

2019 Annual Results

A year of transformation

The Board of Directors of Société de la Tour Eiffel, meeting on 5 March 2020, approved the annual financial statements as at 31 December 2019. The audit procedures for these accounts have been completed and the corresponding reports are being issued.

Thomas Georgeon, CEO of Société de la Tour Eiffel, stated: "2019 has seen the successful implementation of the merger by takeover of Affine with three key points:

- the definition and advanced implementation of a disposal plan to achieve the strategic objective of a portfolio comprising 100% of office property and a geographical breakdown with 80% of those properties in Greater Paris and 20% in high-potential regional cities;
- integration of the teams and adaptation of the structure to achieve synergies greater than expected and ahead of schedule for € 4.6m; and
- refinancing of the former Affine debt and a € 100m additional credit line to finance developments in an optimised financial structure.

This operation has allowed a transformation of the property company backed by noteworthy successes:

- in investment, with the completion of targeted acquisitions,
- in development, with the smooth implementation of the € 170m plan, and
- in leasing with rental success on the Massy and Suresnes sites, confirming their attractiveness.

This virtuous management of the property company brings the value of its assets to € 1.9bn, allows EPRA earnings to be maintained and to increase the NAV by 2.4%. Backed by these ideal conditions, we are continuing to deploy our strategy: increased proximity with our tenants, redevelopment of our property portfolio and development of our land reserves, opportunities for targeted acquisitions of secured assets, pursuing a trajectory towards a new critical size for the benefit of our customers and our shareholders."

Strategy

- Property portfolio increasing to € 1.86bn around the 100/80/20 refocus: 100% office property, 80% in Greater Paris / 20% in high-potential regional cities
- Positive outcome of the merger by takeover of Affine: successful integration and creation of value
- Disposal plan ahead of schedule: more than 50% of the targeted assets have been sold or are under sale agreements
- Solid operational dynamics: handovers and leasing in accordance with the business plan
- Improvement of the financial structure: financing arrangements for € 330m and control of the LTV ratio
- CSR performance a central feature of our property portfolio

Achievements and Perspectives

- € 39m in acquisitions of buildings generating immediate cash flow
- € 173m of investment pipeline including € 79m of projects delivered in 2019
- € 189m in disposals: more than 50% of non-strategic assets sold or are under sale agreements
- Massy / Suresnes: renovations completed, 30% already re-let
- € 4.6m in synergies: one year ahead of forecasts

Financial Components

- Valuation of the property portfolio: +8.3% to € 1.86bn (+ 3.0% on a like-for-like basis)
- EPRA earnings per share: € 2.9 / Current cash flow per share: € 2.9
- Consolidated net profit: € 1.4m (vs. - € 24.5m on a pro forma basis in 2018)
- NAV Triple Net EPRA per share: € 54.2 (+ 2.4%)
- Net Initial Yield EPRA topped-up: 4.66%
- Annual cash flow: impact of two major notices of leaving (Massy / Suresnes) partially offset by synergies from the merger by takeover of Affine ahead of schedule
- 2019 dividend: taking into account the current cash flow per share and the LTV, the proposed dividend is € 2.25 per share

France's 5th largest listed office property company with assets of € 1.86bn as at 31 December 2019, Société de la Tour Eiffel Group has based its development strategy on tenant satisfaction, by meeting their requirements and anticipating those of tomorrow. Its internalized management model, its recognized proximity to its customers, its precise vision of tenant expectations and its strong CSR commitment make it a benchmark real estate player and an expert in office property in Greater Paris.

A clear 100/80/20 strategy:

Société de la Tour Eiffel is pursuing the strategic refocusing of its property portfolio aiming for a portfolio consisting exclusively of offices, 80% of which are located in Greater Paris and 20% in high-potential regional cities (Aix-Marseille, Bordeaux, Lille, Lyon, Nantes, Toulouse). The three main levers for its ramp-up are developments, acquisitions and disposal plan for non-strategic assets.

At 31 December 2019, the Group's property portfolio amounted to € 1,860m, 87% of which were offices (€ 1,627m), 4% were mixed-use office / retail assets (€ 68m) and 9% non-strategic assets (€ 165m). 73% of the assets are located in Greater Paris (€ 1,353m) and 18% in high-potential regional cities (€ 342m).

€ 39m in acquisitions to enhance the business parks and create land reserves

The Group continued its growth momentum by finalising the acquisition of 18,950 sq. m of floor space for € 39m, corresponding to additional annual rental income of € 2.3m:

- Sale & leaseback on 4 office buildings, including one in the Parc de Nanterre Seine: +€ 1.4m in annual rental income for 9,570 sq. m of additional floor space;
- 1 building in the Parc de Nanterre Seine: +€ 0.2m in annual rental income for 1,390 sq. m of additional floor space;
- 1 building in the Parc des Aygalades in Marseilles, +€ 0.1m in annual rental income for 1,160 sq. m of additional floor space;
- 3 office buildings in the Parc du Golf in Aix-en-Provence: +€ 0.5m in annual rental income for 6,830 sq. m of additional floor space.

€ 173m in developments in 2019 to fuel growth in future revenues

After taking into account the handover of 10 development schemes during the year (€ 79m in value, € 6.9m in potential annual rental income) as well as progress in current developments, the balance of the plan stands at € 97m as at 31 December 2019. Advanced to the tune of € 50m and expected to generate € 6.4m in annualised rental income, it consists of 2 development schemes in Greater Paris (48%) and 4 schemes in high-potential regional cities (52%).

The Group's assessment of its 2019 handovers (representing a total of 42,730 sq. m) is highly positive, in particular with:

- the Kibori building (4,000 sq. m) in Nantes, which was fully leased as soon as it was handed over;
- the Indigo building (1,000 sq. m), located on the Parc du Golf in Aix-en-Provence, which was completely renovated and fully leased to Daikin;
- the Grand Navarque site (5,850 sq. m) on the multi-tenant Nanterre Seine business park was fully redeveloped, with an occupancy rate of 96% on handover.
- the multi-tenant Massy Campus (12,060 sq. m) which was inaugurated in October, of which more than 70% has already been leased.

