

# 2022 Half-Year Results

## Société de la Tour Eiffel begins the initial stages of its transformation

The Board of Directors of Société de la Tour Eiffel, meeting on 27 July 2022, approved the financial statements as at 30 June 2022. The audit procedures for these financial statements have been completed, and the corresponding reports are in the process of being issued.

Christel Zordan, Chief Executive Officer of Société de la Tour Eiffel, said: *“With its sight set firmly to the future, Société de la Tour Eiffel is undertaking the first stages of its transformation plan by adopting a roadmap and implementing an internal organisational set-up suited to its new goals, including strengthening its investment and development teams. Despite some noteworthy signings, the company still faces some major letting challenges as it seeks to rebuild its cashflows and dividend payout capacity, based on its size and planned vacancies in order to further its redevelopment goals. The transformation of its portfolio, with a focus on asset classes and locations suited to new societal challenges, will require a transition phase before shareholders see the benefits of this new model. Based on progress already made, I am confident in our ability to implement this roadmap efficiently over time.”*

### Fundamentals still solid...

- 97% of H1 2022 rents collected to date
- €5.8m in new leases signed
- Asset value stable like-for-like (+0.1%) at €1.79bn
- €27m in disposals carried out, with a view towards transforming the portfolio
- LTV still conservative at 37.9%
- Cash and cash equivalent: €178m
- EPRA NTA per share: €49.8
- EPRA NDV per share: €51.8
- Net Initial yield EPRA topped-up: 4.0%

### ... with a view towards adapting the model in order to return to growth

- EPRA occupancy rate: 77.5%
- Consolidated net income: -€1.5m (vs. -€0.4m)
- EPRA earnings per share: €0.5
- Recurring cash flow per share: €0.6

## Market context and environmental challenges

While the Covid-19 epidemic appeared to have subsided in the first half of 2022, new uncertainties emerged in an economic context marked by high inflation and the prospect of higher interest rates, along with a worsened geopolitical environment. As of 30 June 2022, these new market conditions were expected to have a limited impact on the Group with regard to its business, its office building portfolio, and its financing structure.

Aware that the value of its portfolio depends, among other things, on its environmental performance, and while holding itself to the highest CSR standards, Société de la Tour Eiffel continues its actions in favour of real estate that is more environmentally and societally responsible. It has done so for more than 10 years through an expert dedicated team whose mission is to identify and anticipate current and future challenges and to steer the Group's ESG strategy accordingly.

## Creation of an ESG-specialised committee

As a natural extension of the Group's CSR efforts, the Board of Directors has supplemented its governance set-up by creating last April an Environmental, Social and Governance (ESG) Committee. This specialised committee consists of four members: SMA SA (represented by Fabienne Tiercelin), Jacques Chanut, Imperio Assurances and Capitalisation (represented by Marie-George Dubost) and Christine Sonnier, an independent director, who chairs the committee.

## Start-up of the roadmap

To align itself with current rapid societal trends, in March 2022 Société de la Tour Eiffel announced a new roadmap to adapt its portfolio towards new types of assets and geographical diversification in major regional French cities.

The Group's change of direction is being accomplished using several leverages, including the disposal of buildings that are no longer suited to the Group's new challenges, internal developments (some already identified and others for the future), improved environmental performance of buildings, and investments in assets that are in tune with their market.

## Disposal of buildings not suited to the Group's challenges

Despite the clear slowdown in the investment market generally and the specific circumstances of assets awaiting sale, which are often located in illiquid markets, the Group was able to complete the disposal of two properties in the first half of 2022 for €27m at prices in line with the latest appraised values.

On 8 July 2022, the Group signed a promise of sale of a 637 m<sup>2</sup> property in Coulommiers, in Paris' eastern suburbs.

## Identifying current and future internal developments

As previously announced, the Group is taking advantage of the freeing up of the Lyon Dauphiné and Puteaux (previously Olympe) sites to redevelop them. In Lyon, a permit application to develop an office/co-living building (with 5,000 m<sup>2</sup> and 5,500 m<sup>2</sup> for each use, respectively) was filed and then obtained (purged of all recourse) in early 2022. The coliving building was secured with the signing of a 12-year off-plan lease agreement (*BEFA*) with a specialised operator building. At Puteaux, on the banks of the river Seine, the Group completed the pre-approval process and filed for a permit to build a 9,700 m<sup>2</sup> office building.

At the Aubervilliers site, which was freed up in late 2021, an ambitious development operation is under review, in accordance with the roadmap's mixed-use objective. In the meantime, the site is welcoming a temporary

tenant for two years (since February 2022) – Poush, France's first ever artist incubator project – turning it into an innovative, creative, cultural space that will help project the image of Aubervilliers and the Greater Paris area.

On an available plot at the Parc Eiffel Nanterre Seine, in Paris' western suburbs, the Group filed and obtained a building permit (in the process of being purged of third-party recourse) to develop a 5,200 m<sup>2</sup> urban logistics building.

At the Parc du Golf in Aix-in-Provence, a permit has been obtained and freed of all claims to build two office buildings with a total surface area of 3,900 m<sup>2</sup> and is now being pre-let. And in Bobigny in late 2021 the Group acquired a plot adjoining their existing land that will allow the site to be redeveloped as an urban logistics project.

These six projects are perfect examples of the property company's value creation strategy and are driving the development plan as administrative authorisations are obtained. In total over the four redevelopment projects, it's €5.8m of potential rental income which have been included in vacancies on purpose.

### **Investments in properties in phase with their market**

Three projects led to sales agreements: two properties rented and restructured in Paris, 920 m<sup>2</sup> and 2,750 m<sup>2</sup>, as well as a rented sale in future state of completion (VEFA) of 4,400 m<sup>2</sup> in Issy-les-Moulineaux. These projects are part of the Group's strategy to transform its portfolio, with a focus on quality locations and high-environmental performance buildings.

### **A portfolio being transformed...**

As of 30 June 2022, property values totalled €1,785m: 82% in offices (€1,472m), 10% in light industrial/logistics premises (€179m), 7% in mixed use (€123m) and, marginally, in managed residential properties. All these properties are located in France, including 76% in Greater Paris (€1,356m). As part of the Group's ongoing efforts to enhance the quality of its portfolio, 80% of this has been environmentally certified.

### **...with high rental income stakes...**

Deals were signed covering €9.1m in annualised rent during the period, including €5.8m in new leases signed and €3.3m rolled over. Driven by the signature with Alcatel (11,700 m<sup>2</sup>) in Massy in early 2022 and the renegotiation with CS Group (12,200 m<sup>2</sup>) in Plessis Robinson, the net balance of rental activity came to +€2.2m in annualised rent.

During the first half of the year, more than 56,200 m<sup>2</sup> in properties was signed. Apart from the two aforementioned deals, the Company contracted for 620 m<sup>2</sup> with M2DG in Paris-Enghien, for 1,820 m<sup>2</sup> with Polyexpert Rhône Alpes on the K-Bis in Vaulx-en-Velin, and for 1,240 m<sup>2</sup> with Work&Share at Delta in Nanterre. In addition, the Centre des Monuments Nationaux, Satelec and Excilone have rolled over or expanded their commitments, respectively, on 3,960 m<sup>2</sup> at Paris Domino, on 1,330 m<sup>2</sup> at the Parc Eiffel Nanterre Seine and on 1,055 m<sup>2</sup> in Elancourt.

