

# HALF-YEAR RESULTS

AS AT JUNE 30<sup>TH</sup>, 2021

## Revalued assets despite on-going disruption from the health crisis

### At group level, assets under management increased by 2% to reach more than €2.4 bn

- €200m of owned assets (+2% on a like-for-like basis compared to December 31, 2020)
- €2,226m managed on behalf of institutional and retail Investors mainly through SCPI<sup>1</sup> and OPPCI<sup>2</sup> funds (+2% compared to December 31, 2020)

### Solid financial fundamentals

- **EPRA Net Reinstatement Value (NRV) remains stable** at €125.2 per share (€125.1 at December 31, 2020)
- **Loan to Value (LTV<sup>3</sup>) remains at a low level of 26%** (vs. 25% at December 31, 2020)
- **Substantial liquidity** of more than €39m (including an undrawn committed credit line)

### Active management of owned assets

- **Financial occupancy rate** of owned assets **up +5.2 points** compared to December 31, 2020
- Weighted average **unexpired lease term** of owned assets of **4.8 years** at June 30, 2021 vs. 4.6 years a year ago
- **3 new leases and 2 renewals** totaling over **14,500 sqm** (Tour Franklin & Gaïa offices; Aubergenville warehouse)

The Management Board of PAREF, during the board meeting held on July 29, 2021, approved the closing of the half-year statutory and consolidated accounts as at June 30, 2021.

« PAREF has continued its transformation despite a challenging context in relation to the health crisis. We remain confident about our model, which proved its resilience in 2020. The Group continues to invest in reinforcing its competences and digitalizing its IT systems, aiming to bolster its development in France and in Europe. The value of PAREF's real estate assets rose during the first half of the year, thanks to pre-sale agreement signed and new leases, even in challenging areas such as La Défense. The assets under management on behalf of third parties also increased during the first semester. Our financial situation remains very sound, with a well-controlled debt ratio and substantial liquidity. »

Magali Volet – Group CFO

<sup>1</sup> « Sociétés Civiles de Placements Immobiliers » (non-trading real estate investment companies)

<sup>2</sup> « Organisme de Placement Professionnel Collectif Immobilier » (property investment mutual funds)

<sup>3</sup> Loan-to-value (LTV): consolidated net debt divided by the consolidated asset value excluding transfer taxes (LTV at 27% including the shares in Wep Watford)

“PAREF made good progress during the first half of the year, with more than 14,000 m2 of new leases and renewals, €15 million in agreed disposals and a 2% growth in asset values on a like-for-like basis.

PAREF continues to strengthen the quality of its services and to deploy the strategy that enabled the Group to demonstrate its resilience in 2020, while now positioning it to benefit fully from the expected rebound when the health crisis will end.

I would like to thank all of PAREF's teams for the efforts and determination that they have shown for over a year.”

Antoine Castro – Group CEO

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

As at June 30, 2021, PAREF holds:

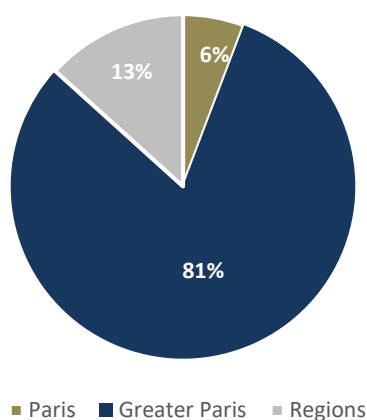
- 11 assets directly,
- 2 main subsidiaries, namely PAREF Gestion and PAREF Investment Management, and
- financial participations in SCPIs and OPCIs.

PAREF's owned assets<sup>4</sup> stood at €200m as at June 30, 2021, +2% vs the end of 2020. The portfolio consists of investment property for €187m (including the participation in Gaïa building) and financial participations in funds managed by the Group for €13m.

Key indicators on owned assets <sup>5</sup>	Dec 31, 2020	June 30, 2021
Number of assets	11	11
Lettable area (in operation)	96,619 sqm	96,619 sqm
Valuation	€184m	€187m

As a result of the strategy implemented, the assets are now mostly located in or around Paris:

Geographical breakdown of owned assets



<sup>4</sup> Includes interests in companies consolidated under the equity method, of which 50% in Wep Watford (company which owns the Gaïa office in Nanterre, La Défense) and 27.24% in Vivapierre OPPCI.

