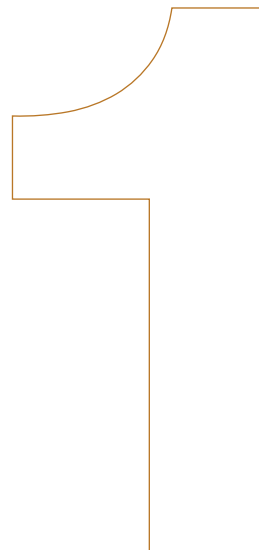


# THE ART OF TRANSFORMATION



**BEHIND THE SCENES**

Biome, the story of a metamorphosis	P.10
83 Marceau, the revival of L'Étoile	P.14
The rebirth of Louvre Saint-Honoré	P.18



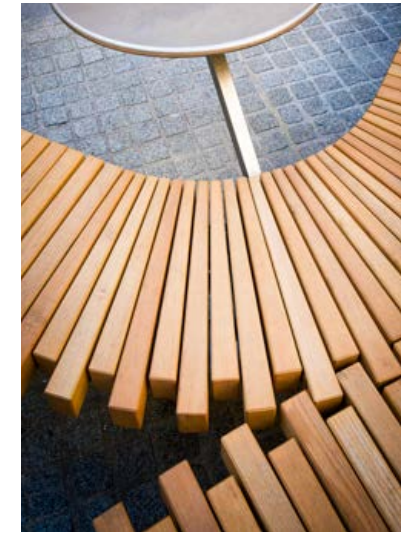
**VISION**

Interview	P.22
Governance	P.26
Core Competencies	P.28
Property Portfolio	P.30
Social Responsibility	P.34



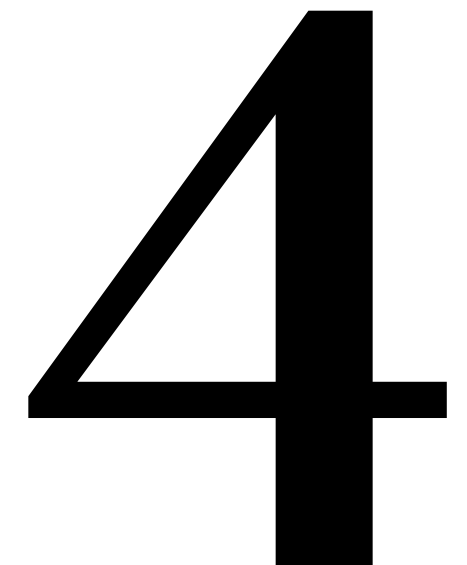
**PORTFOLIO**

Business Centres	P.40
Office Buildings	P.46
Projects	P.52



**PERFORMANCE**

Leasing and Development	P.58
Rental Income	P.60
Property Portfolio and NAV	P.62
2019 Performance	P.64
Debt and Financing	P.66
EPRA Performance Indicators	P.68
Investor Information	P.70



# 140



of architecture,  
modernity,  
value creation,  
resilience,  
transformation



# years



Henri Germain,  
Founder of Société Foncière Lyonnaise in 1879.

**140 years after its creation, SFL continues to offer its tenants superlative property solutions in outstanding locations. SFL transforms its buildings into iconic, innovative, one-of-a-kind assets in any number of ways, by abolishing limits, by opening up, raising and metamorphosing spaces, by reviving unused areas, and by remodelling outer shells to make them a contemporary reading on the building's original spirit. Today, positioned exclusively in the prime Parisian commercial property market, SFL is growing the value of its asset portfolio through bold renovation and remodelling projects resonant with the needs of its corporate tenants and their employees.**



# SFL in Figures

SFL, THE LEADER IN THE PRIME PARISIAN COMMERCIAL PROPERTY MARKET, MANAGES AN OUTSTANDING PORTFOLIO OF TWENTY ICONIC ASSETS.

€7.2 — bn

PORTFOLIO VALUE EXCLUDING TRANSFER COSTS

up 9% vs. 2018

393,300 — sq.m.

IN PROPERTY ASSETS

20 large property complexes, including 8 properties spanning more than 20,000 sq.m.

97.4 — %

OCCUPANCY RATE

100 — %

OF REVENUE-GENERATING PROPERTIES ARE CERTIFIED TO THE BREEAM IN-USE INTERNATIONAL STANDARD

98 — %

OF ASSETS ARE LOCATED IN PARIS

83 — %

OF ASSETS ARE CONCENTRATED IN THE CENTRAL BUSINESS DISTRICT

# Highlights of the Year

HISTORICALLY HIGH  
BUSINESS INDICATORS

0  
6

## FINANCING

### Historically low debt and average borrowing costs

Several financing transactions were carried out during the year as part of the active debt management process. The aim of these transactions was to take advantage of the low interest rate environment to further reduce the Company's average borrowing costs while also extending the average maturity of its fixed-rate hedges.

**1.4** — %

AVERAGE COST OF DEBT



## CSR

### GRESB 2019

With a GRESB score of 94/100, the highest since it first participated in the assessment in 2012, SFL was once again awarded the "Green Star" label by the Global Real Estate Sustainability Benchmark (GRESB). SFL ranked second among listed office real estate companies in Western Europe, making it one of the most outstanding players in the sector in terms of CSR.

**94/100**

GRESB SCORE

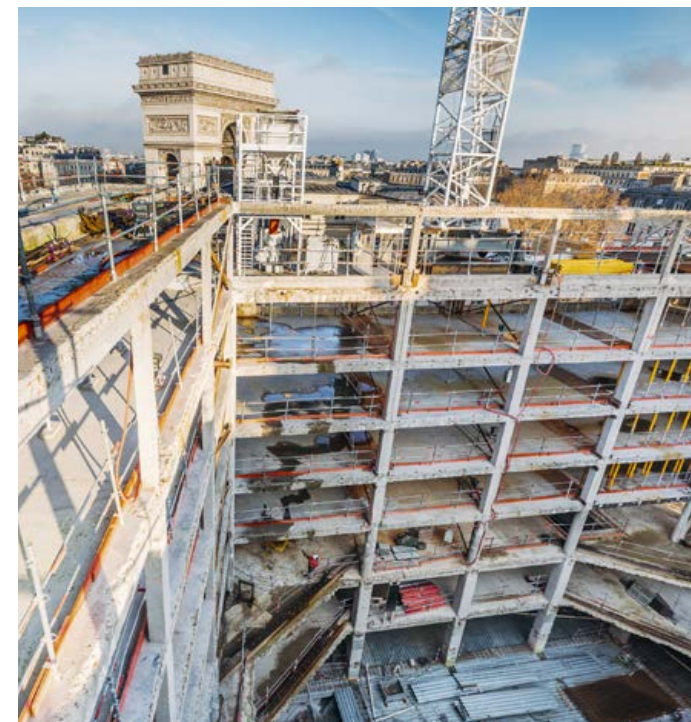
## DEVELOPMENT PROJECTS

### Three major transformation projects in 2019

In 2019, projects were initiated to drive the in-depth transformation of three assets: **Biome**, in the 15<sup>th</sup> arrondissement, **83 Marceau** and **Louvre Saint-Honoré**. Work has begun on all three sites, but most of the year was spent managing regulatory issues and obtaining the building permits, which have all been secured following the close of the appeal period. This successful outcome attests to SFL's expertise in leading large-scale projects in the capital.

**18** — %

OF THE SFL PORTFOLIO  
IS BEING REDEVELOPED



## LEASING

### A record year

Nominal office rents for leases signed in 2019 averaged €754 per sq.m., with effective rents averaging €659 per sq.m. for an average non-cancellable term of 8.1 years, reflecting the good performance of the rental market and the quality of SFL's buildings.

**56,000** — sq.m.  
LEASED IN 2019

**€43** — m  
TOTAL NOMINAL RENT

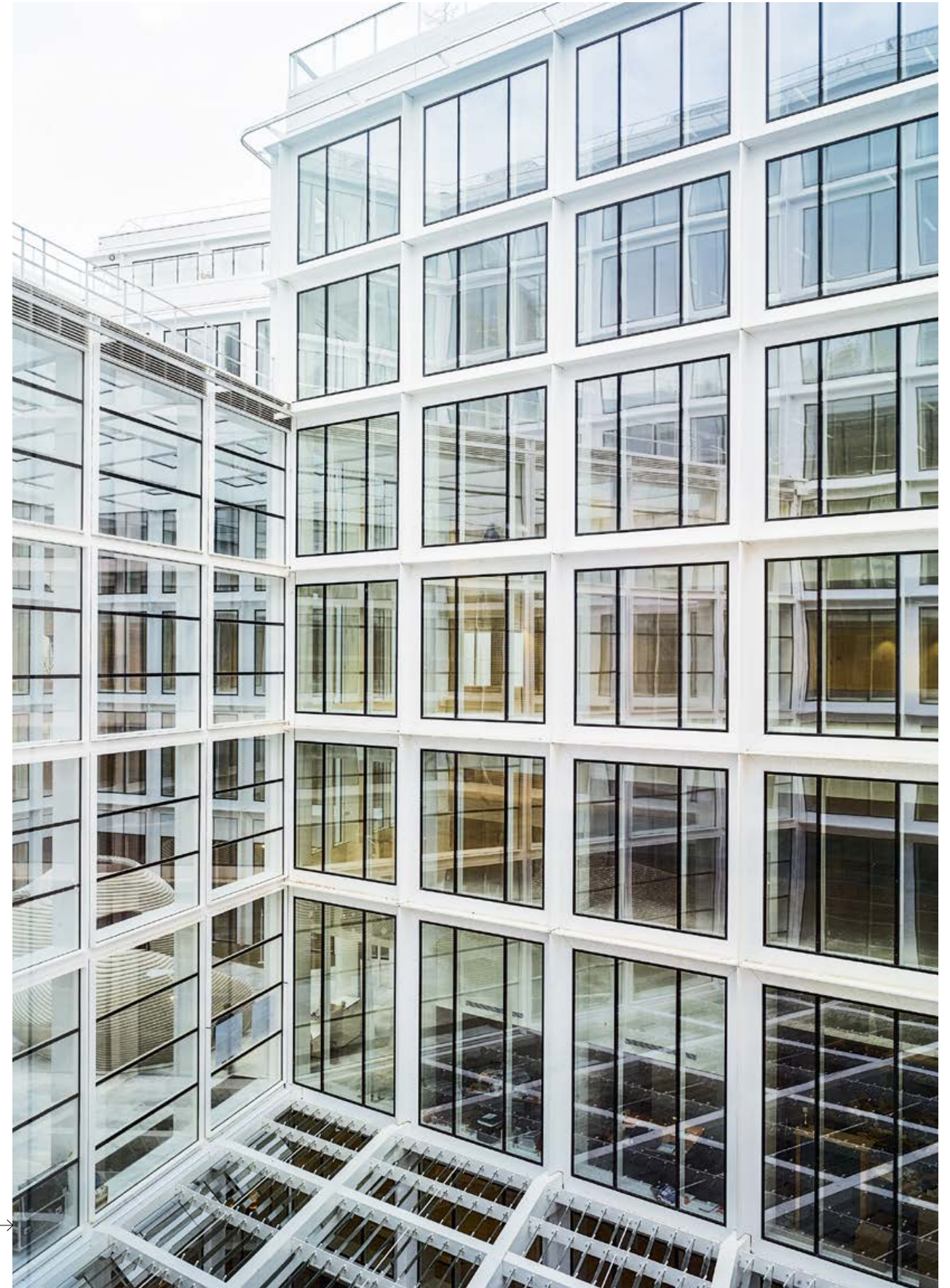
**€754** — /sq.m.  
AVERAGE NOMINAL OFFICE RENT

0  
7

# BE HIND THE SCENES

AS THE EXPERT IN TRANSFORMING PREMIUM COMMERCIAL PROPERTIES, SFL PURSUED THREE MAJOR REDEVELOPMENT PROJECTS IN 2019: BIOME, IN THE 15<sup>TH</sup> ARRONDISSEMENT, 83 MARCEAU, JUST MINUTES AWAY FROM PLACE DE L'ÉTOILE AND LOUVRE SAINT-HONORÉ, IN FRONT OF THE LOUVRE MUSEUM.

#cloud.paris,  
Paris 2



# Biome, the story of a metamorphosis

ACQUIRED BY SFL IN 2017, THE UNUSUALLY SPACIOUS BIOME BUILDING IS LOCATED ON A 6,300 SQ.M. PLOT IN THE HEART OF PARIS' 15<sup>TH</sup> ARRONDISSEMENT. ITS METAMORPHOSIS REFLECTS SFL'S STRATEGIC FOCUS ON INCREASING THE VALUE OF ITS PROPERTIES BY ENABLING THEM TO DELIVER BOTH OUTSTANDING ENVIRONMENTAL PERFORMANCE AND AN UNMATCHED USER EXPERIENCE.



**A** prime example of modernist architecture, the former headquarters of the SMA BTP insurance company was built in 1966 by architects Pottier, Lopez and Leroy, who advocated a rational, structured architectural vision based on verticality. Today, **Biome** is the cornerstone of an ambitious urban project, combining the mixed-use functionality of the 15<sup>th</sup> arrondissement, the new quality standards for innovative office buildings and the stunning environmental benefits of its entire block of tree-filled grounds. **Biome** has been successfully transformed, so that the new complex blends harmoniously into the neighbourhood, while addressing the aspirations of local residents throughout the project.

The transparent walkway linking the existing structure and the new egg-shaped building, designed by architect Yrieix Martineau and design agency Jouin Manku, will soon offer a new architectural interpretation of the original building. **Biome** has been completely reworked to bring natural light into every floor and to make plants and landscaping a predominant feature. As a locus of sharing and interaction, it has also been upgraded into a leading business centre for western Paris, with high-tech office floor plates and top-of-the-line amenities. Thanks to the Jouin Manku agency, its workspaces are highly conducive to collective intelligence workstyles and emerging collaborative working practices.



