



# THE ART OF SUSTAINABLE TRANSFORMATION

*SFL offers an innovative vision for commercial property in the heart of Paris. Thanks to its exceptional talent for redeveloping distinctive properties, SFL holds a unique position in the prime segment of Paris' commercial property market.*

Located in Paris, SFL's buildings stand out for their remarkable architecture that combines modernity, heritage and innovation with sustainability. SFL considers the transformation of these buildings and their present and future uses to be a long-term commitment. In designing and adapting its properties, it ensures they are attuned to the women and men that use them and are in harmony with the surrounding neighbourhood.

In its first integrated report, SFL presents the vision, commitments and convictions that drive it to transform its properties in a sustainable, valuable way – in line with the strictest environmental standards – and tackle the environmental challenges of its time.

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# Values

SFL IS A COMMERCIAL PROPERTY COMPANY THAT MANAGES AN €8.2 BILLION PORTFOLIO OF PRIME ASSETS FOR PRESTIGIOUS TENANTS AND THEIR EMPLOYEES. IT IS PURSUING A GROWTH STRATEGY INFORMED BY AN INNOVATIVE VISION, DRAWING ITS STRENGTH FROM THE PROVEN RESILIENCE OF ITS BUSINESS MODEL.

&

# Vision



Cézanne Saint-Honoré



> **Pere Viñolas Serra**

Chairman of SFL

There are a multitude of powerful synergies between SFL and Colonial. How do they contribute to each other's growth?

**P.V.S.:** We share the same vision. For both SFL and Colonial, quality and high standards always have to be part of the equation. We feel that positioning ourselves in the prime segment is the best way to meet company needs in their leased offices and work spaces. Our strength and resilience are derived from this belief. SFL has extensive experience in this segment, and its presence in Paris – one of the highest quality markets in Europe, but less volatile than London and Madrid, for example – attracts high-value tenants.

over 99.5%  
occupancy rate

What does it mean to be a prime commercial property company?

**P.V.S.:** For us, it's not just about collecting beautiful buildings in a beautiful city. Above all, we believe in the high-end primarily because we feel that it is the best way, indeed, the only way to meet the real needs of the market. What are companies looking for today? They want offices that convey an experience, premises that are designed and managed to protect the environment and work spaces that are efficient, i.e., easily accessible, modular and high-performance. Only the most premium, well located offices can meet all these criteria. Location has a high human value. In reality, it's not luxury that counts, but efficiency.

“Experience, environment, efficiency: the 3 Es that make the SFL model so strong and resilient.”

As Chairman of EPRA\*, what is your vision of the European commercial property market?

**P.V.S.:** Our business is experiencing several paradoxes. The first is the mismatch between the increasingly uncertain image of the office – people everywhere are questioning its future, its usefulness, etc. – and SFL's extraordinary performance in terms of projects, occupancy rates, rental income, etc. SFL enjoyed its best year ever in 2022. The second paradox is reflected in the success of prime offices at a time when financial markets have been particularly negative across the board this year. Inflation has spurred a rise in interest rates, but this hasn't dampened investor interest in prime commercial property. When a property company is able to demonstrate its resilience, its assets and financial performance take on extraordinary strategic value, which is highly appealing and very promising.

\* European Public Real Estate Association (EPRA).



> **Dimitri Boulte**

Chief Executive Officer

In 2022, SFL delivered its best performance ever. What were the driving factors?

**D.B.:** This was indeed an historic year for SFL. Our occupancy rate exceeded 99%, half our leases are locked in for five years or more, and our rental income topped €200 million. This is an outstanding performance. These results mean that we can move forward today and tomorrow with peace of mind, secure in the knowledge that our unique positioning is valid and our business model is robust. They also confirm three of our convictions: first, that demand for prime office space remains very strong (the office is not dead!); second, Paris has never been so attractive to our tenants; and third, companies have shifted the way they look at their offices, which are strategic for most of them and represent a real investment, not just a cost centre. The prime office, which enhances social cohesion and fosters collective intelligence, is becoming a key value for companies.

Is the notion of value-creating offices a core component in the SFL model?

**D.B.:** Yes. We've been advocating this concept for a long time and we've now made it a reality. For SFL, the office is more than just a workplace. It's a place for interaction and socialising, that demands a special approach, guided by a dedication to offering a nice place to work and get together, a space with all the amenities needed to support a healthy work-life balance. This is regularly confirmed by Paris area office users in our Paris Workplace surveys\*\*. Today, we're proud that our tenants are choosing prime offices capable of delivering all these features. Plus another major criterion: an ambitious environmental commitment. The office has to become a company's manifesto.

\*\* See page 15.

“We have mastered the art of sustainable transformation, both technically and architecturally, and are a major player in Paris’ prime office market.”

What is SFL's position on corporate social responsibility?

**D.B.:** Here too, this has long been one of our most deeply held beliefs, and it's a real change in our industry. We can no longer continue to build and transform assets as we did in the 90s or 2000s. A building's life cycle is very long, just like its transformation process. Our upgrades and refurbishments are designed and built to last as long as possible. They enable the building to be renovated and improved to meet new needs and future uses, no matter what they are. All that without having to undertake extensive structural works, which would be highly carbon intensive. Today, all our assets have been certified or awarded a green label. We were pioneers in this area, because we felt that certification was a deep underlying strategic trend that would be increasingly demanded by our tenants. We are constantly raising the bar in this regard. With Biome, for example, we led one of the first over 20,000 sq.m. projects in Paris to be BBKA Rénovation-certified. Sustainable transformation is embedded in SFL's DNA.

100%  
of assets certified

# Significant events of the year



## - ACQUISITIONS AND DISPOSALS -

**An asset rotation strategy designed to refocus on inner Paris and increase average asset size**

In April 2022, SFL acquired the Pasteur building from Primonial REIM France for €484 million (excluding transfer costs paid by the vendor). The nearly 40,000 sq.m. property is located at 91-93 boulevard Pasteur in the 15<sup>th</sup> *arrondissement* of Paris, right next to the Montparnasse train station, and is currently let to Amundi under a 12-year non-cancellable lease.

In May 2022, SFL sold the 6,300 sq.m. Le Vaisseau building in Issy-les-Moulineaux to the Institut Catholique de Lille for €27 million excluding transfer costs.

On 31 January 2023, a sale agreement was signed for the 6 Hanover building.

**€457m**  
in net property purchases



## - LETTINGS -

**Occupancy rate at an all-time high**

Despite the sharp deterioration in the geopolitical and economic situation and contrary to the trends observed in other markets in the Paris region, the Paris commercial property rental market was very active in 2022, particularly for high quality properties in prime locations. In this environment, the Group signed leases on some 47,000 sq.m. of space during the year, including the pre-letting in full of the Biome office building.

**99.5%**  
occupancy rate

**€716/sq.m.**  
average nominal office rent

**36,900 sq.m.**  
of office space let

**8,600 sq.m.**  
of leased retail space



Find out more about all our highlights in the presentation of our 2022 annual results



## - DEVELOPMENT -

**Louvre Saint-Honoré and Rives de Seine**

At year-end 2022, properties undergoing redevelopment represented 14% of the total portfolio, with the Group's two major projects in progress accounting for 75% of the pipeline:

- the retail space in the Louvre Saint-Honoré building, whose nearly 20,000 sq.m. are scheduled for delivery in late 2023 to the Richemont group (Cartier);
- the 23,000 sq.m. Rives de Seine office building, which was vacated by the tenant and is being extensively redeveloped for delivery in first-half 2026.



## - DELIVERY -

**Biome, SFL's environmental performance benchmark**

In November 2022, SFL delivered the Biome building to tenants Sfil and La Banque Postale following its ambitious architectural transformation. The 24,000 sq.m. of office space was entirely pre-let prior to delivery, demonstrating its outstanding appeal forged by the talented collaboration between SFL, Jouin Manku (architectural concept and design) and Yrieix Martineau Architecture (lead architect). One of the first low-carbon BBKA Rénovation projects in Paris, Biome has also set the new benchmark in environmental performance.

The Cézanne Saint-Honoré building was also delivered during the year, in June, and was 90% pre-let.