Among the development schemes in progress:

- signing of an off-plan lease agreement (BEFA) on the Saclay plateau in Orsay with IBM for 5,400 sq. m. With the floor space also taken by the Paris-Saclay metropolitan authority, and handover scheduled for summer 2020, the property transaction has been fully leased.
- transformation of the mixed-use site (shops and offices) in Bordeaux with the transformation of a portion of the parking lot into a business centre with nearly 3,000 sq. m of floor space, after the signing of an off-plan lease agreement (BEFA) (handover scheduled for year-end 2020).

More than 50% of the disposal plan of € 189m in non-strategic assets has already been reached

Only 9 months after its launch, more than 50% of the disposal plan of € 189m in non-strategic assets has been reached in the form of disposals or sale agreements. The sales have generated capital gains of almost 8%. The program to refocus the property portfolio mainly concerns office buildings located outside the Group's strategic locations, logistics platforms and shops.

Sustained rental activity

Over 20% of annualised headline rents were under negotiations during the year, with € 9.9m in new leases signed (48,530 sq. m) and € 10.5m renegotiated (82,460 sq. m), including the SNCF lease on the Tour Traversière renewed for a firm term of 6 years, for a net gain of +€ 1.1m.

The arrival in December of Avnet on the Massy site as well as an international group on that of Suresnes reduced their vacancy by almost a third.

In addition, the Group will take advantage of the forthcoming vacancies in H2 2020, on the Lyon Dauphiné, Puteaux Dion Bouton and Aubervilliers Jean-Jaurès sites to launch value-providing developments beyond the current cash-flows (€ 4.4m in annualised rent).

As at 31 December 2019, the financial occupancy rate (EPRA) stood at 82.1% (compared with 85.2% a year earlier or 81.2% restated for the impact of Suresnes at the end of June 2019) and the average firm lease term at 3.0 years.

EPRA earnings stable at € 2.9 per share

The Group's rental income increased by 44.2% to € 97.0m after the integration of Affine. On a pro forma and like-for-like basis, rental income decreased by 6.7%, mainly due to the notices of leaving by Alstom at the end of November 2018 from the Massy site, and by Capgemini as of 30 June 2019 from the Suresnes site. After restatement for the two departures, rental income increased by 0.6%.

Current EBITDA stood at € 71.3m, up + 51.0% compared with 2018 (+ 3.9% vs the pro forma basis), driven by cost synergies greater than expected (€ 4.6m vs € 4.2m).

Financial costs reached € 19.1m (vs. € 16.8m on a pro forma basis), reflecting ex-Affine greater use of financial leverage, additional drawdowns to finance developments and capital expenditure (€ 71.3m) as well as improved financing conditions. The average debt ratio stood at 2.1% (compared with 2.2% in 2018), demonstrating the success of the € 330m refinancing carried out last October. The Group's LTV ratio is fairly stable at 49.0% (vs. 48.9% at year-end 2018).

After taking into account other income and expenses, taxes and earnings of companies accounted for using the equity method, the EPRA result (recurring net profit) stood at € 50.0m, almost stable at € 2.92 per share compared with the pro forma basis of 2018 at € 2.95 per share.

By reintegrating all EPRA restatement adjustments (allocations, profit on disposals, and changes in the value of financial instruments), consolidated net income rose from a loss of € 24.5m on a pro forma basis in 2018 to a profit of € 1.4m in 2019. This includes the depreciation of goodwill for € 4.1m.

Current Cash Flow amounted to € 47.1m or € 2.91 per share compared with € 3.09 on a pro forma basis for 2018.

Net Asset Value were up + 2.4%

The EPRA NNNNAV (Triple Net Asset Value) per share increased from € 53.0 to € 54.2 at year-end 2019. This 2.4% increase was mainly fueled by the positive change in fair value, notably linked to developments, which stood at + 3.0% on a like-for-like basis.

Taking into account the net impact of investments and disposals, assets amounted to € 1,860.1m (excluding transfer taxes and fees), compared with € 1,717.2m at year-end 2018 (+ 8.3%).

Dividend of € 2.25 per share

In view of the change in current cash flow per share (€ 2.9) and of the LTV indebtedness ratio (49.0%) , the Board of Directors will propose to the General Meeting of shareholders a dividend of € 2.25 per share paid in cash. The dividend corresponds to a yield of 5.8% and 5.7% calculated respectively on the average price for 2019 and on the closing price on the last day of the 2019 financial year.

Well-oriented outlook

After a year of profound transformation marked in particular by the successful integration of the Affine teams and portfolio, the Group is ready to face its new development prospects.

The ramp-up of the pipeline (€ 173m / rent: € 13.3m / completion 73%) and the disposal plan (€ 189m / rent: € 16.7m) enable the Group to strengthen its fundamentals. The Group can move resolutely towards its objectives: to refocus the property portfolio on its strategic locations, improve the quality of its assets as well as that of its revenues, and generate greater capacity for growth.

With a rigorous management, the Group has the benefit of a suitable structure with which to consider new strategic objectives and reach a new size.

Covid-19

In light of the sanitary environment, the Group has implemented a series of actions to protect the health of its employees, a business continuity plan for its activity as a lessor, as well as a series of concrete commitments with respect to its tenants in order to ensure the prevention, reactivity and monitoring of developments in these events.

Calendar

- 30 April 2020: Annual General Shareholders' Meeting
- 28 July 2020: 2020 half-year sales turnover and results (after market close)

The presentation of the results is available on the Group's website: www.societetoureiffel.com.

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About Société de la Tour Eiffel

Société de la Tour Eiffel is an integrated commercial real estate company with €1.9 bn in assets and a powerful service culture. It operates across the real estate cycle, supporting companies of all sizes and sectors, and directly manages assets in strong growth regions via a rigorous management process. The real estate company manages its real estate portfolio, which is currently growing fast, for the long term. It is implementing a strategic refocus on 100% office property, 80% in Greater Paris and 20% in the regions and is now established as a leading actor in the sector.

