



THE ART OF TRANSFORMATION
CREATING UNIQUE WORKING ENVIRONMENTS



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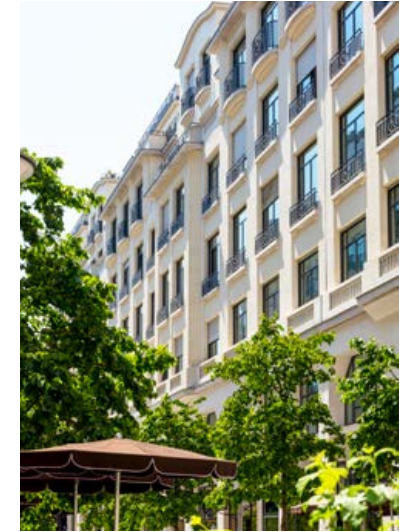
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VI ON

SI

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



Washington Plaza,
Paris 8



“
**EACH
 TRANSACTION
 IS UNIQUE.
 EACH
 ONE REVEALS
 WHAT
 WE CAN DO.**
 ”

What can you say about the commercial property market in 2021?

J.J.B.C.: The Greater Paris office property market slowed considerably in the first quarter, as demand fell across the market, supply dried up and investors kept a lower profile.

So the pandemic created a lot of imbalances. But it also sparked a very interesting shift towards a more selective approach, with a preference for buildings offering the best amenities, and sharpened the focus on central locations.

N.R.: For SFL, this means two things: firstly, that the location and quality of our buildings, which are deeply embedded in our corporate DNA, retain all their value and appeal for corporates; and secondly, that Paris continues to attract investors and businesses. Bear in mind that 98% of our properties are located in Paris.

In other words, our expertise and our multi-service prime strategy continue to demonstrate their validity. We are proud of this positioning and the resilience of our model, which remains robust and promising even in this global crisis.

JUAN JOSÉ BRUGERA CLAVERO,
Chairman,
 & NICOLAS REYNAUD,
Chief Executive Officer

What will the post-Covid office look like?

N.R.: There's no doubt that the health crisis and mandatory work-from-home orders prompted a reassessment of the usefulness of offices and how we use them.

They also highlighted the essential role personal interactions play in a corporate community. That was corroborated by our 2021 Paris Workplace survey. During the successive lockdowns, companies were able to take stock of their needs and, contrary to what seemed self-evident, they did not systematically cut back on their office space. Instead, they reallocated the space differently. Offices have re-emerged as worklife environments where people can connect and share, and this function as a place for socialising has become a major employee expectation. We are even seeing a growing sophistication in the demand and expectations for amenities. So, offices are becoming more connected and more open, with even higher quality standards. For a prime real estate specialist like SFL, which is all about high standards and quality, this is of course excellent news, which confirms that our positioning is the right one.

More than
€900 — /sq.m.
 RECORD HIGH RENTS

82—%
 OF THE PORTFOLIO LOCATED
 IN THE PARIS CBD

Mr. Brugera Clavero, in your last year as Chairman, you participated in the restructuring of SFL's capital. What is Immobiliara Colonial's stake in the company now?

J.J.B.C.: In 2021, Colonial raised its stake in SFL to 98.3%. This significant increase demonstrates our unwavering confidence in SFL's ability to create one-of-a-kind offices in a highly selective, highly demanding segment in Europe's leading property market. I am proud to have led this project in my last year as Chairman. We couldn't have completed it without the commitment of another SFL partner, Predica, which also restructured its partnership by strengthening its interests in SFL's physical assets.

N.R.: That's right. SFL bought back the shares held by Predica in the companies that own four buildings (Washington Plaza, 106 Haussmann, Galerie des Champs-Élysées and 90 Champs-Élysées) as well as 7.9% of its own shares for cancellation. In exchange, Predica took a 49% interest in new joint ventures that hold four other assets (#cloud.paris, Cézanne Saint-Honoré, 92 Champs-Élysées and 103 Grenelle). In parallel, Colonial acquired the remaining shares held by Predica in SFL and launched a public cash and paper offer for the SFL shares not yet held by Colonial and Predica. These transactions have reconfigured our ownership structure, but remain in keeping with the enduring, trust-based relationships we have forged with these two partners.

Tell us about your 2021 results.

N.R.: In a rental market impacted by the highly lacklustre first four months, SFL maintained its very good letting volumes, signing leases on some 57,000 sq.m. in 2021. We were able to secure strong commitments, even before final delivery of our buildings.

Cézanne Saint-Honoré, for example, is almost 90% pre-let, six months ahead of its scheduled delivery in spring 2022.

J.J.B.C.: We also managed to deliver 83 Marceau, fully pre-let, on time, despite all the pandemic-related disruptions. That partially offset the decline in rental income incurred from the renovation of floor plates vacated in 2020 in the Cézanne Saint-Honoré, Washington Plaza and other buildings. We are also very satisfied with the level of rents secured for new lettings in 2021, coming out above €900/sq.m. for certain properties. This attests to the sophistication of client demand, their growing interest for premium workplaces and amenities, and a more discerning market.

Governance

MANAGEMENT COMMITTEE



Nicolas Reynaud
Chief Executive Officer



Dimitri Boulte
Managing Director,
Chief Operating Officer



Fabienne Boileau
Chief Financial Officer



Aude Grant
Deputy Managing Director,
Asset Management and Investment



Pierre-Yves Bonnaud
Asset Management and Client Management Director



François Derrian
Human Resources Director



Émilie Germane
General Secretary,
Secretary to the Board



Éric Oudard
Technical and Development Director

Members of the Board of Directors and Advisory Committees at 31 December 2021

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
Carlos Fernandez-Lerga Garralda
Carmina Ganyet I Cirera
Carlos Krohmer
Arielle Malard de Rothschild
Luis Maluquer Trepas
Nuria Oferil Coll
Alexandra Rocca
Anthony Wyand

COMMITTEES

AUDIT COMMITTEE

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Carlos Fernandez-Lerga Garralda
Members
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
Carmina Ganyet I Cirera
Pere Viñolas Serra

COMMITTEE OF INDEPENDENT DIRECTORS

Members
Arielle Malard de Rothschild
Alexandra Rocca
Anthony Wyand

Significant Events of the Year

DISPOSALS

Sale of two non-core assets

Transforming and enhancing the value of outstanding properties is one of SFL's core competencies.

This constant objective, backed by unrivalled expertise, is being pursued through the regular turnover of assets. In early 2021, SFL sold two buildings, 112 Wagram and 9 Percier, after completing remarkable redevelopment works that considerably increased their value.

2

DISPOSALS

€120.5 — m,

EXCLUDING TRANSFER COSTS FOR 112 WAGRAM, 17.2% MORE THAN THE APPRAISAL VALUE AT 31 DECEMBER 2019

€143.5 — m,

EXCLUDING TRANSFER COSTS FOR 9 WAGRAM, 16.5% MORE THAN THE APPRAISAL VALUE AT 31 DECEMBER 2019



DEVELOPMENT

Ambitious renovations and redevelopments in three buildings in the heart of Paris

2021 was a particularly active year for SFL's development business. Structural works on the new buildings got under way on Biome, the future outstanding business centre in the heart of the 15th arrondissement, and on the retail space in Louvre Saint-Honoré. One of the two buildings in the Cézanne Saint-Honoré complex is also undergoing an ambitious programme to redevelop 10,000 sq.m., involving the renovation of the lobby and the office floorplates, the creation of a 300 sq.m. terrace and improvements in overall environmental performance.

LETTINGS

A still attractive, dynamic prime office market

In 2021, SFL delivered a strong performance and a remarkable occupancy rate, even as the Greater Paris commercial property market remained impacted by the health crisis. The year's robust results reflected the success of SFL's prime multi-service offices and an appealing model that still resonates with investors and corporates. On a comparable portfolio basis (i.e. excluding changes in the portfolio impacting period-on-period comparisons), rental income rose by €4.6 million or 3.0% over the year.

57,000 — sq.m.

OF LEASED SPACE

€768 — /sq.m.

AVERAGE NOMINAL OFFICE RENT

FINANCING

€500m bond issue:

In October 2021, SFL successfully placed a €500 million issue of bonds with an annual coupon of 0.50% and maturing on 21 April 2028. The new issue is being used for general corporate purposes and extends the average maturity of the Group's debt as part of its proactive balance sheet management strategy. SFL is rated BBB+ with a stable outlook by Standard & Poor's.

€500 — m

BOND ISSUE
(6.5 YEARS; 0.50% COUPON)

DELIVERY

Goldman Sachs moves into 83 Marceau

In July 2021, right on schedule, SFL handed Goldman Sachs the keys to their new offices in the prestigious 83 Marceau building. Moving the international investment bank's teams to the 7,700 sq.m. space just minutes away from Place de l'Étoile demonstrates that premium offices in the heart of Paris remain highly sought after by world-class companies.



SFL in Figures

(all figures at 31 December 2021)

SFL, THE LEADER IN THE PRIME PARISIAN COMMERCIAL PROPERTY MARKET, MANAGES AN OUTSTANDING PORTFOLIO OF 18 ICONIC ASSETS.

98.0

—%

OCCUPANCY RATE

100

—%

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

€7,606

—m

PORTFOLIO VALUE EXCLUDING TRANSFER COSTS

98

—%

OF SFL ASSETS ARE LOCATED IN PARIS

79% OFFICES
20% RETAIL UNITS

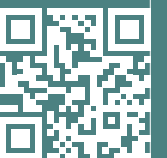
380,800

—sq.m.