<sup>5</sup> Including Gaïa office share. Excluding shares in Vivapierre and the value of PAREF Gestion shares.

The real estate assets owned by PAREF (excluding Gaïa office) stood at € 169.8m, **increasing by 2% on a like-for-like basis** compared to the end of 2020, mainly explained by:

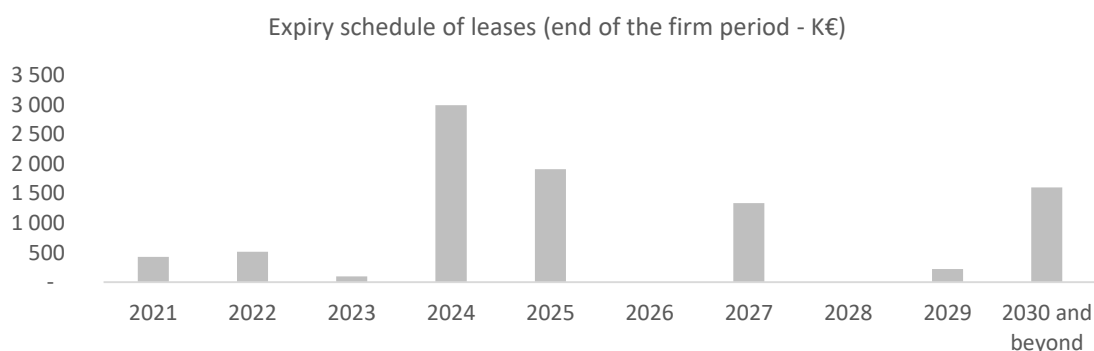
- Capitalized expenses and development of €0.9m in H1 2021, and
- An increase in fair value of the assets in the portfolio of about €2.3m.

PAREF continued its active management strategy during the first half of 2021 via new leases and renewals, of which

- The signing of a new lease and a lease renewal in Tour Franklin in La Défense for more than 2,000 sqm, leading to occupancy rate of 95% from Jan 1, 2022,
- The signing of 2 new leases for the Gaïa building for approximately 1,500 sqm, increasing occupancy rate to 79% as at Jun 30, 2021 (vs. 64% as at Dec 31, 2020), and
- The signing of a lease renewal in Aubergenville, a logistic asset of about 11,000 sqm.

Thanks to the new leases contracts with 6-year firm period, financial occupancy rate of owned asset portfolio increased to 86.3% as at June 30, 2021, +5.2 percentage points compared to 81,1% as at December 31, 2020<sup>6</sup>, and the weighted average unexpired lease term of owned asset portfolio stands at 4.8 years as at June 30, 2021, compared to 4.6 years at the end of June, 2020.

The expiry schedule of rents of owned assets is as follows:



The portfolio repositioning strategy results in a decrease by 24% in net rental income for PAREF, reaching €3.4m for the 1<sup>st</sup> semester of 2021 compared to €4.4m for the same period in 2020. Indeed, the disposals realized in 2020 and putting the Gentilly asset up for sale have a short-term impact on gross rental income as well as rental expenses re-invoicing:

- Gross rental income decreased by 12%,
- Re-invoicing of rental expenses stood at €1.9m, decreasing by 27% compared to H1 2020. The decrease is mostly caused by the rebilling of rental expenses for previous accounting periods and the vacancy of the Gentilly asset.

Rental income on owned assets (in k€)	H1 2020	H1 2021	Evolution in %
Gross rental income	4,548	4,008	-12%
Rental expenses re-invoiced	2,642	1,927	-27%
Rental expenses	-2,808	-2,587	-8%
Other income	1	2	100%
<b>Total net rental income</b>	<b>4,382</b>	<b>3,351</b>	<b>-24%</b>

<sup>6</sup> Including Gaïa office. Excluding Gaïa office, financial occupancy rate stands at 87.8% as at June 30, 2021, vs 83.8% end of 2020. The financial occupancy rate is computed excluding assets undergoing redevelopment (The Go in Levallois-Perret)

The average gross initial yield on these assets remained broadly stable, reaching 6.3% as at June 30 2021 compared to 6.2 % as at December 31,2020<sup>7</sup>.

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

### - Asset under management activity

PAREF Gestion collected gross subscriptions of €42m for SCPI funds during H1, representing a decrease of 51% compared to H1 2020. This decline is mainly due to the decision to suspend the subscriptions of SCPI Novapierre Allemagne 2 during the 1<sup>st</sup> quarter of 2021 (-€38m compared to Q1 2020).

