THE ART OF PRIME PARISIAN PROPERTY

Integrated Report
Universal Registration Document
SFL 2024

SFL embodies a unique vision for Parisian property. Through bold renovation and remodelling projects, we are on a mission to elevate exceptional assets in the heart of Paris, creating tailor-made living and working spaces, designed in harmony with the city and its environment.

Our ambition: reinventing and enhancing the real estate of today and tomorrow to meet the needs of businesses and their talent.

INTRODUCTION

01 THE ART *OF PRIME*

02 THE ART OF *EXCELLENCE*

03 THE ART OF *PERFORMANCE*

04 THE ART OF *DISTINCTION*

2024 Universal Registration Document

SFL AND COLONIAL – A SHARED GOAL OF REAL ESTATE *EXCELLENCE*

Pere Viñolas Serra, Chairman of SFL, and Aude Grant, Chief Executive Officer, look back on SFL's exceptional performance in 2024 and share their views about the merger between SFL and Colonial planned for 2025.

What is it that sets SFL apart in the Paris office property market?

PERE VIÑOLAS SERRA We've seen a clear market polarisation in recent years. On the one hand, there are prime office properties, sought after for their quality and appeal, and on the other, there are less quality-focused properties that are sometimes less centrally located and are struggling to find tenants. By targeting the best locations and crafting high-end products, SFL is firmly on the right side of this polarisation and is giving companies what they are looking for. And in 2024, we once again delivered an outstanding performance.

AUDE GRANT SFL has built up unique expertise in prime office space, driven by a commitment to excellence that enables us to meet increasingly sophisticated market demand. Thanks to an exceptional portfolio and a prudent but ambitious management strategy, we have unrivalled strength and incredible resilience, even in turbulent times. Our assets, which are almost always fully let, and the quality of our buildings, which all set the standard in their respective segments, give us a robust financial structure.

99.4%

occupancy rate in 2024

“

OUR ROLE GOES WELL BEYOND ASSET MANAGEMENT: WE PLAY A KEY PART IN RESHAPING THE URBAN LANDSCAPE. ”

PERE VIÑOLAS SERRA
CHAIRMAN

The rental market is still buoyant, but the investment market remains fragile. How is SFL navigating the current market context?

PERE VIÑOLAS SERRA We're achieving outstanding levels of performance in all domains: our teams are delivering excellence in all aspects – operationally and in terms of urban planning, architecture and mixed-use capacity, while integrating strong ESG ambitions. Our challenge now is to keep up this level of excellence, which isn't straightforward in a somewhat paradoxical market where the conditions for operations and rentals are good but less so for investments. Following on from a year of adjustments in 2023, 2024 was a time for levelling out and consolidating, and I think that 2025 will see a gradual return to a more normal situation.

AUDE GRANT In the meantime, SFL is keeping a close eye on new opportunities as and when they arise. We're applying a policy of asset rotations that makes sense for us, and looking at new segments, as we have done in the past with the Mandarin Hotel for example. We're continuing to explore the market with curiosity and an eagerness to embrace new challenges but without rushing into any decisions.

SFL and Colonial have worked closely together since 2004. What strategic vision do you share of prime real estate?

PERE VIÑOLAS SERRA SFL and Colonial share a business model that combines expertise in super-prime office buildings with an ability to meet major urban challenges, such as

mixed-use projects, complex renovations and ambitious conversion projects. We also share a common market approach, looking ahead to the future with clear vision and firm beliefs. Our role goes well beyond asset management: we play a key part in reshaping the urban landscape.

AUDE GRANT We also share a vision when it comes to our approach to property management. Our assets are historic, carrying a wealth of architectural heritage. At the same, they are adaptable, through the conversions we craft and carry out. They are prime, thanks to their exceptional quality. And they are "green", with environmental features that go above and beyond regulatory requirements.
After 20 years of strategic partnership, we have clearly mapped out our shared vision. We've been able to explore new approaches and fine-tune our expertise in designing and developing high-end assets.

You mentioned ESG. Can you tell us a bit more about that?

PERE VIÑOLAS SERRA ESG is an integral part of our DNA. We've always believed that to produce the best offices, they have to be sustainable. It's something we do naturally. We don't just follow trends, we create them. Being at the forefront has always been our strategy and vision.

AUDE GRANT We take a proactive approach to ESG, setting tangible targets and carrying out actions in the field that go well beyond the requirements of laws and regulations. SFL's action plan with a pathway to 2030 covers our entire asset portfolio. We're also committed to short supply chains and work with local and innovative service providers to ensure we apply sustainable practices. Striving for excellence in sustainability goes without saying for us at SFL.

100%

of assets certified

"

SFL DELIVERED EXCEPTIONAL RESULTS IN 2024. THANKS TO THE EXPERTISE OF OUR TEAMS, ALL OF OUR INDICATORS ARE UP"

AUDE GRANT
Chief Executive Officer

You announced a merger plan towards the end of 2024. What's the aim of this merger and what's the overall goal of the future Colonial SFL group?

PERE VIÑOLAS SERRA Some mergers transform teams and organisational structures, while others are designed to make structures leaner and more coherent. Ours falls into the second category. This merger respects SFL's identity, performance and mindset. It's a step that we've thought through very carefully after a 20-year history of working together. The merger, which will take place during 2025, is designed to streamline our structures and boost our performance in the financial markets. We're already sure that it will be of benefit to both entities.

AUDE GRANT I completely agree with this view of the merger. It's a natural progression in both of our companies' long-term strategies, reinforcing an already well-established alliance based on shared beliefs and outlooks. It will enable us to join forces, simplify our regulatory processes and create more seamless communication and collaboration between our teams. The objective is clear: to further enhance our performance by building on what has already proved the key to our success – sustainable prime properties. By consolidating our presence in major cities such as Paris, Madrid and Barcelona, we'll become a European leader in prime office property, while exploring new opportunities.

What are your flagship projects and ambitions for 2025?

PERE VIÑOLAS SERRA This year, we want to continue transforming Europe's major cities. Mixed-use properties will be a key focus: offices, of course, but also residential spaces and infrastructure such as hospitals. We want to show that we excel in other areas as well as prime office property.

AUDE GRANT We have several strategic projects in the pipeline for 2025, such as transforming our Scope building into a new standard-setting property right next to Gare de Lyon railway station, and redeveloping the Condorcet site in Paris's 9th *arrondissement* to turn it into a future campus that embraces its surroundings. We're also working on a number of state-of-the-art projects focused on mobility and space optimisation, while continuing to design beautiful spaces inspired by the codes of luxury hotels, and raising our business centres to even higher standards to meet all of our tenants' requirements. ◇

20 years of strategic partnership

2004

Inmobiliaria Colonial becomes SFL's majority shareholder, marking the starting point of a strategic collaboration between the two groups.

2018

Colonial acquires an additional 22% stake in SFL's capital in exchange for 10% of its own shares, raising its interest to 80.74%.

2021

Colonial launches a public exchange offer for the SFL shares it does not already hold, raising its stake to 98.33%.

2023-2024

SFL and Colonial step up their sharing of best practices and enhance their respective expertise, particularly in the area of non-financial performance.

November 2024

The Boards of Directors of Colonial and SFL announce that they are considering a plan to merge SFL into Colonial, with the aim of simplifying the Group's structure and strengthening its cohesion.

CHANGES TO THE GOVERNANCE TEAM

In 2024, a new chapter began for SFL, following the announcement of the plan to merge with Colonial in 2025.
Aude Grant, Managing Director and Chief Operating Officer, was appointed SFL's Chief Executive Officer on 21 December 2024.

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

Management Committee

1. AUDE GRANT
Chief Executive Officer

2. JÉRÔME LACOMBE
Deputy Chief Executive Officer and Chief Resources Officer

3. ALEXIA ABTAN
Investments and Corporate Communication Director

4. PIERRE-YVES BONNAUD
Asset Management and Client Management Director

5. FRANÇOIS DERRIAN
Human Resources Director

6. ÉMILIE GERMANE
General Secretary and Secretary to the Board

7. VIRGINIE KRAFFT
Commercial Director

8. ÉRIC OUDARD
Technical and Development Director

COMMITTEES

Audit Committee

Chair
CARMINA GANYET I CIRERA
Members
ARIELLE MALARD DE ROTHSCHILD
ALEXANDRA ROCCA

Remuneration and Selection Committee

Chairman
PERE VIÑOLAS SERRA
Members
ARIELLE MALARD DE ROTHSCHILD
ALEXANDRA ROCCA

Executive and Strategy Committee

Chairman
PERE VIÑOLAS SERRA
Members
JUAN JOSÉ BRUGERA CLAVERO,
CARMINA GANYET I CIRERA

Committee of Independent Directors

Members
ARIELLE MALARD DE ROTHSCHILD
ALEXANDRA ROCCA

2024 AT A GLANCE

SFL, setting the sustainability standard in prime real estate

For the past 12 years, SFL has consistently been awarded, year after year, a 5-star rating by the GRESB, an internationally recognised benchmark for assessing the ESG performance of real estate. This recognition reflects SFL's ongoing commitment to taking tangible sustainability action, such as reducing carbon emissions, improving the energy efficiency of its properties and developing short supply chains. Today, SFL is an established European leader in sustainable real estate.

GRESB score:

92/100
for the Standing Investments benchmark

97/100
for the Development benchmark

SFL and Colonial announce their merger

Société Foncière Lyonnaise (SFL) and its parent company, Inmobiliaria Colonial, have launched a merger process to reinforce their position in the European prime commercial property market. The purpose of this project, which is the outcome of a 20-year partnership, is to make the Group leaner, optimise its performance and consolidate the two companies' expertise in key markets such as Paris, Madrid and Barcelona. The merger marks a major step towards achieving their shared goal of playing a central role in reshaping urban landscapes while maintaining high standards of excellence.

More than 21,000 sq.m. of surface area let in 2024 at an average price of €962/sq.m.

Leases were signed on over 21,000 sq.m. during the year, let mostly to new tenants (14 transactions). Renegotiated leases representing 4,000 sq.m. were signed with existing tenants, in some cases ahead of the lease-break date to allow SFL to capture the reversionary potential in advance.

€962 /SQ.M.
average nominal rent for new office leases

7.8 years
Average non-cancellable period

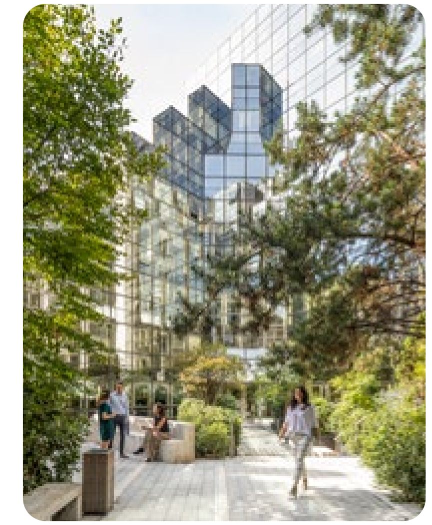
An ambitious redevelopment project for the Scope building

In April 2024, redevelopment work began on the Scope building - SFL's new flagship project close to Gare de Lyon. The works phase will last two years, during which Scope will be given a new bioclimatic façade, a garden designed to bring nature back into the city, a services pavilion, and a brand new architectural identity, without altering the building's interior volumes which offer 23,500 sq.m. of ultramodern office space with uninterrupted views over Paris and the Seine.

Condorcet, the future urban campus in Paris' 9th *arrondissement.*

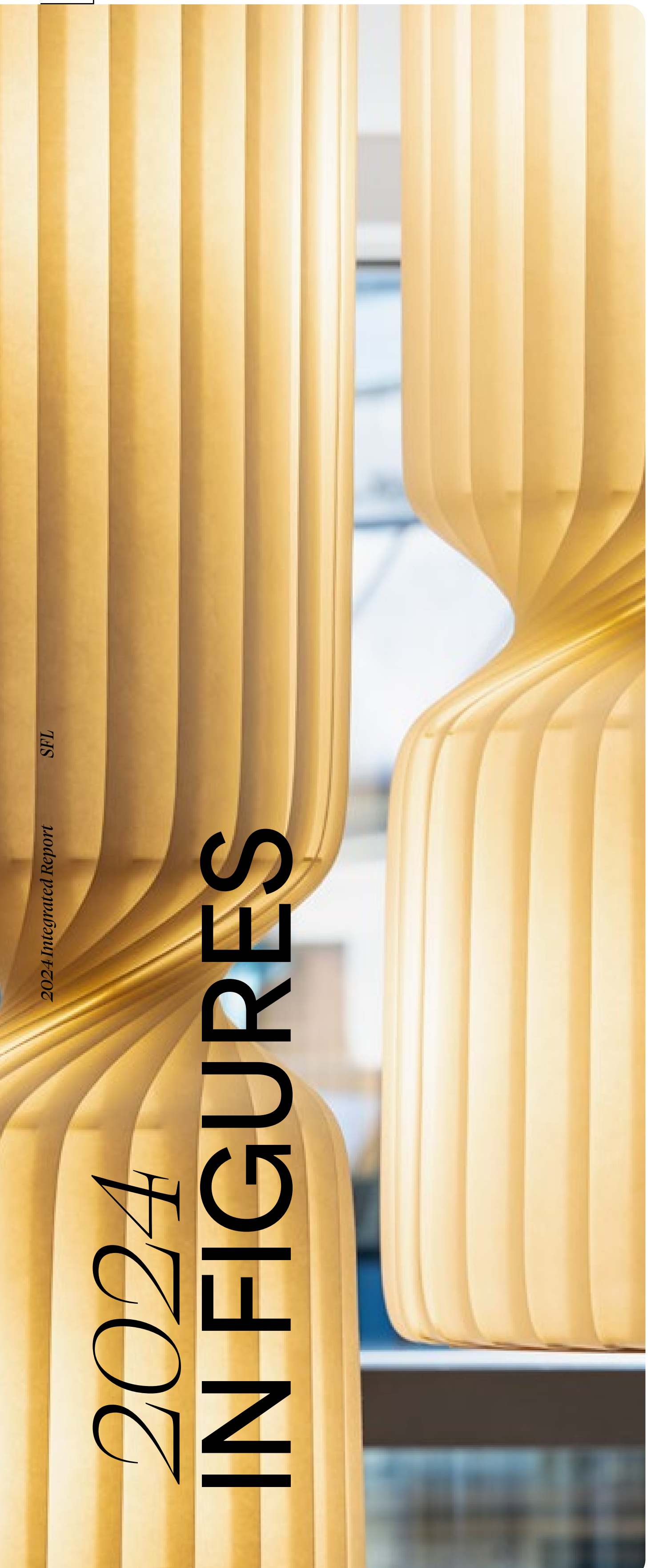
The building permit for the Condorcet development was granted in October 2024. Work will start in 2025, with delivery scheduled for the end of 2027, and will turn this mix-used complex into an urban campus that looks outwards towards its city surroundings.

25,000 SQ.M.
project surface area
Delivery: end-2027



Resolutely green financing

SFL's €100m bilateral credit line obtained from BNP Paribas was rolled over in 2024. Since 2023, the facility has included a spread adjustment mechanism based on the Group's performance in relation to three ambitious targets concerning carbon emissions reduction, environmental certification of assets and its Global Real Estate Sustainability Benchmark (GRESB) rating. The grant of this five-year facility (with two one-year extension options) testifies to SFL's strength and stability.



