

# 2024 INTERIM RESULTS

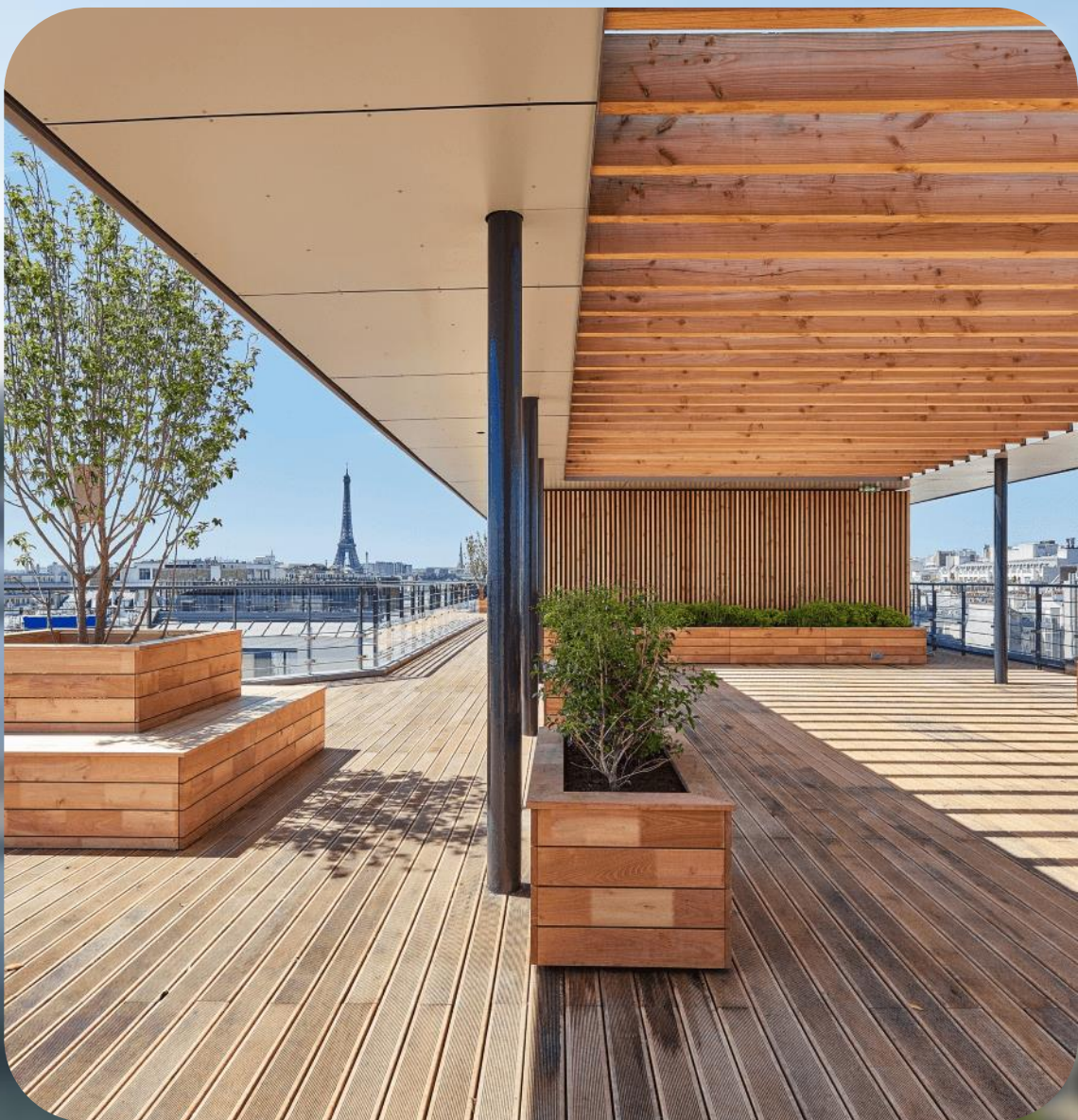




# OVERVIEW

01. First-Half 2024 Significant Events
  - Market
  - Portfolio
  - ESG
02. First-Half 2024 Rental Activity
03. Redevelopment Projects
04. First-Half 2024 Financial Statements & Results
05. Appendices





01.

## First-Half 2024 Significant Events

# Ambitious targets in line with our “prime” strategy



## PORTFOLIO

The easing of interest rates, combined with very favourable conditions in the rental market, drove a modest recovery in appraisal values at 30 June 2024, after 18 months of decline

➤ **€7,406m**  
excl. transfer costs

- **Like-for-like change: up 1.0% over six months**
- **Value per sq.m.:** €19,700/sq.m. excluding transfer costs (excluding car park)
- **EPRA TOPPED-UP NIY: 3.8%**  
(3.8% at 31 Dec. 2023)



## LETTING ACTIVITY

SFL's strategic positioning means we can take full advantage of the very positive momentum and higher prices in the Paris property rental market

- **~12,000 sq.m.**  
let during the year
- **€998/sq.m.**  
average nominal rent (offices)
- **99.8%**  
physical occupancy rate



## PIPELINE

The two major development projects in the pipeline, which will come to market in different periods, represent a valuable source of future rental income

- **Scope – Paris 12:** building permit obtained and cleared of appeals – site clearance completed – general contractor appointed – delivery H1 2026
- **Condorcet – Paris 9:** development of a new mixed-use block in the heart of the 9<sup>th</sup> *arrondissement* of Paris – building permit applied for – GRDF to move out in H1 2025

# Ambitious targets in line with our “prime” strategy



ESG



FINANCING



CORPORATE

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>➤ 100% <b>of buildings certified/labelled and a further 2-point improvement</b> in the GRESB (Standing Investments Benchmark) score to 93</li><li>➤ Net-zero land take over the past 10 years and increase in the portfolio’s <b>green spaces</b> (creation of a roof garden at 176 avenue Charles de Gaulle)</li><li>➤ <b>SFL in compliance with</b> all the <b>ESG objectives</b> applicable to the Group’s <b>green bank lines of credit</b></li></ul> | <ul style="list-style-type: none"><li>➤ <b>€100m line of credit</b> with BNP Paribas rolled over in H1 2024</li><li>➤ €300m Term Loan and €835m RCF extended by one year, raising <b>average maturity of debt to 3.6 years</b></li><li>➤ <b>LTV under control at 34.0%</b> including transfer costs</li><li>➤ <b>BBB+ rating/stable outlook</b> affirmed by S&amp;P</li></ul> | <ul style="list-style-type: none"><li>➤ Migration to a <b>new ERP</b> (SAP S4/HANA) on 1 January 2024, in accordance with the project timeline</li><li>➤ Adoption of a <b>new Ethics Code of Conduct</b></li><li>➤ <b>Election</b> by Pargal SAS <b>to be taxed as an SIIC</b></li></ul> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

# Figures that reflect the robustness of SFL's balance sheet and business

## ASSETS

Portfolio appraisal value (excl. transfer costs):

**€7,406m**  
(up 1.0% like-for-like)

EPRA NTA:

**€3,649m** (down 2.7%)  
**€85.0/share**

## DEBT

Average maturity:

**3.6 years**

Average spot cost:

**2.1%**

LTV (incl. transfer costs):

**34.0%**

LTV (excl. transfer costs):

**36.3%**

Interest cover:

**3.5x**

## P&L INDICATORS

Revenue\*

**€127.0m**  
(up 7.4% like-for-like)

EPRA earnings:

**€60.1m** (up 13.0%)

EPRA earnings per share:

**€1.40/share** (up 12.9%)

Attributable net profit/(loss)

**€76.7m**  
(vs €177.5m loss in H1 2023)

*\*Including €121.6m in rental income and the cancellation of a rent accrual of €5.4m*

## ACTIVITY

Average nominal rent (offices):

**€796/sq.m./year**

Average lease term:

**7.2 years**

Physical occupancy rate:

**99.8%**

EPRA vacancy rate:

**0.2%**



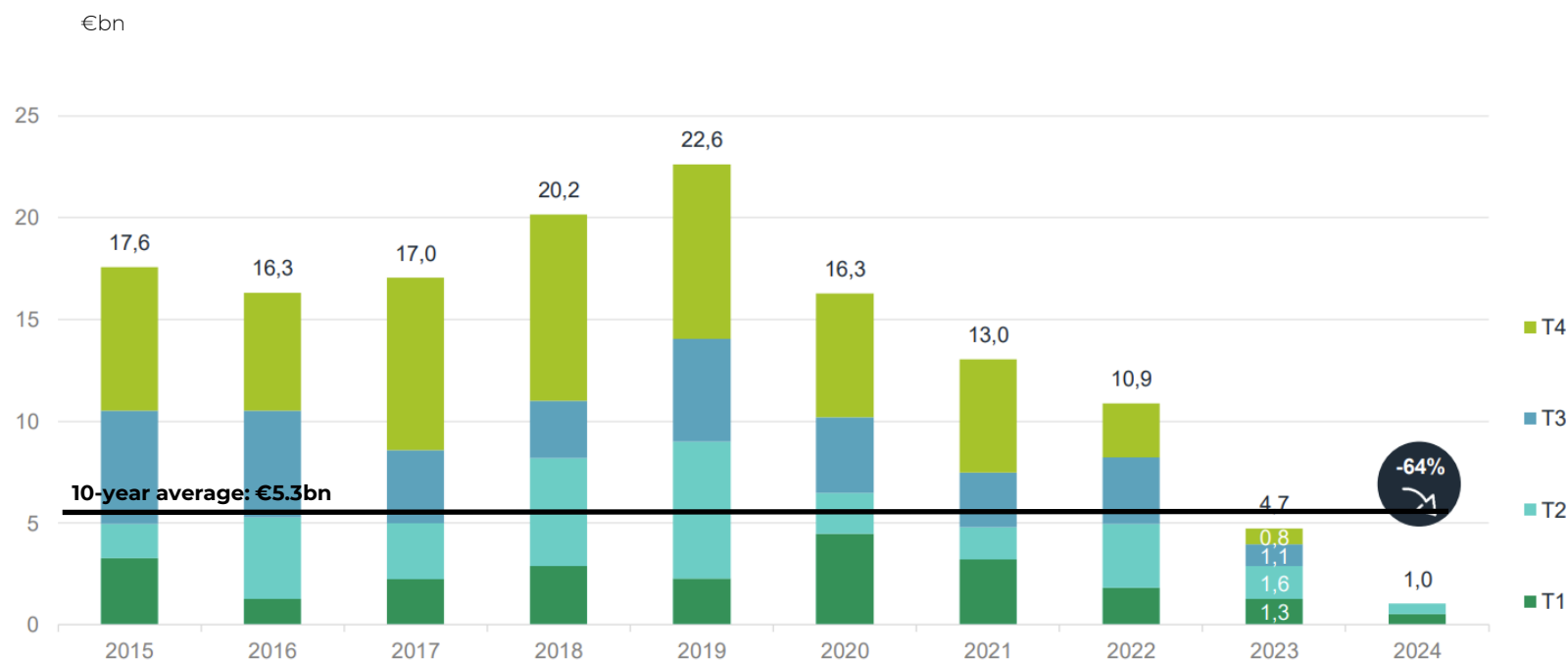


# 01.

► Market

# Investment market in sharp decline, with investors focused on Paris

## PARIS REGION OFFICE INVESTMENT MARKET – EXCLUDING SALES TO OWNER-OCCUPIERS



- Office transactions in the Paris region: **€1.0bn, down 81% compared with the 10-year average**
  - o/w Paris: 76%
  - o/w CBD: 65%
  - No transactions in La Défense since the start of the year
- Just **35 deals** in H1, with an **average deal amount of ~€30m**. **Deals in excess of €80m are rare: only 4 deals recorded in H1 2024, of which 3 in inner Paris**
- Alternative asset classes are draining some of the capital from the office market:**
  - Warehouses:** €1.7bn, up 30% vs H1 2023
  - Hotels:** €1.5bn, up 37% vs H1 2023; 76% in 3\* and 4\* hotels

### -64%

An investment market in sharp decline vs H1 2023

### 76%

The **Paris market accounted for 76% of transactions**, supported by a buoyant rental market

### 4.25%

at 30 June 2024, prime yields stabilised at 4.25% in Paris and 4.75% outside the CBD

Source: BNP Paribas RE



# Main office transactions in H1 2024

## Grand Opera – Paris 9



Surface area: **10,000 sq.m.**  
**(85% offices/15% retail)**  
 Vendor: **Assembly for Whoop**  
 Buyer: **Pontegadea**  
 Strategy: **core**  
 Price/rate: **€215m/c.4%**

Q1 24

€21,500/sq.m.

## Opéra Gramont – Paris 2



Surface area: **8,069 sq.m.**  
 Vendor: **Deka**  
 Buyer: **Osaé**  
 Strategy: **value add**  
 Price/rate: **€107m/4.90%**

Q1 24

€13,300/sq.m.

## 40 rue Georges V – Paris 8



Surface area: **5,683 sq.m. (70% offices/30% retail)**  
 Vendor: **Not disclosed**  
 Buyer: **Foncière Renaissance**  
 Strategy: **core +**  
 Price/rate: **€125m**

Q2 24

€22,000/sq.m.

## In Situ – Boulogne



Surface area: **13,500 sq.m.**  
 Vendor: **DWS**  
 Buyer: **Corum**  
 Strategy: **core**  
 Price/rate: **€99m/7%**

Q2 24

€7,300/sq.m.

## 24 Hoche – Paris 8



Surface area: **2,845 sq.m.**  
 Vendor: **La Française**  
 Buyer: **Hertel**  
 Strategy: **core + / user**  
 Price/rate: **€40m/4.25%**

Q1 24

€14,100/sq.m.

## 25 rue Jean Goujon – Paris 8



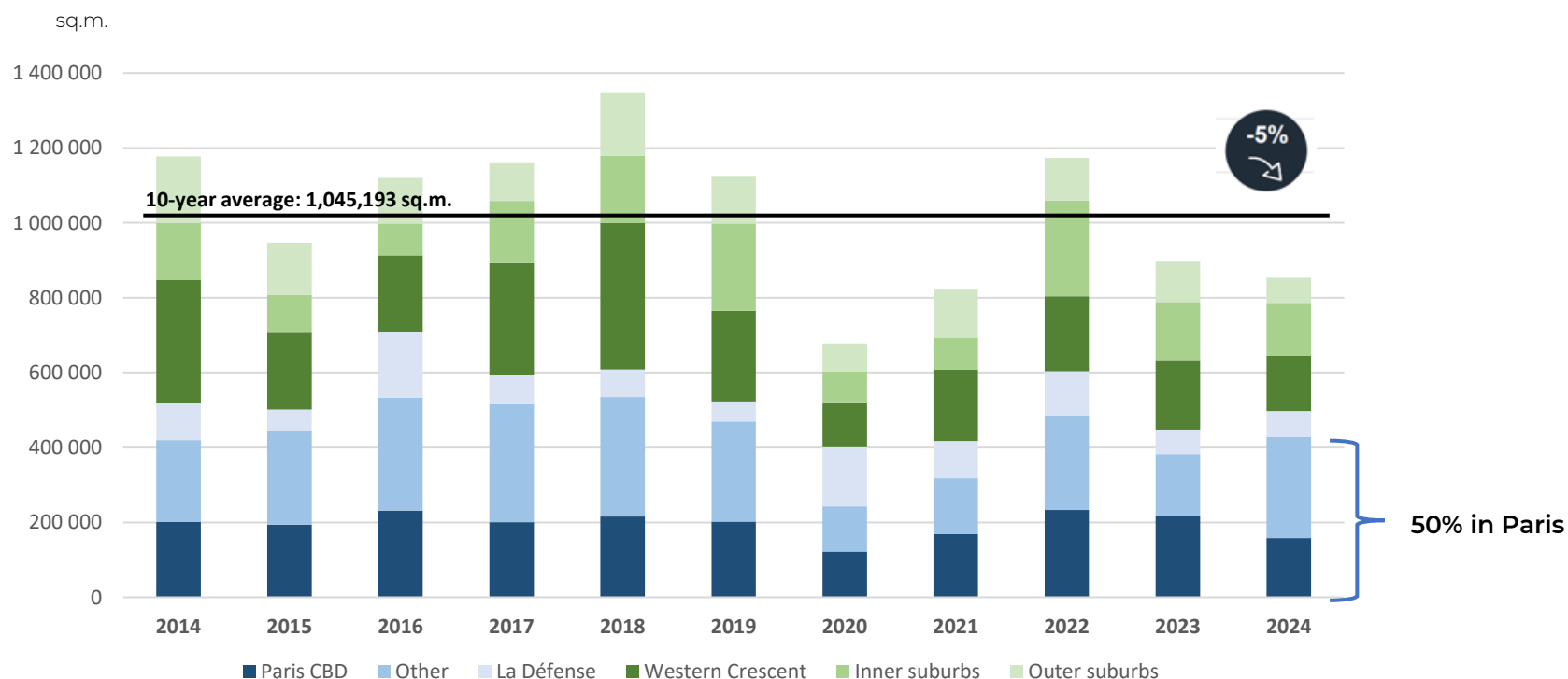
Surface area: **2,257 sq.m**  
 Vendor: **Finapar**  
 Buyer: **LVMH**  
 Strategy: **user**  
 Price/rate: **€80m**

Q1 24

€35,450/sq.m.