## - FINANCING -

**Disciplined financing strategy with a strong environmental focus**

In an environment shaped by a steep rise in interest rates, the Group carried out a number of operations during the year, including mainly:

- €198m of taps issued;
- €350 million in new five-year revolving lines of credit;
- €175 million in a rolled-over three-year revolving line of credit;
- €300 million in a new term loan.

The vast majority (€725 million) of these new facilities are loans whose interest rates depend on the Group's progress in reducing its carbon footprint and other environmental performance criteria. In addition, in early 2022, SFL converted all of its bond issues to green bonds.

**80%**  
of debt classified as "green"

# Robust, engaged governance

2022 SAW THE APPOINTMENT OF A NEW SENIOR MANAGEMENT TEAM. DIMITRI BOULTE, WHO HAS BEEN WITH SFL SINCE 2011, WAS APPOINTED CHIEF EXECUTIVE OFFICER, SUPPORTED BY AUDE GRANT, WHO WAS PROMOTED TO MANAGING DIRECTOR AND CHIEF OPERATING OFFICER, AND JÉRÔME LACOMBE, WHO JOINED SFL AS DEPUTY MANAGING DIRECTOR AND CHIEF RESOURCES OFFICER.

## MANAGEMENT COMMITTEE

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

## BOARD OF DIRECTORS

**Chairman of the Board of Directors**  
Pere Viñolas Serra

**Directors**  
Juan José Brugera Clavero  
Ali Bin Jassim Al Thani  
Carmina Ganyet i Cirera  
Arielle Malard de Rothschild  
Alexandra Rocca

## COMMITTEES

### AUDIT COMMITTEE

**Chair**  
Carmina Ganyet i Cirera

**Members**  
Arielle Malard de Rothschild  
Alexandra Rocca

### REMUNERATION AND SELECTION COMMITTEE

**Chair**  
Pere Viñolas Serra

**Members**  
Arielle Malard de Rothschild  
Alexandra Rocca

### EXECUTIVE AND STRATEGY COMMITTEE

**Chair**  
Juan José Brugera Clavero

**Members**  
Carmina Ganyet i Cirera  
Pere Viñolas Serra

### COMMITTEE OF INDEPENDENT DIRECTORS

**Members**  
Arielle Malard de Rothschild  
Alexandra Rocca

# Convictions

SFL HAS MASTERED THE ART OF SUSTAINABLE TRANSFORMATION, AIMING TO REVEAL ALL THE ARCHITECTURAL BEAUTY OF ITS BUILDINGS, RESPOND TO NEW AND EMERGING USAGES AND EXTEND THE LIFE OF ITS REAL ESTATE ASSETS.

&

# Strategy



#cloud.paris

# Value creation model



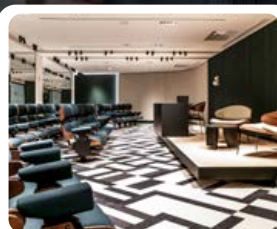
## OUR AMBITION

TO INSPIRE PEOPLE TO WORK TOGETHER IN OFFICES THAT NURTURE A SENSE OF COMMUNITY AND PRIDE IN BELONGING



## OUR VISION

**SFL TRANSFORMS CHARACTER BUILDINGS TO OFFER TENANTS WORKING ENVIRONMENTS OF EXCEPTIONAL TECHNICAL AND ENVIRONMENTAL QUALITY, READY FOR A LOW-CARBON FUTURE**



## OUR STRATEGY

### PRIME

A recognised position in Paris' prime commercial property market

### PARIS

Buildings located in the heart of a world-class capital

### SUSTAINABLE

Properties that are scalable, modular, certified, energy sufficient and high performance

### TRANSFORMATION

An unrestrained, innovative vision for bold transformations, resonant with each building's original spirit and surrounding environment



## OUR RESOURCES

**70**

A tight-knit team of more than 70 passionate experts

**€8.2bn**

A portfolio of 18 properties valued at €8.2 billion

### Bold partners,

renowned architects, designers, specialised consultancies, landscape architects, biophilia experts, etc.

### Engaged stakeholders

(tenants, banks, municipal authorities, etc.)

### A trends observatory

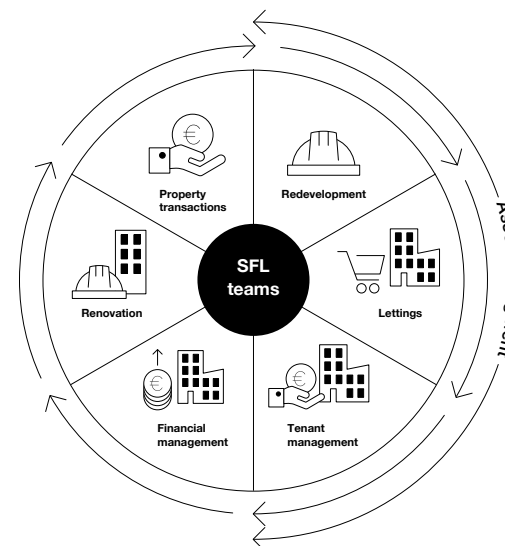
– Paris Workplace – in partnership with Ifop since 2014

### A granular understanding

of urban and architectural challenges in Greater Paris

### A core shareholder,

Colonial, a European leader in prime office real estate



## CORE COMPETENCIES



### Redevelopment

Technical and development team



### Lettings

Letting and asset management teams



### Tenant management

Rental management and technical teams



### Financial management

Financial team



### Renovation

Technical and development team



### Property transactions

Strategy and portfolio management team



### Asset management



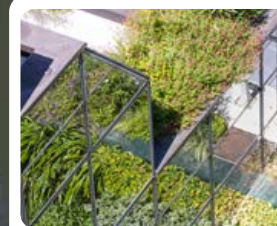
## OUR ADDED VALUE

**Superior quality of service** to meet tenant needs

**Reliable long-term support**, based on trust and understanding, to design modular, scalable offices, aligned with each tenant's vision and expansion plans

**414,600 sq.m.**

A high value-added portfolio of 414,600 sq.m., 99% of which are located in Paris, a world-class capital



## OUR ENVIRONMENTAL IMPACT

**100%**  
of the portfolio is certified

**0 sq.m.**  
of land taken in the past 10 years

**21%**  
reduction in energy use intensity between 2017 and 2022 (2030 target: 40% reduction)

**41%**  
reduction in carbon emissions intensity between 2017 and 2022 (2030 target: 70% reduction)

The equivalent of 10% of the portfolio's footprint is planted and landscaped

Widespread tenant take-up of energy sufficiency best practices following deployment of our winter 2022-2023 energy sufficiency support plan

69% of in-use building waste and 98% of redevelopment project waste is recovered and reused

**95%\***  
of tenants are satisfied

\* 2021 satisfaction rate, from a survey of 1,000 users.

# Paris, the endless source of inspiration at the heart of SFL’s strategy

CHALLENGE NO. 1  
DEVELOPING AND UPGRADING ASSETS IN ONE OF THE WORLD’S MOST BEAUTIFUL CITIES

WITH UNIQUE ARCHITECTURAL HERITAGE, THE CITY OF LIGHT IS SFL’S PREFERRED PLAYING FIELD AND SOURCE OF INSPIRATION, WHERE IT IS DRIVING THE EMERGENCE OF NEW AND INNOVATIVE ARCHITECTURAL FORMS.  
99% OF ITS ASSETS ARE CONCENTRATED IN THE CITY.

“SFL creates outstanding offices for one-of-a-kind tenants who excel in their markets.”

> **Dimitri Boulte**  
Chief Executive Officer



1

### In the heart of Paris

Société Foncière Lyonnaise is Lyonnais in name only: its territory, its DNA and its passion are totally Paris, home to almost all its assets. Inspired by the incomparable beauty of the city’s architecture, SFL has transformed and is managing 18 assets\* there. Paris is therefore an aesthetic choice, but it’s also about central location. Every SFL building is located just a few minutes walk from public transport, an important advantage when commuting time is a major concern of employees in the Greater Paris region.

As more and more people work from home, SFL is also strengthening its position around the city’s leading railway hubs:

- Rives de Seine is a short walk from Gare de Lyon,
- Condorcet, from Gare du Nord,
- 106 Haussmann, from Gare Saint-Lazare,
- Pasteur, acquired in May 2022, is located right next to Gare Montparnasse.

These strategic locations are directly helping to reduce private car use and pollution in the city.

\* At 31 December 2022.