Breakdown of the gross subscriptions of first semester in 2021:

Type	Funds	Gross subscription in H1 2020 (€ m)	Gross subscription in H1 2021 (€ m)	Evolution in %
	Novapierre Allemagne 2	56	10	-82%
	Interpierre France	14	10	-29%
	Novapierre Résidentiel	13	11	-15%
SCPI	Interpierre Europe Centrale	-	8	n.a
	Novapierre Allemagne	2	3	50%
	Novapierre Italie	1	-	n.a
	Novapierre 1	1	0,2	-80%
<b>Total</b>		<b>86</b>	<b>42</b>	<b>-51%</b>

PAREF Gestion has completed investments of approximately €88m for all the SCPI funds under management, notably:

- €75m for Novapierre Allemagne,
- €6m for Interpierre Europe Centrale since its creation in September 2020, and
- €4m for Novapierre Résidentiel.

PAREF Gestion has also closed disposals for about € 11m, of which €8.5m for Novapierre Résidentiel, €1.6m for Cifocoma 2, and €0.5m for Novapierre 1.

<sup>7</sup> Excluding the asset being restructured ("The Go" in Levallois-Perret) and the Gaïa asset.

The asset under management of PAREF Gestion on behalf of third parties increased slightly, totaling €1,786m as at June 30, 2021, compared to €1,764m as at December 31, 2020.

Breakdown of the assets under PAREF Gestion management as at June 30,2021:

Type	Funds	Strategy	Assets under Management (€ m) Dec 31, 2020	Assets under Management (€ m) June 30, 2021	Evolution in %
SCPI	Novapierre Allemagne <sup>8</sup>	Retail	616	613	0%
	Novapierre Résidentiel <sup>8</sup>	Residential	329	330	0%
	Novapierre 1 <sup>8</sup>	Retail	252	247	-2%
	Interpierre France <sup>8</sup>	Office/Logistics	184	190	3%
	Novapierre Allemagne 2 <sup>8</sup>	Retail	158	161	2%
	Atlantique Pierre 1 <sup>9</sup>	Diversified	57	58	2%
	Cifocoma 2 <sup>9</sup>	Retail	25	23	-8%
	Cifocoma 1 <sup>9</sup>	Retail	24	23	-4%
	Interpierre Europe Centrale <sup>8</sup>	Office/Logistics	4	9	125%
	Novapierre Italie <sup>8(1)</sup>	Tourism	4	-	-100%
<b>Sub-total SCPI</b>			<b>1,652</b>	<b>1,656</b>	<b>0,2%</b>
OPPCI	Vivapierre <sup>9</sup>	Hotel resorts	86	87	1%
<b>Sub-total OPCI</b>			<b>86</b>	<b>87</b>	<b>1%</b>
Other AIF			25	25	0%
<b>Total</b>			<b>1,764</b>	<b>1,768</b>	<b>0,3%</b>

(1) The Extraordinary General Shareholder Meeting of Novapierre Italie on March 5, 2021, voted for the early dissolution and the liquidation of the SCPI

PAREF Investment Management operates in France, Italy and Switzerland, aiming to provide institutional investors with the expertise already at the service of PAREF and PAREF Gestion, notably in terms of investment, asset management, project management and property management.

The Italian subsidiary of PAREF Investment Management manages the redevelopment project of "The Medelan", a building located in the historic city center of Milan on behalf of the Portuguese insurance company Fidelidade.

This mixed-use asset develops c.55,000 sqm and will offer the best market standards, particularly from an environmental point of view, with an expected Leed Platinum certificate. The delivery of the project is expected in 2022. During the first half of 2021, the first lease has been signed for the rooftop of The Medelan with the restaurant HORTO managed by the famous chef Norbert Niederkofler with 3 Michelin stars for Food & Travel (Michelin Travel Partner) and 1 green star. HORTO will be the first restaurant to offer ethical and sustainable gastronomy in Milan, echoing the avant-garde spirit of The Medelan.

<sup>8</sup> Open-ended funds

<sup>9</sup> Close-ends funds

- **The decline in net subscription commissions offsets the dynamic growth in management commissions**

**Management commissions increased by 15%** compared to H1 2020, achieving €5.3m as at June 30, 2021. The increase is mainly explained by the following elements:

- +€0.3m from increasing assets under management,
- +€0.1m from the rise of commissions on investments and disposals, and
- +€0.2m from the impact of unpaid rents during Covid-19 lockdowns.

