

**2019 FULL-YEAR RESULTS**  
**Acceleration in internationalization and institutionalization of PAREF Group**

**Solid financial indicators showing strong growth**

- Net result of €13.5 Mn vs. €11.8 Mn in 2018 (+14%)
- Net commissions of €14 Mn vs. €13 Mn in 2018 (+7%)
- EPRA Triple net NAV at €108.0 per share (+9%)
- Loan to value<sup>1</sup> at 28% following the acquisition of floors in Franklin Tower

**Asset under management reaching €2.2 Bn (+37%)**

- €1,987 Mn managed on behalf of third parties mainly through SCPI<sup>2</sup> and OCPI<sup>3</sup>, thanks to a gross subscription amounting to €267 Mn in 2019 vs. €236 Mn in 2018 (+13%)
- €197 Mn of owned assets (+42%)

**Proposed distribution of €4.00 per share for the fiscal year 2019 to be paid in cash or in shares, for approval by the Annual General Meeting to be held on April 28, 2020.**

The management board of PAREF, during the board meeting held on February 19, 2020, approved the closing of the annual statutory and consolidated accounts as at December 31, 2019. The review of results by auditors is in progress.

“PAREF Group took major steps forward in 2019 with the perspective of innovation and internationalization. Now present in two new countries (Italy and Switzerland), the Group has also launched two new SCPI to invest abroad and is now managing a major project in Milan on behalf of an institutional investor. In addition, following the refinancing of the Group finalized early 2019 and the disposals completed, PAREF succeeded in redeploying its capital with the acquisition of floors in Franklin Tower (La Défense, Paris).

Building on these successes and a reinforced and committed team, PAREF Group shows once again a strong growth in its financial results and has been equipped with necessary elements to accelerate its development.”

Antoine Onfray - Deputy CEO

“Our “Invest To Manage” strategy represents an exciting new growth stage in PAREF’s journey and we begin to witness the fruits of the huge efforts over the last year. With the energy of the new management team, PAREF was an active and expanding group in 2019, strengthening its market position in France and Germany and opening new businesses in Italy, which are great examples of our strategy. I think it’s fair to say PAREF is now an established and successful Group that underpins the future growth of our wider platform. We are fast in building a reputation as a manager for potential capital partners who consider European real estate exposure an attractive investment proposition. I would like to thank all of PAREF’s employees who have worked intensively and to my fellow Directors for their support and counsel during the year.”

Antoine Castro - CEO

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<sup>1</sup> Loan-to-value (LTV): consolidated net debt divided by the consolidated asset value excluding transfer taxes (LTV at 30% including the shares in Wep Watford)

<sup>2</sup> *Sociétés Civiles de Placements Immobiliers*

<sup>3</sup> *Organisme de Placement Collectif Immobilier*

## I - Real-estate activity (PAREF SA)

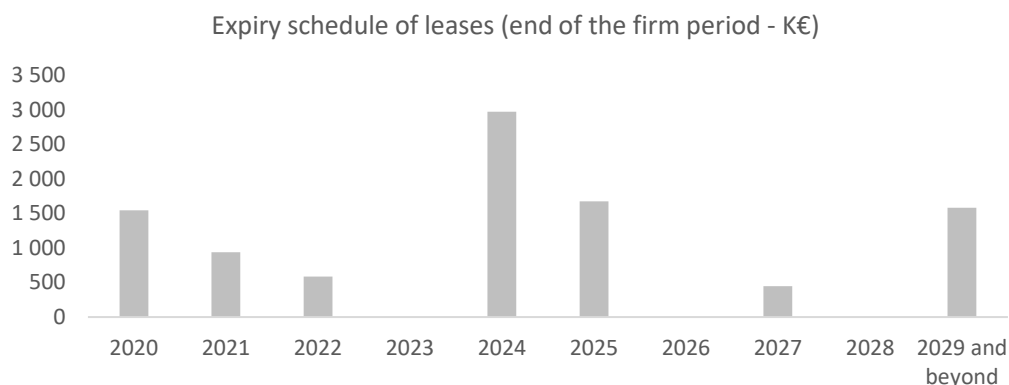
During 2019, PAREF has continued its strategy to rotate its portfolio in order to reposition it on larger assets mainly located in Grand Paris region.

The group has:

- Disposed 5 assets, including Bondy, Cauffry, Dammartin-En-Goële, Elancourt and Emerainville, for a total net disposal price of €19.4 Mn, representing a 19% premium over last appraisal;
- Signed 4 promises of sale on Thyez, Meythet, Saint-Etienne and Trappes. Closings are expected to take place in the course of the first semester 2020;
- Launched the redevelopment project “The Go” for the office asset located in Levallois-Perret (Grand Paris), of which the building permit was obtained in June 2019. Construction works are on-going and this asset will develop more than 6,000 sqm and offer a best-in-class positioning both in terms of user experience and environmental standards. The Group intends to obtain BREEAM and HQE certifications. The delivery is expected in Q3-2021;
- Deployed its capital following the refinancing of the Group with the acquisition of 6 floors in the upper part of Franklin Tower. Representing a total surface of ca. 12,360 sqm, these floors are rented to prime tenants and benefit from high visibility and excellent accessibility to transport.