As of 30 June 2022, the financial occupancy rate (EPRA) was 77.5% (vs. 75.6% and end-2021), and the average term and firm lease terms were, respectively, 5.4 and 2.9 years (vs. 5.5 and 3.0 at end-2021). Restated for planned vacancies, the occupancy rate was 82.9% (vs. 81.5%).

### **...and that is productive in occupied properties: 97% of first half 2022 rents have been collected**

As of the date of this press release, out of a total of €39.7m of invoiced rents in the first half of 2022, 96.8% have already been collected.

This performance is the fruit of the internalised property and rental management model, combining thorough selection with proximity to tenants to build a quality rental base.

Monitoring of tenant risk on the basis of Coface and Credit Safe ratings continues to indicate that more than 80% of the rental base consists of tenants belonging to the top two categories (low or very-low risk), thus demonstrating its resilience.

### **EPRA earnings of €0.5 per share impacted by disposals and departures**

On a like-for-like basis and when excluding vacancies on purpose, gross rental income declined by 4.8%. In all, it decreased by 12.7% to €39.4m, owing to disposals and departures. Net of charges, rental income declined by 17.7%, in line with the change in the occupancy rate.

Current EBIT came to €21.2m (vs. €29.9m), also reflecting an increase in operating costs (-€1.2m), in accordance with the adjustments made in the Group's structure.

Financing expenses were stable at €7.3m, reflecting a slight increase in financing costs (1.7% vs. 1.6%), offset by early repayment of loans. This stability in financing fees was made possible by the strategy of hedging existing floating-rate debt, which is expected to continue paying off until December 2024.

After taking into account other income and expenses, taxes and the earnings of companies accounted for using the equity method, EPRA earnings (recurring net profit) stood at €14.1m, or €0.53 per share (after taking into account the cost of perpetual subordinated debt instruments (TSDI) in EPRA earnings per share).

After all EPRA restatement adjustments (allocations, restatements, net gains on disposals and changes in the value of financial instruments), consolidated net income came to -€1.5m, vs. -€0.4m in the first half of 2021.

Recurring Cash Flow for the period totalled €10.6m, or €0.64 per share, vs. 0.97 € in the first half of 2021.

### **Slight decline in net asset value**

EPRA Net Tangible Asset NAV (NTA) per share declined from €50.9 to €49.8 at end-June 2022, due mainly to the payout of the dividend. EPRA liquidation NDV NAV (similar to EPRA Triple Net NAV) per share decreased by an equivalent amount, from €53.0 to €51.8.

### **Société de la Tour Eiffel undertakes a transformation of its portfolio**

After a first-half of the year devoted to defining and adopting a new roadmap and adjusting its structure to meet these objectives, the Group is firmly committed to transforming its portfolio. This is being done by identifying opportunities for divesting properties that do not meet these new expectations, by continuing to develop projects that have been identified, and a very active return of the Group's strengthened teams on the investment market.

These combined initiatives should ultimately help rebuild cash-flows by improving occupancy rates and margins and will result in a greater dividend-paying capacity and a return to sustainable growth.

### **Agenda**

- February-March 2023: 2022 full-year results (after market close)
- 25<sup>th</sup> May 2023: General Meeting of Shareholders
- June 2023: Dividend payment
- July 2023: 2023 half-year results (after market close)

The results presentation will be available on the Group's website on Thursday morning, 28 July: [Information financière - Société Tour Eiffel \(societetou Eiffel.com\)](#).

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### About Société de la Tour Eiffel

Société de la Tour Eiffel is an integrated property company with €1.8 bn in assets and a powerful service culture. An agile operator, it works across multiple asset classes (offices, logistics, managed residential, retail) located in Greater Paris and the major regional metropolises. It is active throughout the real estate cycle, supporting its tenants, companies of all sizes and sectors, via a rigorous direct management process.

Société de la Tour Eiffel takes a pro-active cross-disciplinary approach to CSR that is fully integrated with its business strategy. Société de la Tour Eiffel is listed on Euronext Paris (Compartment B) – ISIN Code: FR0000036816 – Reuters: TEIF.PA – Bloomberg: EIFF.FP – Indexes: IEIF Foncières, IEIF Immobilier France  
[www.societetou Eiffel.com](http://www.societetou Eiffel.com)

# APPENDICES

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# KEY FIGURES

## Portfolio

(€m)	30/06/2021	31/12/2021	30/06/2022
Portfolio valuation at depreciated cost	1,481.3	1,433.6	1,384.5
Portfolio valuation at Fair Value (excl. Transfer taxes)	1,843.8	1,797.1	1,785.1
EPRA NTA per share (€)	51.0	50.9	49.8
EPRA NDV per share (€)	53.0	53.0	51.8

## Results

(€m)	30/06/2021	31/12/2021	30/06/2022
Rental income	45.1	84.7	39.4
Current operating profit	(7.7)	(15.7)	(15.1)
Net profit - Group share	(0.4)	2.8	(1.5)
Net profit - Group share per share (€)	(0.3)	(0.5)	(0.4)
EPRA earnings	22.4	37.7	14.1

## Cash flow and dividend

(€m)	30/06/2021	31/12/2021	30/06/2022
Recurring Cash Flow	16.2	27.5	10.6
Recurring Cash Flow per share (€)	0.97	1.66	0.64
Dividend per share (€)	2.00	1.50	1.50
Pay-out Ratio (Dividend / recurring Cash Flow)	205%	91%	235%

## Market capitalisation

(€m)	30/06/2021	31/12/2021	30/06/2022
Number of outstanding shares at the end of the period	16,589,740	16,589,740	16,589,740
Share price (€)	28.5	28.3	22.4
Market capitalisation	472.8	469.5	371.6

## Financial structure

(€m)	30/06/2021	31/12/2021	30/06/2022
Portfolio value	1,843.8	1,797.1	1,785.1
Net Group LTV	39.5%	37.8%	37.9%
EBITDA / Financial costs	4.0	3.6	2.9

## Valuation ratios

	30/06/2021	31/12/2021	30/06/2022
Cash flow multiple (Capitalisation / Cash Flow)	14.6	17.1	17.6

# EPRA KEY PERFORMANCE INDICATORS

The European Public Real Estate Association (EPRA) issued in October 2019 an update of the Best Practice Recommendations report (BPR), which gives guidelines for performance measures.

Société de la Tour Eiffel supports the financial communication standardisation approach designed to improve the quality and comparability of information and supplies its investors with the EPRA key performance indicators. They appear in the table here-below.