PROPERTY PORTFOLIO

1

NEW DIGITAL STRATEGY HAS BEEN DEFINED TO RAISE THE VISIBILITY OF SFL PROJECTS



with a new website: www.parisworkplace.fr, that went live in 2021, and a LinkedIn page entirely dedicated to the Paris WorkPlace 2021 survey.

STRATEGY

SFL SEES EACH OF ITS PROJECTS AS A UNIQUE OPPORTUNITY TO ENHANCE THE VALUE OF ITS ASSETS. ITS VISION: TO TRANSFORM AND CREATE VALUE.



Louvre Saint-Honoré,
Paris 1

The leader in prime commercial real estate in Paris...

...SFL has developed a portfolio of extremely high quality assets, recognised for their elegant workmanship and incomparable aesthetics.



Washington Plaza

Four fundamental pillars...

Location

98% of SFL's assets are located in Paris, including 82% in the central business district. This is where SFL designs and develops premium office properties reflecting the image of their tenant companies, in the capital's most beautiful neighbourhoods.

Architecture

Architecture is the creative force that addresses all the issues involved in transforming a building and melds them into a harmonious blend of design, light, flexibility, urban footprint and technical and environmental performance. At SFL, beauty is the basic building block of every project to deliver offices of unparalleled quality and appearance. SFL works with renowned partners in all its transformation projects.

Prime assets

SFL consistently demonstrates the same discipline and bold spirit when choosing which buildings to acquire in central Paris and determining the scope of their transformation. It is deeply committed to creating innovative offices featuring outstanding amenities on the leading edge of the latest trends reshaping the commercial real estate experience.

Sustainability

A successful office building is one that resonates in perfect harmony with its environment, its neighbourhood, its city and the aspirations of the people who work there every day. Since its creation, SFL has pursued ambitious goals for office use, environmental innovation, space allocation and energy performance, always well ahead of its regulatory obligations.

...for offices that...

<p>+</p> <p>... ARE WELL CONNECTED, IN THE HEART OF PARIS</p> <p>Located in Paris, SFL's properties offer companies an unparalleled working environment. This central location in mixed-use neighbourhoods with numerous amenities, close to public transport, is a top priority for our clients who have chosen a base in prestigious business districts.</p>	<p>+</p> <p>... PROVIDE FLEXIBILITY</p> <p>At SFL, we're always one step ahead when it comes to helping companies adapt their offices to their business needs. Our floor plates offer unrivalled technical characteristics, giving companies the freedom to configure their offices as they see fit. Our office units are spacious, open, adaptable, bright and innovative and accommodate all working styles and habits.</p>	<p>+</p> <p>... ARE VIRTUOUS AND INNOVATIVE</p> <p>SFL uses innovative design and technical approaches to reduce its environmental footprint at every level, including biophilic design, green spaces within the building, urban cooling, energy-efficient facilities and optimised management, certified renovation projects and an ambitious policy to reduce carbon emissions. SFL is the first property company to have all of its revenue-generating properties certified BREEAM IN-USE.</p>	<p>+</p> <p>... ENCOURAGE INTERACTION</p> <p>Working together, talking to one another, seeing one another... In just a few years, social interaction has become the main reason employees come to the office. This is even truer today! From the high-end business centre to more personal service platforms, collective intelligence and close relationships are at the heart of SFL's projects.</p>
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Conducted by Ifop for SFL, the annual Paris Workplace survey...

...tracks the latest changes and trends in the world of work, offering SFL invaluable insights into people's practices, expectations and aspirations.

Conducted in the midst of a health crisis, when the future of the office seemed uncertain, PWP 2021 offers a refreshing perspective and reaffirms that employees remain attached to their offices.

Washington Plaza

**Offices with impact,
that are good
for employees, society and
the environment**



Employees, particularly the younger generations, are increasingly sensitive to the quality of their work environment, including the immediate environment (quality of their offices and the neighbourhood), the surrounding natural environment (green spaces, landscaping, terraces, natural light, etc.) and their company's environmental impact (its social responsibility and environmental commitments and objectives).



Younger employees are willing to make personal sacrifices to demonstrate their commitment to CSR, and are more aware of environmental issues than they were 10 years ago.



Now more than ever, employees believe in the future of the office and its role as a place for connecting and interacting. For many, it has even become more of a place to socialize than to work. This feeling is even more pronounced among young people, who suffered from isolation during the lockdowns.



Against all expectations, the Covid-19 crisis has not altered the relationship between employees, their company and their co-workers. In fact, these relationships are closer than they were before the crisis. This is especially the case for young people, who are the happiest to have returned to normal working conditions.

“

**USES, DESTINATIONS,
MOTIVATIONS - EVERYTHING
ABOUT OFFICES WAS DEEPLY
CHALLENGED THIS YEAR.
PWP 2021 OFFERS,
AS EVERY YEAR, MAJOR INSIGHTS
INTO THE VALUE OF A CORPORATE
COMMUNITY AND THE ENTIRE
OFFICE-CENTRIC ECOSYSTEM...**



...This year, these insights revealed just how much employees feel attached to their office, office life, their co-workers and their neighbourhood. There is a very strong aspiration to work in central locations with pleasant, liveable neighbourhoods and a multitude of amenities. The health crisis has actually heightened employee sensitivity to their work environments. More than ever, companies and their employees want to work in desirable offices. This demonstrates that our strategy is and remains the right one. Our model, based on value creation and premium amenities, is precisely what people are looking for.”

→ **DIMITRI BOULTE,**
Managing Director,
Chief Operating Officer



83 Marceau

1
8

83 MARCEAU

A beautiful gem just minutes from Place de l'Étoile

With its interior garden, panoramic view of the Arc de Triomphe, which makes it one of the capital's most beautiful rooftops, and its wide, seamless workspaces, 83 Marceau is reinventing what it means to be a prime office building.

Dominique Perrault's architectural remodelling offers a contemporary reading of this iconic Parisian building, delivered in July 2021 after two years of redevelopment. It is now the most successful example of a new generation of upscale, amenity-centric corporate head offices.

ENVIRONMENTAL PERFORMANCE:

BREEAM Construction "Excellent"

HQE "Exceptional"

LEED "Gold"

BBC Effinergie Rénovation

Ready 2 Services

CHANGES IN CAPITAL STRUCTURE AND PARTNERSHIPS

Renewed confidence in SFL

Creation of four new joint ventures

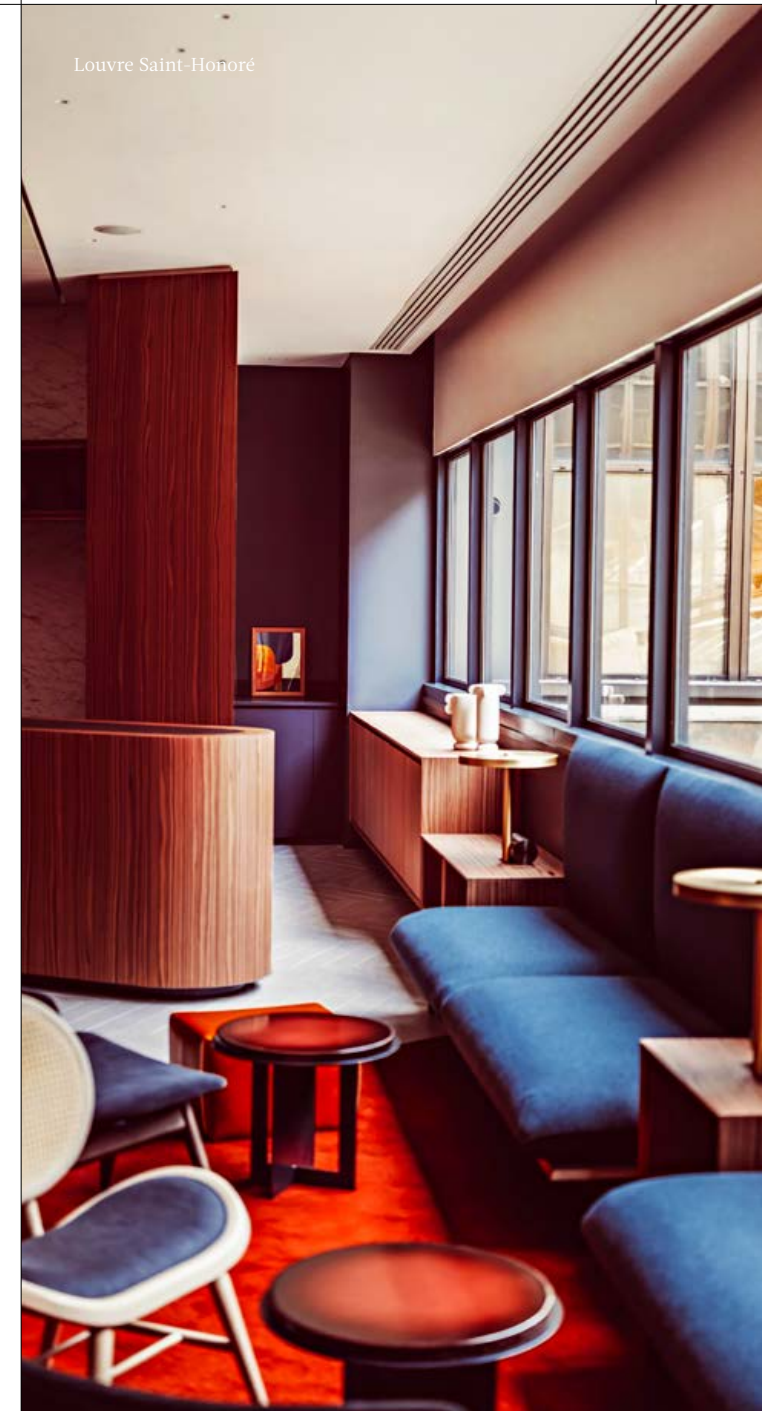
51% OWNED BY SFL AND 49% BY PREDICA

In 2021, SFL carried out two major transactions that changed its ownership structure without affecting its consolidated property portfolio. Colonial now owns 98% of SFL's issued capital and Predica, SFL's longstanding partner, renewed its relationship by transferring its stake in SFL to four new joint ventures.