Thanks to a dynamic leasing activity and portfolio rotation:

- The financial occupancy rate of owned assets increased to 86.2% vs. 82.8% as at December 31, 2018<sup>4</sup>. The residual vacancy is limited mainly to Gaïa office and a half floor in Franklin Tower;
- The weighted average lease term on owned asset portfolio stands at 4.8 years at the end of 2019, stable vs. 2018. The expiry schedule stands as follows as at December 31, 2019:



PAREF Group portfolio valuation<sup>5</sup> stands at €197 Mn as of December 31, 2019, increased by 42% compared to December 31, 2018, of which €185 Mn of real-estate assets (including the stake in Gaïa office) and €12 Mn of financial assets invested in funds managed by the Group.

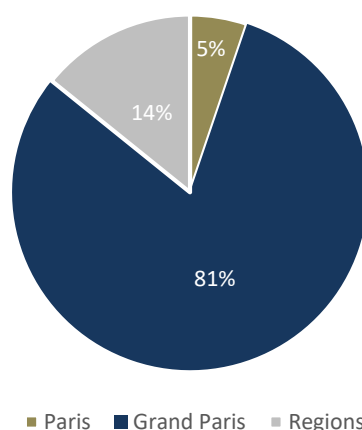
| Key indicators on owned assets <sup>6</sup> | 2018        | 2019        |
|---|-------------|-------------|
| Number of assets                            | 20          | 16          |
| Total lettable area                         | 129,069 sqm | 111,074 sqm |
| Financial occupancy rate                    | 82.8%       | 86.2%       |
| Valuation                                   | €127 Mn     | €185 Mn     |

<sup>4</sup> The financial occupancy rate excluding the Gaïa building remains stable at 91.7% in 2019 (compared to 91.9% in 2018). The financial occupancy rate is computed excluding assets undergoing redevelopment (The Go in Levallois-Perret)

<sup>5</sup> Includes interests in companies consolidated under the equity method, of which 50% in Wep Watford (company which owns the Gaïa office (Nanterre, La Défense)) and 27.24% in Vivapierre OPPCI.

<sup>6</sup> Including participation in Gaïa office. Excluding shares in Vivapierre and the value of Paref Gestion shares.

### Geographical breakdown of owned assets<sup>7</sup>



Net rental income from PAREF's owned assets stands at €6.6 Mn in 2019, showing a slight decrease compared to 2018 (-2%) due to (i) the impact of assets disposed in 2018 and first half of 2019, (ii) tenant evictions in the asset located in Levallois-Perret as part of the "The Go" redevelopment project, and (iii) partially compensated by a positive evolution in rental income on a like-for-like basis and rents from the floors of Franklin Tower acquired on September 30, 2019.

On a like-for-like basis, rental income increased by 4.8% thanks to the commercialization and the positive impact of the lease renegotiation on the assets located in Dax and Saint-Paul-Lès-Dax in 2018.

| Rental income on owned assets (in k€) | 2018         | 2019         | Variation in % |
|---------------------------------------|--------------|--------------|----------------|
| Gross rental income                   | 7,512        | 6,964        | -7%            |
| Non-recoverable rental expenses       | -851         | -566         | -33%           |
| Other income                          | 102          | 218          | 2.1x           |
| <b>Total net rental income</b>        | <b>6,763</b> | <b>6,616</b> | <b>-2%</b>     |

The gross initial yield on owned assets stands at 7.0% compared to 6.9% at the end of 2018<sup>8</sup>.

## II - Management activity on behalf of third parties (PAREF Gestion and PAREF Investment Management)

### PAREF Gestion

In 2019, PAREF Gestion's activity was highlighted by the launch of two new SCPI, of which the strategies and geographies of investments demonstrate the strong drive for innovation and internationalization of the Group:

- Novapierre Allemagne 2, a SCPI launched in September 2019, invests in retail real estate assets in Germany and has already witnessed commercial success with subscription of €76 Mn in 2019;
- Novapierre Italie is a SCPI investing in tourism real estate properties in Italy. This fund obtained the AMF license at the end of 2019 and opened for subscriptions mid-January 2020. This innovative strategy is a first among all existing SCPI and aims to capture opportunities from the dynamic Italian tourism market.

### **Subscription and portfolio under management**

Gross subscription on SCPI funds managed by PAREF Gestion reached €267 Mn in 2019, growing by 13% compared to 2018. This performance is contributed in particular by the SCPI Novapierre Allemagne, Novapierre Allemagne 2, Interpierre France and Novapierre 1. The ratio of gross-to-net subscription stands at 85% in 2019, showing the confidence of investors in the products offered by the Group and the quality of management.

<sup>7</sup> Including Gaïa office share.

<sup>8</sup> Excluding the asset in restructuring ("The Go" in Levallois-Perret) and the Gaïa asset.

Asset under management reached €1,611 Mn as of December 31, 2019, increased by 22% on a like-for-like basis (+11% compared to December 31, 2018 due to the withdraw of the management of a OPPCI dedicated to hotels in the second half of 2019, representing €142 Mn of AuM at the end of 2018).