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

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KEY FIGURES

Portfolio

(€m)	31/12/2018	31/12/2019
Portfolio valuation at depreciated cost	1,502.4	1,545.3
Portfolio valuation at Fair Value (excl. Transfer taxes)	1,717.2	1,860.1
EPRA NAV per share (€)	50.1	52.2
EPRA NNNNAV per share (€)	53.0	54.2

Results

(€m)	31/12/2018	31/12/2018 PF	31/12/2019
Rental income	67.2	103.0	97.0
Current operating profit	(5.2)	(5.4)	26.2
Net profit - Group share	(14.7)	(24.5)	1.4
Net profit - Group share per share (€)	(1.2)	(1.7)	(0.1)
EPRA earnings	35.9	49.2	50.0

Cash flow and dividend

(€m)	31/12/2018	31/12/2018 PF	31/12/2019
Recurring Cash Flow	41.1	48.6	47.1
Recurring Cash Flow per share (€)	3.3	3.1	2.9
Dividend per share (€)	3.0	3.0	2.0
Pay-out Ratio (Dividend / recurring Cash Flow)	92%	97%	69%

Market capitalisation

(€m)	31/12/2018	31/12/2019
Number of outstanding shares at the end of the period	15,652,871	16,508,749
Share price (€)	36.8	39.4
Market capitalisation	576.0	650.4

Financial structure

(€m)	31/12/2018	31/12/2018 PF	31/12/2019
Consolidated Equity	656.1	656.1	639.7
Net Group LTV	48.9%	48.9%	49.0%
EBITDA / Financial costs	4.1	3.8	3.7

Valuation ratios

	31/12/2018	31/12/2018 PF	31/12/2019
Cash flow multiple (Capitalisation / Cash Flow)	14.0	11.8	13.8

EPRA KEY PERFORMANCE INDICATORS

EPRA earnings

(€m)	31/12/2018	31/12/2018 PF	31/12/2019
EPRA earnings	35.9	49.2	50.0
EPRA earnings per share (€)	2.84	2.95	2.92

EPRA Net Asset Value metrics

(€m)	31/12/2018	31/12/2019
EPRA NNAV	832.4	900.3
EPRA NNAV per share (€)	53.0	54.2
EPRA NDV	831.5	900.3
EPRA NDV per share (€)	53.0	54.2
EPRA NTA	902.7	993.8
EPRA NTA per share (€)	57.4	59.8
EPRA NRV	903.9	994.0
EPRA NRV per share (€)	57.5	59.8
EPRA NAV	787.7	866.7
EPRA NAV per share (€)	50.1	52.2

EPRA yield (EPRA NIY)

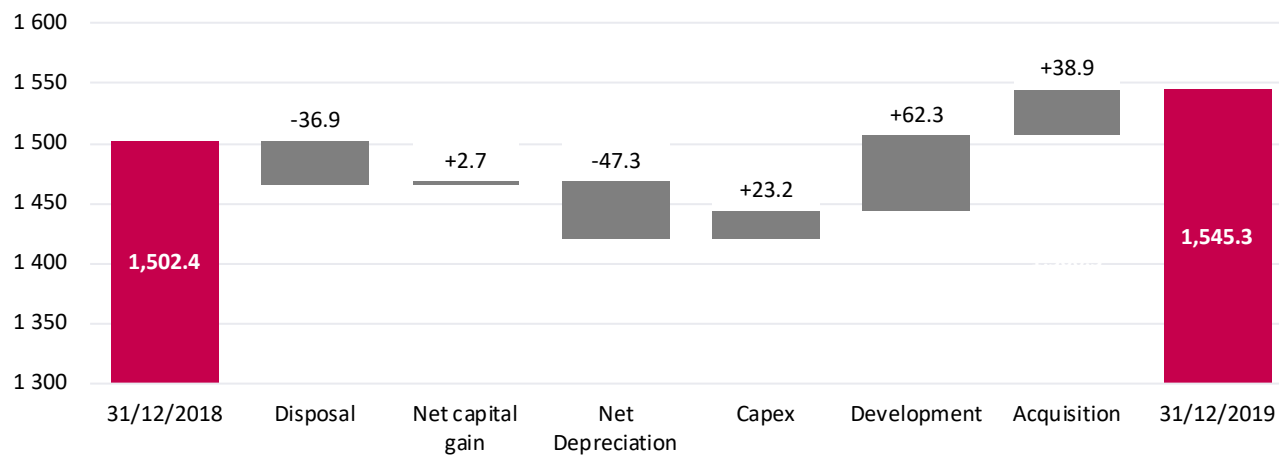
(€m)	31/12/2018	31/12/2019
EPRA topped-up yield	5.13%	4.66%
EPRA yield	4.71%	4.20%

EPRA Vacancy Rate

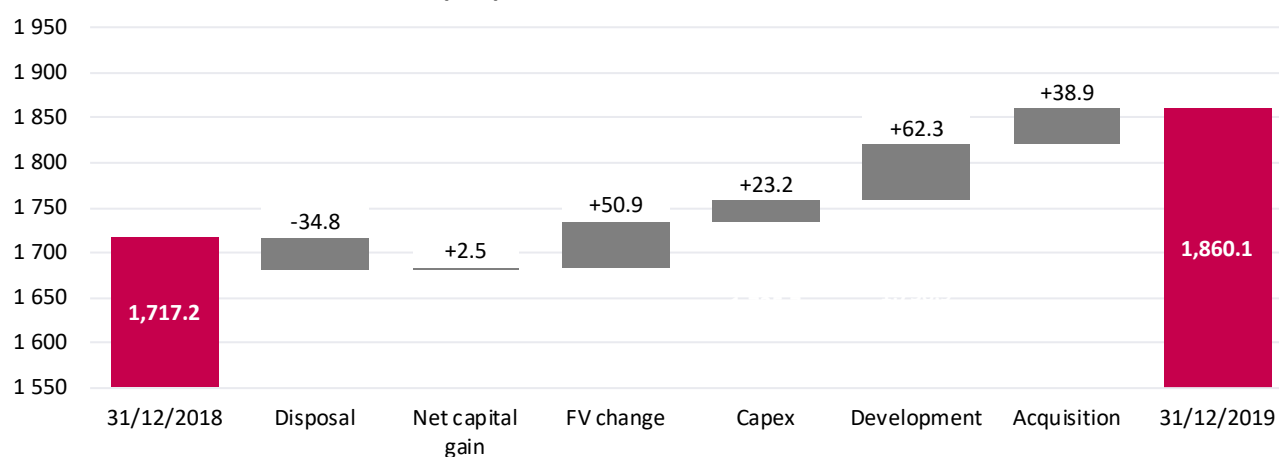
(€m)	31/12/2018	31/12/2019
Portfolio up and let	14.8%	17.9%