Colonial acquired Predica's shares and launched a simplified cash and paper offer for the remaining 5% of SFL it did not already own (3% of outstanding shares were tendered to the offer). Colonial, a trusted partner, now owns 98% of SFL's issued capital.

At the same time, SFL bought back and cancelled a portion of its shares previously held by Predica and acquired all of Predica's shares in the companies that own its Washington Plaza, 106 Haussmann, Galerie des Champs-Élysées and 90 Champs-Élysées properties. The change in ownership structure in no way diminishes Predica's involvement and lasting confidence in SFL, because it immediately reinvested the proceeds from the sale of its original investment in minority stakes in the four companies that own the #cloud.paris, Cézanne Saint-Honoré, 92 Champs-Élysées and 103 Grenelle buildings. The equity transfer has consolidated SFL's large strategic assets, in each of which it now owns a 51% interest.

Louvre Saint-Honoré



CSR, a daily commitment

At SFL, energy performance is an ingrained conviction, deeply rooted in our DNA. Since 2011, it has been expressed in commitments and real-world objectives, in both the design and the operation of our assets.

20

Biodiversity, the foundation of urban balance

In line with the City of Paris' environmental policy, SFL recognises human beings' primordial relationship with nature. All of its properties feature a significant proportion of green space, such as landscaped grounds, terraces, balconies and living walls. Located inside the building complexes, these opportunities to reconnect with nature reflect an awareness of climate risks, while preserving urban biodiversity and improving everyone's work environment.

Central locations, a leading rampart against environmental pollution

Choosing strategic locations in the centre of Paris, within five minutes of public transport, significantly reduces the incentive for employees to commute by car. This attachment to central locations is encouraging us to transform our buildings to increase density, as well as energy efficiency, by concentrating more activity on each site, with more diverse spaces and on-site amenities. Office location is the number one concern of our tenants.

Architecture & design for assets that look as good as they are functional

Architecture and design are both the sum total expression and the creative force of everything that a building can offer in terms of sustainability, multi-use capabilities, energy performance, quality of worklife, natural light, and of course biodiversity and central location. By addressing all of today's issues, they play a key role in improving the environmental performance of office properties, both in SFL's portfolio and in the city of Paris as a whole.



Biome

The Biome asset offers a stunning demonstration of biodiversity in an urban setting, with a 6,300 sq.m. tree-filled plot, 2,500 sq.m. of green spaces, more than 70 regional plant species, zero pesticides in the in-use phase and natural light on all floors. What's more, its landscaped grounds blend harmoniously into the neighbourhood, while advancing the Paris municipality's goal of adding 100 ha of vegetation to city roofs and walls.



Washington Plaza

Located just off the Champs-Élysées, the upscale Washington Plaza business complex is the flagship of our CSR strategy and action plan. The property offers the broadest array of amenities in the SFL portfolio. Its unusually vast amount of space makes it an ideal laboratory to test new environmental concepts and solutions.

CSR achievements

First

PROPERTY COMPANY TO EARN BREEAM IN-USE CERTIFICATION FOR EVERY ASSET

SINCE 2014

GRESB "GREEN STAR" LABEL

92/100

2021 GRESB SCORE

EPRA sBPR GOLD AWARD



83 Marceau

83 Marceau's outstanding location, just minutes from the Arc de Triomphe, and its ambitious redevelopment have transformed it into a one-of-a-kind building with 25% more volume, after densifying and optimising floor space, and three parking levels (1,700 sq.m.) converted into parks, common areas and services using landscaping techniques.

21

Energy performance, a powerful improvement driver



CSR policy: new 2030 targets

Revitalise and reinvent the city

- Urban footprint
- Location & accessibility
- Building resilience

Project ourselves into a low-carbon future

- Low-carbon strategy
- Circular economy

Offer our users comfortable, flexible, convivial working environments

- Convenience & amenities
- Certifications & labels
- Tenant relations & satisfaction

Encourage engagement by our employees and partners

- Employer appeal, skills development & diversity
- Health, safety & quality of worklife
- Ethics in the value chain

Ambitious CARBON and ENERGY targets

70—%
REDUCTION IN CO₂
EMISSIONS

(kgCO₂e/m) between 2017 and 2030, without relying on any offsets. This is higher than the 31% reduction targeted for the 2017-2021 period and in line with the SBTi¹ goal of a 50% reduction by 2030.

40—%
REDUCTION
IN ENERGY USE

(kWh/sq.m.) between 2017 and 2030, under the SFL 2021-2027 Energy Plan (compared to a 15% reduction over the 2017-2021 period).

Zero
FINAL WASTE BY 2030

Only 0.2% of waste was landfilled or permanently stored in 2021.

¹ Science Based Targets initiative (SBTi)



For SFL, energy performance and efficiency are much more than just an objective on the horizon. They represent a deep conviction, a necessity and a responsibility that we have embraced for more than ten years. Our experience and technical proficiency in these issues have enabled us to deliver compelling outcomes. Important levers for future progress include optimising building management systems and further improving tenant information concerning tracked indicators.



Éric Oudard,
Technical and Development Director



Galerie Champs-Élysées

The heat pump system has had a particularly positive impact on energy consumption and budget, down 36% and 33%, respectively between November 2020 and September 2021.



#cloud.paris

The energy performance contract implemented in April 2019 led to a reduction in energy consumption of approximately 12% by the end of 2021.



Rives de Seine

Currently under redevelopment, the property's exterior design plays around with natural light and angles to achieve the best possible balance between light and heat.

Joining SFL's commitment to climate and energy issues...

...suppliers, tenants and municipal players are all stakeholders in the energy transition of buildings. They are deeply involved in shaping the architectural and environmental identity of Paris.



2
4

Projects co-designed with the City of Paris

Every SFL project is a unique creation sculpted by the experience and expertise of each of its stakeholders. The City of Paris and the French State – be it urban planning departments, Bâtiments de France architects, experts, city hall and local councils – all contribute to these projects in a fundamental way. SFL maintains close, constructive dialogue with these representatives, which gave way to a fresh dynamic of co-construction and active collaboration in 2021. For its Rives de Seine project, SFL organised an architectural design competition and asked municipal representatives to sit on the panel of judges. This new approach has aligned the project more seamlessly with actual operating conditions, with a clear vision of land use, mixed-use development and biodiversity issues, and a better understanding of how to mitigate the impact of global warming in an urban environment. The Rives de Seine project embraces the commitments and

programme objectives of the City of Paris Building Charter, a forerunner of the capital's new bioclimate PLU urban planning scheme that will come into effect soon.

Getting SUPPLIERS involved

SFL integrates its CSR principles and commitments into every procurement process. It supports suppliers in meeting their objectives and manages their registration with the e-Attestation employer reporting system. In this way, SFL can track their compliance with certain ethical criteria, such as compliance with the French Labour Code and procedures to prevent undeclared work. SFL also sets high standards for its partners in the area of waste recovery and reuse, in line with its own performance targets. Today, 99% of waste on large work sites is recovered and upcycled, and 86% on smaller sites, where new programmes are being developed to drive further improvement.

Making TENANTS energy transition enablers

In launching its 2021-2027 action plan, SFL set ambitious targets for reducing carbon emissions and energy use. The plan tracks clearly defined indicators and target pathways (one per building) by collecting and analysing a growing amount of increasingly granular data. Tenants are actively involved in this process through a series of practical workshops to train them in the necessary digital applications and data collection and processing methodologies. Throughout, the goal is to steadily widen the scope of reporting. This approach has been facilitated by the regulatory framework, which recently specified the methods for applying France's commercial real estate energy savings decree. For SFL, fostering a relationship of trust with tenants and keeping them informed of practical ways to reduce emissions and energy use are powerful levers for driving progress, as well as an inspiring illustration of the environmentally friendly values we all share.

100—%
OF REVENUE-GENERATING PROPERTIES CERTIFIED TO THE BREEAM IN-USE INTERNATIONAL STANDARD

Emmaus/LADAPT

SFL's social responsibility commitment is expressed in a variety of results-oriented initiatives such as:
- supporting, since 2012, LADAPT, a non-profit association dedicated to bringing disabled people into the workforce that educates, trains and finds jobs for more than 18,000 people every year;
- donating, for a period of 18 months, premises in the Galerie des Champs-Élysées to the Emmaus charitable association. When they open in March 2022, the premises will be used to offer French language courses.