99%  
of our assets are located in Paris proper

81% offices      18% retail units and 1% residential



2

### Alchemy at work where heritage and audacity meet

How do you bring Parisian architectural heritage to life while stimulating creativity in the heart of the city? How can you embrace a building’s spirit and history while imbuing it with modern features and contemporary design? SFL has become adept at this art of transformation. Each of its assets, expressing its own exceptional character, is transformed and reinvented in harmony with its original structure and with the unique identity of its neighbourhood. These upgrades are delivered with the highest quality of execution, in close cooperation with Paris city planners and renowned architects.



3

### Attentive to employee aspirations

Convinced that the most attractive companies choose the most vibrant capital cities, SFL examined the appeal of four leading European capitals through its 2022 Paris Workplace survey, conducted in partnership with Ifop. In comparing the “capitals where it feels good to work”, the survey found a degree of similarity in employee expectations, in terms of working from home, for example, or the preferred type of neighbourhood or working environment.

Conducted every year, Paris Workplace acts as SFL’s trends observatory, providing actionable input and insight on the socio-economic changes that are reshaping cities, companies and offices. By gaining a deeper understanding of employee habits and expectations concerning their workplace, their transport experience, their work-life balance and more, SFL is able to envision the city of the future – its architecture, usage patterns and aesthetics, the well-being of its neighbourhoods and the quality of service in its office buildings – and thereby paint a clearer picture of how its own transformations will impact the city.

2014  
Paris Workplace launched

20,200  
employees surveyed since 2014

87  
experts interviewed since 2014



Find out more about the Paris Workplace surveys (in French only)

# Projecting ourselves into a low-carbon future

## CHALLENGE NO. 2 CREATING INNOVATIVE, ENVIRONMENTALLY SENSITIVE OFFICES

SFL DEFINES ITSELF AS AN ENGAGED ACTOR, BOTH IN BUILDING THE CITY OF TODAY AND TOMORROW AND IN HELPING TO MAKE THE REAL ESTATE SECTOR CARBON-FREE. EVERY DAY, ITS TEAMS DEPLOY A SUSTAINABLE MANAGEMENT STRATEGY ACROSS THE PORTFOLIO, EXPRESSED IN THE ASSERTIVE, SUSTAINABLE SOCIAL RESPONSIBILITY POLICIES IN PLACE FOR MORE THAN TEN YEARS.

A CLEARLY DEFINED CSR STRATEGY,  
INTEGRATED INTO CORPORATE STRATEGY  
AND BASED ON 12 CHALLENGES  
ORGANISED AROUND 4 PILLARS

1 Low-carbon strategy

- Efficiency in operations and construction
- Circular economy and embodied carbon emissions
- Building resilience

2 Urban footprint

- Architecture and design
- Nature and landscaping
- Mobility

3 User satisfaction

- Convenience and amenities
- Certifications and labels
- Tenant/user relations and satisfaction

4 Employee and partner engagement

- Employer appeal, skills development and workplace equality
- Occupational health and safety, quality of working life
- Value chain ethics



1

### Supporting decarbonisation of the real estate sector

At a time when the pace of social and urban change is quickening and climate change is forcing a shift in construction processes, SFL is deploying a low-carbon strategy that is both quality-focused and results-driven. Believing that it has a responsible role to play in helping to decarbonise the real estate sector, the Company is working to measure the carbon impact of its activities across the value chain. It aims to reduce its greenhouse gas emissions through innovation and the shared commitment of its teams and stakeholders to meeting two ambitious targets: a 40% reduction in energy use, in kWh/sq.m., and a 70% reduction in Scopes 1 and 2 carbon emissions, in kgCO<sub>2</sub>e/sq.m., both by 2030 compared to 2017.

This reduction pathway is also embodied in our longstanding commitment to improving the energy efficiency and performance of our buildings:

- the equivalent of 10% of the portfolio's footprint is planted and landscaped;
- 100% of assets have an energy reduction pathway in place, supported by a capital expenditure plan.

Today, each building is able to track its consumption and measure its emissions, accurately and methodically, while following a clearly marked roadmap. As of end-2022, energy use intensity had been reduced by 21% and Scopes 1 and 2 carbon emissions intensity had been cut by 41%.



2

### A CSR commitment and policy embedded in our DNA

These initiatives are part of a holistic process and a sustainable commitment. Since 2014, we have been taking action to reduce waste in all our operations and to shrink their environmental footprint. This is why, rather than construction, we focus on transformation and renovation by retaining as much existing building structure as possible; we upcycle original materials whenever possible; we design intelligent, modular, transformable floor plates to enable repurposing to new usage practices and delay building obsolescence; we study the play of sunlight on our façades to deliver the right balance between natural lighting and heat gain; we are increasing the amount of green space; and we are supporting tenants in changing their practices to consume better and less.

This holistic approach is helping to enhance asset values, both for SFL and its majority shareholder, the Colonial Group. Impelled by SFL, the latter is exploring pathways to reaching net zero carbon emissions across its business base and to supporting more widespread digitalisation of its data.



Find out more about  
SFL's CSR strategy



3

### Energy transition and sufficiency targets

For SFL, the energy crisis in Europe and the French government's call for energy sufficiency in late summer 2022 were opportunities to re-energise its stakeholders with programmes to reduce energy use in its assets and share best practices. In addition to the initiatives regularly undertaken to get office users involved in reducing use, the Sustainable Building Management teams rolled out a support programme to help tenants adjust their practices during the winter of 2022-2023 and change their usage habits. This process was very well received and proved highly effective, with energy and fluids use declining over the period.

1<sup>st</sup>

property company  
to earn certification for all  
its assets

1<sup>st</sup>

one of the  
BBCA Rénovation-  
certified projects in Paris,  
with Biome

40%

targeted reduction  
in energy use (in kWh/  
sq.m.) between 2017  
and 2030

70%

targeted reduction in  
Scopes 1 and 2 carbon  
emissions (in kgCO<sub>2</sub>e/  
sq.m.) between 2017  
and 2030

98%

target for recovered  
and reused waste  
from large project sites


# The art of sustainable transformation

CHALLENGE NO. 3  
REINVENTING THE CITY

IN ADDITION TO INCREASING THE VALUE OF ITS ASSETS, SFL TAKES ACTION TO IMPROVE SUSTAINABILITY IN THEIR SURROUNDING ENVIRONMENT, WITH SERVICES, AMENITIES, BIODIVERSITY SUPPORT, HARMONIOUSLY INTEGRATED GREEN SPACES, CAREFULLY CRAFTED AESTHETIC AND SOCIAL IMPACTS, AND PROXIMITY TO PUBLIC TRANSPORT.



**BIODIVERSITY EXCELLENT:**  
► Biome  
► Rives de Seine project

 To find out more:  
[www.fonciere-lyonnaise.com](http://www.fonciere-lyonnaise.com)



1

### Transforming and greening the city

With each new acquisition, SFL participates in transforming the city and encourages innovative, environmentally sensitive projects that harmoniously resonate with the urban ecosystem. In this way, we helped to expand the Paris district cooling network by financing, organising and prompting the connection with Biome, which was located far from the existing pipes. We also foster greater mixed-use capabilities in Parisian neighbourhoods with attractive, iconic office buildings, equipped with a wide range of prime amenities that meet employee aspirations and lifestyles.

SFL also actively contributes to the development of green spaces across the city, for the benefit of employees and residents alike, as part of a biophilic, consistently pesticide-free process. This process is also aligned with Paris' 2018-2024 biodiversity plan and the need to adapt our living and working spaces to climate change. Our portfolio includes nearly 10,000 sq.m. of terraces, patios, courtyards, gardens and other green spaces, as well as the largest living wall in Paris. Landscaping and greenery are an essential part of every redevelopment project.



2

### Taking the long view

Whether it's about a building's life cycle, its history, the design of a tree-lined park or the choice of innovative, sustainable materials, every decision taken by SFL in refurbishing its office buildings is aligned with an extended timeframe. For us, the only way to properly execute a useful, intelligent transformation that is beneficial for both the environment and its users is by taking a long view.