**Nicolas Tennevet,**  
Development and  
Major Projects Director

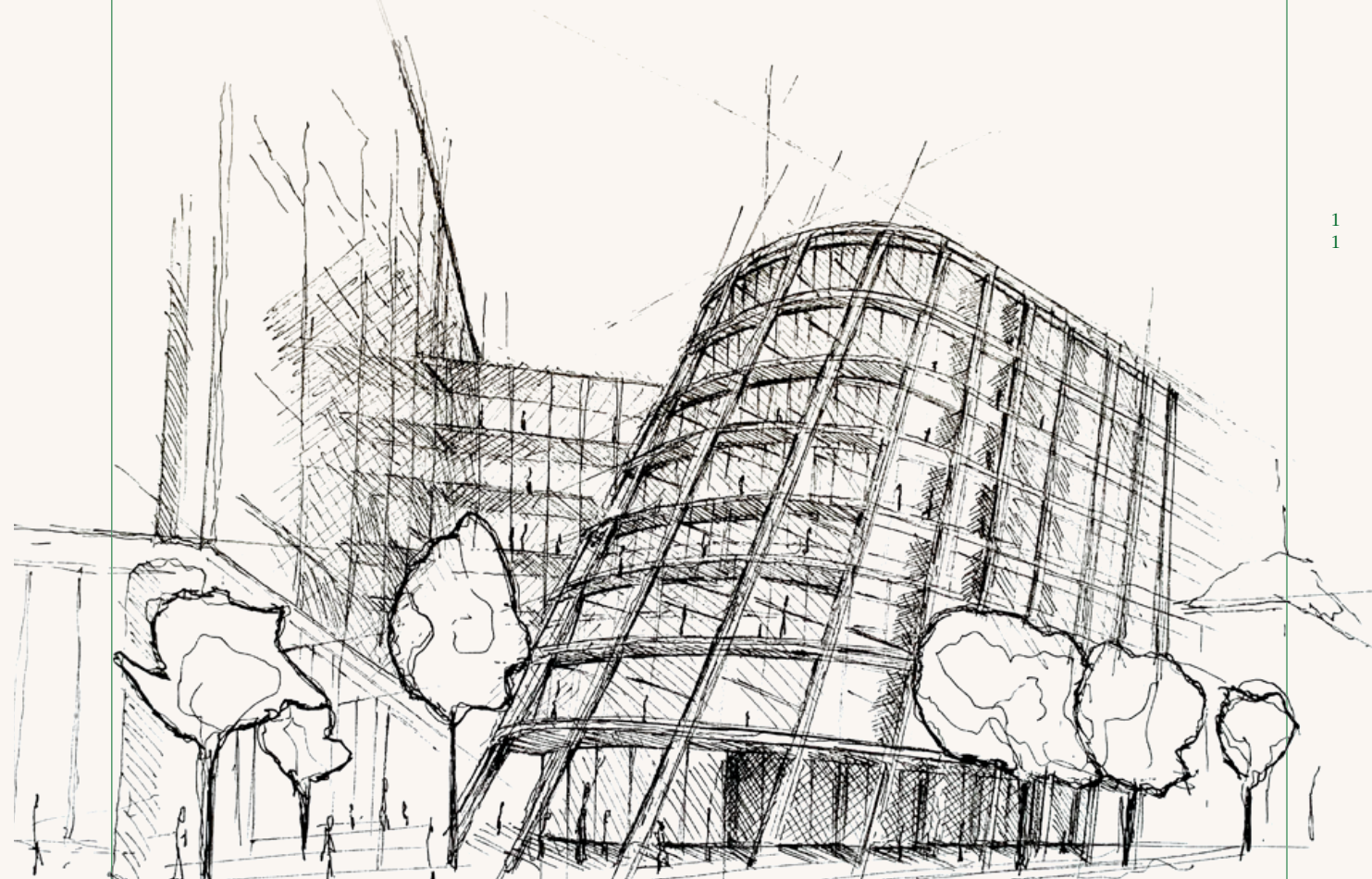
*“Biome is a redevelopment project that illustrates SFL’s technical expertise and bold vision in transforming and increasing the value of character office properties. To be successful in this type of adventure, you not only have to think outside the existing box, to give the architectural structure new scope and new meaning, but you also have to read and express a neighbourhood’s identity.”*



**24,500** — sq.m.  
OF OFFICE SPACE

**6,300** — sq.m.  
OF TREE-FILLED GROUNDS

**2,500** — sq.m.  
OF GREEN SPACES



Creation of a new building to house a premium business centre. The new amenities – an auditorium, co-working offices, meeting rooms, restaurant and cafeteria – will look out over both the city and the landscaped gardens.

**“Every transformation project is an opportunity to express our ambitious vision and high environmental standards.”**

*Eric Oudard, Technical and Development Director*



**HQE® certification**  
EXCEPTIONAL RATING

**BREEAM certification**  
EXCELLENT RATING

**LEED® certification**  
GOLD RATING

BREEAM certification is already a prerequisite for every new transformation project, but with **Biome**, SFL wanted to take the process to the next level by earning triple certification under the HQE®, BREEAM and LEED® standards. The new complex has also been designed to comply with the forthcoming standards in France’s commercial real estate energy savings decree\* with the judicious, carefully managed use of water and energy. The buildings are all equipped with the latest generation energy management systems, solar panels and connections to the Paris district heating and cooling networks (with the latter used for the buildings’ air conditioning systems). In all, 30% of the power will come from renewable sources. Above all, **Biome** is one of the capital’s first low-carbon building remodelling projects, compliant with BBCA-Rénovation standards, which is an ambitious undertaking for a structure built in the mid-1960s.

It is also a one-of-a-kind biodiversity project. With 2,500 sq.m. of the total 6,300-sq.m. site fully landscaped and planted with more than 70 regional plant species, it offers an unusually vast natural environment for this type of office complex. The landscaping project, designed and implemented by landscape architect Thierry Laverne, is helping to meet the Paris city government’s goal of adding 100 hectares of vegetation to the city’s walls and roofs. The spaciousness of the vegetated areas will enable the reuse of rainwater, while helping to mitigate rising temperatures in the city.

When the existing building interiors were dismantled, certain materials, such as wood, marble and the former façade’s serpentine, were reused, a move that reduced the project’s carbon footprint on the Zola building by nearly 48%.



**2x**  
WEIGHTED LANDSCAPED AREA,  
AT 1,700 SQ.M. INSTEAD  
OF 800 SQ.M.

**70+**  
REGIONAL PLANT SPECIES

**Zero**  
PESTICIDES IN THE  
IN-USE PHASE



**Thierry Aubertin**  
Landscape architect  
and urban planner

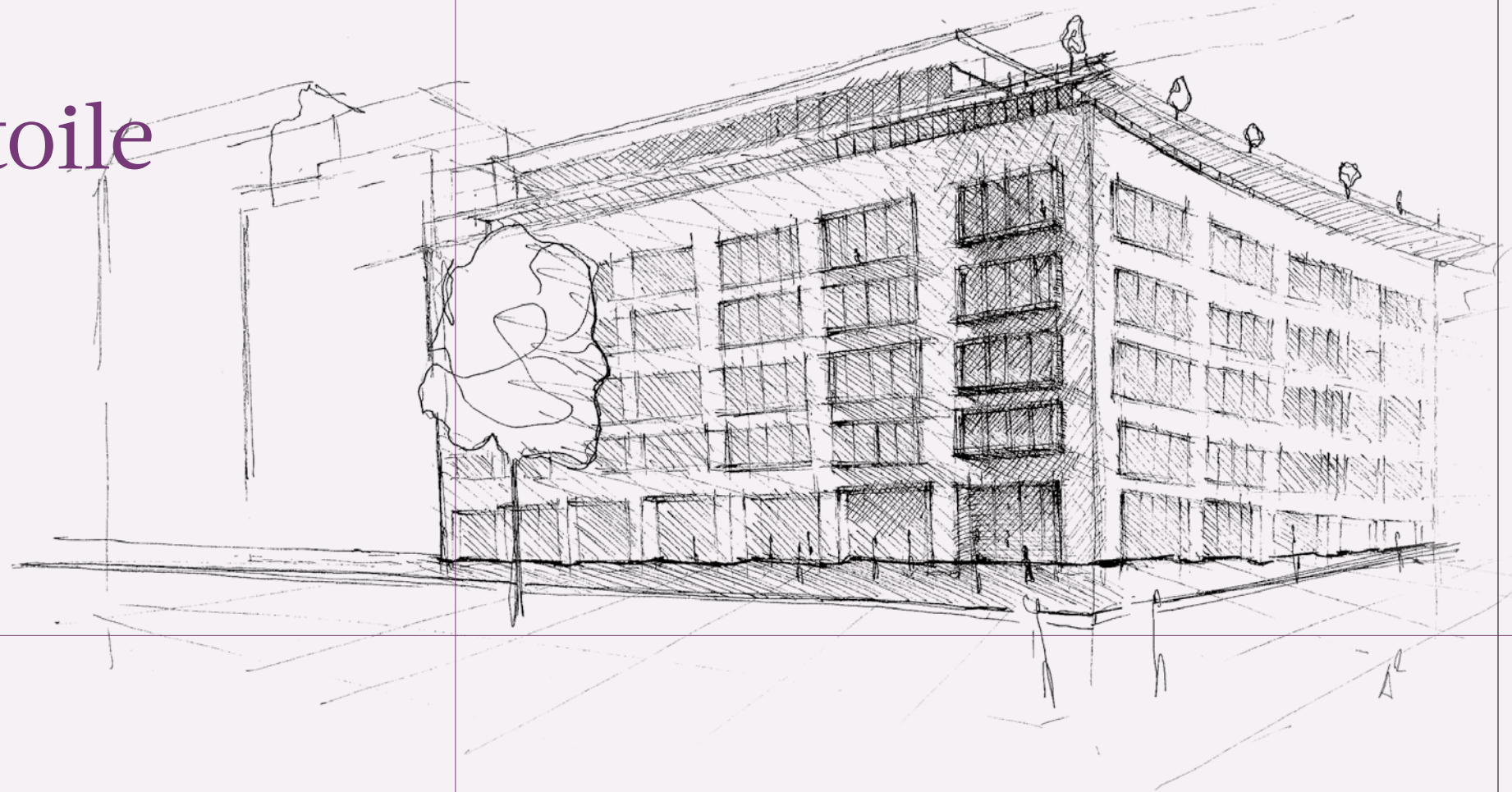
*“Totally organic from ground to sky, Biome combines a natural landscape and an ecosystem that together create a harmonious living environment and promise users a happy lifestyle. Much more than simply a supporting feature, ubiquitous and diverse nature is now Biome’s true urban personality, enabling it to fulfil the city’s forward-facing social and environmental responsibilities. As the crossroads between people and nature, Biome contributes both to the daily comfort of its users and to the neighbourhood’s urban and human environment, which inspired its vision.”*

\*Decree 2019-771 of 23 July 2019 stipulating the actions required to reduce final energy consumption in commercial buildings.



# 83 Marceau, the revival of L'Étoile

WITHOUT MODIFYING ITS URBAN FOOTPRINT, 83 MARCEAU IS UNDERGOING A METAMORPHOSIS BY REMODELLING ITSELF FROM THE INSIDE OUT. THE RESULTING INCREASE IN OCCUPATION DENSITY HAS OPENED UP VAST WORKING SPACES, WHICH ARE VERY RARE IN THE NEIGHBOURHOOD, AND ADDED A PANORAMIC ROOFTOP TERRACE OFFERING EXCEPTIONAL VIEWS OF THE ARC DE TRIOMPHE.



**HQE®**, **BREEAM**  
and **LEED®**  
certification

**BBC Effinergie**  
**Rénovation** and  
**R2S** labels

**T**he site, just a stone's throw from the Arc de Triomphe, was home to a private townhouse that was demolished in the late 1960s to make way for a concrete-heavy "modern" building, which had not been significantly updated since. SFL wanted to reconnect the building with the identifying features of Place de l'Étoile, with a limestone façade reminiscent of the Arc de Triomphe, but with an extremely contemporary reading. The floor plan has been completely renovated to increase the surface area in a neighbourhood where square metres are in high demand. In particular, SFL proactively responded to emerging trends in urban mobility by repurposing a large amount of space formerly used by cars.

Spaces were also opened up in the concrete shell to let natural light in and allow people to get around more easily. In a major feat of advanced engineering, the inner courtyard was excavated down to a depth of seven metres to rebuild three underground levels, transforming them from parking garages into a garden, common areas and amenity spaces.

Alongside other iconic projects, the transformation of **83 Marceau** is helping to revitalise the Étoile neighbourhood after several lacklustre years.



**Dimitri Boulte**,  
Managing Director and Chief Operating  
Officer of SFL

*"Dominique Perrault's architectural vision has enabled us to repurpose around 1,700 sq.m. of space, most of which was formerly used for cars. In a neighbourhood as restricted as L'Étoile, that's a real tour de force."*

**25** — %

**MORE SURFACE AREA**

Increase of 1,700 sq.m., most of which was formerly used for cars

**7** — m

**OF EXCAVATION TO DIG THE BUILDING DOWN TO THE THIRD BASEMENT**

3 levels of parking space transformed into 2 levels of gardens, amenities and services

**78** — kWh of primary energy/sq.m./year

**IN LINE WITH THE PARIS CITY CLIMATE PLAN**

*“The project revitalises the vast substructure with new spaces, all illuminated with natural light. This transformation means that we can upgrade living spaces with new features.”*

*Dominique Perrault, Architect, Cabinet DPA*



**83 Marceau** is SFL's most successful prime office building project. The property offers all the features of a 21<sup>st</sup> century office, seamlessly integrated into the city and its direct environment, and naturally conducive to collective intelligence and collaborative interaction. After all, an office is just as much a social space as a place to work. In fact, 42% of Parisian employees say they come to the office primarily to socialise with their colleagues.\* This was the spirit guiding the building's metamorphosis. The vast, entirely open-plan floor plates encourage people to move about and interact, setting the stage for new ways of working and innovative managerial practices. Designed by interior architect Ana Moussinet, the high-quality common areas – meeting and conference rooms, cafeteria and restaurants – were inspired by airport lounges and help to

position **83 Marceau** firmly in a modern aesthetic. After designing the Paris offices of such leading companies as Facebook, BlaBlaCar and McKinsey, SFL has once again demonstrated its ability to imagine stunning interior layouts based on bold architectural choices.

\*SFL-Paris WorkPlace 2019

## 6 LARGE FLOOR PLATES

(AROUND 1,250 SQ.M. ON A TYPICAL FLOOR AND 750 SQ.M. ON THE TOP FLOOR), EACH OF WHICH CAN ACCOMMODATE A LITTLE OVER 100 EMPLOYEES.

By reinvesting the space formerly occupied by utilities, the terrace has opened 83 Marceau onto the Paris skyline and breathtaking views of the Arc de Triomphe. It is exceptionally large, covering a total of 370 sq.m.