# More than half of all transactions in Paris

## PARIS REGION COMPLETED OFFICE LETTINGS



► **Paris: up 12% vs H1 2023, close to 10-year average**

- **Paris districts outside the CBD** performed very well, capturing **32% of completed lettings, up 64% vs H1 2023**, for both small and large surface areas.
- Prime rents continued to rise, with **12 leases negotiated at over €950/sq.m.:**
  - 7 in the **Etoile CBD** (up 288% vs H1 2023)
  - 5 in the **Opéra CBD** (up 53% vs H1 2023)

Source: BNP Paribas Real Estate

### 853,300 sq.m.

Completed lettings down slightly by 5% vs H1 2023 and down 18% vs 10-year average

### 50%

of transactions in Paris (430,000 sq.m.), driven by districts outside the CBD which accounted for 32%, above the 10-year average

### €1,100/sq.m.

Prime rents in Paris topped €1,000/sq.m., reflecting a trend that has continued in H1 2024

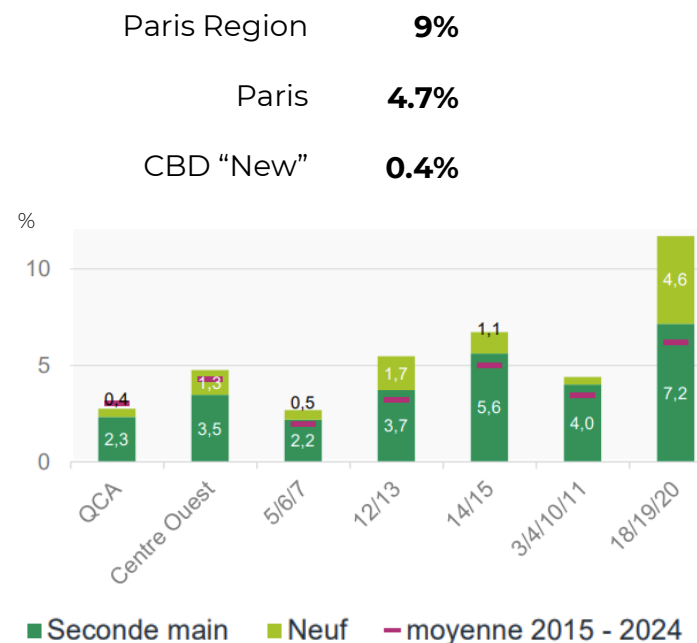


The capital benefited from **polarised demand** (combining attractiveness, selectivity and accessibility)



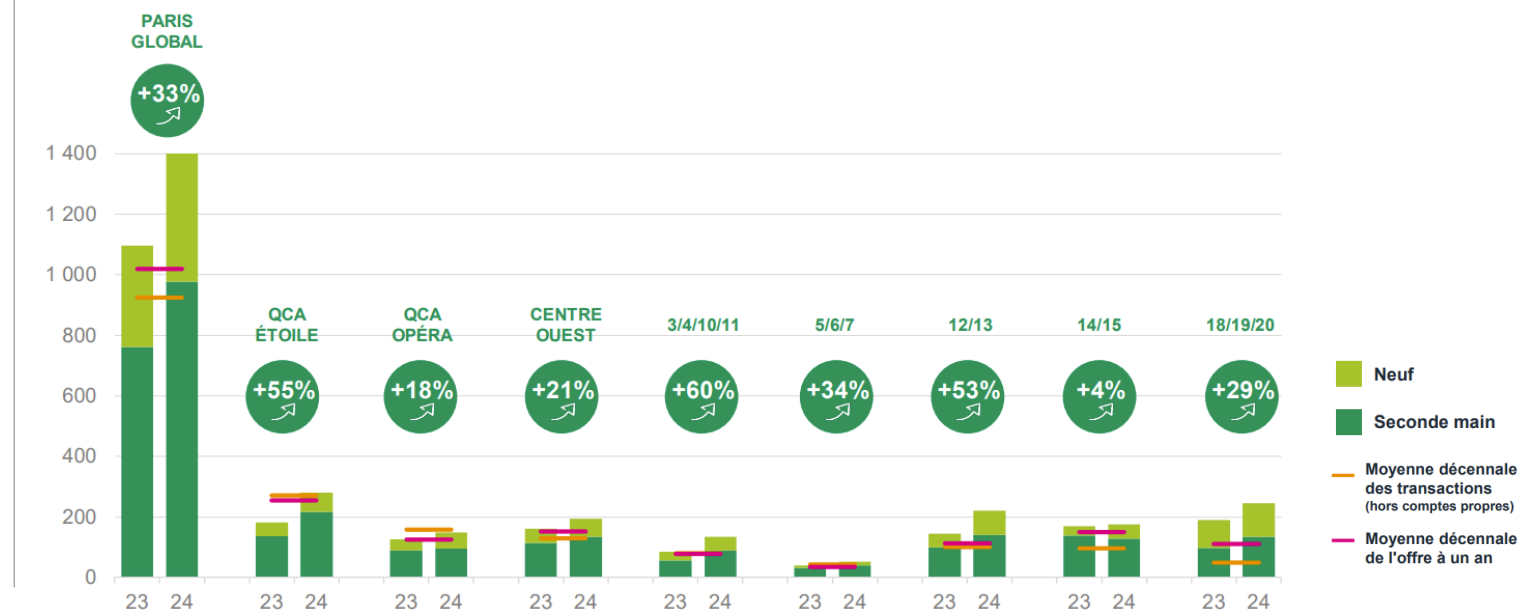
# Slightly higher – but still limited – stock of grade A properties in Paris

## VACANCY RATE



## AVAILABLE WITHIN ONE YEAR

thousand sq.m.



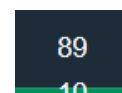
Source: BNP Paribas Real Estate

## CURRENT AND FUTURE DEVELOPMENT PROJECTS (MORE THAN 5,000 SQ.M.)

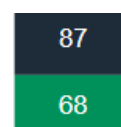
### CUMULATIVE VOLUME:

■ Paris Hors QCA **361,000 sq.m.**

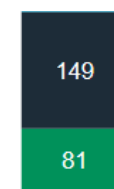
■ Paris QCA **159,000 sq.m.**



2024



2025



2026

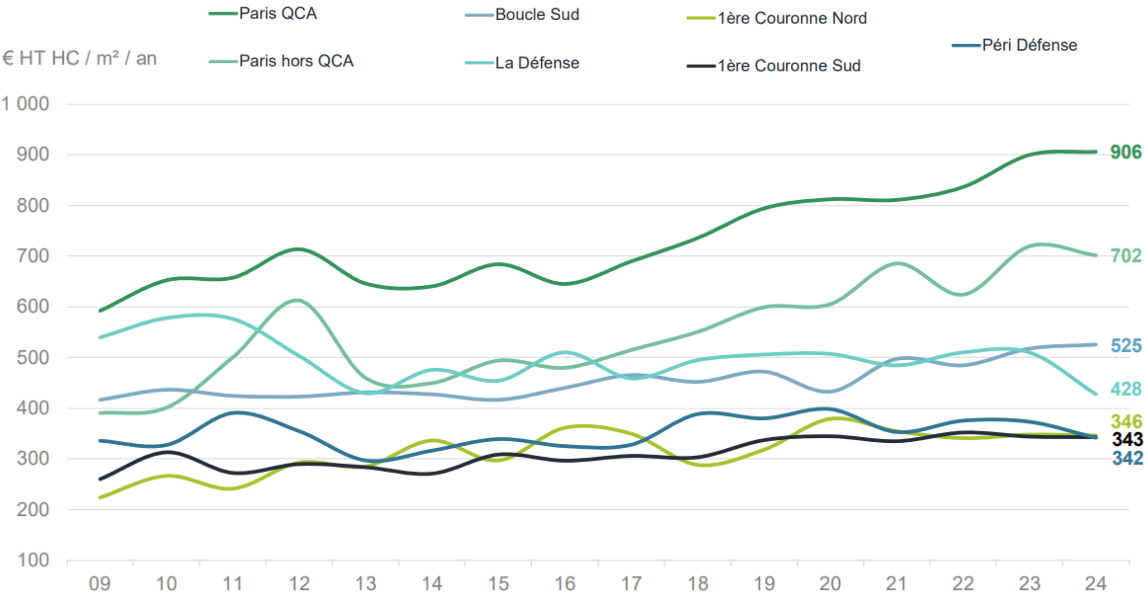


2027

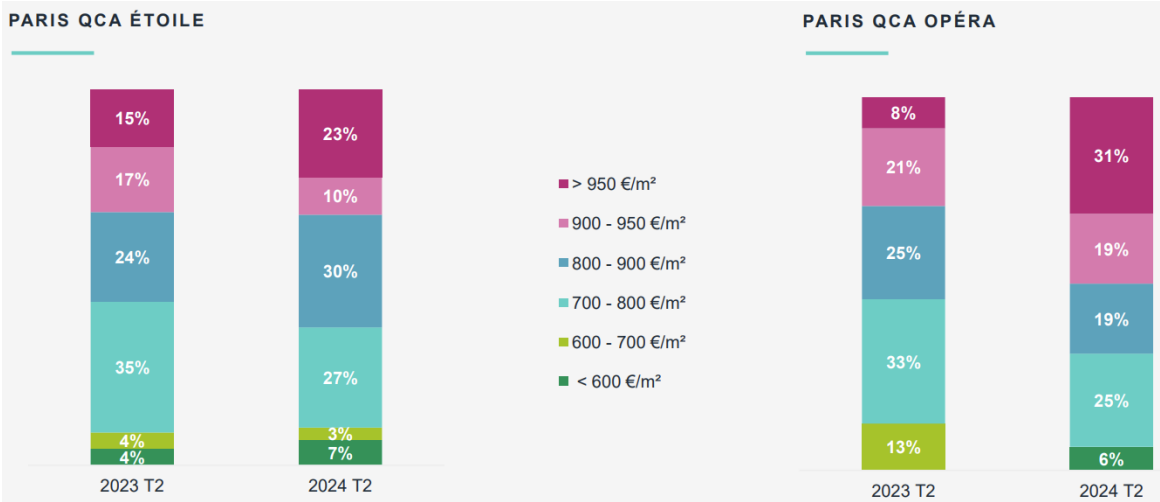
Source: BNP Paribas Real Estate

# Growth in rental values still driven by Paris

Rise in nominal rents for new buildings



Increase in prime rents in Paris



Source: BNP Paribas Real Estate

## MAIN LEASES AT OVER €950/SQ.M. REGISTERED IN H1 2024

 <p><b>TENANT:</b> CHANEL – 7,770 sq.m. CBD</p> <p>Delivery: Q1 2024 €1,000/sq.m. PrimOpéra</p>	 <p><b>TENANT:</b> EURAZEO – 8,300 sq.m. CBD</p> <p>Delivery: Q1 2024 €968/sq.m. 64 Pierre Charron</p>	 <p><b>TENANT:</b> Law firm – 2,700 sq.m. CBD</p> <p>Delivery: Q1 2025 €1,100/sq.m. Cézanne Saint-Honoré</p>	 <p><b>TENANT:</b> Asset management company – 3,500 sq.m. CBD</p> <p>Delivery: as is €1,025/sq.m. #Cloud.Paris</p>
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# 01.