Gross subscription commissions stood at €4.0m in H1 2021, decreasing by 52% compared to €8.4m in H1 2020.

In parallel, retro-commissions reduced accordingly to €4.7m, compared to €6.8m in H1 2020 (-31%). The decrease is explained by:

- Reduced retro-commissions paid to subscription distributors due to slowdown in subscriptions (-€2.6m compared to H1 2020), and
- An increase of the fees paid to service providers in Germany related to increasing asset under management (+€0.2m) and higher volume of acquisitions completed in H1 2021 for SCPI Novapierre Allemagne 2 (+€0.4m).

Commissions (in €k)	30/06/2020	30/06/2021	Evolution in %
Management commissions	4,617	5,313	15%
Subscription commissions	8,401	4,036	-52%
Retro-commissions	-6,773	-4,691	-31%
<b>Net commissions</b>	<b>6,245</b>	<b>4,658</b>	<b>-25%</b>

### III – H1 2021 Results and EPRA earnings

#### Consolidated P&L

Detailed consolidated P&L (in €k)	H1 2020	H1 2021	Evolution in %
Gross rental income	4,548	4,008	-12%
Reinvoiced rental expenses, taxes and insurance	2,642	1,927	-27%
Rental expenses, taxes and insurance	-2,808	-2,587	-8%
Non-recoverable rental expenses	-	-	-
Other income	1	2	100%
<b>Net rental income</b>	<b>4,382</b>	<b>3,351</b>	<b>-24%</b>
Revenues on commissions	13,018	9,349	-28%
-of which management commissions	4,617	5,313	15%
-of which subscription commissions	8,401	4,036	-52%
Retro-commissions	-6,773	-4,691	-31%
<b>Net revenues on commissions</b>	<b>6,245</b>	<b>4,658</b>	<b>-25%</b>
General expenses	-4,829	-6,580	36%
Depreciation and amortization	-235	-598	153%
<b>Current operating result</b>	<b>5,564</b>	<b>831</b>	<b>-85%</b>
Variation of fair value on investment properties	1,496	2,049	+37%
Result on disposals of investment properties	-18	0	-100%
<b>Operating result</b>	<b>7,042</b>	<b>2,880</b>	<b>-59%</b>
Financial products	28	5	-82%
Financial expenses	-864	-528	-39%
<b>Net financial expenses</b>	<b>-836</b>	<b>-523</b>	<b>-37%</b>
Other expenses and incomes on financial assets	132	92	-30%
Fair-value adjustments of financial instruments	-	-	-
Results of companies consolidated under the equity-method	1,335	1,190	-11%
<b>Result before tax</b>	<b>7,673</b>	<b>3,639</b>	<b>-53%</b>
Income tax	-480	-62	-87%
<b>Net result</b>	<b>7,193</b>	<b>3,577</b>	<b>-50%</b>
Non-controlling interests	-	-	n.a.
<b>Net result (owners of the parent)</b>	<b>7,193</b>	<b>3,577</b>	<b>-50%</b>
Average number of shares (non-diluted)	1,454,552	1,507,608	
<b>Net result / share (owners of the parent)</b>	<b>4.95</b>	<b>2.37</b>	<b>-52%</b>
Average number of shares (diluted)	1,460,480	1,510,088	
<b>Net result / share (owners of the parent diluted)</b>	<b>4.93</b>	<b>2.37</b>	<b>-52%</b>

The half-year net result of PAREF Group was €3.6m, decreasing by 52% compared to H1 2020. This is mainly due to:

- Net rental income of €3.4m (-24% vs H1 2020), reflecting the vacancy of the Gentilly asset which is for sale, disposals from 2020 and the decline in the reinvoicing of rental expenses linked to the settlement for previous accounting periods;
- Net commissions of €4.7m, down by 25%, reflecting the decision to suspend subscriptions for SCPI Novapierre Allemagne 2 in Q1 2021, as well as the slowdown in subscriptions in the context of COVID 19.