Whether a simple variation on a theme or a more profound metamorphosis, every SFL change addresses the foreseeable evolution of a building's use over time. Over the decades, this choice has contributed to the resilience of the SFL model. Office floor plates are scalable and technically highly efficient, facilitating upgrades and multi-purpose adjustments. This was demonstrated in the recent acquisition by the Institut Catholique de Lille of the Le Vaisseau office building, which was agile enough to house the Institute's law school.

SFL also plans ahead for changes in the cityscape, such as the restrictions on private motor vehicles in the city centre. Whenever possible, SFL transforms underground car parks into working and meeting spaces, or into spaces dedicated to new forms of mobility, such as bicycles, scooters and EVs, thereby extending the life of its assets.



3

### Sustainable stakeholder relationships

This long-term vision is also reflected in the quality of SFL's relationships with its stakeholders. The stability of the SFL model is underpinned by our close working relationships with the finest architects and design firms, our constructive collaboration with the Paris urban planning authorities and our support for tenants throughout their business cycle. We are a trusted partner who knows how to listen to their needs and provide them with the best offices in the most central neighbourhoods. The long lease terms and robust occupancy rates, which hit an all-time high of 99.5% in 2022, all attest to this enduring relationship of trust.

**10%**  
of SFL's footprint  
planted and landscaped

**0 sq.m.**  
of land taken in  
the past 10 years

**95%**  
of tenants satisfied\*

\* 2021 satisfaction rate,  
from a survey of 1,000 users.

# Biome, a compelling embodiment of SFL’s expertise

BIOME WAS AT ONCE A TECHNICAL AND ARCHITECTURAL CHALLENGE, AN ENVIRONMENTAL FEAT IN THE HEART OF PARIS AND A LOW-CARBON GAMBLE. ABOVE ALL, IT DEMONSTRATED SFL’S GOAL OF REDEVELOPING OUTSTANDING ASSETS FOR THE CITY, FOR NATURE, FOR THE LIFE OF THE NEIGHBOURHOOD AND, OF COURSE, FOR THE USERS OF ITS PRIME OFFICES.



**“Revealing the qualities of the existing structure and designing the new extensions offered opportunities to introduce different design methods and integrate increasingly high environmental performance.”**

> **Éric Oudard**  
SFL Technical and Development Director

—  
**Our priority: to create a complex with an extensive environmental presence**  
—

A biome is a community of ecosystems with the same ecological processes, sharing similar climate conditions, plants, animals, etc. Clearly, a name that was carefully chosen to express SFL’s commitment to leading projects that set new standards in environmental performance. In fact, Biome is our manifesto for environmentally friendly renovation and construction, covering such factors as choice of materials, recovery and reuse, energy performance and exposure. The building’s entire creation and transformation chain prioritised low-carbon practices from start to finish, enabling it to earn triple certification: HQE (Exceptional), LEED (Gold) and BREEAM (Excellent). It was also one of the first low-carbon BBKA Rénovation projects in Paris.





A building nestled in nature and the neighbourhood

Located in the heart of Paris' 15<sup>th</sup> *arrondissement*, surrounded by shops, office buildings and housing units, Biome stretches over an entire 6,300 sq.m. block of tree-filled grounds that are home to a wide variety of plant species. During the project, special attention was paid to ensuring that nature is a ubiquitous presence both in and around the buildings. Its landscaped area, which doubled during the project, also offers benefits to local residents. The project is seeking BiodiverCity Excellent certification.

**“The garden is not an added extra. It's an integral, defining part of the project on three levels: metropolitan, first, to integrate the building seamlessly into the cityscape, then urban, to fit it into the neighbourhood, and lastly, the building itself, to align it with user needs.”**

> **Thierry Laverne**  
Landscape architect, Agence Laverne



**“The idea is to have a building that is as open as possible on the inside, with a concrete shell on the outside. This “exoskeleton” is a feat of technical, avant-garde architecture geared towards contemporary users who need space, light and nature.”**

> **Patrick Jouin and Sanjit Manku**  
Architectural concept and design, Agence Jouin Manku

24,000 sq.m.

of offices

6,300 sq.m.

of land,  
of which 40% is planted

One of the **1<sup>st</sup>**

BBCA Rénovation  
projects in Paris

100%

of offices pre-let

4 years

of works  
(acquired in 2017)

**“Biome is the best choice we could make. Throughout the project, SFL met the highest standards in the property market.**

**By making it our address, we’re demonstrating our ambitions and, most importantly, our corporate purpose.”**

> **Bertrand Cousin**

Managing Director of Corporate  
and Investment Banking and member  
of the Executive Board, La Banque Postale

**“Biome is also an opportunity to further affirm our position as a bank committed to sustainable development. This is positively expressed by its architecture and landscaping, as well as by the leading environmental certifications it has earned.”**

> **François Laugier**

Deputy Chief Executive Officer, Sfil



An architectural feat for one-of-a-kind offices

Working with Jouin Manku and the YMA and Laverne agencies, SFL orchestrated the transformation of the original building, designed in 1966 by architects Lopez, Leroy and Pottier, into an architectural and worklife environment unlike any other. The concrete outer shell of one of its buildings, a truly avant-garde feat, shows that technical and architectural challenges still have their place in Paris. In addition, the floor plates’ intelligence and high-tech content make them exceptionally modular, scalable and multi-purpose, lending them well to emerging collaborative working practices. Entirely pre-let since the summer of 2022, they will welcome the teams of La Banque Postale and Sfil in mid-2023.



Watch the Biome video presentation  
(in French only)



**“Biome is a project encompassing architecture, landscaping and outdoor architecture. The spaces, which flow effortlessly and seamlessly through the building, are designed to be places that people can instinctively make their own to gather, socialise, meet and work.”**

> **Yrieix Martineau**

Architect, Agence YMA

# Rives de Seine, a quintessence of renovation and greenery

BUILT IN THE 70S NEXT TO THE GARE DE LYON RAILWAY STATION AND ACQUIRED BY SFL IN 2004, RIVES DE SEINE IS NOW BEING BOLDLY TRANSFORMED, IN A SPIRIT OF URBAN RENEWAL AND ENVIRONMENTAL EXCELLENCE. EVENTUALLY, IT WILL BECOME A STRIKING 25,000 SQ.M. PLANTED AND LANDSCAPED SUPERSTRUCTURE OVERLOOKING THE SEINE.

*“We make the impossible possible. The Rives de Seine forecourt can now be planted with trees. Biodiversity and biophilia are an integral part of the refurbishment project.”*

> Éric Oudard  
SFL Technical and Development Director

## Bringing nature back into the city

Brightly bathed in natural light on every floor, with a planted façade, bow windows, ultra-contemporary loggias and, above all, a 3,000 sq.m. tree-lined park open to users, neighbourhood residents and tourists alike, the Rives de Seine tower is reinventing the concept of the office as a locus of life and community, open to the city and nature. Redevelopment works have entailed the planting of a tree-filled garden and the construction of a BBC-certified low-carbon pavilion, nestling the complex in a verdant haven from the garden to the forecourt and right up to the rooftop terrace. Designed and built by landscape architect Michel Desvigne and his MDP agency, the climate change-ready, planted and landscaped structure represents one of the most compelling features of the SFL project.

2004  
acquired by SFL

2023–2026  
refurbishment and landscaping works

## A transformed office tower with a strong environmental dimension

Reclaiming built-up areas for green spaces and nature, safeguarding biodiversity and meeting the highest energy performance standards are now all fully integrated into every SFL architectural project. Like Biome, Rives de Seine embodies our systematically expressed CSR commitments, which require discipline, performance and excellence, both in selecting the right materials, energy facilities and management systems, and in accurately measuring and assessing their low-carbon trajectory. Rives de Seine is part of an outstanding framework for assessing our energy and low-carbon metrics.

17  
storeys

22,700 sq.m.  
total surface area

Committed to earning BREEAM Excellent, HQE Exceptional and BiodiverCity certification



*“The transformation of this office building is not just about redefining a landmark, it’s also about the possibility of rebuilding and reattaching a lost piece of the city. The refurbishment and upgrade of the existing building led to the design of a new façade that addresses climate and energy issues through its environmental performance and to the creation of gardens, both in the centre of the site and on the building rooftops.”*

> LAN Architecture

## Just minutes from the Seine and public transport

The 17-storey Rives de Seine building, formally occupied by Natixis, offers remarkable panoramic views over the Seine and excellent transport links. Located right next to Gare de Lyon, it fulfils SFL’s commitment to offering tenants the finest offices in the Parisian neighbourhoods best served by public transit, so as to make life and commuting easier and discourage the use of private motor vehicles.