Breakdown of the funds managed by PAREF Gestion as at December 31, 2019:

| Type                  | Funds                                | Strategy        | Assets under Management (€ Mn) Dec 31, 2018 | Assets under Management (€ Mn) Dec 31, 2019 | Variation in % |
|-----------------------|--------------------------------------|-----------------|---|---|----------------|
| SCPI                  | Novapierre Allemagne <sup>9</sup>    | Retail          | 471   | 543   | 15%            |
|                       | Novapierre Résidentiel <sup>10</sup> | Residential     | 280   | 286   | 2%             |
|                       | Novapierre 1 <sup>9</sup>            | Retail          | 161   | 254   | 58%            |
|                       | Interpierre France <sup>9</sup>      | Office/Logistic | 105   | 153   | 46%            |
|                       | Novapierre Allemagne 2 <sup>9</sup>  | Retail          | -   | 70  | n.a.           |
|                       | Capiforce Pierre <sup>10</sup>       | Diversified     | 59  | 62  | 6%             |
|                       | Atlantique Pierre 1 <sup>10</sup>    | Diversified     | 60  | 57  | -5%            |
|                       | Cifocoma 1 <sup>10</sup>             | Retail          | 24  | 25  | 2%             |
|                       | Cifocoma 2 <sup>10</sup>             | Retail          | 25  | 25  | -1%            |
|                       | Novapierre Italie <sup>9</sup>       | Tourism         | -   | 3   | n.a.           |
| <b>Sub-total SCPI</b> |                                      |                 | <b>1,186</b>                                | <b>1,477</b>                                | <b>25%</b>     |
| OPCI                  | Vivapierre                           |                 | 94  | 92  | -3%            |
|                       | OPPCI dedicated to hotels            | Hotel           | 142   | 0   | -100%          |
| <b>Sub-total OPCI</b> |                                      |                 | <b>236</b>                                  | <b>92</b>                                   | <b>-61%</b>    |
| Other AIF             |                                      |                 | <b>35</b>                                   | <b>42</b>                                   | <b>18%</b>     |
| <b>Total</b>          |                                      |                 | <b>1,457</b>                                | <b>1,611</b>                                | <b>11%</b>     |

Breakdown of the 2019 gross subscription:

| Type         | Funds                  | Gross subscription in 2018 (€ Mn) | Gross subscription in 2019 (€ Mn) | Variation in % |
|--------------|------------------------|-----------------------------------|-----------------------------------|----------------|
| SCPI         | Novapierre Allemagne   | 176                               | 84                                | -52%           |
|              | Novapierre Allemagne 2 | -                                 | 76                                | n.a.           |
|              | Interpierre France     | 54                                | 52                                | -4%            |
|              | Novapierre 1           | 4                                 | 47                                | 12x            |
|              | Novapierre Résidentiel | 3                                 | 6                                 | 2x             |
|              | Novapierre Italie      | -                                 | 3                                 | n.a.           |
| <b>Total</b> |                        | <b>236</b>                        | <b>267</b>                        | <b>13%</b>     |

<sup>9</sup> Open-ended fund

<sup>10</sup> Close-ended fund

## Commissions

With sustained subscriptions and growing asset under management, management and subscription commissions increased significantly in 2019, reaching €9.7 Mn (+46%) and €23.7 Mn (+12%) respectively.

| Commissions (in €k)      | 2018          | 2019          | Variation en % |
|--------------------------|---------------|---------------|----------------|
| Management commissions   | 6,620         | 9,650         | 46%            |
| Subscription commissions | 21,182        | 23,708        | 12%            |
| Retro-commissions        | -14,652       | -19,312       | 32%            |
| <b>Net commissions</b>   | <b>13,150</b> | <b>14,045</b> | <b>7%</b>      |

The increase in the rate of retro-commissions in 2019 is mainly explained by the retro-commission of the subscription commissions to the investor partners who subscribed in the SCPI Novapierre 1 for an important acquisition of assets for a total amount of €94 Mn in May 2019.

### PAREF Investment Management

At the end of 2018, the Group created "PAREF Investment Management" structure to offer all investment property related services for institutional investors in France and in Europe.

PAREF Investment Management offers expertise in the entire real estate value chain: investment, asset management, property management, development, restructuring, finance, legal, financial control, reporting, marketing and communication.

Initially in France, PAREF Investment Management rapidly developed internationally in 2019 and now has an office in Switzerland (Zurich) and in Italy (Milan) following the acquisition in August 2019 of a real estate management platform from Fosun group.

Through this acquisition, the Group took over the management of the redevelopment project "The Medelan", a building located in the historic city center of Milan on behalf of the insurance company Fidelidade. This mixed-use asset develops ca. 55,000 sqm and will offer the best market standards, particularly from an environmental point of view, with an expected Leed Platinum certificate.

### Human Resources

PAREF Group succeeded in bringing new talents and experimented managers on-board in 2019. In particular, Anne Schwartz has been nominated Managing Director of PAREF Gestion (subsidiary of PAREF Group) in June 2019 and Anne Gillet-Feillon joined in November 2019 as Group Head of Real Estate. Reinforced by these strong experimented profiles in the real estate industry, the Group will further accelerate the implementation of its strategy.