► Portfolio

# Central location and accessibility: the keys to portfolio attractiveness

All of the properties are located less than 6 minutes from public transport

1 - Edouard VII

2 - Washington Plaza

3 - Louvre Saint-Honoré

4 - Pasteur

5 - #Cloud.paris

6 - Cézanne Saint-Honoré

7 - Condorcet

8 - Biome

9 - Scope

10 - 103 Grenelle

11 - Haussmann Saint-Augustin

12 - 83 Marceau

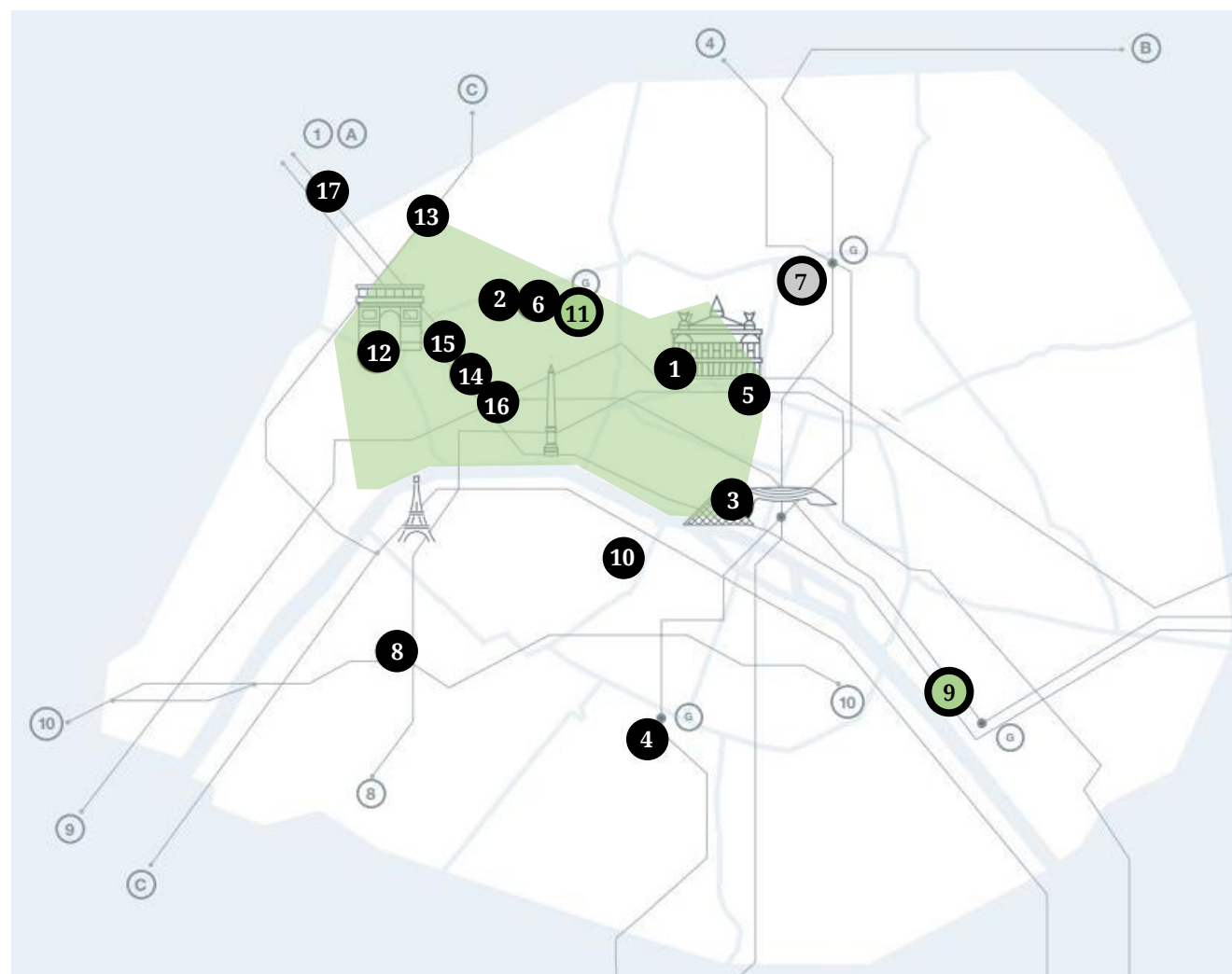
13 - 131 Wagram

14 - 90 Champs-Élysées

15 - 92 Champs-Élysées

16 - Galerie Champs-Élysées

17 - 176 Charles de Gaulle

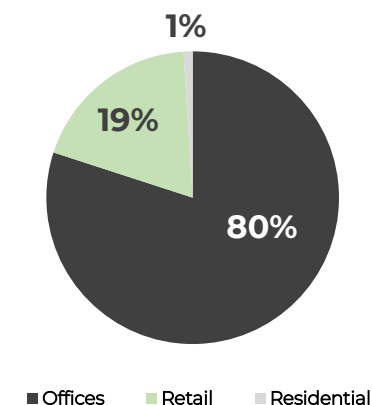


● Revenue-generating

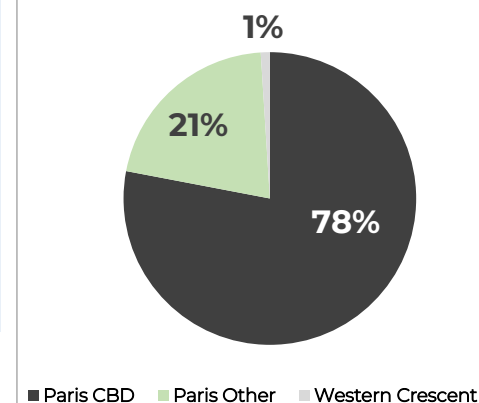
● Under redevelopment

● Awaiting redevelopment

## ► Market focus (by value)



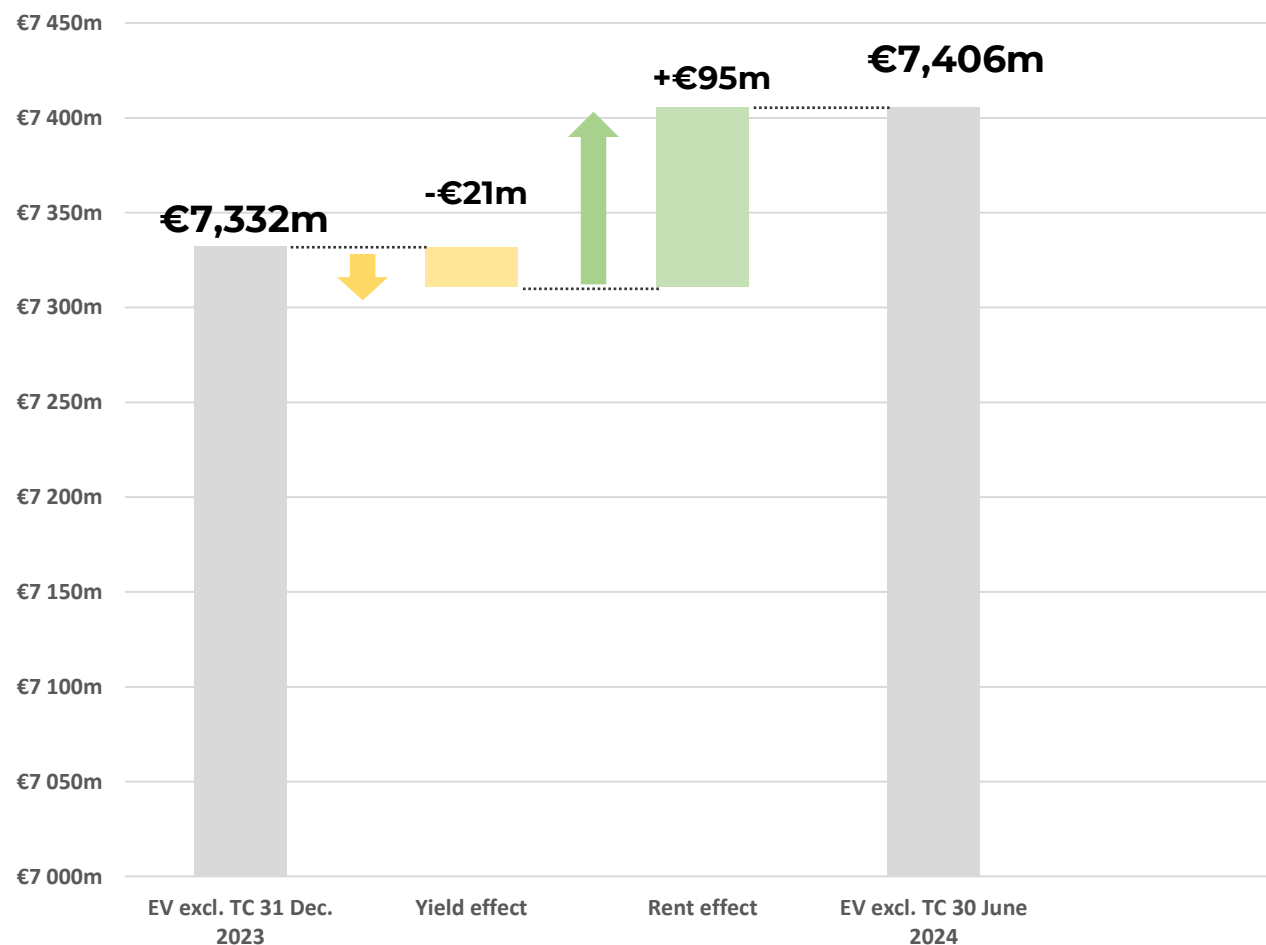
## ► Geographic focus (by value)





# A modest recovery in appraisal values after 18 months of decline

## Changes in portfolio value (excluding transfer costs), H1 2024



► **Like-for-like change: +1.0%**

► **The increase in values vs 31 December 2023 can be explained as follows:**

- Discounting and exit capitalisation rate effect: -0.3%
- Rent effect: +1.3%

► **Rate changes over the last 6 months:**

- Average discount rate: 5.2% (-2 bps)
- Average exit capitalisation rate: 4.2% (+3 bps)

► **AVERAGE VALUE – OFFICES: approx. €19,700/sq.m.**

Weighted value excl. transfer costs per sq.m., excluding car park, excluding pipeline projects (Scope and Condorcet)

**EPRA topped-up NIY: 3.8%**

(3.8% at 31 Dec. 2023)

- Topped-up NIY Offices: 3.9%
- Topped-up NIY Retail: 3.6%



# 01.

► ESG



## ESG: a historic commitment, convictions and results



### Decarbonisation and energy efficiency are central to our actions

- ▶ **28% reduction in** Scope 1, 2 and 3 GHG **emissions** (in tCO<sub>2</sub>) in 2023. Objective: 42% reduction between 2021 and 2030
- ▶ **94% of redevelopment project waste recovered and reused in 2023**
- ▶ **86%** of our properties' users use a low-carbon form of transport for their daily commute (2023 satisfaction survey)



### Ambitious architectural choices and responsible urban regeneration

- ▶ Renovation or restructuring of **more than 50% of floor space in 10 years**
- ▶ Iconic reinvention of the Louvre Saint-Honoré complex for the future installation of the **Cartier Foundation collection (architects: Ateliers Jean Nouvel)**
- ▶ **Net-zero land take during the period.** Biodiversity label awarded to the Biome and Cézanne complexes, and to be sought for the Scope complex



### Recognised engagement

- ▶ **All** revenue-generating assets are **eco-certified**
- ▶ BIOME: one of the first BBCA Rénovation-certified projects in Paris, **recognised at SIBCA 2023 low carbon building awards**. The same award will be sought for the Scope project
- ▶ 2-point improvement in our **GRESB** (Standing Investments Benchmark) **score** to 93
- ▶ **EPRA Gold Sustainability Label** obtained



### Working better together with our teams and partners

- ▶ Support for the Observatoire de l'Immobilier Durable's (Sustainable Real Estate Observatory) training courses in ESG issues for real estate professionals (**launch of Label'ID** online training pathway)
- ▶ Compliance with the **Ethics Code of Conduct** updated in 2023
- ▶ Close relations with contractors (**84% of Paris-based contractors**) to improve control over sub-contracting

## Practical initiatives aligned with our ambitious strategy



All new contracts to include **Energy-Carbon-Water Performance Contracts (CPCs)**

- ✓ **Objective:** Manage water and energy use
- ✓ **Coverage:** 30% of our sites



### Increased well-being at work

- ✓ Soft mobility: opening of a 450-space bike park at Washington Plaza  
Bike parks available in **82%** of the properties in the portfolio; 1,570 spaces
- ✓ Biodiversity: creation of new landscaped area at 176 Charles de Gaulle (roof garden) and improvement of existing planted areas, rue Paul Cézanne



Embodied carbon emissions plan implemented by **leveraging the circular economy:**

- ✓ Initiatives to reduce Scope 3 emissions (70% to 90% of our Scope 1-2-3 emissions)
- ✓ **2 pilot projects** (Cézanne Saint-Honoré and 103 Grenelle)
- ✓ Detailed specifications drawn up by our partner Elan
- ✓ **10% reduction objective in embodied carbon emissions**



### Increasingly engaged

- ✓ Scope project designed with a view to obtaining the **BBCA Rénovation label**
- ✓ **Training courses:** the environmental fresco and in-house training courses run by our employees
- ✓ **Contributions:** SFL partners the *Nuit Blanche* event organised by the City of Paris and deployment of Paris&Co's intensiscore indicator
- ✓ A tailor-made contract with **Café Joyeux**, which is taking up permanent residence at Cézanne Saint-Honoré

# Satisfaction levels monitored and analysed every two years since 2012

## 7<sup>th</sup> edition of the satisfaction survey conducted among SFL property occupants

▶ 1,343 respondents (vs 933 in 2021)

▶ 83 companies represented



**91% of occupants are satisfied**



**74% of occupants consider that their building has a positive impact on their well-being...** compared with 57% of people living in the Paris region\*



**...promote the development of social skills**

in multi-tenant buildings, 40% of occupants interact with staff from another company



**...are good for the environment: 86%**

of SFL building occupants use **low-carbon transport** for their daily commute

**In summary, SFL buildings...**



**...are focal points:**

- SFL building occupants spend on average **0.4 fewer days per week working from home compared to the Paris region average\*** or 17.5 more days per year in the office
- SFL building occupants spend **16 fewer minutes per day in public transport compared to the Paris region average\***, or the equivalent of 4.4 fewer working days per year



**...are totems:**

84% of SFL building occupants believe that their offices have a positive impact on their company's image



**...make users feel safe**

95% of SFL building occupants are not concerned about their safety after dark in the immediate vicinity of their workplace

\* Source: ParisWorkPlace 2023





# 02.

## First-Half 2024 Rental Activity

# Leases negotiated at record rents

around **12,000 sq.m.**

total surface area let\*

**€11.9m excl. tax**

total rent for surface area let

## Of which offices: 11,300 sq.m.

**€998/sq.m.**

Average nominal rent (offices)\*\*

**€883/sq.m.**

Average effective rent (offices)

11.6%

**8.7 years**

Average non-cancellable period

## Of which retail units: 200 sq.m.

**€1,982/sq.m.**

Average nominal rent (retail)

**€1,861/sq.m.**

Average effective rent (retail)

6.1%

**6 years**

Average non-cancellable period



\*including share of common areas & multi-purpose areas

\*\*Main rent + staff restaurant rent



# Main leases signed in 2024



#CLOUD.PARIS  
Paris 2



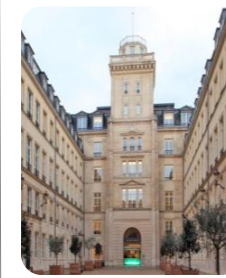
EDOUARD VII  
Paris 9



CÉZANNE SAINT-HONORÉ  
Paris 8



176 Charles De Gaulle  
Neuilly-sur-Seine



103 GRENELLE  
Paris 7

International fund  
manager

**New lease**  
Surface area: **3,400 sq.m.**  
Non-cancellable lease  
term: **9 years**

6%  
above  
ERV

14%  
above  
previous  
rent



**New lease**  
Surface area: **900 sq.m.**  
Non-cancellable lease  
term: **10 years**

8%  
above  
ERV

26%  
above  
previous  
rent

BRUNSWICK

**New lease**  
Surface area: **1,200 sq.m.**  
Non-cancellable lease  
term: **6 years**

20%  
above  
ERV

35%  
above  
previous  
rent

International law  
firm

**New lease**  
Surface area: **2,700 sq.m.**  
Non-cancellable lease  
term: **9 years**

15%  
above  
ERV

30%  
above  
previous  
rent

PURE  
TRADE  
worldwide

**New lease**  
Surface area: **700 sq.m.**  
Non-cancellable lease  
term: **6 years**

13%  
above  
ERV

38%  
above  
previous  
rent

beau de Loménie

**New lease**  
Surface area: **1,300 sq.m.**  
Non-cancellable lease  
term: **10 years**

16%  
above  
ERV

20%  
above  
previous  
rent



# Business case: 176 Charles de Gaulle – Neuilly

Optimise the existing asset through ongoing asset management work

**Create usable space in the tenanted building, to meet the expectations of the most demanding and efficient companies and achieve the highest possible rental values**

Restructure the basic building and enhance common areas



**Improve the building's image and efficiency**

Improve workspace design and upgrade technical amenities



**Create a premium product**

Create a multi-purpose area (café; meeting room; fitness room; changing rooms & showers; access to the garden)



**Develop tailor-made service offers**

Conversion of the technical facilities area on the roof into a roof garden with 360° views

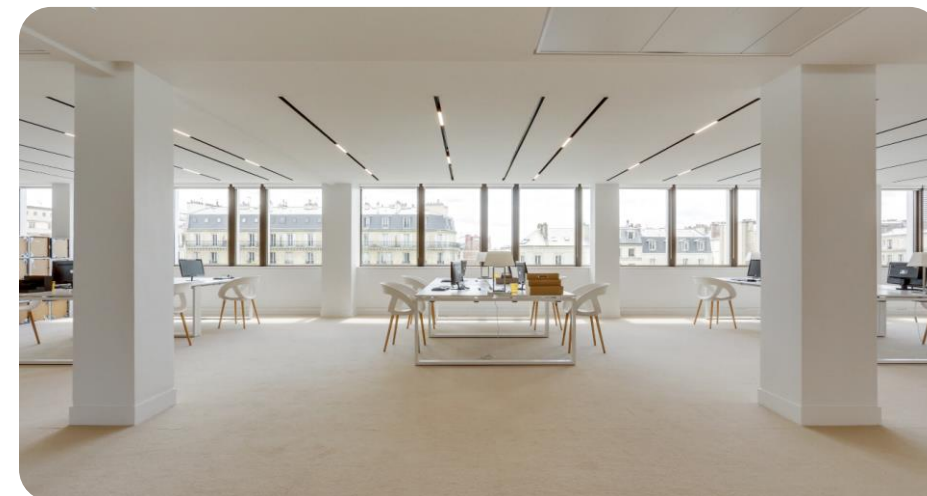


**Equip outdoor spaces**

Create an 18-space bike park and electric vehicle charging points



**Set ambitious ESG criteria**



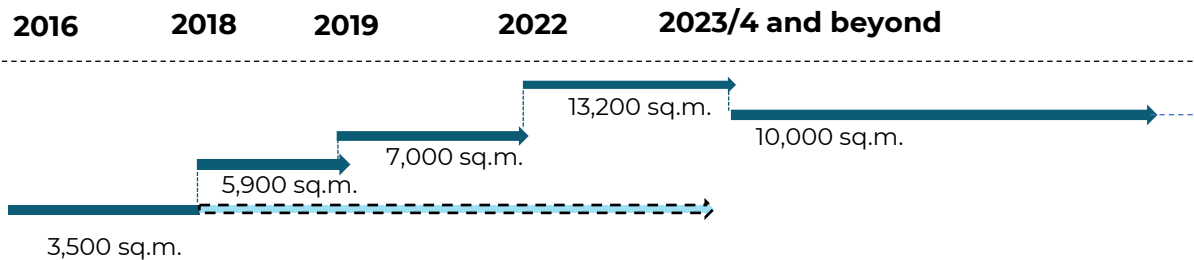
**Rent of €700/sq.m. achieved on the top floor and 25.5% increase in average rent over the last five years**