# Portfolio

WHETHER CORPORATE HEAD OFFICES OR LARGE, FULL-SERVICE BUSINESS CENTRES, ALL OF SFL'S ASSETS STAND OUT FOR THEIR STRATEGIC LOCATION, WITH 77% OF THEM LOCATED IN THE PARIS CBD, AND FOR THEIR OUTSTANDING ARCHITECTURE. AS THE BENCHMARK IN THE PARIS PRIME COMMERCIAL PROPERTY MARKET, SFL IS MANAGING AND ADDING VALUE TO 18 ICONIC ASSETS.

&

# Projects



Washington Plaza

# Locations and key figures

OUTSTANDING BUILDINGS. SFL MANAGES AN UNPARALLELED PORTFOLIO OF EIGHT BUSINESS CENTRES, SERVED BY AN ARRAY OF PRIME AMENITIES, AND EIGHT EXCEPTIONAL CORPORATE HEAD OFFICES. TWO LARGE-SCALE PROJECTS – LOUVRE SAINT-HONORÉ AND RIVES DE SEINE – ARE CURRENTLY BEING TRANSFORMED FOR DELIVERY IN SECOND-HALF 2023 AND FIRST-HALF OF 2026 RESPECTIVELY.

## BUSINESS CENTRES

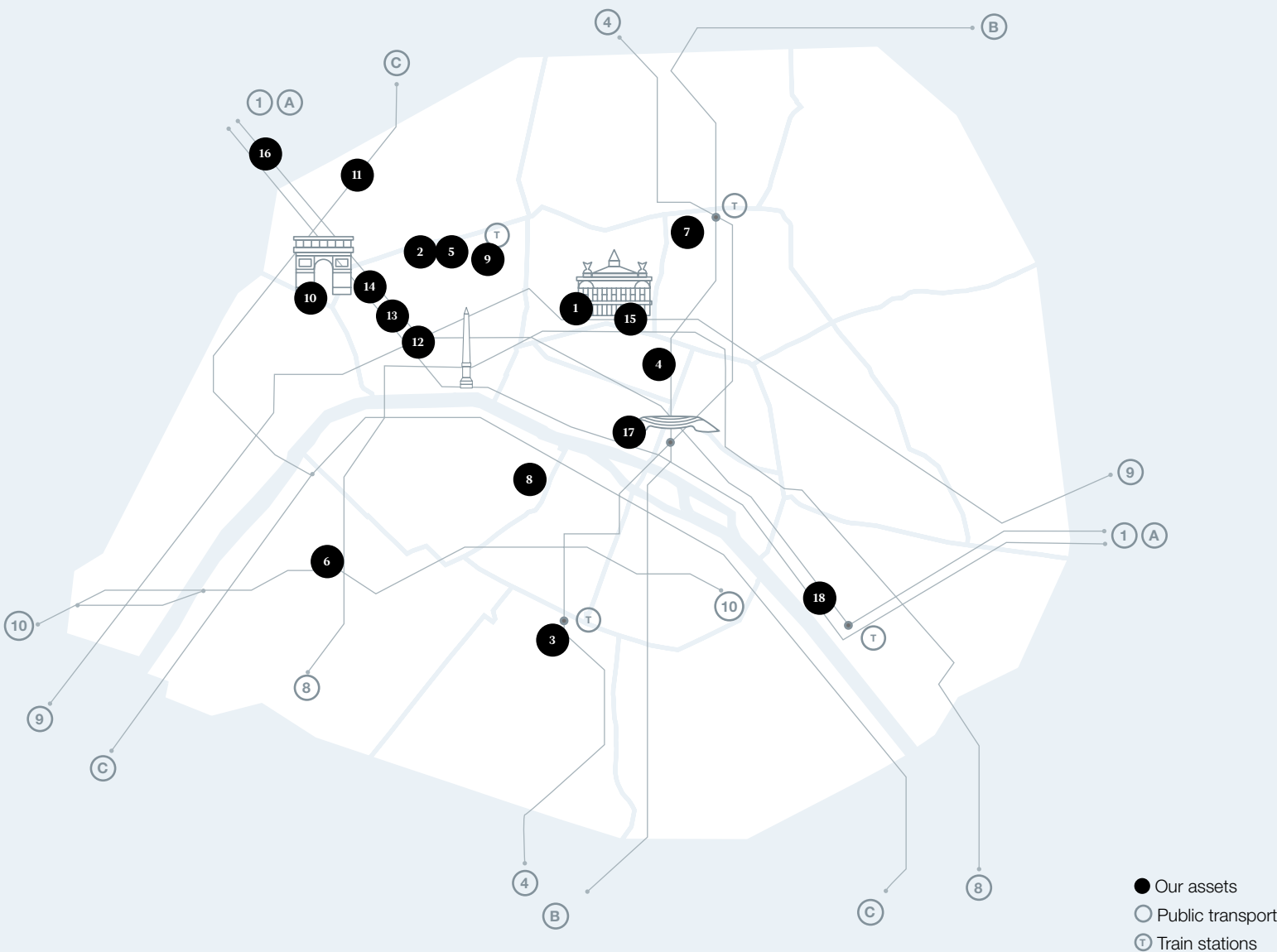
- 1 ÉDOUARD VII
- 2 WASHINGTON PLAZA
- 3 PASTEUR
- 4 #CLOUD.PARIS
- 5 CÉZANNE SAINT-HONORÉ
- 6 BIOME
- 7 CONDORCET
- 8 103 GRENELLE

## OFFICE BUILDINGS

- 9 106 HAUSSMANN
- 10 83 MARCEAU
- 11 131 WAGRAM
- 12 90 CHAMPS-ÉLYSÉES
- 13 GALERIE CHAMPS-ÉLYSÉES
- 14 92 CHAMPS-ÉLYSÉES
- 15 6 HANOVRE
- 16 176 CHARLES DE GAULLE

## PROJECTS

- 17 LOUVRE SAINT-HONORÉ
- 18 RIVES DE SEINE



99.5%

all-time high occupancy rate of SFL properties

100%

of office assets located less than a ten-minute walk from a metro/tram station

# Our business centres

1

## ÉDOUARD VII



16-30 boulevard des Capucines  
75009 Paris

Year of acquisition: 1999

Main tenants:  
Ashurst, Boulanger, Comgest, Klépierre, Netflix and L'Olympia

Surface area: 54,600 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.



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.



2

## WASHINGTON PLAZA



38-44 rue Washington  
75008 Paris

Year of acquisition:  
2000

Main tenants:  
Advancy, Candriam, Finastra, Infravia Capital Partners, Puig 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

PASTEUR



91 boulevard Pasteur  
75015 Paris

Year of acquisition:  
2022

Tenant:  
Amundi

Surface area:  
39,600 sq.m.

Certification:  
HQE Rénovation, HQE  
Exploitation, BBC Effinergie  
and BREEAM

Located in the heart of Paris' Left Bank in the 15<sup>th</sup> *arrondissement*, the Pasteur building enjoys excellent transport links thanks to its location right next to Montparnasse train station, one of the city's main hubs. It is also served by four metro lines (4, 6, 12 and 13), directly connecting it to the centre of the capital and to the city's major business districts.

Designed in 1965 and renovated in 2012, the complex offers 2,100 sq.m. floor plates; a rare find in a 17-storey high-rise with unique 360-degree views over Paris.

Pasteur projects a modern feel that its tenants will find both functional and satisfying.

It offers an array of amenities including a brasserie, cafeteria, gym, concierge service and business centre.



4

#CLOUD.PARIS



81-83  
rue de Richelieu  
75002 Paris

Year of acquisition: 2004

Main tenants:  
Coty, Exane, Facebook,  
Infrantry and Royal Bank of  
Canada

Surface area: 35,000 sq.m.

Certifications:  
BREEAM, Construction,  
BREEAM In-Use, HQE<sup>®</sup>,  
LEED<sup>®</sup>

#cloud.paris, an iconic 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 highly prestigious companies as Facebook, 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.

5

CÉZANNE  
SAINT-HONORÉ



1-6 rue Paul Cézanne  
75008 Paris

Years of acquisition:  
2001 and 2007

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

Surface area:  
29,100 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.