### III – 2019 Results

#### Consolidated P&L

| Detailed consolidated P&L (in €k)  | 2018          | 2019          | Variation in % |
|--|---------------|---------------|----------------|
| Gross rental income  | 7,512         | 6,964         | -7%            |
| -Reinvoiced rental expenses, taxes and insurance                           | 2,735         | 2,791         | 2%             |
| -Rental expenses, taxes and insurance                                      | -3,587        | -3,358        | -6%            |
| Non-recoverable rental expenses  | -851          | -566          | -33%           |
| Other income   | 102           | 218           | 2x             |
| <b>Net rental income</b>   | <b>6,763</b>  | <b>6,616</b>  | <b>-2%</b>     |
| Revenues on commissions  | 27,802        | 33,358        | 20%            |
| -of which management commissions   | 6,620         | 9,650         | 46%            |
| -of which subscription commissions   | 21,182        | 23,708        | 12%            |
| Retro-commissions  | -14,652       | -19,312       | 32%            |
| <b>Net revenues on commissions</b>   | <b>13,150</b> | <b>14,045</b> | <b>7%</b>      |
| General expenses   | -9,108        | -11,415       | 25%            |
| Depreciation and amortization  | -415          | -428          | 3%             |
| <b>Current operating result</b>  | <b>10,390</b> | <b>8,818</b>  | <b>-15%</b>    |
| Variation of fair value on investment properties                           | 5,843         | 3,241         | -45%           |
| Result on disposals of investment properties                               | 216           | 2,744         | 13x            |
| <b>Operating result</b>  | <b>16,449</b> | <b>14,803</b> | <b>-10%</b>    |
| Financial products   | 90            | 67            | -25%           |
| Financial expenses   | -2,080        | -2,063        | -1%            |
| <b>Net financial expenses</b>  | <b>-1,989</b> | <b>-1,996</b> | <b>0,3%</b>    |
| Other expenses and incomes on financial assets                             | 247           | 319           | 29%            |
| Fair-value adjustments of financial instruments                            | 397           | 294           | -26%           |
| Result on disposal of shares in companies consolidated under Equity method | 595           | -             | -100%          |
| Results of companies consolidated under the equity-method                  | -1,818        | 1,579         | n.a.           |
| <b>Result before tax</b>   | <b>13,880</b> | <b>15,000</b> | <b>8%</b>      |
| Income tax   | -2,077        | -1,526        | -27%           |
| <b>Net result</b>  | <b>11,803</b> | <b>13,474</b> | <b>14%</b>     |
| Non-controlling interests  | -             | -             | -              |
| <b>Net result (owners of the parent)</b>                                   | <b>11,803</b> | <b>13,474</b> | <b>14%</b>     |
| Average number of shares (non-diluted)                                     | 1,379,932     | 1,440,919     |                |
| <b>Net result / share (owners of the parent)</b>                           | <b>8.55</b>   | <b>9.35</b>   | <b>9%</b>      |
| Average number of shares (diluted)   | 1,384,022     | 1,446,847     |                |
| <b>Net result / share (owners of the parent diluted)</b>                   | <b>8.53</b>   | <b>9.31</b>   | <b>9%</b>      |

PAREF Group net results stands at €13.5 Mn in 2019, increasing by 14% compared to 2018:

- Net rental income stands at €6.6 Mn, slightly decreasing by 2% compared to 2018, due to the disposals in 2018 and 2019 and tenants' departures in the asset located in Levallois-Perret in view of "The Go" restructuring project, partially compensated by active asset management and the acquisition of part of the Franklin Tower;
- Net commissions increase by 7% thanks to the growth in subscriptions and the amount of assets managed on behalf of third parties;

- General expenses amounted to €11.4 Mn, increasing by 25% vs. 2018, mainly explained by the reinforcement of the French and management team, the integration of the Italian platform, as well as by the investment in IT system and communication;
- Variation of fair value in investment properties stands at €3.2 Mn in 2019 mainly on “The Go” located in Levallois-Perret and Dax and Saint-Paul-Lès-Dax assets;
- Net financial expenses stand at €2.0 Mn in 2019 (of which early repayment costs on existing debts for €0.5 Mn) versus €2.0 Mn in 2018. Thanks to the refinancing of the Group in February 2019, financial expenses remains stable despite a substantial increase in drawn debt and in the investment capacity of the Group with a committed credit line;
- Results of companies consolidated under the equity-method improved to €1.6 Mn mainly thanks to the positive impact of the renegotiation of leases on assets held in the Vivapierre fund and the start of new leases signed on the Gaïa office.

#### IV - Financial resources

The Group signed on February 21, 2019 the refinancing of the Group's debt<sup>11</sup> by putting in place a corporate financing for a total amount of €100 Mn. This financing consists of €30 Mn drawn loan<sup>12</sup> and €70 Mn committed credit line. The maturity is 5 years and the margin 145 bps above the 3-month Euribor.

The total amount of gross financial debt stands at €78 Mn as at December 31, 2019 (€35 Mn as at December 31, 2018) following the acquisition of floors in Franklin Tower and the early repayment and amortization of existing debts.

The average cost of the drawn debt decreased to 2.2% as at December 31, 2019 from 3.6% as at December 31, 2018, with an average maturity of 4.4 years compared to 3.9 years at the end of 2018.

The Group implemented a conservative policy to manage interest rate risk, with ca. 90% of the debt issued at a fixed rate or covered by hedging instruments at the end of 2019, limiting its sensitivity to interest rate fluctuations.

Financial ratios are robust with a loan-to-value (LTV<sup>13</sup>) and an interest coverage ratio (ICR<sup>14</sup>) of 28% and 7.8x respectively (compared to 4% and 7.0x respectively end 2018).