# Business case: #Cloud.Paris

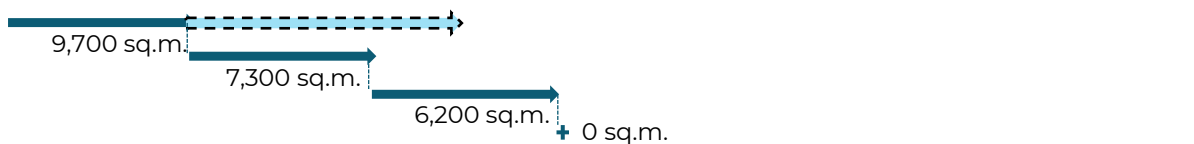
Capitalise on an exemplary and sustainable refurbishment of an iconic building

Post-delivery changes in the rental situation

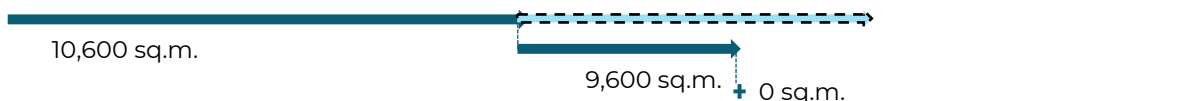
Meta



BlaBlaCar



EXANE



Luxury goods company

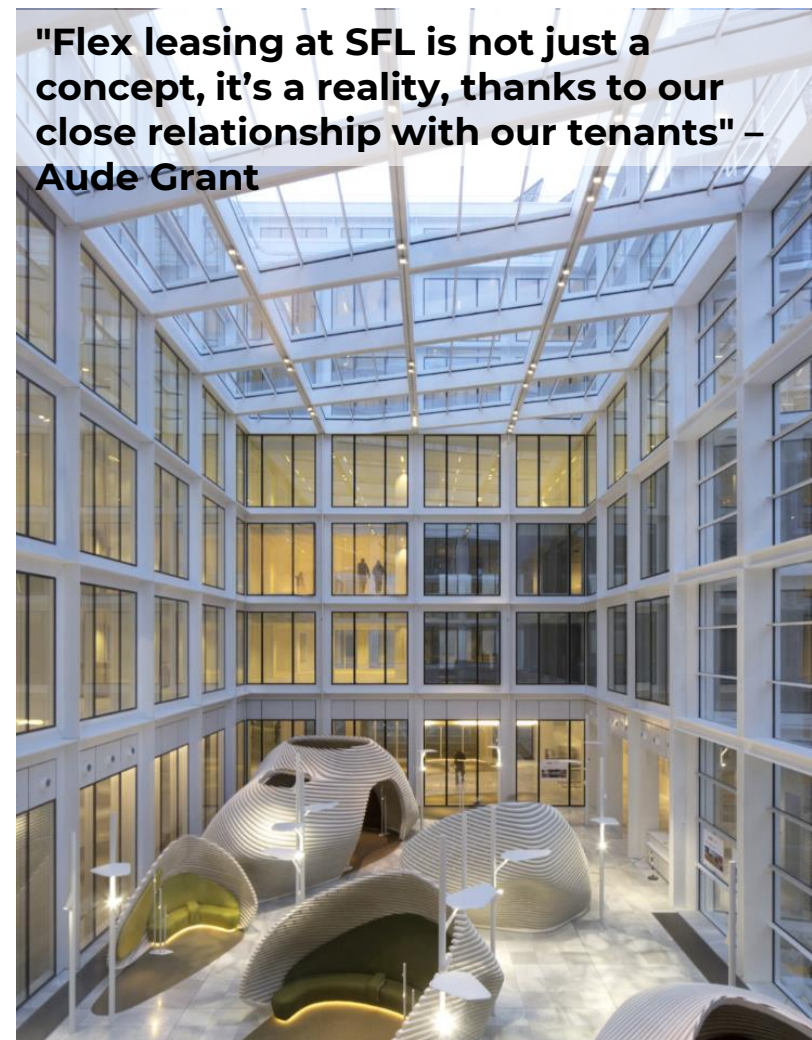


International asset management company



**Faster capture of reversionary potential, increase in average non-cancellable period  
100% occupancy rate since delivery**

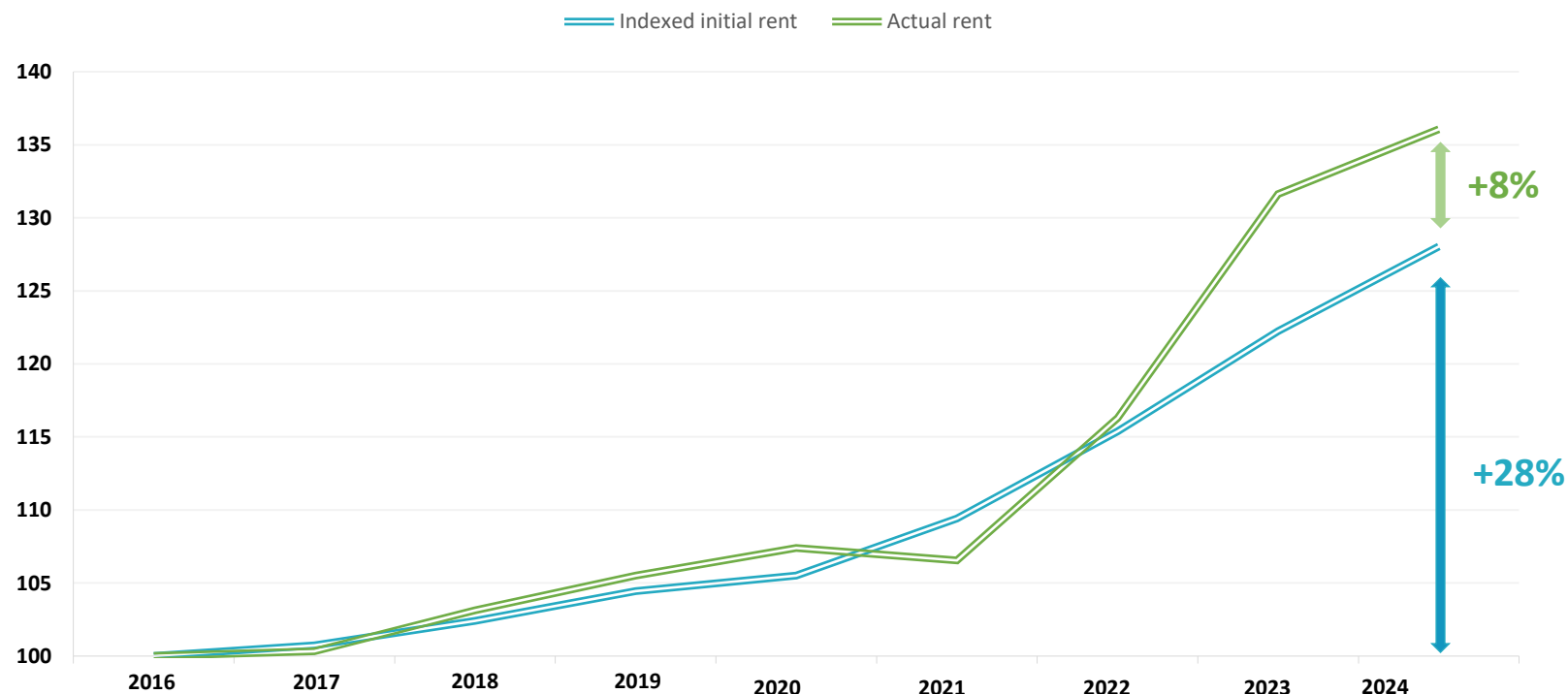
**"Flex leasing at SFL is not just a concept, it's a reality, thanks to our close relationship with our tenants" – Aude Grant**



# Business case: #Cloud.Paris

Capitalise on an exemplary and sustainable refurbishment of an iconic building

## CHANGE IN INDEXED INITIAL RENT VS ACTUAL NOMINAL RENT OBTAINED THROUGH ASSET MANAGEMENT INITIATIVES (baseline 100)



➤ This agility enabled us to **take advantage of the strong growth in Paris office rents** (up 36%), which outstripped the already very positive indexation effect over the period (up 28%).

NB: projected rents at end-2024 take into account the following assumptions:

- Indexed rent: 4.75% increase in indexed rent compared with the rent at end-2023
- Actual rent: account has been taken of the rents negotiated for the most recent leases and budget assumptions for new leases on vacant units



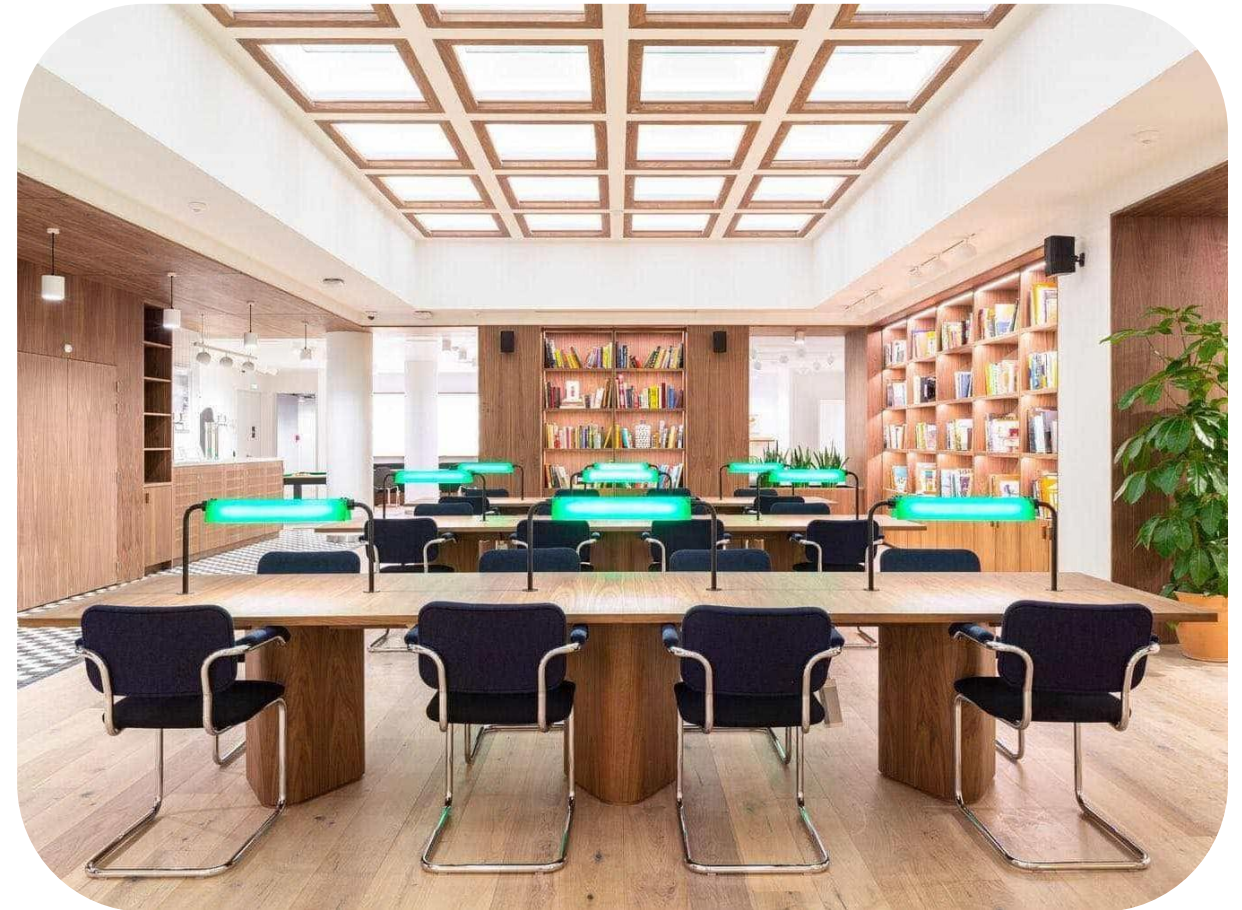
# Hausmann Saint-Augustin

## Agreement to break the WeWork lease

In light of WeWork's major financial difficulties (Chapter 11 bankruptcy in the US and Canada, conciliation proceedings in France), the buoyant Paris rental market, the excellent location of the property and its recent restructuring, SFL proactively sought to end its contractual relationship with this tenant

### Terms of the settlement agreement:

- Early termination date: **30 June 2024**
- Full recovery of rents, taxes and charges, including VAT, until the premises are vacated
- Payment by the tenant of a **lease termination indemnity**



# Hausmann Saint-Augustin

Rare 12,000 sq.m. of office space located in the Paris CBD's main transport hub

## Rationale:

*The building is in excellent technical condition, having been restructured before WeWork moved in, and the buoyant Paris market means that the property's reversionary potential is expected to be realised*

### ➤ **Limited refurbishment programme**

(common areas, hall, suspended ceilings, outside spaces, etc.) launched in July 2024, the day after the departure of WeWork

➤ Application for a building permit filed in May 2024, covering improvements to the flow of the individual floors

➤ Provisional refurbishment delivery date:  
**mid-2025**

➤ Marketing process launched (CBRE and JLL mandates)



### ► **Certifications being sought**



BREEAM RFO 2015  
Niveau Very Good



WiredScore  
CERTIFIED

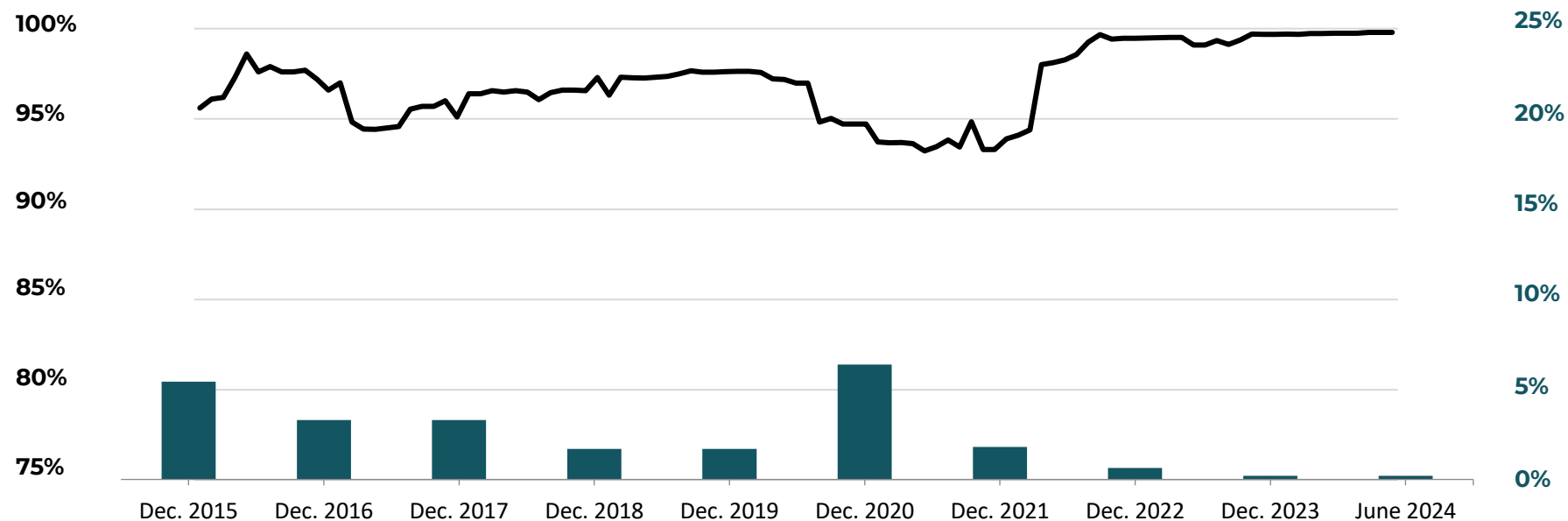
# Record occupancy rates maintained

Physical occupancy rate at 30 June 2024: **99.8%<sup>(1)</sup>**  
(vs 99.7% at 31 December 2023)