PORTFOLIO

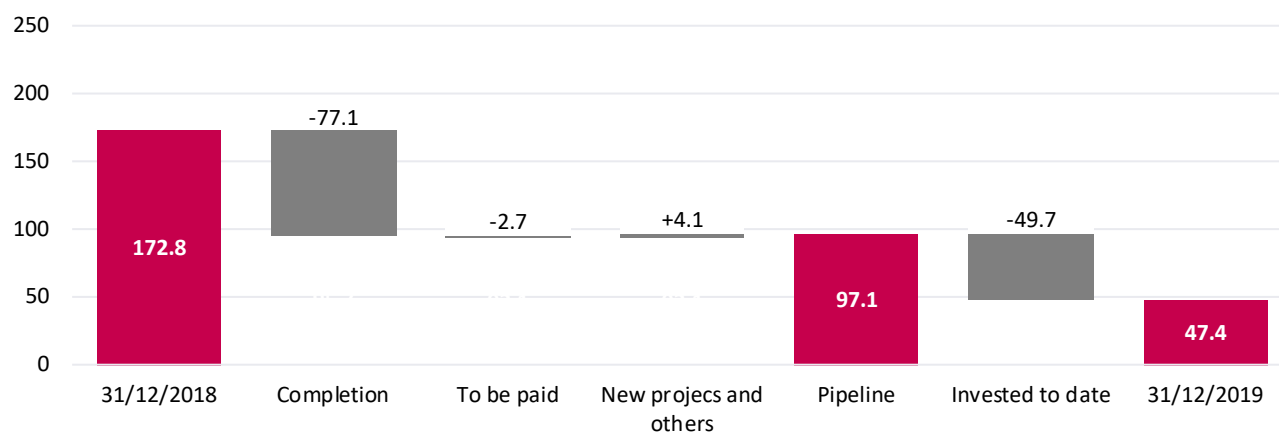
Portfolio valuation at Amortised Cost (€m)



Portfolio valuation at Fair Value (€m)



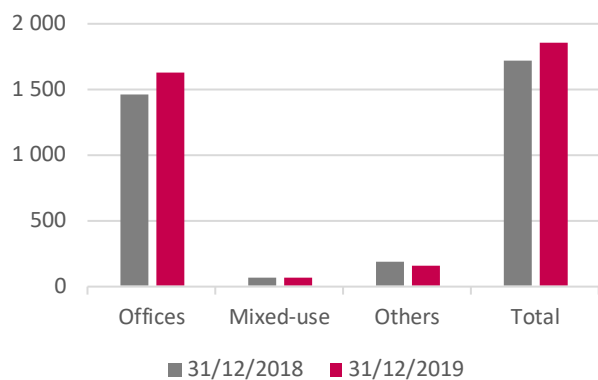
Progress of the pipeline (€m)



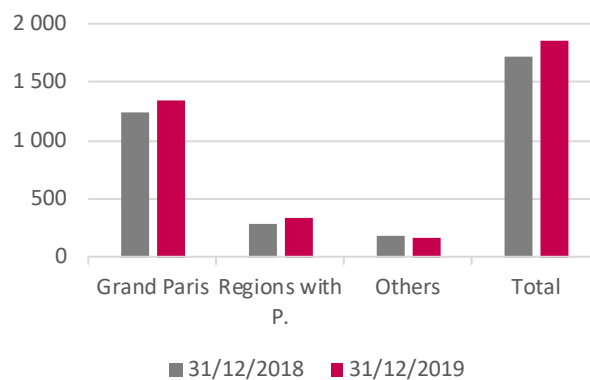
Portfolio breakdown in Fair Value

(€m)	31/12/2018	31/12/2019
By type of asset		
Offices	1,464.4	1,627.0
Mixed-use	65.0	67.8
Others	187.8	165.3
By region		
Grand Paris	1,243.9	1,352.9
Regions with P.	285.5	341.9
Others	187.8	165.3
Total	1,717.2	1,860.1

Breakdown by type of asset (€m)

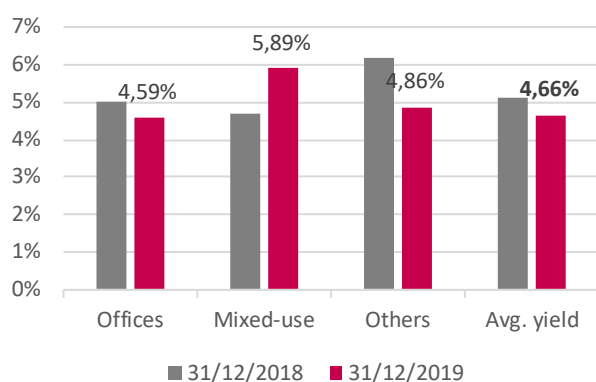


Breakdown by region (€m)

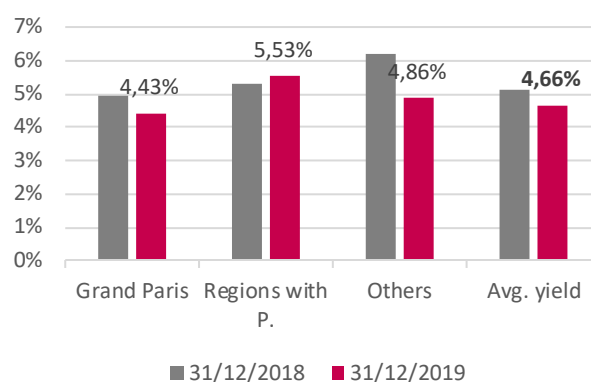


(€m)	31/12/2018	31/12/2019
By type of asset		
Offices	5.01%	4.59%
Mixed-use	4.68%	5.89%
Others	6.19%	4.86%
By region		
Grand Paris	4.93%	4.43%
Regions with P.	5.30%	5.53%
Others	6.19%	4.86%
Average portfolio yield	5.13%	4.66%