# The rebirth of Louvre Saint-Honoré

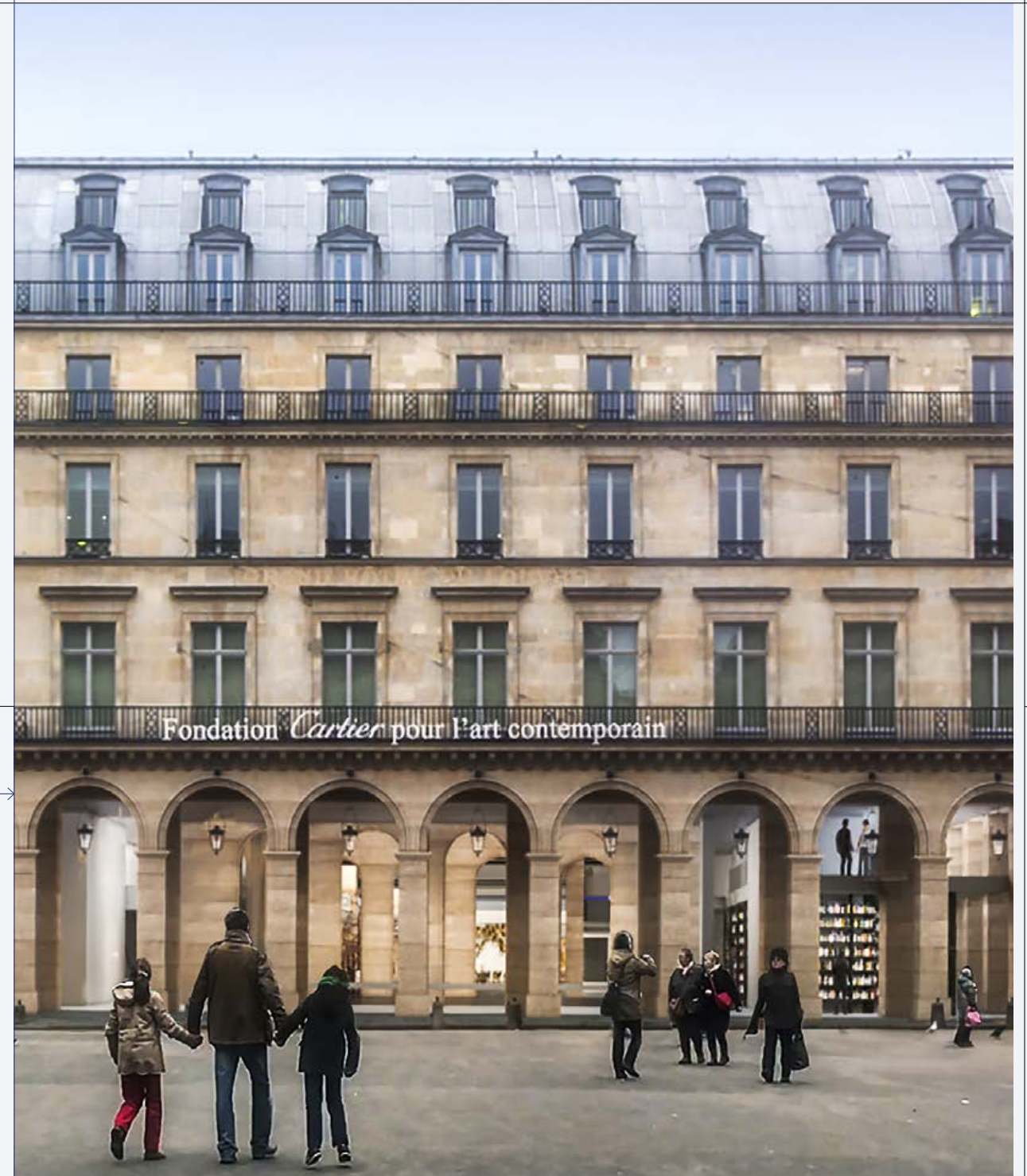
SFL'S DETERMINATION TO SURPASS ITSELF IN EVERY PROJECT IS REFLECTED IN THE WAY IT SYSTEMATICALLY SETS ITSELF NEW CHALLENGES, RATHER THAN SUCCUMING TO THE TEMPTATION OF REPRODUCING WELL-WORN MODELS. IT IS IN THIS SPIRIT THAT THE PROJECT TO REPURPOSE THE FORMER LOUVRE DES ANTIQUAIRES WILL BE CARRIED OUT GRADUALLY OVER THE NEXT FOUR YEARS.

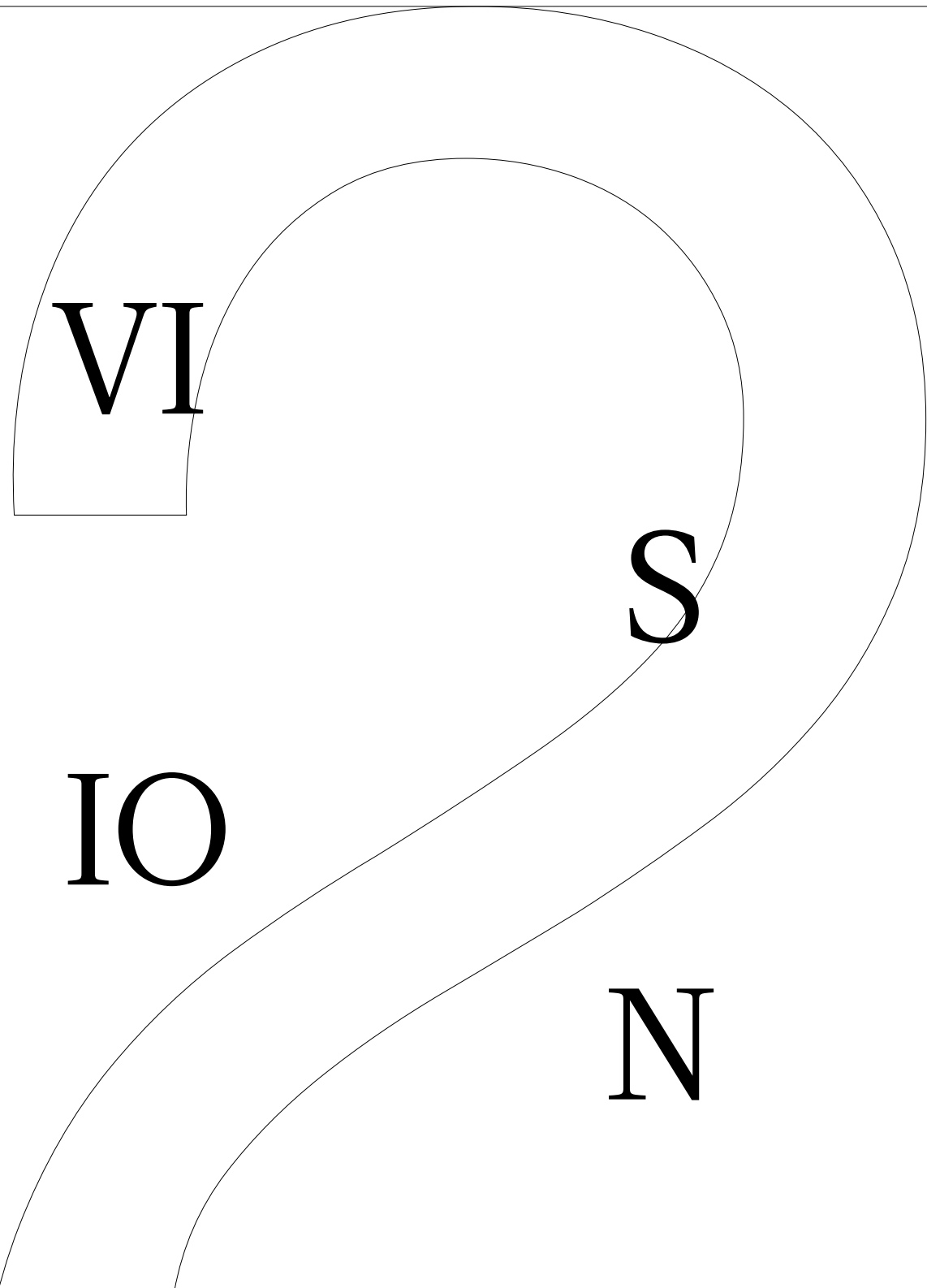
**T**hree and a half years of redevelopment on 20,000 sq.m. can mean only one thing: an outstanding renovation is in the works. That is indeed what is happening in the **Louvre Saint-Honoré** building, where all of the interior spaces on the lower floors (first underground level, ground floor and first floor) are being redefined by a major transformation of the building's structure. Extra-clear glass skylights, aerial gardens and vast spaces bathed in natural light will support the rebirth of this legendary property, originally built for the Paris Exposition Universelle in 1855 and long home to the famous Grands Magasins du Louvre department store.

When the project is completed in 2023, it will feature modular spaces capable of hosting artworks and exhibitions on an exceptional scale, with a design inspired by the platform elevators that facilitate scenery changes at the Bastille Opera house. It is here that the future tenant, the Cartier Foundation for Contemporary Art, has chosen to exhibit its collections. The project is being led by B Architecture, with the support of design firm Ateliers Jean Nouvel since 2018. The building, whose upper floor offices are let, will remain in commercial use during the project, with staggered working hours and other measures helping to limit inconvenience and construction site disamenities.

Totalling 20,000 sq.m., the lower floors (first underground level, ground floor and first floor) of Louvre Saint-Honoré will be the future home of the Cartier Foundation for Contemporary Art.

**20,000** — sq.m.  
FULLY RENOVATED





SFL EMBODIES AN INNOVATIVE  
VISION FOR COMMERCIAL PROPERTY  
IN THE HEART OF PARIS.

Cézanne Saint-Honoré,  
Paris 8



“For 140 years, we’ve been inspired by excellence and a talent for foresight.”



the city where we honed our skills as property developers and renovators; where we reshaped entire neighbourhoods, such as around rue Victor Hugo in the 16<sup>th</sup> *arrondissement*; where we forged our identity and acquired a unerring taste for transformation and boldness.

**N.R.:** By choosing Paris, we also confirmed our decision to position ourselves as the property company par excellence, with outstanding assets. Today, 98% of our portfolio is located within Paris itself, in the city’s most central districts. But being in the heart of Paris is also very demanding. You have to be passionate about what you do and love peerless architecture; you have to pay attention to the latest trends and emerging tenant needs; and you have to demonstrate impeccable knowledge of building and urban planning regulations. Our team, which is entirely in-house, comprises talented people who know how to address all of these demanding issues.

Juan José Brugera Clavero, *Chairman*  
& Nicolas Reynaud, *Chief Executive Officer*

140 years of growth

**SFL celebrated its 140<sup>th</sup> year in business in 2019. What does such longevity mean to you?**

**J.J.B.C.:** When Henri Germain founded Société Foncière Lyonnaise in 1879, he probably didn’t imagine that 140 years later it would be the leading prime commercial real estate company in Paris. Today, SFL stands out not only because it has endured, which attests to the soundness of our investment choices over the decades, but also because it still vibrantly embodies its original values. I am thinking in particular of the high standards of excellence that Henri Germain set from the beginning and the constant search for quality – of the locations, the architecture and the buildings, but also of the redevelopments and renovations.

**N.R.:** Without this uncompromising focus on excellence and modernity, SFL would never have reached the position it holds today. Longevity has never meant giving in to inertia or the status quo. True to the founder’s intentions, SFL teams over the years have learned to push back the boundaries, take risks and innovate. This spirit of boldness and daring has informed a lot more than just our investment choices. Whether we’re talking about architecture, interior design, innovative work practices, environmental performance or urban mobility, SFL offices are living environments inspired by their immediate surroundings and by changing social trends and behaviour.

Paris, one of the most attractive property markets in the world

**How has SFL’s growth become so closely tied to urban development in Paris?**

**J.J.B.C.:** Ever since its founding, SFL has been a forward-looking, engaged property company that has embraced change and the emergence of new cityscapes. We’re not scared of transformation; on the contrary, we’re drawn to it. In the beginning, SFL rode the wave of urban modernisation, getting involved in every sort of project, although with a predilection for mixed-use office and residential developments. In addition to Paris, it invested in Nice, Cannes and Ospedaletti, Italy, but always with a focus on the capital and the opportunities offered by Haussmann’s massive infrastructure projects. This was

“  
**EVERY TIME  
WE TRANSFORM  
ONE OF OUR  
ASSETS,  
WE SEE IT  
FOR WHAT IT IS –  
A UNIQUE, NEW  
OPPORTUNITY.**  
”

—

### 1995, affirming a new model

—

#### 1995 marked a strategic turning point in your history..

**N.R.:** The real estate slump in the 1990s prompted us to rethink our model. How can we keep creating value and offer a superior tenant experience in a turbulent property market environment? How can we most effectively embody the search for excellence that has been our value proposition for more than a century? We chose to specialise in the prime office segment, which we felt offered the best opportunities for delivering exceptional amenities and services. The outstanding acquisition, transformation and divestment projects undertaken since the repositioning have consistently demonstrated the validity of our new model and made us the segment leader.

—

### SFL in 2019

—

#### Growth continued apace in 2019...

**N.R.:** Our results hit another all-time high in 2019, with very strong indicators. Rental income, which reflected a remarkable occupancy rate of 97.4%, increased by around 3%, EPRA earnings gained nearly 12% and EPRA net asset value improved by more than 11%. So we are continuing to capture all the value of our positions while laying the foundations for growth in the years ahead. After all, SFL's business cycle is very long, and investments don't pay off until many years down the road. This was the case for the in-depth remodelling projects carried out in the 2010-2015 period and is still the case for **Biome**, **83 Marceau** and **Louvre Saint-Honoré**, the three major redevelopment projects currently under way.

—

### Prime office space, a niche market

—

#### Does the current market environment confirm your choice?

**J.J.B.C.:** Yes, more than ever. The Parisian office market is doing very well and is still attracting investors from around the world. It is liquid, deep and resilient, and is expected to continue to grow. This is extremely positive for SFL's assets, which have steadily increased in value year after year (up 9% in 2019, after a 5.5% gain in 2018).

**N.R.:** The market's exceptionally strong appeal is highly unusual, especially given the uncertain international environment. That's why we are watching for the slightest sign of overheating. For now, we're moving forward cautiously, but with peace of mind. Our investment capacity is still very comfortable and our close-knit team means we can be extremely responsive.

—

### The art of transformation

—

#### What is so distinctive about Biome, 83 Marceau and Louvre Saint-Honoré?

**N.R.:** To offer our tenants the best solutions, we have to innovate. Even in a space as restricted and regulated as Paris, you can always push the envelope. These three major transformation projects, which will take three years to complete, are demonstrating that it is possible to beautify existing premises while giving them a contemporary interpretation, and to create a harmonious whole while addressing vertical density issues. With **83 Marceau**, we're recreating nearly 10,000 sq.m. of contemporary office space in the highly popular yet highly restricted neighbourhood around Place de L'Étoile. In the 15<sup>th</sup> *arrondissement*, with **Biome**, we're developing a bold office complex with the creation of an egg-shaped pavilion to house a business centre. As for the transformations planned for the 20,000 sq.m. of lower floor space in **Louvre Saint-Honoré**, I can assure you that they will be spectacular. We already know that the potential future rents from these assets, located in such outstanding neighbourhoods, will be very significant. But more importantly, they are indicative of how we continuously demonstrate our expertise and create value.

