS 2 requires all share-based payment transactions to be recognised in the income statement.

Measurement method

The total cost of each performance share plan is calculated at the grant date by multiplying the number of performance share rights that are expected to vest by the fair value per share.

The fair value of the performance shares is determined using the Capital Asset Pricing Model (CAPM), based on the share price on the grant date, adjusted for the discounted present value of future dividends payable during the vesting period. The number of shares expected to vest corresponds to the target number of allocated shares multiplied by the estimated vesting rate, taking into account each plan's specific vesting conditions.

The total cost calculated as explained above is recognised on a straight-line basis over the vesting period. The estimated vesting rate and the resulting estimated total cost are adjusted at each period-end to take account of the latest estimate of the number of shares expected to vest.

Details of performance share plans at 30 June 2022

	Plan no. 5	Plan no. 5	Plan no. 6
Date of shareholder authorisation	20 April 2018	20 April 2018	19 November 2021
Grant date (date of Board meeting)	6 Feb. 2020	11 Feb. 2021	18 Feb. 2022
Initial target number of shares	34,476	33,460	30,624
Initial expected vesting rate	100.00%	100.00%	100.00%
Initial number of shares expected to vest	34,476	33,460	30,624
Fair value per share	€65.38	€54.59	€73.37
Rights cancelled/forfeited	(596)	(468)	(128)
Expected vesting rate at end of period	150.00%	100.00%	100.00%
Number of shares expected to vest at end of period	**50,820**	**32,992**	**30,496**

Main features of the plans

The plans' main features are as follows:

- The shares will vest only if the grantee is still employed by the Group on the vesting date.
- Performance target: the number of shares that vest depends on SFL's ranking among a group of six listed property companies based on growth in consolidated ANAV per share.
- The performance shares will vest 15 business days after the publication, by the last of the Reference Companies to do so, of a press release announcing its results for the third financial year after the grant date.
- Lock-up period: the performance shares may not be sold or otherwise transferred before the end of a period of two years as from the vesting date.

Accounting treatment

The expected vesting rate is adjusted to reflect SFL's most probable ranking at the end of the vesting period. At 30 June 2022, the rates applied were 150% for the 2019 plan (probable ranking: no. 2) and 100% for the 2021 and 2022 plans (probable ranking: no. 3).

During first-half 2022, a total of 64,992 performance shares vested under 2019 Plan no. 5.

The cost of performance share plans recognised in the period amounted to €1,998 thousand (excluding specific employer contributions).

X - 4) Related party information

The remuneration paid to the members of the Board of Directors and corporate officers breaks down as follows:

(in thousands of euros)	First-half 2022	First-half 2021
Short-term benefits, excluding payroll taxes(1)	4,148	2,538
Payroll taxes on short-term benefits	2,396	1,591
Share-based payments(2)	981	1,032
Directors' fees	234	342
Total	**7,760**	**5,503**

(1) Gross salary and other remuneration, bonuses, statutory and discretionary profit-sharing, matching Company payments and termination benefits paid during the period.

(2) Cost recognised in the income statement for stock options and employee rights issues.

XI - Income Taxes

XI - 1) Income tax expense

Accounting policy

The results of businesses subject to income tax are taxed at the standard rate. The Group entities that have elected to be taxed as an SIIC are not liable for income tax and the number of companies for which current and deferred taxes are recognised is therefore limited.

Current income tax expense for first-half 2022 amounted to €2,172 thousand (first-half 2021: €1,972 thousand) and mainly concerned the Parholding tax group.

XI - 2) Deferred taxes

Accounting policy

For businesses subject to income tax, deferred tax assets and liabilities are recognised by the liability method for all temporary differences between the book value of assets and liabilities and their tax basis.

The election for taxation as an SIIC led to the elimination of the tax bases of the SIICs' assets used to calculate deferred taxes. The only remaining deferred tax assets and liabilities concern companies in the Parholding sub-group that are not eligible for taxation as SIICs.

Deferred tax assets and liabilities are calculated for all temporary differences using the tax rate that is expected to apply to the period when the asset is realised or the liability is settled, i.e., 25% following enactment of France's 2018 Finance Act providing for a gradual reduction in the corporate income tax rate from 33.33% to 25%. If the criteria for applying either of the above rates are not fulfilled, the tax rate at the period-end is used, i.e., 26.5%.