Breakdown by type of asset



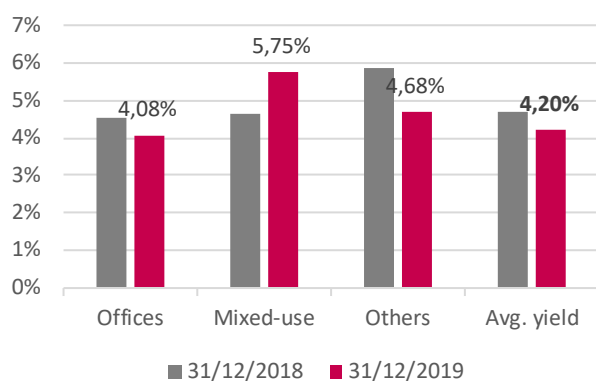
Breakdown by region



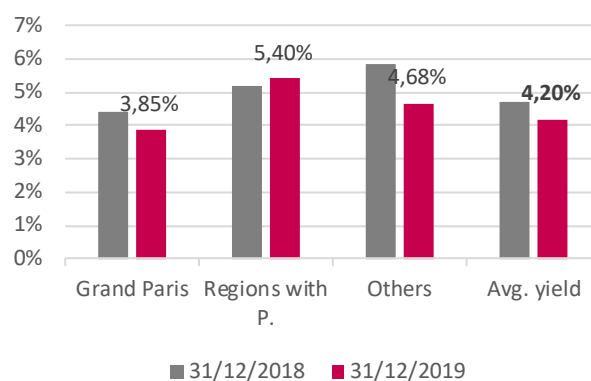
EPRA yield

	31/12/2018	31/12/2019
By type of asset		
Offices	4.56%	4.08%
Mixed-use	4.67%	5.75%
Others	5.85%	4.68%
By region		
Grand Paris	4.43%	3.85%
Regions with P.	5.18%	5.40%
Others	5.85%	4.68%
Average portfolio yield	4.71%	4.20%