Diligently managing building performance during a pandemic

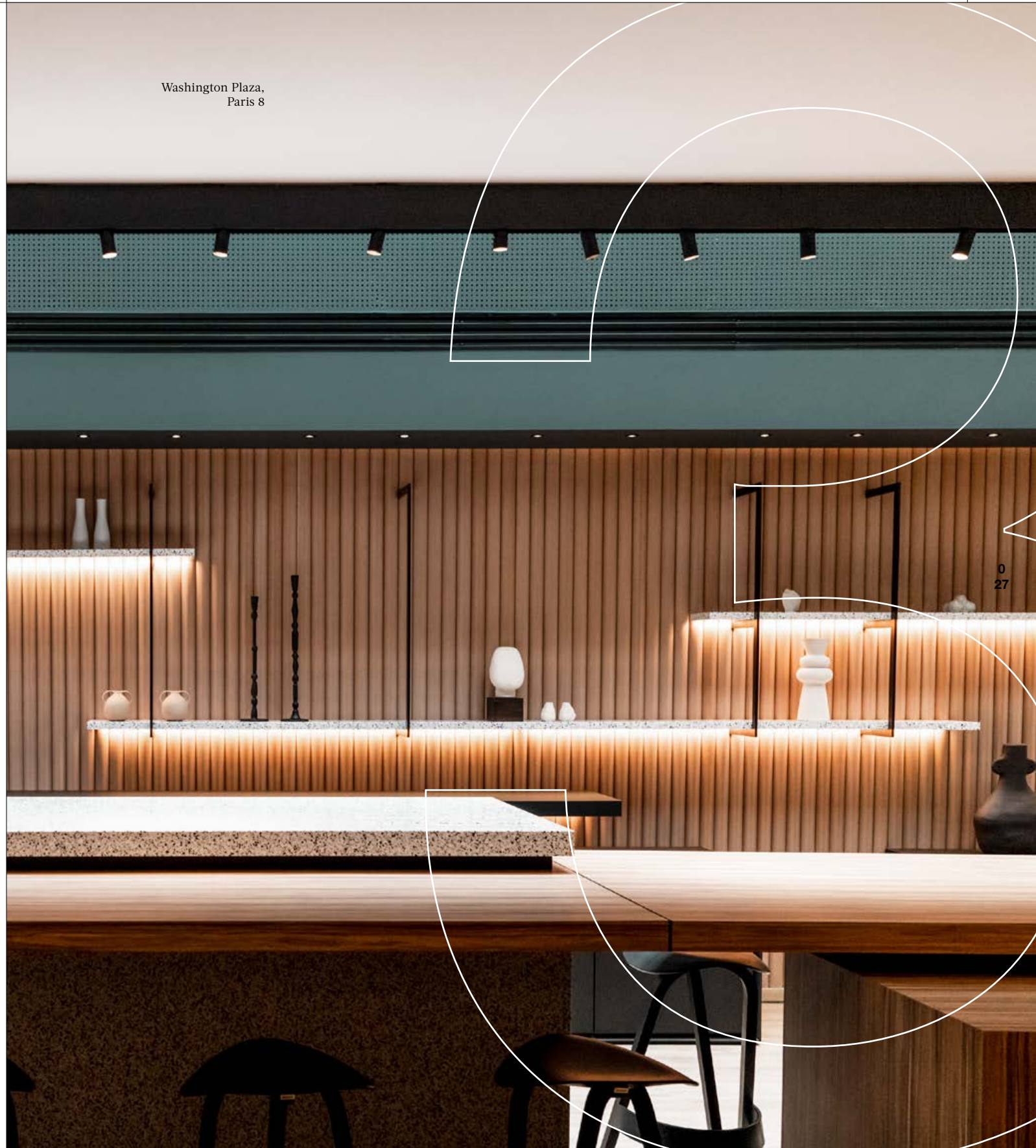
In 2021, SFL updated its building operating models to reflect the irregular office use during lockdowns and other health-related restrictions. Procedures to manage energy use, air change rates through the ventilation system, opening hours and food services were thoroughly revamped. The update was also an opportunity for SFL to test new methods to improve the quality of service/energy use ratio.

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5

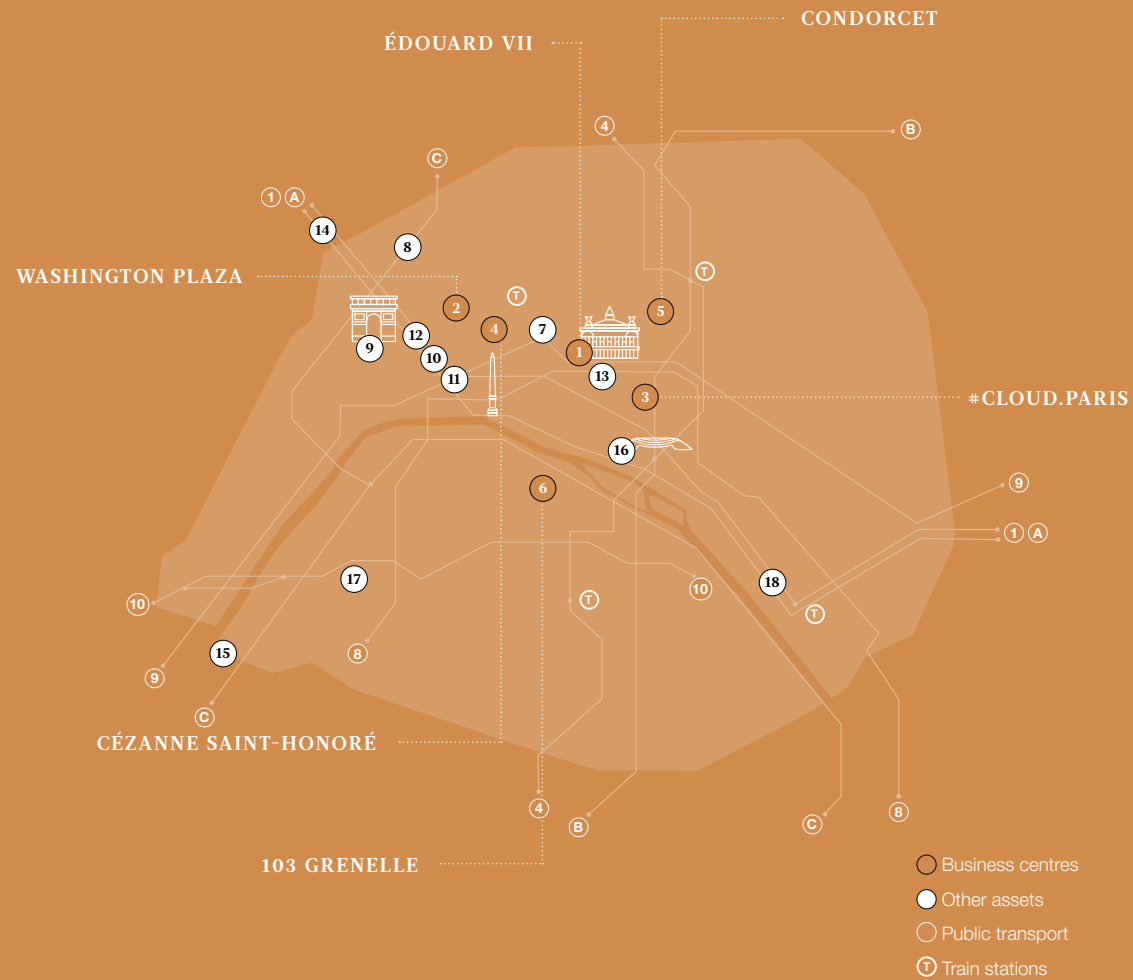
PORTFOLIO

← WITH AN ESTIMATED €7.6 BILLION IN ASSETS, CONCENTRATED IN PARIS, SFL SETS THE BENCHMARK IN THE CITY'S PRIME COMMERCIAL PROPERTY MARKET.

Washington Plaza,
Paris 8



Business Centres



SFL'S BUSINESS CENTRES ARE FULLY FLEDGED LIVING ENVIRONMENTS DEDICATED TO ENHANCING THE PERFORMANCE OF THEIR TENANTS. THEY HAVE REINVENTED THE USER EXPERIENCE AND OFFICE ART DE VIVRE, IN RESONANCE WITH THE EXPECTATIONS OF COMPANIES THAT RANK WORKPLACE WELL-BEING AS A KEY SELECTION CRITERION.

1

16-30, boulevard des Capucines
75009 Paris

ÉDOUARD VII

Year of acquisition: 1999
Main tenants:
Ashurst, Boulanger,
Comgest, Klépierre, Netflix,
and L'Olympia
Surface area: 54,100 sq.m.
Certification:
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 conducted to support the business centre's move upmarket.





2



38-44 rue Washington
75008 Paris

WASHINGTON PLAZA

Year of acquisition:
2000

Main tenants:
Advancy, Candriam,
Finastra, Liberty Speciality
Markets, Mylan
and TP ICAP Europe

Surface area:
48,200 sq.m.

Certification:
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.

The business centre
features a suite
of high-quality tenant
amenities, including
a restaurant, concierge
services, a fitness centre,
flexible meeting rooms,
an auditorium
and break rooms.

3



81-83, rue de Richelieu,
75002 Paris

#CLOUD.PARIS

Year of acquisition: 2004

Main tenants:
BlaBlaCar, Coty, Exane
and Facebook

Surface area: 35,000 sq.m.

Certifications:
BREEAM In-Use

#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



1-6, rue Paul Cézanne,
75008 Paris

CÉZANNE SAINT-HONORÉ

Years of acquisition:
2001 and 2007

Main tenants:
Apax Partners, Essilor
Luxottica, LEK, Lincoln, LRT,
Quartus, Sumitomo Mitsui
Banking and Wendel

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. The property features a tenant 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



4-8, rue Condorcet,
75009 Paris

CONDORCET

Year of acquisition: 2014

Tenant: GrDF

Surface area: 24,900 sq.m.

Certification:
BREEAM In-Use

Composed of seven buildings dating from the late 19th 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.