2024 IN FIGURES

PERFORMANCE

€248.8M
in rental income

UP 6.1%
since January 2024

99.4%
occupancy rate

€811/SQ.M./YEAR
Average nominal rent (offices)

7.3 YEARS
Average lease term

PROPERTY PORTFOLIO

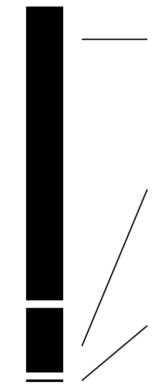
€7,571M
portfolio appraisal value, excluding transfer costs

392,000 SQ.M.
in property assets

17
assets

100%
of assets certified

BREAKDOWN OF ASSETS



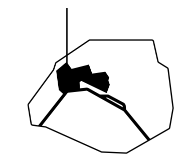
79%
offices

20%
retail

1%
other

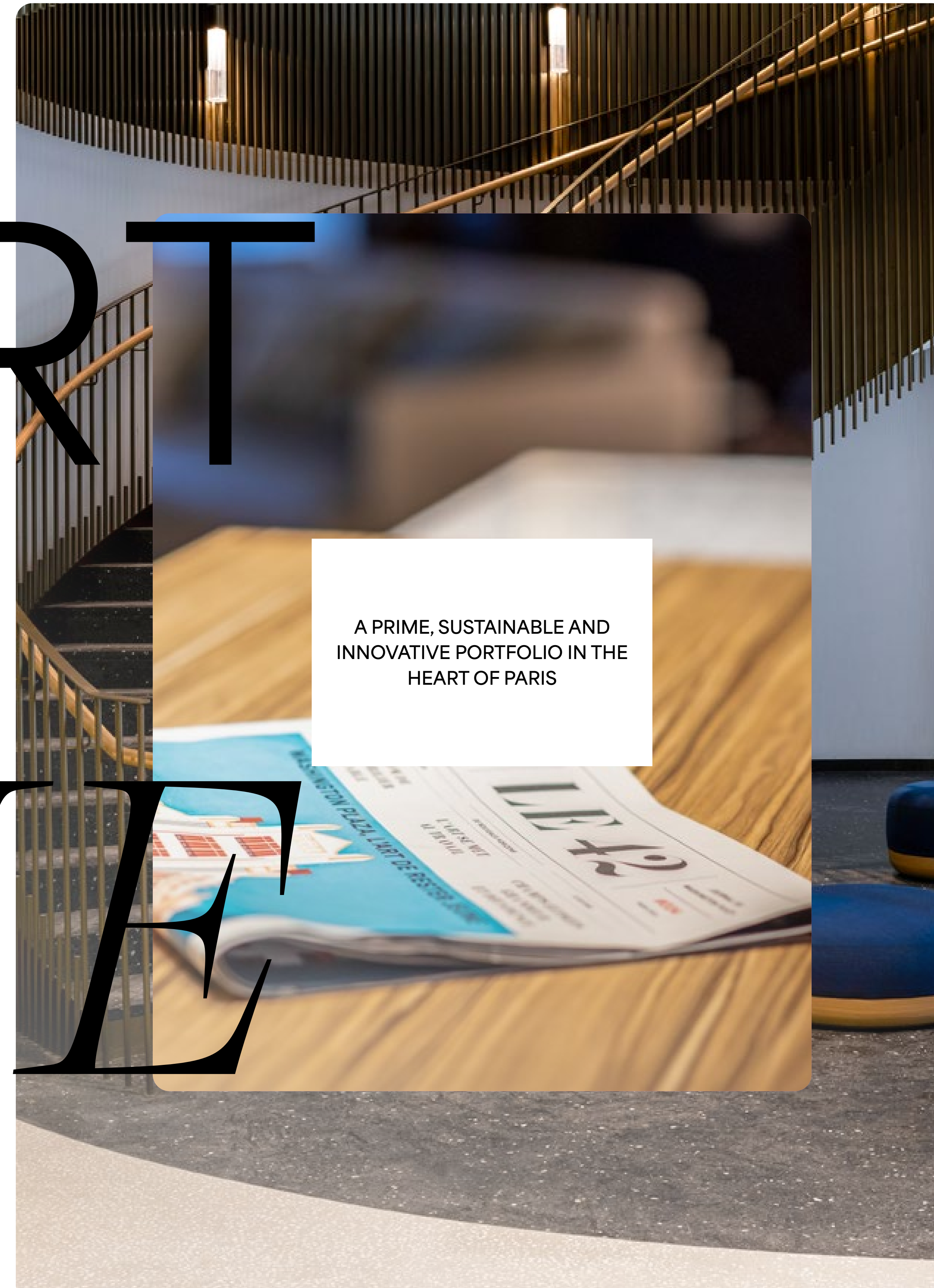
99%
in Paris

78%
in the CBD



THE ART OF *PRIME*

01



A PRIME, SUSTAINABLE AND INNOVATIVE PORTFOLIO IN THE HEART OF PARIS

SFL, THE EXPERT IN PRIME *PARIS OFFICES*

Our value creation model

OUR *VISION*

DESIGNING PRIME, SUSTAINABLE PROPERTIES TO OFFER TENANTS A UNIQUE EXPERIENCE

OUR *AMBITION*

REALISING ALL THE ARCHITECTURAL, AMENITY AND TECHNICAL POTENTIAL OF OUR ASSETS IN THE HEART OF PARIS, IN A LOW-CARBON FUTURE

OUR *VALUES*

CLOSE DIALOGUE with the City of Paris and our stakeholders

A COMMITTED, INNOVATIVE approach to our large-scale projects

A DAILY COMMITMENT to delighting our tenants

A CREATIVE, COLLABORATIVE WORKING ENVIRONMENT for our employees

OUR *STRATEGY*

PRIME
Positioned exclusively in the prime Parisian property market

PARIS
99% of our assets are located in the heart of the capital's finest business districts

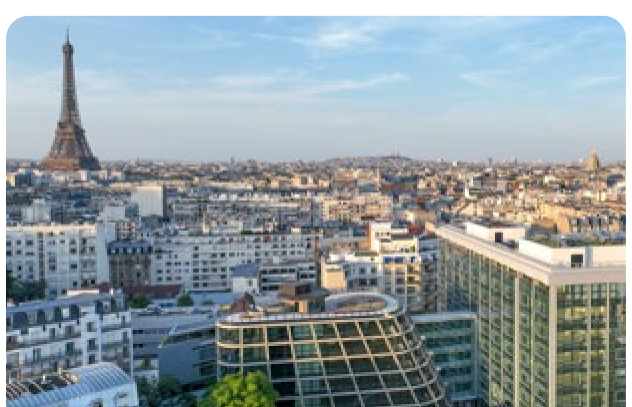
SUSTAINABLE
Certified, scalable, energy-sufficient and operationally efficient properties, harmoniously integrated into the cityscape and nature

OUR *RESOURCES*

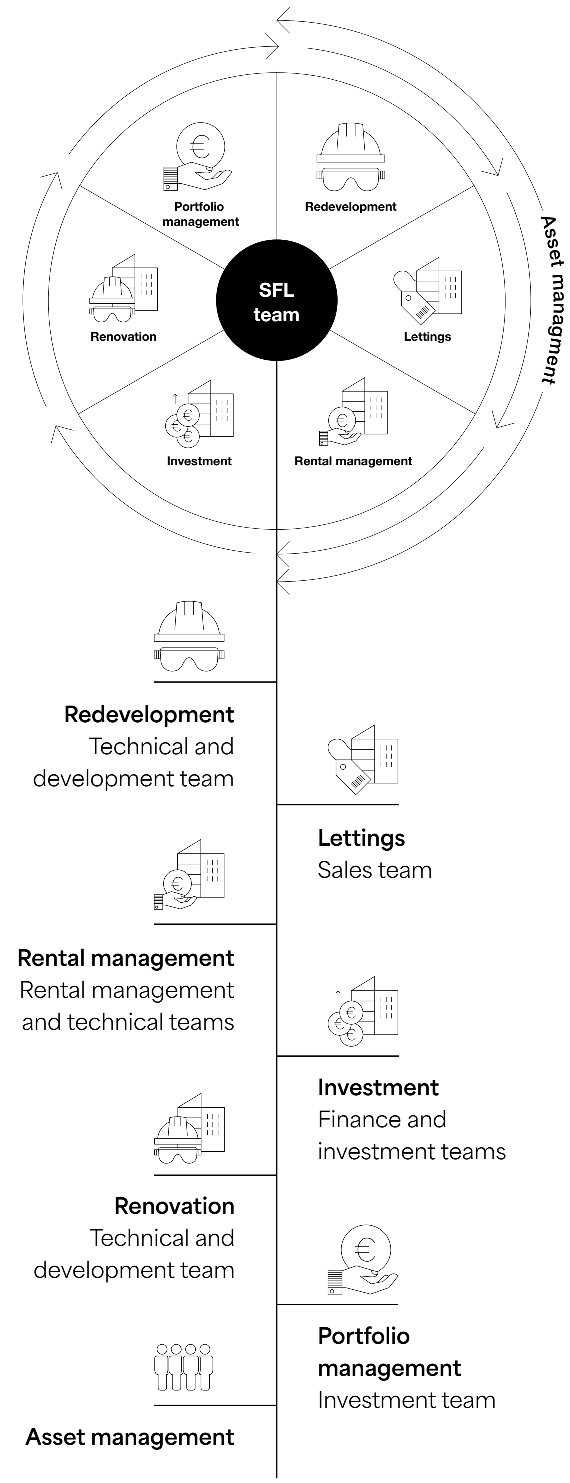
AN IMPASSIONED, IN-HOUSE TEAM of more than 70 employees

BOLD PARTNERS: renowned architects, designers and landscape architects, biophilia experts, etc.

A TRENDS OBSERVATORY
Paris Workplace – in partnership with Ifop since 2014



CORE *COMPETENCIES*



OUR *ADDED VALUE*

A GRANULAR UNDERSTANDING of urban and architectural challenges

THOROUGH KNOWLEDGE of Paris, our home

A RANGE OF AMENITIES, inspired by hospitality industry design practices

EXTENSIVE EXPERTISE in large property complexes in Paris (nine Paris business centres)

A CONSTANT QUEST FOR OPTIMISATION in each of our assets to meet tenant expectations

LONG-TERM TENANT SUPPORT SERVICES, grounded in trust and attentive care

OUR *ENVIRONMENTAL IMPACT*

100%
of revenue-generated properties certified BREEAM In-Use or HQE and rated Very Good or better

0 SQ.M.
of land taken in the past ten years

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

92/100
GRESB* score in the Standing Investments benchmark

97/100
GRESB* score in the Development benchmark

42% reduction
SBTi-consistent decarbonisation target for 2030 vs. 2021 (Scopes 1+2+3)

* Global Real Estate Sustainability Benchmark.

PARIS - THE INSPIRATION BEHIND OUR *EXCEPTIONAL* PORTFOLIO

99% of SFL's property portfolio is located in Paris, stretching from the Arc de Triomphe to Gare de Lyon, passing by the iconic districts of the Louvre and Opera. By concentrating its assets on the City of Light, SFL can fully meet the needs of its tenants and users of its properties, who are seeking office buildings that are unparalleled both in terms of their architecture and their central location. With record rental values in 2024, Paris is more than ever the city of choice for companies and their staff.

€7,571M

appraisal value, excluding transfer costs

€241.1M

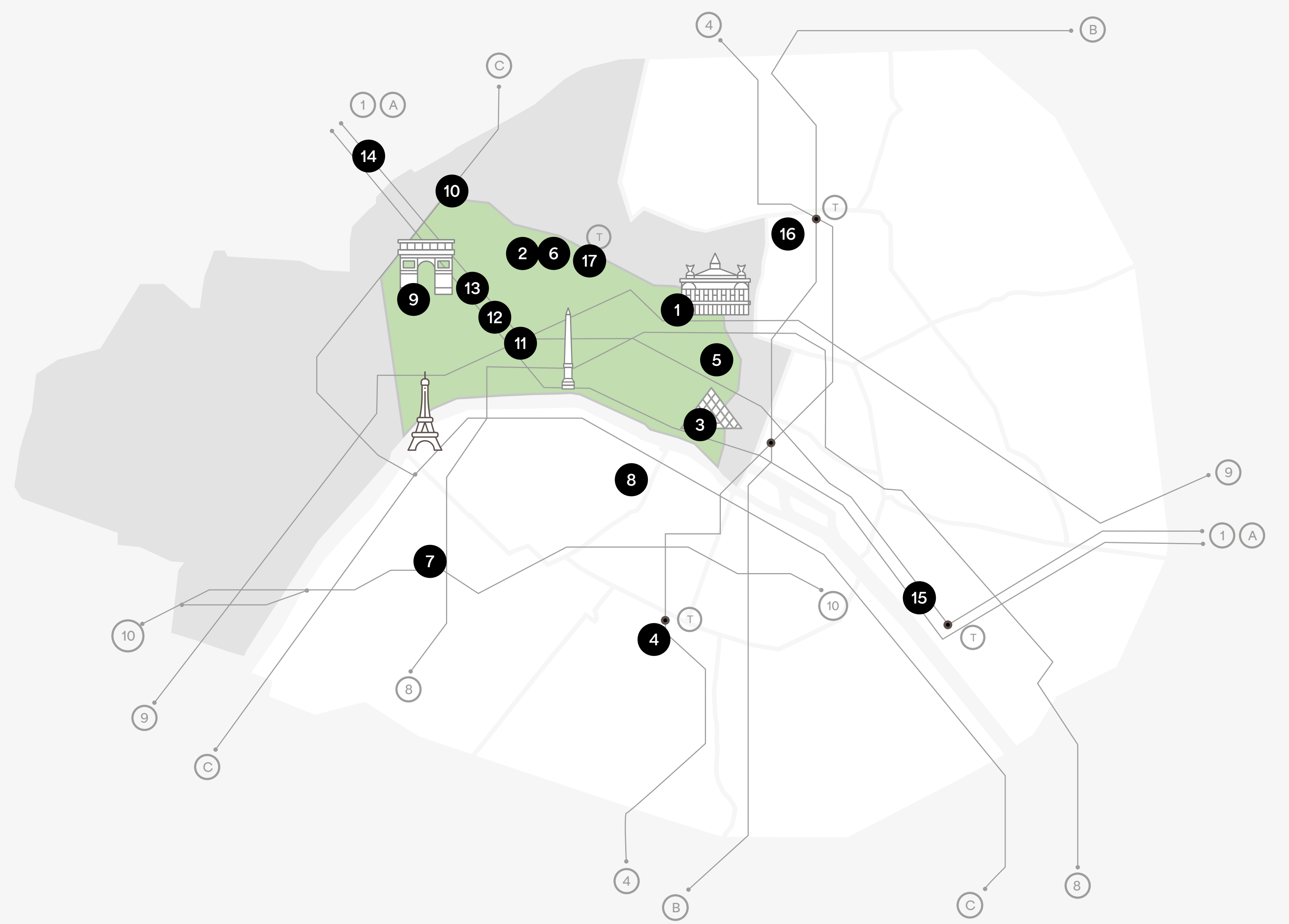
net property rentals

99%

of SFL assets are located in Paris

100%

of assets are located less than six minutes from public transport



- Our assets
- Public transport
- Train stations
- Central Business District
- Paris Centre West

BUSINESS CENTRES

1. Édouard VII
2. Washington Plaza
3. Louvre Saint-Honoré
4. Pasteur
5. #Cloud.Paris
6. Cézanne Saint-Honoré
7. Biome
8. 103 Grenelle

BUILDINGS WITH A DISTINCTIVE CHARACTER

9. 83 Marceau
10. 131 Wagram
11. 90 Champs-Élysées
12. Galerie Champs-Élysées
13. 92 Champs-Élysées
14. 176 Charles de Gaulle

PROJECTS

15. Scope
16. Condorcet
17. Haussmann Saint-Augustin

UNIQUE AND BOLD DESIGN CONCEPTS *TO CRAFT OUTSTANDING PROPERTIES*

For 145 years, SFL has been a veritable goldsmith of Parisian real estate, crafting and shaping outstanding buildings thanks to a bold vision of their architecture and future purpose. Whether converting occupied sites or rehabilitating sites under development, each workplace and social space that we create blends timeless charm with highly modern amenities.

◆ Shaping exceptional spaces
The milestones in SFL's history are projects that have redefined the standards of prime real estate in Paris. They include the Îlot Victor Hugo, a skilful balance between innovation and heritage protection, the creation of the Mandarin Oriental, allying luxury with bold design, Thomson's headquarters in Boulogne, metamorphosed into a modern campus with a strong identity, and more recently, the remarkable transformation of the iconic Louvre des Antiquaires building into the Cartier Foundation for Contemporary Art, which will soon be opening its doors to the public. All of these examples clearly illustrate SFL's ability to carry out large-scale projects that contribute to the beauty of the city and give rise to unique working and living spaces.

◆ Boldly creating one-of-a-kind designs
For SFL, transforming a building means telling a new story. Each project is designed as a bespoke creation, adapted to its environment and users. That is why SFL works with the best talent, tasked with bringing its vision to life. Renowned architects, inspired designers, landscape architects and low-carbon engineering specialists work together to reinvent the spaces. Every detail counts, and each design choice is meticulously considered in order to tailor spaces that are a fusion of beauty and practicality.