EPRA vacancy rate: **0.2%<sup>(1)</sup>**  
(vs 0.2% at 31 December 2023)

Physical occupancy rate

EPRA vacancy rate



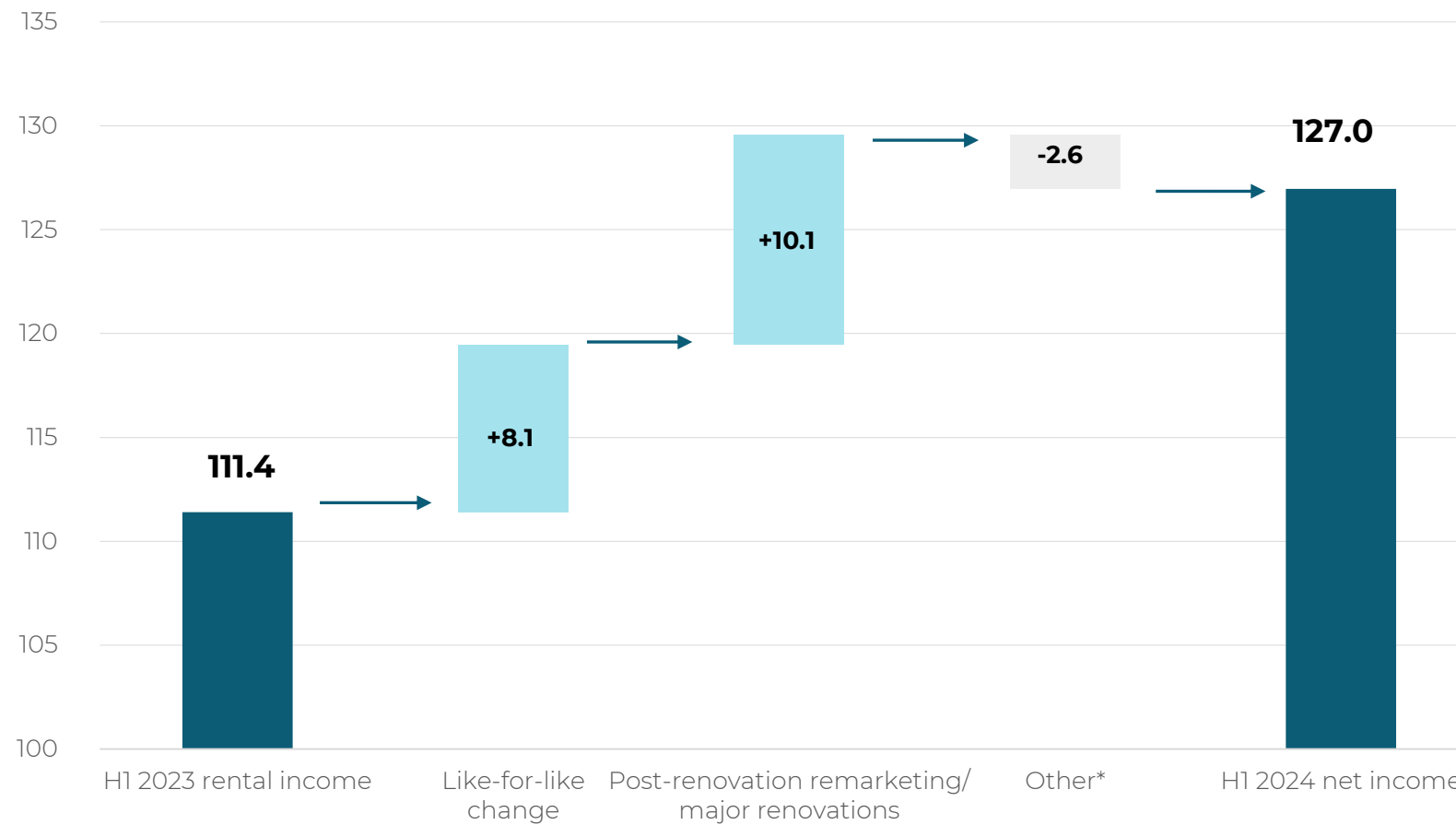
(1) Surface area attributable to SFL



# A sharp rise in income

Significant impact of like-for-like growth and newly leased projects

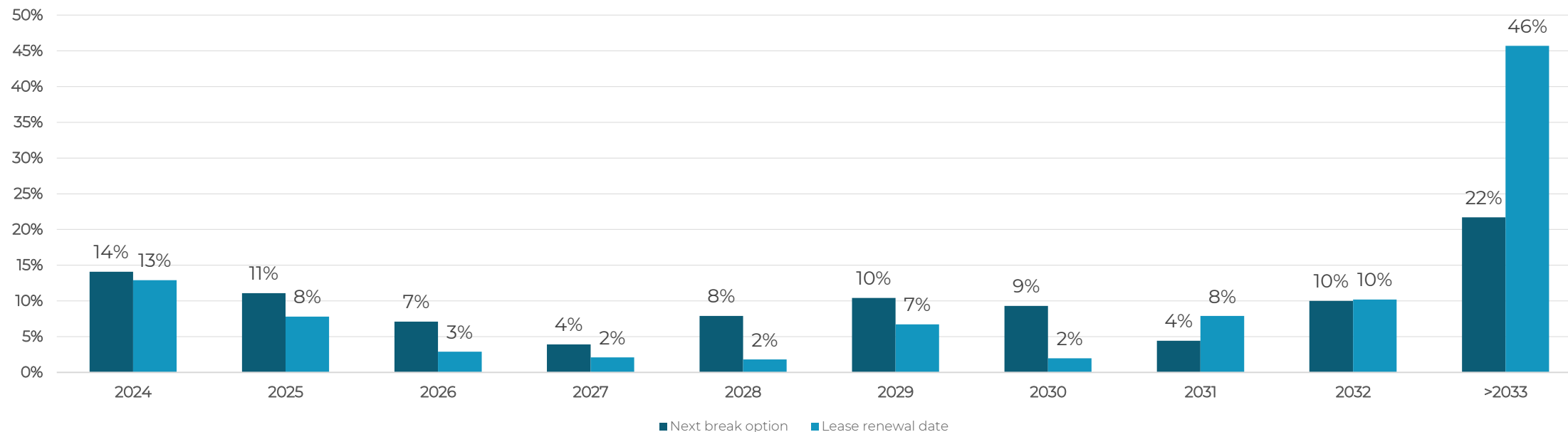
Consolidated data (€m)



\*The "Other" effect includes a €5.4 million cancellation of a rent accrual recognised at 31 December 2023 in respect of the WeWork lease

# Exceptional cash flow visibility, thanks to an average non-cancellable lease term of 5.6 years

## COMMERCIAL LEASE EXPIRY DATES



### Average SFL office rent

at 30 June 2024:

**€796/sq.m./year**  
(vs €769 at 31 Dec. 2023)

### Average period to lease

expiry<sup>(1)</sup>:

**7.2 years**  
(vs 7.6 at 31 Dec. 2023)

### Average period to next

potential exit date<sup>(2)</sup>:

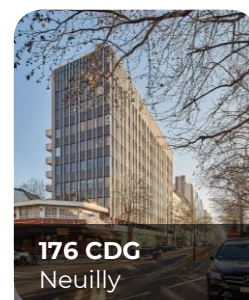
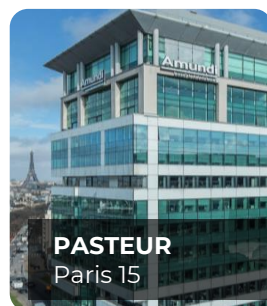
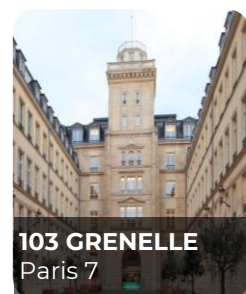
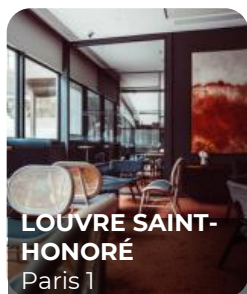
**5.6 years**  
(vs 6.0 at 31 Dec. 2023)

(1) Weighted average remaining term of commercial leases in progress at 30 June 2024

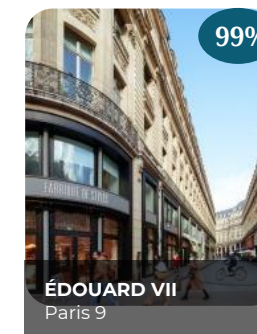
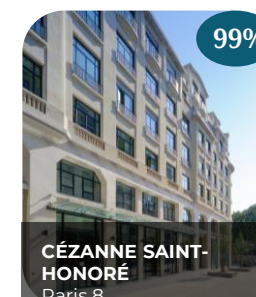
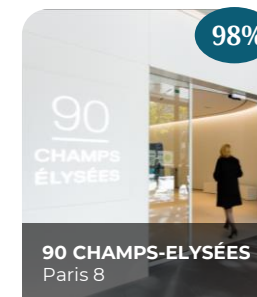
(2) Weighted average period to next potential exit date for commercial leases in progress at 30 June 2024

# Acute shortage of immediately available vacant space (retail, residential, car parks)

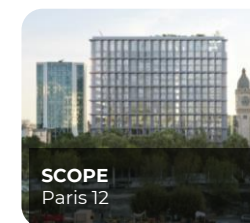
## PROPERTIES FULLY OCCUPIED/PRE-LET



## PROPERTIES REPRESENTING LIMITED RENTAL CHALLENGES



## BUILDINGS BEING REDEVELOPED

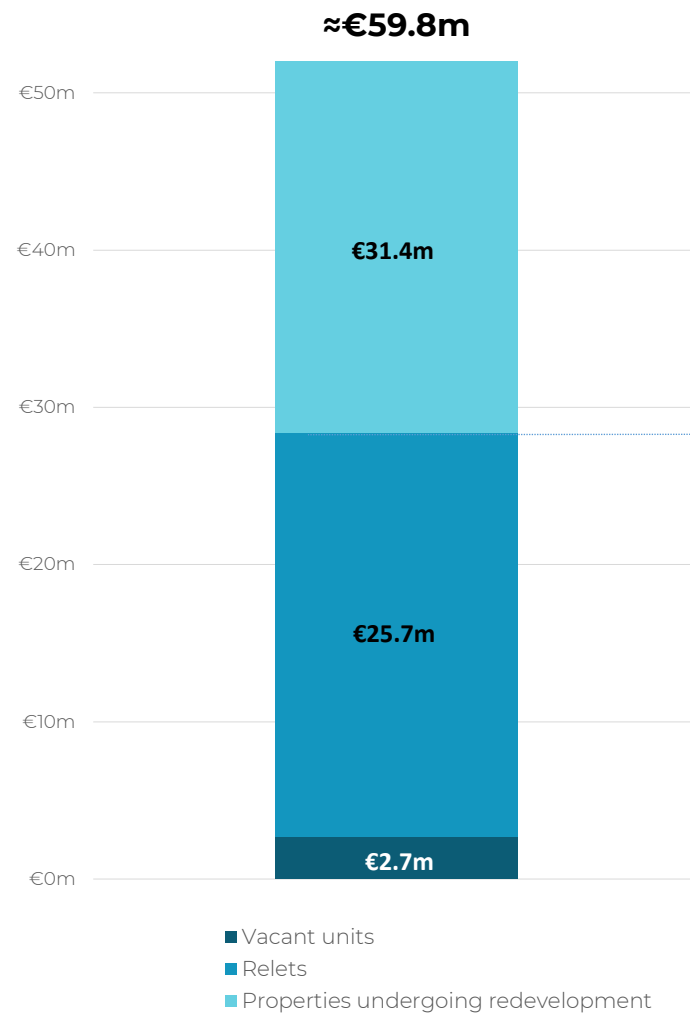




# €59.8m reversionary potential

## Reversionary potential

(Consolidated data, 100% basis)



## Properties undergoing redevelopment



Scope

## Reversionary potential of leased assets



Condorcet



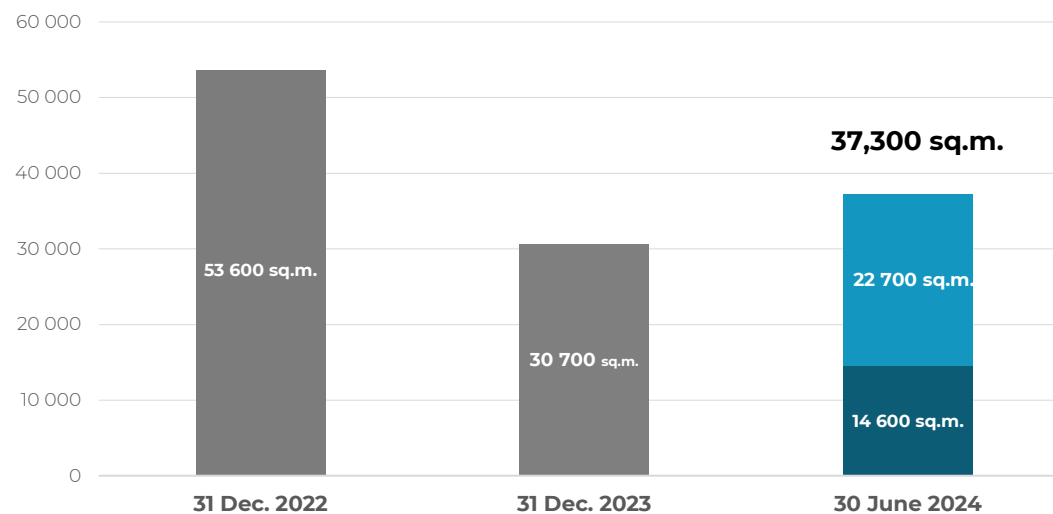
Louvre Saint-Honoré - Offices



03.

## Redevelopment Projects

# Redevelopment projects



\* Attributable to SFL – Including infrastructure and excluding car parks

## Current development projects

- 22,700 sq.m. Scope

## Other units undergoing works

- 5,700 sq.m. Louvre Saint-Honoré
- 3,400 sq.m. 103 Grenelle
- 2,700 sq.m. Édouard VII
- 2,800 sq.m. Other



# SCOPE

Creating a new reference in the Gare de Lyon district

## 1. ADMINISTRATIVE APPROVALS

- Final planning permission granted on 18 December 2023

## 2. OPERATIONAL PROCESS

- **General contractor** works contract awarded to Eiffage following a competitive tendering process in Q2 2024
- Start of reconstruction work, estimated duration: 2 years
- **Marketing** process launched, with the support of three brokers (CBRE, BNP and CW)

## 3. OPERATIONAL TIMELINE



# SCOPE

Creating a new reference in the Gare de Lyon district





# SCOPE

Creating a new reference in the Gare de Lyon district





# CONDORCET

## Background to the Condorcet project

- Building acquired in 2014 for €230m excluding transfer costs (approx. €9,200 €/sq.m.)