Breakdown by type of asset

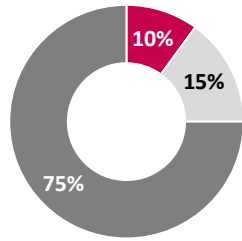


Breakdown by region



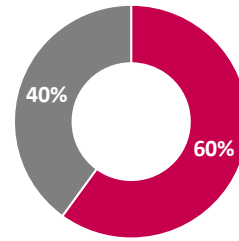
PORTFOLIO KEY INDICATORS

Buildings < 10 years* in Fair Value



- Immeubles neufs et rénovés
- Immeubles < 10 ans
- Immeubles > 10 ans

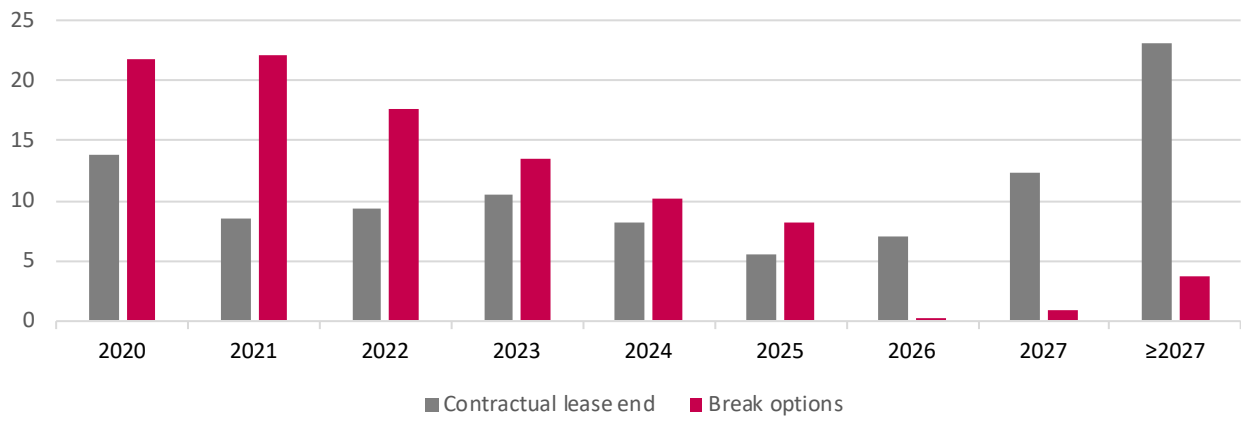
Labelled new buildings* in Fair Value



- Immeubles labelisés
- Immeubles non labelisés

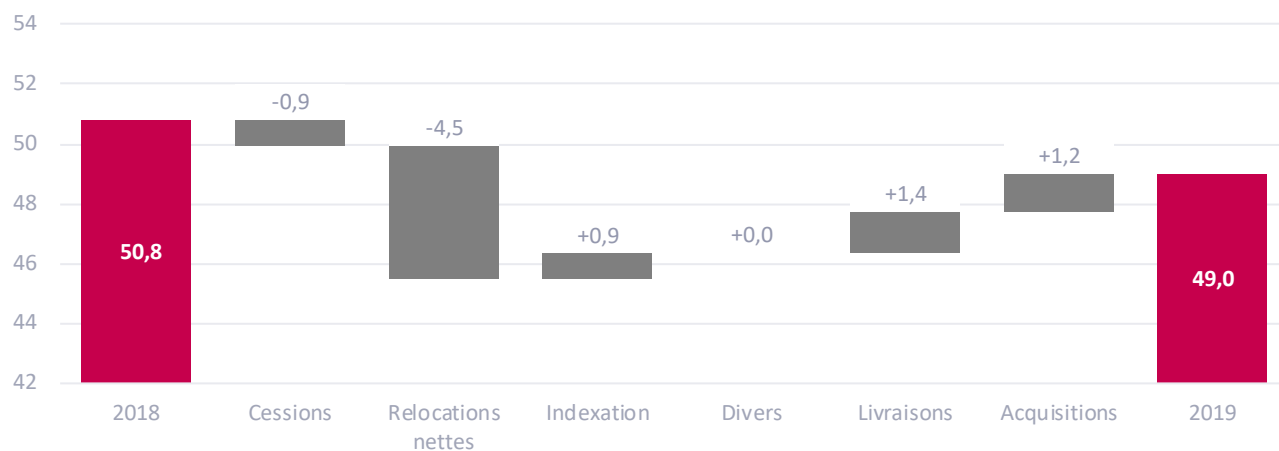
(*) Excl. disposal plan

Portfolio lease maturity in rental income (€m)



RENTAL INCOME

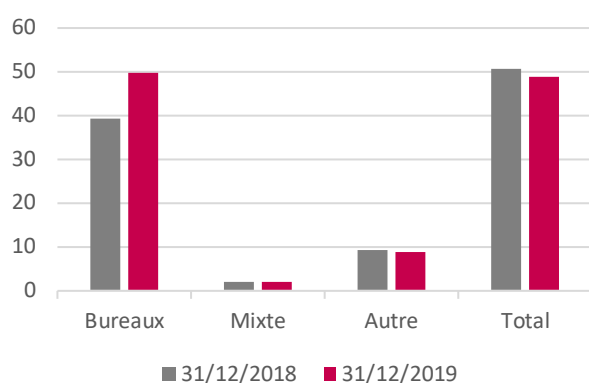
IFRS Rental Income Walk (€m)



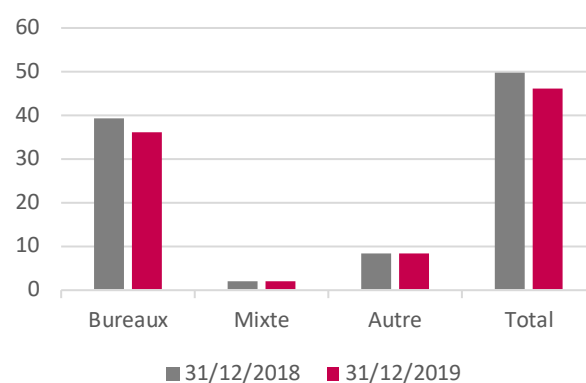
IFRS Rental Income variation by type of asset

(€m)	31/12/2018	31/12/2019
IFRS Rental Income variation		
Offices	39,3	38,0
Mixed-use	2,1	1,9
Others	9,5	9,0
Total	49,9	46,4
IFRS Rental Income variation like-for-like		
Offices	39,3	36,0
Mixed-use	2,1	1,9
Others	8,6	8,4
Total	49,9	46,4

IFRS Rental Income variation (€m)



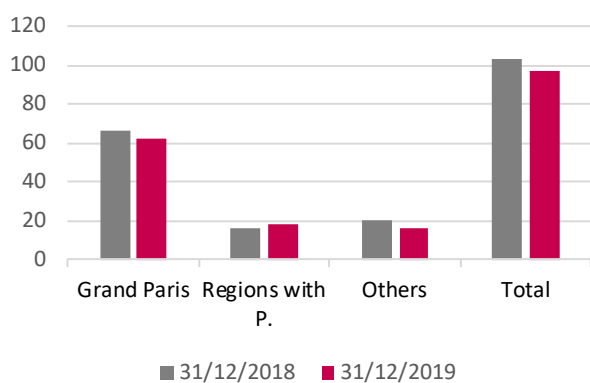
IFRS Rental Income variation like-for-like (€m)



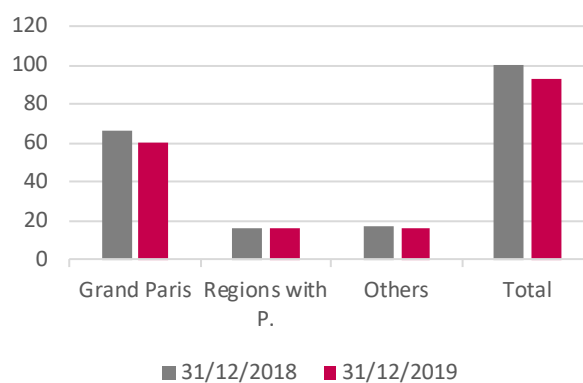
IFRS Rental Income variation by Region

(€m)	31/12/2018	31/12/2019
IFRS Rental Income variation		
Grand Paris	66.3	62.7
Regions with P.	16.0	18.1
Others	20.7	16.2
Total	103.0	97.0
IFRS Rental Income variation like-for-like		
Grand Paris	66.3	60.7
Regions with P.	16.0	16.4
Others	17.6	16.1
Total	99.8	93.2

IFRS Rental Income variation (€m)