◆ Taking time over transformation
Transforming a building requires taking time to reflect, analyse, and think ahead to its future uses. This long-term vision is a guaranteed way of shaping sustainable buildings, capable of adapting to changing needs and environmental requirements. Each conversion project incorporates ambitious ESG principles, ensuring the economic, social and environmental sustainability of each project.

◆ Seamlessly blending assets into their Parisian surroundings
Paris is a unique city, and each district has its own strong architectural identity. SFL makes sure that its projects respect and enhance this heritage. Our renovated or converted buildings become features of the city in their own right, fully integrated into the Parisian landscape and leading the way in uses and needs of the future, with a particular focus on regreening the cityscape. Above and beyond architectural design, this approach reflects our firm belief that transforming the city also means taking care of its environment. ◇

“

SFL CARRIES OUT LARGE-SCALE PROJECTS THAT CONTRIBUTE TO THE CITY'S BEAUTY AND RESULT IN UNIQUE WORKSPACES. ”

JÉRÔME LACOMBE
Deputy Chief Executive Officer, Chief Resources Officer

SUSTAINABLE TRANSFORMATION, A STRONG AND RESPONSIBLE COMMITMENT

For SFL, prime and sustainable go hand in hand. We design environmentally friendly buildings that can evolve depending on their uses and which meet the challenges of climate change, offering our tenants buildings that set the standard in sustainability.

100%

of assets certified and accredited: SFL is France's first property company to achieve this objective

17%

reduction in carbon emissions achieved as at end-2024 (2030 target: 42% reduction for Scope 1, 2 and 3 emissions, SBTi compatible)

For more than 15 years now, SFL has been mapping out an ambitious low-carbon strategy, which began with its first operating plan in 2010. Our vision of sustainable prime real estate is embedded in our DNA and translates into tangible, measurable actions. In 2024, we focused on two key areas: the circular economy and biodiversity.

Biodiversity and climate change adaptation: regreening the city

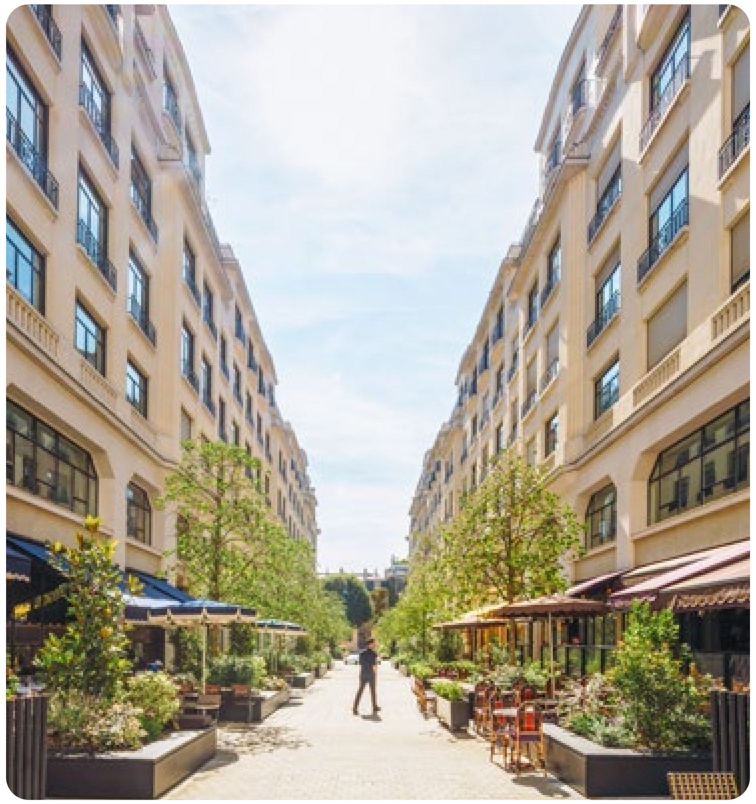
Whether at Condorcet, with its planted paving, or at Washington Plaza, which boasts the largest privately owned green wall in Paris, every one of our projects incorporates green spaces for the benefit of occupants and to promote biodiversity in the urban landscape. Publicly accessible cool spots where people can shelter from the summer sun are also being developed, such as at the Scope site for example. An action plan is drawn up for each site, in partnership with the environmental consultancy Zefco. With a target of net zero land take over the coming ten years, SFL is demonstrating how sustainability is one of the cornerstones of its strategy.

Circular economy: recycling as a key factor in every project

The circular economy has become a major pillar of SFL's renovation projects. Our partner Elan helps us conduct pre-works analyses to determine what items can be re-used and upcycled, both on and off site. This was the case, for example, for the works at Cézanne Saint-Honoré and 103 Grenelle. We draw on a wide range of initiatives to reduce the environmental impact of our works, for example by re-using wash basins and items that have been stored.

Low-carbon strategy: ambitious, science-based targets

SFL is aiming to reduce its Scope 1, 2 and 3 emissions by 42% by 2030 compared with a base year of 2021. This is a target that is compatible with the methodology of the Science Based Targets initiative (SBTi). Working with Carbone 4, we have developed a pragmatic strategy for decarbonising all of our activities. Our main innovation in this area is ensuring that all of our projects are energy- and resource-efficient. This means optimising our buildings right from their design phase to limit their environmental footprint throughout their life cycle while at the same time meeting the needs of their users. ◇



Intensi'Score - a revolution in measuring occupation density of properties

SFL demonstrated its innovation capabilities by contributing to the creation of Intensi'Score, a metric developed in partnership with Paris & Co, Eléonore Slama (from the 12th *arrondissement* Paris city council) and other private and public sector players. The Intensi'Score tool gives an overall occupation density score based on how many people use particular areas of a building over given periods and for what purposes. The aim is to maximise the occupation density of existing buildings to avoid having to build new ones. This initiative paves the way for more sustainable and optimal property management.

80 %

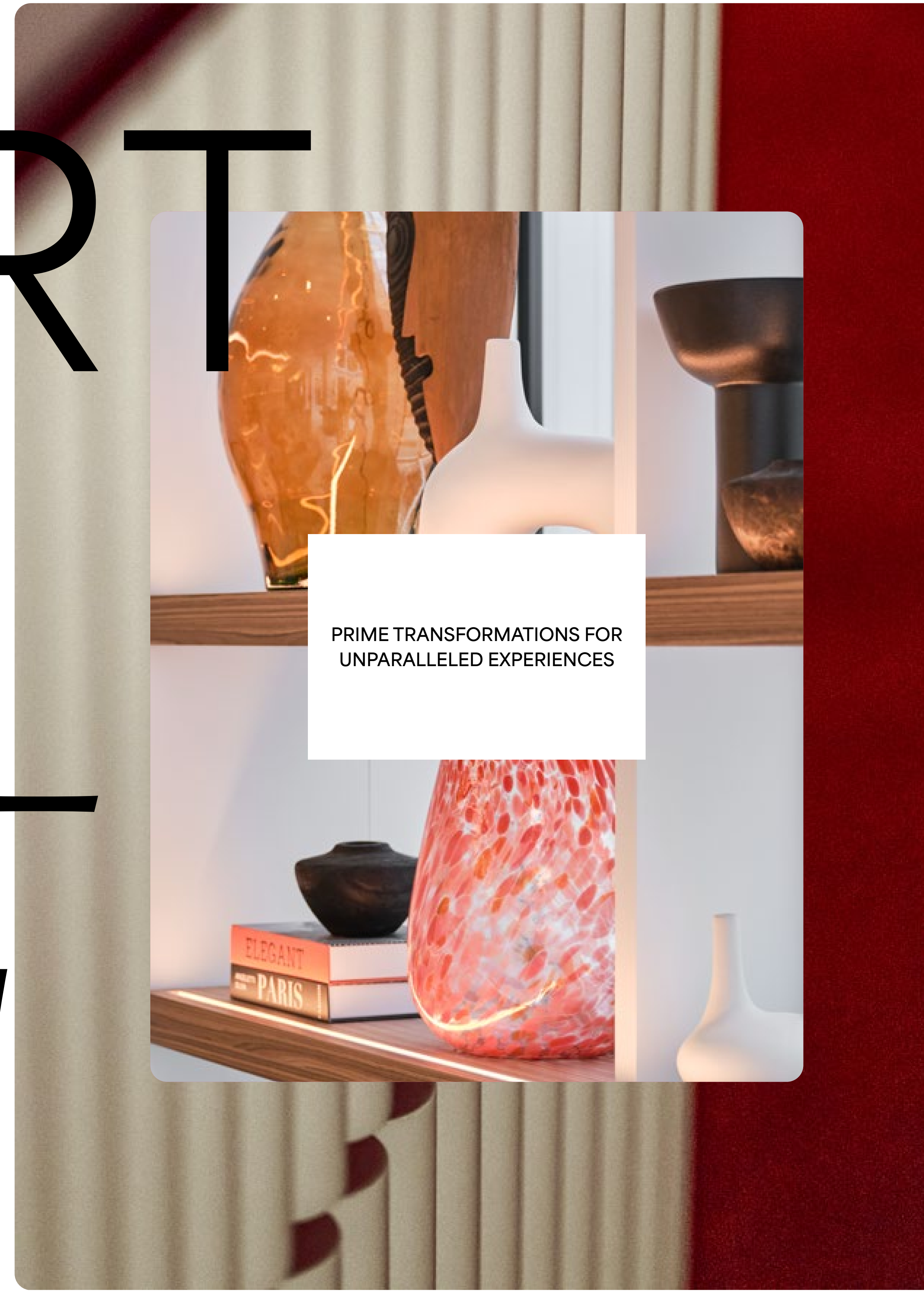
more soft mobility for SFL buildings than the average for buildings in the Paris region

“OUR AIM: TO BE THE PARISIAN LEADER IN LOW-CARBON REAL ESTATE AND SET THE STANDARD FOR ENERGY AND RESOURCE EFFICIENCY.”

ÉRIC OUDARD
Technical and Development Director

THE ART OF *EXCEL-LENCE*

02



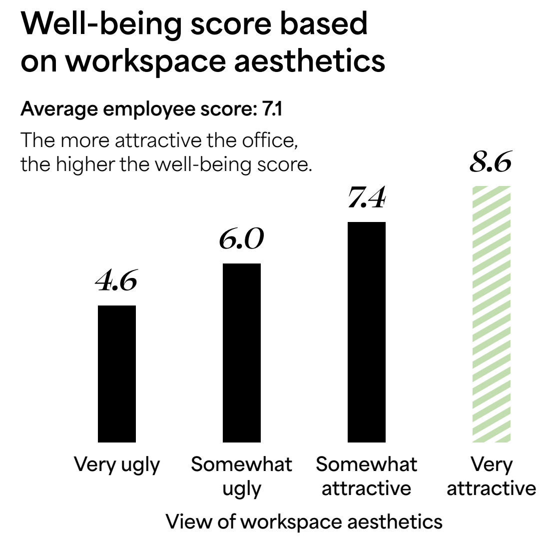
PRIME TRANSFORMATIONS FOR UNPARALLELED EXPERIENCES

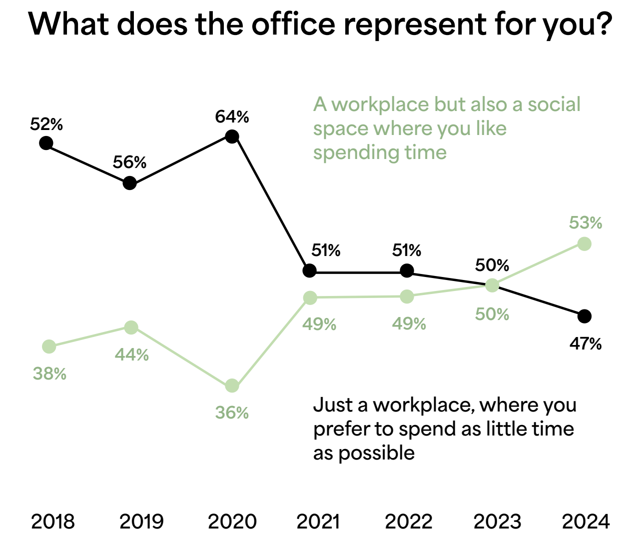
OFFICE AESTHETICS: A KEY FACTOR FOR EMPLOYEE WELL-BEING AND ENGAGEMENT

Beautiful workspaces make for happy employees. This was confirmed in the findings of the 11th Paris Workplace survey conducted in 2024 by SFL and Ifop, which focused on the aesthetics of workspaces as a factor in employer appeal and employee well-being.

In the survey, the respondents were asked how the aesthetics and beauty of their workplace - however subjective that may be - influence their satisfaction, performance and well-being. They were also asked about their preferences in terms of architectural style and how they view the various office neighbourhoods of Paris. The 1,300 employees in the Greater Paris region who took part in the 2024 SFL-Ifop annual survey had clear views and opinions about what makes an office attractive. The results of the survey speak for themselves. Those who give their office a high score for its aesthetics are also those who say they are the happiest and most satisfied at work. In this latest edition of the survey, for the first time since 2018, according to the respondents the office is considered to be "a social space where they like spending time" rather than "just a workplace, where they prefer to spend as little time as possible". This marks a sea change since the Covid-19 crisis.

Every year, SFL uses the results of this annual survey to make sure that it is making the right strategic choices to stay ahead of the game in understanding what office users are looking for. ◇





"

IT'S ALL ABOUT DESIGNING SPACES THAT CREATE EMOTIONAL ENGAGEMENT, EVEN IF THAT MEANS SOME PEOPLE DON'T LIKE THEM. DESIGN OFFICES THAT REFLECT WHAT YOU ARE AND YOU'LL ATTRACT THE RIGHT PEOPLE!

DAMIEN PERROT
Global Senior Vice President Design & Innovation, Accor

95%

of employees believe that it's important to work in an attractive environment, and that their company should invest in office design to enhance its employer brand.

Key takeaways

1. **Hotel-style offices (design practices borrowed from the hospitality industry)** score the best for aesthetic criteria (43%), ahead of Haussmann-style offices (27%), Scandinavian-style offices (17%) and start-up-style offices (8%).

2. **The "prime areas" of Paris are living up to their name.** The office districts of West Central Paris are considered the most attractive by employees, who gave them a score of 7.4/10, i.e., higher than the average score of 6.4/10.

3. **Respondents who gave their offices a very high score for aesthetics** (9 out of 10 or higher) also gave a much higher score for well-being (8.7 compared with an average of 7.1 for all of the employees surveyed).

4. **Respondents who feel that their workspace** at home is nicer than at the office tend to work more from home (2.1 days vs. 1.5 days on average) and are less attached to their company (66% vs. 75% on average).

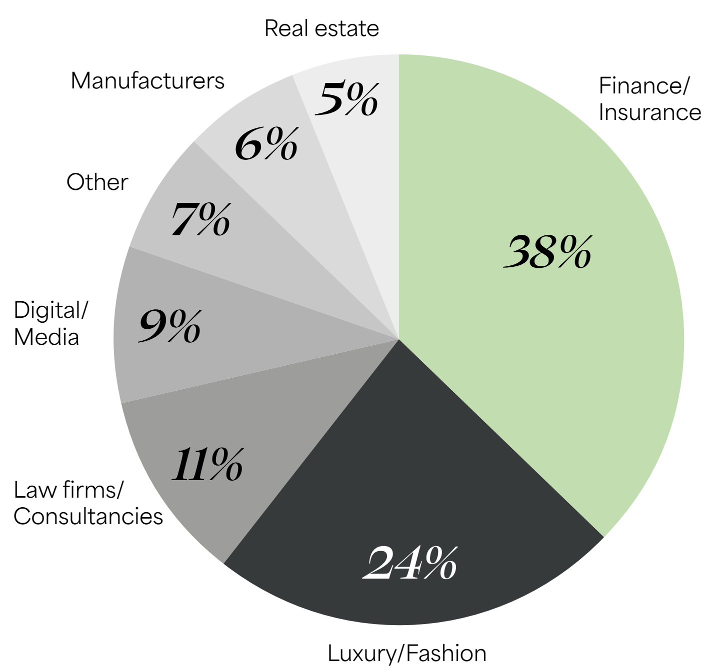
SFL once again enlisted the help of specialists, architects and business leaders to shed light on the findings of its study.

Read all the interviews here.
When office aesthetics take over: Paris WorkPlace survey 2024.