(in thousands of euros)	31 Dec. 2021	Reclassifications	Equity	Income statement	30 June 2022
Fair value adjustments to investment property	(175,078)	-	-	711	(174,367)
Adjustment of depreciation and amortisation	(30,502)	-	-	(726)	(31,227)
Adjustment of rental income	(3,339)	-	-	(482)	(3,821)
Capitalisation of interest expense and transaction costs	(521)	-	-	-	(521)
Other	(1,225)	-	-	52	(1,174)
Net	**(210,666)**	**-**	**-**	**(444)**	**(211,110)**
Of which deferred tax assets	-	-	-	-	-
Of which deferred tax liabilities	(210,666)	-	-	(444)	(211,110)

Income tax expense for first-half 2022 amounted to €2,616 thousand. The difference between theoretical tax and actual tax is mainly due to the exemption linked to the SIIC regime.

XII - Off-Balance Sheet Commitments

XII - 1) Operations-related commitments

Guarantees

(in thousands of euros)	Total	Within 1 year	In 1 to 5 years	Beyond 5 years
Commitments given				
Property guarantees	110	110	-	-
Commitments received				
Guarantees received from tenants (including first demand guarantees)	114,906	15,626	78,329	20,951
Guarantees received from suppliers	48,894	48,894	-	-
Total commitments received	**163,800**	**64,520**	**78,329**	**20,951**

Contractual redevelopment and renovation obligations

At 30 June 2022, the Group's contractual commitments relating to investment properties undergoing renovation totalled €52,315 thousand (€98,356 thousand at 31 December 2021), of which €30,528 thousand concerned the Louvre Saint-Honoré property.

XII - 2) Off-balance sheet financing commitments

At 30 June 2022, off-balance sheet financing commitments only concerned unused confirmed credit lines. They can be broken down as follows:

(in thousands of euros)	Total	Within 1 year	In 1 to 5 years	Beyond 5 years
Cadif	175,000	-	175,000	-
Société Générale	100,000	-	100,000	-
BNP Paribas 2019	390,000	-	390,000	-
Banque Postale	75,000	-	75,000	-
Intesa Sanpaolo	100,000	-	100,000	-
BNP Paribas 2020	150,000	-	150,000	-
Caixabank	100,000	-	100,000	-
Total	**1,090,000**	**-**	**1,090,000**	**-**

XII - 3) Employee-related off-balance sheet commitments

One officer of the Company who is not an employee is entitled to compensation for loss of office in the event that he or she is dismissed from his or her position for reasons other than gross or wilful misconduct.

At 30 June 2022, total commitments for the payment of compensation amounted to €1,379 thousand (€2,710 thousand at 31 December 2021).

The terms and conditions related to this compensation were approved by SFL's Board of Directors on 15 June 2022. No related provisions have been recorded in the financial statements.

XIII - Note to the Statement of Cash Flows

XIII - 1) Acquisitions of and improvements to investment properties and cash and cash equivalents

(in thousands of euros)	First-half 2022	First-half 2021
Acquisitions of and improvements to investment property		
Acquisitions	(474,895)	-
Work	(64,723)	(65,038)
Total	**(539,618)**	**(65,038)**
Cash and cash equivalents at end of period		
Cash at bank and in hand	160,401	38,896
Total	**160,401**	**38,896**

XIII - 2) Changes in net cash provided by (used by) financing activities

(in thousands of euros)	31 Dec. 2021	Cash flows			Non-cash changes			30 June 2022
		Proceeds from new borrowings	Repayments of borrowings	Interest paid[1]	Deferred recognition of debt arranging fees	Fair value adjustments	Other	
Borrowings (excluding accrued interest)	1,774,894	408,500	(80,000)	-	2,314	-	-	2,105,709
Accrued interest on borrowings	10,088	-	-	(3,997)	-	-	-	6,092
Money market securities	117,000	858,000	(475,000)	-	-	-	-	500,000
Bank overdrafts (including interest)	16	-	-	69	-	-	-	85
Total	**1,901,998**	**1,266,500**	**(555,000)**	**(3,928)**	**2,314**	**-**	**-**	**2,611,886**

