

2020 Annual Results

Société de la Tour Eiffel shows resilience in a crisis situation

The Board of Directors of Société de la Tour Eiffel, meeting on 11 March 2021, approved the annual financial statements as at 31 December 2020. The limited review procedures for these accounts have been completed and the corresponding reports are being issued.

Bruno Meyer, Deputy Managing Director of Société de la Tour Eiffel: *“Despite the global pandemic and the economic crisis, the 2020 financial year remains positive with sustained operational activity despite several lockdowns: rental successes, continuation of the development plan, roll-out of the disposal plan, and significant financing obtained from our main shareholders. Faced with the uncertainties of the period, we are resolutely pursuing our roadmap for growth while preparing for the challenges that are bound to arise in 2021. Tenants satisfaction and the construction of sustainable quality cash flows remain our priorities and the key factors for our success.”*

Demonstrating endurance facing the Covid-19 crisis, ...

- 96% of rents collected in 2020
- €4.7m in new leases signed
- A stable asset value (+0.3%) at €1.87bn
- €76m of projects handed over in 2020 out of an investment pipeline of €96m
- €59m in disposals carried out as part of our strategic refocusing on 100% Office property
- A CSR performance maintained in the core property portfolio (74% of buildings certified)

... An efficient model, ...

- EPRA earnings per share: €2.4
- Recurring cash-flow per share: €2.3
- Consolidated net profit: €10.7m (vs. €1.4m)
- Net capital gain on disposals: €15.2m
- Going-concern NAV (NTA) per share: €53.0 (+1.6%)
- NAV Triple Net EPRA per share: €55.0 (+1.4%)
- Net Initial Yield EPRA topped-up: 4.5%



... Backed by its shareholders

- Improvement of the financial structure: issue of perpetual subordinated bonds (PSB) for €180m and return of the LTV ratio in the strategic objective to 39.0% (vs. 49.0% at 31 December 2019)
- Adaptation to the Covid-19 crisis: Proposed 2020 dividend stable at €2.0 per share

With the Covid-19 epidemic as background, the Group first sought to ensure the safety and health of its teams, tenants, customers, service providers and suppliers. The measures implemented were mainly designed to ensure the proper operation and safety of the buildings, and continuing the Company's business using teleworking.

An ongoing impact assessment process of this unprecedented situation has been set up. As at 31 December 2020, the impacts of the epidemic were deemed to be limited due to the sustainability of the operations and the office buildings portfolio class.

96% of rents collected in 2020

As of the date of this press release, out of a total of €89.3m in invoiced rents in 2020, 96.3% had been collected, demonstrating the quality of the rental base and the close proximity that the property company maintains with its customers through its internalized property and rental management model.

The Group spontaneously implemented support measures for tenants most likely to experience difficulties (in particular those whose activities have been closed by administrative decisions as well as for tenants of modest sizes). For all of these tenants, the rent receivable representing nearly €6.8m in 2Q20 was unilaterally broken down into monthly instalments and carried over without any penalty to the second half of 2020.

As at 31 December 2020, this Q2-related receivable broke down as follows:

- €6.0m had been collected;
- €0.5m remained to be collected;
- €0.3 million gave rise to rent-free periods in return for an extension of the lease term.

In order to better monitor the risk profile of its tenants, Société de la Tour Eiffel uses the Coface and Credit Safe databases. This monitoring shows that 84% of the rental base is made up of tenants in the two best categories (low or very low risk). This rating remains relatively stable to date compared with the forecast made in June 2020 and tends to demonstrate the resilience of the rental base of the portfolio.

A strategy of 100% certified offices, predominantly multi-tenant

As at 31 December 2020, the value of the property portfolio amounted to €1,866m, 91% of which were offices (€1,695m) and 4% of mixed office / retail assets (€69m), 75% of which were located in Greater Paris (€1,404m) and 19% in high-potential regional cities (€360m) (Aix-Marseille, Bordeaux, Lille, Lyon, Nantes, Toulouse). As part of the initiative to constantly improve the quality of the property portfolio, 74% of the assets are subject to certification attesting to their environmental performance.

Société de la Tour Eiffel is continuing its strategic refocusing on markets in which the property company's expertise lies, with a portfolio consisting mainly of offices occupied by multiple tenants, in dynamic markets liable to attract all types of service-industry players.

Despite the slowdown observed on the investment market, the Group sold assets worth €59m in support of this refocusing strategy.

€96m of developments in 2020

Société de la Tour Eiffel handed over 3 projects during the year representing €76m of investment and €4.7m in potential annualized rents, of which €2.5m have already been secured with leases signed on the Orsay business park (IBM and the Paris Saclay metropolitan authority) and on the Marseille business park. The KBis building in Lyon, handed over during the lockdown at the end of 2020, is now being leased.

The balance of the development plan amounts to €20m at the end of 2020. Advanced to the tune of €16m and expected to generate €1.6m in annualized rental income, it consists of 1 development schemes in Greater Paris (26%) and 2 schemes in high-potential regional cities (74%).

As per prior announcements, the Group is taking advantage of the vacations in the second half of 2020 of the Lyon Dauphiné and Puteaux Dion Bouton sites to redevelop them. The investment plan fuelled by these two development schemes, both of which are representative of the property company's value creation strategy, will be completed by the Aubervilliers site when it becomes available, scheduled for H1 2021. Overall, €4.4m in annualized rents will be devoted to the strategic vacancy.

Sustained rental activity despite a deteriorated environment

€12.2m in annualized rents were the subject of agreements during the period, including €4.7m in new leases signed and €7.6m of leases renewed. Taking into account departures, the net balance of the rental activity comes to -€0.5m in annualized rental and -€1.2m after reinstating the strategic vacancy.

Worth highlighting among the rental successes are the signatures for 2,350 m² of office space with Transactis on the Delta building in Nanterre in January 2020 and 3,400 m² signed with two companies of the Vinci group in the Nanterre Seine Eiffel business park. In addition, the take-up of 5,500 m² by an international group in the Seine Etoile building in Suresnes and of 3,000 m² by Avnet on the Copernic building in Massy, are the start of the conversion of these two buildings into multi-tenant use, validating the strategic/commercial repositioning of these assets.

The Nanterre Seine Eiffel business park (with 74,000 m² of floor area) will cross the 90% occupancy rate mark, demonstrating the relevance of the value creation strategy carried out since its acquisition at the end of 2016, when the occupancy rate stood at 60%.

As at 31 December 2020, the financial occupancy rate (EPRA) was 81.4% (vs. 82.1% at the end of 2019) and the average firm lease term was 2.6 years. Restated for strategic vacancies, this occupancy rate stands at 83.7%.

