SOCIETE DE LA TOUR EIFFEL

2024 OUTLOOK: ESTIMATED CHANGE IN ASSET VALUE, NAV, OCCUPANCY RATE AND FINANCIAL POSITION

Société de la Tour Eiffel (the "Company") is providing an updated outlook at end-2024 regarding changes in assets value, occupancy rate of its property portfolio, its net asset value and its financial position. This information is being released ahead of the Extraordinary General Meeting to be held on 16 December to resolve on the proposed capital increase with preferential subscription rights for shareholders announced in a press release on 6 November 2024 ("*Proposed capital increase with preferential subscription rights of €600m – General Meeting convened on 16 December 2024*").

A portfolio being transformed

Each year, the Company has its property assets portfolio appraised by independent property experts as of 30 June and 31 December, in accordance with the methodology set out in sections 9.3.2 (*Information concerning the appraisers*) and 9.3.3 (*Condensed report of the appraisers*) of the Company's Universal Registration Document filed with the *Autorité des Marchés Financiers* on 28 March 2024 under number D.24-0204.

As of 30 June 2024, property value totalled €1,669m. On this basis, and taking into account the two sales completed in July in Paris (Auber – press release dated 3 July 2024 – *"Sale of a mixed-use building in Paris"*) and in Montigny (Diagonale Ouest – press release dated 11 July 2024 – *"Sale of an office building in the Paris region"*), as well as the preliminary sale agreement on an asset whose disposal is due to be finalised in December this year, the value of the portfolio is estimated at €1,593m at end-2024 (excluding value adjustments in the second semester).

Based on the current preliminary assets value appraisals carried out by two independent property experts (BNP Paribas Real Estate Valuation France and CBRE Valuation), the Company estimates that the fair value of its assets as of 31 December 2024 could decrease by approximately 6% on a like-for-like basis in 2024 (for comparison, the fair value of the assets was €1,717m at 31 December 2023). This reflects current market conditions and the efforts made to reposition the portfolio.

These estimates may be adjusted subject to the evolution of the rental situation of the assets (new leases signed, negotiations, lease termination notices, etc.), or of the macroeconomic and sector environment, bearing in mind that the assets are located in mainland France.

Taking into account financial leverage (LTV ratio of 44.5% and EPRA LTV ratio of 62.9% as of 30 June 2024), estimates of fair value changes and annual results, the estimated decrease of the various net asset values (NAV) would be in the range of 15% to 20%.

These estimates have not yet been audited by the Auditors.

Rental activity under pressure

At the end of November 2024, almost €9.4m in annualised rental income have been agreed with tenants since the beginning of the year, including €1.9min new leases and €7.4m renewed leases. Including the already announced departures, the net balance of the rental activity stands at -€4.4m in annualised rents. It comprises the arrival of Bikube on the new EvasYon site in Lyon (5,400 sqm), the renegotiations with the Versailles education authority (7,760 sqm) in Guyancourt, SDEL in Puteaux (3,070 sqm) and Absys Cyborg in Issy-les-Moulineaux (2,230 sqm), leases signed with EFI (2,930 sqm) in Vélizy, Greenbig (1,140 sqm.) in Puteaux and Ondura (830 sqm) in Suresnes, as well as the pending departures of Air Liquide (9,470 sqm) in Champigny, DGFIP (3,960 sqm) in Nantes, TeamTo (2,720 sqm) in Paris Bastille, Enedis (1,250 sqm) and Tereos (1,250 sqm) in Lille.

In addition to the above-mentioned departures, the main tenants' departures already announced and effective from the beginning of 2025 relate to the Hauts-de-France regional authority (3,750 sqm) and SNCF (1,250 sqm) in Lille.

With the rental market remaining tense, the Company expects the financial occupancy rate (EPRA) to be down by c. 2 points at 76% as of 31 December 2024 (vs 78.0% as of 31 December 2023). This decline is mainly due to disposals of assets whose average occupancy rate was 96% at the end of 2023, and to Nanturra (a 5,400 sqm multi-storey business complex located in the Parc Eiffel Nanterre Seine), whose occupancy rate remains low as it was only completed by late November 2024.

Financing and covenants

Since 30 June 2024, the Company has repaid the RCF Natixis 2017 credit facility drawn down for €60m on 4 October by drawing on the new SLL CADIF 2024 credit facility up to the same amount on 30 September. As such, the Company's cash position was temporarily inflated by €60m as of 30 September 2024, bringing it to €133.8m at that date, compared with €63.5m at 30 juin 2024.

Despite an estimated 6% decrease in the value of the portfolio, the Company expects to comply with its LTV covenants (net debt to asset value) at 31 December 2024. In consistency with its risk management approach, the Company has already obtained waivers on the relevant financing agreements, raising the LTV ratio from 50% to 55% for the test date of 31 December 2024.

On the basis of its level of indebtedness, the yield curve and related hedging instruments (going from -0.5% over the 2020-2024 period with a nominal value of €480m to 2.50% over the 2025-2026 period with a nominal value of €405m), as well as the Group's ability to reduce its assets vacancy rate or accelerate its disposal plan in this uncertain environment, the Company anticipates that the ICR (EBITDA/Financial Expense) covenant may no longer be met from 30 June 2025.

In consultation with its partners, the Company has explored all possible solutions to rebalance its now inadequate financial structure, restore its ability to execute its roadmap and return to sustainable growth. Among the alternatives considered, a capital increase with preferential subscription rights is the only one that grants shareholders the opportunity to support the Company's activities while preserving its ability to continue as a going concern and to implement its roadmap.