“

**TRANSFORMING  
MEANS BEING ABLE  
TO PROJECT  
YOURSELF INTO  
THE FUTURE.**

”

“

**TODAY, SFL IS THE PROUD  
CUSTODIAN OF ITS  
FOUNDER'S HERITAGE  
OF EXCELLENCE  
AND MODERNITY.**

”

**JUAN JOSÉ BRUGERA CLAVERO**  
Chairman

# Collective intelligence and sharing ideas

SFL IS A PEOPLE-FRIENDLY COMPANY WHERE CHOICES AND DECISIONS ARE MADE COLLECTIVELY, IN A SPIRIT OF OPENNESS AND DISCUSSION.

## MANAGEMENT COMMITTEE

- 1 **Fabienne Boileau**  
Chief Financial Officer
- 2 **Pierre-Yves Bonnaud**  
Asset Management and Client Management Director
- 3 **Dimitri Boulte**  
Managing Director,  
Chief Operating Officer
- 4 **François Derrian**  
Human Resources Director
- 5 **Émilie Germane**  
Legal Director
- 6 **Aude Grant**  
Deputy Managing Director,  
Asset Management  
and Investment
- 7 **Éric Oudard**  
Technical and Development  
Director
- 8 **Nicolas Reynaud**  
Chief Executive Officer
- 9 **François Sebillotte**  
Chief Resources Officer,  
Secretary to the Board

## BOARD OF DIRECTORS

**Chairman of the Board of Directors**  
Juan José Brugera Clavero

**Directors**  
Pere Viñolas Serra  
(Vice-Chairman)  
Angels Arderiu Ibars  
Ali Bin Jassim Al-Thani  
Jean-Jacques Duchamp  
Chantal du Rivau  
Carlos Fernandez-Lerga Garralda  
Carmina Ganyet I Cirera  
Carlos Krohmer  
Arielle Malard de Rothschild  
Luis Maluquer Trepap  
Nuria Oferil Coll  
Alexandra Rocca  
Anthony Wyand

## COMMITTEES

### AUDIT COMMITTEE

**Chairman**  
Carlos Fernandez-Lerga Garralda  
**Members**  
Jean-Jacques Duchamp  
Carmina Ganyet I Cirera  
Arielle Malard de Rothschild

### REMUNERATION AND SELECTION COMMITTEE

**Chairman**  
Anthony Wyand  
**Members**  
Arielle Malard de Rothschild  
Pere Viñolas Serra

### EXECUTIVE AND STRATEGY COMMITTEE

**Chairman**  
Juan José Brugera Clavero  
**Members**  
Jean-Jacques Duchamp  
Carmina Ganyet I Cirera  
Pere Viñolas Serra

### COMMITTEE OF INDEPENDENT DIRECTORS

**Members**  
Arielle Malard de Rothschild  
Alexandra Rocca  
Anthony Wyand

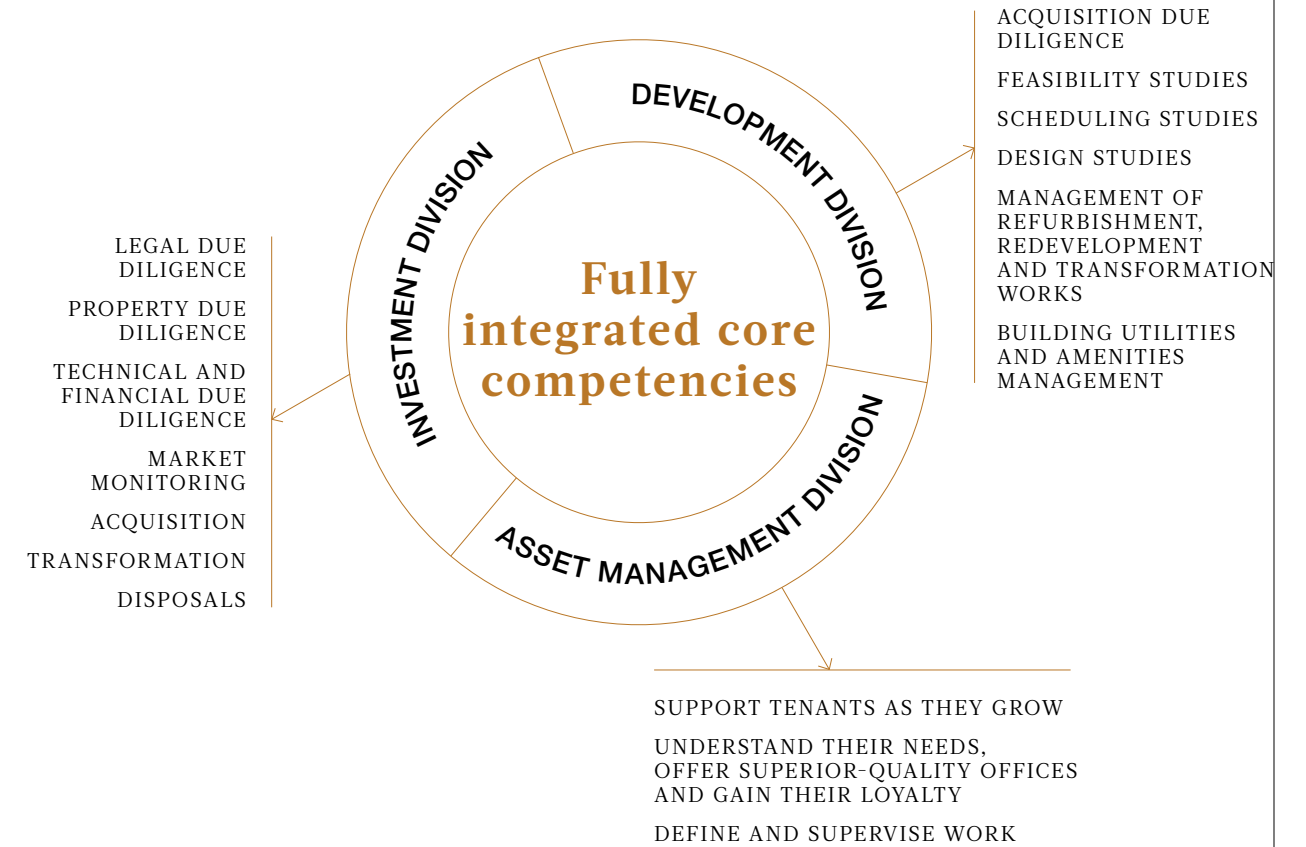
# Proficiency across the value chain

FROM ASSET ACQUISITION TO DIVESTMENT, SFL IS INVESTED IN EVERY STAGE IN THE LIFE OF A BUILDING.



SFL has fully integrated, in-house capabilities across the value chain, giving it a significant competitive advantage in a commercial property market where such an approach is far from systematic. By bringing all the necessary expertise and capabilities in-house, our company is not only more agile and responsive, it can also take a holistic view of each project to address such issues as its judicious integration into the neighbourhood and the cityscape, design and redevelopment specifications that are both resonant with Parisian architectural codes and assertively

modern, sensitivity to biodiversity, and tenant mobility needs and aspirations. Our teams work closely and diligently with tenants, who deserve the finest office buildings and amenities, and with all our partners, including architects, designers, landscapers, design engineers and Paris city planners.



**Pierre-Yves Bonnaud**, Asset Management and Client Management Director

*“Every one of our tenants is unique and we design spaces for them that reflect their image. At the same time, we also deliver the bespoke solutions they expect, with well-designed, scalable, smart offices. Plus, we try to surprise them, which means we have to know them well. That’s why we pay very close attention to nurturing our tenant relationships. Listening to them, advising and supporting them, and understanding their issues in the smallest detail are what drive our tenant-centric approach.”*

**94** — %  
of tenants were satisfied in 2019

2019 SFL satisfaction survey



# Remarkable locations...

DESPITE COMPETITION FROM THE WORLD'S OTHER MAJOR MARKETS, PARIS REMAINS VERY ATTRACTIVE. WHILE RESPECTING THE HISTORY AND ARCHITECTURE OF EACH *ARRONDISSEMENT*, WE MANAGE, PRESERVE AND DEVELOP A PORTFOLIO OF 20 ASSETS SHOWCASING THE ART OF TRANSFORMATION AND OUR POSITIONING AS A PRIME OFFICE COMPANY.

# ...for exceptional tenants

FOR ITS TENANTS, WHO ARE ALL MAJOR PLAYERS OR MARKET LEADERS, SFL DESIGNS TOP-OF-THE-LINE OFFICES REFLECTING THEIR OWN AMBITIOUS VISION AND STANDARDS.



## FINANCE INSURANCE



## LAW FIRMS CONSULTANCIES



## MANUFACTURERS



## REAL ESTATE COMPANIES



## DIGITAL/MEDIA COMPANIES



## FASHION HOUSES



## OTHER



# Offices as spaces for worklife and social interaction

IMMERSION INTO WASHINGTON PLAZA, SFL'S PREMIUM AMENITIES INCUBATOR.



Washington Plaza, which has been an SFL property since 2000, is one of the capital's finest office complexes. Just minutes from the Champs Élysées, it embodies SFL's expertise in such areas as interior layout and design, flexible, multi-purpose office floors, work-life balance and premium corporate amenities. After undergoing major transformations between 2014 and 2017, the 48,200-sq.m. asset was already setting new standards for excellence and maturity. But creating value demands continuous improvement. As an innovative property company that's

always on the move, SFL constantly tracks the emerging working practices and aspirations of its occupants and carefully crafts the right response. Washington Plaza, which was upgraded with new amenities in 2019, represents a compelling showcase for SFL's innovations.



Café 42

Washington Plaza has expanded its food service amenities with the cosy new high-design Café 42, which has quickly become one of the business centre's most popular places to sip an espresso, organise an informal work meeting or relax with a direct view onto the interior garden.



The "Le 42" newsletter

To foster a sense of community among building occupants, Washington Plaza publishes its own newsletter, which reports the latest neighbourhood news and tips, discusses new building amenities and services, and offers a forum for user feedback. It will soon be available as a mobile app.



Wellness area

Since opening in 2018, Washington Plaza's fitness and relaxation centre has been constantly packed, with 90% of its 400 members (20% of total occupants) dropping in once a week to work out, take classes or just relax. Two other SFL assets will soon be equipped with their own wellness areas.



Community manager

A cross between luxury hotel concierge and camp counsellor, the community manager, based in Café 42, organises, manages, assists, listens and facilitates everything from a car wash to an osteopath appointment, using every possible means of communication at his or her disposal.



Sustainable mobility

SFL conducted a two-month, on-site trial of the Flexy Moov electric bike and scooter sharing system, which addresses the expectations of companies looking for ways to make city travel easier for their employees and customers, while reducing their carbon emissions.



"A la carte" office floors and meeting rooms

The needs of our tenants are constantly evolving, which is why SFL offers them flexible, scalable, technically elegant spaces capable of accommodating all types of transformation. By paying careful attention to their needs, SFL is also supporting their growth and development.



Paris WorkPlace: "Want to talk about it?"

An office building is a living space. A space that connects a piece of property to an environment, to the latest trends, to changes in technology, society and management practices, and to a neighbourhood. A space that has to evolve to keep pace with the tenant company's growth and changing needs. To understand and analyse emerging changes in how companies and employees perceive their workplace, every year for the past six years, SFL has conducted an in-depth survey, known as Paris WorkPlace.

The 2019 edition, entitled "Et si on se parlait?"<sup>1</sup> ("Want to talk about it?"), highlighted the social role of offices, whose purpose is no longer just to offer an efficient workplace but also to nurture ties and relationships. Employees come to the office to see each other, talk to one another, work together and feel part of a community. Find out more at [www.parisworkplace.fr](http://www.parisworkplace.fr).

1. "How workplace interactions create performance". 6<sup>th</sup> edition. 1,600 employees surveyed. Paris WorkPlace survey 2019.

**77** — %  
of employees say they prefer to talk face-to-face

**61** — %  
of people work from home one or two days a week

**6/10**  
employees sometimes feel isolated in their company

# Intelligent building design to guarantee superior environmental performance

AS A RESPONSIBLE, ENGAGED PROPERTY COMPANY, SFL LEVERAGES INNOVATIVE DESIGN AND TECHNICAL PROCESSES TO KEEP ITS ENVIRONMENTAL FOOTPRINT AS SMALL AS POSSIBLE. ITS CHOICES ARE GUIDED BY A FIRM BELIEF IN THE POSSIBILITY OF DEVELOPING INTELLIGENT, SUSTAINABLE BUILDINGS AND A DEEP COMMITMENT TO REDUCING THEIR ENERGY USE AND CARBON EMISSIONS.

## Our certifications and labels

<p><b>ÉDOUARD VII</b> BREEAM IN-USE</p> <p><b>WASHINGTON PLAZA</b> BREEAM IN-USE</p> <p><b>#CLOUD.PARIS</b> BREEAM CONSTRUCTION BREEAM IN-USE HQE® LEED®</p> <p><b>CÉZANNE SAINT-HONORÉ</b> BREEAM IN-USE</p> <p><b>CONDORCET</b> BREEAM IN-USE</p> <p><b>RIVES DE SEINE</b> BREEAM IN-USE</p> <p><b>103 GRENELLE</b> BREEAM IN-USE HQE®</p>	<p><b>106 HAUSSMANN</b> BREEAM IN-USE</p> <p><b>131 WAGRAM</b> BREEAM IN-USE</p> <p><b>90 CHAMPS-ÉLYSÉES</b> BREEAM CONSTRUCTION BREEAM IN-USE</p> <p><b>GALERIE CHAMPS-ÉLYSÉES</b> BREEAM IN-USE</p> <p><b>92 CHAMPS-ÉLYSÉES</b> BREEAM IN-USE HQE®</p> <p><b>9 PERCIER</b> BREEAM IN-USE</p> <p><b>112 WAGRAM</b> BREEAM IN-USE HQE®</p> <p><b>6 HANOVRE</b> BREEAM IN-USE</p>	<p><b>176 CHARLES DE GAULLE</b> BREEAM IN-USE</p> <p><b>LE VAISSEAU</b> BREEAM IN-USE</p> <p><b>LOUVRE SAINT-HONORÉ</b> BREEAM CONSTRUCTION BREEAM IN-USE</p> <p><b>83 MARCEAU</b> BREEAM CONSTRUCTION HQE® LEED® BBC EFFINERGIE READY 2 SERVICES</p> <p><b>BIOME</b> BREEAM CONSTRUCTION HQE® LEED® BBCA RÉNOVATION BIODIVERSITY BBC EFFINERGIE</p>
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3  
4



**100** — %  
of assets certified  
**BREEAM In-Use**  
(In 2013, SFL was the first property company to earn certification for every building in its portfolio)

Cézanne Saint-Honoré, Paris 8

### Aesthetics & Architecture

SFL enjoys recognised expertise in transforming all types of character buildings, from private townhouses to post-modern industrial complexes. In converting them into prime office buildings that are both innovative and contemporary, SFL and its partners craft audacious projects where the constant search for excellence delivers beautiful, eye-pleasing buildings with remarkable functionality. Confident in their identifying features and appeal, SFL offers its tenants offices that reflect their positions as market leaders. An SFL office is an invaluable resource in projecting their image and widening their impact.