6



103, rue de Grenelle,
75007 Paris

103 GRENELLE

Year of acquisition: 2006

Main tenants:
ADP, Amiral Gestion,
Capzantine, Edouard Denis,
Huawei and Molotov TV

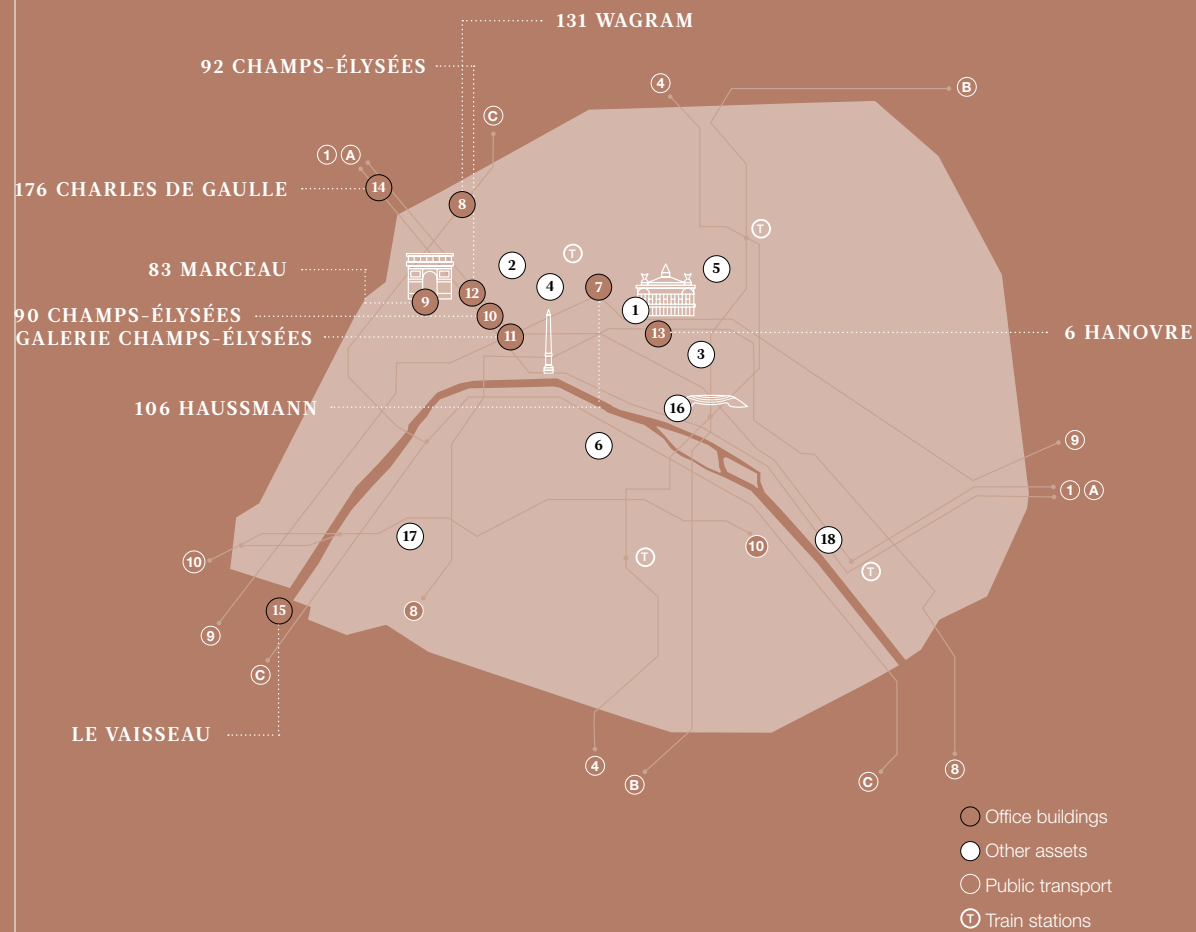
Surface area: 18,900 sq.m.

Certifications:
BREEAM In-Use

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



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.

7

104-110, boulevard Haussmann, 75008 Paris

106 HAUSSMANN

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 patio 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. Inaugurated in January 2021, the entire complex has been let to WeWork, the world leader in shared workspaces.



8

131, avenue de Wagram, 75017 Paris

131 WAGRAM

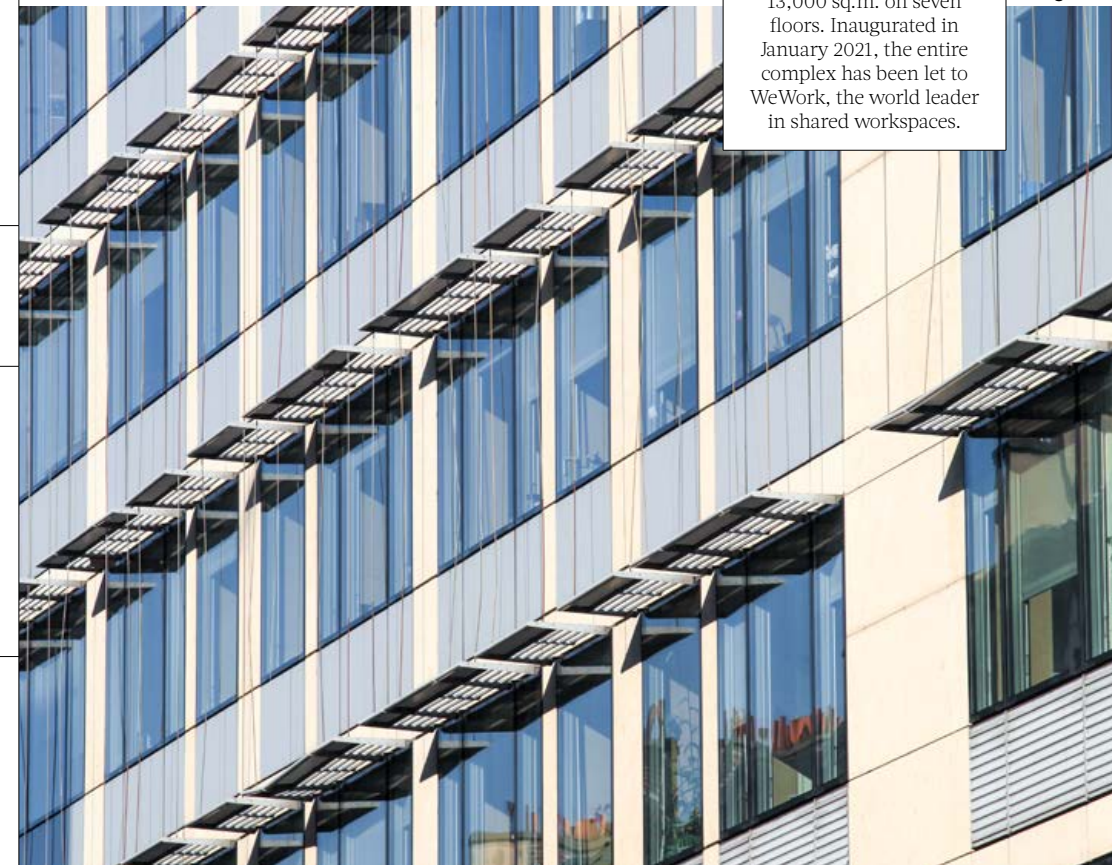
Year of acquisition: 1999

Tenants: CBRE and 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.



9



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

83 MARCEAU

Years of acquisition:
2001 and 2007

Tenant: Goldman Sachs

Surface area: 9,600 sq.m.

Certifications:
BREEAM Construction, HQE®,
LEED®, BBC, Ready 2 Services

With an exceptional location at the foot of the Arc de Triomphe, this six-storey property features an interior courtyard and terraces offering breathtaking views of the monument, the Eiffel Tower and the entire city. The site's uniqueness is augmented by three street-facing façades, affording it a rare degree of visibility.

The building has been transformed top-to-bottom with highly flexible, efficient 1,200 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. Entirely pre-let to Goldman Sachs, the complex was delivered in third-quarter 2021.



10



90, avenue
des Champs-Élysées,
75008 Paris

90 CHAMPS-ÉLYSÉES

Years of acquisition:
2002 and 2009

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

Surface area: 8,900 sq.m.

Certification:
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.



11



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

GALERIE CHAMPS-ÉLYSÉES

Year of acquisition: 2002

Tenants: Häagen-Dazs,
L'Occitane, 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 and 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.



12

92, avenue
des Champs-Élysées,
75008 Paris

92 CHAMPS-ÉLYSÉES

Year of acquisition: 2000
Main tenants:
PSG, WeWork and Zara
Surface area: 7,700 sq.m.
Certifications:
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.



3
8

14

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

176 CHARLES DE GAULLE

Year of acquisition: 2000
Main tenants:
Berkshire, FHB, Greystar
and Manpower
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 recently had its lobby and common areas entirely transformed. It features stylishly sleek, fully renovated office floor plates bathed in natural light, which now look out over new landscaped gardens. It also offers a large retail space on the ground floor and excellent transport links.



13

6, rue de Hanovre,
75002 Paris

6 HANOVRE

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.