EPRA earning €2.4 per share marked by disposals and the strategic vacancy rate

On a like-for-like basis and excluding the strategic vacancy rate, rental income increased by +1.1% to stand at €92.9m, down -4.3% mainly due to disposals during the period. Net of charges, rental income fell by 5.7%, in line with the change in the occupancy rate.

Current operating income stood at €61.2m (vs. €71.3m). The lower rental income is accentuated by provisions for rents and re-billable charges (-€4.9m), slightly offset by the reduction in operating costs (+€0.8m). It should be noted that of the €4.9m in provisions for debt write-downs, only €1.8m (2% of receipted rents) are directly linked to the effects of the health crisis. €3.1m correspond to receivables arising from the end of contracts (financial leasing or leases on assets in the disposal plan) from the former Affine property portfolio.

Financial expenses stood at €17.5m (vs. €19.1m), reflecting additional drawdowns to finance developments and Capital Expenditures (€59.9m) and improved financing costs. The average debt interest rate stands at 1.8% (vs. 2.1%), highlighting the full-year performance of the refinancing for €330m carried out in October 2019 and

which benefits for the second half of 2020 from financial conditions improved thanks to the LTV (loan-to-value) ratio reduced to below 40% thanks to the issuance of PSBs.

The success of the issuance of new PSBs for €180m last June, to which the main shareholders of the group contributed, allowed Société de la Tour Eiffel to significantly enhance its equity capital. The instrument comes with a coupon of 4.5% with a first possibility of repayment, in the issuer's hands, in 5 years. This financing made it possible to restore the LTV ratio to 39.0% (vs. 49.0% at year-end 2019) and thus return less than 18 months after the merger with Affine to the strategic objective of 40%.

After taking into account other income and expenses, taxes and earnings of companies accounted for using the equity method, the EPRA earnings (recurring net profit) stood at €46.4m, or €2.38 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 €1.4m in 2019 to a €10.7m.

Current Cash Flow for the year amounted to €38.0m, i.e. €2.30 per share, compared with €2.91 in 2019.

Increase in Revalued Net Assets

The EPRA Net Tangible Asset Net Asset Value (NTA) per share rose from €52.2 to €53.0 at year-end 2020, the dividend paid in June having been more than offset by the EPRA earnings and the increase in the fair value of the property portfolio over the period. The EPRA Triple Net Asset Value (NNNAV) per share experienced an equivalent increase from €54.2 to €55.0 at year-end 2020.

Taking into account the net impact of investments and disposals, assets amounted to €1,866m (excluding transfer taxes and fees), compared with €1,860.1m at year-end 2019 (+0.3%).

Dividend stable of €2.0 per share

The Board of Directors will propose to the General Meeting of shareholders a stable dividend of €2.0 per share paid in cash. This dividend corresponds to a yield of 6.4% and 6.7% calculated respectively on the average share price for 2020 and on the closing price on the last day of the 2020 financial year.

This distribution is equivalent to a pay-out of 87% of the 2020 Current Cash-Flow or 84% of the EPRA earnings.

Greater room for manoeuvre to better face new challenges

While the 100% Office business model of the property company has so far demonstrated its resilience in the face of the health crisis, the unprecedented scale of the latter calls for caution in estimating its future consequences. However, at year-end 2020, tenants identified as being "high" and "very high" risks given their exposure to the consequences of the Covid-19 crisis, represented €4.0m in rent on an annual basis. No significant payment incident has been observed on rent calls for the first quarter of 2021, with rents collection to date of 92.0%.

As it undertook to do in 2019, Société de la Tour Eiffel enhanced its equity in June 2020 by issuing €180m in PSBs all subscribed by its main shareholders.

In addition to securing the financing of its development plan, the issue means the property company has greater margins for manoeuvre, providing it with additional resilience in order to cope with various challenges of the new business environment, including tenant solvability, postponements in handovers, the pre-leasing of development schemes and even possible investments properties negative fair value adjustments. Those funds will also enable the Group to seize new investment opportunities.

Strengthened by this efficient management, the Group can resolutely move forward towards its objectives: refocusing the property portfolio on its strategic markets, improving the occupancy rate of assets, securing revenues, executing its development plan and generating capacity for future growth.

Calendar

- 29 April 2021: General Shareholders' Meeting
- June 2021: Dividend payment
- July 2021: Half-year results 2021 (after market close)

The presentation of the results will be available on the Group's website on the morning of Monday 15 March: www.societetoureiffel.com.

Contacts

Press relations

Laetitia Baudon – Advisory Director

Agence Shan

Tel. + 33 (0)1 44 50 58 79

laetitia.baudon@shan.fr

Investor Relations

Florent Alba - Advisory Director

Agence Shan

Tel. +33 (0) 1 44 50 03 84

florent.alba@shan.fr

Société de la Tour Eiffel

The Société de la Tour Eiffel, with assets of € 1.9 billion, is an integrated commercial property investment company with a long-standing service culture. Operating throughout the real estate cycle, it supports its clients, companies of all sizes and from all sectors, through a demanding practice of direct management of its assets located in regions with high growth potential. The property company manages its rapidly expanding real estate assets over the long term, with a strategic refocusing plan for the 100% office portfolio, with 80% in Greater Paris and 20% in high-potential regional cities, and has established itself as a benchmark player.

Société de la Tour Eiffel is listed on Euronext Paris (Compartment B) – ISIN Code: FR0000036816 - Reuters: TEIF.PA - Bloomberg: EIFF.FP - A member of the IEIF Foncières and IEIF Immobilier France indices

www.societetoureiffel.com

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KEY FIGURES

Portfolio

(€m)	31/12/2018	31/12/2019	31/12/2020
Portfolio valuation at depreciated cost	1,502.4	1,545.3	1,516.4
Portfolio valuation at Fair Value (excl. Transfer taxes)	1,717.2	1,860.1	1,866.0
EPRA NTA per share (€)	50.1	52.2	53.0
EPRA NAV per share (€)	50.1	52.2	53.0
EPRA NNNAV per share (€)	53.0	54.2	55.0

Results

(€m)	31/12/2018 PF	31/12/2019	31/12/2020
Rental income	103.0	97.0	92.9
Current operating profit	(5.4)	26.2	11.6
Net profit - Group share	(24.5)	1.4	10.7
Net profit - Group share per share (€)	(1.7)	(0.1)	0.2
EPRA earnings	49.2	50.0	46.4

Cash flow and dividend

(€m)	31/12/2018 PF	31/12/2019	31/12/2020
Recurring Cash Flow	48.6	47.1	38.0
Recurring Cash Flow per share (€)	3.09	2.91	2.30
Dividend per share (€)	3.00	2.00	2.00
Pay-out Ratio (Dividend / recurring Cash Flow)	97%	69%	87%

Market capitalisation

(€m)	31/12/2018 PF	31/12/2019	31/12/2020
Number of outstanding shares at the end of the period	15,652,871	16,508,749	16,589,740
Share price (€)	36.8	39.4	29.9
Market capitalisation	576.0	650.4	496.0

Financial structure

(€m)	31/12/2018 PF	31/12/2019	31/12/2020
Portfolio value	1,717.2	1,860.1	1,866.0
Net Group LTV	48.9%	49.0%	39.0%
EBITDA / Financial costs	3.8	3.7	3.8

Valuation ratios

	31/12/2018 PF	31/12/2019	31/12/2020
Cash flow multiple (Capitalisation / Cash Flow)	11.8	13.8	13.0

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.