The Group respects the financial covenants on its bank loans, of which mainly:

- LTV < 50%
- ICR > 2.5x

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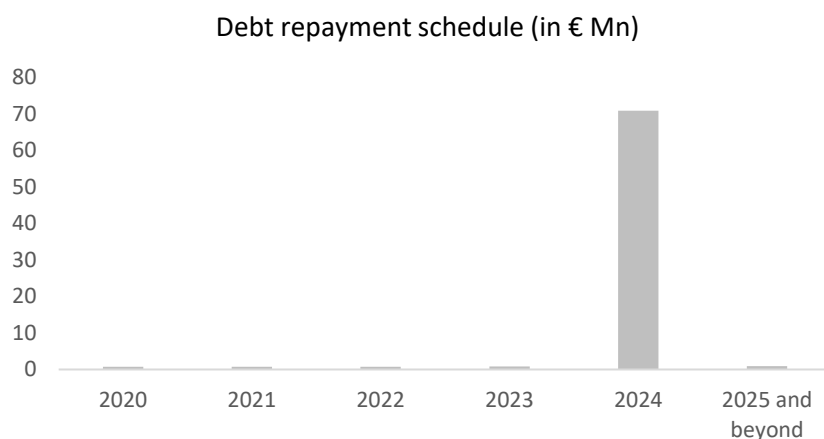
<sup>11</sup> All existing financings and hedging instruments were repaid except Dax and Saint-Paul-Lès-Dax financial leases.

<sup>12</sup> Linked to an indirect mortgage on Levallois asset held by Polybail.

<sup>13</sup> Loan-to-value: consolidated net debt divided by the consolidated asset value excluding transfer taxes.

<sup>14</sup> ICR: EBITDA divided by consolidated financial expenses excluding penalties on debt early repayment.

Debt repayment schedule:



The Group has an amount of cash and cash equivalent of €16 Mn as at December 31, 2019, largely covering more than 12 months of debt repayment and the regulatory minimum capital requirement of PAREF Gestion.

## V - Assets under Management

| In k€  | 2018             | 2019             | Variation in % |
|--|------------------|------------------|----------------|
| PAREF owned assets   | 111,070          | 167,450          | 51%            |
| PAREF participations <sup>15</sup>                             | 27,217           | 29,322           | 9%             |
| <b>Total PAREF portfolio</b>                                   | <b>138,287</b>   | <b>196,772</b>   | <b>42%</b>     |
| SCPI   |                  |                  |                |
| - Novapierre Allemagne   | 471,263          | 543,273          | 15%            |
| - Novapierre Résidentiel                                       | 280,317          | 285,639          | 2%             |
| - Novapierre 1   | 161,245          | 254,027          | 58%            |
| - Interpierre France   | 105,034          | 153,559          | 46%            |
| - Novapierre Allemagne 2                                       |                  | 70,047           | n.a.           |
| - Capiforce Pierre   | 60,206           | 61,879           | 6%             |
| - Atlantique Pierre 1  | 58,607           | 57,051           | -5%            |
| - Cifocoma 2   | 24,996           | 24,558           | 2%             |
| - Cifocoma 1   | 24,014           | 24,801           | -1%            |
| - Novapierre Italie  |                  | 2,620            | n.a.           |
| Sub-total SCPI   | <b>1,185,682</b> | <b>1,477,456</b> | <b>25%</b>     |
| OPPCI  |                  |                  |                |
| - Vivapierre   | 94,230           | 91,780           | -3%            |
| - OPPCI dedicated to hotels                                    | 141,910          | -                | -100%          |
| Sub-total OPPCI  | <b>236,140</b>   | <b>91,780</b>    | <b>-61%</b>    |
| Other assets managed on behalf of third parties <sup>(1)</sup> | 35,300           | 417,380          | 12x            |
| <b>Total Assets under Management by PAREF Gestion</b>          | <b>1,457,122</b> | <b>1,986,616</b> | <b>36%</b>     |
| Retreatments <sup>(2)</sup>                                    | -9,909           | -10,762          | 9%             |
| <b>TOTAL</b>   | <b>1,585,567</b> | <b>2,172,626</b> | <b>37%</b>     |

(1) Including Foncière Sélection Régions and The Medelan asset

(2) Part of PAREF portfolio is managed through OPPCI (Vivapierre) by PAREF Gestion

<sup>15</sup> Including shares in companies consolidated under the equity method (50% in Wep Watford (Gaïa office - Nanterre, La Défense), and 27.24% in Vivapierre OPPCI. Excludes PAREF Gestion shares.



PAREF's owned portfolio stands at €167 Mn (excluding le Gaïa office), increased by €56 Mn compared to 2018, mainly explained by:

- Disposals of €16.3 Mn (valuation as at December 31, 2018);
- Capitalized expenses of €2.7 Mn in 2019;
- Acquisitions for €66.8 Mn, and
- Increase in fair value of investment properties of €3.2 Mn.

The like-for-like change in fair value amounted to €4.0 Mn in 2019 (excluding le Gaïa office), representing an increase of +4.2% over one year. Including the Gaïa office, the like-for-like change in fair value reached €5.1 Mn, an increase of +4.6%.

The average gross initial yield on PAREF's owned assets stands at 7.0% vs. 6.9% at the end of 2018 (excluding Le Gaïa office).

## VI – EPRA Net Asset Value

PAREF Group EPRA triple net asset value (NNNAV) stands at €108.0 per share as at December 31, 2019, increasing by €8.8 per share (+9% versus end 2018). The evolution is mainly explained by 2019 net results for +€9.3/share, the positive variation of fair values and the valuation of PAREF Gestion for +€3.5/share, and the dividend payment for -€3.85/share.