15

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

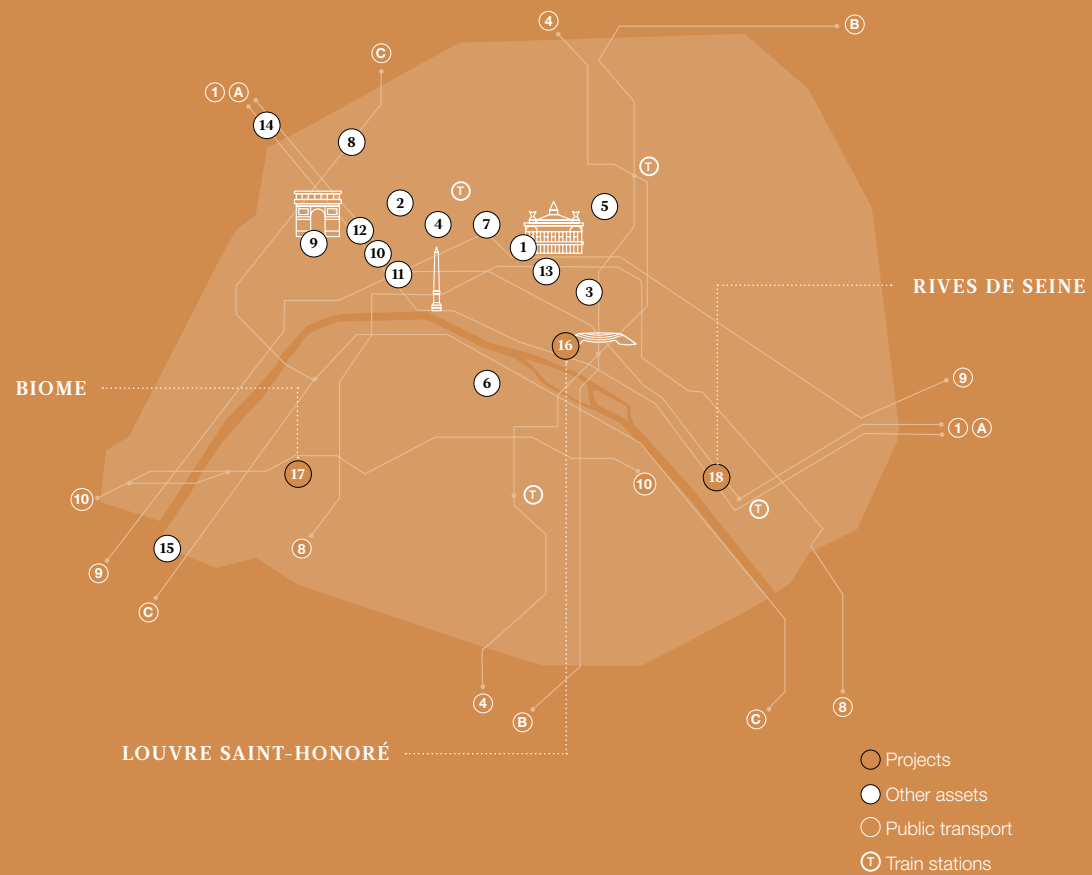
LE VAISSEAU

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.

3
9

Projects



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

16

2, place du Palais-Royal,
75001 Paris

LOUVRE SAINT-HONORÉ

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 an exceptional location looking onto the Louvre museum. 20,000 sq.m. in retail space on the first underground level, ground floor and first floor is currently being fully renovated to provide a new home for the Cartier Foundation for Contemporary Art. Delivery is scheduled for end-2023.



17



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

BIOME

Year of acquisition: 2017
Surface area: 24,500 sq.m.
Certifications being sought:
BREEAM, HQE[®], LEED[®],
BBCA

Biome enjoys a prized location in the 15th 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 is now being completely redeveloped to create a major new business centre in the west of the capital. Delivery is scheduled for third-quarter 2022.



18



68-74 quai de la Râpée
75012 Paris

RIVES DE SEINE

Year of acquisition: 2004
Tenant: Natixis
Surface area: 22,700 sq.m.
Certification:
BREEAM In-Use

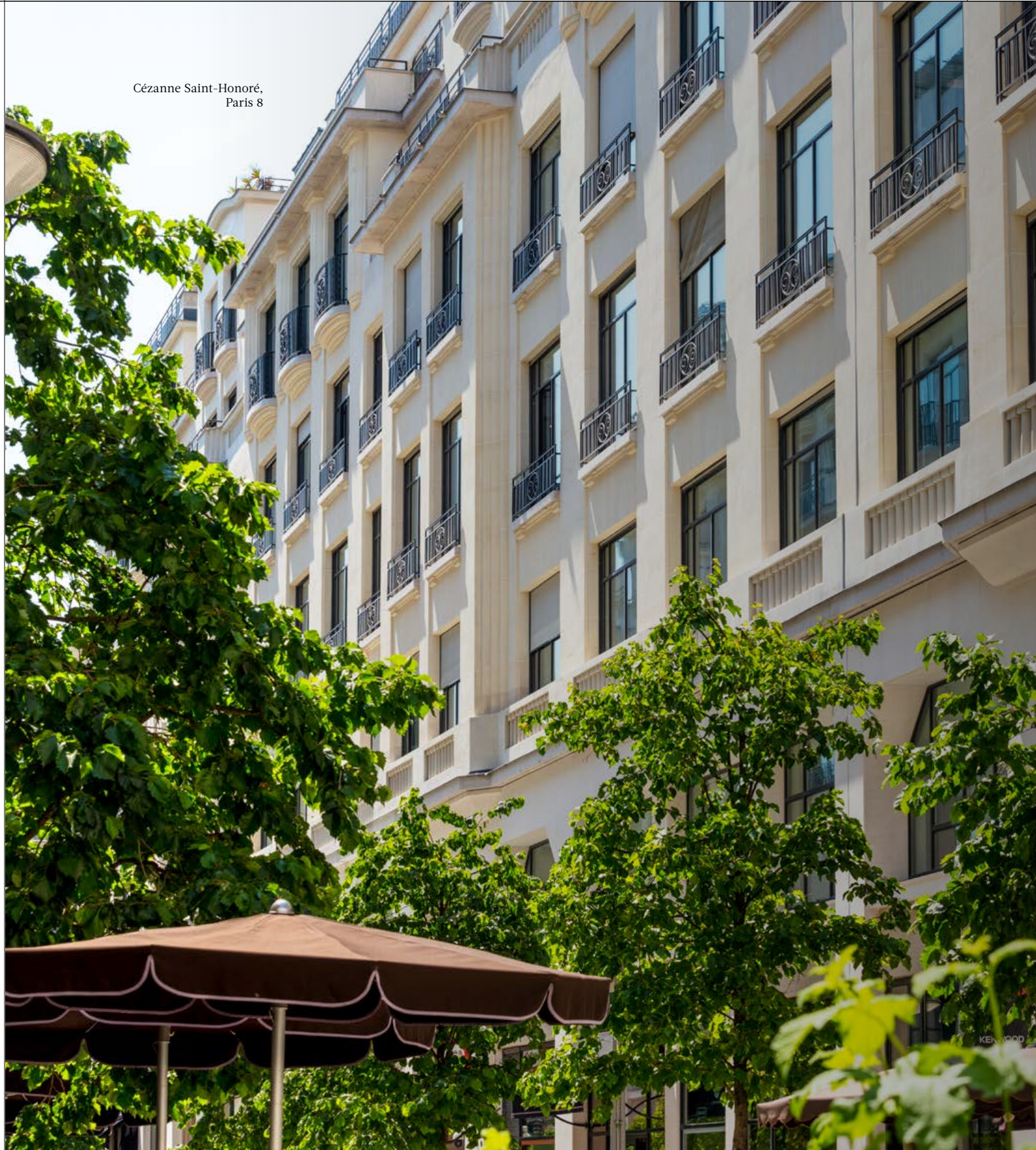
Located on the banks of the Seine close to the Gare de Lyon train station and public transit hub, Rives de Seine was built in 1974 and renovated in 2000. The 16-storey building offers remarkable panoramic views over the Seine and excellent transport links. Redevelopment work is expected to start in late 2022 once the property is fully vacated.



PER FOR MAN CE

← | ROBUST BUSINESS INDICATORS

Cézanne Saint-Honoré,
Paris 8



Lettings

IN 2021, THE PARIS COMMERCIAL PROPERTY RENTAL MARKET TURNED SOLIDLY UPWARDS AFTER FLAT-LINING THE FIRST FOUR MONTHS, TO END THE YEAR WITH LEASES SIGNED ON 1.8 MILLION SQ.M., UP 32% ON 2020 BUT STILL 19% BELOW THE TEN-YEAR AVERAGE.

In addition, the prime segment further demonstrated the defensive flight to quality in a time of crisis, with still high occupancy rates and stable to rising rents. Naturally, the situation was much less favourable for assets that were previously let or located in less central districts like La Défense.

As a result, the stock of available office space in the Greater Paris area continued to climb, with the vacancy rate rising to 7.4% at 31 December 2021 from 6.3% a year earlier. Supply remained relatively scarce in the Paris central business district, however, with a still low vacancy rate.

Against this backdrop, SFL performed exceptionally well during the year, signing leases on 57,000 sq.m., representing total annual rental income of approximately €47 million (average nominal rent of €768/sq.m. and an average firm office lease maturity of 7.2 years). The main new leases concerned:

- Cézanne Saint-Honoré, which was 90% (8,600 sq.m.) pre-let through three leases with an average nominal rent of €870/sq.m. and an average firm lease term of 10.5 years;
- #cloud.paris, where the space leased to Facebook was rolled over and extended to cover a total of 13,700 sq.m. for a non-cancellable seven-year term;
- Washington Plaza, where Puig signed a non-cancellable six-year lease on 3,700 sq.m. of space in addition to the 12,000 sq.m. already let under five leases in the same building;
- Edouard VII, with nearly 9,000 sq.m. let under three leases;
- 92 Champs-Élysées, with the former Morgan store leased to the Paris Saint-Germain football club.

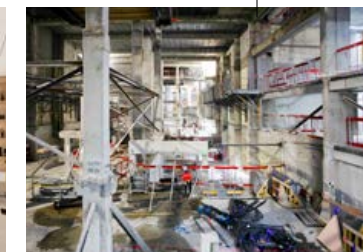
Another operating performance indicator is the physical occupancy rate, which rose to 98.0% at 31 December 2021 from 93.7% a year earlier. In other words, the revenue-generating properties were almost fully let at year-end.