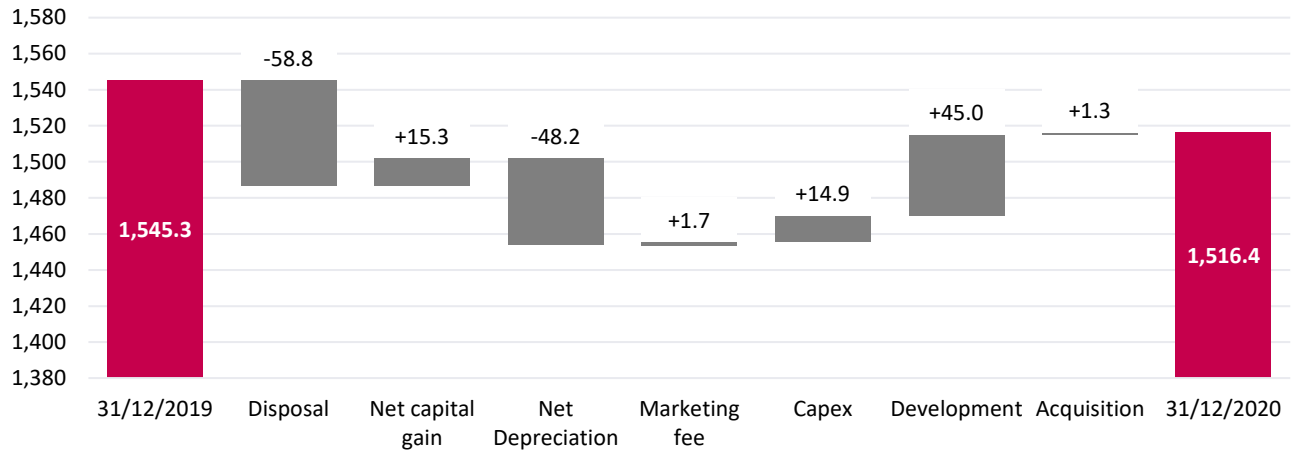
Société de la Tour Eiffel supports the financial communication standardisation approach designed to improve the quality and comparability of information and supplies its investors with the EPRA key performance indicators. They appear in the table here-below.

EPRA Performance Measures (EPM) – Summary Table

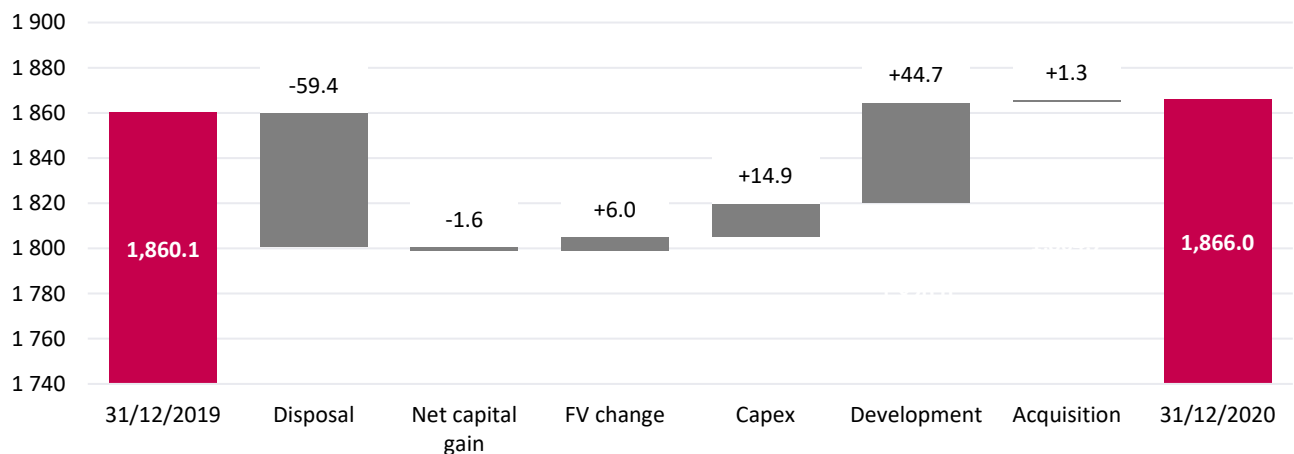
(€m)	31/12/2018 PF	31/12/2019	31/12/2020
EPRA Earnings	48.9	49.8	46.4
EPRA NNNAV	832.4	900.3	911.7
EPRA NDV	831.5	900.3	911.7
EPRA NTA	786.5	866.5	878.6
EPRA NAV	787.7	866.7	878.7
EPRA NRV	903.9	994.0	1,002.3
EPRA Initial Yield	4.7%	4.2%	4.1%
EPRA "Topped-up" Net Initial Yield	5.1%	4.7%	4.5%
EPRA Vacancy Rate	14.8%	17.9%	18.6%
EPRA Cost Ratio (including direct vacancy costs)	25.6%	25.6%	33.9%
EPRA Cost Ratio (excluding direct vacancy costs)	18.6%	16.7%	24.0%
EPRA Property Investments	61.3	124.7	61.8
(€ per share)	31/12/2018 PF	31/12/2019	31/12/2020
EPRA Earnings	2.92	2.92	2.38
EPRA NNNAV	53.0	54.2	55.0
EPRA NDV	52.9	54.2	55.0
EPRA NTA	50.0	52.2	53.0
EPRA NAV	50.1	52.2	53.0
EPRA NRV	57.5	59.8	60.4
Average number of diluted shares (excl. Tr. shares)	15,840,189	16,238,058	16,594,263
Fully diluted number of shares	15,730,309	16,612,200	16,583,368