6

BIOME



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

Year of acquisition: 2017

Surface area: 25,000 sq.m.

Tenants:  
La Banque Postale and SFIL

Certifications:  
BREEAM, HQE®, LEED® 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 has been redeveloped to create a major new business centre in the west of the capital.



7

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 remarkable 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.



8

103 GRENELLE



103 rue de Grenelle  
75007 Paris

Year of acquisition: 2006  
-  
Main tenants:  
ADP, Amiral Gestion,  
Balenciaga, Capzanine,  
Édouard 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.



# Our office buildings

9

106 HAUSSMANN



104-110 boulevard  
Haussmann  
75008 Paris

Years of acquisition:  
2002 and 2004  
Main tenants:  
Macif and 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.



10

83 MARCEAU



83-85 avenue Marceau  
and 96 avenue d'Iéna  
75016 Paris

Years of acquisition:  
2001 and 2007  
Main tenants:  
Caixa and Goldman Sachs  
Surface area : 9,700 sq.m.  
Certifications:  
BREEAM, HQE®,  
LEED®, BBC

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. It was delivered in third-quarter 2021.



11

131 WAGRAM



131 avenue de Wagram  
75017 Paris

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.



12

90 CHAMPS-ÉLYSÉES



90 avenue des Champs-Élysées  
75008 Paris

Years of acquisition:  
2002 and 2009  
Main tenants:  
Bank of Communications,  
McKinsey, National Bank of Kuwait  
Surface area: 8,900 sq.m.  
Certification:  
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.



13

GALERIE DES  
CHAMPS-ÉLYSÉES

82-88 avenue des  
Champs-Élysées  
75008 Paris

Year of acquisition:  
2002

Main tenants:  
Häagen-Dazs, L'Occitane,  
McDonald's and Paul

Surface area: 8,500 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.



14

92 CHAMPS-ÉLYSÉES

92 avenue des Champs-Élysées  
75008 Paris

Year of acquisition: 2000

Main tenants:  
PSG, WeWork, 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.

15

6 HANOVRE

6 rue de Hanovre  
75002 Paris

Year of acquisition: 1958

Irrevocable put option signed on 31 January 2023

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 Bocache 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.



16

176 CHARLES DE GAULLE

176 avenue Charles de Gaulle  
92200 Neuilly-sur-Seine

Year of acquisition: 2000

Main tenants: Berkshire, FHB, Greystar, JCDecaux Holding and Manpower

Surface area: 6,900 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.

# Our projects

SFL IS DEVELOPING THREE LARGE-SCALE PROJECTS, EACH OF WHICH IS DESIGNED TO BECOME AN UNDISPUTED BENCHMARK.

## 17 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

The office/retail mixed use Louvre Saint-Honoré complex 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 2024.



## 18 RIVES DE SEINE

68-74, quai de la Rapée  
75012 Paris

Year of acquisition: 2004  
Redevelopment in progress  
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, which offers remarkable panoramic views over the Seine and excellent transport links, is currently undergoing a bold transformation, in a spirit of urban renewal and environmental excellence.

# Internationally renowned, market-leading tenants

PARTICULARLY ALIGNED WITH NEW WORKING PRACTICES, SFL'S ASSETS ARE HOME TO COMPANIES WITH A PASSION FOR INNOVATING, CHALLENGING AND MAKING A DIFFERENCE IN THEIR MARKETS.

FACEBOOK, MCKINSEY, LA BANQUE POSTALE, NETFLIX AND MANY OTHER TENANTS ARE NOT ONLY WORLD-RENOWNED COMPANIES, THEY ARE ALSO LEADING, ROBUST, SUSTAINABLE, FAST-GROWING BRANDS.

SFL partners with companies to provide them with incomparably well-appointed offices scalable to their expansion needs. The long leases attest to their confidence in our ability to support them over time.

Companies also greatly appreciate the image capital of our offices, which are in central business districts just steps away from iconic locations. They contribute directly to the quality of worklife for employees and their pride in belonging, as well as the company's employer appeal.



<b>1</b> ÉDOUARD VII 	<b>2</b> WASHINGTON PLAZA 	<b>3</b> PASTEUR 	<b>10</b> 83 MARCEAU 	<b>11</b> 131 WAGRAM 	<b>12</b> 90 CHAMPS-ÉLYSÉES 
<b>4</b> #CLOUD.PARIS 	<b>5</b> CÉZANNE SAINT-HONORÉ 	<b>6</b> BIOME 	<b>13</b> GALERIE CHAMPS-ÉLYSÉES 	<b>14</b> 92 CHAMPS-ÉLYSÉES 	<b>15</b> 6 HANOVRE 
<b>7</b> CONDORCET 	<b>8</b> 103 GRENELLE 	<b>9</b> 106 HAUSSMANN 	<b>16</b> 176 CHARLES DE GAULLE 	<b>17</b> LOUVRE SAINT-HONORÉ 	<b>18</b> RIVES DE SEINE 

# Results

IN 2022, SFL DELIVERED SIGNIFICANT GAINS IN ITS BUSINESS INDICATORS, PORTFOLIO VALUE AND NAV, WITH OCCUPANCY RATES AT AN ALL-TIME HIGH: 99.5%.

&

# Performance



#cloud.Paris

# Lettings

PARIS FELT THE FULL BENEFIT OF THE RECOVERY IN THE RENTAL MARKET IN 2022, WHEN LEASES WERE SIGNED ON 2.1 MILLION SQ.M., UP 10% ON 2021. AT YEAR-END, THE PHYSICAL OCCUPANCY RATE IN SFL’S REVENUE-GENERATING PROPERTIES STOOD AT A RECORD 99.5%.

Despite the sharp deterioration in the geopolitical and economic situation and contrary to the trends observed in other markets in the Paris region, the Paris commercial property rental market was very active in 2022, particularly for high quality properties in prime locations. The gains reflected the very limited stock of prime products, strong post-Covid 19 demand for the best buildings in Paris and the city authorities' stricter policies concerning the delivery of administrative permits.

In this environment, the Group signed leases on some 47,000 sq.m. of mainly office space during the year. Lease deals mainly included:

- Biome, with the complex’s 24,000 sq.m. of office space pre-let primarily to La Banque Postale and SFIL; this was a benchmark transaction among the over-20,000 sq.m. lease deals signed in the Paris region during the year;
- 103 Grenelle, with three new leases signed on a total of 3,400 sq.m. (Atalante, Promontoria, Netgem);
- new office leases in the #cloud.paris, Washington-Plaza, Édouard VII, 176 Charles de Gaulle, 83 Marceau and Cézanne Saint-Honoré properties, for the remaining; and
- around 8,600 sq.m. of retail units.

The average nominal rent on these leases rose to €716 per sq.m., corresponding to an effective rent of €601 per sq.m., for an average non-cancellable term of 7.5 years. These lease terms attest to the attractiveness of the Group's properties. The physical occupancy rate for revenue-generating properties at 31 December 2022 was a record 99.5% (compared with 98% at 31 December 2021).

99.5%

physical occupancy rate

0.6%

EPRA vacancy rate

# Development

THE DEVELOPMENT PIPELINE IS CONCENTRATED AROUND LARGE-SCALE PROJECTS WITH STRONG VALUE DRIVERS.



Properties undergoing redevelopment at 31 December 2022 represented 14% of the total portfolio. Of the total surface area undergoing redevelopment, around 75% concerned two major projects:

- Retail space in the Louvre Saint-Honoré building, which is scheduled for delivery in late 2023 under a turnkey lease on over 20,000 sq.m signed with the Richemont group (Cartier). Work on the project was pursued during the year according to schedule.
- The Rives de Seine office building on Quai de la Rapée in Paris (approximately 23,000 sq.m.), which was vacated by the tenant on 30 September 2022 and will be extensively redeveloped. The building permit application has been filed and site clearance and asbestos removal work has

begun, with delivery scheduled for first-half 2026. The Biome office complex on Avenue Émile Zola (approximately 25,000 sq.m. in total) was delivered on 19 July 2022 following a major redevelopment programme. The building is fully let. Capitalised work carried out in 2022 amounted to €113 million, including the above projects, for a total of €74.8 million, and the top-to-bottom renovations of floor plates in the Washington Plaza and Cézanne Saint-Honoré buildings.