The growth in asset under management and the development of PAREF Investment Management in Italy have partially compensated this decrease, thanks to the increase in management commissions (+15%);

- General expenses amounted to €6.6m, +36% compared to H1 2020, explained by the reinforcement of the teams;
- Amortization and depreciation of €0.6m, increased by €0.4m compared to H1 2020, reflecting the investments made to upgrade IT systems and tools;
- Variation of fair value in investment properties was €2.0m for the first 6 months of 2021, mainly thanks to the increase of fair value in the Gentilly asset following a pre-sale agreement;
- Net financial expenses decreased by 37% to €0.5m in H1 2021 compared to €0.8m in H1 2020. This reflects the early repayment fees of €0.3m in 2020 related to the refinancing for Dax and Saint Paul les Dax in 2020;
- Results of companies consolidated under the equity-method amounted to €1.2m, compared to €1.3m in H1 2020.

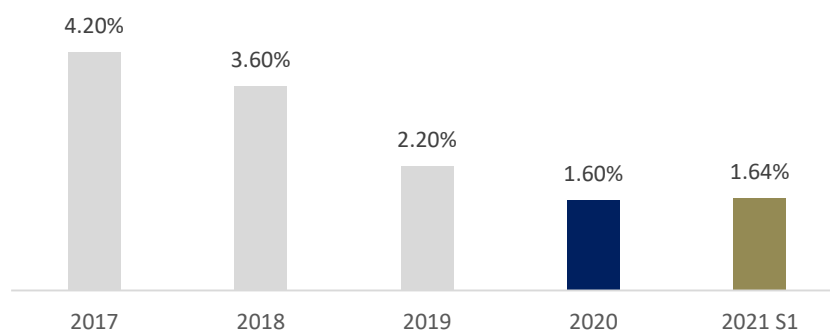


## IV - Financial resources

Gross debt of PAREF stood at €67m as at June 30, 2021 compared to €64m as at December 31, 2020.

The average cost of drawn debt of the Group remained broadly stable at 1.64% as at June 30, 2021, vs 1.60% at end of 2020.

The evolution of financing cost starting from 2017 is as follows:

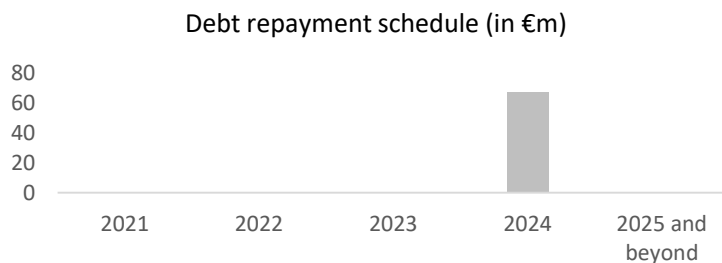


The average debt maturity is 2.6 years as at June 30, 2021 (vs. 3.1 years at year-end 2020). The drawn debt is fully hedged, limiting the sensitivity of the Group to interest rate fluctuations.

Financial covenants were respected as at June 30, 2021.

	June 30, 2021	Covenant
LTV <sup>10</sup>	26%	<50%
ICR <sup>11</sup>	2,8x	>2.5x
DSF <sup>12</sup>	13%	<30%
Consolidated asset value <sup>13</sup>	€235 m	>€125 m

Debt repayment schedule:



The Group has liquidity of €39m as at June 30, 2021, of which cash and cash equivalent for €6m, and an undrawn committed credit line for €33m.

<sup>10</sup> Loan-to-value: consolidated net debt divided by the consolidated asset value excluding transfer taxes.

<sup>11</sup> ICR : EBITDA divided by consolidated financial expenses excluding penalties on debt early repayment.

<sup>12</sup> DSF : secured financial debt divided by the consolidated asset value (including the value of PARE Gestion's share).

<sup>13</sup> Including the value of PAREF Gestion as at Dec 31, 2020

## V - Assets under Management

The value of the assets under management increased by +2% and reached more than €2.4bn.

In k€	Dec 31, 2020	June 30, 2021	Evolution in %
<b>1 – Management for owned assets</b>			
PAREF owned assets	166,550	169,785	2%
PAREF participations <sup>14</sup>	29,728	30,158	2%
<b>Total Asset of PAREF</b>	<b>196,278</b>	<b>199,943</b>	<b>2%</b>
<b>2 – Management for retail and institutional third parties</b>			
Novapierre Allemagne	616,247	613,435	0%
Novapierre Résidentiel	329,021	330,046	0%
Novapierre 1	251,653	247,113	-2%
Interpierre France	184,132	190,154	3%
Novapierre Allemagne 2	157,546	160,968	2%
Atlantique Pierre 1	56,644	57,675	2%
Cifocoma 2	25,007	23,354	-7%
Cifocoma 1	24,329	23,493	-3%
Interpierre Europe Centrale	4,153	9,324	125%
Novapierre Italie <sup>(1)</sup>	3,504	-	-100%
Vivapierre	86,400	87,335	1%
Other assets managed on behalf of third parties <sup>(2)</sup>	448,360	483,050	8%
<b>Total Assets under Management for third parties</b>	<b>2,186,996</b>	<b>2,226,385</b>	<b>2%</b>
Adjustments <sup>(3)</sup>	-10,942	-11,425	4%
<b>3 – TOTAL Asset under Management</b>	<b>2,372,332</b>	<b>2,414,903</b>	<b>2%</b>