EVERY ONE OF OUR TENANTS IS UNIQUE *AND THEIR SPACES REFLECT THAT UNIQUENESS*

By opting for prime spaces in remarkable buildings, SFL's tenants offer their employees working environments that are attractive, flexible and outward-looking, embracing the city and nature. With the high-end amenities they provide, these spaces reflect our tenants' exacting standards and their constant quest for excellence. And because each of our tenants is unique and often a leader in their field, we create outstanding settings that reflect their identity.

Breakdown by tenant business at 31 December 2024 (by value)



MORE than 215

tenants

7.3 years

Average period to lease expiry

5.7 years

Average period to next potential exit date

> OUR TENANTS ARE LEADING COMPANIES WHO CARE ABOUT THE HAPPINESS AND WELL-BEING OF THEIR TEAMS"

PIERRE-YVES BONNAUD
Asset Management and Client Management Director

TOP 10 TENANTS (BY RENT)		*BUSINESS*	*S&P* RATING*
1	Amundi Asset Management	Finance/Insurance	A+
2	Cartier	Luxury	A+
3	GRDF	Industry	BBB+
4	La Banque Postale	Finance/Insurance	A
5	Leading luxury goods company	Luxury	AA-
6	Meta	Digital	AA-
7	Goldman Sachs	Finance/Insurance	BBB+
8	ZARA	Fashion	Unrated
9	TV5 Monde	Media	Unrated
10	adidas	Fashion	A-

* Or Moody's/Fitch equivalent.

SHAPING *BESPOKE EXPERIENCES*

For SFL, offices are much more than just a workplace. They are conceived and designed to be spaces that foster inspiration, innovation and collaboration, allying amenities with best-in-class experience. Every detail contributes to creating a unique identity and surroundings for the companies that occupy them.

The art of detail: made-to-measure, our trademark
Each building is designed as a unique project, tailored to meet the specific needs of its occupants. The focus we give to light, volumes, materials and perspectives transforms each building into a unique place, offering a high-end living and working environment and a bespoke experience worthy of the finest hotels. As a true artisan of prime office property, SFL pays close attention to every detail.

The art of aesthetics: creating an attractive working environment
At SFL, aesthetics and architecture take centre stage. Each project is underpinned by outstanding architecture with meticulous finishing work, designed to create environments where elegance stimulates collective energy. The aesthetic quality of the working environment helps drive employee satisfaction, performance and engagement, at a time when companies are seeking to promote the office as a place where essential social interactions happen.

The art of service: reinventing the tenant experience
Over the last decade, the boundaries between people's personal and professional lives have become increasingly blurred. Today's offices are therefore changing from being just workplaces to also becoming social spaces, with amenities and services that facilitate daily living. SFL's buildings offer premium services and amenities to meet the new expectations of office workers, including business centres, flexible, modular and connected workspaces, diverse catering offerings, concierge services and innovative parking solutions such as bike parks.

Bringing nature into the workplace
Nature is an essential component of SFL's office design. Based on a firm belief that green spaces boost occupants' well-being and enhance sustainability, we incorporate nature into all of our projects, including green terraces, tree-lined courtyards designed as cool spots and biodiversity areas, skylights and green walls. This attention to nature is not a fad but a tangible response to users' expectations, while helping make the city greener and more sustainable. ◇

“

WE ENHANCE THE APPEAL OF OUR OFFICE DESIGNS BY COMBINING USER-FRIENDLINESS, BIODIVERSITY AND PERFORMANCE.”

AUDE GRANT
Chief Executive Officer

MANAGING FLAGSHIP *TRANSFORMATIONS*

Drawing on its long history of crafting the transformation of buildings, in 2024 SFL managed the conversion of three emblematic buildings: Haussmann Saint-Augustin, Louvre Saint-Honoré and Scope.

Louvre Saint-Honoré – bold design in action

SFL is giving the Louvre Saint-Honoré building an ultra-modern look and feel in this "off-the-scale" project while its tenants are in occupancy. The work is still in progress, but as part of its 40th anniversary celebrations, the Cartier Foundation for Contemporary Art was able to unveil the spectacular layout designed by architect Jean Nouvel for its exhibition spaces. The public will have to wait until the end of 2025 to discover this truly amazing site.

The entrance hall at the Haussmann Saint-Augustin building redesigned by Studios Architecture

An augmented Haussmannian experience

This is the Haussmannian building *par excellence*: just a stone's throw away from Saint-Lazare station, the Haussmann Saint-Augustin property has been completely revisited by SFL to provide an exceptional working environment adapted to the needs of its future users, while respecting the character of the original design. Studios Architecture is working with us to recreate a warm and elegant experience, from the entrance hall, through to a full range of amenities including modern workspaces and enhanced outdoor areas.

A modern take on Haussmannian elegance
Behind a majestic freestone façade stretching more than 80 metres, the interior spaces of this building have been completely modernised. While preserving all the charm of its Haussmann heritage (mouldings, herringbone parquet flooring, fireplaces), a number of the building's spaces have been carefully renovated to blend history with modernity. Double-height volumes and optimised use of space and people flow provide flexible and varied workspaces, with up to 1,900 sq.m. of floor area per office level.

The circular economy – a central element of the overall project
Sustainability is playing a key role in this project, with circular economy practices applied on a large scale in the aim of re-using as many components as possible, both on and off site. The works teams therefore took meticulous care when dismantling the existing features and 1,500 sq.m. of storage space has been set aside with our partner Neom. SFL adopts this approach to more responsible and sustainable real estate in all of its conversion projects. ◇

> "
> OFFICE BUILDING DESIGN CODES NEED TO BE REWRITTEN TO ADAPT TO NEW USES BY INTEGRATING NEW SOCIAL AREAS AND UNLOCKING THE POTENTIAL OF EACH SPACE. "

ALEXANDRA VILLEGAS SANNE
Studios Architecture

SCOPE: CREATING *A NEW STANDARD-SETTER NEAR GARE* DE LYON STATION

Scope embodies the elegance, modernity and performance of forward-looking companies. Located just a short walk away from Gare de Lyon, it gives the district a new architectural identity. Boasting incredible panoramic views, it comprises inspiring workspaces and social areas while looking ahead to the climate and urban planning challenges of tomorrow.

A new bioclimatic façade for unrivalled comfort
Scope features an innovative bioclimatic façade, designed to naturally regulate exposure to the sun and enhance the building's energy performance. Originally smooth, the external structure now features angular facets, which create areas of shade during the day. The façade also incorporates loggias that are two storeys high to create an intermediate indoor/outdoor space, offering areas where its future office workers will be able to relax and get some fresh air.

- Reduced energy demand: 35% less for heating and 13% less for air conditioning.
- A pivoting façade that shields the building from direct sunlight.
- Openings in the folded surface of the new façade to allow fresh air to enter and circulate.
- Loggias that are two storeys high and open to the air, offering space to really breathe.
- Materials upcycled and re-used on site.

Reconciling the urban landscape and biodiversity
Scope is creating a new ecosystem in the heart of the city. Designed like a miniature woodland, its future urban garden will anchor the building in its neighbourhood right from the outset and will encourage biodiversity.

- An urban greening factor of 46%.
- 3,900 sq.m. of landscaped gardens, three times more than before the project began.
- A 900 sq.m. rooftop terrace – a haven of greenery suspended above the city.

Spaces specifically designed for flexibility and user experience
Scope is reinventing the workplace experience by combining quality of life with the new expectations of the professional world.

- The open workspaces are bathed in natural light, thanks to wide expanses of glazing that open up incredible views over Paris, a design concept that optimises the architectural structure.
- A services pavilion covering almost 1,400 sq.m, with a café-club, a gym and a business centre classified as a category 3 public building (i.e., of very good quality), with a conference hall and modular meeting rooms.
- A 215-seat restaurant with a terrace opening onto the garden.
- Over 1,000 sq.m. dedicated to soft mobility, encouraging the use of bicycles and alternative forms of transport. ◇

“OCCUPANTS AND VISITORS WILL ENJOY AN IMMERSIVE EXPERIENCE AS THEY WALK THROUGH THE BUILDING, SURROUNDED BY AN ABUNDANCE OF GREENERY.”

MICHEL DESVIGNE
Landscape architect

23,500 sq.m. of offices
◆
16 storeys
◆
Delivery: mid-2026
◆
Certifications being sought: BREEAM excellent, HQE excellent, BiodiverCity excellent, BBCA, BBC Effinergie renovation, CircoLab Level 2, WiredScore Silver
◆
35% less energy needed for heating and 13% less for air conditioning
◆
3,900 sq.m. of landscaped gardens and greenery (3 times more than on the pre-existing site)

THE ART OF *PER–FORMANCE*

03

2024, A YEAR
SHAPED BY
OUTSTANDING RESULTS

LETTING *AND INVESTMENT*

SFL delivered a strong performance in 2024 despite a very mixed investment market and an increasingly polarised rental market. The exceptional qualities of the locations and type of properties in SFL's portfolio respond to what companies are looking for post-Covid-19, i.e., to provide their employees with an inspiring place to work and to spend quality time.

The commercial property investment market remained stable in 2024, with €15 billion invested in the Greater Paris region, which was 46% lower than the last 10-year average. Over the past few months there has been a shift in the market balance with, for the first time, the amounts invested in logistics (€5.1 billion, up 105% year on year) outstripping amounts invested in offices (€3.4 billion, down 29% year on year), closely followed by hotels, which attracted €2.7 billion, 23% above the ten-year average.

4%

Prime office yields for Paris CBD at 31/12/24

53%

of transactions were in Paris

€1,200/SQ.M.

average prime rent for Paris CBD

"THE OFFICE SEGMENT CONTINUES TO BE IMPACTED BY LOW VOLUMES, AND IS MAINLY BEING DRIVEN BY DEALS IN PARIS REPRESENTING LESS THAN €100 MILLION. WHILE MANY ARE LOOKING AT ALTERNATIVE PROPERTY CLASSES, WE ARE CONVINCED THAT OPPORTUNITIES IN THE OFFICE SECTOR SHOULD EMERGE IN 2025 AND WE ARE WELL PLACED TO SEIZE THEM."

ALEXIA ABTAN
Investments and Corporate Communication Director

"ALTHOUGH INVENTORIES ARE STARTING TO BUILD UP AGAIN, PRIME SUPPLY IN PARIS IS STILL LIMITED, WHICH IS PUTTING PRESSURE ON RENTS. AT THESE VALUE LEVELS, COMPANIES ARE SETTING INCREASINGLY STRICT CRITERIA AND DEMANDS. LESSORS NOW HAVE TO BE ABSOLUTELY BEYOND REPROACH."

VIRGINIE KRAFFT
Commercial Director

€962/SQ.M.

Average nominal rent (offices)

€846/SQ.M.

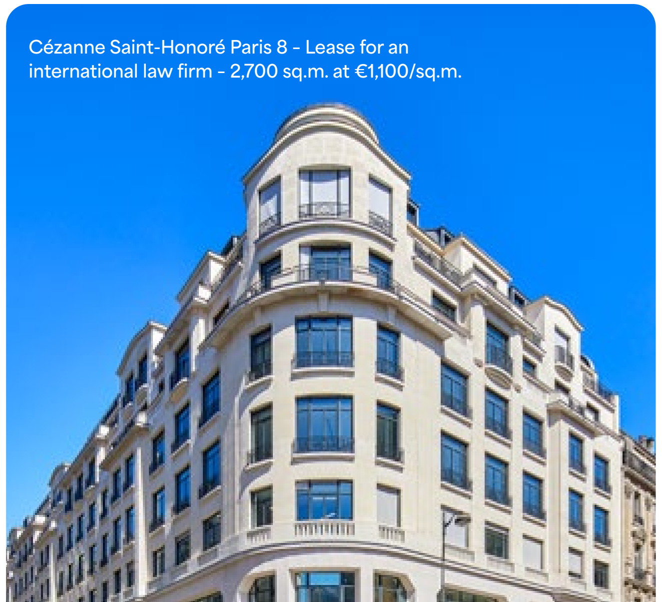
Average effective rent (offices)

7.8 YEARS

Average non-cancellable period

21,300 sq.m. leased in 2024

- **#Cloud.Paris:** signature of a lease for 3,400 sq.m. with an international fund manager and a lease for 900 sq.m. with the European Investment Bank
- **Édouard VII:** two new tenants moved in - Brunswick (1,200 sq.m.) and Sompo (800 sq.m.)
- **Cézanne Saint-Honoré:** almost 6 months before Quartus's vacation of the premises, an exceptional 2,700 sq.m. office space with a rooftop was leased to an international law firm
- **103 Grenelle:** two leases signed for space in this business centre in the 7th *arrondissement* - one with an intellectual property consultancy firm (1,300 sq.m.) and one with the well-known French online ready-to-wear retailer, Sézane (1,300 sq.m.)
- **Washington Plaza:** the law firm DAC Beachcroft moved into a 1,200 sq.m. space



Cézanne Saint-Honoré Paris 8 - Lease for an international law firm - 2,700 sq.m. at €1,100/sq.m.

Completed lettings in the Greater Paris region remained segmented in 2024, giving rise to a very mixed picture. Volumes fell by 11% to almost 1.8 million sq.m., 47% of which were located in Paris, where values reached a new record high with prime rents of €1,200 per sq.m. The symbolic €1,000/sq.m. mark definitely seems to have been passed, with 22 completed lettings topping €950 per sq.m. in 2024.

47%

of completed lettings were in Paris

SHARP INCREASE *IN EARNINGS*

In 2024, SFL recorded a further increase in operating profit and EPRA earnings, helped by the portfolio's 99.4% occupancy rate. This performance illustrates the polarisation of the Paris region's rental market, which has benefited properties located in the city centre, as well as SFL's ability to offer real estate solutions in line with the requirements of blue-chip companies.

Adjusted operating profit (i.e., operating profit before disposal gains and losses and fair value adjustments to investment property) rose by 8.0% to €217.8 million in 2024 (€201.6 million in 2023).
Fair value adjustments to investment property represented a positive €104.5 million in 2024 (vs a negative €960.3 million in 2023).

Net finance costs came to €60.0 million in 2024 (€56.0 million in 2023), an increase of €4.0 million that primarily reflected the higher interest rates.
After taking account of these key items, EPRA earnings came in at €119.2 million in 2024 (€109.9 million in 2023), representing €2.78 per share, up 1.7% on the previous year.