# Property purchases and sales

SFL IS PURSUING ITS STRATEGY OF ROTATING ASSETS TO REFOCUS ON PARIS AND INCREASE AVERAGE ASSET SIZE.



**O**n 25 April 2022, SFL acquired the Pasteur building from Primonial REIM France for €484 million (excluding transfer costs paid by the vendor). The 40,000 sq.m. building is located at 91-93 boulevard Pasteur in the 15<sup>th</sup> *arrondissement* of Paris, next to Montparnasse train station. It is currently let to Amundi under a 12 year non-cancellable lease. On 30 May 2022, SFL sold the 6,300 sq.m. Le Vaisseau building in Issy-les-Moulineaux to the Institut Catholique de Lille for €27 million excluding transfer costs.

€**26.9**m  
in proceeds from the sale of Le Vaisseau

€**484**m  
invested to acquire Pasteur (excluding transfer costs paid by the vendor)

# Rental income

CONSOLIDATED RENTAL INCOME AMOUNTED TO €204.5 MILLION IN 2022, UP BY A SHARP €29.9 MILLION OR 17.1% FROM THE €174.6 MILLION REPORTED THE YEAR BEFORE.

**O**n a like-for-like basis (excluding changes in the portfolio affecting period-on-period comparisons), rental income rose by €11.9 million or 7.5%, led by the new leases signed in 2021 and 2022 with such long-standing tenants or new clients as TP ICAP, Simon Kucher, Atalante and Greystar. In particular, the Édouard VII, 103 Grenelle and Washington Plaza buildings delivered significant growth in rental income over the year, while index-linked rent increases contributed €2.2 million.

- Rental income from units being redeveloped climbed by €6.9 million, reflecting the full-year contribution of the redeveloped 83 Marceau building, the initial income from the Biome building following its delivery in July 2022, and the signature of leases on several floors refurbished in 2021 and 2022, mainly in the Cézanne Saint-Honoré and Washington Plaza buildings. Conversely, certain retail units in the Galerie des Champs-Élysées (H&M) and all the office space in the Rives de Seine building (Natixis), which is to be redeveloped, were vacated during the year, leading to a loss of €7.4 million in rental income for the year.
- Lastly, the acquisition of the Pasteur building in April 2022 drove a significant increase in rental income, which offset the disposal of the 112 Wagram and 9 Percier buildings to add a net €11.2 million to rental income for the year.

€**204.5**m  
in consolidated rental income

up **7.5**%  
like-for-like vs. 2021

# Financial performance

SFL ENJOYED A CLEAR IMPROVEMENT IN EARNINGS IN 2022. THE GROWTH IN RENTAL INCOME REFLECTED THE ROBUST LETTING ACTIVITY, WITH ALL THE BIOME OFFICE SPACE PRE-LET AND A RECORD 99.5% PHYSICAL OCCUPANCY RATE.

Operating profit before disposal gains and losses and fair value adjustments to investment property came to €171.8 million in 2022, versus €134.2 million the year before. Net finance costs increased by €1.4 million to €31.6 million in 2021, from €30.2 million in 2021. Excluding non-recurring items, the increase was €3.8 million, reflecting the impact on recurring finance costs of the increase in average debt following the acquisition of the Pasteur building.

After taking account of these key items, EPRA earnings totalled €108.0 million in 2022, versus €92.4 million the year before. EPRA earnings per share stood at €2.52 in 2022, up by a strong 22.8% from €2.05 in 2021. Attributable profit for the year amounted to €143.4 million, versus €292.0 million in 2021.

€143.4m

in attributable profit

22.8%

growth in EPRA earnings per share

EPRA EARNINGS (in € millions)

	2022		2021	
	EPRA	Non-recurring	EPRA	Non-recurring
Rental income	204.5	0	174.6	0
Property expenses, net of recoveries	(10.6)	0	(8.5)	(0.2)
Net property rentals	193.9	0	166.1	(0.2)
Service and other revenues	8.0	0	4.1	0
Depreciation, amortisation and impairment	(3.1)	0	(3.0)	0
Employee benefits expense and other expenses	(27.1)	0	(22.9)	(9.8)
Operating profit (before disposals and fair value adjustments)	171.8	0	144.3	(10.1)
Profit/(loss) on asset disposals	0	(0.4)	0	0.1
Fair value adjustments to investment property	0	38.6	0	255.2
Finance costs and other financial income and expense	(31.4)	(0.2)	(27.7)	(2.6)
Income tax	(5.7)	9.0	(6.3)	9.0
Profit for the year	134.6	47.0	110.4	251.7
Non-controlling interests	(26.6)	(11.6)	(18.0)	(52.0)
Attributable profit	108.0	35.4	92.4	199.7
EPRA earnings per share	€2.52		€2.05	
Average number of shares (thousands)	42,865		45,002	

# Debt and financing

DISCIPLINED FINANCING STRATEGY  
WITH A STRONG ENVIRONMENTAL FOCUS.

In an environment shaped by a steep rise in interest rates, the Group carried out a number of operations during the year, including mainly:

- Issuance of two €99 million taps on the 0.5% bonds due 2028 and the 1.5% bonds due 2027.
- Signature with Caixabank and Banco Sabadell of two new revolving lines of credit.
- Signature of a €175 million three-year line of credit with CADIF and of a €200 million five-year revolving line of credit with BECM.
- Signature on 9 December of a five-year €300 million term loan with a pool of five banks.

A vast majority of these new banking facilities (for €725 million) are loans linked to environmental performance criteria for which the interest rate depends in part on the Group's progress in reducing its carbon footprint. In addition, in early 2022, SFL converted all of its bond issues – representing an outstanding amount of €1,698 mil-

lion at 31 December 2022 – to green bonds. In this way, SFL's financing strategy is now seamlessly aligned with its results-oriented environmental objectives. SFL also set up new interest rate hedges on a total notional amount of €600 million. Net debt at 31 December 2022 amounted to €2,438 million, compared with €1,792 million at 31 December 2021 and representing a loan-to-value ratio of 27.6%. The year-on-year increase mainly reflected the financing of the Pasteur building. At 31 December 2022, the average cost of debt after hedging was 1.7% and the average maturity was 4.3 years, while the interest coverage ratio stood at 5.5x. Lastly, at 31 December 2022, SFL had €1,240 million in undrawn lines of credit.

**4.3** years  
average maturity

**1.7**%  
average spot cost  
(after hedging)

**27.6**%  
loan to value ratio

**BBB+ /A2**  
stable outlook

## DEBT STRUCTURE (in € millions)

	31 Dec. 22	31 Dec. 21
Bonds	1,698	1,790
Bank loans	400	0
Mortgage loans	0	0
NEU CP	409	117
<b>Total gross debt</b>	<b>2,507</b>	<b>1,907</b>
Cash and cash equivalents	69	115
<b>Net debt</b>	<b>2,438</b>	<b>1,792</b>
Undrawn lines of credit	1,240	1,140
Property portfolio including transfer costs	8,823	8,138
<b>Loan-to-value ratio</b>	<b>27.6%</b>	<b>22.0%</b>
<b>Interest cover ratio</b>	<b>5.5x</b>	<b>4.9x</b>
<b>Average maturity (years)<sup>1</sup></b>	<b>4.3</b>	<b>4.6</b>
<b>Average spot cost (after hedging)</b>	<b>1.7%</b>	<b>1.2%</b>

<sup>1</sup> After allocating back-up facilities.

# Property portfolio and NAV

NET ASSET VALUE: EPRA NDV PER SHARE UP 6.1% AT €108.3 AFTER PAYMENT OF AN EXCEPTIONALLY HIGH DIVIDEND OF €4.20 IN APRIL 2022.

The consolidated appraisal value of the portfolio at 31 December 2022 was €8,246 million excluding transfer costs. The increase of 8.4% from €7,606 million at 31 December 2021 primarily reflected the acquisition of the Pasteur building. On a comparable portfolio basis, the increase was 2.3%, led primarily by the higher appraisal values of properties undergoing redevelopment.

The average EPRA topped-up Net Initial Yield (NIY) was 3.1% at 31 December 2022, up slightly from 2.9% at the previous year-end. At 31 December 2022, EPRA Net Tangible Assets (NTA) stood at €107.4 per share (€4,603 million, a decline of 0.5% over the year) and EPRA Net Disposal Value (NDV) was €108.3 per share (€4,644 million, up 6.1% over the year), after payment of an exceptionally high dividend of €4.20 during the year.