EPRA NNNAV is based on consolidated equity under IFRS rules (including fair value of assets) and financial instruments and debt at fair-value.

|  | Dec 31, 2018 | Dec 31, 2019 | Variation in % |
|--|--------------|--------------|----------------|
| NAV per the financial statements   | 124.8        | 132.5        | 6%             |
| Fair value of financial instruments  | 0.5          | 0.4          | -19%           |
| Revaluation of intangible and operating assets (PAREF Gestion) <sup>16</sup> | 19.5         | 24.5         | 26%            |
| Other  | -            | -            | n.a.           |
| <b>EPRA NAV (in €M)</b>  | <b>144.8</b> | <b>157.4</b> | <b>9%</b>      |
| <b>EPRA NAV per share (in €)</b>   | <b>100.3</b> | <b>109.0</b> | <b>9%</b>      |
| Fair value of financial instruments  | -0.5         | -0.4         | -19%           |
| Fair value of debt   | -0.6         | -0.3         | -45%           |
| Deferred taxes   | -0.5         | -0.7         | 34%            |
| <b>EPRA NNNAV (in M€)</b>  | <b>143.1</b> | <b>155.9</b> | <b>9%</b>      |
| <b>EPRA NNNAV per share (in €)</b>   | <b>99.1</b>  | <b>108.0</b> | <b>9%</b>      |
| Deferred taxes   | 0.5          | 0.7          | 34%            |
| Estimated transfer taxes   | 9.2          | 12.8         | 40%            |
| <b>Going concern NAV (in M€)</b>   | <b>152.9</b> | <b>169.4</b> | <b>11%</b>     |
| <b>Going concern NAV / per share (in €)</b>                                  | <b>105.9</b> | <b>117.3</b> | <b>11%</b>     |

## VII – Post-closing events

The Group signed in February 2020 a new lease on the Gaïa office for a total area of 1,751 sqm, with a 9-year firm period. Following this signature, the occupation rate of the Gaïa stands at 64%.

## VIII – Strategy and perspectives

PAREF Group continues to accelerate its development based on 3 main pillars:

- A progressive growth of PAREF real estate portfolio with a proactive management: asset management of the existing portfolio, asset rotation and selective investments, for a repositioning on large assets located in Grand Paris area;
- A rational development of the management activity for individual investors through (i) an increase in assets under management on existing products and (ii) the creation of new products;
- An acceleration of management activity for institutional investors in France and continental Europe, notably thanks to the new entity PAREF Investment Management created in late 2018.

In this context, the Group maintains its distribution policy representing between 65% and 75% of the recurring result over the next year.

<sup>16</sup> PAREF Gestion valuation is based on multiples applied on revenues with an average over the last 2 years (2x on management fees and 0.5x on subscription fees in average).

## IX – Other EPRA indicators

### - EPRA Earnings

| In k€   | Dec 31, 2018 | Dec 31, 2019 | Variation in % |
|---|--------------|--------------|----------------|
| Earnings per IFRS income statement  | 11,803       | 13,474       | 14%            |
| Adjustments   |              |              |                |
| (i) Change in fair-value of investment properties   | -5,843       | -3,241       | -45%           |
| (ii) Profits or losses on disposal of investment properties and other interests               | -216         | -2,744       | 13x            |
| (iii) Profits or losses on disposal of financial assets available for sale                    | -595         | -            | -100%          |
| (iv) Tax on profits or losses on disposals  | -            | -            |                |
| (v) Negative goodwill / goodwill impairment   | -            | -            |                |
| (vi) Changes in fair value of financial instruments and associated close-out costs            | -398         | 179          | n.a.           |
| (vii) Acquisition costs on share deals and non-controlling joint-venture                      | -            | -            |                |
| (viii) Deferred tax in respect of the adjustments above                                       | -            | -            |                |
| (ix) Adjustments (i) to (viii) above in respect of companies consolidated under equity method | 3,383        | -433         | n.a.           |
| (x) Non-controlling interests in respect of the above   | -            | -            |                |
| <b>EPRA Earnings</b>  | <b>8,136</b> | <b>7,235</b> | <b>-11%</b>    |
| Average number of shares (diluted)  | 1,379,932    | 1,440,919    |                |
| <b>EPRA Earnings per share (diluted)</b>  | <b>5.90€</b> | <b>5.02€</b> | <b>-15%</b>    |

### - EPRA Vacancy rate

| In k€  | Dec 31, 2018 | Dec 31, 2019 | Variation in % |
|--|--------------|--------------|----------------|
| Estimated rental value of vacant space <sup>(1)</sup>        | 1,650        | 1,420        |                |
| Estimated rental value of the whole portfolio <sup>(1)</sup> | 9,580        | 10,824       |                |
| <b>EPRA Vacancy Rate</b>                                     | <b>17.2%</b> | <b>13.1%</b> | <b>-4.1pts</b> |

(1) Including the participation in Gaïa office, excluding shares in SCPI Vivapierre. Excluding Gaïa, EPRA vacancy rate stands at 7.7% as at December 31, 2019 vs. 8.1% as at December 31, 2018.