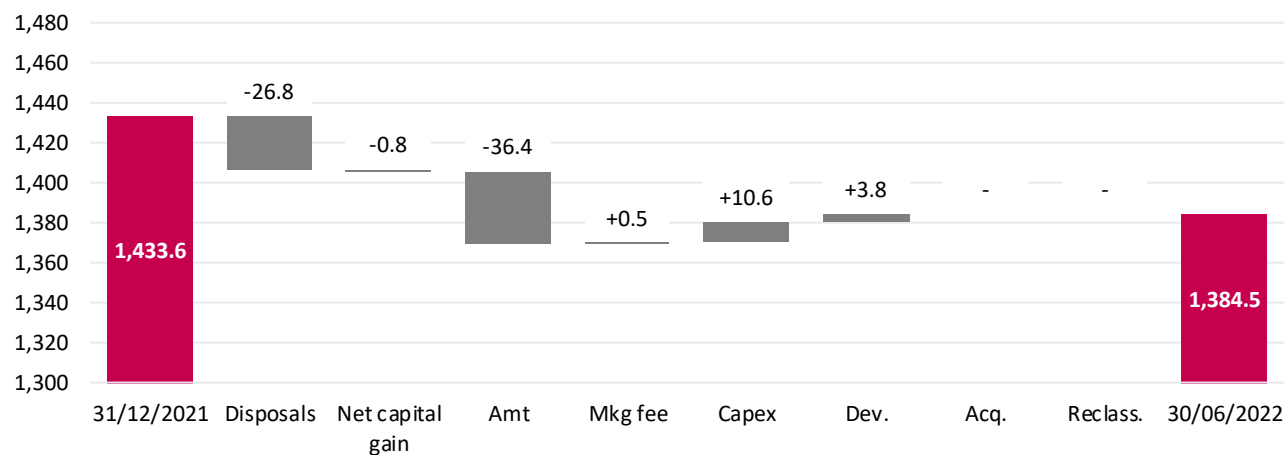
## EPRA Performance Measures (EPM) – Summary Table

<b>(€m)</b>	<b>30/06/2021</b>	<b>31/12/2021</b>	<b>30/06/2022</b>
EPRA Earnings	22.4	37.7	14.1
EPRA NNNAV	879.7	881.4	860.0
EPRA NDV	879.7	881.4	860.0
EPRA NTA	847.3	846.3	827.2
EPRA NAV	847.8	846.8	827.8
EPRA NRV	969.5	965.5	943.9
EPRA Initial Yield	3.9%	3.5%	3.7%
EPRA "Topped-up" Net Initial Yield	4.2%	4.0%	4.0%
EPRA Vacancy Rate	22.7%	24.4%	22.5%
EPRA Cost Ratio (including direct vacancy costs)	33.4%	39.0%	45.9%
EPRA Cost Ratio (excluding direct vacancy costs)	15.6%	25.9%	27.8%
EPRA Property Investments	15.3	34.3	13.5
<b>(€ per share)</b>	<b>30/06/2021</b>	<b>31/12/2021</b>	<b>30/06/2022</b>
EPRA Earnings	1.04	1.64	0.53
EPRA NNNAV	53.0	53.0	51.8
EPRA NDV	53.0	53.0	51.8
EPRA NTA	51.0	50.9	49.8
EPRA NAV	51.1	50.9	49.9
EPRA NRV	58.4	58.1	56.8
Average number of diluted shares (excl. Tr. shares)	16,599,035	16,602,564	16,606,901
Fully diluted number of shares	16,606,595	16,620,401	16,605,280

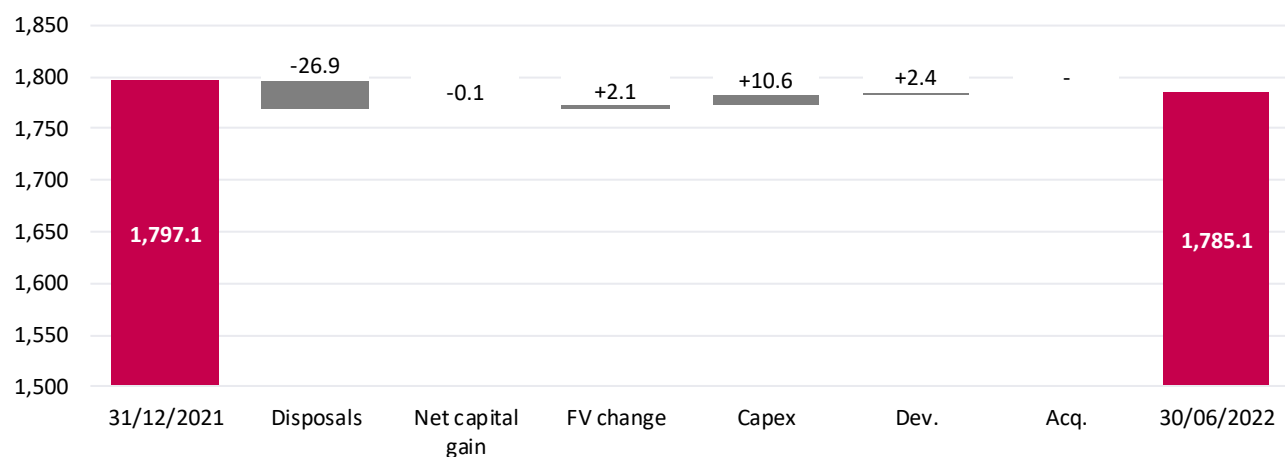


# PORTFOLIO

## Portfolio valuation at Amortised Cost (€m)



## Portfolio valuation at Fair Value (€m)



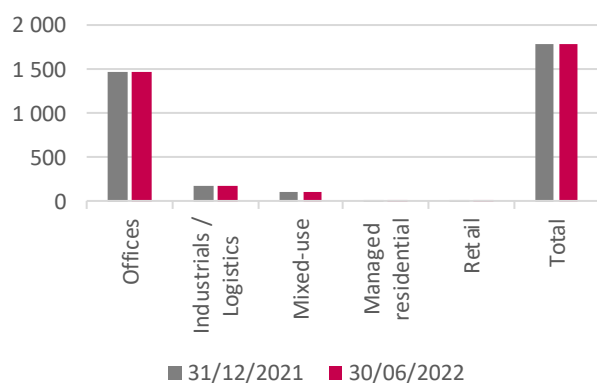
## EPRA Property Investments

(€m)	30/06/2021			30/06/2022		
	Group	Joint-Venture	Total	Group	Joint-Venture	Total
Acquisitions	-	-	-	-	-	-
Development	6.5	-	6.5	2.4	-	2.4
Investment properties	8.7	-	8.7	11.1	-	11.1
Incremental lettable space	-	-	-	-	-	-
No incremental lettable space	8.2	-	8.2	10.6	-	10.6
Tenant incentives	0.5	-	0.5	0.5	-	0.5
Other expenditures	-	-	-	-	-	-
Capitalised interest on development properties	-	-	-	-	-	-
<b>Total Property Investments</b>	<b>15.3</b>	<b>-</b>	<b>15.3</b>	<b>13.5</b>	<b>-</b>	<b>13.5</b>
Conversion from accrual to cash basis	-	-	-	-	-	-
<b>Total Property Investments on cash basis</b>	<b>15.3</b>	<b>-</b>	<b>15.3</b>	<b>13.5</b>	<b>-</b>	<b>13.5</b>

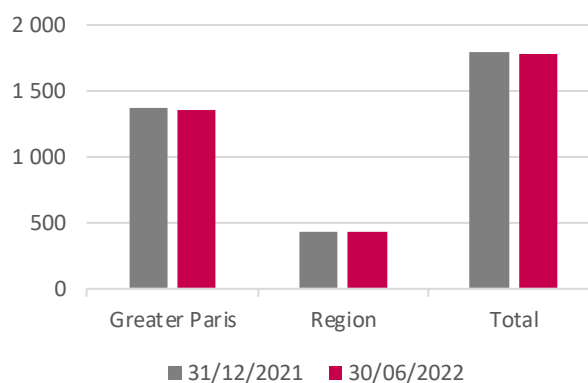
## Portfolio breakdown in Fair Value

(€m)	31/12/2021	30/06/2022
<b>By type of asset</b>		
Offices	1,462.3	1,472.4
Industrials / Logistics	174.5	179.2
Mixed-use	123.1	123.1
Managed residential	7.3	7.4
Retail	29.9	2.9
<b>By region</b>		
Greater Paris	1,371.4	1,356.5
Region	425.6	428.6
<b>Total</b>	<b>1,797.1</b>	<b>1,785.1</b>