PORTFOLIO

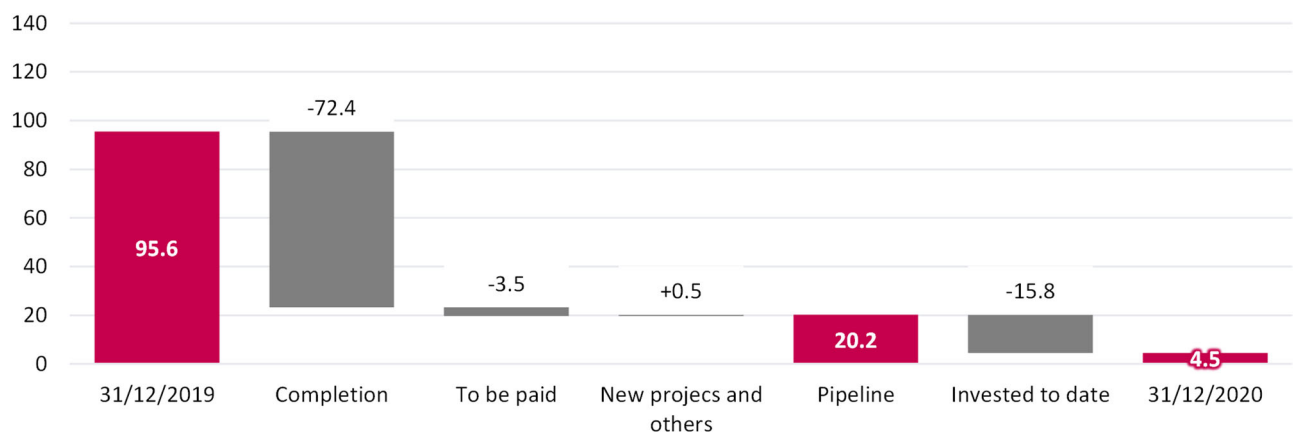
Portfolio valuation at Amortised Cost (€m)



Portfolio valuation at Fair Value (€m)



Progress of the pipeline (€m)



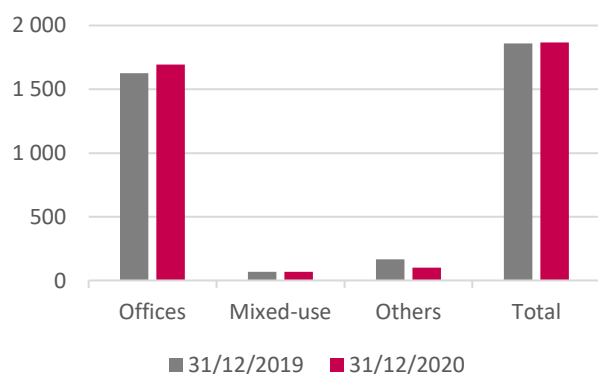
EPRA Property Investments

(€m)	31/12/2019			31/12/2020		
	Group	Joint-Venture	Total	Group	Joint-Venture	Total
Acquisitions	38.9	-	38.9	1.3	-	1.3
Development	62.3	-	62.3	45.0	-	45.0
Investment properties	24.3	-	24.3	15.5	-	15.5
Incremental lettable space	-	-	-	-	-	-
No incremental lettable space	23.2	-	23.2	14.9	-	14.9
Tenant incentives	1.1	-	1.1	0.6	-	0.6
Other expenditures	-	-	-	-	-	-
Capitalised interest on development properties	0.4	-	0.4	-	-	-
Total Property Investments	125.9	-	125.9	61.8	-	61.8
Conversion from accrual to cash basis	-	-	-	-	-	0
Total Property Investments on cash basis	125.9	-	125.9	61.8	-	61.8

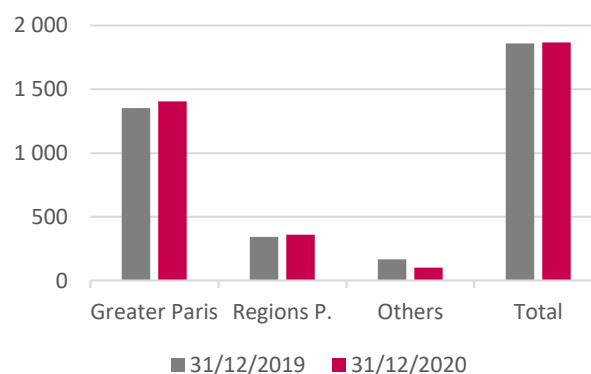
Portfolio breakdown in Fair Value

(€m)	31/12/2018	31/12/2019	31/12/2020
By type of asset			
Offices	1,464.4	1,627.0	1,694.7
Mixed-use	65.0	67.8	69.3
Others	187.8	165.3	102.0
By region			
Grand Paris	1,243.9	1,352.9	1,404.2
Regions with Potential	285.5	341.9	359.8
Others	187.8	165.3	102.0
Total	1,717.2	1,860.1	1,866.0

Breakdown by type of asset (€m)



Breakdown by region (€m)



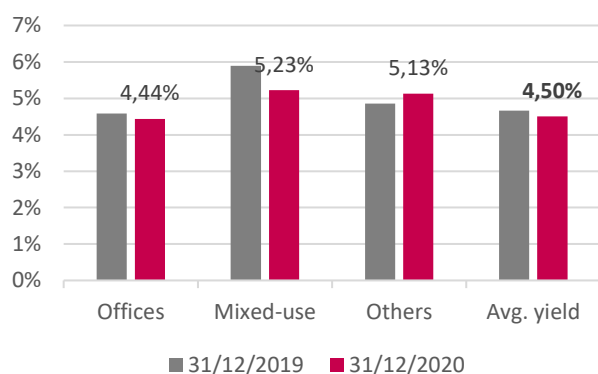
EPRA Net Initial Yield and 'topped-up' Net Initial Yield

(€m)	31/12/2018 PF	31/12/2019	31/12/2020
Investment property - wholly owned	1,717.2	1,860.1	1,866.0
Investment property - share of JVs/ Fund	-	-	-
Trading property (including share of JVs)	-	-	-
Adjustment of assets under development and land reserves	(93.0)	(59.7)	(23.8)
Value of the property portfolio in operation excluding duties	1,624.2	1,800.3	1,842.1
Transfer duties	113.8	126.2	123.2
Value of the property portfolio in operation including duties (B)	1,738.0	1,926.6	1,965.3
Annualised gross rental income	94.3	91.1	90.1
Annualised irrecoverable property operating expenses	12.5	10.3	(9.8)
Annualised net rents (A)	81.8	80.8	80.3
Rents at the expiry of the lease incentives or other rent discount	7.3	9.0	8.1
Topped up net annualised rent (C)	89.2	89.8	88.5
EPRA NIY (A/B)	4.7%	4.2%	4.1%
EPRA "topped-up" NIY (C/B)	5.1%	4.7%	4.5%