### - EPRA Net Initial Yield (NIY) and 'topped-up' NIY

| In %   | Dec 31, 2018 | Dec 31, 2019 | Variation in %  |
|--|--------------|--------------|-----------------|
| <b>PAREF Net yield</b>                                   | <b>6.29%</b> | <b>6.15%</b> | <b>-0,13pts</b> |
| Impact of estimated duties and costs                     | -0.4%        | -0.4%        | -0,08pts        |
| Impact of changes in scope                               | 0.2%         | -0.1%        | -0,30pts        |
| <b>EPRA Net initial yield <sup>(1)</sup></b>             | <b>6.10%</b> | <b>5.59%</b> | <b>-0,51pts</b> |
| Excluding lease incentives                               | 0.3%         | 0.2%         | -0,05pts        |
| <b>EPRA "Topped-Up" Net initial yield <sup>(2)</sup></b> | <b>6.38%</b> | <b>5.82%</b> | <b>-0,56pts</b> |

(1) The EPRA Net Initial Yield rate is defined as the annualized rental income, net of property operation expenses, after deducting rent adjustments, divided by the value of the portfolio, including duties.

(2) The EPRA 'Topped-up' Net Initial Yield rate is defined as the annualized rental income, net of property operating expenses, excluding lease incentives, divided by the value of the portfolio, including taxes.

- EPRA cost ratios

The ratio below is computed based on PAREF Group owned assets perimeter (including companies consolidated under the equity method).

| In k€   | Dec 31, 2018  | Dec 31, 2019  | Variation in % |
|---|---------------|---------------|----------------|
| Include:  |               |               |                |
| (i) General expenses  | -1,968        | -1,690        | -14%           |
| (ii) Costs related to properties  | -222          | -169          | -24%           |
| (iii) Net service charge costs/fees   | -3,365        | -3,189        | -5%            |
| (iv) Management fees less actual/estimated profit element   | 0             | -             | n.a.           |
| (v) Other operating income/recharges intended to cover overhead expenses                                      | 0             | -             | n.a.           |
| (vi) Share of general expenses of companies consolidated under equity method                                  | -341          | -567          | 66%            |
| Exclude:  |               |               |                |
| (vii) Depreciation and amortization   |               |               |                |
| (viii) Ground rent costs  | 1,266         | 1,732         | 37%            |
| (ix) Service charge costs recovered through rents but not separately invoiced                                 | 1,469         | 1,059         | -28%           |
| <b>EPRA Costs (including direct vacancy costs) (A)</b>  | <b>-3,161</b> | <b>-2,823</b> | <b>-11%</b>    |
| (x) Less: Direct vacancy costs (unrecoverable rent costs)   | 479           | 568           | 19%            |
| <b>EPRA Costs (excluding direct vacancy costs) (B)</b>  | <b>-2,682</b> | <b>-2,255</b> | <b>-16%</b>    |
| (xi) Gross Rental Income less ground rent costs   | 8,778         | 8,651         | -1%            |
| (xii) Less: service charge costs included in Gross Rental Income  | -1,266        | -2,084        | 65%            |
| (xiii) Add: share of Gross Rental Income less ground rent costs of companies consolidated under equity method | 3,159         | 2,026         | -36%           |
| <b>Gross Rental Income</b>  | <b>10,671</b> | <b>8,593</b>  | <b>-19%</b>    |
| <b>EPRA Cost Ratio (including direct vacancy costs) (A/C)</b>   | <b>29.6%</b>  | <b>32.9%</b>  | <b>+3 pts</b>  |
| <b>EPRA Cost Ratio (excluding direct vacancy costs) (B/C)</b>   | <b>25.1%</b>  | <b>27.3%</b>  | <b>+1 pts</b>  |

- Capital expenditure

| En k€  | Dec 31, 2018 | Dec 31, 2019  |
|--|--------------|---------------|
| Acquisition                                      | -            | 66,812        |
| Développement <sup>(1)</sup>                     | -            | 1,441         |
| Portefeuille à périmètre constant <sup>(2)</sup> | 82           | 713           |
| Autres <sup>(3)</sup>                            | -            | 820           |
| <b>Total</b>                                     | <b>82</b>    | <b>69,786</b> |

(1) In 2019, including investment related to "The Go" project of the asset located in Levallois-Perret

(2) In 2018, including mainly investment on resort complex in Dax

(3) Including eviction indemnities, rent adjustments and capitalized financial costs relating to "The Go" project

| Balance Sheet - Assets (in €k)                              | Dec 31, 2018   | Dec 31, 2019   |
|---|----------------|----------------|
| <b>Non-current assets</b>                                   |                |                |
| Investment properties                                       | 110,370        | 162,950        |
| Intangible assets   | 76             | 339            |
| Other property, plant and equipment                         | 482            | 2,612          |
| Financial assets  | 11,073         | 10,662         |
| Shares and investments in companies under the equity method | 9,910          | 13,664         |
| Financial assets  | 1,007          | 1,160          |
| Deferred tax assets   |                | 15             |
| <b>Total non-current assets</b>                             | <b>132,918</b> | <b>191,405</b> |
| <b>Current assets</b>                                       |                |                |
| Stocks  | -              | -              |
| Trade receivables and related                               | 10,372         | 16,807         |
| Other receivables   | 147            | 98             |
| Financial instruments                                       | -              | -              |
| Cash & cash equivalents                                     | 28,437         | 16,357         |
| <b>Total current assets</b>                                 | <b>38,956</b>  | <b>33,262</b>  |
| Properties and shares held for sale                         | 700            | 4,750          |
| <b>TOTAL ASSET</b>  | <b>172,574</b> | <b>229,414</b> |