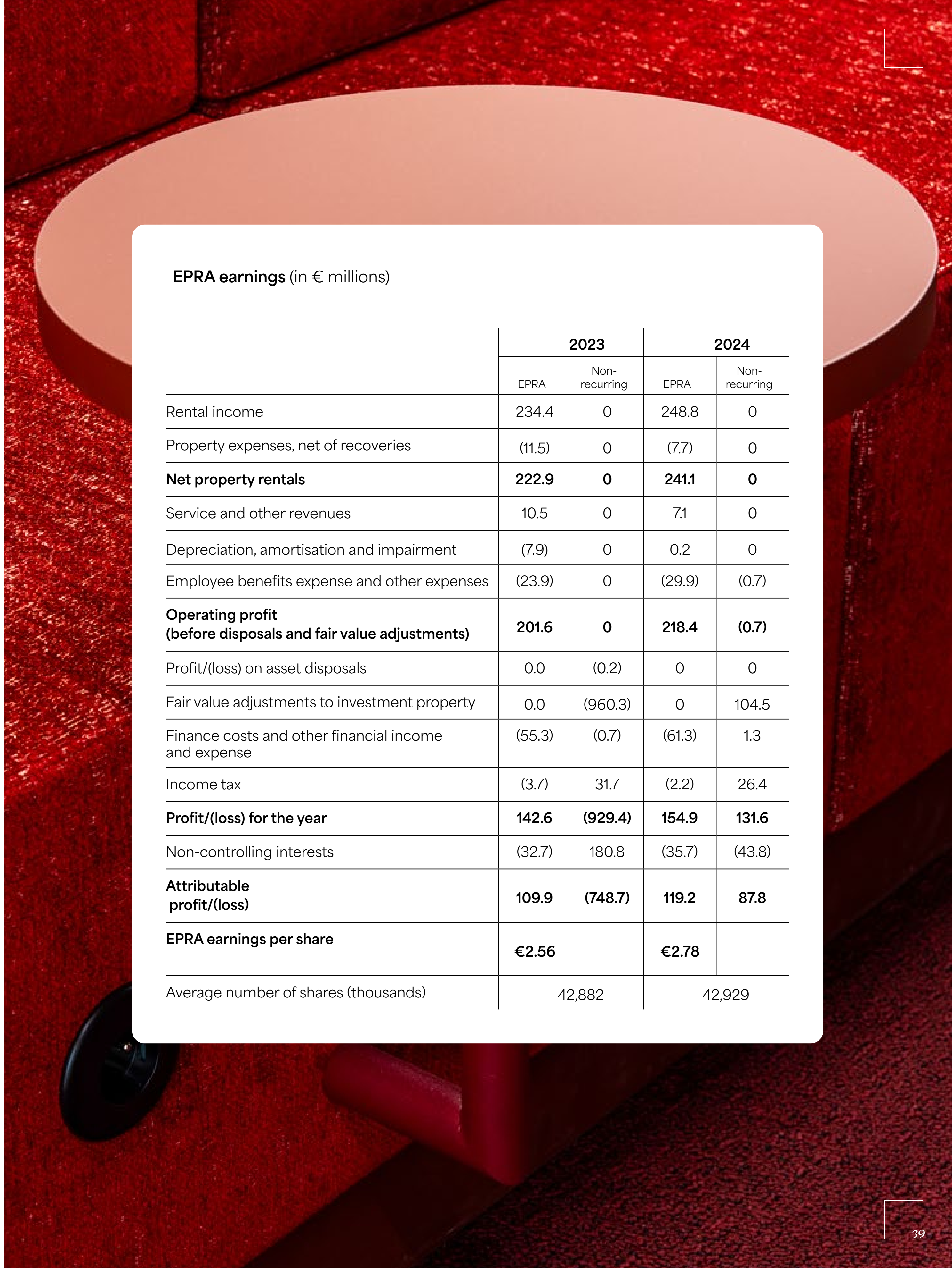
The Group ended the year with attributable net profit of €206.9 million (€638.8 million net loss in 2023). ◇

€119.2M

EPRA earnings

€2.78

EPRA earnings per share



EPRA earnings (in € millions)

	2023		2024	
	EPRA	Non-recurring	EPRA	Non-recurring
Rental income	234.4	0	248.8	0
Property expenses, net of recoveries	(11.5)	0	(7.7)	0
Net property rentals	**222.9**	**0**	**241.1**	**0**
Service and other revenues	10.5	0	7.1	0
Depreciation, amortisation and impairment	(7.9)	0	0.2	0
Employee benefits expense and other expenses	(23.9)	0	(29.9)	(0.7)
Operating profit (before disposals and fair value adjustments)	**201.6**	**0**	**218.4**	**(0.7)**
Profit/(loss) on asset disposals	0.0	(0.2)	0	0
Fair value adjustments to investment property	0.0	(960.3)	0	104.5
Finance costs and other financial income and expense	(55.3)	(0.7)	(61.3)	1.3
Income tax	(3.7)	31.7	(2.2)	26.4
Profit/(loss) for the year	**142.6**	**(929.4)**	**154.9**	**131.6**
Non-controlling interests	(32.7)	180.8	(35.7)	(43.8)
Attributable profit/(loss)	**109.9**	**(748.7)**	**119.2**	**87.8**
EPRA earnings per share	**€2.56**		**€2.78**	
Average number of shares (thousands)	42,882		42,929	

HIGHER *RENTAL INCOME*

Rental income rose by €14.4 million (6.1%) vs. 2023.

On a like-for-like basis (revenue-generating properties, excluding changes in the portfolio affecting period-on-period comparisons), rental income was €15.9 million higher (up 7.1%).

The increase reflected:
- application of rent escalation clauses (€9.7 million positive impact);
- the contribution of leases signed in 2023 and 2024 with new tenants, such as a leading luxury goods company which took over the former Exane offices in the #Cloud.paris building;
- improved economic rents under the new leases signed during the year.

The Cézanne Saint-Honoré and #Cloud.paris properties once again posted double-digit increases in rental income compared with 2023.

Rental income from properties in the process of being redeveloped contributed a net €2.7 million, reflecting:
- A €13.6 million increase following delivery of lessor-funded redevelopment work in the Louvre Saint-Honoré building to the Cartier Foundation in July 2023 and on the site of Adidas's flagship store in the Galerie des Champs-Élysées building in August 2023.
- A €10.9 million decrease due to vacancies or reductions in occupied space, including the 12,600 sq.m. Haussmann Saint-Augustin building previously let to WeWork, which vacated the offices on 30 June 2024 by agreement with SFL.

Penalties received from tenants for breaking their leases and cancellation of the related rent accruals in the IFRS financial statements trimmed €4.2 million from rental income for 2024 compared with 2023.

However, after reversing the provisions set aside at 31 December 2023 for the effect of the terminations, the net effect on Group revenue was an increase of €1.2 million. ◇

€248.8M

in consolidated rental income

UP 7.1%

like for like on 2023

DEBT *AND FINANCING*

In 2024, SFL continued to adapt its balance sheet in anticipation of its future repayment obligations, while leveraging its relationship with its main shareholder.

- In June 2024, the €100 million bilateral credit line obtained from BNP Paribas was rolled over for five years (with two one-year extension options). The facility includes a spread adjustment mechanism based on the Group's performance in relation to three sustainable development criteria.
- In July 2024, the December 2022 €300 million syndicated Term Loan was extended by one year, to December 2029, and the June 2023 €835 million RCF was extended to June 2029.
- In November 2024, a €500 million long-term shareholder loan was obtained from Inmobiliaria Colonial, covering the May 2025 redemption at maturity of a bond issue for the same amount.

This loan had not been drawn down at 31 December 2024. The long-term loan is in addition to a €600 million short-term shareholder advance set up in 2023, of which €562 million had been drawn down at 31 December 2024.

Net debt at 31 December 2024 amounted to €2,660 million (€2,539 million at 31 December 2023), representing a loan-to-value ratio (LTV) of 32.9% including transfer costs and an EPRA LTV (excluding transfer costs and net of non-controlling interests) of 43.3%. At the same date, the average cost of debt after hedging was 2.0% and the interest coverage ratio (ICR) was 3.5x. The average maturity of debt is 3.3 years.

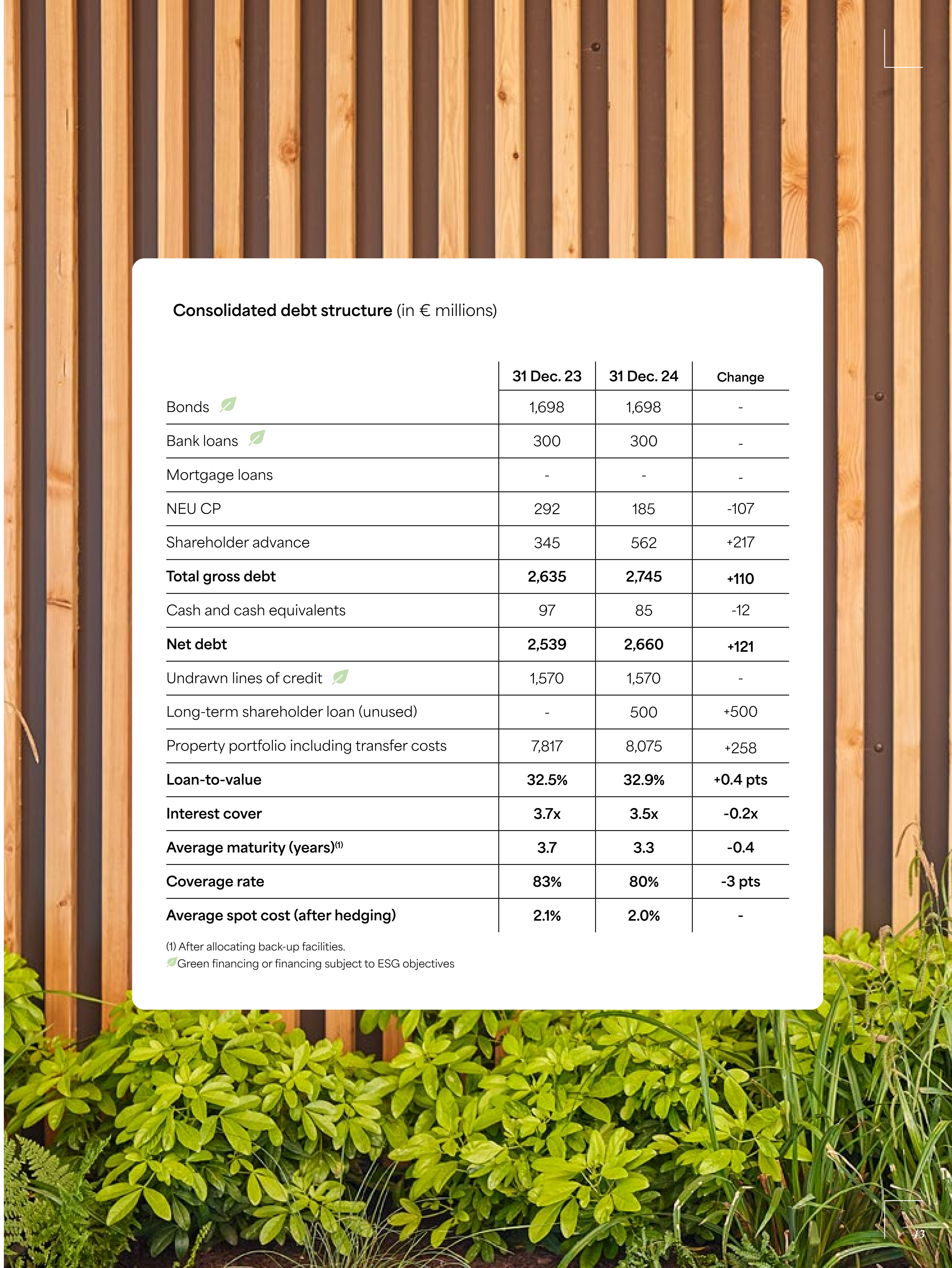
Lastly, at 31 December 2024, the Group had access to €1,570 million in undrawn confirmed lines of credit. ◇

3.3 years
average maturity

32.9%
loan-to-value

2.0%
average spot cost (after hedging)

BBB+
stable outlook



Consolidated debt structure (in € millions)

	31 Dec. 23	31 Dec. 24	Change
Bonds	1,698	1,698	-
Bank loans	300	300	-
Mortgage loans	-	-	-
NEU CP	292	185	-107
Shareholder advance	345	562	+217
Total gross debt	**2,635**	**2,745**	**+110**
Cash and cash equivalents	97	85	-12
Net debt	**2,539**	**2,660**	**+121**
Undrawn lines of credit	1,570	1,570	-
Long-term shareholder loan (unused)	-	500	+500
Property portfolio including transfer costs	7,817	8,075	+258
Loan-to-value	**32.5%**	**32.9%**	**+0.4 pts**
Interest cover	**3.7x**	**3.5x**	**-0.2x**
Average maturity (years)[1]	**3.7**	**3.3**	**-0.4**
Coverage rate	**83%**	**80%**	**-3 pts**
Average spot cost (after hedging)	**2.1%**	**2.0%**	**-**

(1) After allocating back-up facilities.
Green financing or financing subject to ESG objectives

PROPERTY *PORTFOLIO AND NAV*

The appraisal value of the Group's portfolio at 31 December 2024 was €7,571 million excluding transfer costs, up 3.3% from €7,332 million at 31 December 2023.

No properties were purchased or sold during the year.
The increase in appraisal values reflected the application of rent escalation clauses and the sharp rise in rental values in the prime segment of the Paris property market. Discount rates and exit capitalisation rates narrowed slightly, declining by an average of 11 bps and 4 bps respectively.

The average EPRA topped-up Net Initial Yield (NIY) was 3.8% at 31 December 2024, stable over 12 months (3.8% at the previous year end). The potential rental yield was 4.1% at 31 December 2024 (3.9% at 31 December 2023).

At 31 December 2024, EPRA Net Tangible Assets (NTA) stood at €88.0 per share (€3,779 million in total, up 0.7% vs 31 December 2023) and EPRA Net Disposal Value (NDV) was €87.0 per share (€3,739 million, up 1.8% vs 31 December 2023), after payment of a dividend of €2.40 per share in April 2024. ◇

€7,571M

portfolio value excluding transfer costs

Net Asset Value (in € millions)

	31 Dec. 23	31 Dec. 24
Equity	3,540	3,642
Dilutive impact of treasury shares and stock options	0	0
Unrealised gains on properties	34	35
Unrealised gains on intangible assets	4	4
Elimination of financial instruments at fair value	6	9
Elimination of deferred taxes	173	97
Transfer costs	416	431
EPRA NRV (Net Reinstatement Value)	**4,173**	**4,218**
EPRA NRV/share	**€97.3**	**€98.2**
Elimination of intangible assets	(1)	(4)
Elimination of unrealised gains on intangible assets	(4)	(4)
Elimination of transfer costs[1]	(416)	(431)
EPRA NTA (Net Tangible Assets)	**3,752**	**3,779**
EPRA NTA/share	**€87.5**	**€88.0**
Intangible assets	1	4
Financial instruments at fair value	(6)	(9)
Fixed-rate debt at fair value	98	62
Deferred taxes	(173)	(97)
Cancellation of transfer costs	0	0
EPRA NDV (Net Disposal Value)	**3,673**	**3,739**
EPRA NDV/share	**€85.7**	**€87.0**
Number of shares (thousands)	42,886	42,951

(1) 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) and has received the "EPRA BPR Gold Award" (Best Practice Recommendations) for the quality of its financial information. The main indicators, whose detailed definitions may be found on www.epra.com, are summarised as follows.

EPRA performance indicators

	2023	2024
EPRA Earnings	€109.9m	€119.2m
/share	€2.56	€2.78
EPRA Cost Ratio (incl. vacancy costs)	12.7%	13.1%
EPRA Cost Ratio (excl. vacancy costs)	11.8%	12.2%
Average number of shares (thousands)	42,882	42,929

	2023	2024
EPRA NRV	€4,173m	€4,218m
/share	€97.3	€98.2
EPRA NTA	€3,752m	€3,779m
/share	€87.5	€88.0
EPRA NDV	€3,673m	€3,739m
/share	€85.7	€87.0
EPRA Net Initial Yield	2.6%	2.9%
EPRA Topped-Up Net Initial Yield	3.8%	3.8%
EPRA Vacancy Rate	0.2%	0.5%
Number of shares (thousands)	42,886	42,951

	2023	2024
LTV		
100%, including transfer costs	32.5%	32.9%
100%, excluding transfer costs	34.6%	35.1%
EPRA LTV (including transfer costs)		
100%	34.3%	35.3%
Attributable to owners of the parent	39.6%	40.7%
EPRA LTV (excluding transfer costs)		
100%	36.6%	37.6%
Attributable to owners of the parent	42.2%	43.3%

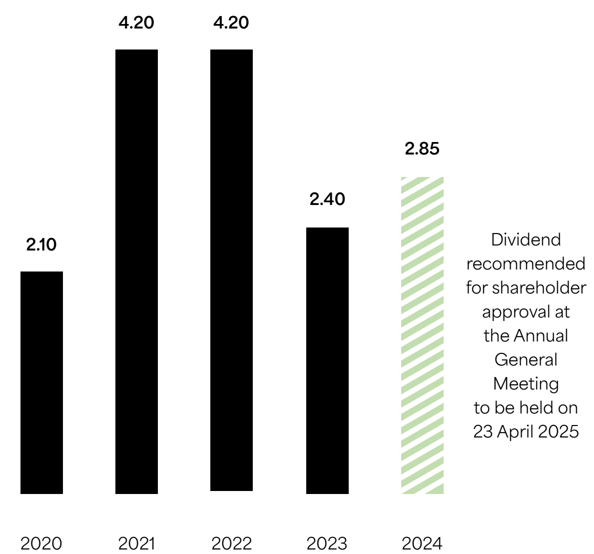
OWNERSHIP *STRUCTURE*

The SFL share ended the year at €74.20.