### Breakdown by type of asset (€m)



### Breakdown by region (€m)



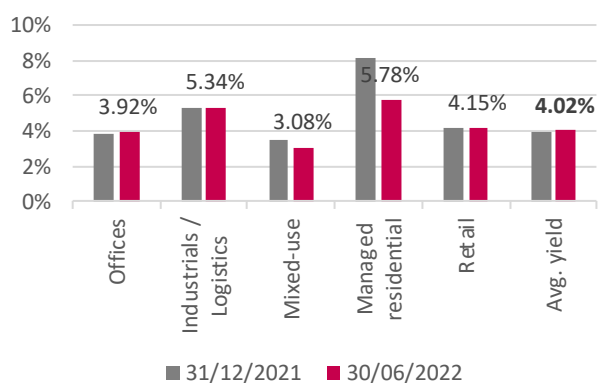
## EPRA Net Initial Yield and 'topped-up' Net Initial Yield

(€m)	30/06/2021	31/12/2021	30/06/2022
Investment property - wholly owned	1,843.8	1,797.1	1,785.1
Investment property - share of JVs/ Fund	-	-	-
Trading property (including share of JVs)	-	-	-
Adjustment of assets under development and land reserves	(13.9)	(14.5)	(36.9)
Value of the property portfolio in operation excluding duties	1,830.0	1,782.6	1,748.2
Transfer duties	121.4	118.4	115.3
<b>Value of the property portfolio in operation including duties (B)</b>	<b>1,951.4</b>	<b>1,901.0</b>	<b>1,863.5</b>
Annualised gross rental income	87.3	78.1	82.1
Annualised irrecoverable property operating expenses	(12.1)	(12.5)	(12.9)
<b>Annualised net rents (A)</b>	<b>75.2</b>	<b>65.6</b>	<b>69.2</b>
Rents at the expiry of the lease incentives or other rent discount	6.0	9.7	5.7
<b>Topped up net annualised rent (C)</b>	<b>81.2</b>	<b>75.3</b>	<b>74.8</b>
<b>EPRA NIY (A/B)</b>	<b>3.9%</b>	<b>3.5%</b>	<b>3.7%</b>
<b>EPRA "topped-up" NIY (C/B)</b>	<b>4.2%</b>	<b>4.0%</b>	<b>4.0%</b>

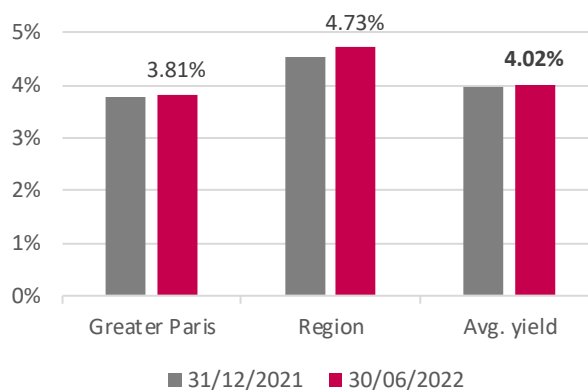
## EPRA Topped-up Net Initial Yield

(€m)	31/12/2021	30/06/2022
<b>By type of asset</b>		
Offices	3.81%	3.92%
Industrials / Logistics	5.36%	5.34%
Mixed-use	3.51%	3.08%
Managed residential	8.18%	5.78%
Retail	4.15%	4.15%
<b>By region</b>		
Greater Paris	3.78%	3.81%
Region	4.55%	4.73%
<b>Average portfolio yield</b>	<b>3.96%</b>	<b>4.02%</b>

### Breakdown by type of asset



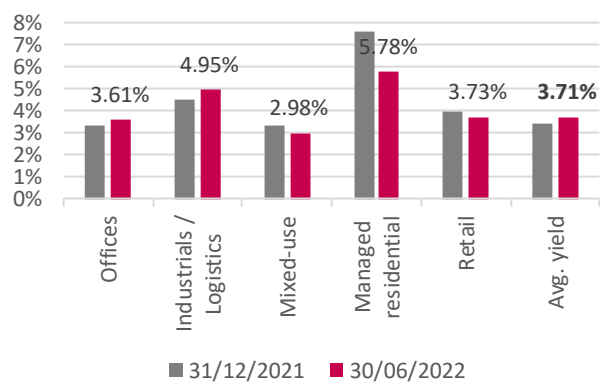
### Breakdown by region



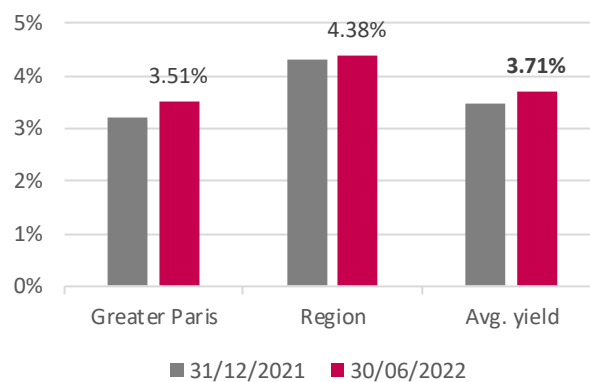
## EPRA Net Initial Yield

	31/12/2021	30/06/2022
<b>By type of asset</b>		
Offices	3.30%	3.61%
Industrials / Logistics	4.51%	4.95%
Mixed-use	3.31%	2.98%
Managed residential	7.58%	5.78%
Retail	4.03%	3.73%
<b>By region</b>		
Greater Paris	3.19%	3.51%
Region	4.31%	4.38%
<b>Average portfolio yield</b>	<b>3.45%</b>	<b>3.71%</b>

### Breakdown by type of asset

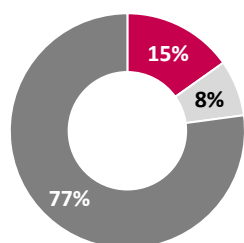


### Breakdown by region



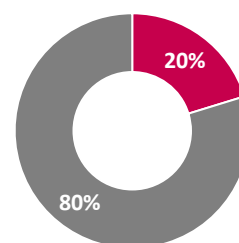
# PORTFOLIO KEY INDICATORS

## Buildings < 10 years in Fair Value



- New and refurbished
- Buildings < 10 years
- Buildings > 10 years

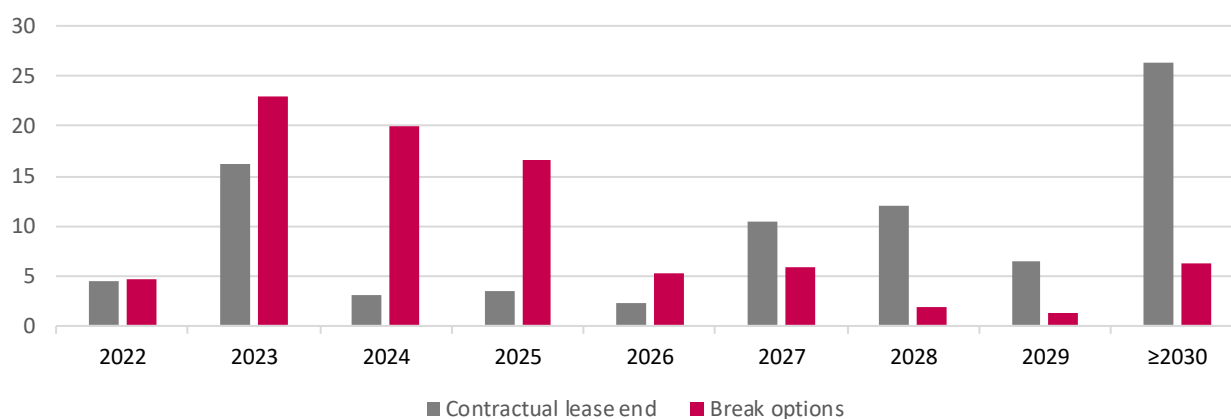
## Labelled new buildings\* in Fair Value