The proposed Capital Increase

As a reminder, on 6 November 2024, the Board of Directors decided to convene an Extraordinary Shareholders General Meeting with a view to carrying out a capital increase with shareholders' preferential subscription rights of €600m (the "Capital Increase"), in order to strengthen its financial structure and return to sustainable growth (press release dated 6 November 2024 – *"Proposed capital increase with preferential subscription rights of €600m – General Meeting convened on 16 December 2024"*).

As detailed below, this transaction aims at enabling the Company to cover short-term refinancing maturities[1], reducing the use of its credit facilities and continuing its operations while being in position to seize market opportunities in the medium term. The transaction takes place in a context where the Company will risk failing to comply with one or more of its banking covenants within the next twelve months[2], which could lead to the early repayment of its full financial debt.

The SMABTP Group, the main shareholder, has confirmed that it will subscribe to the deal, so that 75% of the targeted €600m will be subscribed.

Settlement and delivery of the capital increase is expected to take place in the first quarter of 2025.

Use of the proceeds of the contemplated rights issue

In order to strengthen its financial structure, meet its forthcoming maturities and restore its financial flexibility, the Company will use the proceeds to be raised through the rights issue:

- In priority, to redeem the €200m EURO PP (maturing in July 2025);
- To reduce the drawdown on the €100m RCF Pool CADIF 2018 facility (to be renewed by July 2025) and the €90m SLL CADIF 2024 facility, of which €160m has been drawn down to date;
- In case of sufficient liquidity and after securing the ICR, to redeem the €180m 2020 perpetual subordinated loan (coupon step-up from 4.5% to 9.5% in June 2025);
- And for the remainder, to take advantage of market opportunities in the medium term, while maintaining its banking covenants at market levels over the long term, and to repay €14m in secured financing.

[1] As a reminder, the Company's consolidated net debt at 30 September 2024 was €723.9m, including €300m maturing in July 2025.
[2] In particular the ICR ratio (i.e. EBITDA / Financial Expenses), which was 3.4x at 30 June 2024 and which must be at least equal to 2x under the terms of the financial documentation, and the LTV ratio (i.e. Net Debt / Asset Value), which was 44.5% at 30 June 2024 and which must be at most equal to 50% under the terms of this documentation. For more information, see sections 2 and 6 of the 2024 half-year financial report available on the Company's website.

The Company will invest the proceeds between the settlement-delivery of the capital increase and the date of use (contractual maturities), thereby reducing net financial expense over the period in order to meet the June 2025 ICR.

By way of illustration, based on the figures for the first half of 2024, excluding the impact of interest rate hedging and assuming the completion of a €600m Capital Increase as soon as 1st January 2024 and the repayment of the various facilities described above, the ICR would have been 2.4x as at 30 June 2024. Similarly, the LTV and EPRA LTV ratios would have been 19.3% and 27.0% respectively.

Indicative timetable

- 16 December 2024: Extraordinary General Meeting of Shareholders
- March 2025: 2024 annual results
- 15 May 2025: Annual General Meeting
- July 2025: First-half 2025 results

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About Société de la Tour Eiffel

With a property portfolio amounting to €1.7bn, Société de la Tour Eiffel is an integrated real-estate company with a strong culture of services. This agile company operates in various asset classes, including offices, urban logistics, managed residential and retail, in Greater Paris and other major French metropolitan areas. An active player throughout the property cycle, it assists its tenants – companies of all sizes and sectors – through high-standard direct management of its properties. Société de la Tour Eiffel conducts a pro-active and transversal CSR policy that is an integral part of its strategic orientations.

Société de la Tour Eiffel is listed on Euronext Paris (B board) – ISIN code: FR0000036816 – Reuters: TEIF.PA – Bloomberg: EIFF.FP

www.societetoureiffel.com

Forward-looking statements

This press release contains "forward-looking statements", including information about the Company's prospects and development strategies. All statements other than statements of historical fact included in this press release, including, without limitation, statements regarding the Company's financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. These forward-looking statements can be identified by the use of the future or conditional tense, or words of a forward-looking nature, such as "consider", "envisage", "think", "aim", "expect", "intend", "should", "aim", "estimate", "believe", "wish", "may" or, where appropriate, the negative of those words, or any other similar variant or expression. This information is not historical information and should not be construed as a representation that the facts and information will occur. This forward-looking information is based on data, assumptions and estimates considered reasonable by the Company. It is subject to change or modification due to uncertainties relating in particular to the economic, financial, competitive and regulatory environment. In addition, the manifestation of certain risks described in section 3.1 "Risk factors" of the Company's universal registration document filed with the Autorité des Marchés Financiers on 28 March 2024 under number D.24-0204 and in section 3.1 "Risk factors" of the Company's 2024 interim financial report published on 25 July 2024 is likely to have a material adverse effect on the Company's business, financial position and results and its ability to achieve its objectives. Any forward-looking statements contained in this press release speak only as of the date of this press release. Except as required by applicable law or regulation, the Company does not undertake any obligation to update publicly any information contained in this press release to reflect any change in its objectives or any change in events, conditions or circumstances on which any forward-looking information contained in this press release is based, and disclaims any intention or obligation to update any forward-looking information. The Company's past performance should not be taken as a guide to future performance.