### Key points:

- Leasable surface area: 24,970 sq.m. (offices and residential units)
- Plot: 10,190 sq.m.
- Historical headquarters of GRDF (formerly Gaz De France)
- Lease expires on 31 January 2025

### SFL strategy:

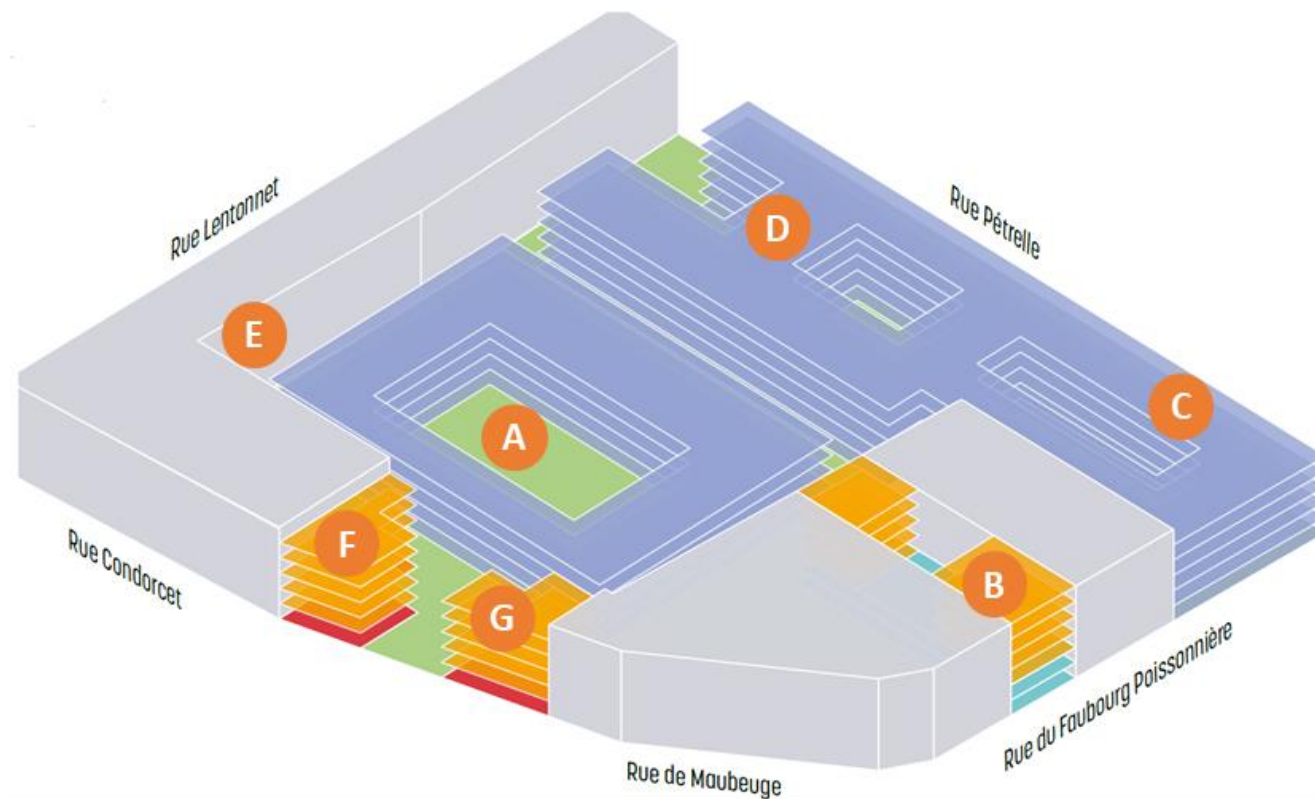
- Refurbish the site once the tenant has moved out (the last major refurbishment took place in 1994), to create a new benchmark business centre in the 9<sup>th</sup> *arrondissement*
- Negotiate administrative authorisations with the City of Paris authorities in advance in order for the building to be excluded from the consultation process for the future PLU urban planning scheme



# CONDORCET

A future campus on a 9<sup>th</sup> *arrondissement* block aligned with the cityscape

- ▶ Very limited demolition work and selective site clearance, encouraging the re-use of waste and minimising the project's carbon footprint
- ▶ Installation of a façade to reduce heat loss, to improve energy efficiency
- ▶ Landscaping of open spaces (an area of around 3,200 sq.m.) and creation of 1,300 sq.m. of terraces



BBC-effinergie  
Rénovation

Rénovation



Rénovation et  
construction

BREEAM®

Excellent

HQE®

Excellent



AABB

## Planned surface area

- Residential units: 2,500 sq.m.
- Offices: 22,400 sq.m.
- Retail units: 150 sq.m.
- Public facilities: 600 sq.m.

CONDORCET

A future campus on a 9<sup>th</sup> *arrondissement* block aligned with the cityscape

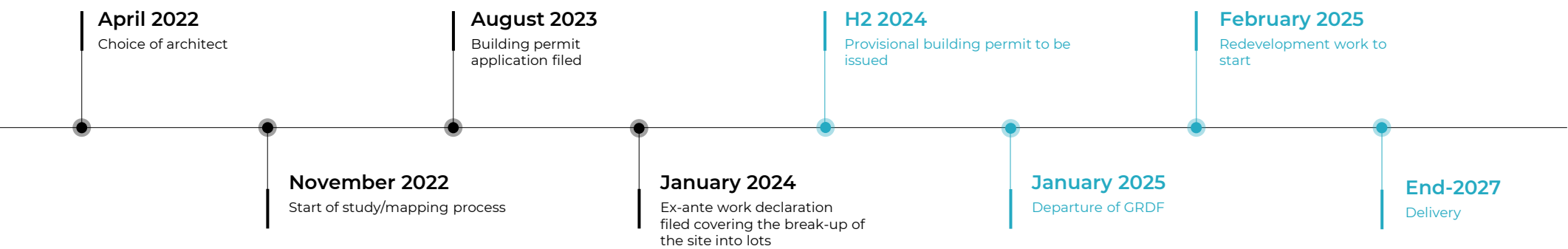
1. ADMINISTRATIVE APPROVALS

- Building permit application filed in August 2023
- The initial building permit provides for the site to be broken up into lots, enabling the residential building to be sold to a social housing organisation

2. OPERATIONAL PROCESS

- Finalisation of discussions with GRDF concerning the release of the site
- Selection of the general contractor after a competitive tendering process: scheduled for Q4 2024

3. OPERATIONAL TIMELINE





# CONDORCET

The ambition of creating a new commercial real estate hub aligned with the cityscape





# CONDORCET

The ambition of creating a new commercial real estate hub aligned with the cityscape





# CONDORCET

The ambition of creating a new commercial real estate hub aligned with the cityscape







# 04.

## First-Half 2024 Financial Statements & Results

# Increased EPRA earnings

€m	H1 2023			H1 2024			Change
	EPRA	Non-recurring	Total	EPRA	Non-recurring	Total	EPRA
Rental income	111.4	0	111.4	121.6	0	121.6	+9.2%
Property expenses, net of recoveries	(6.3)	0	(6.3)	(3.5)	0	(3.5)	
<b>Net property rentals</b>	<b>105.0</b>	<b>0</b>	<b>105.0</b>	<b>118.1</b>	<b>0</b>	<b>118.1</b>	+12.4%
Service and other revenues	5.0	0	5.0	1.9	0	1.9	
Depreciation, amortisation, impairment and provision expense, net	(1.0)	0	(1.0)	3.6	0	3.6	
Employee benefits expense and other expenses	(11.9)	0	(11.9)	(13.7)	0	(13.7)	
<b>Operating profit before disposal gains/losses and fair value adjustments</b>	<b>97.2</b>	<b>0</b>	<b>97.2</b>	<b>109.8</b>	<b>0</b>	<b>109.8</b>	+12.9%
Profit/(loss) on asset disposals	0	(0.2)	(0.2)	0	0	0	
Fair value adjustments on investment property	0	(327.8)	(327.8)	0	27.4	27.4	
Finance costs and other financial income and expense	(25.4)	(0.6)	(26.1)	(30.2)	1.8	(28.3)	
Income tax benefit/(expense)	(2.2)	12.0	9.8	(2.3)	25.9	23.6	
<b>Profit/(loss) for the period</b>	<b>69.6</b>	<b>(316.6)</b>	<b>(247.0)</b>	<b>77.3</b>	<b>55.2</b>	<b>132.5</b>	+11.1%
Non-controlling interests	(16.4)	85.9	69.5	(17.2)	(38.6)	(55.8)	
<b>Attributable net profit/(loss)</b>	<b>53.2</b>	<b>(230.7)</b>	<b>(177.5)</b>	<b>60.1</b>	<b>16.6</b>	<b>76.7</b>	+13.0%
<b>EPRA earnings per share</b>	<b>€1.24</b>			<b>€1.40</b>			+12.9%
Average number of shares (thousands)	42,879			42,918			

# Statement of financial position at 30 June 2024

€m	31 Dec. 2023	30 June 2024
<b>Assets</b>		
Investment property	7,157	7,213
Other non-current assets	137	160
<b>Total non-current assets</b>	<b>7,294</b>	<b>7,373</b>
Properties held for sale	0	0
Other current assets	135	89
<b>Total current assets</b>	<b>135</b>	<b>89</b>
<b>Total assets</b>	<b>7,430</b>	<b>7,462</b>
<b>Equity and Liabilities</b>		
Equity	3,540	3,527
Non-controlling interests	942	963
<b>Total equity</b>	<b>4,482</b>	<b>4,490</b>
Non-current liabilities	2,208	1,663
Current liabilities	740	1,309
<b>Total equity and liabilities</b>	<b>7,430</b>	<b>7,462</b>



# Debt: significant events of H1 2024



## DEBT

### ▶ RCF with BNP Paribas rolled over

- €100 million 5-year facility, expiring June 2029 (with two one-year extension options)
- Interest rate indexed to SFL's ESG objectives

### ▶ €835 million syndicated RCF set up in June 2023 extended by one year

- Maturity extended to June 2029

### ▶ €300 million syndicated Term Loan set up in December 2022 extended by one year

- Maturity extended to December 2029

### ▶ All bond issues **are green** and **84%** of confirmed bank facilities **are subject to ESG covenants**




### ▶ **SFL has met all the ESG objectives** applicable to the Group's banking facilities subject to ESG covenants

### ▶ **Comfortable liquidity position** with €1,570m of undrawn confirmed credit lines, unchanged from 31 December 2023

### ▶ **LTV under control at 34.0%**

### ▶ **BBB+ rating/stable outlook** affirmed by S&P

# Consolidated debt

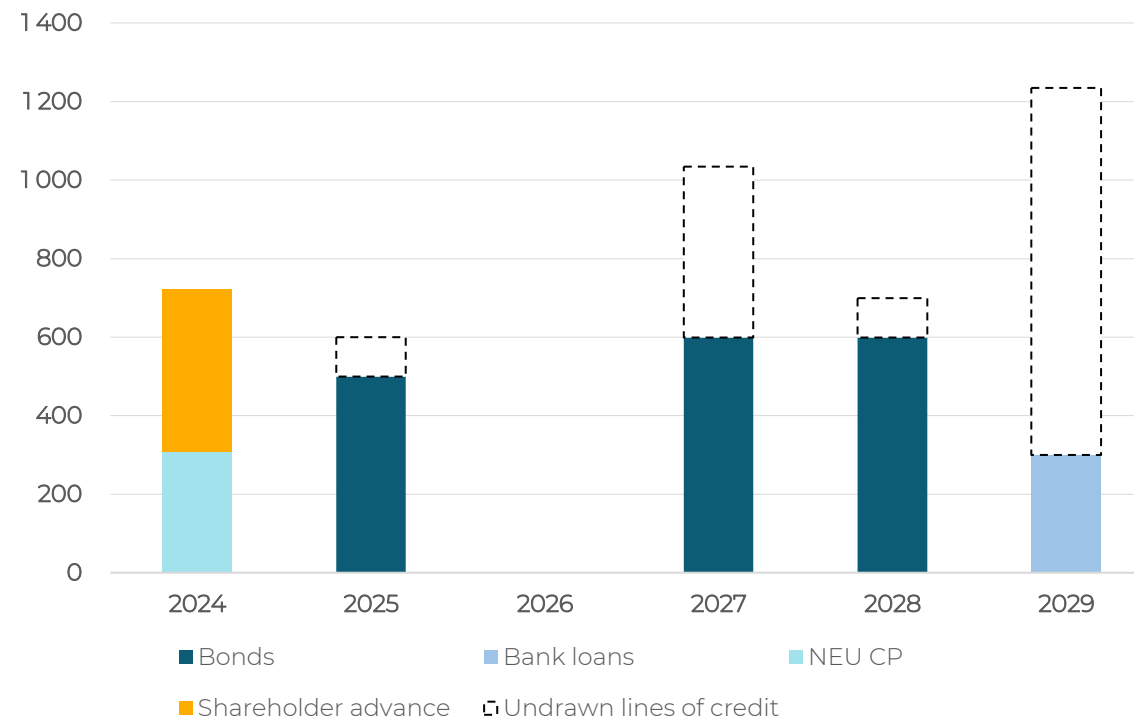
€m	31 Dec. 2023	30 June 2024	Change
Bonds 	1,698	1,698	-
Bank loans 	300	300	-
Mortgage loans	-	-	-
NEU CP	292	307	+15
Shareholder advance	345	415	+70
<b>Total debt</b>	<b>2,635</b>	<b>2,720</b>	<b>+85</b>
Cash and cash equivalents	97	33	-64
<b>Net debt</b>	<b>2,539</b>	<b>2,688</b>	<b>+148</b>
Undrawn lines of credit 	1,570	1,570	-
Property portfolio incl. TC	7,817	7,899	+96
<b>Loan-to-value</b>	<b>32.5%</b>	<b>34.0%</b>	<b>+1.5pts</b>
<b>Interest cover</b>	<b>3.7x</b>	<b>3.5x</b>	<b>-0.2x</b>
<b>Average maturity (years)<sup>(1)</sup></b>	<b>3.7</b>	<b>3.6</b>	<b>-0.1</b>
<b>Coverage rate</b>	<b>83%</b>	<b>81%</b>	<b>-2pts</b>
<b>Average spot cost of debt (after hedging)</b>	<b>2.1%</b>	<b>2.1%</b>	<b>-</b>

(1) After allocating back-up facilities



Green financing or financing subject to ESG objectives

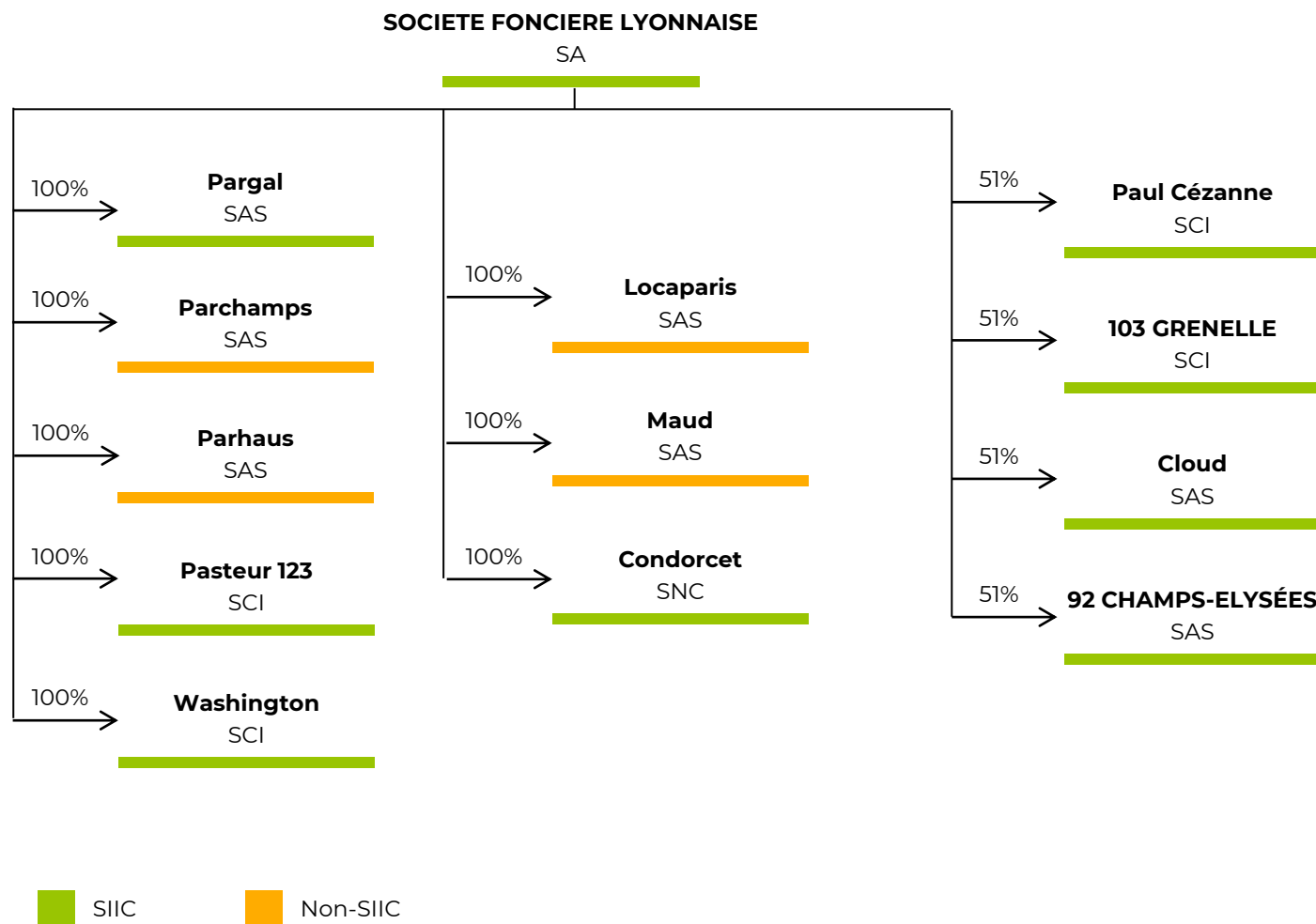
DEBT MATURITIES AT 30 JUNE 2024 (€m)