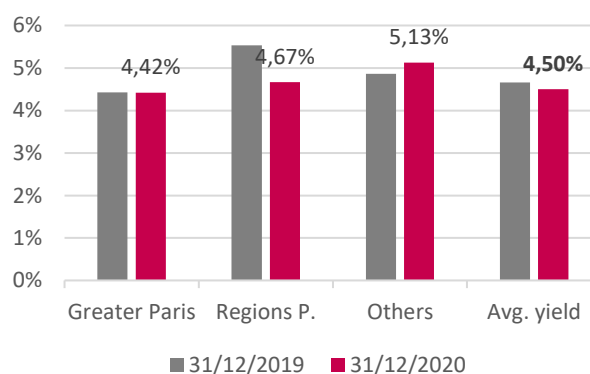
EPRA Topped-up Net Initial Yield

(€m)	31/12/2018	31/12/2019	31/12/2020
By type of asset			
Offices	5.01%	4.59%	4.44%
Mixed-use	4.68%	5.89%	5.23%
Others	6.19%	4.86%	5.13%
By region			
Grand Paris	4.93%	4.43%	4.42%
Regions with Potential	5.30%	5.53%	4.67%
Others	6.19%	4.86%	5.13%
Average portfolio yield	5.13%	4.66%	4.50%

Breakdown by type of asset



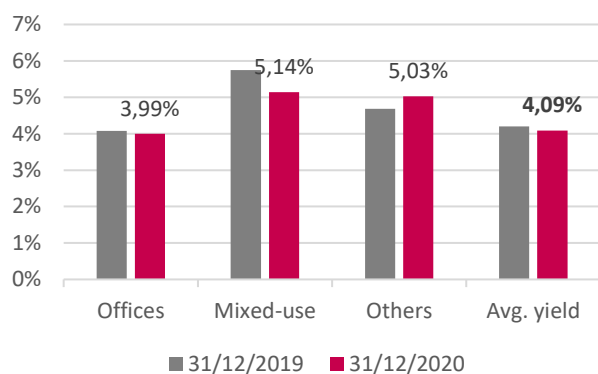
Breakdown by region



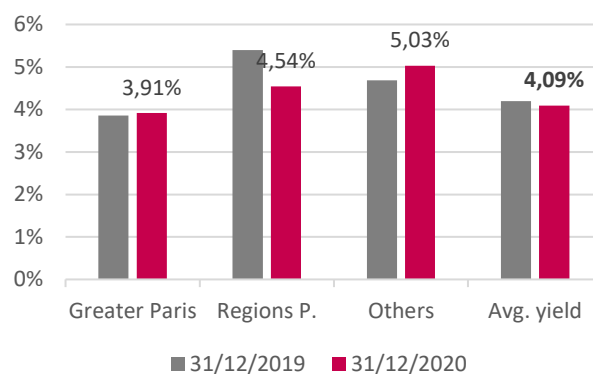
EPRA Net Initial Yield

	31/12/2018	31/12/2019	31/12/2020
By type of asset			
Offices	4.56%	4.08%	3.99%
Mixed-use	4.67%	5.75%	5.14%
Others	5.85%	4.68%	5.03%
By region			
Grand Paris	4.43%	3.85%	3.91%
Regions with Potential	5.18%	5.40%	4.54%
Others	5.85%	4.68%	5.03%
Average portfolio yield	4.71%	4.20%	4.09%

Breakdown by type of asset

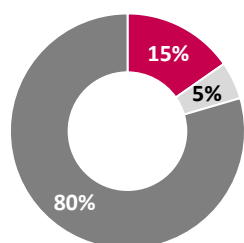


Breakdown by region



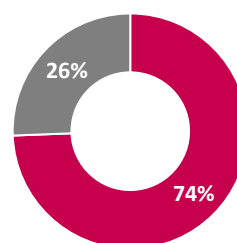
PORTFOLIO KEY INDICATORS

Buildings < 10 years in Fair Value



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

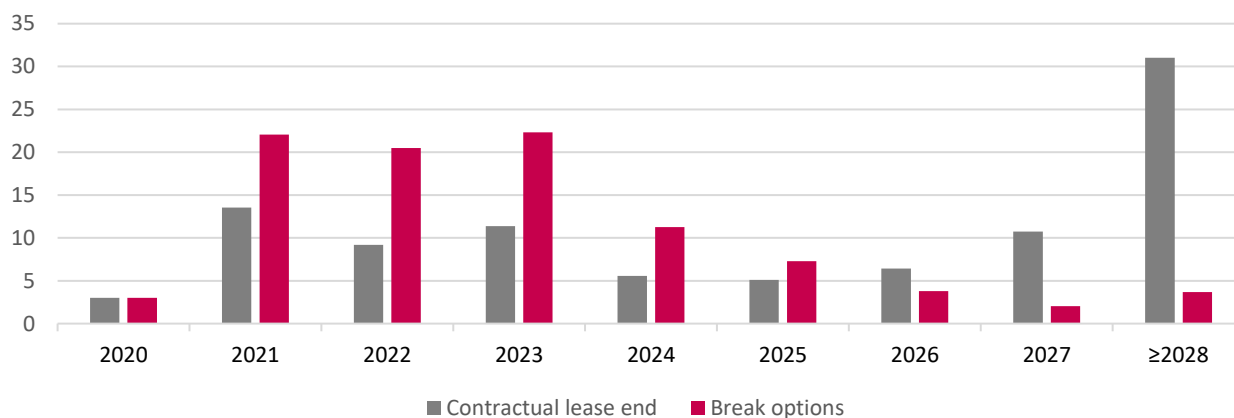
Labelled new buildings* in Fair Value



- Labelled buildings
- Non labelled buildings

(*) Excl. disposal plan

Portfolio lease maturity in rental income (€m)