(1) The Extraordinary General Shareholder Meeting of Novapierre Italie on March 5, 2021 voted for the early dissolution and the liquidation of the SCPI

(2) Including Foncière Sélection Régions and The Medelan asset

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

<sup>14</sup> Including shares in companies consolidated under the equity method (50% in Wep Watford owning the Gaïa building in Nanterre, La Défense), and 27.24% in Vivapierre OPPCI. Excludes PAREF Gestion shares

## VI – EPRA Net Asset Value

PAREF Group EPRA Net Reinstatement Value (NRV) and EPRA Net Tangible Asset (NTA) remained stable at €125.2 per share and €124.6 per share respectively as at June 30, 2021, compared to €125.1 per share and €124.6 per share as at December 31, 2020.

EPRA NAV indicators is based on consolidated equity under IFRS rules (including fair value of assets) and financial instruments and debt at fair-value, according to EPRA Best Practices Recommendations Guideline.

EPRA NAV metrics as at June 30, 2021:

June 30, 2021 In k€	EPRA NRV (Net Reinstatement Value)	EPRA NTA (Net Tangible Assets)	EPRA NDV (Net Disposal Value)
IFRS Equity attributable to shareholders <i>Include / Exclude :</i>	138,142	138,142	138,142
Hybrid instruments	-	-	-
<b>Diluted NAV</b>	138,142	138,142	138,142
<i>Include :</i>			
Revaluation of investment properties (if IAS 40 cost option is used)	-	-	-
Revaluation of investment property under construction (IPUC) (if IAS 40 cost option is used)	-	-	-
Revaluation of other non-current investments (PAREF Gestion) <sup>15</sup>	37,105	37,105	37,105
Revaluation of tenant leases held as finance leases	-	-	-
Revaluation of trading properties	-	-	-
<b>Diluted NAV at Fair Value</b>	175,247	175,247	175,247
<i>Exclude :</i>			
Differed tax in relation to fair value gains of IP	-	-	-
Fair value of financial instruments	778	778	n.a.
Goodwill as a result of deferred tax	-	-	-
Goodwill as per the IFRS balance sheet	n.a.	-	n.a.
Intangibles as per the IFRS balance sheet	n.a.	-864	n.a.
<i>Include :</i>			
Fair value of debt	n.a.	n.a.	190
Revaluation of intangible to fair value	-	n.a.	-
Real estate transfer tax	12,971	12,971	n.a.
<b>NAV</b>	188,996	188,132	175,436
Fully diluted number of shares	1,510,088	1,510,088	1,510,088
<b>NAV per share</b>	125.2	124.6	116.2

<sup>15</sup> PAREF Gestion valuation was performed by a qualified external expert as at Dec 31, 2020.

## VII - Post-closing events

None

## VIII - Financial agenda

October 28, 2021: Financial information as at September 30, 2021

### About PAREF Group

PAREF is a European real estate group listed on Euronext, with €2.4 bn assets under management on behalf of third parties, through PAREF Gestion and PAREF Investment Management.

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

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

### Contacts

Antoine CASTRO  
Chief Executive Officer  
[contact@paref.com](mailto:contact@paref.com)  
Phone: +33 (0) 1 40 29 86 86

Magali VOLET  
Group CFO  
[contact@paref.com](mailto:contact@paref.com)  
Phone: +33 (0) 1 40 29 86 86

### Press Contacts

Citigate Dewe Rogerson  
Mail : [Pareref@citigatedewerogerson.com](mailto:Pareref@citigatedewerogerson.com)  
Tom Ruvira  
Tel : +33 (0) 7 60 90 89 18