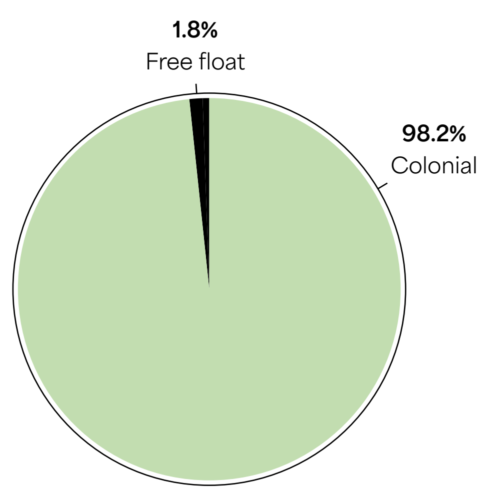
Trading volumes were unchanged from 2024, at 324 shares or €22,000 a day. In April 2024, SFL paid an annual dividend of €2.40 per share. The Board of Directors will recommend that shareholders at the Annual General Meeting on 23 April 2025 approve the payment in cash of a dividend of €2.85 per share for the year.

A planned merger with Inmobiliaria Colonial was announced on 6 November 2024. Work on the merger is in progress and it remains subject to the applicable legal conditions. ◇

Dividend per share
(€ per share)



SFL ownership structure
(42.9 million shares)
at 31 December 2024



THE ART OF *DIS-TINCTION*

04

AN EXCEPTIONAL PORTFOLIO
IN THE HEART OF PARIS

BUSINESS *CENTRES*

These spaces - with exceptional services and amenities - are a reinvention of the traditional Paris business centre, driving companies' performance and providing employees with a premium professional and social workplace experience. Blending harmoniously into the cityscape and respecting the highest environmental standards, they are the embodiment of SFL's expertise.

1

ÉDOUARD VII

◆ **16-30, boulevard des Capucines, 75009 Paris**

Year of acquisition: 1999
Main tenants: Ashurst, Comgest, Ekosport, Fabrique de Styles, Klépierre, Le Tanneur, Netflix and L'Olympia
Surface area: 54,100 sq.m.
Certification: BREEAM In-Use

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

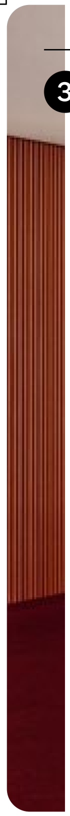
2

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: 46,700 sq.m.
Certification: BREEAM In-Use, ActiveScore Platinum

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, cateferia, concierge services, a fitness centre, flexible meeting rooms, an auditorium and break rooms.



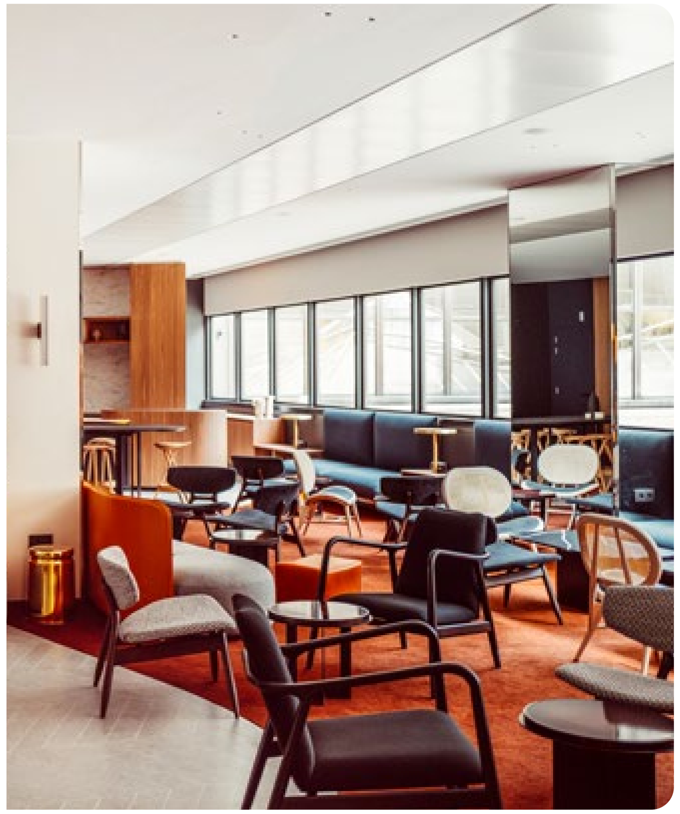
3

LOUVRE SAINT-HONORÉ

◆ 2, place du Palais-Royal, 75001 Paris

Year of acquisition: 1995
Main tenants: Fast Retailing, Cartier Foundation for Contemporary Art, GIE Cartes Bancaires, Proparco and Swiss Life Asset Managers
Surface area: 42,000 sq.m.
Certifications being sought: BREEAM Construction

Louvre Saint-Honoré offers vast, highly functional 5,400 sq.m. floor plates in an exceptional location looking onto the Louvre museum. 20,000 sq.m. of retail space on the basement level, ground floor and first floor were restructured to provide a new home for the Cartier Foundation for Contemporary Art, which will open to the public at the end of 2025.



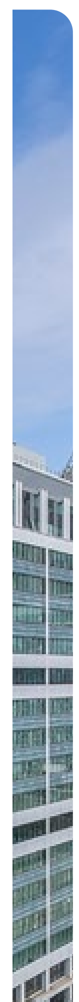
4

PASTEUR

◆ 91, boulevard Pasteur, 75015 Paris

Year of acquisition: 2022
Tenant: Amundi
Surface area: 39,600 sq.m.
Certifications: HQE Rénovation, HQE Exploitation, BBC - Effinergie et BREEAM Construction

Situated right next to Montparnasse train station, one of Paris' main hubs, the building has excellent transport links. 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. Spanning approximately 40,000 sq.m. of space, the complex was designed in 1965 and was renovated in 2012. It 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 find both functional and satisfying. It offers an array of amenities including a brasserie, cafeteria, gym, concierge service and business centre.



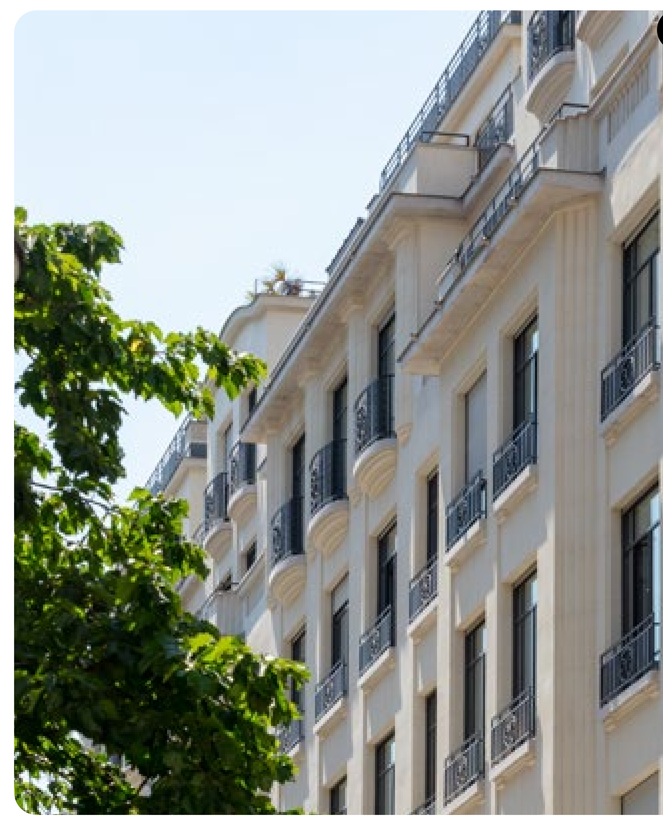
5

#CLOUD.PARIS

◆ 81-83, rue de Richelieu, 75002 Paris

Year of acquisition: 2004
Main tenants: Infranity and Meta
Surface area: 31,700 sq.m.
Certification: BREEAM Construction, BREEAM In-Use, HQE® Exceptionnel, LEED®

#Cloud.paris, a latest generation business centre in the very heart of Paris, offers beautiful, innovative, flexible offices designed to offer environmental excellence. Delivered in November 2015 and home to prestigious companies such as Meta, Coty, and a luxury goods player, the building's outstanding features earned it the French SIIC industry's 2015 "Ville et Avenir" Award and the 2016 MIPIM Award for Best Office & Business Development. In 2024, #Cloud.paris was fitted out with a contemporary cafeteria, enriching the already wide range of amenities available within this business centre.



6

CÉZANNE SAINT-HONORÉ

◆ 1-6, rue Paul Cézanne, 75008 Paris

Years of acquisition: 2001 and 2007
Main tenants: Essilor Luxottica, LEK, Lincoln, LRT, Seven2, Sumitomo Mitsui Banking, Wendel
Surface area: 27,400 sq.m.
Certification: BREEAM In-Use, BREEAM Construction, BiodiverCity

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. In 2025, a bike park will be added to the building's amenities.

7 BIOME

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

Year of acquisition: 2017
Tenants: La Banque Postale and SFIL
Surface area: 25,000 sq.m.
Certifications: BREEAM In-Use, HQE® Exceptional, LEED®, BBCA, BREEAM Construction, BiodiverCity, WiredScore Gold

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

8 103 GRENELLE

◆ 103, rue de Grenelle, 75007 Paris

Year of acquisition: 2006
Main tenants: ADP, Amiral Gestion, Balenciaga, Capzanine, Huawei, Molotov, Studios
Surface area: 17,200 sq.m.
Certifications: HQE®, BREEAM In-Use

Located on the Left Bank, in the 7th *arrondissement*, this historical complex is dominated by a tower that housed the first Chappe telegraph system in the 19th century and later the French Telegraph Administration. The building offers prime rental office space with HQE® certification as well as premium amenities, as illustrated by the recent creation of a bike park in 2025.

BUILDINGS *WITH A DISTINCTIVE CHARACTER*

Designed as real showcases of excellence and dedicated to workplace well-being, SFL's office buildings offer a refined alternative to large business centres, while proposing a skilfully aligned range of amenities.

9 83 MARCEAU

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

Years of acquisition: 2001 and 2007
Main tenants: Caixa Geral de Depositos and Goldman Sachs
Surface area: 9,700 sq.m.
Certifications being sought: BREEAM In-Use, BREEAM Construction, HQE® Exceptional, LEED®, BBC, R2S

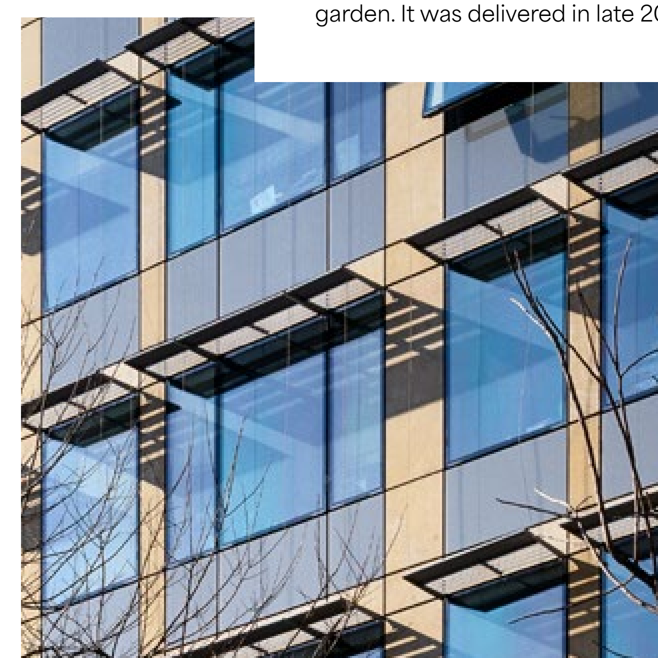
With an exceptional location at the foot of the Arc de Triomphe, this six-storey property features an interior courtyard and terraces offering breathtaking views of the monument, the Eiffel Tower and the entire city. The site's uniqueness is augmented by three street-facing façades, giving it striking visibility, which is rare in that area. The building has been transformed top to bottom, with highly flexible and ultra-efficient office space covering 1,200 sq.m., 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 late 2021.

10 131 WAGRAM

◆ 131, avenue de Wagram, 75017 Paris

Year of acquisition: 1999
Tenants: CBRE, TV5 Monde
Surface area: 9,200 sq.m.
Certification: BREEAM In-Use

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

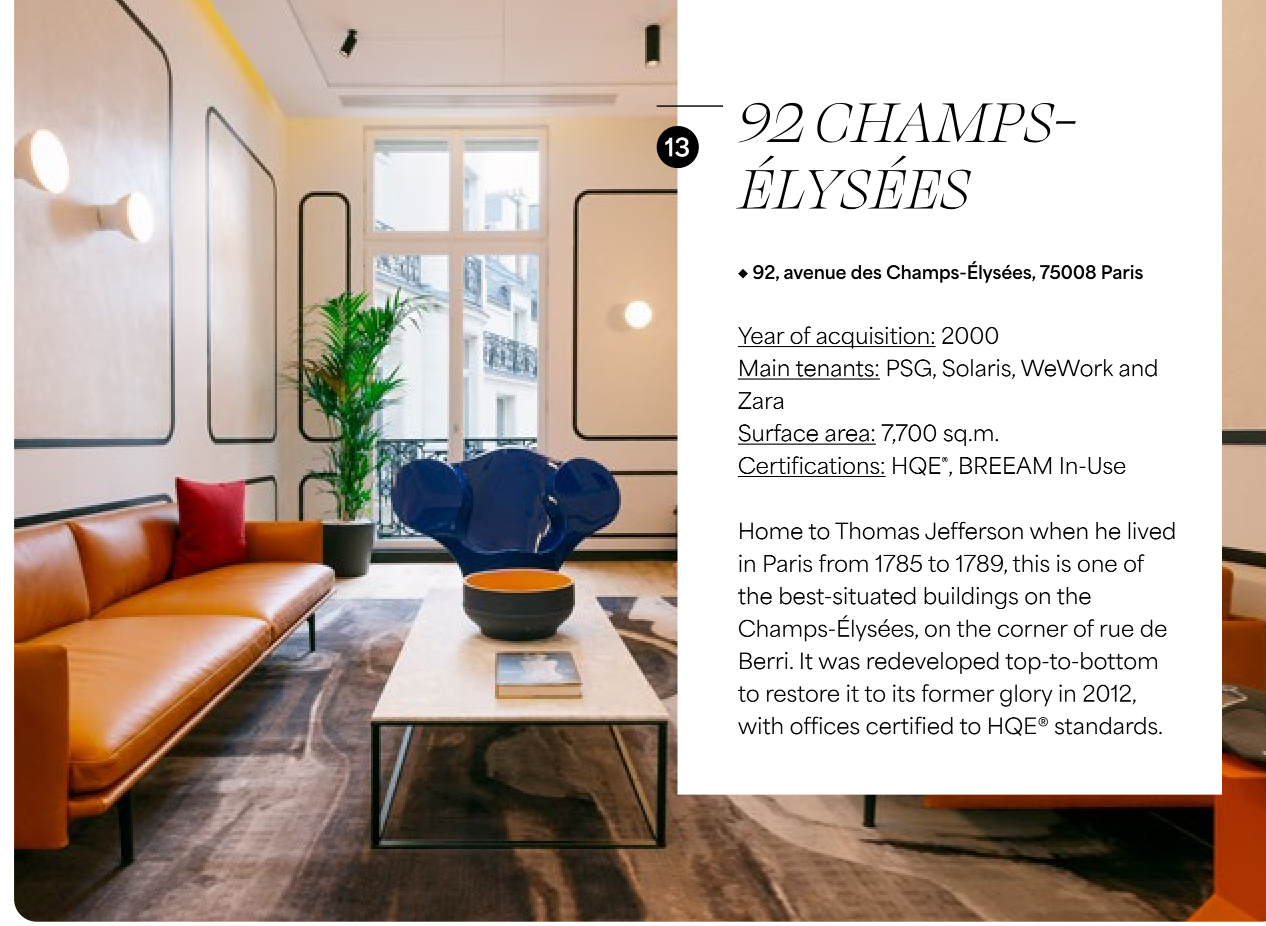


11 90 CHAMPS-ÉLYSÉES

◆ 90, avenue des Champs-Élysées, 75008 Paris

<u>Years of acquisition</u>: 2002 and 2009
<u>Main tenants:</u> Bank of Communications, National Bank Of Kuwait
<u>Surface area:</u> 8,900 sq.m.
<u>Certification:</u> 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.