### Technical quality & flexibility

83 Marceau, Biome, #cloud.paris... Every project is unique, but but each one is designed and executed with the same commitment to bespoke solutions. To revitalise these spaces, SFL consistently pushes back conventional boundaries – raising, opening and excavating to endow the buildings with outstanding technical features and extend their useful lives. Thanks to their leading-edge facilities and amenities, SFL-designed spaces offer tenants complete freedom to lay out their premises as they like, along with an energy

performance complying with the highest standards. In 2019, SFL continued to innovate to improve energy management and use in its buildings, particularly *Cézanne Saint-Honoré* and *Édouard VII*.

### Nearby locations & mobility

With 98% of its assets located in Paris proper, SFL is committed to offering nearby locations, hyper-connected amenities, shorter commuting times and lower greenhouse gas emissions. This need for convenient, central locations also resonates with the expectations of employees, for whom workplace well-being largely depends on the length of their commute<sup>1</sup> and their ability to work in a lively, exciting neighbourhood. Each transformation project is also an opportunity to thoroughly rethink urban mobility and how cars should be used in cities. SFL designs micro-mobility solutions into every project and tries to repurpose, as much as possible, the space previously used for cars.

1. 2018 Paris WorkPlace survey, 5<sup>th</sup> edition. Employees rate their workplace well-being at 6.8 out of 10 when their daily commute is less than 40 minutes, but at 6.4 when it is more than an hour.

3  
5



2 — %

reduction in carbon emissions across the SFL portfolio in 2019

**DISTRICT COOLING SYSTEMS: A 100%- RENEWABLE AIR CONDITIONING SOLUTION**

SFL was one of the first office real estate companies to undertake an assertive programme to connect its buildings to the Paris district cooling network. In response to the system’s success and the positive feedback from tenants, the programme was expanded, so that a total of nine buildings had been connected by 2019, with three more soon to be added. A district cooling system comprises facilities that produce chilled water and distribute it through underground pipes.

**NOTHING IS LOST, EVERYTHING IS RECYCLED**

A refurbishing worksite generates an extraordinary amount of waste, much of which could be reused or recycled. On the **83 Marceau** site, the reuse of construction materials avoided the release of nearly 53 tonnes of CO<sub>2</sub>e. In addition, a partnership with two materials resale platforms was set up for the **Washington Plaza** worksite, where material from the transformed floor plates found a buyer even before they were dismantled.

**GRESB: SFL RANKED SECOND IN EUROPE**

In June 2019, SFL was once again awarded the “Green Star” label by the Global Real Estate Sustainability Benchmark (GRESB). Our sustainable development initiatives and efforts to collaborate with tenants on environmental issues were rated 94/100, the highest since we first participated in the assessment in 2012. The score positions SFL second among the listed Western European

office property companies most committed to CSR issues and 25<sup>th</sup> out of 964 participants worldwide (all industries combined).

**REDUCING ENERGY USE: A TECHNOLOGICAL CHALLENGE**

Since 2016, every newly signed office lease, including for spaces under 2,000 sq.m., has included an environmental appendix, attesting to the success of the partnerships formed by SFL to reduce building energy use. This capability has also been supported by the increasing digitalisation of building management jobs, which is improving data collection and processing, and by more efficient reporting and management systems.

**EXTENDING BUILDINGS’ USEFUL LIVES WITH EXCELLENT, HIGH-TECH FLOOR PLATES**

In 2019, office floor plates in **176 Charles de Gaulle** were refurbished, in the same spirit of excellence that guided similar renovation works at **Washington Plaza** in 2017. The design was perfected to facilitate tailored floor plans and to support the changing needs of the tenant companies as they expand. Throughout, the project respected the hallmarks of an SFL office, in the management of natural light, lighting conditions, acoustics, modular spaces, etc.

# SFL’s environmental innovation in action

Stepped up since 2012, SFL’s social responsibility initiatives are focused on designing and delivering higher-quality buildings that are more flexible in use and therefore more sustainable. These initiatives foreshadowed France’s commercial real estate energy savings decree, whose application since October 2019 has profoundly changed how property companies approach these issues and ensure compliance. SFL’s choices in terms of materials re-use, landscaping and support for biodiversity, advanced, high-tech utilities to

optimise and reduce water and energy use, and the design of floor plates with high-quality technical features are all responses to the need to reconsider the way we consume, build and refurbish.

**1<sup>st</sup>**  
**BBCA Rénovation project in Paris (Biome)**



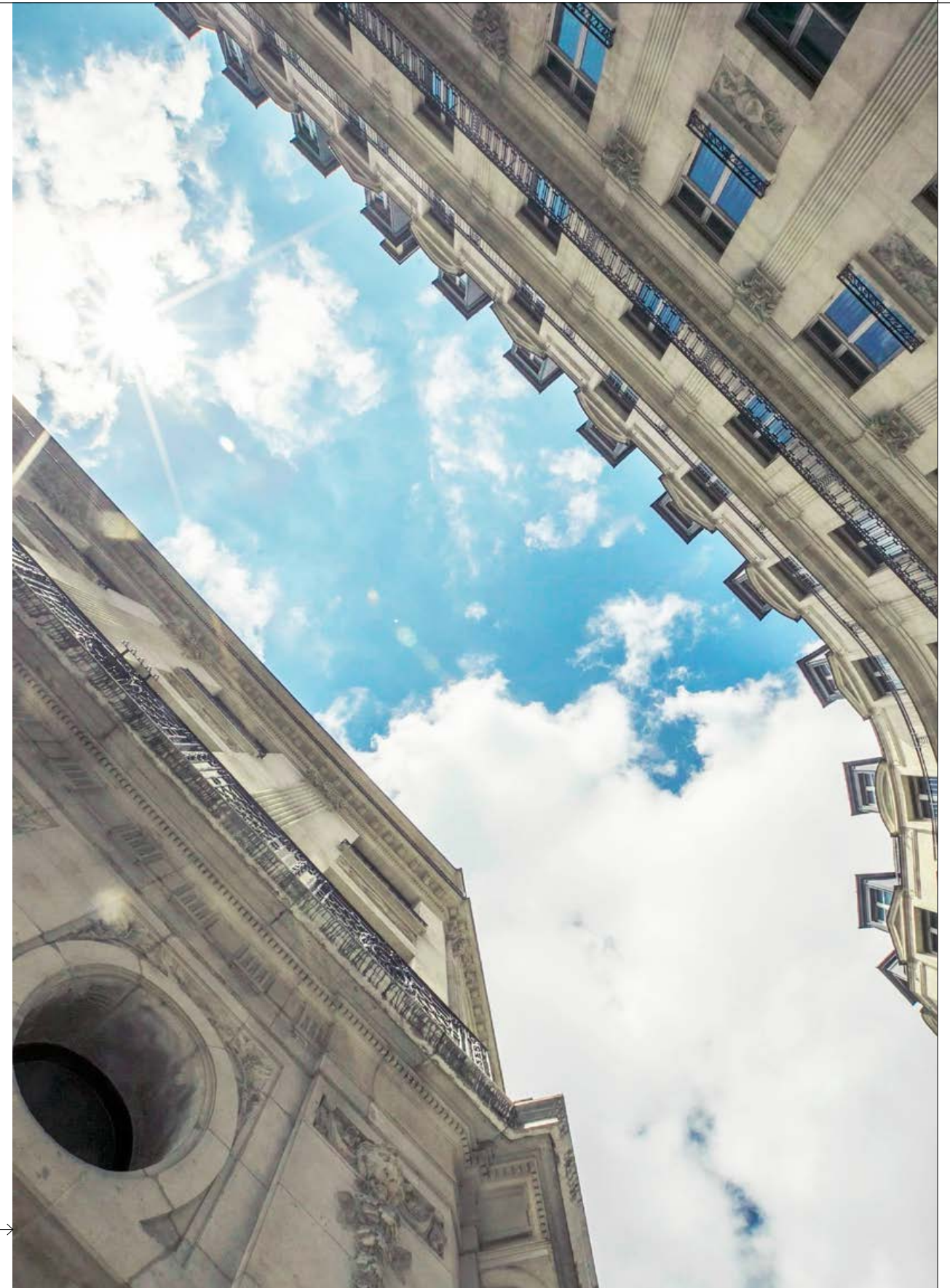
**Eric Oudard,**  
 Technical and Development Director

*“Some capital projects have an immediate and particularly positive impact on carbon emissions. What really makes the difference is opting for the latest generation materials and facilities, which are more expensive but also more efficient. At Édouard VII, replacing and improving the BMS, combined with improved automatic control practices, drove a 30% year-on-year reduction in energy use in 2019.”*

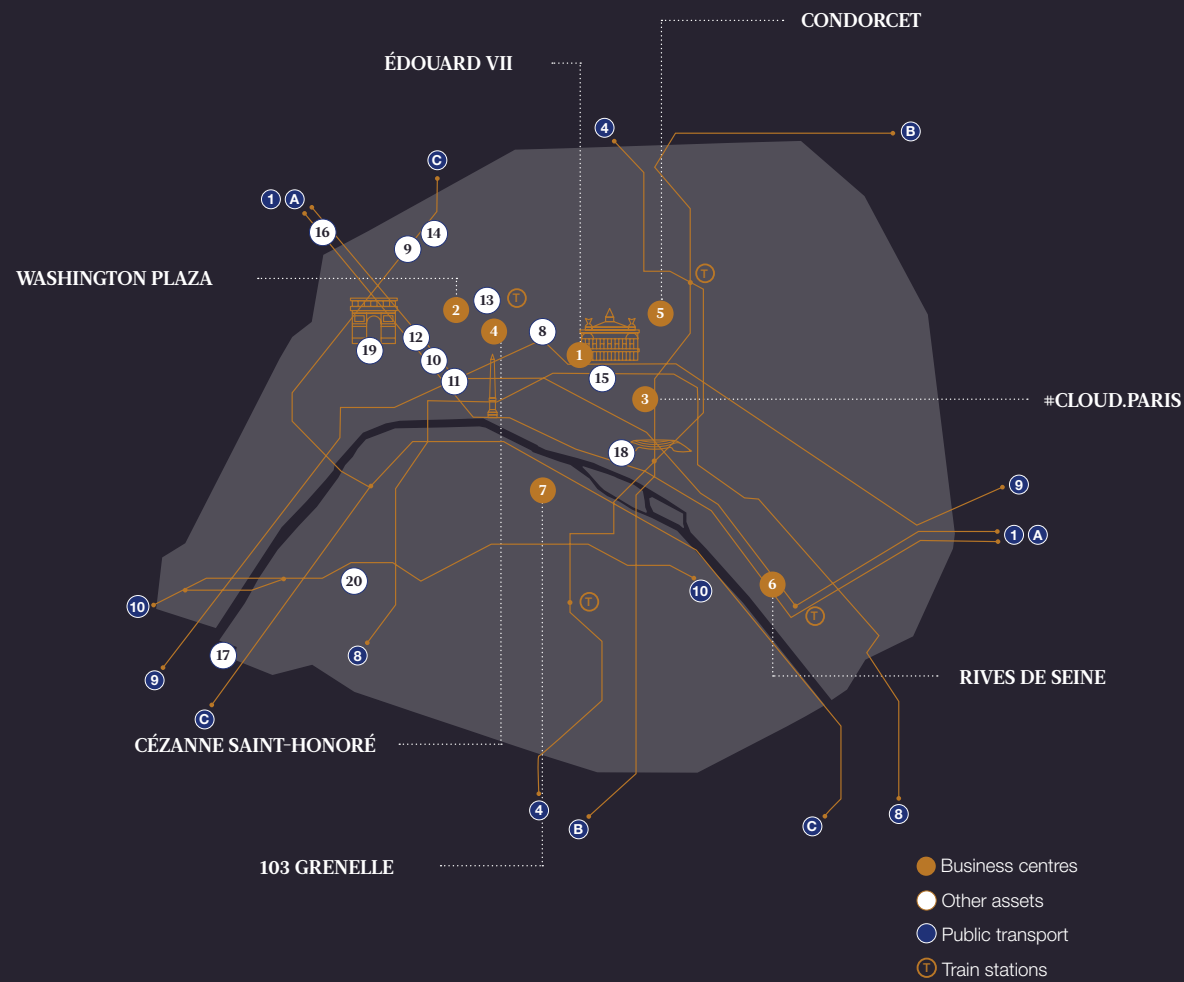
# PORTFOLIO

€7.2BN IN ASSETS,  
98% LOCATED IN PARIS.

Édouard VII,  
Paris 9



# Business Centres



SFL BUSINESS CENTRES ARE TOTAL LIVING AND WORKING ENVIRONMENTS, DEDICATED TO THE PERFORMANCE OF THEIR TENANT COMPANIES. COMFORTABLE AMENITIES AND THE ART OF WORK-LIFE INTEGRATION HAVE BEEN REINVENTED, IN RESONANCE WITH THE EXPECTATIONS OF MODERN COMPANIES, FOR WHICH WORKPLACE WELL-BEING IS A KEY SELECTION CRITERION.

1

## Édouard VII

16-30, boulevard des Capucines, 75009 Paris

Year of acquisition: 1999  
 Main tenants: Ashurst, Boulanger, Klépierre, Netflix and L'Olympia  
 Surface area: 54,100 sq.m.

Certifications: BREEAM In-Use

Built on a 1.5-hectare plot, the Haussmann-style Édouard VII complex is located in the heart of one of Paris' liveliest neighbourhoods. The property's surroundings and distinguished architectural style – the result of extensive remodelling – make it an outstanding showcase. Following on from the installation of colourful rue Édouard VII store façades, which instilled a modern, attractive feel to the entire complex, a programme to replant the interior courtyards and upgrade the passages was completed in 2019 to support the business centre's move upmarket.



# 2

## WASHINGTON PLAZA

38-44, rue Washington,  
75008 Paris

**Year of acquisition:** 2000  
**Main tenants:** Candriam,  
Lagardère and Finastra  
**Surface area:** 48,200 sq.m.

**Certifications:**  
BREEAM In-Use

Located just off the Champs-Élysées on an 8,000-sq.m. site, Washington Plaza is one of the capital's finest office complexes. An ambitious refurbishment programme was undertaken to radically transform its operation, identity and image. In 2018, the building inaugurated a new suite of tenant amenities, including concierge services, a fitness centre, flexible meeting rooms and break rooms.