Philippe Ronceau  
Tél : +33 (0) 6 64 12 53 61

## APPENDIX

### Other EPRA indicators

- EPRA Earnings

In k€	H1 2020	H1 2021	Evolution in %
Earnings per IFRS income statement	7,193	3,577	-50%
Adjustments			
(i) Change in fair-value of investment properties	- 1,496	-2,049	-37%
(ii) Profits or losses on disposal of investment properties and other interests	18	0	-100%
(iii) Profits or losses on disposal of financial assets available for sale	-	-	
(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	234	0	-100%
(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	-639	-213	-67%
(x) Non-controlling interests in respect of the above	-	-	
<b>EPRA Earnings</b>	5,310	1,314	-75%
Average number of shares (diluted)	1,454,552	1,507,608	
<b>EPRA Earnings per share (diluted)</b>	€3.65	€0.87	-76%

- EPRA Vacancy rate

In k€	Dec 31, 2020	June 30, 2021	Evolution in %
Estimated rental value of vacant space <sup>(1)</sup>	1,974	1,489	
Estimated rental value of the whole portfolio <sup>(1)</sup>	10,189	10,861	
<b>EPRA Vacancy Rate</b>	<b>19.4%</b>	<b>13.7%</b>	<b>-5.7 pts</b>

(1) Including the participation in Gaïa office, excluding shares in OCPI Vivapierre. Excluding Gaïa, EPRA vacancy rate stands at 12.2% as at June 30, 2021 vs. 16.9% as at December 31, 2020.

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

In %	Dec 31, 2020	June 30, 2021	Evolution in %
<b>PAREF Net yield</b>	<b>6.40%</b>	<b>5.36%</b>	<b>-1,04 pts</b>
Impact of estimated duties and costs	-0.5%	-0.36%	+0,14pts
Impact of changes in scope	-0.04%	0%	+0,04pts
<b>EPRA Net initial yield <sup>(1)</sup></b>	<b>5.90%</b>	<b>5.00%</b>	<b>-0,90 pts</b>
Excluding lease incentives	0.30%	0.57%	+0,27pts
<b>EPRA "Topped-Up" Net initial yield <sup>(2)</sup></b>	<b>6.22%</b>	<b>5.56%</b>	<b>-0,66 pts</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.

- Capital expenditure

In K€	H1 2020	H1 2021
Acquisition	-	-
Development <sup>(1)</sup>	1,408	698
Portfolio on a like-for-like basis <sup>(2)</sup>	697	193
Other <sup>(3)</sup>	-	654
<b>Total</b>	<b>2,104</b>	<b>1,545</b>

(1) Including investment related to "The Go" project of the asset located in Levallois-Perret

(2) Including mainly investment on resort complex in Dax and the 6 floors in the Franklin Tower

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

- EPRA cost ratios

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

In k€	H1 2020	H1 2021	Evolution in %
<b>Include:</b>			
(i) General expenses	-599	-562	-6%
(ii) Costs related to properties	-	-	-
(iii) Net service charge costs/fees	-2,808	-2,587	-8%
(iv) Management fees less actual/estimated profit element	-	-	-
(v) Other operating income/recharges intended to cover overhead expenses	-	-	-
(vi) Share of general expenses of companies consolidated under equity method	-99	-163	65%
<b>Exclude:</b>			
(vii) Depreciation and amortization			-
(viii) Ground rent costs	1,460	1,226	-16%
(ix) Service charge costs recovered through rents but not separately invoiced	1,181	756	-36%
<b>EPRA Costs (including direct vacancy costs) (A)</b>	<b>-864</b>	<b>-1,331</b>	<b>54%</b>
(x) Less: Direct vacancy costs (unrecoverable rent costs)	280	658	135%
<b>EPRA Costs (excluding direct vacancy costs) (B)</b>	<b>-584</b>	<b>-673</b>	<b>15%</b>
(xi) Gross Rental Income less ground rent costs	6,008	4,372	-27%
(xii) Less: service charge costs included in Gross Rental Income	-1,460	-1,024	-30%
(xiii) Add: share of Gross Rental Income less ground rent costs of companies consolidated under equity method	1,163	1,535	32%
<b>Gross Rental Income</b>	<b>5,711</b>	<b>4,883</b>	<b>-15%</b>
<b>EPRA Cost Ratio (including direct vacancy costs) (A/C)</b>	<b>15.1%</b>	<b>27.3%</b>	<b>+12.2pts</b>
<b>EPRA Cost Ratio (excluding direct vacancy costs) (B/C)</b>	<b>10.2%</b>	<b>13.8%</b>	<b>+3.6pts</b>