98.0 — %
PHYSICAL OCCUPANCY RATE

1.7 — %
EPRA VACANCY RATE

Development

PROPERTIES UNDERGOING DEVELOPMENT REPRESENTED ROUGHLY 20% OF THE TOTAL PORTFOLIO AT 31 DECEMBER 2021.



The three main projects concern:

- The Cézanne Saint-Honoré building, where one of the two buildings (approximately 10,000 sq.m.) is being renovated and a rooftop terrace is being created. Delivery is scheduled for mid-2022 and at 31 December 2021 the building was 90% pre-let at an average rent of €870/sq.m.
- The Biome office complex on avenue Emile Zola (approximately 24,000 sq.m.). Redevelopment work continued at a brisk pace in 2021 and the complex is scheduled to be delivered in the third quarter of 2022.
- The retail space in the Louvre Saint-Honoré building (approximately 20,000 sq.m.). The space to be redeveloped

has been cleared and work has begun. All of the 20,000 sq.m. have been pre-let to the Fondation Cartier and should be delivered by the end of 2023.

In addition, refurbishment work was carried out on various units that became vacant as tenants rotated, in Washington Plaza and Édouard VII.

The 83 Marceau building was delivered as planned in the second half of 2021 and is fully let.

Capitalised work carried out in 2021 amounted to €150 million.

Portfolio Management

AT A TOTAL OF €14.7 BILLION, DEAL VOLUME IN THE GREATER PARIS COMMERCIAL PROPERTY INVESTMENT MARKET FELL SHARPLY FOR THE SECOND YEAR IN A ROW IN 2021, LOSING 25% YEAR-ON-YEAR AFTER PLUNGING 33% IN 2020. HOWEVER, INVESTORS REMAINED VERY ACTIVE IN CORE AND CORE+ ASSETS, WHICH FED THROUGH TO A FURTHER NARROWING IN THEIR YIELDS.

Most investors were French (65%) and showed a clear preference for offices (85%) and industrial properties rather than retail assets.

In this environment, SFL kept a careful watch on the market, but was unable to complete any new acquisitions during the year.

On the other hand, it successfully completed the sale of the 9 Percier and 112 Wagram buildings following two investor search initiatives undertaken after the Board of Directors approved the disposal on 30 September 2020.

112 Wagram was sold on 13 January 2021 for a net price of €120.5 million, or 17.2% more than the appraisal value at 31 December 2019.

9 Percier was sold on 17 February 2021 for a net price of €143.5 million, or 16.5% more than the appraisal value at 31 December 2019.

The success of these two property disposals in a troubled market, where investors are particularly demanding, is further evidence of the quality and liquidity of SFL's assets.

Rental Income

RENTAL INCOME AMOUNTED TO €174.6 MILLION IN 2021 VERSUS €182.4 MILLION THE PREVIOUS YEAR, A DECLINE OF €7.8 MILLION (OR 4.3%) AS REPORTED.

On a like-for-like basis (excluding all changes in the portfolio affecting period-on-period comparisons), rental income was €4.6 million higher, a 3.0% increase that was primarily attributable to the improved occupancy rate for revenue-generating units. The main contributors to the increase were the Washington Plaza, 106 Haussmann, Rives de Seine and Édouard VII properties.

Rental income from units being redeveloped or renovated in the periods concerned was down by €6.3 million, due to the renovation of several floors vacated in late 2020, mainly in the Cézanne Saint-Honoré and Washington Plaza buildings. Conversely, the 83 Marceau building contributed to rental income for the first time, following its delivery in the second half of 2021 after two years of restructuring. This property is fully let.

Finally, the early 2021 sale of the 112 Wagram and 9 Percier buildings led to a €6.1 million reduction in rental income.

€174.6 — m

IN CONSOLIDATED RENTAL INCOME

3.0 — %

GROWTH ON A COMPARABLE PORTFOLIO BASIS

Financial Performance

IN A MARKET ENVIRONMENT IMPACTED BY THE HEALTH CRISIS FOR THE SECOND YEAR IN A ROW, RENTAL INCOME AND EPRA EARNINGS DECLINED IN 2021, BUT REMAINED HIGHLY ROBUST, ATTESTING TO THE FIRM RESILIENCE OF SFL'S STRATEGIC POSITIONING.

Consolidated rental income ended the year at €174.6 million, down €7.8 million (4.3%) as reported from €182.4 million in 2020. The decrease was attributable to asset disposals and the units being redeveloped or renovated. On a like-for-like basis, rental income rose by 3% over the year.

Operating profit before disposal gains and losses and fair value adjustments to investment property came to €134.2 million versus €152.6 million in 2020. The portfolio's appraisal value at 31 December 2021 was 5.7% higher on a like-for-like basis than at 31 December 2020. The increase led to the recognition of positive

fair value adjustments to investment property of €255.2 million in 2021 compared with positive adjustments of €176.5 million in 2020.

Net finance costs contracted by €4.1 million to €30.2 million in 2021, from €34.3 million in 2020. Of the total decrease, €2.5 million concerned non-recurring costs and the other €1.6 million concerned recurring costs, reflecting the positive impact of the reduction in debt and its average cost.

EPRA earnings stood at €92.4 million in 2021, versus €100.8 million the previous year. EPRA earnings per share amounted to €2.05 in 2021 versus €2.17 the previous year, a controlled decrease of 5.2%.

Attributable net profit for the year amounted to €292.0 million, versus €286.9 million in 2020.

EPRA EARNINGS (in € millions)

	2021		2020	
	EPRA	Non-recurring	EPRA	Non-recurring
Rental income	174.6	0	182.4	0
Property expenses, net of recoveries	(8.5)	(0.2)	(8.3)	0
Net property rentals	166.1	(0.2)	174.1	0
Service and other revenues	4.1	0	4.3	0
Depreciation, amortisation and impairment	(3.0)	0	(2.6)	0
Employee benefits expense and other expenses	(22.9)	(9.8)	(23.2)	0
Operating profit (before disposals and fair value adjustments)	144.3	(10.1)	152.6	0
Profit on asset disposals	0	0.1	0	0
Fair value adjustments to investment property	0	255.2	0	176.5
Finance costs and other financial income and expense	(27.7)	(2.6)	(29.3)	(5.0)
Income tax	(6.3)	9.0	(6.3)	7.9
Profit for the year	110.4	251.7	117.0	179.4
Non-controlling interests	(18.0)	(52.0)	(16.2)	6.7
Attributable profit	92.4	199.7	100.8	186.1
EPRA earnings per share	€2.05		€2.17	

€174.6 – m

IN RENTAL INCOME

€292.0 – m

ATTRIBUTABLE NET PROFIT

Debt and Financing

DURING THE YEAR, A NUMBER OF TRANSACTIONS WERE CARRIED OUT AS PART OF A PROACTIVE BALANCE SHEET MANAGEMENT STRATEGY, WITH A FOCUS ON IMPROVING THE COMPANY'S FINANCIAL LIQUIDITY, EXTENDING THE AVERAGE MATURITY OF ITS DEBT AND OPTIMISING ITS FUTURE AVERAGE BORROWING COSTS.

The outstanding 2014 1.875% bonds, which matured in November 2021, were redeemed for €250 million.

- The Parholding sub-group entities' mortgage loans due in July 2022 were repaid in advance for a total of €196 million.

- €500 million were raised through a 6.5-year bond issue due 21 April 2028. The 0.50% interest rate on the bonds represents a record low for SFL.

- A new €100 million five-year revolving line of credit was obtained from Banca Intesa Sanpaolo (Paris branch).

Net debt at 31 December 2021 amounted to €1,792 million versus €1,890 million at the previous year-end. The loan-to-value ratio is a very conservative 22.0%, leaving significant headroom for future investments. At that same date, the average cost of debt after hedging was 1.2% and the average maturity was 4.6 years. The interest coverage ratio (ICR) stood at 4.9x in 2021.

Lastly, at 31 December 2021, SFL had €1,140 million in undrawn lines of credit.

4.6 — years
AVERAGE MATURITY

22.0 — %
LOAN-TO-VALUE

1.2 — %
AVERAGE SPOT COST
(AFTER HEDGING)

BBB+ /A2
WITH A STABLE OUTLOOK

DEBT STRUCTURE (in € millions)

	31 Dec. 21	31 Dec. 20
Bonds	1,790	1,539
Bank loans	0	4
Mortgage loans	0	197
NEU CP	117	165
Total gross debt	1,907	1,905
Cash and cash equivalents	115	15
Net debt	1,792	1,890
Undrawn lines of credit	1,140	1,040
Property portfolio including transfer costs	8,138	7,946
Loan-to-value ratio	22.0%	23.8%
Interest cover ratio	4.9x	5.2x
Average maturity (years)	4.6	4.4
Average spot cost (after hedging)	1.2%	1.5%

Property Portfolio and NAV

THE CONSOLIDATED PORTFOLIO VALUE AT 31 DECEMBER 2021 WAS €7,606 MILLION, EXCLUDING TRANSFER COSTS. THE ESTIMATED REPLACEMENT VALUE, INCLUDING TRANSFER COSTS, WAS €8,138 MILLION.

The appraisal value rose by 5.7% year-on-year on a comparable portfolio basis and by 2% on a reported basis, due to the sale of two properties during the year.

The appraisal values of properties under development are very satisfactory, reflecting the quality of the construction work performed to date and the success of pre-marketing campaigns. Growth in the appraisal values of other revenue-generating assets was more subdued and the value of retail units continued to decline under the adverse impact of the health situation.

Note that the portfolio excluding non-controlling interests was impacted during the year by the asset swap with Predica in August 2021, which reduced the appraisal value excluding transfer costs by 1.5%, to €6,537 million at 31 December 2021 from €6,635 million a year earlier.