[1] *This amount represents the impact of the change in accrued interest in calculating paid interest and not the actual interest payments.*

XIV - Scope of Consolidation

The table below summarises the main information concerning the scope of consolidation at 30 June 2022:

Consolidated companies	Registration no.	Percentage (%)	
		Interest	Voting rights
Parent company			
SA Société Foncière Lyonnaise	552 040 982	-	-
Fully consolidated companies			
SA SEGPIM	326 226 032	100	100
SAS Locaparis	342 234 788	100	100
SAS Maud	444 310 247	100	100
SAS Parholding	404 961 351	100	100
SC Parchamps	410 233 498	100	100
SC Pargal	428 113 989	100	100
SC Parhaus	405 052 168	100	100
SAS SB2	444 318 398	100	100
SAS SB3	444 318 547	100	100
SCI SB3	444 425 250	100	100
SCI 103 Grenelle	440 960 276	51	51
SCI Paul Cézanne	438 339 327	51	51
SCI Washington	432 513 299	100	100
SNC Condorcet Holding	808 013 890	100	100
SNC Condorcet Propco	537 505 414	100	100
SAS Cloud	899 379 390	51	51
SAS 92 Champs-Elysées	899 324 255	51	51
SCI Pasteur 123	789 738 556	100	100

SCI Pasteur 123 has been included in the scope of consolidation with effect from 25 April 2022. It is 100%-owned by the Group.

Four companies are 51%-owned by SFL. A shareholders' pact gives SFL *de facto* control over these companies (through its ability to control the decisions that have the greatest impact on the yield generated by these investments). The four companies are therefore considered as being controlled exclusively by SFL.

As a result of the control exercised by the Group over all of its investments, all of the companies are fully consolidated.

Société Foncière Lyonnaise is a fully consolidated subsidiary of Spanish company Inmobiliaria Colonial SOCIMI, SA, which owned 98.3% of the capital at 30 June 2022. The Group and all of its subsidiaries have their registered office in the 8th *arrondissement* of Paris.

4. STATUTORY AUDITORS' REVIEW REPORT

Société Foncière Lyonnaise

Société Anonyme
42, rue Washington
75008 Paris
France

Statutory Auditors' review report on the 2022 interim financial information
Six months ended 30 June 2022

PricewaterhouseCoopers Audit 63, rue de Villiers 92200 Neuilly-sur-Seine S.A.S au capital de 2 510 460 € 672 006 483 RCS Nanterre Commissaire aux Comptes Membre de la compagnie régionale de Versailles et du Centre	Deloitte & Associés 6, place de la Pyramide 92908 Paris-La-Défense S.A.S au capital de 2 188 160 € 572 028 041 R.C.S. Nanterre Commissaire aux Comptes Membre de la compagnie régionale de Versailles et du Centre

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying interim consolidated financial statements of Société Foncière Lyonnaise for the six months ended 30 June 2022;
- the verification of the information contained in the interim management report.

These interim consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I – Conclusion on the financial statements

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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not give a true and fair view of the assets and liabilities and of the financial position of the Group as at 30 June 2022, and of the results of its operations for the six-month period then ended, in accordance with IFRSs as adopted by the European Union.

II – Specific verification

We have also verified the information given in the interim management report on the interim consolidated financial statements subject to our review.

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

Neuilly-sur-Seine and Paris-La Défense, 25 July 2022

The Statutory Auditors

PricewaterhouseCoopers Audit

Laurent Daniel

Deloitte & Associés

Sylvain Durafour

5. STATEMENT BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

I hereby declare that, to the best of my knowledge, the consolidated financial statements for the six months ended 30 June 2022 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company and the entities included in the scope of consolidation, and the interim management report on page 3 presents fairly the changes in business, results and financial position of the Company and the entities included in the scope of consolidation, as well as a description of their principal risks and contingencies for the remaining six months of the year.

Paris, 25 July 2022

Dimitri Boulte

Chief Executive Officer

SOCIETE FONCIERE LYONNAISE

SFL
42 rue Washington - 75008 Paris, France - T +33 (0)1 42 97 27 00 - www.fonciere-lyonnaise.com
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