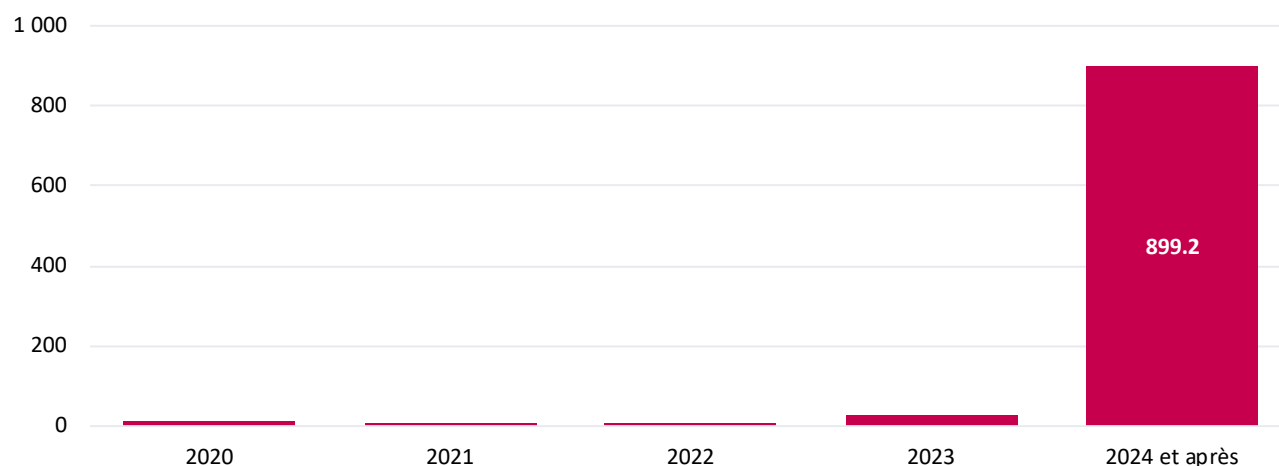


IFRS Rental Income variation like-for-like (€m)



FINANCING

Debt maturity schedule (€m)



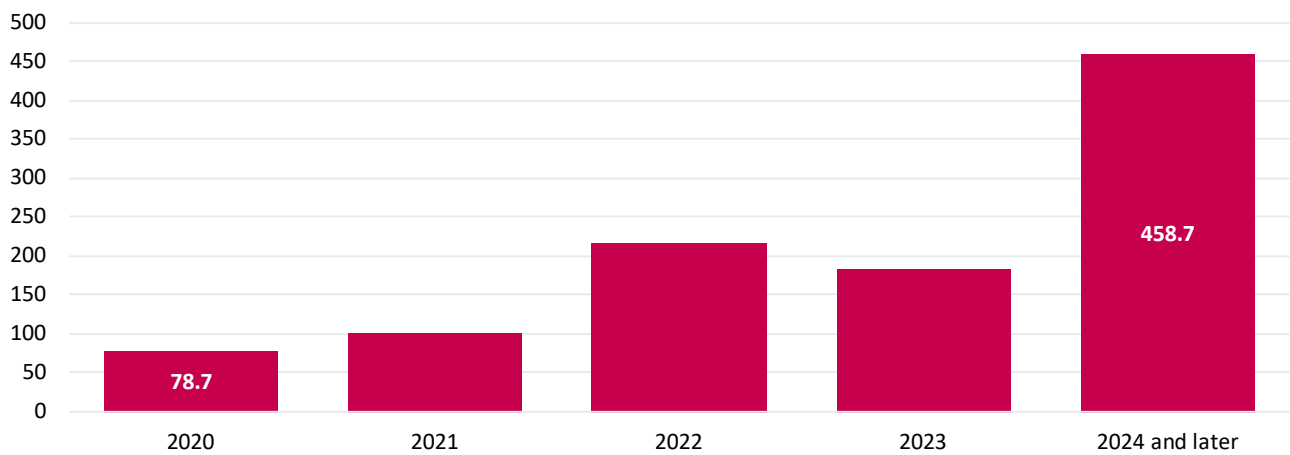
Summary of financing

(€m)	Maturity	31/12/2018	31/12/2019
EURO PP 2015 €200m	07/2025	200.0	200.0
EURO PP 2017 €90m	07/2027	90.0	90.0
RCF Natixis €60m	12/2024	60.0	60.0
RCF Pool CADIF 2017 €100m	04/2024	100.0	100.0
RCF Pool CADIF 2018 €100m	07/2025	100.0	100.0
TL Pool BNPP/SG 2019 €330m	10/2026	0.0	294.1
SMABTP €350m	11/2021	0.0	0.0
Mortgage financing	n.a.	357.5	118.2

Financial structure ratios

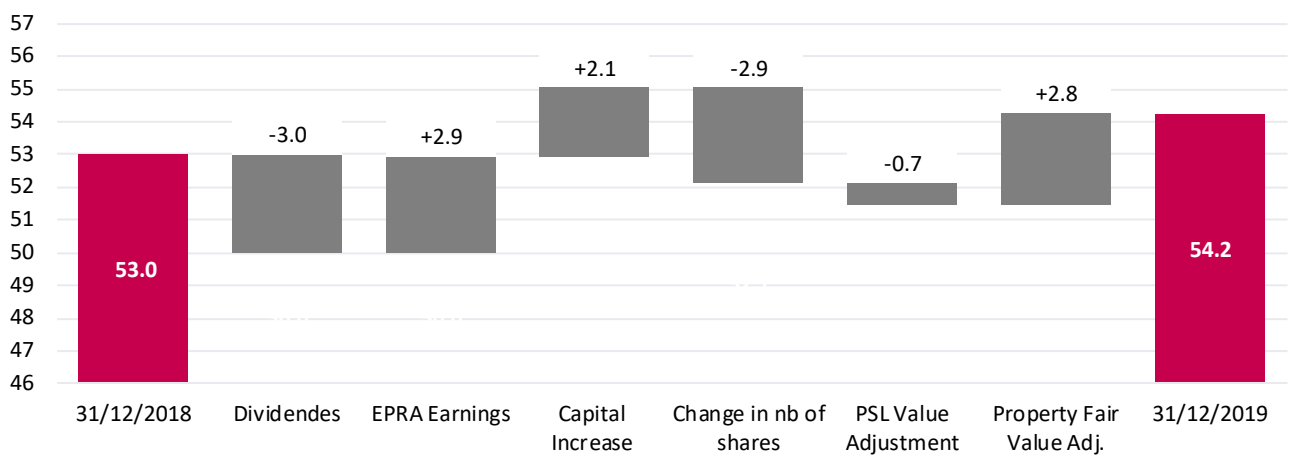
(€m)	31/12/2018	31/12/2019
Shareholders' equity	656.1	639.7
Gross financial debt	907.5	962.3
Net financial debt	840.3	912.0
LTV	48.9%	49.0%
Average cost of finance	2.2%	2.1%
Hedging instruments notional	693.3	1,038.3
Hedging rate	108%	138%
Debt maturity	6.1	5.9
Group ICR (EBITDA / Financial cost)	4.1	3.7
Impact of +100bp on cost of debt (yearly basis)	2.9	2.2
Impact of -100bp on cost of debt (yearly basis)	-1.9	-3.8