- Labelled buildings
- Non labelled buildings

(\* ) Excl. disposal plan, developments and acquisitions of the current exercise

## Portfolio lease maturity in rental income (€m)

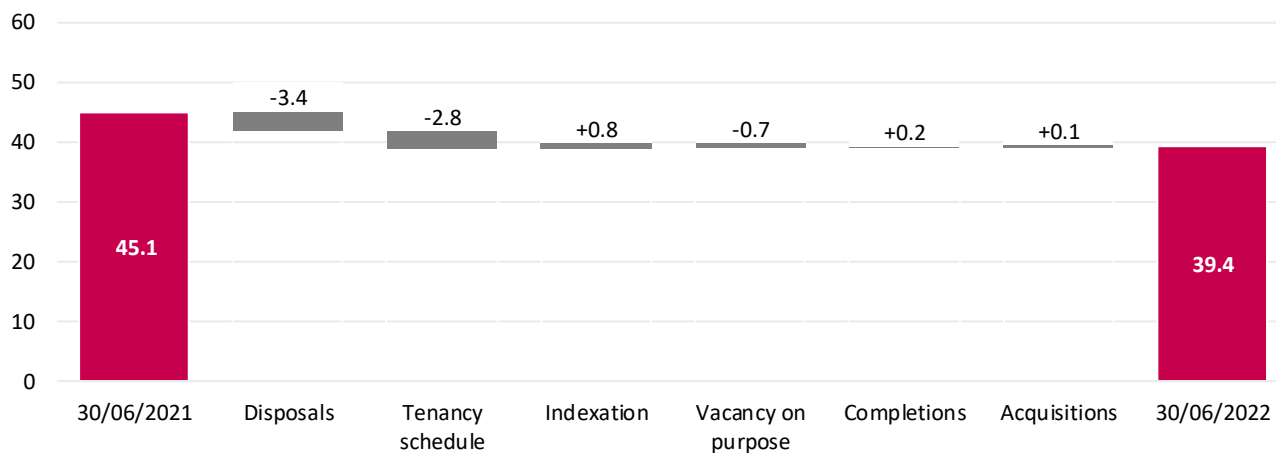


## EPRA Vacancy Rate

(€m)	30/06/2021	31/12/2021	30/06/2022
Estimated rental value of vacant space (A)	27.1	28.4	25.3
Estimated rental value of the whole portfolio (B)	119.2	116.1	112.3
<b>EPRA Vacancy Rate (A/B)</b>	<b>22.7%</b>	<b>24.4%</b>	<b>22.5%</b>

# RENTAL INCOME

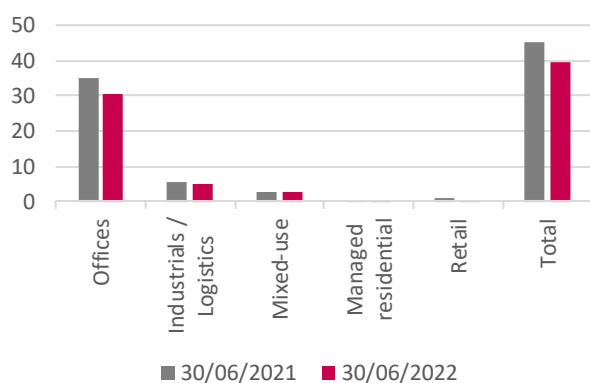
## IFRS Rental Income Walk (€m)



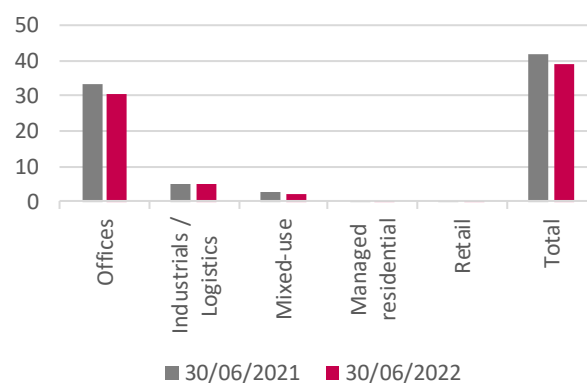
## IFRS Rental Income variation by type of asset

(€m)	30/06/2021	30/06/2022
<b>IFRS Rental Income variation</b>		
Offices	35.3	30.7
Industrials / Logistics	5.4	5.3
Mixed-use	2.9	2.6
Managed residential	0.2	0.4
Retail	1.2	0.4
<b>Total</b>	<b>45.1</b>	<b>39.4</b>
<b>IFRS Rental Income variation like-for-like</b>		
Offices	33.3	30.6
Industrials / Logistics	5.0	5.3
Mixed-use	2.9	2.4
Managed residential	0.2	0.4
Retail	0.3	0.4
<b>Total</b>	<b>41.8</b>	<b>39.1</b>

### IFRS Rental Income variation (€m)



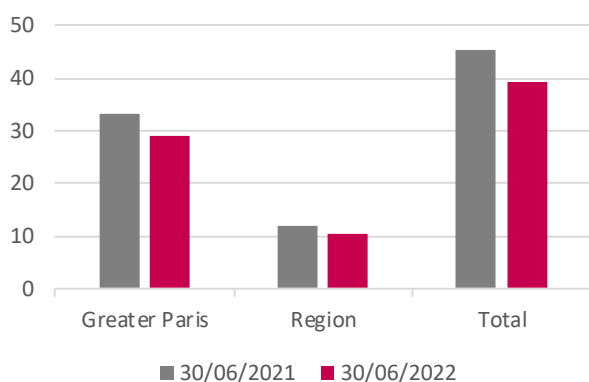
### IFRS Rental Income variation like-for-like (€m)



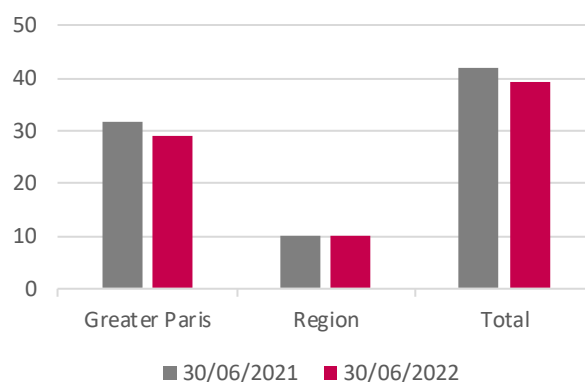
## IFRS Rental Income variation by Region

(€m)	30/06/2021	30/06/2022
<b>IFRS Rental Income variation</b>		
Greater Paris	33.1	29.0
Region	12.1	10.4
<b>Total</b>	<b>45.1</b>	<b>39.4</b>
<b>IFRS Rental Income variation like-for-like</b>		
Greater Paris	31.7	28.9
Region	10.1	10.1
<b>Total</b>	<b>41.8</b>	<b>39.1</b>

IFRS Rental Income variation (€m)