► **€1,570m in undrawn confirmed bank facilities, mainly expiring in 2027 and 2029**

► **The average cost of debt after hedging was unchanged in the first half at 2.1%.**

# Further optimisation of the Group's tax structure



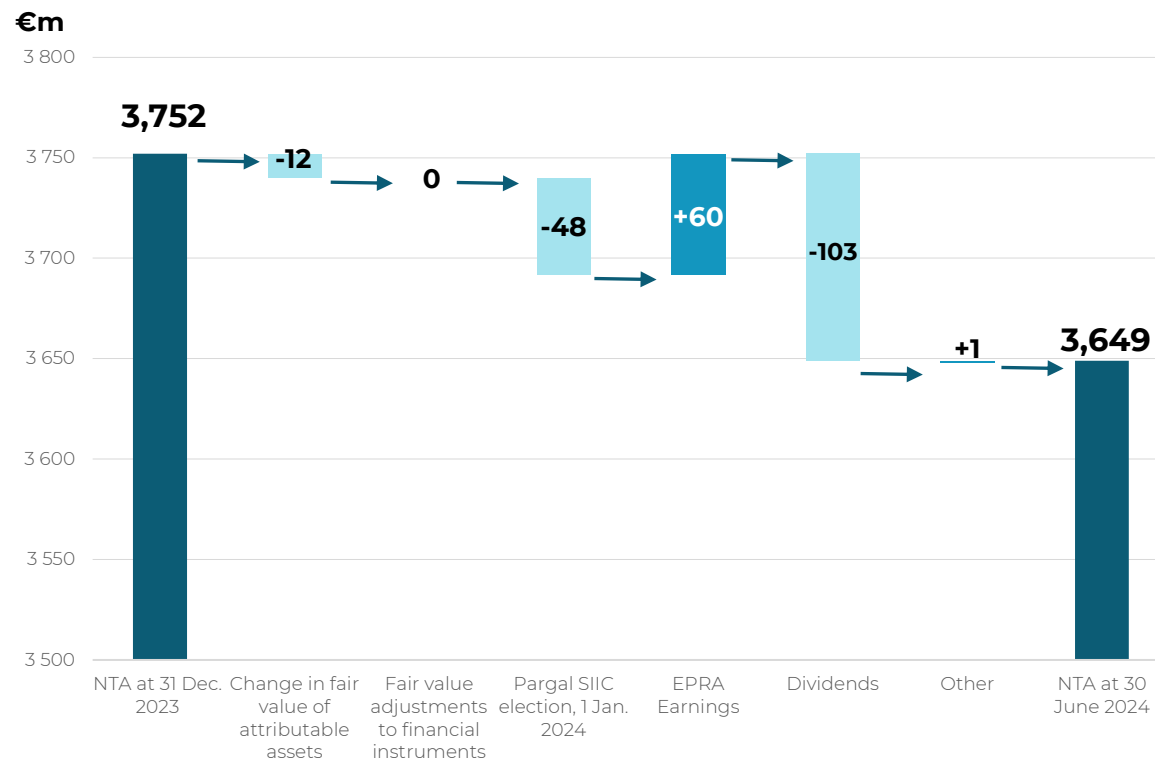
- ▶ In April 2024, **Pargal SAS elected to be taxed as an SIIC**, with retroactive effect from 1 January 2024
- ▶ This opportunity was taken up in light of Pargal SAS's appraisal value which was considered as having bottomed out at 31 December 2023, given the observed trend in the market
- ▶ Exit tax of €48.1m payable over four years
- ▶ Estimated consolidated impact:
  - NTA NAV: -€48.1m
  - NDV NAV: +€21.1m



# Change in EPRA NTA/NDV

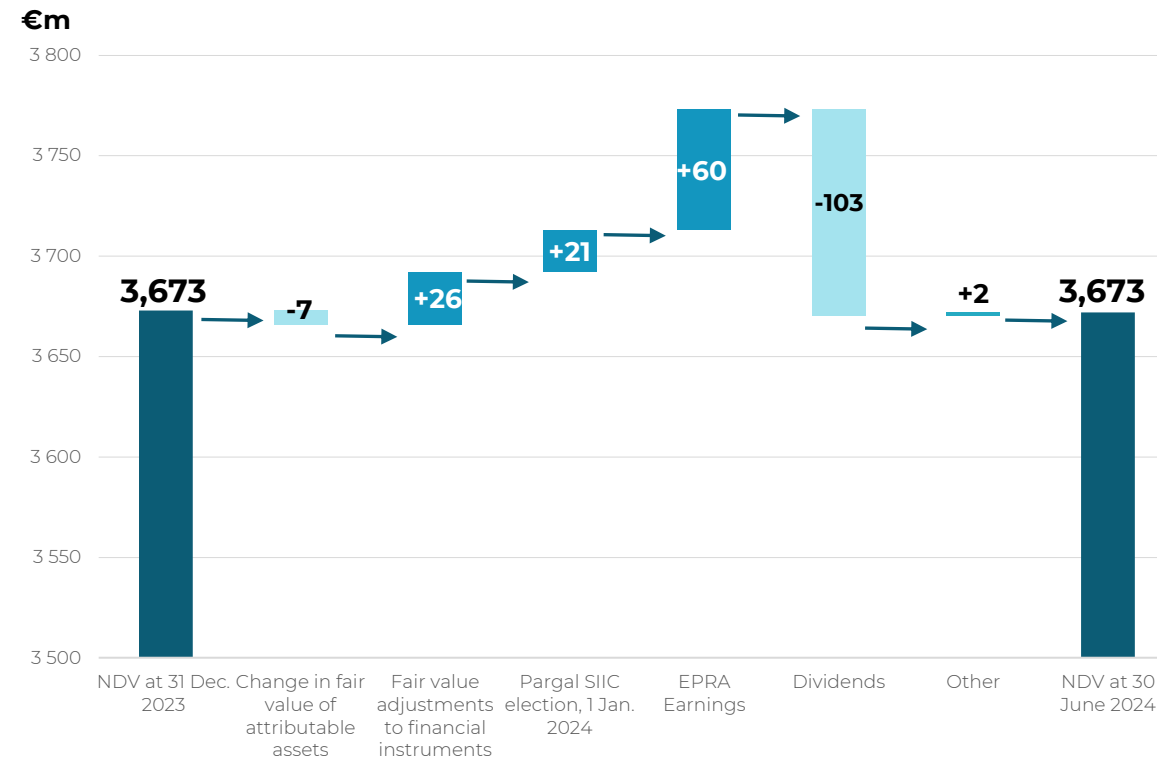
## EPRA NTA

NTA/share (down 2.9%)  
€87.5 (up 1.1% excluding impact of dividend & SIIC election) NTA/share  
€85.0



## EPRA NDV

NDV/share (down 0.2%)  
€85.7 (up 2.1% excluding impact of dividend & SIIC election) NDV/share  
€85.5



# EPRA NRV/NTA/NDV APIs

€m	31 Dec. 2023	30 June 2024	Change
Equity	3,540	3,527	
Dilutive effect of treasury shares and stock options	0	0	
Unrealised gains on properties	34	34	
Unrealised capital gains on intangible assets	4	4	
Elimination of financial instruments at fair value	6	(7)	
Elimination of deferred taxes	173	97	
Transfer costs	416	421	
<b>EPRA NRV</b>	<b>4,173</b>	<b>4,076</b>	<b>-2.3%</b>
<b>/share</b>	<b>€97.3</b>	<b>€94.9</b>	<b>-2.5%</b>
Cancellation of intangible assets	(1)	(2)	
Cancellation of unrealised gains on intangible assets	(4)	(4)	
Elimination of transfer costs*	(416)	(421)	
<b>EPRA NTA</b>	<b>3,752</b>	<b>3,649</b>	<b>-2.7%</b>
<b>/share</b>	<b>€87.5</b>	<b>€85.0</b>	<b>-2.9%</b>
Intangible assets	1	2	
Financial instruments at fair value	(6)	7	
Fixed-rate debt at fair value	98	112	
Deferred taxes	(173)	(97)	
Cancellation of transfer costs	0	0	
<b>EPRA NDV</b>	<b>3,673</b>	<b>3,673</b>	<b>0.0%</b>
<b>/share</b>	<b>€85.7</b>	<b>€85.5</b>	<b>-0.2%</b>
Number of shares (thousands)	42,886	42,951	

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

# Overview of EPRA performance indicators



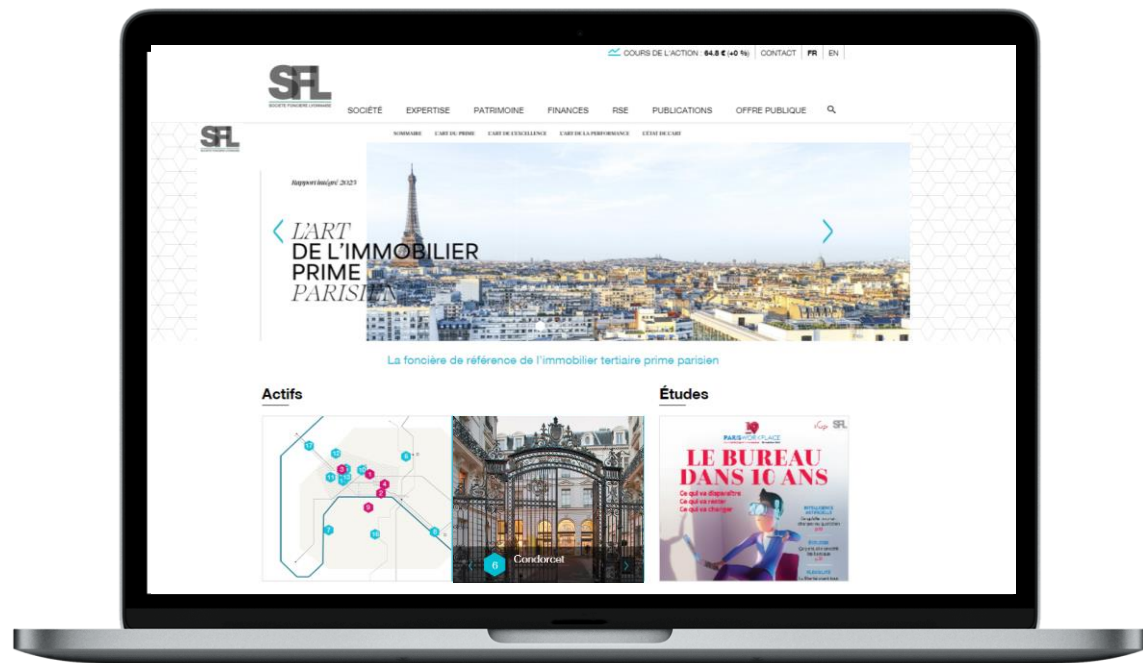
	H1 2023	H1 2024
EPRA Earnings /share	€53.2m €1.24	€60.1m €1.40
EPRA Cost Ratio (incl. vacancy costs)	13.7%	12.0%
EPRA Cost Ratio (excl. vacancy costs)	12.7%	11.5%
Average number of shares (thousands)	42,879	42,918

	31 DEC. 2023	30 JUNE 2024
EPRA NRV /share	€4,173m €97.3	€4,076m €94.9
EPRA NTA /share	€3,752m €87.5	€3,649m €85.0
EPRA NDV /share	€3,673m €85.7	€3,673m €85.5
EPRA Net Initial Yield	2.6%	2.5%
EPRA topped-up Net Initial Yield	3.8%	3.8%
EPRA Vacancy Rate	0.2%	0.2%
Number of shares (thousands)	42,886	42,951

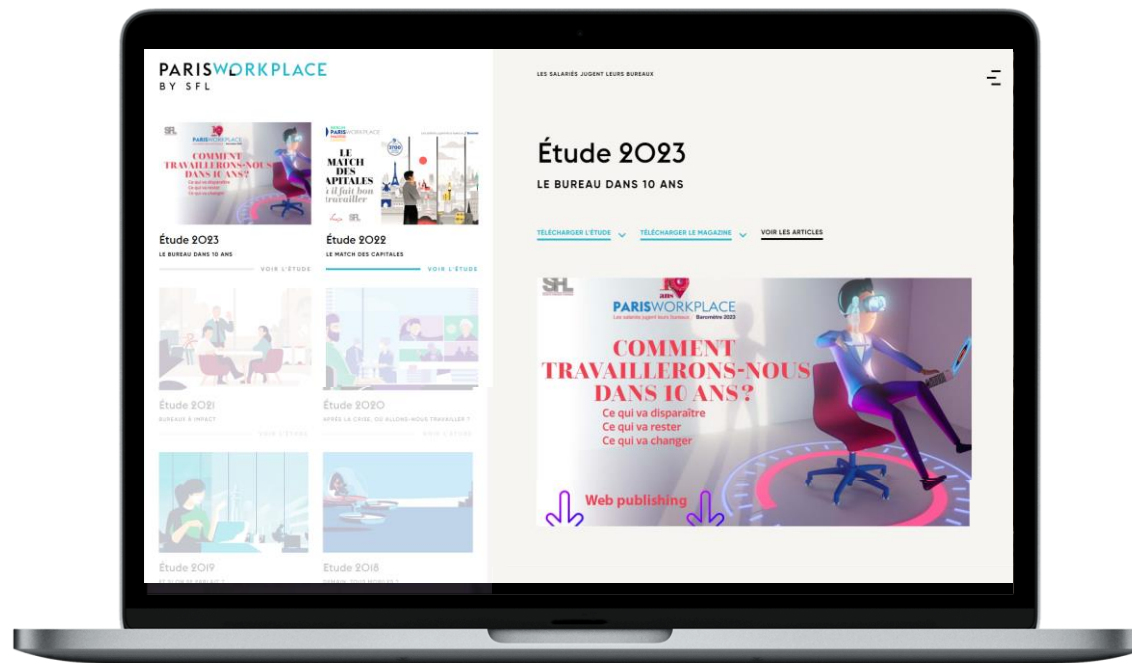
	31 DEC. 2023	30 JUNE 2024
<b>LTV</b>		
100%, including transfer costs	<b>32.5%</b>	<b>34.0%</b>
100%, excluding transfer costs	34.6%	36.3%
EPRA LTV (including transfer costs)		
100%	34.3%	35.5%
Attributable to SFL	39.6%	41.0%
EPRA LTV (excluding transfer costs)		
100%	36.6%	37.9%
Attributable to SFL	42.2%	43.6%



# Questions/Answers



fonciere-lyonnaise.com



ParisWorkplace.fr








# 05.

## Appendices

# Property portfolio: 392,900 sq.m.

	Paris	Total surface area <sup>(1)</sup>
1	Edouard VII	54,600 sq.m.
2	Washington Plaza	46,800 sq.m.
3	Louvre Saint-Honoré	42,000 sq.m.
4	Pasteur	39,600 sq.m.
5	#Cloud.Paris	31,700 sq.m.
6	Cézanne Saint-Honoré	27,400 sq.m.
7	Condorcet	24,900 sq.m.
8	Biome	24,600 sq.m.
9	Scope	22,700 sq.m.
10	103 Grenelle	17,200 sq.m.
11	Hausmann Saint-Augustin	13,400 sq.m.
12	83 Marceau	9,700 sq.m.
13	131 Wagram	9,000 sq.m.
14	90 Champs-Élysées	8,800 sq.m.
15	92 Champs-Élysées	7,200 sq.m.
16	Galerie Champs-Élysées	6,400 sq.m.
	<b>TOTAL</b>	<b>386,000 sq.m.</b>