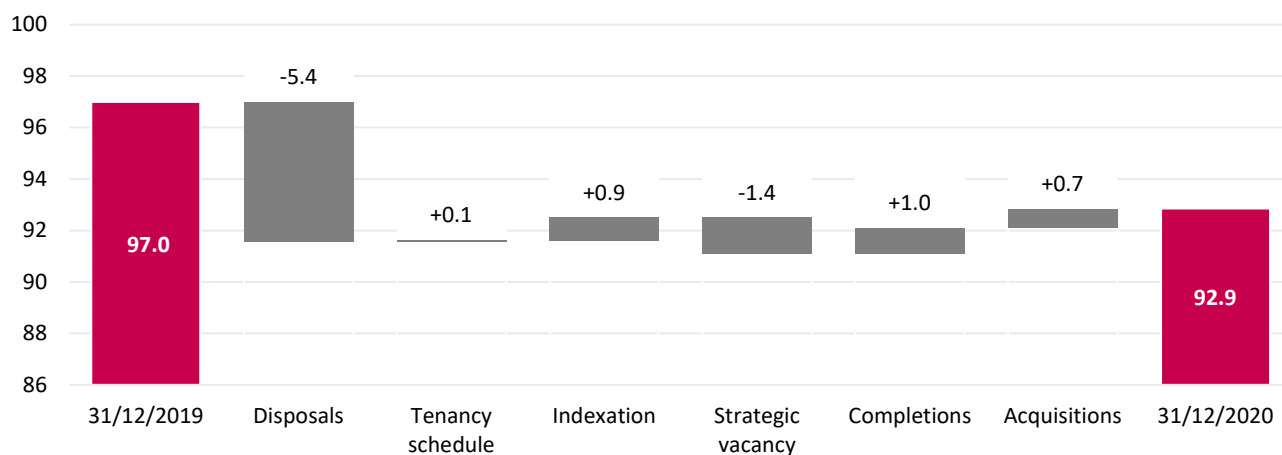


EPRA Vacancy Rate

(€m)	31/12/2018	31/12/2019	31/12/2020
Estimated rental value of vacant space (A)	17.0	21.7	22.1
Estimated rental value of the whole portfolio (B)	115.4	120.9	118.8
EPRA Vacancy Rate (A/B)	14.8%	17.9%	18.6%

RENTAL INCOME

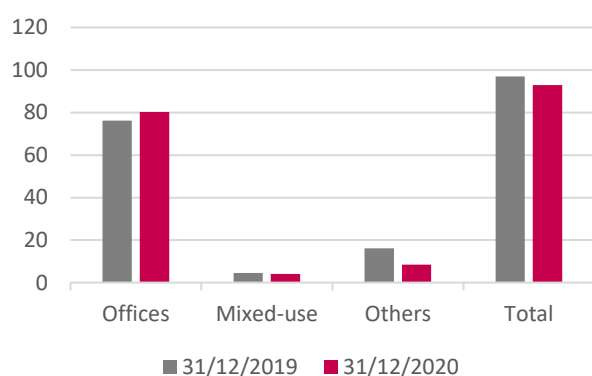
IFRS Rental Income Walk (€m)



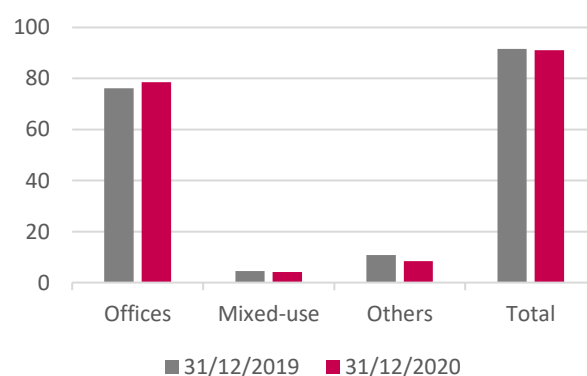
IFRS Rental Income variation by type of asset

(€m)	31/12/2018 PF	31/12/2019	31/12/2020
IFRS Rental Income variation			
Offices	77.9	76.2	80.3
Mixed-use	4.4	4.6	4.2
Others	20.7	16.2	8.4
Total	103.0	97.0	92.9
IFRS Rental Income variation like-for-like			
Offices	n.a.	76.2	78.5
Mixed-use	n.a.	4.6	4.2
Others	n.a.	10.8	8.4
Total	n.a.	91.6	91.1

IFRS Rental Income variation (€m)



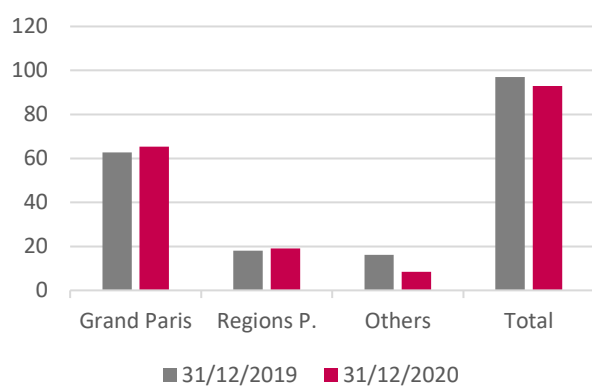
IFRS Rental Income variation like-for-like (€m)



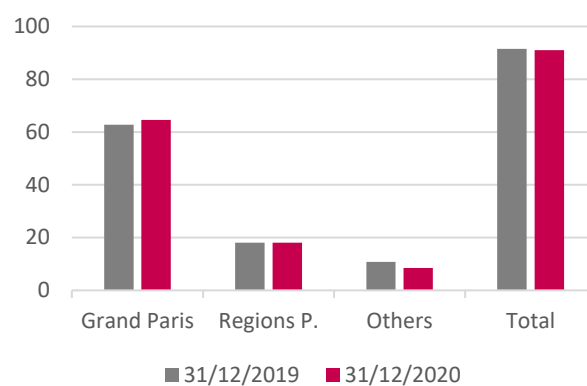
IFRS Rental Income variation by Region

(€m)	31/12/2018	31/12/2019	31/12/2020
IFRS Rental Income variation			
Grand Paris	66.3	62.7	65.3
Regions with Potential	16.0	18.1	19.1
Others	20.7	16.2	8.4
Total	103.0	97.0	92.9
IFRS Rental Income variation like-for-like			
Grand Paris	n.a.	62.7	64.6
Regions with Potential	n.a.	18.1	18.1
Others	n.a.	10.8	8.4
Total	n.a.	91.6	91.1

IFRS Rental Income variation (€m)

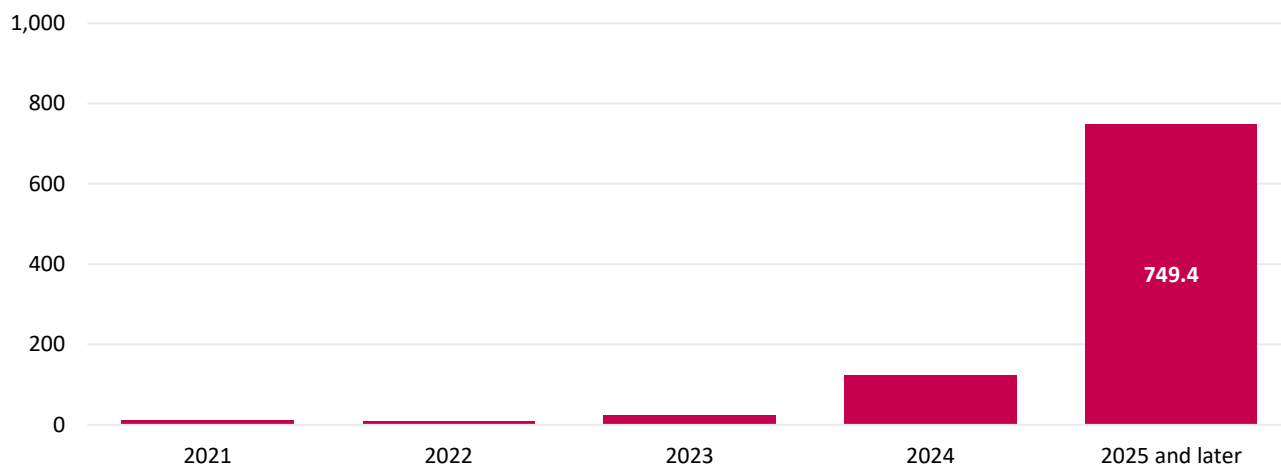


IFRS Rental Income variation like-for-like (€m)