€8,246m

portfolio value excluding transfer costs

up 2.3%

like-for-like vs. 31 Dec. 2021

## NET ASSET VALUE (in € millions)

	31 Dec. 22	31 Dec. 21
Equity	4,379	4,387
Dilutive impact of treasury shares and stock options	2	2
Unrealised gains on properties	35	34
Unrealised gains on intangible assets	4	4
Elimination of financial instruments at fair value	(15)	(4)
Elimination of deferred taxes	204	211
Transfer costs	496	451
EPRA NRV (Net Reinstatement Value)	5,104	5,084
EPRA NRV/share	€119.1	€118.6
Elimination of intangible assets	(2)	(2)
Elimination of unrealised gains on intangible assets	(4)	(4)
Elimination of transfer costs*	(496)	(451)
EPRA NTA (Net Tangible Assets)	4,603	4,627
EPRA NTA/share	€107.4	€107.9
Intangible assets	2	2
Financial instruments at fair value	15	4
Fixed-rate debt at fair value	228	(47)
Deferred taxes	(204)	(211)
Cancellation of transfer costs	0	0
EPRA NDV (Net Disposal Value)	4,644	4,375
EPRA NDV/share	€108.3	€102.1
Number of shares (thousands)	42,865	42,865

\* 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](http://WWW.EPRA.COM), ARE SUMMARISED BELOW:

## EPRA PERFORMANCE INDICATORS

	2022	2021
EPRA Earnings	€108.0m	€92.4m
/share	€2.52	€2.05
EPRA Cost Ratio (incl. vacancy costs)	15.3%	16.2%
EPRA Cost Ratio (excl. vacancy costs)	14.2%	14.4%
Average number of shares (thousands)	42,865	45,002
	2022	2021
EPRA NRV	€5,104m	€5,084m
/share	€119.1	€118.6
EPRA NTA*	€4,603m	€4,627m
/share	€107.4	€107.9
EPRA NDV	€4,644m	€4,375m
/share	€108.3	€102.1
EPRA Net Initial Yield	2.4%	2.5%
EPRA Topped-Up Net Initial Yield	3.1%	2.9%
EPRA Vacancy Rate	0.6%	1.7%
Number of shares (thousands)	42,865	42,865
	2022	2021
LTV	27.6%	22.0%
100%, including transfer costs		
EPRA LTV (including transfer costs)		
100%	29.2%	23.3%
Attributable to owners of the parent	33.8%	27.6%
EPRA LTV (excluding transfer costs)		
100%	31.2%	25.0%
Attributable to owners of the parent	36.1%	29.5%

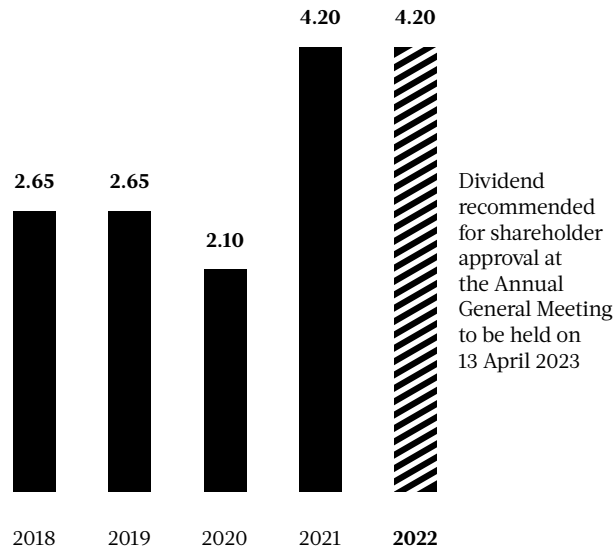


# Ownership structure

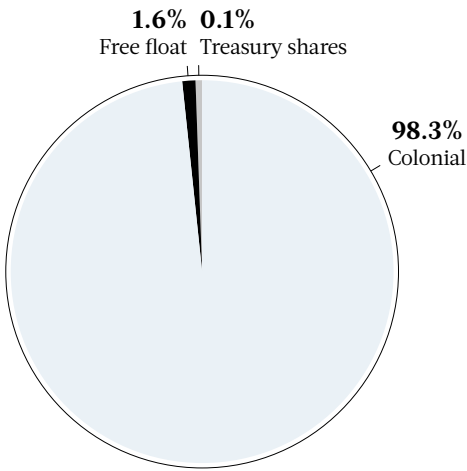
THE SFL SHARE ENDED THE YEAR AT €84.40, REPRESENTING A 7.9% INCREASE ON THE 2021 CLOSING PRICE OF €78.20. OVER THE SAME PERIOD, THE EPRA EUROPE INDEX WAS DOWN 38.8% AND THE CAC 40 INDEX LOST 9.5%.

**T**rading volumes declined over the year, at an average 250 shares or €21,000 per day. In April 2022, SFL paid an annual dividend of €4.20 per share. The Board of Directors will recommend that shareholders at the Annual General Meeting on 13 April 2023 approve the payment in cash of a dividend of €4.20 per share for the year.

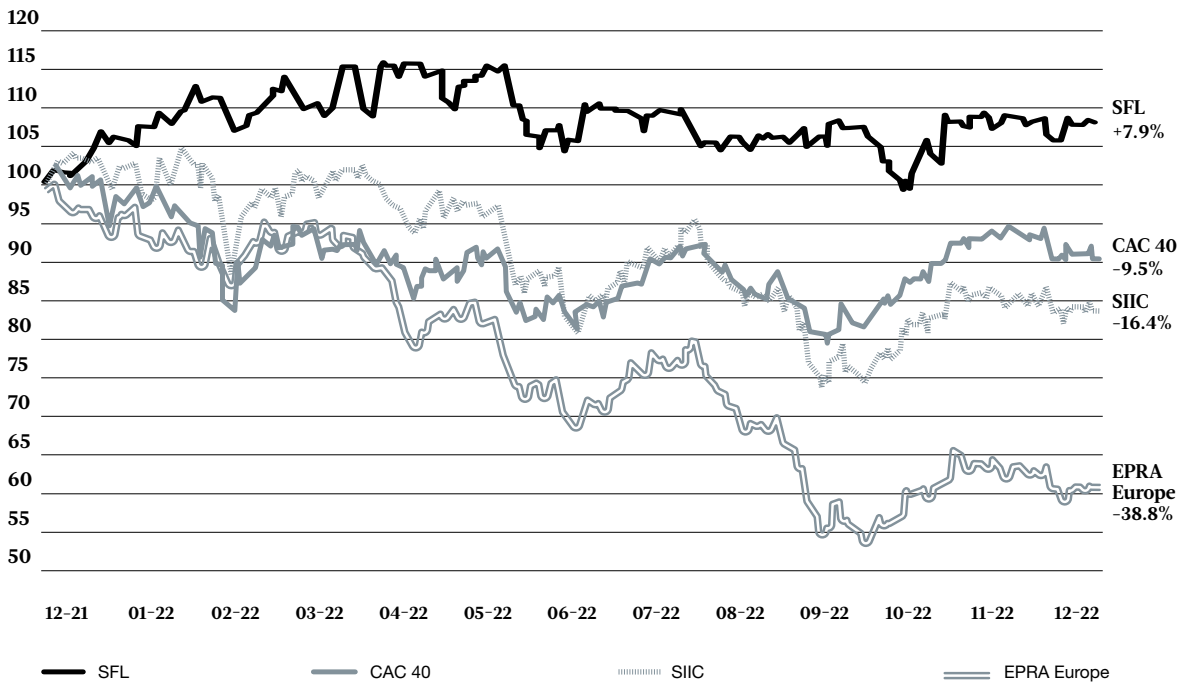
DIVIDEND PER SHARE  
(€ per share)




SFL OWNERSHIP STRUCTURE  
at 31 December 2022



2022 SHARE PERFORMANCE<sup>(1)</sup>



(1) Base 100: 31 Dec. 2021. Data up to 31 Dec. 2022. Sources: Euronext/EPRA.

**SFL** \_ French société anonyme with share capital of €85,729,430.  
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