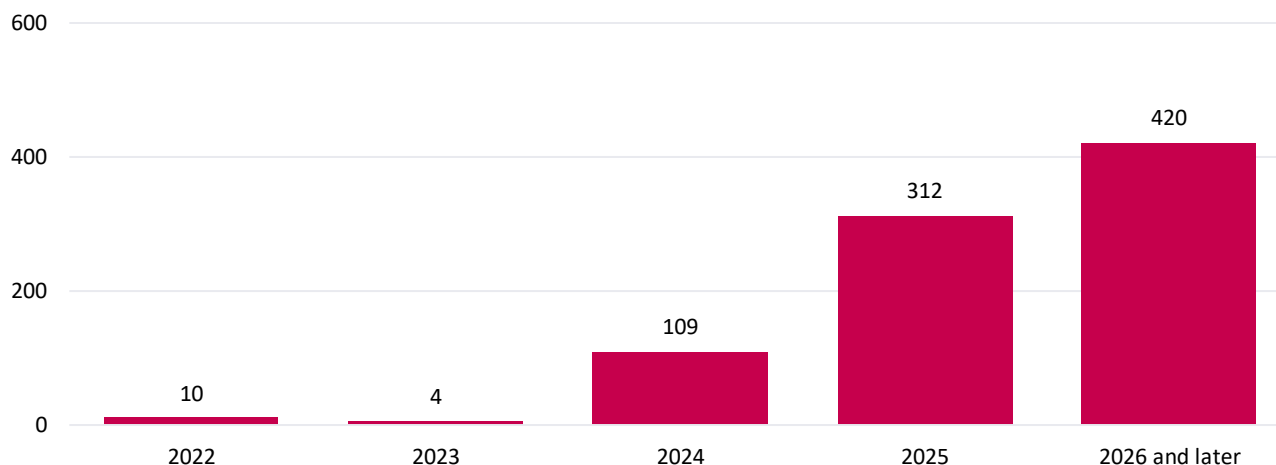


IFRS Rental Income variation like-for-like (€m)



# FINANCING

## Debt maturity schedule (€m)



## Summary of financing

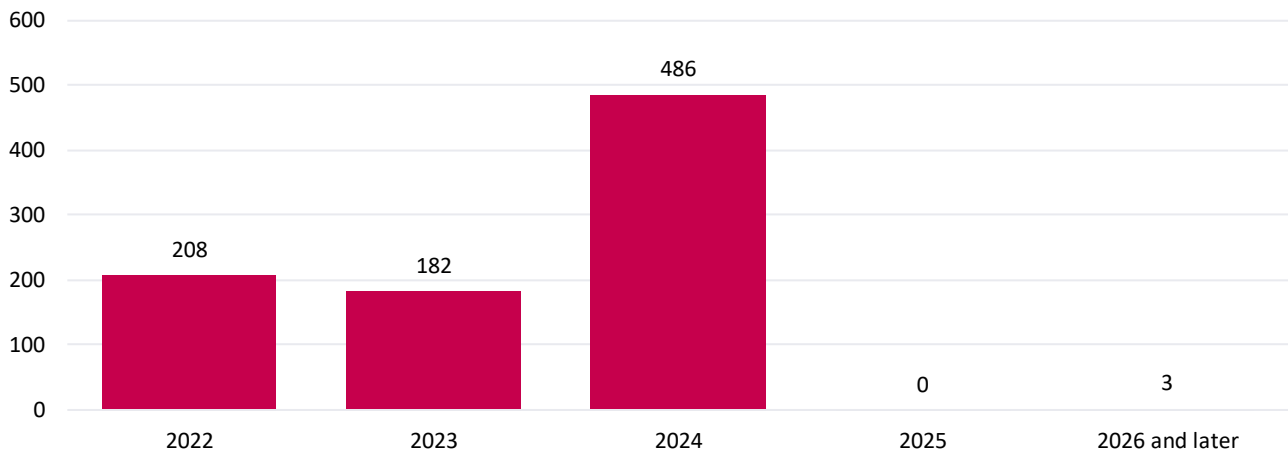
(€m)	Maturity	30/06/2021	31/12/2021	30/06/2022
EURO PP 2015 €200m	07/2025	200.0	200.0	200.0
EURO PP 2017 €90m	07/2027	90.0	90.0	90.0
RCF Natixis €60m	12/2024	-	-	-
RCF Pool CADIF 2017 €100m	04/2024	100.0	100.0	100.0
RCF Pool CADIF 2018 €100m	07/2025	100.0	100.0	100.0
TL Pool BNPP/SG 2019 €330m	10/2026	330.0	330.0	330.0
SMABTP €350m	11/2026	-	-	-
Mortgage financing	n.a.	53.8	35.4	27.9

## Financial structure ratios

(€m)	30/06/2021	31/12/2021	30/06/2022
Shareholders' equity	751.5	753.6	718.1
Gross financial debt	881.0	857.9	855.5
Net financial debt	728.8	679.3	677.1
LTV	39.5%	37.8%	37.9%
Average cost of finance	1.6%	1.7%	1.7%
Hedging instruments notional	1,400.7	1,338.2	879.4
Hedging rate	198%	190%	138%
Debt maturity	4.6	4.1	3.6
Group ICR (EBITDA / Financial cost)	4.0	3.6	2.9
Impact of +100bp on cost of debt (yearly basis)	(0.9)	(0.5)	0.5
Impact of -100bp on cost of debt (yearly basis)	0.9	(0.4)	(0.9)