FINANCING

Debt maturity schedule (€m)



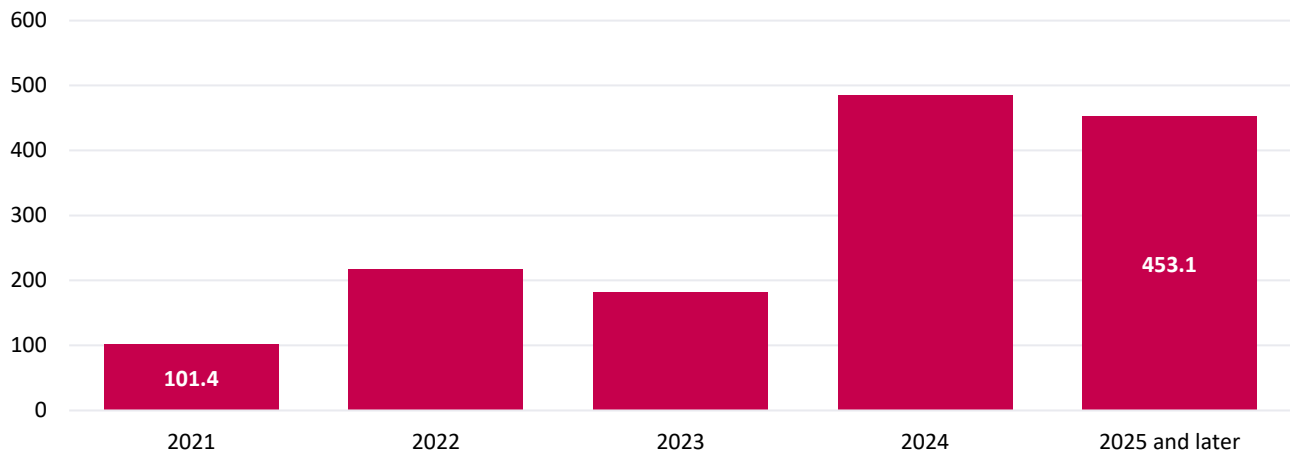
Summary of financing

(€m)	Maturity	31/12/2018	31/12/2019	31/12/2020
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	60.0	60.0	0.0
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	0.0	294.1	330.0
SMABTP €350m	11/2021	0.0	0.0	0.0
Mortgage financing	n.a.	357.5	118.2	94.9

Financial structure ratios

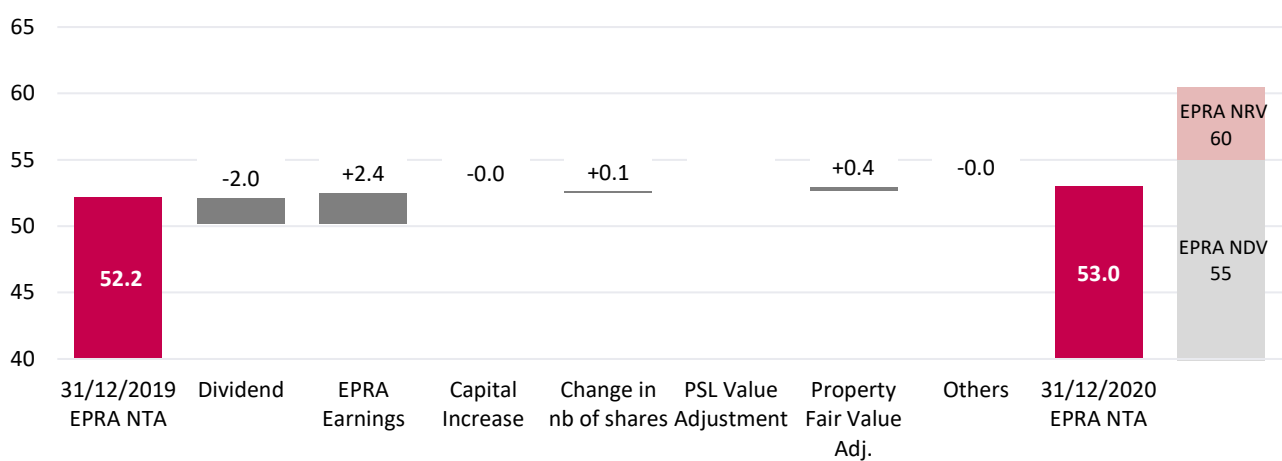
(€m)	31/12/2018	31/12/2019	31/12/2020
Shareholders' equity	656.1	639.7	794.8
Gross financial debt	907.5	962.3	914.9
Net financial debt	840.3	912.0	727.6
LTV	48.9%	49.0%	39.0%
Average cost of finance	2.2%	2.1%	1.8%
Hedging instruments notional	693.3	1,038.3	1,439.6
Hedging rate	108%	138%	190%
Debt maturity	6.1	5.9	5.0
Group ICR (EBITDA / Financial cost)	4.1	3.7	3.8
Impact of +100bp on cost of debt (yearly basis)	2.9	2.2	(0.4)
Impact of -100bp on cost of debt (yearly basis)	(1.9)	(3.8)	(0.4)

Hedging maturity schedule (€m)



NET ASSET VALUE (NAV)

EPRA NTA per share Walk (€)