Hedging maturity schedule (€m)



NET ASSET VALUE (NAV)

EPRA NNNAV per share Walk (€)



EPRA Net Asset Value metrics

(€m)	31/12/2018	31/12/2019
Shareholders' equity (group share)	656.1	639.7
PSL adjustments	(75.0)	(75.0)
Revaluation of Investment Properties	208.9	304.5
Revaluation of PSL	42.4	31.1
EPRA NNNAV	832.4	900.3
Goodwill as a result of deferred tax adjustment	-	-
Goodwill as per the IFRS balance sheet adjustment	(1.0)	-
EPRA NDV	831.5	900.3
Deferred tax in relation to fair value gains of strategic assets adj.	(0.3)	(0.9)
Fair value of financial instruments adjustment	(2.0)	(1.6)
Intangibles as per the IFRS balance sheet adjustment	(0.3)	(0.2)
PSL Fair Value adjustment	(42.4)	(31.1)
Real estate transfer tax	116.2	127.3
EPRA NTA	902.7	993.8
Deferred tax in relation to fair value gains of non-strategic assets adj.	-	-
Revaluation of intangibles to fair value	-	-
Goodwill as per the IFRS balance sheet	1.0	-
Intangibles as per the IFRS balance sheet	0.3	0.2
EPRA NRV	903.9	994.0
Fair Value of Intangibles adjustment	-	-
Real estate transfer tax adjustment	(116.2)	(127.3)
EPRA NAV	787.7	866.7

EPRA NAV metrics per share

(€)	31/12/2018	31/12/2019
Fully diluted number of shares	15,730,309	16,612,200
EPRA NNNAV	52.9	54.2
EPRA NDV	52.9	54.2
EPRA NTA	57.4	59.8
EPRA NRV	57.5	59.8
EPRA NAV	50.1	52.2

CASH-FLOW AND SUMMARISED FINANCIAL STATEMENTS

Recurring cash-flow

(€m)	31/12/2018	31/12/2018 PF	31/12/2019
Gross rental income	66.8	102.0	93.6
Recurring property operating expenses	(6.0)	(14.5)	(10.9)
Recurring corporate expenses	(9.2)	(17.3)	(14.4)
Net financial costs	(10.6)	(21.6)	(21.3)
Recurring cash flow	41.1	48.6	47.1
Average number of shares (excl. Tr. shares)	12,559,709	15,747,184	16,150,556
Recurring cash flow per share (€)	3.27	3.09	2.91

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

(€m)	31/12/2018	31/12/2018 PF	31/12/2019
Gross rental income	67.2	103.0	97.0
Net rental income	59.0	88.6	86.1
Corporate expenses	(11.8)	(19.9)	(14.8)
Current EBITDA	47.2	68.6	71.3
Other income and expenses	0.5	0.8	(1.8)
Net financial costs	(11.0)	(16.8)	(19.1)
Miscellaneous (current) (3)	(0.6)	(1.5)	0.3
Taxes (current)	(0.2)	(0.3)	(0.2)
Associates	-	(1.6)	(0.6)
Net current earnings	35.9	49.2	50.0
EPRA earnings (Net current profit - group share)	35.9	49.2	50.0
Depreciation and amortisation on IP	(50.4)	(70.1)	(45.1)
Net profit or loss on disposals	2.0	(0.4)	2.7
Fair value adjustments of hedging instr.	(0.2)	0.6	(2.0)
Taxes (non-current)	-	-	-
Miscellaneous (non-current) (3)	(2.0)	(3.9)	(4.1)
Net non-current profit	(50.7)	(73.8)	(48.6)
Net non-current profit - Group share	(50.7)	(73.8)	(48.6)
Net profit/loss (Group share)	(14.7)	(24.5)	1.4
Earnings per share (€)	(1.17)	(1.74)	(0.08)
Diluted earnings per share (€)	(1.17)	(1.71)	(0.08)
EPRA Earnings per share (€)	2.84	2.95	2.92

Net consolidated result

(€m)	31/12/2018	31/12/2018 PF	31/12/2019
Gross rental income	67.2	103.0	97.0
Property operating expenses	(8.2)	(14.5)	(10.9)
Net operating income	59.0	88.6	86.1
Corporate expenses	(13.8)	(23.8)	(14.8)
EBITDA	45.2	64.7	71.3
Net depreciation	(29.2)	(53.3)	(47.3)
Impairment & provisions	(21.2)	(16.8)	2.2
Current operating income	(5.2)	(5.4)	26.2
Result from disposals	2.0	(0.4)	2.7
Other operating income and expenses	0.5	0.8	(6.0)
Operating income	(2.7)	(4.9)	22.9
Net financial cost	(11.0)	(16.8)	(19.1)
Other financial income and expenses	(0.8)	(0.9)	(1.6)
Tax	(0.2)	(0.3)	(0.2)
Associates	-	(1.6)	(0.6)
Net profit/loss (Group share)	(14.7)	(24.5)	1.4
Restatement of exceptional items	3.8	5.6	-
Recurring net profit/loss	(11.0)	(18.9)	1.4

Consolidated balance sheet

(€m)	31/12/2018	31/12/2019
ASSETS	1,674.0	1,722.0
Goodwill	1.0	-
Investment properties	1,471.4	1,495.7
Assets earmarked for disposal	31.1	49.6
Tangible fixed assets	0.9	0.9
Intangible fixed assets	0.3	0.2
Right to use the leased asset	-	19.7
Receivables	102.3	105.7
Cash and equivalent	67.1	50.3
LIABILITIES	1,674.0	1,722.0
Share capital and reserves	656.1	639.7
- including result	(14.7)	1.4
Long term debt	907.5	962.3
Other liabilities	110.4	120.0

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 rent 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 yield

Annualised rent 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 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.