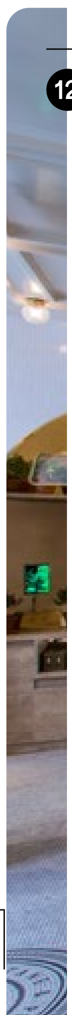


13 92 CHAMPS-ÉLYSÉES

◆ 92, avenue des Champs-Élysées, 75008 Paris

<u>Year of acquisition:</u> 2000
<u>Main tenants:</u> PSG, Solaris, WeWork and Zara
<u>Surface area:</u> 7,700 sq.m.
<u>Certifications:</u> 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. It was redeveloped top-to-bottom to restore it to its former glory in 2012, with offices certified to HQE® standards.



12 GALERIE CHAMPS-ÉLYSÉES

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

<u>Year of acquisition:</u> 2002
<u>Main tenants:</u> Adidas, Basic Fit, Häagen-Dazs, L'Occitane & Pierre Hermé, McDonald's and Paul
<u>Surface area:</u> 8,500 sq.m.
<u>Certification:</u> 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.

14 176 CHARLES DE GAULLE

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

<u>Year of acquisition:</u> 2000
<u>Main tenants:</u> Berkshire, FHB, Greystar, JCDecaux Holding, Manpower and Pure Trade
<u>Surface area:</u> 6,900 sq.m.
<u>Certification:</u> 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 open plan offices bathed in natural light, with a rooftop offering exceptional views and looking out over new landscaped gardens. It also offers a large retail space on the ground floor and excellent transport links.

LARGE-SCALE *PROJECTS*

SFL undertakes large-scale projects that stand out either for their bold architectural design or for the conversion work involved.

15 *SCOPE*

◆ 68-74, quai de la Râpée, 75012 Paris

Year of acquisition: 2004
Redevelopment in progress
Project surface area: 25,500 sq.m.
Certifications being sought: HQE, BREEAM Construction, BBCA, BIODIVERCITY

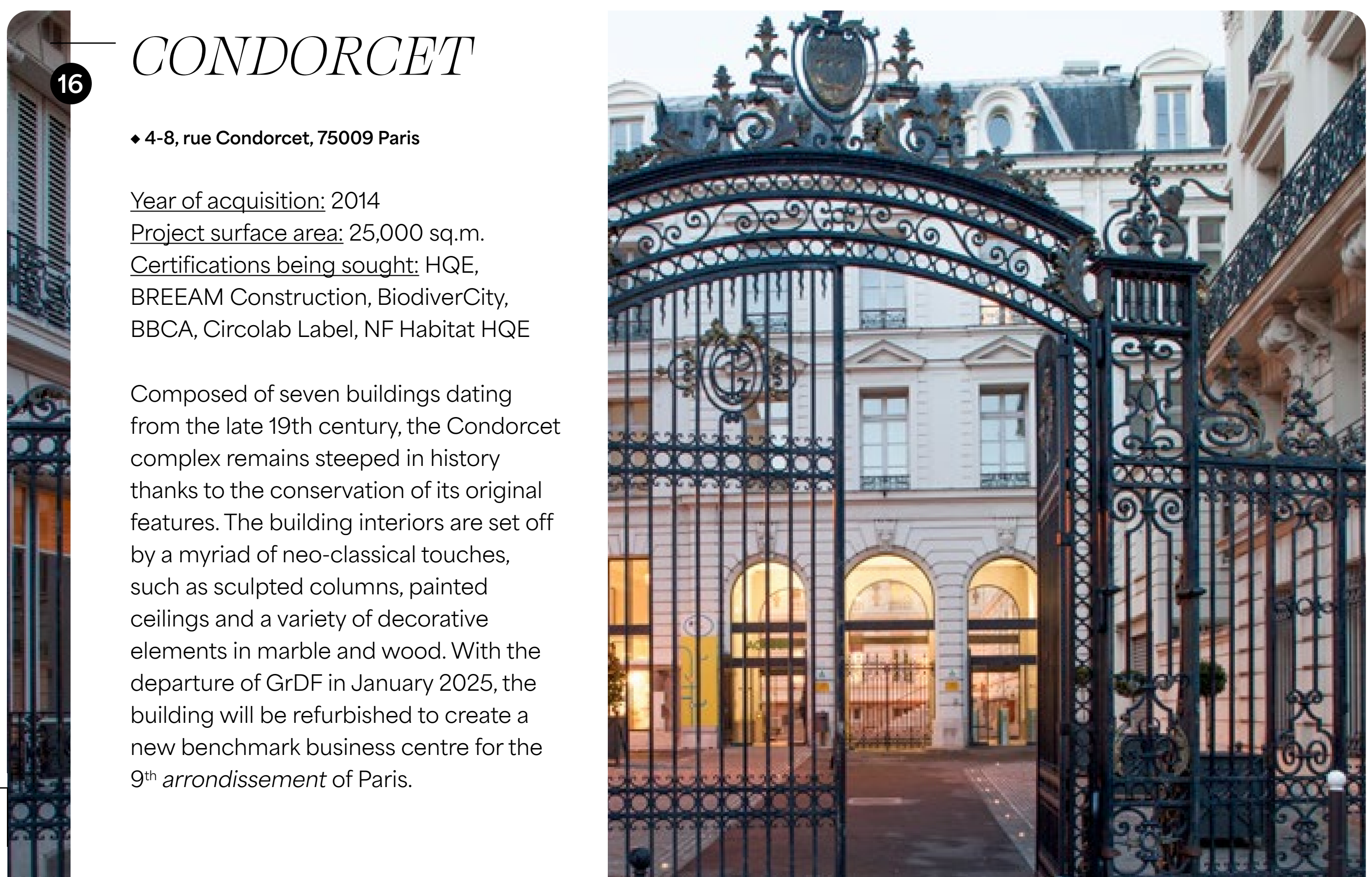
Located on the banks of the Seine close to the Gare de Lyon train station and public transit hub, Rives de Seine was built in 1974. The 16-storey building offers remarkable panoramic views over the Seine and excellent transport links. It is currently undergoing a bold transformation, in a spirit of urban renewal and environmental excellence.

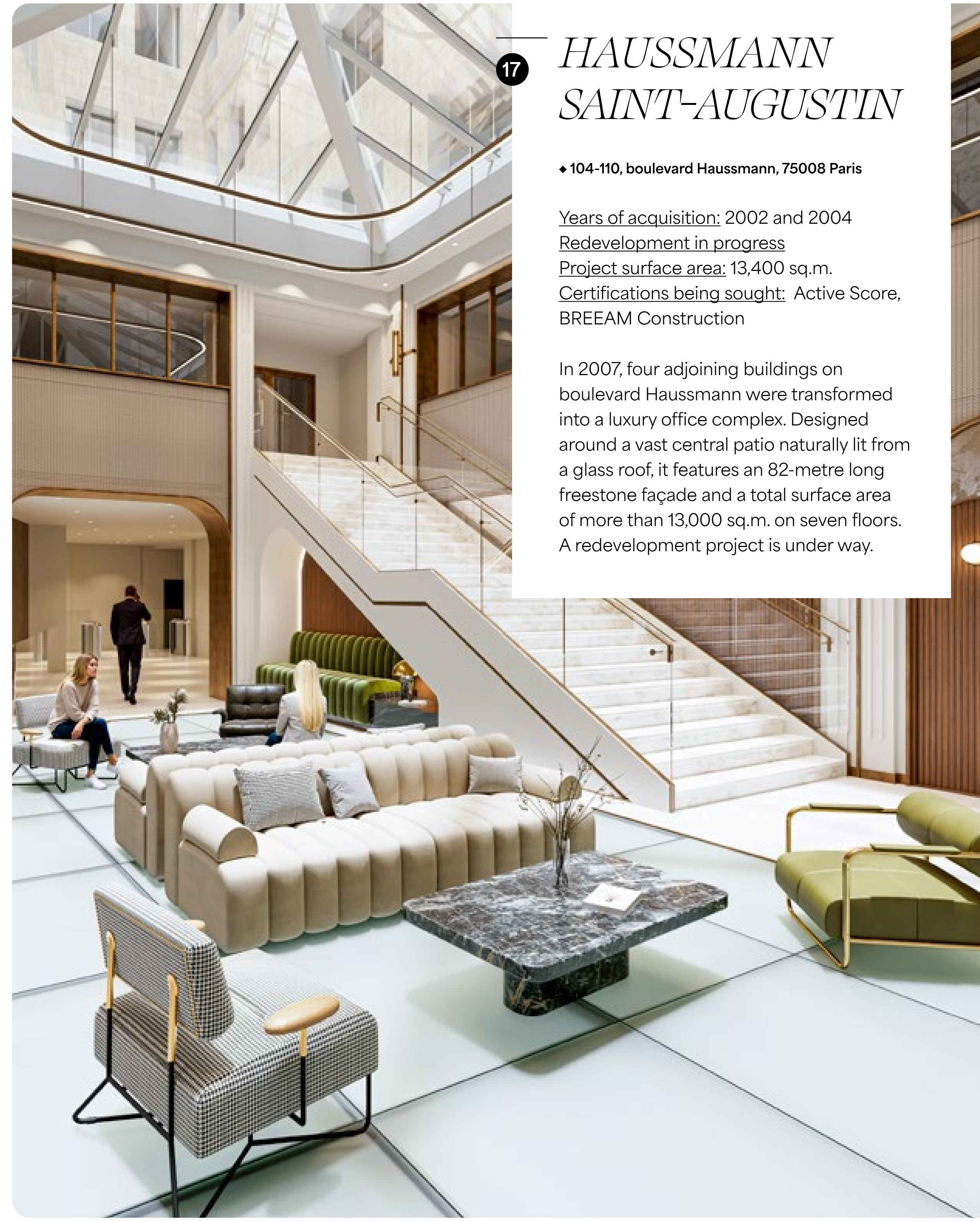
16 *CONDORCET*

◆ 4-8, rue Condorcet, 75009 Paris

Year of acquisition: 2014
Project surface area: 25,000 sq.m.
Certifications being sought: HQE, BREEAM Construction, BiodiverCity, BBCA, Circolab Label, NF Habitat HQE

Composed of seven buildings dating from the late 19th century, the Condorcet complex remains steeped in history thanks to the conservation of its original features. The building interiors are set off by a myriad of neo-classical touches, such as sculpted columns, painted ceilings and a variety of decorative elements in marble and wood. With the departure of GrDF in January 2025, the building will be refurbished to create a new benchmark business centre for the 9th *arrondissement* of Paris.





17 *HAUSSMANN SAINT-AUGUSTIN*

◆ 104-110, boulevard Haussmann, 75008 Paris

Years of acquisition: 2002 and 2004
Redevelopment in progress
Project surface area: 13,400 sq.m.
Certifications being sought: Active Score, BREEAM Construction

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. A redevelopment project is under way.

2024 URD

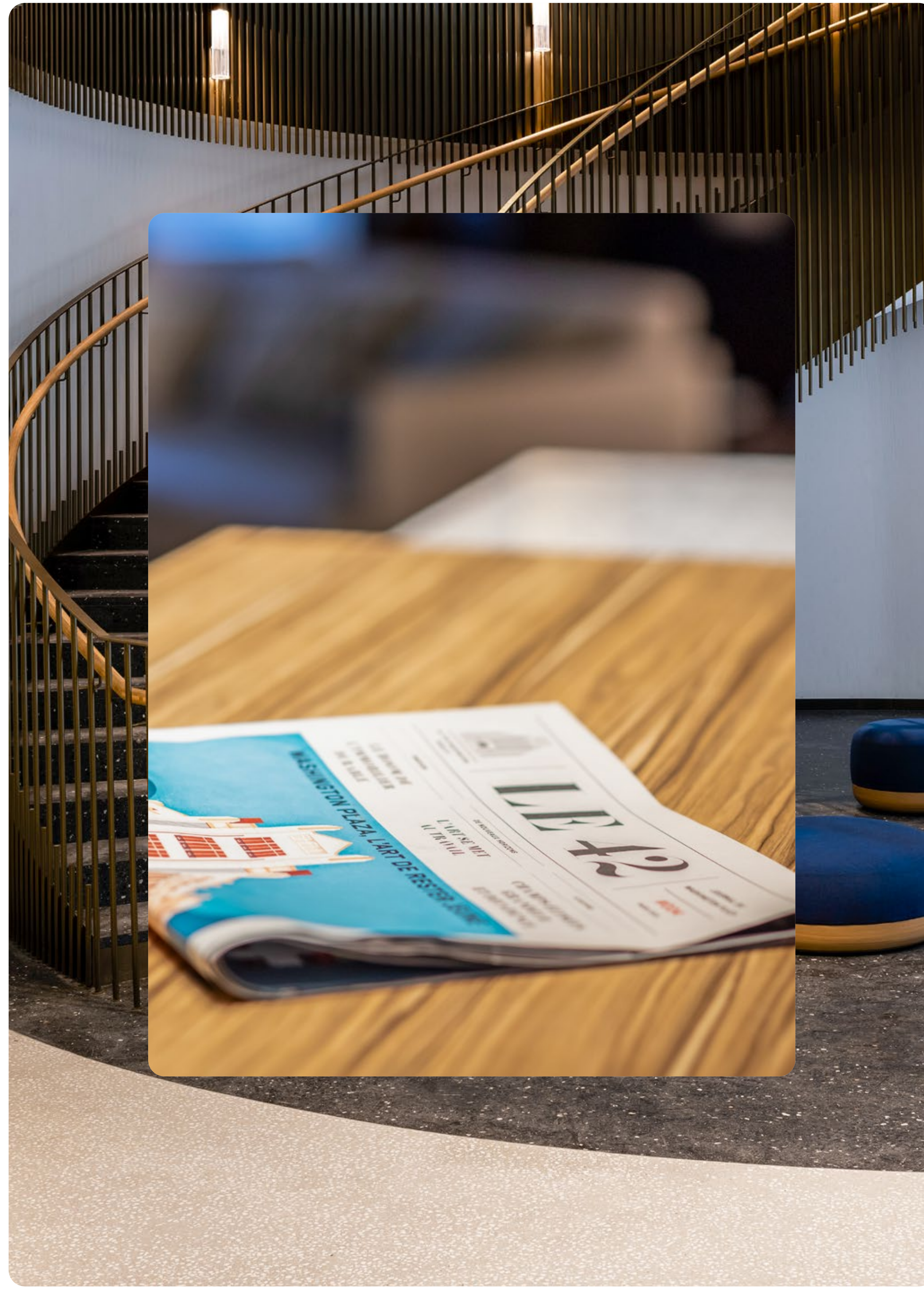
This Universal Registration Document was filed on 1 April 2025 with the AMF in its capacity as competent authority within the meaning of Regulation (EU) 2017/1129, without prior approval, in accordance with Article 9 of said regulation.

The Universal Registration Document may also be used for the offer to the public or the admission to trading on a regulated market of securities, provided it is accompanied by a securities note and, if applicable, a summary of all amendments applied to the Universal Registration Document. All of these items are approved by the AMF in accordance with the above-mentioned regulation.

MANAGEMENT *REPORT*

01

The financial statements were approved for publication by the Board of Directors on 18 February 2025.



Annual General Meeting of 23 April 2025
Management Report for the Year Ended 31 December 2024

To the shareholders,

We have called the Annual General Meeting in accordance with the Company's Articles of Association and the French Commercial Code (*Code de commerce*) to report to shareholders on Société Foncière Lyonnaise's operations and results for the year ended 31 December 2024 as well as its future outlook, and to submit for shareholder approval the financial statements of the Company and the Group and the other resolutions presented in this report.

The notice of meeting and all proxy documents required by law were sent or made available to shareholders within the applicable periods.

1. Business Review and Significant Events of the Year

1.1. Rental operations

Growth in 2024 operating results driven by the Group's super-prime positioning

SFL's strategic positioning means it can take full advantage of the very positive momentum and premium rents in the Paris property rental market. The physical occupancy rate for revenue-generating properties remained at a record high of 99.4% at 31 December 2024 (99.7% at 31 December 2023), including 100% occupancy of the office portfolio. The EPRA vacancy rate was 0.5% (versus 0.2% at 31 December 2023).

Leases were signed on more than 21,000 sq.m. during the year, including 20,000 sq.m. of office space let for the most part to new tenants (14 transactions). Renegotiated leases on around 4,000 sq.m. were signed with existing tenants, in some cases ahead of the lease-break date to allow SFL to capture the reversionary potential in advance.

Most leases concerned small and medium-sized units, including:
- #cloud.paris, with 3,400 sq.m. let for a non-cancellable period of nine years to an international fund management company;
- Cézanne Saint-Honoré, with 2,700 sq.m. let for a non-cancellable period of nine years to an international law firm;
- Louvre Saint-Honoré, with the six-year rollover of a lease on 2,300 sq.m. with Groupement des Cartes Bancaires.