| Balance Sheet - Liabilities (in €k)                        | Dec 31, 2018   | Dec 31, 2019   |
|--|----------------|----------------|
| <b>Equity</b>  |                |                |
| Share capital  | 36,040         | 36,106         |
| Additional paid-in capital                                 | 39,922         | 39,983         |
| Fair-value through equity                                  | 45             | 59             |
| Fair-value evolution of financial instruments              | -230           | -407           |
| Consolidated reserved                                      | 37,247         | 43,246         |
| Consolidated net result                                    | 11,803         | 13,474         |
| <b>Shareholder equity – owners of the parent</b>           | <b>124,827</b> | <b>132,459</b> |
| Minority interest  | -              | -              |
| <b>Total Equity</b>  | <b>124,827</b> | <b>132,459</b> |
| <b>Liability</b>   |                |                |
| <b>Non-current liabilities</b>                             |                |                |
| Non-current financial debt                                 | 29,226         | 78,473         |
| Non-current taxes due & other employee-related liabilities | 117            | 55             |
| Non-current provisions                                     | 587            | 260            |
| <b>Total non-current liabilities</b>                       | <b>29,931</b>  | <b>78,788</b>  |
| <b>Current liabilities</b>                                 |                |                |
| Current financial debt                                     | 5,541          | 1,096          |
| Current financial instruments                              | 540            | 407            |
| Trade payables and related                                 | 4,519          | 7,111          |
| Current taxes due & other employee-related liabilities     | 5,293          | 7,095          |
| Other current liabilities                                  | 1,924          | 2,457          |
| <b>Total current liabilities</b>                           | <b>17,817</b>  | <b>18,167</b>  |
| <b>TOTAL LIABILITIES</b>                                   | <b>172,574</b> | <b>229,414</b> |

| <b>CASH-FLOW STATEMENT (in €k)</b>  | <b>Dec 31, 2018</b> | <b>Dec 31, 2019</b> |
|---|---------------------|---------------------|
| <b>Operating cash-flow</b>  |                     |                     |
| Net result  | 11,803              | 13,474              |
| Net Depreciation and amortization   | 415                 | 105                 |
| Valuation movements on assets   | -5,843              | -3,241              |
| Valuation movements on financial instruments                                    | -398                | -309                |
| Valuation on financial assets held for sale                                     | 1                   | 15                  |
| Tax   | 2,077               | 1,526               |
| Result on disposals   | -810                | -2,744              |
| Results of companies consolidated under the equity method                       | 1,818               | -1,579              |
| <b>Cash-flow from operating activities before net financial items and taxes</b> | <b>9,063</b>        | <b>7,246</b>        |
| Net financial expenses  | 1,989               | 1,996               |
| Tax paid  | -1,694              | -2,966              |
| <b>Cash-flow from operating activities after net financial items and taxes</b>  | <b>9,359</b>        | <b>6,276</b>        |
| Variations in working capital   | -25                 | -614                |
| <b>Net cash-flow from operating activities</b>                                  | <b>9,333</b>        | <b>5,662</b>        |
| <b>Investment cash-flow</b>   |                     |                     |
| Acquisition of tangible assets  | -38                 | -69,865             |
| Acquisition of other assets   | -500                | 11                  |
| Assets disposal   | 2,126               | 19,400              |
| Acquisition of financial assets   | -2,426              | -2,231              |
| Financial assets disposal   | -                   | -                   |
| Financial products received   | 466                 | 67                  |
| Change in perimeter   | 9,450               | 583                 |
| <b>Cash-flow from investments</b>   | <b>9,077</b>        | <b>-52,034</b>      |
| <b>Financing cash-flow</b>  |                     |                     |
| Self-detention shares   | 553                 | 13                  |
| Variation in capital  | 16,435              | 126                 |
| Variation in bank loans   | -                   | 70,000              |
| Variation in other financial debt   | -8                  | -                   |
| Repayment of financial lease  | 0                   | -2,927              |
| Repayment of bank loan  | -9,998              | -24,276             |
| Costs of loan issuance  | -                   | -1,224              |
| Variation on bank overdraft   | -571                | -101                |
| Financial expenses paid   | -2,092              | -1,768              |
| Dividend paid to shareholders and minorities                                    | -4,316              | -5,552              |
| <b>Cash-flow from financial activities</b>                                      | <b>3</b>            | <b>34,292</b>       |
| <b>Increase/ Decrease in cash</b>   | <b>18,413</b>       | <b>-12,080</b>      |
| <b>Cash &amp; cash equivalent at opening</b>                                    | <b>10,023</b>       | <b>28,437</b>       |
| <b>Cash &amp; cash equivalent at closing</b>                                    | <b>28,437</b>       | <b>16,357</b>       |

**Financial agenda**

April 25, 2020: Financial information as at March 31, 2020

April 28, 2020: Shareholders' General meeting

**About PAREF Group**

PAREF operates in two major complementary areas: (i) Commercial and residential investments owned by SIIC PAREF primarily in corporate real estate in the Paris region (€0.2 Bn asset as at Dec 31, 2019) and (ii) Management on behalf of third parties via PAREF Gestion (€1.6 Bn funds under management as at Dec 31, 2019), an AMF-certified management company, and via PAREF Investment Management (€0.4 Bn as at Dec 31, 2019)

PAREF is a company listed on Euronext Paris, Compartment C, under ISIN FR00110263202 – Ticker PAR.

More information on [www.paref.fr](http://www.paref.fr)

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