	Western Crescent	Total surface area <sup>(1)</sup>
17	176 Charles de Gaulle Neuilly-sur-Seine	6,900 sq.m.
	<b>TOTAL</b>	<b>6,900 sq.m.</b>

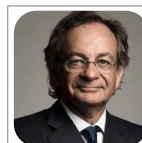
	<b>Paris Central Business District</b>
	<b>Paris Other</b>
	<b>Western Crescent</b>

<sup>(1)</sup> Leasable surface area, including infrastructure and excluding car parks



# Team

## Management Committee



**Pere Viñolas Serra**

Chairman of the Board



**Dimitri Boulte**

Chief Executive Officer



**Aude Grant**

Managing Director  
Chief Operating Officer



**Jérôme Lacombe**

Deputy Managing Director  
Chief Resources Officer



**Eric Oudard**

Technical and  
Development Director

Sales and  
Marketing  
Investments  
Communication



**Pierre-Yves Bonnaud**

Asset Management and Client  
Management Director

Technical  
Development  
Sustainable Building  
Management

Asset Management  
Property Management  
Portfolio Management



**Fabienne Boileau**

Chief Financial Officer

Information Systems  
ESG

Accounting  
Consolidation  
Budget Control  
Cash Management &  
Financing



**Emilie Germane**

General Secretary

Legal  
Internal Audit  
Corporate Services



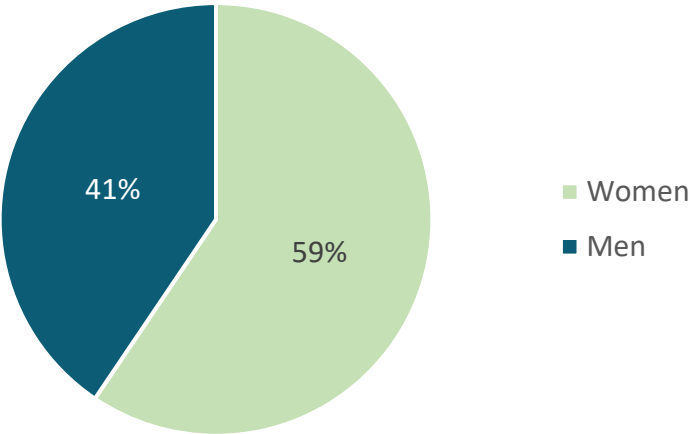
**François Derrian**

Human Resources Director

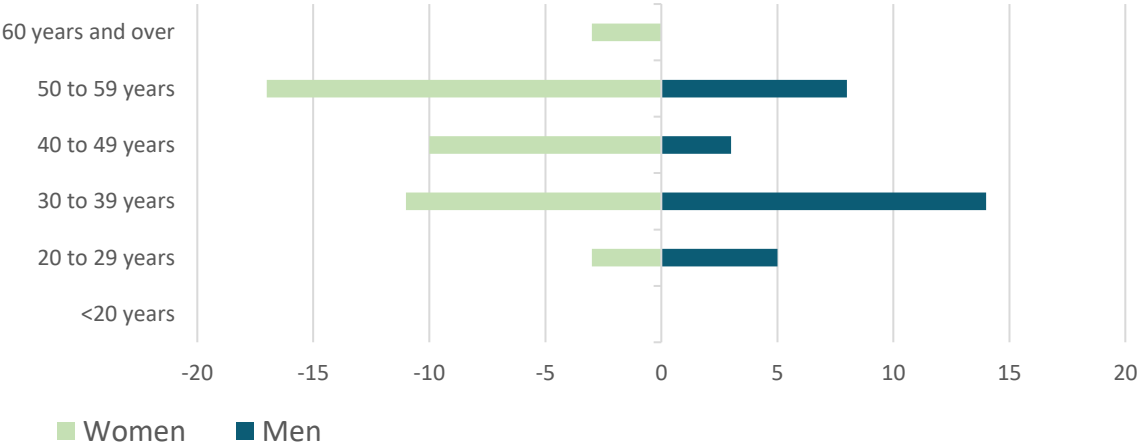
Human Resources

# Human resources

Number of employees	31 Dec. 2023	30 June 2024
Supervisors	18	16
Managers	59	58
<b>Total</b>	<b>77</b>	<b>74</b>
<i>of which fixed-term contracts:</i>	7	5

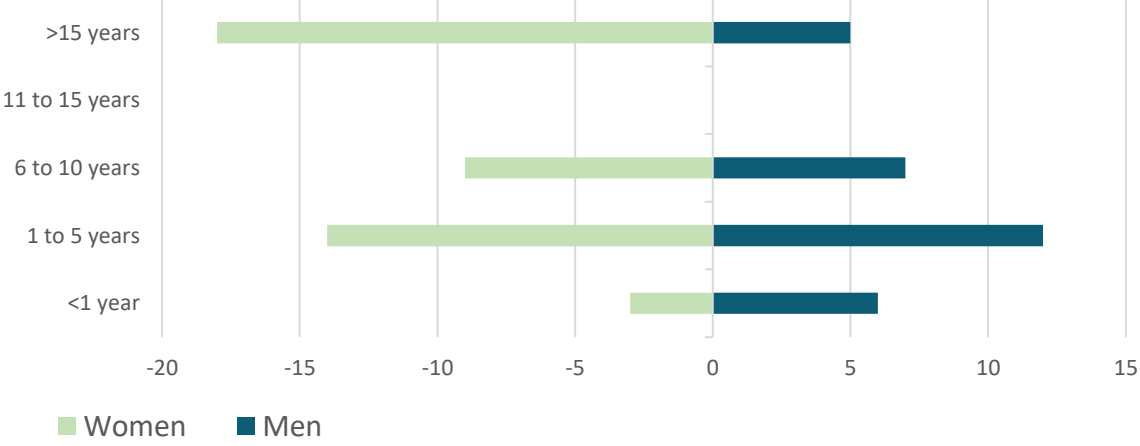


NUMBER OF EMPLOYEES BY AGE GROUP (present at 30 June 2024)



► Average age: **44**

NUMBER OF EMPLOYEES BY YEARS OF SERVICE (present at 30 June 2024)

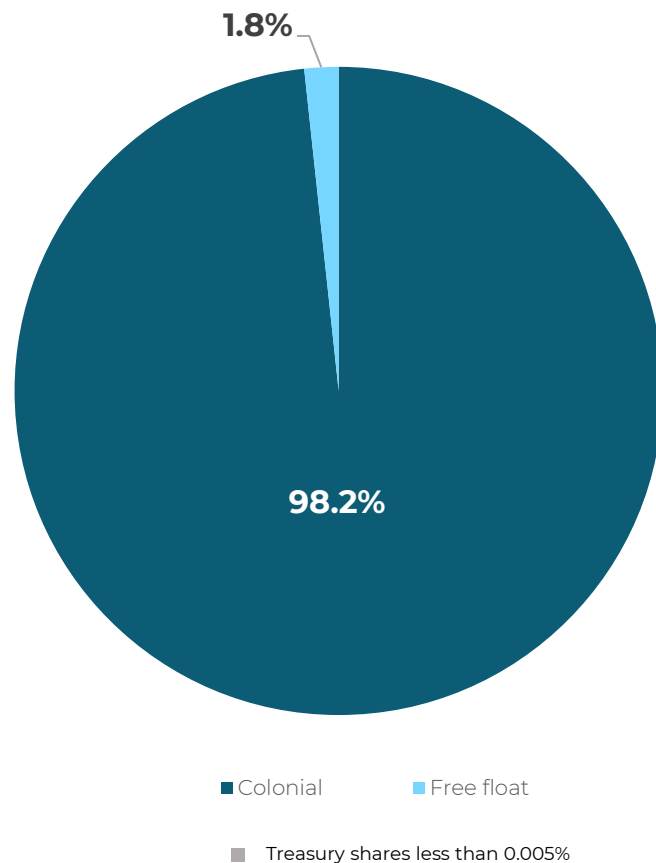


► Average years of service: **10 years**

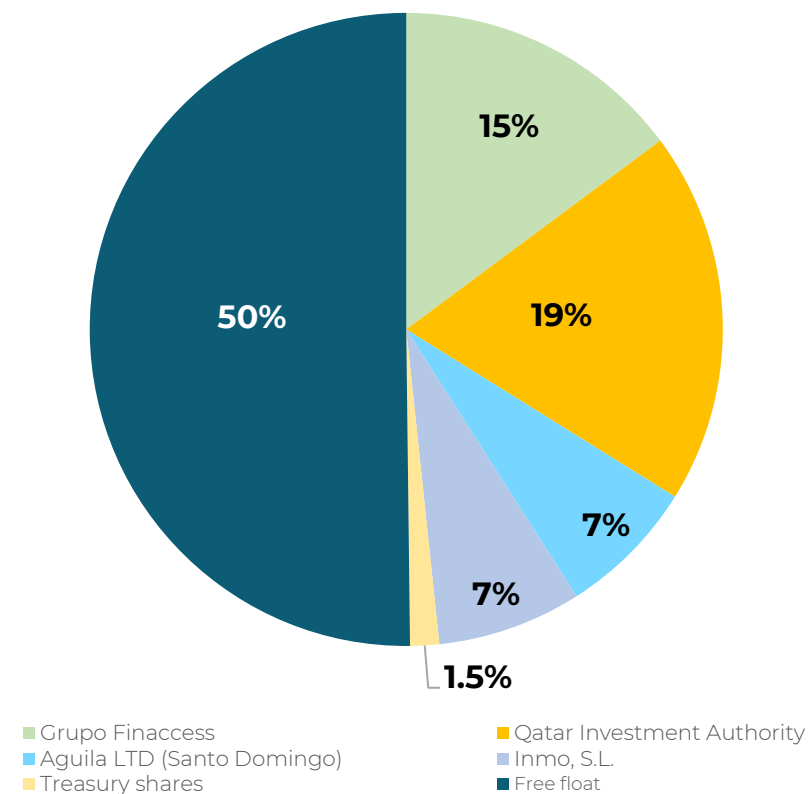
# Ownership structure

at 30 June 2024

**SFL OWNERSHIP STRUCTURE**  
(42.9 million shares)



**COLONIAL OWNERSHIP STRUCTURE**





# Governance

## BOARD OF DIRECTORS

since 7 April 2022

- ▶ **Pere Viñolas Serra**  
Chairman of the Board of Directors (Colonial)
- ▶ **Juan José Brugera Clavero**  
Director (Colonial)
- ▶ **Ali Bin Jassim Al Thani**  
Director
- ▶ **Carmina Ganyet i Cirera**  
Director (Colonial)
- ▶ **Arielle Malard de Rothschild**  
Independent director
- ▶ **Alexandra Rocca**  
Independent director

## AUDIT COMMITTEE

### Carmina Ganyet i Cirera (Chair)

Arielle Malard de Rothschild  
Alexandra Rocca

## REMUNERATION AND SELECTION COMMITTEE

### Pere Viñolas Serra (Chairman)

Arielle Malard de Rothschild  
Alexandra Rocca

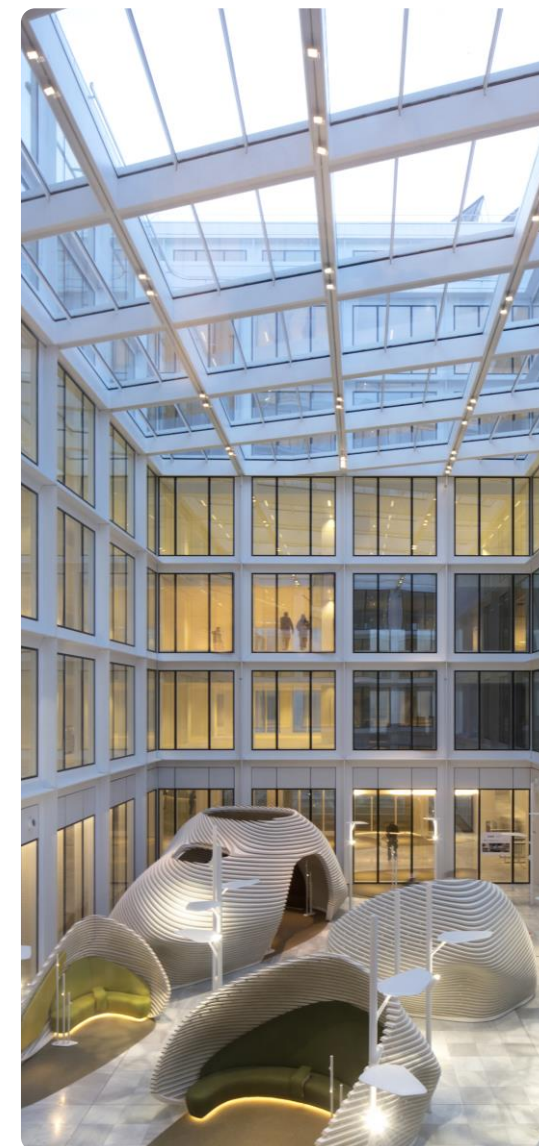
## EXECUTIVE AND STRATEGY COMMITTEE

### Pere Viñolas Serra (Chairman)


Juan José Brugera Clavero  
Carmina Ganyet i Cirera

## COMMITTEE OF INDEPENDENT DIRECTORS

Arielle Malard de Rothschild  
Alexandra Rocca

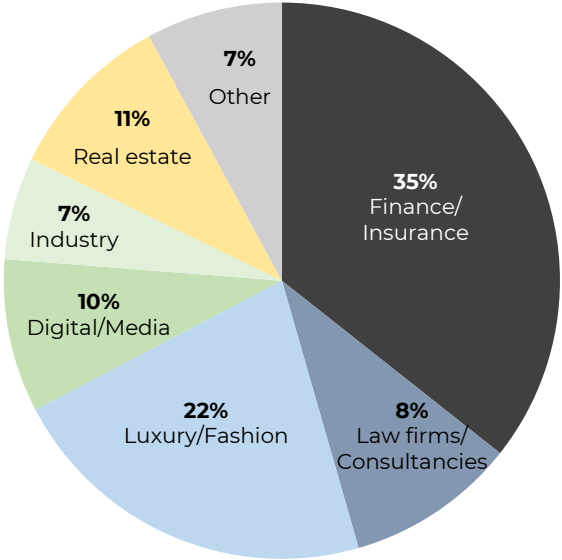











# Share performance

H1 2024 SHARE PERFORMANCE	H1 2024 KEY FIGURES <sup>(1)</sup>
<div>€uro</div> <div><p>— SFL share price</p><p>► Change for the period: <b>-4.5%</b></p></div> <div>Sources: Euronext/EPRA <sup>(1)</sup> Data up to 30 June 2024</div>	<div><div>42,951</div><div>Number of shares at 30 June 2024 (thousands)</div></div> <div><div>266</div><div>Average daily trading volume (shares)</div></div> <div><div>€18k</div><div>Average daily trading volume (euros)</div></div> <div><div>€67.00</div><div>Closing share price 31 Dec. 2023</div></div> <div><div>€72.00</div><div>High for the period: 26 March</div></div> <div><div>€62.00</div><div>Low for the period: 28 June</div></div> <div><div>€64.00</div><div>Closing share price 30 June 2024</div></div>

# Exceptional tenants

► **Breakdown by business sector at 30 June 2024** (by value)



Top 10 tenants (by rent)		Business	S&P rating <sup>(1)</sup>
1		Insurance	A+
2		Luxury	A+
3		Industry	BBB+
4		Digital	AA-
5		Financing	A
6		Real estate	Not rated
7	Leading luxury goods company	Luxury	AA-
8		Financing	BBB+
9		Fashion	A-
10		Finance	Not rated

*TV5 Monde joined the Top 10 on 1 July (departure of WeWork from Haussmann Saint-Augustin)*

(1) or Moody's/Fitch equivalent



# THANK YOU