## Consolidated balance sheet

Balance sheet (in €k)	Dec 31, 2020	June 30, 2021
<b>Non-current assets</b>		
Investment properties	167,754	156,677
Intangible assets	716	864
Other property, plant and equipment	2,052	1,770
Financial assets	12,387	12,973
Shares and investments in companies under the equity method	13,836	15,179
Financial assets held for sale	1,299	1,172
Differed tax assets	6	-
<b>Total non-current assets</b>	<b>198,050</b>	<b>188,634</b>
<b>Current assets</b>		
Stocks	-	-
Trade receivables and related	16,270	13,344
Other receivables	189	844
Financial instruments	-	-
Cash and cash equivalents	7,325	5,722
<b>Total current assets</b>	<b>23,783</b>	<b>19,910</b>
Properties and shares held for sale	-	14,965
<b>TOTAL ASSETS</b>	<b>221,833</b>	<b>223,510</b>
<b>Equity</b>		
Share capital	37,755	37,755
Additional paid-in capital	42,193	42,193
Fair-value through equity	70	-
Fair-value evolution of financial instruments	-944	-778
Consolidated reserved	50,581	55,496
Consolidated net result	8,150	3,577
<b>Shareholder equity</b>	<b>137,805</b>	<b>138,242</b>
Minority interest	-	-
<b>Total Equity</b>	<b>137,805</b>	<b>138,242</b>
<b>Liability</b>		
<b>Non-current liabilities</b>		
Non-current financial debt	65,803	67,647
Non-current financial instruments	-	778
Non-current taxes due & other employee-related liabilities	-	28
Non-current provisions	269	284
<b>Total non-current liabilities</b>	<b>66,072</b>	<b>68,783</b>
<b>Current liabilities</b>		
Current financial debt	435	764
Current financial instruments	944	-
Trade payables and related	4,684	7,053
Current taxes due & other employee-related liabilities	7,196	5,462
Other current liabilities	4,697	3,250
<b>Total current liabilities</b>	<b>17,956</b>	<b>16,530</b>
<b>TOTAL LIABILITIES</b>	<b>221,833</b>	<b>223,510</b>



## Cash flow statement

<b>CASH-FLOW STATEMENT (in €k)</b>	<b>H1 2020</b>	<b>H1 2021</b>
<b>Operating cash-flow</b>		
Net result	7,193	3,577
Depreciation and amortization	223	568
Valuation movements on assets	-1,496	-2,049
Valuation movements on financial instruments	-	-
Valuation on financial assets held for sale	-	-
Tax	480	62
Result on disposals	18	-
Results of companies consolidated under the equity method	-1,335	-1,190
<b>Cash-flow from operating activities after net financial items and taxes</b>	<b>5,083</b>	<b>968</b>
Net financial expenses	836	523
Tax paid	-898	296
<b>Cash-flow from operating activities before net financial items and taxes</b>	<b>5,021</b>	<b>1,786</b>
Other variations in working capital	-2,185	1,053
<b>Net cash-flow from operating activities</b>	<b>2,836</b>	<b>2,839</b>
<b>Investment cash-flow</b>		
Acquisition of tangible assets	-2,798	-1,839
Acquisition of other assets	-283	-260
Assets disposal	4,732	-
Acquisition of financial assets	-1,085	-564
Financial assets disposal	-	-
Financial products received	-	-
Change in perimeter	28	5
<b>Cash-flow from investments</b>	<b>594</b>	<b>-2,659</b>
<b>Financing cash-flow</b>		
Self-detention shares	-	-
Variation in capital	3,945	-
Variation in bank loans	27	39
Variation in other financial debt	-	2,000
Repayment of financial lease	-	-
Repayment of bank loan	-8,520	-292
Costs of loan issuance	-	-
Variation on bank overdraft	168	339
Financial expenses paid	-504	-402
Dividend paid to shareholders and minorities	-5,775	-3,468
<b>Cash-flow from financial activities</b>	<b>-10,659</b>	<b>-1,783</b>
<b>Increase/ Decrease in cash</b>	<b>-7,228</b>	<b>-1,602</b>
<b>Cash &amp; cash equivalent at opening</b>	<b>16,357</b>	<b>7,325</b>
<b>Cash &amp; cash equivalent at closing</b>	<b>9,129</b>	<b>5,722</b>