EPRA Net Asset Value metrics

(€m)	31/12/2018	31/12/2019	31/12/2020
Shareholders' equity (group share)	656.1	639.7	794.3
PSL adjustments	(75.0)	(75.0)	(254.8)
Revaluation of Investment Properties	208.9	304.5	340.4
Revaluation of PSL	42.4	31.1	31.8
EPRA NNNAV	832.4	900.3	911.7
Goodwill as a result of deferred tax adjustment	-	-	-
Goodwill as per the IFRS balance sheet adjustment	(1.0)	-	-
EPRA NDV	831.5	900.3	911.7
Deferred tax in relation to fair value gains of strategic assets adj.	(0.3)	(0.9)	(0.9)
Fair value of financial instruments adjustment	(2.0)	(1.6)	(0.3)
Intangibles as per the IFRS balance sheet adjustment	(0.3)	(0.2)	(0.2)
PSL Fair Value adjustment	(42.4)	(31.1)	(31.8)
EPRA NTA	786.5	786.5	878.6
Deferred tax in relation to fair value gains of non-strategic assets adj.	-	-	-
Goodwill as per the IFRS balance sheet	1.0	-	-
Intangibles as per the IFRS balance sheet	0.3	0.2	0.2
EPRA NAV	787.7	866.7	878.7
Revaluation of intangibles to fair value	-	-	-
Real estate transfer tax	116.2	127.3	123.6
EPRA NRV	903.9	994.0	1,002.3

EPRA NAV metrics per share

(€)	31/12/2018	31/12/2019	31/12/2020
Fully diluted number of shares	15,730,309	16,612,200	16,583,368
EPRA NNNAV	53.0	54.2	55.0
EPRA NDV	52.9	54.2	55.0
EPRA NTA	50.0	52.2	53.0
EPRA NAV	50.1	52.2	53.0
EPRA NRV	57.5	59.8	60.4

CASH-FLOW AND SUMMARISED FINANCIAL STATEMENTS

Recurring cash-flow

(€m)	31/12/2018 PF	31/12/2019	31/12/2020
Gross rental income	102.0	93.6	88.2
Recurring property operating expenses	(14.5)	(10.9)	(11.6)
Recurring corporate expenses	(17.3)	(14.4)	(14.0)
Net financial costs	(21.6)	(21.3)	(24.5)
Recurring cash flow	48.6	47.1	38.0
Average number of shares (excl. Tr. shares)	15,747,184	16,150,556	16,543,995
Recurring cash flow per share (€)	3.09	2.91	2.30

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

(€m)	31/12/2018 PF	31/12/2019	31/12/2020
Gross rental income	103.0	97.0	92.9
Net rental income	88.6	86.1	81.2
Corporate expenses	(19.9)	(14.8)	(14.0)
Current EBITDA	68.6	71.3	67.2
Current EBIT	68.6	71.3	61.2
Other income and expenses	0.8	(1.8)	3.8
Net financial costs	(16.8)	(19.1)	(17.5)
Miscellaneous (current)	(1.5)	0.3	(0.4)
Taxes (current)	(0.3)	(0.2)	(0.3)
Associates	(1.6)	(0.6)	(0.3)
Net current earnings	49.2	50.0	46.4
EPRA earnings (Net current profit - group share)	49.2	50.0	46.4
Depreciation and amortisation on IP	(70.1)	(45.1)	(49.6)
Net profit or loss on disposals	(0.4)	2.7	15.2
Fair value adjustments of hedging instr.	0.6	(2.0)	(1.3)
Taxes (non-current)	-	-	-
Miscellaneous (non-current)	(3.9)	(4.1)	-
Net non-current profit	(73.8)	(48.6)	(35.7)
Net non-current profit - Group share	(73.8)	(48.6)	(35.7)
Net profit/loss (Group share)	(24.5)	1.4	10.7
Earnings per share (€)	(1.74)	(0.08)	0.23
Diluted earnings per share (€)	(1.71)	(0.08)	0.23
EPRA Earnings per share (€)	2.95	2.92	2.38

Net consolidated result

(€m)	31/12/2018 PF	31/12/2019	31/12/2020
Gross rental income	103.0	97.0	92.9
Property operating expenses	(14.5)	(10.9)	(11.6)
Net operating income	88.6	86.1	81.2
Corporate expenses	(23.8)	(14.8)	(14.0)
EBITDA	64.7	71.3	67.2
Net depreciation	(53.3)	(47.3)	(48.4)
Impairment & provisions	(16.8)	2.2	(7.2)
Current operating income	(5.4)	26.2	11.6
Result from disposals	(0.4)	2.7	15.2
Other operating income and expenses	0.8	(6.0)	3.8
Operating income	(4.9)	22.9	30.6
Net financial cost	(16.8)	(19.1)	(17.5)
Other financial income and expenses	(0.9)	(1.6)	(1.7)
Tax	(0.3)	(0.2)	(0.3)
Associates	(1.6)	(0.6)	(0.3)
Net profit/loss (Group share)	(24.5)	1.4	10.7
Restatement of exceptional items	5.6	-	-
Recurring net profit/loss	(18.9)	1.4	10.7

EPRA Cost Ratios

(€m)	31/12/2018	31/12/2019	31/12/2020
Property operating expenses	(27.1)	(45.2)	(45.8)
Corporate expenses	(11.8)	(14.8)	(14.0)
Depreciation, amortisation and net provisions excl. IP	-	-	(6.0)
Service charge income	21.1	34.3	34.2
Share in costs of associates	-	-	-
Adjustment of Ground rent costs	0.8	1.1	0.4
Adjustment of Service fee and service charge costs component of rents	-	-	-
Costs (including direct vacancy costs) (A)	(17.0)	(24.6)	(31.3)
Direct vacancy costs	4.7	8.5	9.1
Costs (excluding direct vacancy costs) (B)	(12.3)	(16.0)	(22.2)
Gross rental income (including ground rent costs)	67.2	97.0	92.9
Ground rent costs	(0.8)	(1.1)	(0.4)
Gross Rental Income less ground rent costs	66.5	95.9	92.5
Service fee and service charge costs component of rents	-	-	-
Share in rental income from associates	-	-	-
EPRA Gross Rental Income	66.5	95.9	92.5
EPRA Cost Ratio (including direct vacancy costs) (A/C)	25.6%	25.6%	33.9%
EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	18.6%	16.7%	24.0%

Consolidated balance sheet

(€m)	31/12/2018	31/12/2019	31/12/2020
ASSETS	1,674.0	1,722.0	1,828.9
Goodwill	1.0	-	-
Investment properties	1,471.4	1,495.7	1,501.6
Assets earmarked for disposal	31.1	49.6	14.8
Tangible fixed assets	0.9	0.9	1.2
Intangible fixed assets	0.3	0.2	0.2
Right to use the leased asset	-	19.7	18.5
Receivables	102.3	105.7	105.3
Cash and equivalent	67.1	50.3	187.2
LIABILITIES	1,674.0	1,722.0	1,828.9
Share capital and reserves	656.1	639.7	794.3
- including result	(14.7)	1.4	10.7
Long term debt	907.5	962.3	914.9
Other liabilities	110.4	120.0	119.7

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 NNNNAV.

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 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.