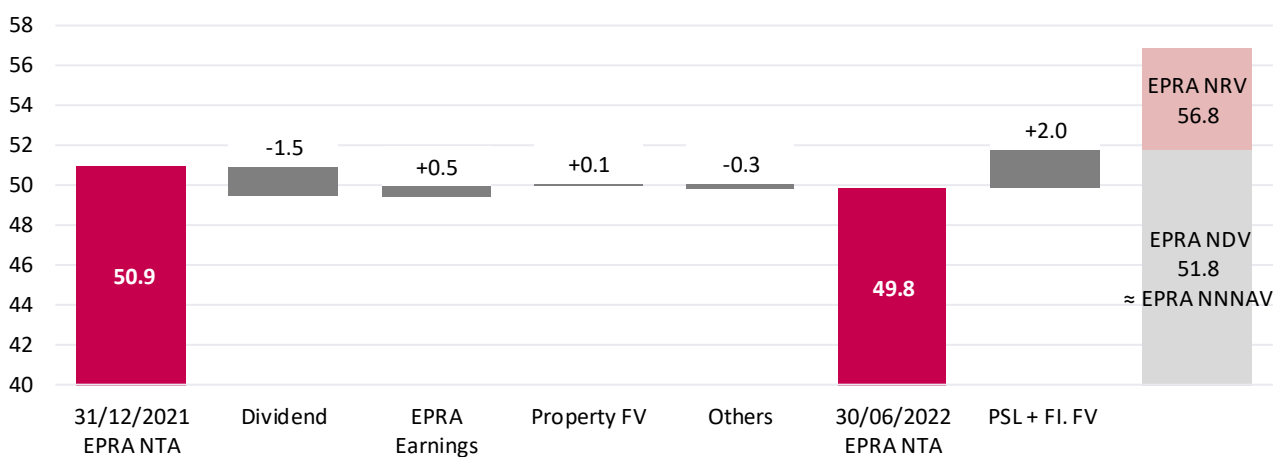


### Hedging maturity schedule (€m)



## NET ASSET VALUE (NAV)

### EPRA NTA per share Walk (€)



## EPRA Net Asset Value metrics

(€m)	30/06/2021	31/12/2021	30/06/2022
<b>Shareholders' equity (group share)</b>	<b>751.5</b>	<b>753.6</b>	<b>718.1</b>
PSL adjustments	(254.7)	(254.8)	(254.8)
Revaluation of Investment Properties	354.0	354.4	390.3
Revaluation of PSL	28.8	28.2	6.4
<b>EPRA NNNAV</b>	<b>879.7</b>	<b>881.4</b>	<b>860.0</b>
Goodwill as a result of deferred tax adjustment	-	-	-
Goodwill as per the IFRS balance sheet adjustment	-	-	-
<b>EPRA NDV</b>	<b>879.7</b>	<b>881.4</b>	<b>860.0</b>
Deferred tax in relation to fair value gains of strategic assets adj.	(0.4)	(0.4)	(0.4)
Fair value of financial instruments adjustment	(2.7)	(6.0)	(25.3)
Intangibles as per the IFRS balance sheet adjustment	(0.5)	(0.5)	(0.6)
PSL Fair Value adjustment	(28.8)	(28.2)	(6.4)
<b>EPRA NTA</b>	<b>847.3</b>	<b>846.3</b>	<b>827.2</b>
Deferred tax in relation to fair value gains of non-strategic assets adj.	-	-	-
Goodwill as per the IFRS balance sheet	-	-	-
Intangibles as per the IFRS balance sheet	0.5	0.5	0.6
<b>EPRA NAV</b>	<b>847.8</b>	<b>846.8</b>	<b>827.8</b>
Revaluation of intangibles to fair value	-	-	-
Real estate transfer tax	121.7	118.7	116.1
<b>EPRA NRV</b>	<b>969.5</b>	<b>965.5</b>	<b>943.9</b>

## EPRA NAV metrics per share

(€)	30/06/2021	31/12/2021	30/06/2022
Fully diluted number of shares	16,606,595	16,620,401	16,605,280
EPRA NNNAV	53.0	53.0	51.8
EPRA NDV	53.0	53.0	51.8
EPRA NTA	51.0	50.9	49.8
EPRA NAV	51.1	50.9	49.9
EPRA NRV	58.4	58.1	56.8

# CASH-FLOW AND SUMMARISED FINANCIAL STATEMENTS

## Recurring cash-flow

(€m)	30/06/2021	31/12/2021	30/06/2022
Gross rental income	45.0	82.7	40.9
Recurring property operating expenses	(9.5)	(15.8)	(10.1)
Recurring corporate expenses	(6.8)	(13.3)	(7.7)
Net financial costs	(12.6)	(26.1)	(12.6)
<b>Recurring cash flow</b>	<b>16.2</b>	<b>27.5</b>	<b>10.6</b>
Average number of shares (excl. Tr. shares)	16,583,610	16,581,216	16,576,167
<b>Recurring cash flow per share (€)</b>	<b>0.97</b>	<b>1.66</b>	<b>0.64</b>

## EPRA Earnings (Recurring / non-recurring presentation - direct method)

(€m)	30/06/2021	31/12/2021	30/06/2022
Gross rental income	45.1	84.7	39.4
<b>Net rental income</b>	<b>35.6</b>	<b>68.9</b>	<b>29.3</b>
Corporate expenses	(6.6)	(13.1)	(7.7)
<b>Current EBITDA</b>	<b>29.0</b>	<b>55.7</b>	<b>21.6</b>
<b>Current EBIT</b>	<b>29.9</b>	<b>51.4</b>	<b>21.2</b>
Other income and expenses	0.6	2.6	0.4
Net financial costs	(7.3)	(15.5)	(7.3)
Miscellaneous (current)	0.0	(0.1)	(0.1)
Taxes (current)	(0.6)	(0.6)	(0.1)
Associates	(0.2)	(0.2)	(0.0)
<b>Net current earnings</b>	<b>22.4</b>	<b>37.7</b>	<b>14.1</b>
<b>EPRA earnings (Net current profit - group share)</b>	<b>22.4</b>	<b>37.7</b>	<b>14.1</b>
Depreciation and amortisation on IP	(37.6)	(67.1)	(36.3)
Net profit or loss on disposals	12.6	28.2	(0.8)
Fair value adjustments of hedging instr.	2.2	5.8	21.5
Taxes (non-current)	-	-	-
Miscellaneous (non-current)	-	(1.8)	-
<b>Net non-current profit</b>	<b>(22.8)</b>	<b>(34.9)</b>	<b>(15.6)</b>
<b>Net non-current profit - Group share</b>	<b>(22.8)</b>	<b>(34.9)</b>	<b>(15.6)</b>
<b>Net profit/loss (Group share)</b>	<b>(0.4)</b>	<b>2.8</b>	<b>(1.5)</b>
Earnings per share (€)	(0.34)	(0.47)	(0.41)
Diluted earnings per share (€)	(0.34)	(0.47)	(0.41)
EPRA Earnings per share (€)	1.04	1.64	0.53

## Net consolidated result

(€m)	30/06/2021	31/12/2021	30/06/2022
Gross rental income	45.1	84.7	39.4
Property operating expenses	(9.5)	(15.8)	(10.1)
<b>Net operating income</b>	<b>35.6</b>	<b>68.9</b>	<b>29.3</b>
Corporate expenses	(6.6)	(13.1)	(7.7)
<b>EBITDA</b>	<b>29.0</b>	<b>55.7</b>	<b>21.6</b>
Net depreciation	(23.6)	(51.8)	(21.1)
Impairment & provisions	(13.1)	(19.7)	(15.5)
<b>Current operating income</b>	<b>(7.7)</b>	<b>(15.7)</b>	<b>(15.1)</b>
Result from disposals	12.6	28.2	(0.8)
Other operating income and expenses	0.6	2.6	0.4
<b>Operating income</b>	<b>5.4</b>	<b>15.1</b>	<b>(15.5)</b>
Net financial cost	(7.3)	(15.5)	(7.3)
Other financial income and expenses	2.2	5.7	21.4
Tax	(0.6)	(0.6)	(0.1)
Associates	(0.2)	(2.0)	(0.0)
<b>Net profit/loss (Group share)</b>	<b>(0.4)</b>	<b>2.8</b>	<b>(1.5)</b>
Restatement of exceptional items	-	-	-
<b>Recurring net profit/loss</b>	<b>(0.4)</b>	<b>2.8</b>	<b>(1.5)</b>

## EPRA Cost Ratios

(€m)	30/06/2021	31/12/2021	30/06/2022
Property operating expenses	(27.5)	(49.0)	(31.7)
Corporate expenses	(6.6)	(13.1)	(7.7)
Depreciation, amortisation and net provisions excl. IP	0.9	(4.4)	(0.4)
Service charge income	17.9	33.2	21.6
Share in costs of associates	-	-	-
Adjustment of Ground rent costs	0.2	0.3	0.2
Adjustment of Service fee and service charge costs component of rents	-	-	-
<b>Costs (including direct vacancy costs) (A)</b>	<b>(15.0)</b>	<b>(32.9)</b>	<b>(18.0)</b>
Direct vacancy costs	8.0	11.1	7.1
<b>Costs (excluding direct vacancy costs) (B)</b>	<b>(7.0)</b>	<b>(21.8)</b>	<b>(10.9)</b>
Gross rental income (including ground rent costs)	45.1	84.7	39.4
Ground rent costs	(0.2)	(0.3)	(0.2)
Gross Rental Income less ground rent costs	44.9	84.3	39.2
Service fee and service charge costs component of rents	-	-	-
Share in rental income from associates	-	-	-
<b>EPRA Gross Rental Income</b>	<b>44.9</b>	<b>84.3</b>	<b>39.2</b>
<b>EPRA Cost Ratio (including direct vacancy costs) (A/C)</b>	<b>33.4%</b>	<b>39.0%</b>	<b>45.9%</b>
<b>EPRA Cost Ratio (excluding direct vacancy costs) (B/C)</b>	<b>15.6%</b>	<b>25.9%</b>	<b>27.8%</b>