At 31 December 2021, EPRA Net Tangible Assets stood at €4,627 million. On a per share basis, EPRA NTA improved by 5.1% over the year to €107.9 and EPRA NDV by 3.3% to €102.1, after payment of a dividend of €2.10/share in April 2021.

€4.6 — bn
EPRA NTA

€7,606 — m
PORTFOLIO VALUE
EXCLUDING TRANSFER COSTS

€107.9 — share

NET ASSET VALUE (in € millions)

	31 Dec. 21	31 Dec. 20
Equity	4,387	4,647
Dilutive impact of treasury shares and stock options	2	3
Unrealised gains on properties	34	22
Unrealised gains on intangible assets	4	2
Elimination of financial instruments at fair value	(4)	0
Elimination of deferred taxes	211	109
Transfer costs	451	427
EPRA NRV (Net Reinstatement Value)	5,084	5,210
EPRA NRV/share	€118.6	€112.0
Elimination of intangible assets	(2)	(1)
Elimination of unrealised gains on intangible assets	(4)	(2)
Elimination of transfer costs*	(451)	(427)
EPRA NTA (Net Tangible Assets)	4,627	4,779
EPRA NTA/share	€107.9	€102.7
Intangible assets	2	1
Financial instruments at fair value	4	0
Fixed-rate debt at fair value	(47)	(76)
Deferred taxes	(211)	(109)
EPRA NDV (Net Disposal Value)	4,375	4,596
EPRA NDV/share	€102.1	€98.8
Number of shares (thousands)	42,865	46,529

* Transfer costs included at their amount as determined in accordance with IFRS (i.e., 0).

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, ARE SUMMARISED BELOW:

EPRA PERFORMANCE INDICATORS

	2021	2020
EPRA Earnings	€92.4m	€100.8m
/share	€2.05	€2.17
EPRA Cost Ratio (incl. vacancy costs)	16.2%	15.8%
EPRA Cost Ratio (excl. vacancy costs)	14.4%	14.0%
Average number of shares (thousands)	45,002	46,529
	31 Dec. 21	31 Dec. 20
EPRA NRV	€5,084m	€5,210m
/share	€118.6	€112.0
EPRA NTA*	€4,627m	€4,779m
/share	€107.9	€102.7
EPRA NDV	€4,375m	€4,596m
/share	€102.1	€98.8
EPRA Net Initial Yield	2.5%	2.7%
EPRA Topped-Up Net Initial Yield	2.9%	2.9%
EPRA Vacancy Rate	1.7%	6.0%
Number of shares (thousands)	42,865	46,529

* Transfer costs included at their amount as determined in accordance with IFRS (i.e., 0).

1.7 —%
EPRA
VACANCY RATE

€102.1
EPRA NDV/SHARE



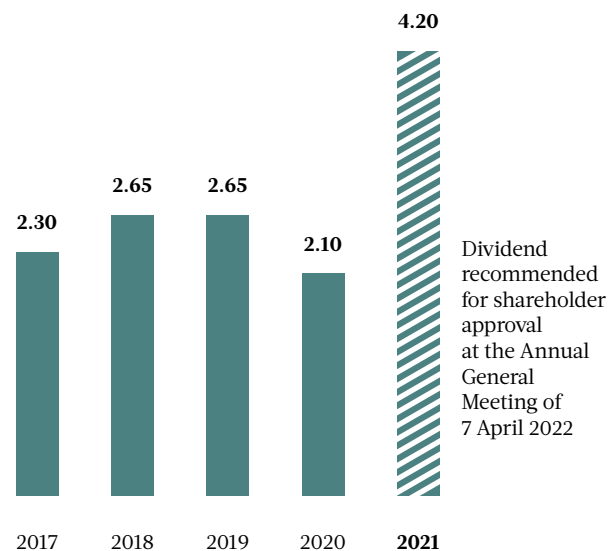
SFL ownership structure

IN 2021, COLONIAL - SFL'S MAJORITY SHAREHOLDER - LAUNCHED A TWO-STEP TRANSACTION:

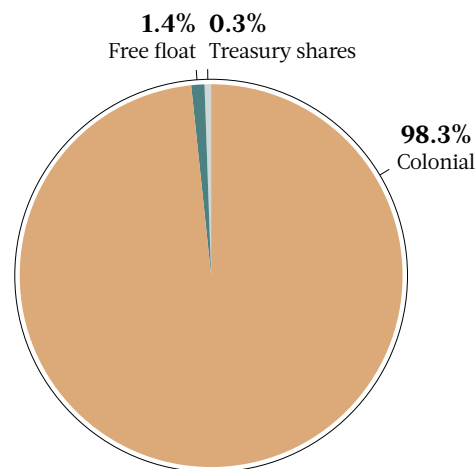
- A public cash and paper offer for the SFL shares not already held by Colonial and Predica, with €46.66 in cash and 5 Colonial shares offered for each SFL share. by Predica were exchanged for Colonial shares on the basis of 9.66 Colonial shares for one SFL share. In July 2021, SFL's Board of Directors recommended that shareholders support these transactions, which were finalised in August 2021.
- Restructuring of the partnership between SFL and Predica, involving the buyout by SFL of Predica's interests in the Washington Plaza, 106 Haussmann, 90 Champs Élysées and Galerie des Champs Élysées buildings, and the buyback and cancellation of 3.66 million SFL shares held by Predica, in exchange for Predica's acquisition of a 49% interest in the #cloud.paris, Cézanne-Saint Honoré, 92 Champs-Élysées and 103 Grenelle buildings. The remaining SFL shares held

They led to a reduction in the number of outstanding SFL shares from 46,528,974 to 42,864,715 and an increase in Colonial's interest in SFL's capital and voting rights to 98.33%.

DIVIDEND PER SHARE (€ per share)



SFL OWNERSHIP STRUCTURE at 31 December 2021

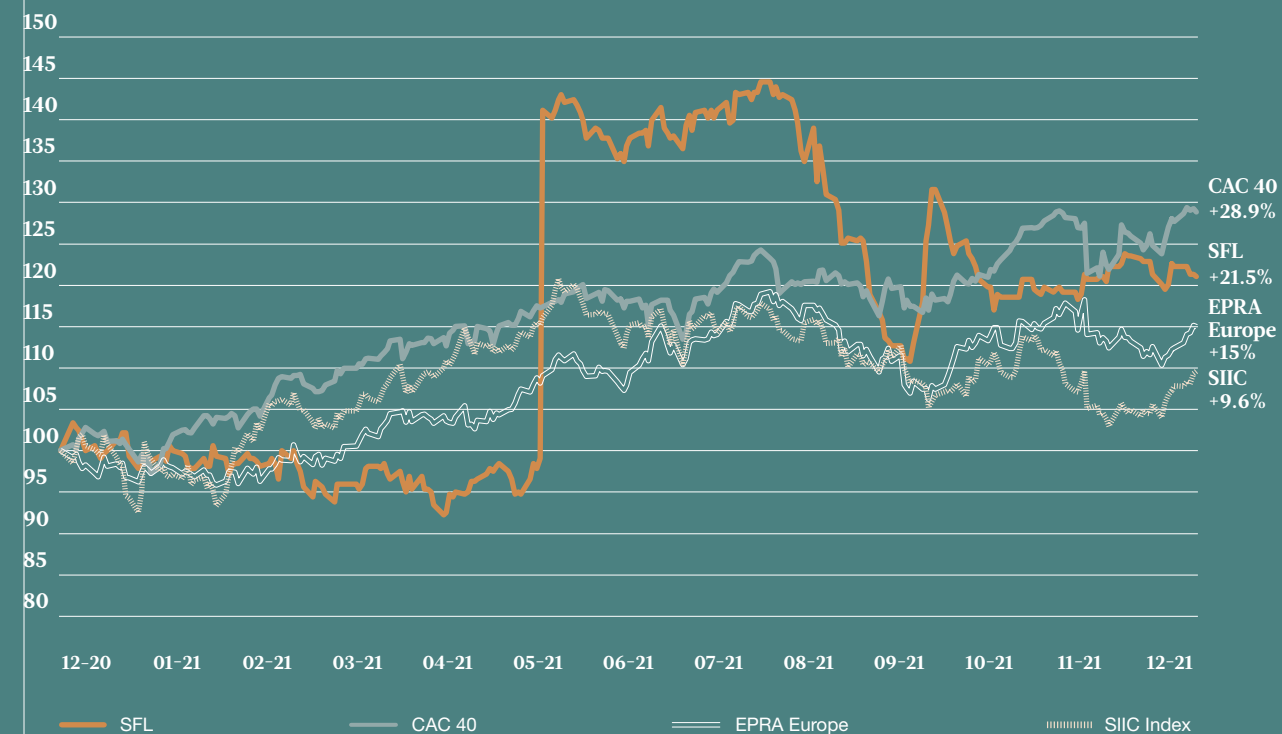


Stock market performance

In an unprecedented market environment, the SFL share ended the year at €78.20, representing a gain of 21.05% on the 2020 closing price of €64.60 (25.18% with reinvested dividends), with a high of €93.60 reached on 16 August. Over the same period, the EPRA Europe index was down 15.1% and the CAC 40 index lost 28.9%.

Trading volumes averaged 4,175 shares or €365,000 a day. In April 2021, SFL paid an annual dividend of €2.10 per share. The Board of Directors will recommend that shareholders at the Annual General Meeting on 7 April 2022 approve the payment in cash of a dividend of €4.20 per share for the year.

2021 SHARE PERFORMANCE⁽¹⁾



(1) Base 100; 31 Dec. 2020. Data up to 31 Dec. 2021. Sources: Euronext/EPRA

SFL__

French *société anonyme* with
share capital of €85,729,430

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