# 3

## #CLOUD.PARIS

81-83, rue de Richelieu,  
75002 Paris

**Year of acquisition:** 2004  
**Main tenants:** BlaBlaCar, Coty,  
Exane and Facebook  
**Surface area:** 35,000 sq.m.

**Certifications:**  
BREEAM, Construction,  
BREEAM In-Use,  
HQE®, LEED®

#cloud.paris, a latest-generation business centre in the very heart of Paris, offers beautiful, innovative, flexible offices designed to offer environmental excellence. Delivered in November 2015 and home to such prestigious companies as Facebook, BlaBlaCar and Exane, its outstanding features earned it the French SIIC industry's 2015 "Ville et Avenir" Award and the 2016 MIPIM Award for Best Office & Business Development.



# 4

## CÉZANNE SAINT-HONORÉ

1-6, rue Paul Cézanne,  
75008 Paris

**Years of acquisition:**  
2001 and 2007  
**Main tenants:**  
EssilorLuxottica, Freshfields,  
LEK and Quartus  
**Surface area:**  
29,000 sq.m.

**Certification:**  
BREEAM In-Use

This exceptional property complex comprises two standalone buildings that straddle a 100-metre long private street. In late 2016, the property was fitted out with a new occupant amenities centre. Inspired by hospitality industry design codes, the interior has been completely rethought by Studio Putman, with a food court, 100-seat auditorium, meeting rooms and VIP lounge.



# 5

## CONDORCET

4-8, rue Condorcet,  
75009 Paris

**Year of acquisition:** 2014  
**Tenant:** GrDF  
**Surface area:** 24,900 sq.m.  
**Certification:**  
BREEAM In-Use

Composed of seven buildings dating from the late 19<sup>th</sup> century, the Condorcet complex remains steeped in history thanks to the conservation of its original features. The building interiors are set off by a myriad of neo-classical touches, such as sculpted columns, painted ceilings and a variety of decorative elements in marble and wood.



# 7

## 103 GRENELLE

103, rue de Grenelle,  
75007 Paris

**Year of acquisition:** 2006  
**Main tenants:** ADP, Amiral Gestion, Edouard Denis, Huawei and Molotov TV  
**Surface area:** 18,900 sq.m.  
**Certifications:** HQE<sup>®</sup>, BREEAM In-Use

Located on the Left Bank in the 7<sup>th</sup> *arrondissement*, this historical complex is dominated by a tower that housed the first Chappe telegraph system in the 19<sup>th</sup> century and later the French Telegraph Administration. The building offers nearly 20,000 sq.m. of prime rental office space with HQE<sup>®</sup> certification. The reception area and building amenities were upgraded in 2017.



# 6

## RIVES DE SEINE

68-74, quai de la Râpée,  
75012 Paris

**Year of acquisition:** 2004  
**Tenant:** Natixis  
**Surface area:** 22,700 sq.m.

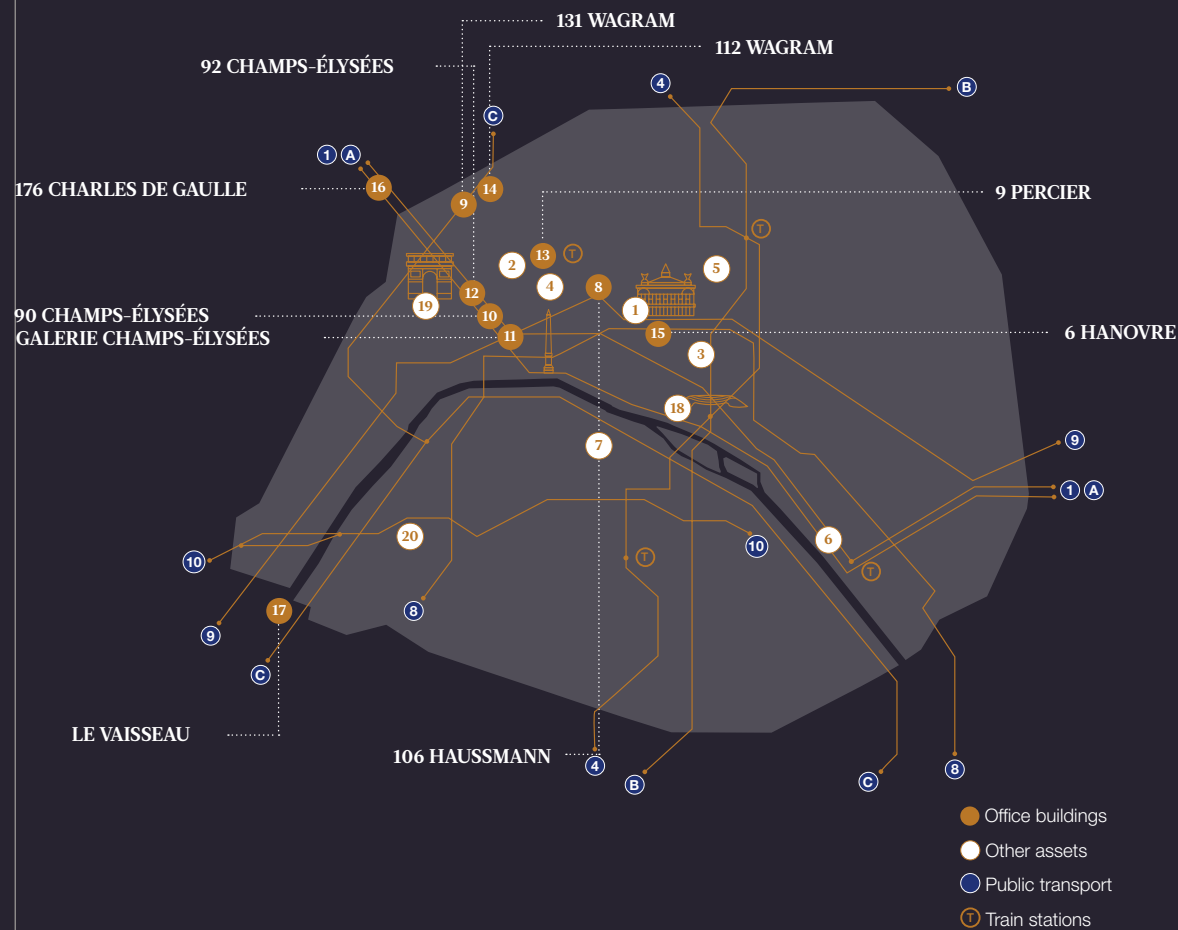
**Certification:**  
BREEAM In-Use

Located on the banks of the Seine close to the Gare de Lyon train station and public transit hub, Rives de Seine was built in 1974 and renovated in 2000. The 16-storey building offers remarkable panoramic views over the Seine.





# Office Buildings



WHETHER CHARACTER BUILDINGS, ONE-OF-A-KIND PROPERTIES OR FORMER MANSIONS, SFL'S OFFICE BUILDINGS OFFER TENANTS AN OUTSTANDING WORKPLACE ENVIRONMENT. THEY PROVIDE AN ALTERNATIVE TO LARGE BUSINESS CENTRES, WHILE RETAINING A RANGE OF PRIME, PEOPLE-FRIENDLY AMENITIES.

## 8

### 106 HAUSSMANN

104-110, boulevard Haussmann, 75008 Paris

Years of acquisition: 2002 and 2004  
 Main tenant: WeWork  
 Surface area: 13,400 sq.m.

Certification: BREEAM In-Use

In 2007, four adjoining buildings on boulevard Haussmann were transformed into a luxury office complex. Designed around a vast central lobby naturally lit from a glass roof, it features an 82-metre long freestone façade and a total surface area of more than 13,000 sq.m. on seven floors. The WeWork-managed co-working space is scheduled to open in late 2020.



## 9

### 131 WAGRAM

131, avenue de Wagram, 75017 Paris

Year of acquisition: 1999  
 Tenants: CBRE, TV5 Monde  
 Surface area: 9,200 sq.m.

Certification: BREEAM In-Use

131 Wagram features a terrace, an interior garden, nine floors of offices and five underground levels. It offers light-filled floor plates of around 800 sq.m. each, with flexible layouts, and a lobby that was refurbished in 2019.



# 10

## 90 CHAMPS-ÉLYSÉES

90, avenue des Champs-Élysées, 75008 Paris

**Years of acquisition:** 2002 and 2009

**Main tenants:** McKinsey, National Bank of Kuwait and Bank of Communications

**Surface area:** 8,900 sq.m.

**Certifications:** BREEAM Construction, BREEAM In-Use

Located above the Galerie des Champs-Élysées shopping arcade, this contemporary complex features a façade of freestone like that found in the most stunning Haussmann-inspired buildings, but entirely transformed by Jean Nouvel. The property has been meticulously redeveloped and offers very attractive, bright floor plates of 1,200 sq.m. each.



# 12

## 92 CHAMPS-ÉLYSÉES

92, avenue des Champs-Élysées, 75008 Paris

**Year of acquisition:** 2000

**Main tenants:** WeWork and Zara

**Surface area:** 7,700 sq.m.

**Certifications:** HQE®, BREEAM In-Use

Home to Thomas Jefferson when he lived in Paris from 1785 to 1789, this is one of the best-situated buildings on the Champs-Élysées, on the corner of rue de Berri. A top-to-bottom redevelopment to restore its former glory was delivered in late 2012 with offices certified to HQE® standards.



# 11

## GALERIE CHAMPS-ÉLYSÉES

82-88, avenue des Champs-Élysées, 75008 Paris

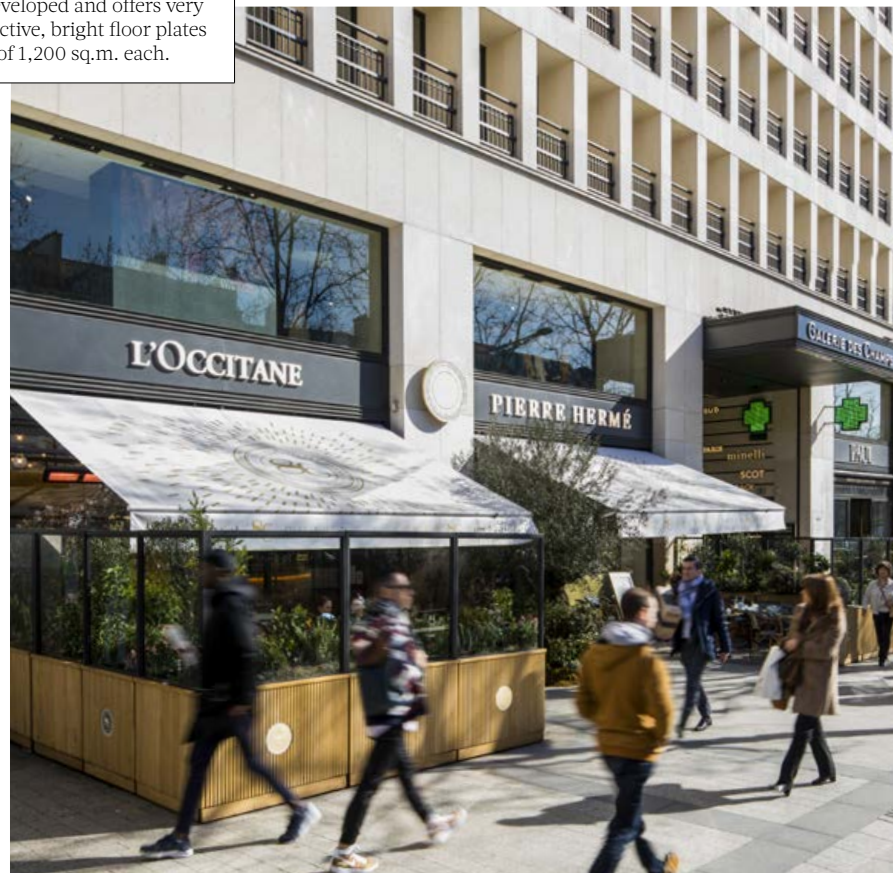
**Year of acquisition:** 2002

**Main tenants:** H&M, Häagen-Dazs, L'Occitane, Pierre Hermé, McDonald's and Paul

**Surface area:** 8,700 sq.m.

**Certification:** BREEAM In-Use

Enjoying one of the most prestigious locations in Paris, on the sunny side of the most popular section of the Champs-Élysées, this shopping arcade has been extensively redeveloped in recent years. The property has regained its sleek, elegant and eye-catching looks following a complete redesign by Jean Nouvel. The arcade's 86 Champs-Élysées address is home to a L'Occitane-Pierre Hermé concept store and a variety of pop-up boutiques.



# 13

## 9 PERCIER

9, avenue Percier, 75008 Paris

**Year of acquisition:** 2015  
**Main tenants:** Fondation EDF, Helvetia, Arp Atrance  
**Surface area:** 6,700 sq.m.

**Certification:** BREEAM In-Use

Acquired in 2015 and completely renovated in 2016, 9 Percier is a 6,700-sq.m. office building located in the heart of the Paris central business district. It enjoys excellent intrinsic amenities, including Art Deco façades, historic courtyards, a double lobby, 800-sq.m. floor plates, exceptionally high ceilings and bright natural lighting.



# 14

## 112 WAGRAM



108-112, avenue de Wagram,  
75017 Paris

**Year of acquisition:**  
2008, purchased off plan

**Main tenants:**  
Zurich France  
**Surface area:** 6,000 sq.m.

**Certifications:**  
HQE®, BREEAM In-Use

Nestled between Place de l'Étoile and Porte de Champerret, 112 Wagram stands out for its elegant industrial architecture, contemporary interior design, use of noble materials and impressive volumes, with three vast terraces and an interior courtyard.



# 16

## 176 CHARLES DE GAULLE



176, avenue Charles de Gaulle,  
92200 Neuilly-sur-Seine

**Year of acquisition:** 2000  
**Main tenants:**  
Manpower and Sacem  
**Surface area:** 7,400 sq.m.

**Certification:**  
BREEAM In-Use

Located on the thoroughfare linking Place de l'Étoile to the La Défense business district, 176 Charles de Gaulle is composed of offices and a large retail space on the ground floor. One of the courtyard-facing façades looks out over new, landscaped gardens.



# 15

## 6 HANOVRE



6, rue de Hanovre,  
75002 Paris

**Year of acquisition:** 1958  
**Tenant:** Pretty Simple  
**Surface area:** 4,600 sq.m.

**Certification:**  
BREEAM In-Use

In the heart of the Paris financial district, this 1908 building featuring an Art Nouveau façade by architect Adolphe Bocage is a registered national heritage site. The vast entrance lobby leads to a majestic horseshoe staircase, while the concrete lobby façade and elevator shaft are decorated with ceramic tiles by Alexandre Bigot.



