

Société de la Tour Eiffel

Affine merger 11 months on: execution proceeding efficiently

Consolidated assets of €1.6 billion after disposals, above the €1.5 billion target
in the 2014 strategic plan

Asset disposal plan well advanced

Optimised debt

Effective deployment of an integrated property management
at the service of tenants

On November 28th, 2019; during the Board meeting of Société de la Tour Eiffel, a leading player in office real estate in Greater Paris and high-potential regions, the top management presented the status of operations eleven months after the merger of Affine.

The merger of the two property companies created France's 5th-largest listed property company (SIIC, French REIT) focused on offices, with assets of over €1.8 billion at end-June 2019 and annualised rental income of €104.3 million, an increase of 50%.

The deal enabled Société de la Tour Eiffel to strengthen its capital and equity but also its presence in Greater Paris, and to extend its exposure to high potential regions.

Société de la Tour Eiffel's strategy now targets a 100% office portfolio, 80% in Greater Paris and 20% in high-potential regional cities (Strategy 100/80/20).

After disposals, the portfolio will amount to €1.6 billion and be aligned with the strategy

To focus fully on this strategy, Société de la Tour Eiffel is currently executing a €190 million asset disposal program. So far, more than 50% of the identified assets have either been sold or sale has been agreed or is subject to a letter of intent. The sell-off plan mainly concerns office buildings outside the Group's strategic areas, logistics platforms and retail facilities.

The financial debt has been optimised and its cost reduced

The merger led to a significant rise in the Group's financial debt, lifting its loan to value (LTV) to 49.7% at 30 June 2019 (Affine's pre-merger LTV was estimated at 58%).

Société de la Tour Eiffel has taken advantage of its and its shareholders' credit quality to open a €330 million unsecured corporate credit line since October 2019 paying an interest rate currently below 1.1%. This 7-year facility serves two objectives:

- to streamline the company's financial structure by refinancing the whole of the remaining €230 million mortgage debt backed by ex-Affine assets (i.e. two thirds of ex-Affine debt at the merger date);
- to carry out €100 million of development projects.

Deleveraging from the disposal of non-strategic assets also contributes to keeping LTV under control.

The integrated platform to suit the tenants is in place

Meanwhile, employees at the merged company have been integrated on one single site as early as February 2019, to quickly put in place an efficient organisational structure that uses a wholly internalised property management model to stay focused on the user.

The new platform meant unfolding synergies in 2019, ahead of the forecasts set out during the merger.

Tour Eiffel's fundamentals are confirmed

Combining the shareholder bases of the two companies gave the property company's leading shareholder greater flexibility, freeing it to continue supporting the Group's development.

Thomas Georgeon, CEO of Société de la Tour Eiffel said *"The success of the merger in operational and financial terms, as presented to the board of directors, is a powerful testimony to the work done by the teams. Now, backed by the combined shareholder base of the two companies and benefiting from significant critical mass and reinforced financial resources, the Company and its teams can work even more effectively to serve their clients and to add value for shareholders. »*

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About Société de la Tour Eiffel

A listed real estate investment company (SIIC) on NYSE Euronext Paris, the company pursues a strategy focused on the ownership and the development of quality offices capable of attracting a wide range of quality tenants. The company's portfolio stood at 1,804 million Euros for close to 800,000 sq. m of assets mainly located in the Greater Paris region as at 30 June 2019.

Société de la Tour Eiffel is listed on NYSE Euronext Paris (Compartment B) – ISIN Code: FR0000036816 – Reuters: TEIF.PA – Bloomberg: EIFF.FP – Indexes: IEIF Foncières, IEIF Immobilier France –

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