## Consolidated balance sheet

(€m)	30/06/2021	31/12/2021	30/06/2022
<b>ASSETS</b>	<b>1,760.6</b>	<b>1,717.1</b>	<b>1,695.2</b>
Goodwill	-	-	-
Investment properties	1,446.1	1,405.2	1,382.2
Assets earmarked for disposal	35.2	28.4	2.4
Tangible fixed assets	0.8	0.8	0.7
Intangible fixed assets	0.5	0.5	0.6
Right to use the leased asset	17.9	16.1	15.6
Receivables	108.0	87.5	115.4
Cash and equivalent	152.1	178.5	178.5
<b>LIABILITIES</b>	<b>1,760.6</b>	<b>1,717.1</b>	<b>1,695.2</b>
Share capital and reserves	751.5	753.6	718.1
- including result	(0.4)	2.8	(1.5)
Long term debt	881.0	857.9	855.5
Other liabilities	128.2	105.6	121.6

## GLOSSARY

### Asset or Building in operation

An asset or building rented or available for rent.

### Net asset value (NAV) per share

Equity attributable to owners of the Parent, divided by the fully diluted number of shares in issue at the period end, excluding treasury shares.

### Current cash flow

Current cash flow corresponds to the operating cash flow after the impact of financial expenses and corporate income tax has been paid. The operational cash flow refers to the Net rental income of the property company, after deduction of net overhead costs. Current cash flow does not take into account non-recurring results.

### Covenant

The usual early payability clauses provided for in financing contracts concluded between Group companies and banks include non-compliance with certain financial ratios, called covenants.

The consequences of non-compliance with covenants are detailed in each contract and may go as far as the immediate payability of outstanding loans.

The four main financial ratios which the Group has undertaken to maintain in its bank financing arrangements are:

**Loan-To-Value (LTV) ratio:** the amount of net financial debt in relation to the value of the property portfolio;

**Interest Coverage Ratio (ICR):** coverage of financial costs by net rental income;

**Secured financial debt ratio:** amount of financing guaranteed by mortgages or pledges in relation to that for financed real estate investments;

**Value of free consolidated assets:** minimum proportion of the property portfolio (as a % of valuations) corresponding to assets free of any mortgage or pledge.

### **Gross financial debt**

Loan outstandings at end of period contracted with credit institutions and institutional investors (including accrued interest not yet due).

### **Net financial debt**

Gross financial debt less net cash

### **Gross rent or rental income**

Amount taking into account the spread of any deductibles granted to tenants.

### **Transfer taxes**

Transfer taxes correspond to ownership transfer taxes (conveyancing fees, stamp duty, etc.) pertaining to the disposal of the asset or of the company owning that asset.

### **EPRA**

European Public Real Estate Association. Its mission is to promote, develop and represent the listed real estate sector at European level.  
<http://www.epra.com>

In October 2019, the EPRA updated its Best Practice Recommendations guidelines.

### **EPRA NAV**

In the Best Practice Recommendations released by the EPRA in October 2019, 3 new EPRA NAV were created:

**EPRA Net Reinstatement Value or EPRA NRV:** corresponding to the Net Reinstatement Value of the company on the long term.

**EPRA Net Tangible Asset or EPRA NTA:** corresponding to the Net Tangible Asset value of the company.

**EPRA Net Disposal Value or EPRA NDV:** corresponding to the net disposal value of the

company, very close to the previous EPRA NNAV.

### **Property company**

According to EPRA, the core business of these companies is to earn income through rent and capital appreciation on investment property held for the long term (commercial and residential buildings e.g. offices, apartments, retail premises, warehouses).

### **Occupancy**

Premises are said to be occupied on the closing date if a tenant has a right to the premises, making it impossible to enter into a lease for the same premises with a third party on the closing date. This right exists by virtue of a lease, whether or not it is effective on the closing date, whether or not the tenant has given notice to the lessor, and whether or not the lessor has given notice to the tenant. Premises are vacant if they are not occupied.

### **Headline rents**

Headline rents correspond to the contractual rents of the lease, to which successive pegging operations are applied as contractually agreed in the lease, excluding any benefits granted to the tenant by the owner (rent-free period, unbilled charges contractually regarded as such, staggering of rent payments, etc.).

### **Net rental income**

Net rental income corresponds to gross rental income less net service charges.

### **Potential rents**

Potential rents correspond to the sum of headline rents for occupied premises and the estimated rental value of vacant premises.

### **Loan-to-value (LTV)**

Group LTV ratio is the ratio between the net debt relating to investment and equivalent properties and the sum of the fair value, transfer taxes included, of investment and equivalent properties.

### **Committed operation**

Operation that is in the process of completion, for which the company controls the land and has obtained the necessary administrative approvals and permits.

### **Controlled operation**

Operation that is in the process of advanced review, for which the company has control over the land (acquisition made or under offer, contingent on obtaining the necessary administrative approvals and permits).

### **Rental properties - Portfolio**

Rental properties are investment buildings which are not under renovation on the closing date.

### **Like-for-like portfolio**

The like-for-like portfolio includes all properties which have been in the property portfolio since the beginning of the period, but excludes those acquired, sold or included in the development programme at any time during that period.

### **Identified project**

Project that is in the process of being put together and negotiated.

### **Yields**

Headline, effective and potential yields correspond respectively to headline, effective and potential rents divided by the market value including transfer taxes of the buildings in the rental properties on the closing date.

### **Debt ratio**

The average debt rate or debt ratio corresponds to the net financial expense of the debt and hedging instruments for the period in relation to the average outstanding amount of financial debt for the period.

The spot rate corresponds to the average debt rate calculated on the last day of the period.

### **Occupancy rate (EPRA)**

The occupancy rate (EPRA), or financial occupancy rate, is equal to 1 minus the EPRA vacancy rate.

### **Capitalisation rate**

The capitalisation rate corresponds to the headline rent divided by the market value excluding transfer taxes.

### **Yield rate**

The yield rate is equal to the headline rents divided by the market value including transfer taxes.

### **Net Initial Yield EPRA:**

Annualised gross rental income at end of period, including adjustments to the current rent, net of charges, divided by the market value of the property, transfer taxes and fees included.

### **EPRA topped-up Net Initial Yield**

Annualised gross rental income at end of period, after reintegration of adjustments to the current rent, net of charges, divided by the market value of the property, transfer taxes and fees included.

### **EPRA Earnings**

Recurring earnings from operational activities.

### **EPRA vacancy rate**

The EPRA vacancy rate, or financial vacancy rate, is equal to the Estimated Rental Value (ERV) of vacant surface areas divided by the ERV of the total surface area.

### **Gross estimated rental value (ERV)**

The estimated market rental value corresponds to the rents that would be obtained if the premises were re-let on the closing date. It is determined biannually by the Group's external appraisers.