# 17

## LE VAISSEAU



2, allée des Moulineaux,  
92130 Issy-les-Moulineaux

**Year of acquisition:** 2006  
**Surface area:** 6,300 sq.m.

**Certification:**  
BREEAM In-Use

Located on Île Saint-Germain, Le Vaisseau owes its name (the ship) to its unusual shape. The façade was inspired by naval architecture, with a moveable roof that can open upwards along its entire length. The entire site has been renovated to seamlessly reintegrate the building into its surroundings by reinterpreting the original concept.



# Projects



SFL IS CURRENTLY DEVELOPING THREE LARGE-SCALE PROJECTS, EACH OF WHICH IS DESIGNED TO BECOME THE UNDISPUTED BENCHMARK IN ITS SEGMENT.

# 18

## LOUVRE SAINT-HONORÉ

2, place du Palais-Royal,  
75001 Paris

**Year of acquisition:** 1995  
**Main tenants:** Cartier, Fast Retailing, GIE Cartes Bancaires, Hugo Boss, Proparco and Swiss Life Asset Managers  
**Surface area:** 47,700 sq.m.

**Certification:**  
BREEAM In-Use

Louvre Saint-Honoré offers vast, highly functional 5,400-sq.m. floor plates in a prime location looking on to the Louvre museum. 20,000 sq.m. in retail space on the first underground level, ground floor and first floor will be fully renovated over the next few years to provide a new home for the Cartier Foundation.



20

## BIOME

112-114, avenue Émile Zola,  
75015 Paris and 52-58, rue  
Violet, 75015 Paris

Year of acquisition: 2017  
Planned surface area:  
24,500 sq.m.

Certifications being sought:  
BREEAM, HQE<sup>®</sup>, LEED<sup>®</sup>  
and BBCA

Biome enjoys a prized location in the 15<sup>th</sup> *arrondissement*, just minutes away from some of Paris' most iconic sights and surrounded by shops, commercial buildings and housing units. Built in 1966 by architects Raymond Lopez and Fernand Leroy, the building stretches over an entire block of tree-filled grounds, giving it two addresses. Vacated in November 2017 by its historic tenant, SMA, the property will be redeveloped to create a major new business centre in the west of the capital. Delivery is scheduled for second-half 2021.



Perspective

19

## 83 MARCEAU

96, avenue d'Iéna  
and 83, avenue Marceau,  
75016 Paris

Years of acquisition:  
2001 and 2007  
Planned surface area:  
9,600 sq.m.

Certifications being sought:  
BREEAM, HQE<sup>®</sup>, LEED<sup>®</sup>  
and BBC

With an exceptional location right beside Place de l'Étoile, this six-storey property features an interior courtyard and terraces offering outstanding views of the Arc de Triomphe. The site's uniqueness is augmented by three street-facing façades, affording it a rare degree of visibility. A redevelopment project is under way to transform the building from top to bottom, with highly flexible and efficient 1,000-sq.m. floor plates, a central atrium opening onto a patio bathed in natural light, and new amenities, such as a cafeteria, a public-access business centre, a lounge and a landscaped garden. Delivery is scheduled for second-quarter 2021.



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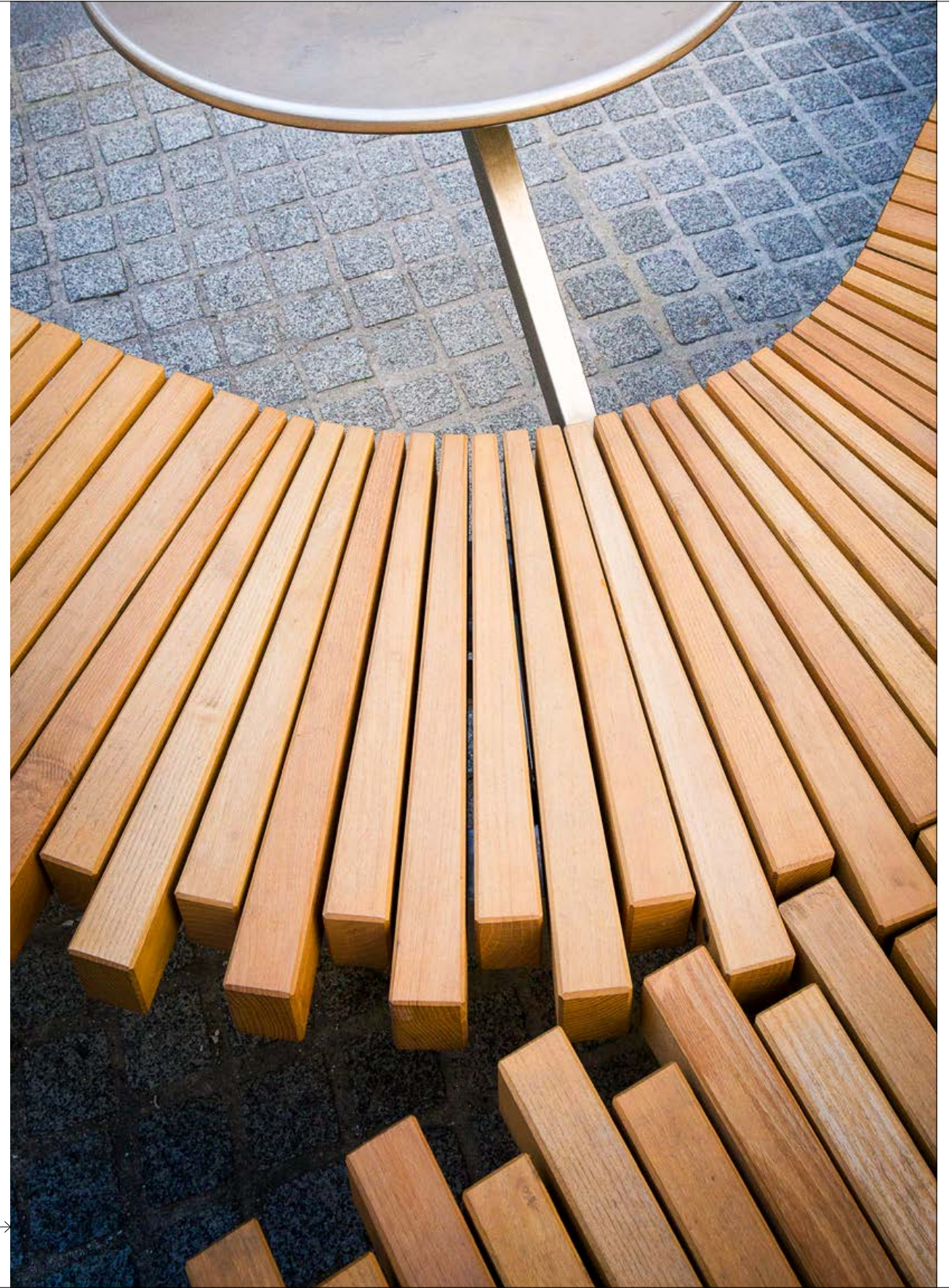
FOR

MAN

CE

HISTORICALLY  
HIGH BUSINESS  
INDICATORS

Édouard VII,  
Paris 9



# Leasing

THE GREATER PARIS RENTAL MARKET REMAINED VERY FIRM IN 2019, WITH THE 2.3 MILLION SQ.M. LEASED POSITIONED IN LINE WITH THE AVERAGE TAKE-UP RATE FOR THE LAST TEN YEARS. THIS REFLECTED ROBUST CORPORATE DEMAND, WHICH HELD STEADY DURING THE YEAR AND EVEN ROSE FOR PREMIUM PRODUCTS IN THE CENTRAL BUSINESS DISTRICT AND PARIS CENTRE WEST.

**A**s a result, the stock of available office space further declined, to 2.7 million sq.m. in greater Paris, where the vacancy rate ended the year at a particularly low 5.0%. Supply remains scarce in Paris Centre West, with a historically low vacancy rate of 1.4%. These conditions logically led to an increase in nominal rents, of up to around 15% in the CBD, and to a reduction in rent-free periods and other lease incentives.

In this environment, SFL signed leases on around 56,000 sq.m. in 2019 on very good terms. The main new leases concerned:

- **Louvre Saint-Honoré**, with the fulfilment of the conditions precedent of the turnkey lease signed with the Cartier Foundation for 20,100 sq.m. GLA of retail space on the lower floors of the building.

- **106 Haussmann**, with approximately 12,000 sq.m. pre-let to WeWork.
- **103 Grenelle**, with a total of some 5,000 sq.m. let to several different tenants including ADP, Huawei and Wemanity.
- **Édouard VII**, with around 2,500 sq.m. let to Netflix.
- **176 Charles de Gaulle** in Neuilly, with three refurbished floors let to FHP and Manpower.
- In addition, new leases were signed with existing tenants such as GIE Carte Bancaire, Facebook, Zurich Insurance and Édouard Denis Développement, on expiry of their previous lease or to meet their changing needs.

Nominal rents for office leases signed in 2019 averaged €754 per sq.m., with effective rents averaging €659 per sq.m. for an average non-cancellable term of 8.1 years, reflecting the previously mentioned good performance of the rental market and the quality of SFL's buildings.

The physical occupancy rate for revenue-generating properties continued to hold firm, at 97.4% at 31 December 2019 versus 97.3% a year earlier. The EPRA vacancy rate remained unchanged, at 1.6%. These ratios confirm SFL's ability to keep its lettable properties fully occupied.

**97.4** — %  
PHYSICAL OCCUPANCY RATE

# Development

PROPERTIES UNDERGOING DEVELOPMENT AT 31 DECEMBER 2019 REPRESENTED ROUGHLY 18% OF THE TOTAL PORTFOLIO.



**T**hey consist mainly of the Group's current three flagship projects concerning:

- around 20,000 sq.m. in retail space on the lower floors (first underground level, ground floor and first floor) of the **Louvre Saint-Honoré** complex, for which the planning appeal process for the new building permit obtained in March 2019 has now ended. Renovation work got under way in first-half 2020, under the turnkey lease signed with the Cartier Foundation;

- the **Biome** office complex on avenue Emile Zola (approximately 24,500 sq.m.), which is going to be remodelled from top to bottom. The planning appeal process for the building permit obtained in May 2018 has ended

(the permit is now final), the property has been cleared and prepared for renovation and remodelling work has recently begun, with delivery scheduled for late 2021;

- the **83 Marceau** property (approximately 9,600 sq.m.), which is in the process of being redeveloped, with delivery scheduled for mid-2021;

Once these large-scale redevelopment projects are completed, they will enable SFL to deliver outstanding, superior-quality buildings embodying its value creation strategy.

Capitalised work carried out in 2019 totalled €49.9 million and concerned the above three redevelopment projects, as well as the full renovation of several floors in the **Washington-Plaza**, **9 Percier** and **176 Charles de Gaulle** (Neuilly) buildings.

# Rental Income

RENTAL INCOME AMOUNTED TO €198.7 MILLION IN 2019, UP €5.2 MILLION OR 2.7% ON THE €193.5 MILLION REPORTED IN 2018. LIKE-FOR-LIKE GROWTH STOOD AT 3.1% FOR THE YEAR.

**O**

n a like-for-like basis (excluding all changes in the portfolio affecting year-on-year comparisons), rental income rose by €5.6 million or 3.1% in 2019, led by (i) the new leases signed in 2018 and 2019, mainly in the **Washington Plaza**, **Cézanne Saint-Honoré**, and **Louvre Saint-Honoré** properties, and (ii) rent increases in line with the corresponding indices.

n a like-for-like basis (excluding all changes in the portfolio affecting year-on-year comparisons), rental income rose by €5.6 million or 3.1% in 2019, led

Rental income from spaces being redeveloped was down by €2.9 million, mainly reflecting the departure of all the tenants from the **83 Marceau** building, which is currently being renovated and remarketed, and the refurbishment of several floors in the **176 Charles de Gaulle** building in Neuilly that were vacated at the end of 2018.

Lastly, penalty payments rose by €2.4 million, mainly due to the early termination of a lease at **103 Grenelle**.

**€198.7** — m  
IN CONSOLIDATED  
RENTAL INCOME

**3.1** — %  
LIKE-FOR-LIKE  
GROWTH

## EBITDA ANALYSIS BY PROPERTY (in € millions)

BUILDING	2019	2018
Édouard VII	30.5	27.7
Washington Plaza	24.7	24.1
Cézanne Saint-Honoré	18.6	16.6
#cloud.paris	17.0	17.0
Louvre Saint-Honoré	14.7	14.6
Galerie Champs-Élysées	12.6	12.3
103 Grenelle	12.1	9.6
106 Haussmann	12.0	9.6
Rives de Seine	10.8	10.5
92 Champs-Élysées	10.6	10.7
Condorcet	10.3	9.9
90 Champs-Élysées	7.1	6.9
131 Wagram	4.8	4.7
112 Wagram	3.3	3.2
9 Percier	2.8	2.9
176 Charles de Gaulle	2.3	3.2
6 Hanovre	1.4	1.4
83 Marceau	0.2	1.5
Biome	0.0	0.0
Le Vaisseau	(0.7)	(0.7)
<b>PROPERTIES IN THE PORTFOLIO AT 31 DECEMBER</b>	<b>195.0</b>	<b>185.6</b>
Corporate overheads and other expenses	(20.1)	(20.6)
<b>TOTAL EBITDA</b>	<b>174.9</b>	<b>165.0</b>



# Property Portfolio and NAV

← THE CONSOLIDATED PORTFOLIO VALUE AT 31 DECEMBER 2019 WAS €7,158 MILLION, EXCLUDING TRANSFER COSTS. THE ESTIMATED REPLACEMENT VALUE, INCLUDING TRANSFER COSTS, WAS €7,632 MILLION.

**T**he portfolio value increased by 9.0% compared with 31 December 2018, with no changes in the portfolio during the year.

The increase in appraisal values primarily reflected:

- the targeted narrowing of investment market yields, particularly on the highest-quality assets,
- the strong lettings performance and the improvement in market rents,
- the progress on redevelopment projects

during the year, in which a number of significant administrative and leasing milestones were reached.

EPRA NNNAV stood at €4,461 million or €95.9 per share at 31 December 2019, an increase of 11.1% compared with €86.3 per share at 31 December 2018. EPRA NAV rose by 11.6% year-on-year, to €99.4 per share.

**393,300** — sq.m.  
TOTAL SURFACE AREA

**€7.2** — bn (excl. TC)  
PORTFOLIO VALUE

## NET ASSET VALUE (in € millions)

	31 Dec. 2019	31 Dec. 2018
Equity	4,485	4,010
Treasury shares and stock options	8	10
Unrealised capital gains	23	19
Elimination of financial instruments at fair value	(4)	0
Elimination of deferred taxes	111	103
<b>EPRA NAV</b>	<b>4,623</b>	<b>4,142</b>
<b>/share</b>	<b>€99.4</b>	<b>€89.0</b>
Financial instruments at fair value	4	0
Fixed-rate debt at fair value	(55)	(22)
Deferred taxes	(111)	(103)
<b>EPRA NNNAV</b>	<b>4,461</b>	<b>4,017</b>
<b>/share</b>	<b>€95.9</b>	<b>€86.3</b>
Shares outstanding (thousands)	46,529	46,529

# 2019 Performance

BUSINESS INDICATORS WERE PARTICULARLY ROBUST IN 2019, WITH RENTAL INCOME AND EPRA EARNINGS AT A RECORD HIGH AS A DIRECT RESULT OF THE STRONG LETTINGS PERFORMANCE, AN EXCELLENT OCCUPANCY RATE AND A FURTHER REDUCTION IN BORROWING COSTS.

**C**onsolidated rental income amounted to €198.7 million in 2019, compared with €193.5 million in 2018, a year-on-year increase of €5.2 million or 2.7% as reported and of 3.1% like-for-like.

Operating profit before disposals and fair value adjustments to investment property amounted to €172.8 million in 2019, an increase of 6.6% from €162.1 million the year before.

The portfolio's appraisal value grew by 9.0% over the year, leading to the recognition of positive fair value adjustments to investment property of €526.9 million in 2019 (versus €289.0 million in 2018).

Net finance costs amounted to €28.1 million in 2019, compared with €52.0 million in 2018, primarily due to (i) the €19.7 million reduction in non-recurring costs, which in 2018 had been sharply lifted by the repurchase of €300 million in bonds, and (ii) the €4.2 million decrease in recurring costs, reflecting a further improvement in average refinancing costs.

Excluding the impact of disposals, changes in the fair value of investment property and financial instruments and the related tax effect, the Group's EPRA earnings rose by 11.8% in 2019 to a record high of €119.2 million compared with €106.7 million the previous year.

Profit for the year stood at €647.7 million, of which €589.8 million was attributable to shareholders.

## €198.7 — m

IN RENTAL INCOME

up 3.1% like-for-like vs. 2018

## €589.8 — m

ATTRIBUTABLE  
NET PROFIT

### EPRA EARNINGS (in € millions)

	2019		2018	
	EPRA	Non-recurring	EPRA	Non-recurring
Rental income	198.7	0	193.5	0
Property expenses, net of recoveries	(9.9)	0	(10.8)	0
<b>Net property rentals</b>	<b>188.8</b>	<b>0</b>	<b>182.7</b>	<b>0</b>
Service and other revenues	9.0	0	4.0	0
Depreciation, amortisation and impairment	(2.1)	0	(2.9)	0
Employee benefits expense and other expenses	(22.9)	0	(21.8)	0
<b>Operating profit (before disposals and fair value adjustments)</b>	<b>172.8</b>	<b>0</b>	<b>162.1</b>	<b>0</b>
Profit on asset disposals	0	0	0	0
Fair value adjustments on investment property	0	526.9	0	289.0
Finance costs and other financial income and expense	(26.4)	(1.7)	(30.6)	(21.4)
Income tax	(9.8)	(14.0)	(9.2)	(5.3)
<b>Profit for the year</b>	<b>136.6</b>	<b>511.1</b>	<b>122.4</b>	<b>262.3</b>
Non-controlling interests	(17.4)	(40.6)	(15.7)	(17.3)
<b>Attributable net profit</b>	<b>119.2</b>	<b>470.5</b>	<b>106.7</b>	<b>245.0</b>
<b>EPRA earnings per share</b>	<b>€2.56</b>		<b>€2.29</b>	

# Debt and Financing

CONSOLIDATED DEBT REMAINED VIRTUALLY UNCHANGED IN 2019, AT €1.7 BILLION, AND REPRESENTED VERY CONSERVATIVE GEARING, AT LESS THAN 25%. SEVERAL FINANCING TRANSACTIONS WERE CARRIED OUT DURING THE YEAR AS PART OF THE ACTIVE DEBT MANAGEMENT PROCESS. THESE TRANSACTIONS WERE DESIGNED TO TAKE ADVANTAGE OF THE LOW INTEREST RATE ENVIRONMENT TO FURTHER REDUCE THE COMPANY'S AVERAGE BORROWING COSTS WHILE EXTENDING THE AVERAGE MATURITY OF ITS FIXED-RATE HEDGES.

**F**or example, a new €390-million five-year syndicated revolving line of credit has increased the amount and extended the maturity of the Company's undrawn confirmed lines of credit, which totalled €990 million at 31 December 2019.

The Company also took advantage of the very low interest rates available in the third quarter of 2019 to increase its fixed-rate hedges by setting up forward swaps and a collar on a total notional amount of €300 million expiring between September and November 2026.

During the year, SFL also increased to €500 million the maximum issuance under its negotiable European commercial paper (NEU CP) programme, whose outstandings came to €387 million at 31 December 2019.

At 31 December 2019, consolidated net debt totalled €1,732 million, representing a loan-to-value ratio of 22.7%. The average maturity of net debt was 4.2 years and the average cost after hedging was 1.4%, down from the year-earlier level. The interest coverage ratio (ICR) stood at 6.6x for the year.

## 4.2 — years

AVERAGE MATURITY

## 1.4 — %

AVERAGE SPOT COST  
(AFTER HEDGING)

## 22.7 — %

LOAN-TO-VALUE

## BBB+ / A2

WITH A STABLE OUTLOOK

S&P rating

### DEBT STRUCTURE (in € millions)

31 Dec. 2019 31 Dec. 2018

Bonds	1,200	1,200
Bank loans	0	50
Mortgage loans	199	201
NEU CP	387	263
<b>Total debt</b>	<b>1,786</b>	<b>1,714</b>
Cash and cash equivalents	54	25
<b>Net debt</b>	<b>1,732</b>	<b>1,688</b>
Undrawn lines of credit	990	920
Property portfolio including transfer costs	7,632	7,005
<b>Loan-to-value</b>	<b>22.7%</b>	<b>24.1%</b>
<b>Interest cover ratio</b>	<b>6.6x</b>	<b>5.1x</b>
<b>Average maturity (years)</b>	<b>4.2</b>	<b>4.6</b>
<b>Average spot cost (after hedging)</b>	<b>1.4%</b>	<b>1.5%</b>

# EPRA Performance Indicators

SFL PRESENTS ITS PERFORMANCE INDICATORS IN ACCORDANCE WITH THE RECOMMENDATIONS ISSUED BY THE EUROPEAN PUBLIC REAL ESTATE ASSOCIATION (EPRA). THE MAIN INDICATORS, WHOSE DETAILED DEFINITIONS MAY BE FOUND ON [WWW.EPRA.COM](http://WWW.EPRA.COM), ARE SUMMARISED BELOW:

## EPRA PERFORMANCE INDICATORS

	2019	2018
EPRA Earnings	€119.2m	€106.7m
/share	€2.6	€2.3
EPRA Cost Ratio (incl. vacancy costs)	13.3%	13.9%
EPRA Cost Ratio (excl. vacancy costs)	12.4%	12.6%
	<b>31 Dec. 2019</b>	<b>31 Dec. 2018</b>
EPRA NAV	€4,623m	€4,142m
/share	€99.4	€89.0
EPRA NNAV	€4,461m	€4,017m
/share	€95.9	€86.3
EPRA Net Initial Yield	2.7%	2.8%
EPRA Topped-Up Net Initial Yield	3.0%	3.2%
EPRA Vacancy Rate <sup>(1)</sup>	1.6%	1.6%

(1) Group share.

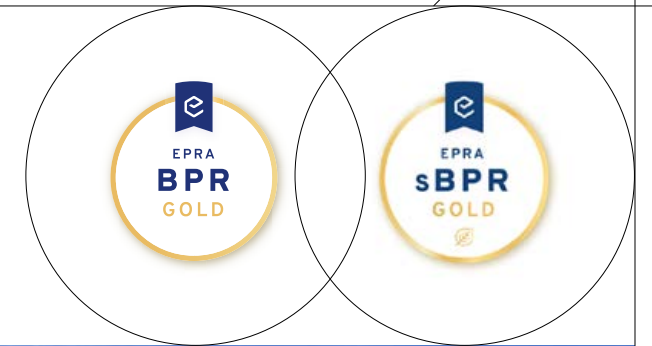
**1.6** — %  
EPRA VACANCY RATE

**€95.9**  
EPRA NNAV /SHARE

**€119.2** — m

EPRA EARNINGS

up 11.8% vs. 2018



# Investor Information

THE SFL SHARE ENDED THE YEAR AT €73.80, REPRESENTING A GAIN OF 21.4% ON THE 2018 CLOSING PRICE OF €60.80 (26.5% WITH REINVESTED DIVIDENDS). OVER THE SAME PERIOD, THE EPRA EUROPE INDEX ADDED 24.7% AND THE CAC 40 INDEX JUMPED BY 26.4%.

Over the last two years, SFL shares have gained 35.1%, compared with growth of 10.8% in the EPRA Europe index and of 12.5% in the CAC 40. Trading volumes declined over the year, to an average 1,140 shares or €76,000 per day.

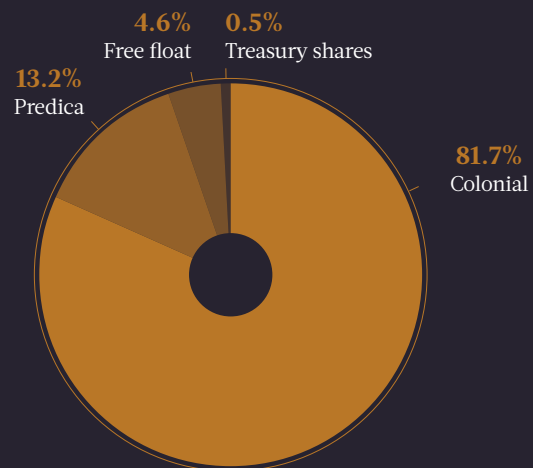
In April 2019, SFL paid an annual dividend of €2.65 per share. The Board of Directors will recommend that shareholders at the Annual General Meeting on 3 April 2020 approve the payment in cash of a dividend of €2.65 per share for the year.

## DIVIDEND PER SHARE (€ per share)



Dividend recommended for shareholder approval at the Annual General Meeting held on 3 April 2020

## SFL OWNERSHIP STRUCTURE at 31 December 2019

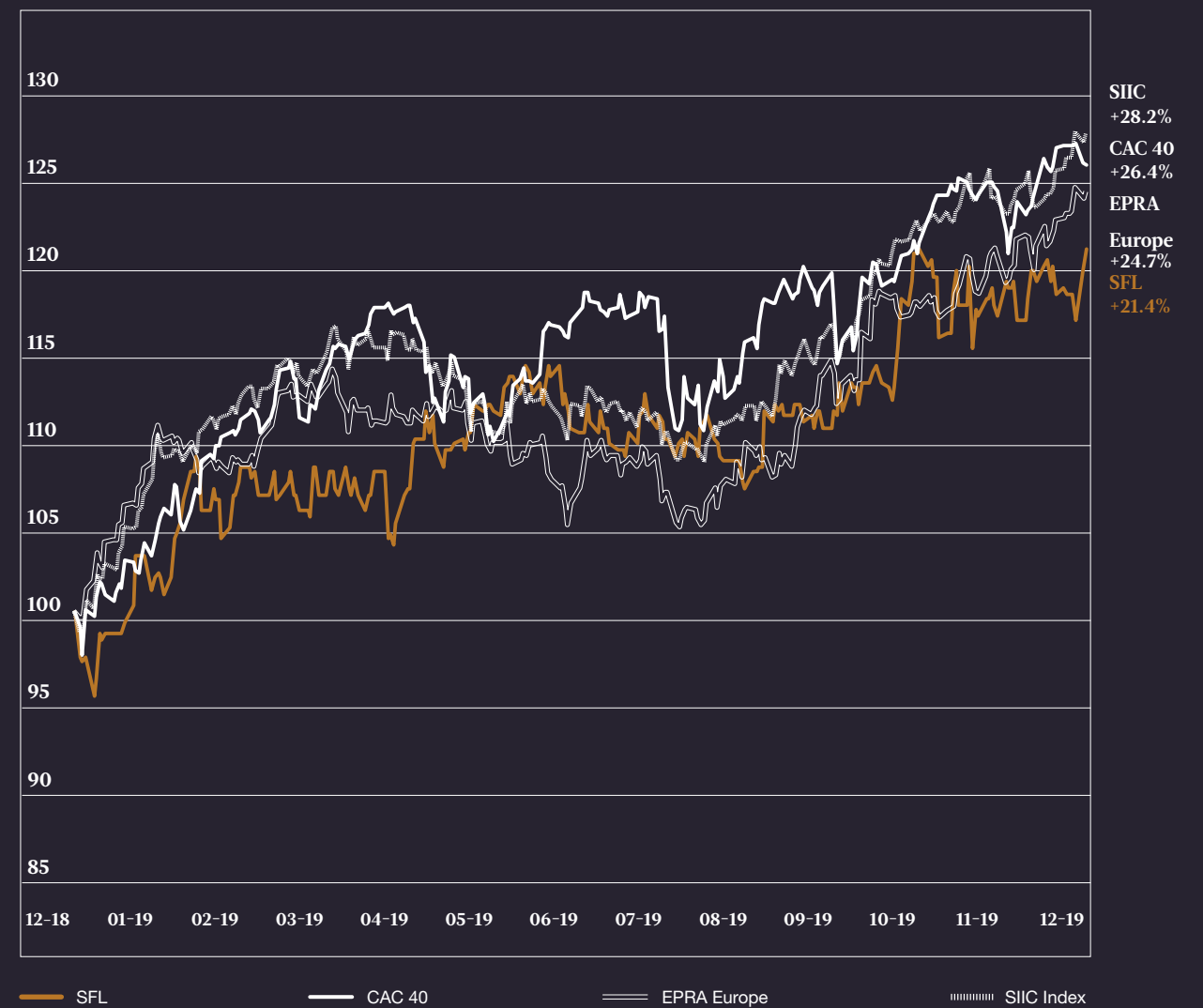


SFL's ownership structure remained stable throughout 2019.

# 21.4%

YEAR-ON-YEAR GAIN IN THE SHARE PRICE

## 2019 SHARE PERFORMANCE<sup>(1)</sup>



(1) Base 100: 31 December 2018; data up to 31 December 2019. Source: Euronext/EPRA

## SFL

French *société anonyme*  
with share capital of €93,057,948

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