A new record was set for rents on the new office leases, with the average nominal rent hitting €962 per sq.m., corresponding to an average effective rent of €846 per sq.m., for an average non-cancellable period of 7.8 years.

1.2. Development operations

An attractive outlook, with a reversionary potential of €65.8 million per year

At 31 December 2024, the portfolio's total reversionary potential (vacant space, pipeline properties, lease renegotiations) was estimated at around €65.8 million per year.

Pipeline properties represented 14% of the Group's portfolio and mainly comprised the following projects:
- Renovation of the Haussmann Saint-Augustin building (around 12,600 sq.m.). Following the departure of the tenant (WeWork) on 30 June 2024, work has been undertaken to improve the standing of the service areas and the organisation of the office floors. Delivery is scheduled for June 2025.
- Redevelopment of the Scope office building on Quai de la Râpée in Paris (around 22,700 sq.m.). The property has been completely restructured since its tenant moved out in September 2022. The site clearance and asbestos removal phase of the project was delivered in May 2024. Restructuring work began in August 2024, with delivery scheduled for summer 2026.

Capitalised work carried out in 2024 amounted to €93.2 million, including the above two projects for a total of €25.2 million, and refurbishment of complete floors and common areas in the Washington Plaza, Louvre Saint-Honoré and Édouard VII buildings.

1.3. Portfolio operations

No properties were purchased or sold during the year.

2. Results

2.1. Consolidated financial results

2.1.1. Consolidated profit for the year

2.1.1.1. Rental income

Sharply higher revenue, representing a strong performance in an uncertain economic environment

Revenue came to €254.2 million in 2024, including rental income of €248.8 million and €5.4 million corresponding to the reversal of a provision for impairment of rent receivables.

Rental income rose by €14.4 million (6.1%) vs 2023, breaking down as follows:
- On a like-for-like basis (revenue-generating properties, excluding changes in the portfolio affecting period-on-period comparisons), rental income was €15.9 million higher (up 7.1%).
  The increase reflected:
  - the application of rent escalation clauses (€9.7 million positive impact);
  - the contribution of leases signed in 2023 and 2024 with new tenants, such as a leading luxury goods company which took over the former Exane offices in the #cloud.paris building;
  - improved economic rents under the new leases signed during the year.

  The Cézanne Saint-Honoré and #cloud.paris properties once again posted double-digit increases in rental income compared with 2023.
- Rental income from properties in the process of being redeveloped contributed a net €2.7 million, reflecting:
  - A €13.6 million increase following delivery of lessor-funded redevelopment work in the Louvre Saint-Honoré building to the Cartier Foundation in July 2023 and on the site of Adidas's flagship store in the Galerie des Champs-Élysées building in August 2023.
  - A €10.9 million decrease due to vacancies or reductions in occupied space, including the 12,600 sq.m. Haussmann Saint-Augustin building previously let to WeWork, which vacated the offices on 30 June 2024 by agreement with SFL.
- Penalties received from tenants for breaking their leases and cancellation of the related rent accruals in the IFRS financial statements trimmed €4.2 million from rental income for 2024 compared with 2023.

However, after reversing the provisions set aside at 31 December 2023 for the effect of the terminations, the net effect on Group revenue was an increase of €1.2 million.

Adjusted operating profit (i.e., operating profit before disposal gains and losses and fair value adjustments to investment property) rose by 8.0% to €217.8 million in 2024 (€201.6 million in 2023).

2.1.1.2. Slightly higher appraisal values, reflecting the rents negotiated for the new leases signed on properties in the portfolio and the stabilisation of interest rates

The appraisal value of the Group's portfolio at 31 December 2024 was €7,571 million excluding transfer costs, up 3.3% from €7,332 million at 31 December 2023.

The increase in appraisal values reflected the application of rent escalation clauses and the sharp rise in rental values in the prime segment of the Paris property market. Discount rates and exit capitalisation rates narrowed slightly, declining by an average of 11 bps and 4 bps respectively.

The average EPRA topped-up Net Initial Yield (NIY) was unchanged at 3.8% at 31 December 2024 (3.8% at 31 December 2023). The potential rental yield was 4.1% at 31 December 2024 (3.9% at 31 December 2023).

2.1.1.3. Net profit

Fair value adjustments to investment property represented a positive €104.5 million in 2024 (vs a negative €960.3 million in 2023).

Net finance costs came to €60.0 million in 2024 (€56.0 million in 2023), an increase of €4.0 million that primarily reflected the higher interest rates.

After taking account of these key items, EPRA earnings came in at €119.2 million in 2024 (€109.9 million in 2023), representing €2.78 per share, up 1.7% on the previous year.

The Group ended the year with an attributable net profit of €206.9 million, versus an attributable net loss of €638.8 million in 2023.

2.1.2. Financing

A balance sheet structure aligned with the long-term visibility of the Group's cash flows

In 2024, SFL continued to adapt its balance sheet in anticipation of its future repayment obligations, while leveraging its relationship with its main shareholder:
- In June 2024, the €100 million bilateral credit line obtained from BNP Paribas was rolled over for five years (with two one-year extension options). The facility includes a spread adjustment mechanism based on the Group's performance in relation to three sustainable development criteria.

- In July 2024, the December 2022 €300 million syndicated Term Loan was extended by one year, to December 2029, and the June 2023 €835 million RCF was extended to June 2029.
- In November 2024, a €500 million long-term shareholder loan was obtained from Inmobiliaria Colonial, covering the May 2025 redemption at maturity of a bond issue for the same amount. This loan had not been drawn down at 31 December 2024. The long-term loan is in addition to a €600 million short-term shareholder advance set up in 2023, of which €562 million had been drawn down at 31 December 2024.

Net debt at 31 December 2024 amounted to €2,660 million (€2,539 million at 31 December 2023), representing a loan-to-value ratio (LTV) of 32.9% including transfer costs and an EPRA LTV (excluding transfer costs and net of non-controlling interests) of 43.3%. At the same date, the average cost of debt after hedging was 2.0% and the interest coverage ratio (ICR) was 3.5x. The average maturity of debt is 3.3 years.

Lastly, at 31 December 2024, SFL had €1,570 million in undrawn lines of credit.

2.1.3. Exemplary non-financial performance, an integral part of the Group's strategy

SFL continued to be one of the highest scoring European groups in the Global Real Estate Sustainability Benchmark (GRESB), attesting to its outstanding commitment to sustainable development.

In 2024, the Group ranked among the top 10% of participants in the Europe/Listed compartment, with exceptional scores of 92/100 for the Standing Investments benchmark and 97/100 for the Development benchmark.

Last year's renewal of its 5-star rating, for the 12th year in a row, underscored the consistency of SFL's performance, confirming its position as a benchmark in the sector.

2.2. Net asset value

Net asset value: EPRA NTA per share at €88.0 after payment of a dividend of €2.40

At 31 December 2024, EPRA Net Tangible Assets (NTA) stood at €88.0 per share (€3,779 million in total, up 0.7% vs 31 December 2023) and EPRA Net Disposal Value (NDV) was €87.0 per share (€3,739 million, up 1.8% vs 31 December 2023), after payment of a dividend of €2.40 per share in April 2024.

During the year, Pargal SAS elected to be taxed as an SIIC, with retroactive effect from 1 January 2024. The election had the effect of reducing EPRA NTA by €48.1 million and increasing EPRA NDV by €21.1 million.

2.3. Company financial results

2.3.1. Review of parent company results and financial position

Parent company results for the year ended 31 December 2024 can be analysed as follows:

Revenue amounted to €93.9 million, compared with €64.8 million in 2023. The increase of €29.1 million (45%) was mainly due to the 2024 change in accounting method applied to lease incentives, which led to the recognition of an additional €31.6 million in rental income for the year.

Operating profit rose by €15.1 million to €33.3 million in 2024 from €18.2 million the previous year, reflecting the net impact of:
- a €19.3 million increase in operating income attributable to last year's growth in rental income partly offset by a €10.6 million decrease in provision reversals; and
- a €4.2 million increase in operating expenses.

The Company reported net financial income of €93.1 million in 2024, representing a €141.3 million favourable swing from net financial expense of €48.1 million in 2023 that was primarily explained by the net impact of:
- a €4.6 million increase in financial expenses due to the rise in interest rates and the discontinuation of interest capitalisation on borrowings related to the Louvre Saint-Honoré renovation project following the project's delivery to Fondation Cartier in July 2023;
- €54.5 million in reversals of provisions for impairment in value of shares in SAS Cloud and SCI Pasteur that were booked in 2023 for the same amount;
- a €28.3 million increase in dividend payouts;
- €3.3 million in interest income from the investment of available cash.

After taking into account the above items, the Company reported a profit before tax and other income and expense of €126.4 million in 2024 compared to a loss of €30.0 million the previous year, representing a favourable change of €156.4 million.

Other income and expenses represented net expense of €3.2 million in 2024, corresponding for the most part to the value of assets scrapped during clearance of the Scope site in preparation for the building's redevelopment.

In 2023, this item represented net income of €41.5 million, corresponding primarily to the net capital gain realised on disposal of the 6 Hanovre building on 11 April 2023.

The Company ended the year with a profit of €122.4 million versus €11.4 million in 2023.

Disclosures concerning supplier and customer payment terms provided in accordance with article D.441-6 of the French Commercial Code

Outstanding supplier and customer invoices due as of 31 December 2024
(table prepared in application of Article D.441-4 of the French Commercial Code)

	Article D.441 I. - 1° of the French Commercial Code: Outstanding *supplier* invoices due as of 31 December 2024						Article D.441 I. - 2° of the French Commercial Code: Outstanding *customer* invoices due as of 31 December 2024					
	0 days (indicative)	**Up to 30 days past due**	**31 to 60 days past due**	**61 to 90 days past due**	**More than 90 days past due**	**Total (at least 1 day past due)**	**0 days (indicative)**	**Up to 30 days past due**	**31 to 60 days past due**	**61 to 90 days past due**	**More than 90 days past due**	**Total (at least 1 day past due)**
(A) Period past due												
Number of invoices concerned	176					296	-					54
Total amount past due, including VAT	280,723	6,416,570	386,676	279,685	57,814	7,140,744	-	395,049	-	801,040	635,828	1,831,917
% of total purchases (including VAT) for the year	0.28%	6.30%	0.38%	0.27%	0.06%	7.01%						
% of total sales (including VAT) for the year							-	0.37%	0.00%	0.76%	0.60%	1.73%
(B) Invoices excluded from (A) that have been disputed by SFL or the customer or have not been recorded in the accounts												
Number of invoices excluded	-	-	-	-	-	-	-	340,026	0	590,023	1,816,416	2,746,465
Total amount excluded, including VAT	-	-	-	-	-	-	-	8	-	5	17	30
(C) Reference payment terms (contractual or statutory - Article L.441-6 or Article L.443-1 of the French Commercial Code)												
Payment terms used to calculate the number of days past due	- Statutory terms						- Contractual terms					

2.3.2. Appropriation of profit

The Company reported net profit for the year, after tax and provision charges, of €122,447,526.45.

Profit available for distribution, including retained earnings brought forward from the prior year, is as follows:

Profit for the year ended 31 December 2024:	€122,447,526.45
Retained earnings brought forward from the prior year:	€744,283,186.22
Profit available for distribution:	€866,730,712.67

We recommend:
- after noting the existence of profit available for distribution, paying to shareholders a dividend per share of €2.85, representing a total payout of €122,409,780 based on the 42,950,800 shares outstanding at 31 December 2024;
- deducting the total dividend of €122,409,780 from profit for the year.

The shares will trade ex-dividend from 28 April 2025 and the dividend will be paid in cash from 30 April 2025.

The Annual General Meeting will give the Board of Directors full powers, which may be delegated to the Chief Executive Officer, to implement this resolution, and to place on record the actual amount of dividends distributed and the amount credited to retained earnings.

The dividend of €122,409,780 (€2.85 per share) will qualify as securities revenue (*revenu de capitaux mobiliers*) as defined in Article 158, 3-1°, of the French Tax Code (*Code général des impôts*). The total amount will be paid out of profit that was previously exempt from corporate income tax under the tax rules applicable to French real estate investment trusts ("SIICs"), as set out in Article 208 C of the French Tax Code.

Consequently, shareholders will not be entitled to the 40% tax relief provided for in Article 158, 3-2°, of the French Tax Code, even if they have made a general election to pay tax at the graduated rate (Article 158, 3-3°-b *bis* of the Code).

The dividend will be subject to the flat tax (*prélèvement forfaitaire non libératoire*) provided for in Article 117 *quater* of the French Tax Code and the withholding tax (*retenue à la source*) provided for in Article 119 *bis* of the Code, as follows:

In the case of individual shareholders who are resident in France for tax purposes and whose SFL shares are not held in a "PEA" personal equity plan, the dividend will be subject to a flat tax of 12.8% in accordance with Article 117 *quater* of the French Tax Code.

Dividends will be subject to withholding tax at the rate of 12.8% if they are paid to individual shareholders who are not resident in France for tax purposes. This rate will be increased to:

- 15% if the dividends are paid to (i) non-profit organisations that have their headquarters in a member state of the European Union, Iceland, Norway or Liechtenstein and would be taxed in accordance with Article 206-5 of the French Tax Code if they had their headquarters in France, or (ii) to French OPCVMs, OPCIs, SICAFs or other equivalent French or foreign investment funds;
- 75% if the dividends are paid outside France, in an "uncooperative" country or jurisdiction within the meaning of Article 238-0 A 1 and 2 *bis*-1° of the French Tax Code; or
- 25% in all other cases (Articles 119 *bis* and 187 of the French Tax Code).

However, a lower withholding tax rate may apply to residents of countries that have signed a double tax treaty with France. Shareholders resident in such countries will be required to provide a certificate of residence to benefit from the treaty rate.

If a corporate shareholder owns, directly or indirectly, at least 10% of the dividend rights and if the dividends received by that shareholder are exempt from French corporate income tax or an equivalent foreign tax, SFL will have to pay a 20% tax on the dividends paid to the shareholder concerned out of profits generated by its "SIIC" activities. To avoid the 20% tax, the non-resident shareholder would have to provide a certificate stating that the dividends paid out of the "SIIC" profits would be subject to an amount of foreign tax that is no more than two-thirds less than the corporate income tax that would have been paid in France if the profits had not qualified for the "SIIC" regime (Article 208 C II *ter* of the French Tax Code).

2.3.3. Non-deductible expenses

The SFL parent company financial statements do not include any expenses that cannot be deducted for tax purposes (disclosure made in accordance with Articles 223 *quater* and 223 *quinquies* of the French Tax Code).

2.3.4. Information provided to the Economic and Social Committee

The 2024 accounting documents and information on the Company's business, earnings and financial position provided for in Article L.2312-25 of the French Labour Code (*Code du travail*) have duly been given to the Company's Economic and Social Committee.

2.3.5. Related party agreements

See the Statutory Auditors' special report on related party agreements, pages 279 to 283 of this Universal Registration Document.

See also section 7.2 of Appendix 14.4, page 159.

2.4. Non-financial results

Non-financial results are presented in the Sustainability Report (see page 42 *et seq.*).

2.5. Review of the Group's main subsidiaries

The table below summarises the main information concerning the Group's scope of consolidation at 31 December 2024:

Consolidated companies	Registration no.	Percentage	
		Interest	Voting rights
Parent company			
SA Société Foncière Lyonnaise	552 040 982	-	-
Fully consolidated companies			
SA SEGPIM	326 226 032	100	100
SAS Locaparis	342 234 788	100	100
SAS Maud	444 310 247	100	100
SAS Parchamps	410 233 498	100	100
SAS Pargal	428 113 989	100	100
SAS Parhaus	405 052 168	100	100
SAS SB2	444 318 398	100	100
SAS SB3	444 318 547	100	100
SCI SB3	444 425 250	100	100
SCI 103 Grenelle	440 960 276	51	51
SCI Paul Cézanne	438 339 327	51	51
SCI Washington	432 513 299	100	100
SNC Condorcet Holding	808 013 890	100	100
SNC Condorcet Propco	537 505 414	100	100
SAS Cloud	899 379 390	51	51
SAS 92 Champs-Élysées	899 324 255	51	51
SCI Pasteur 123	789 738 556	100	100

Four companies are 51%-owned by SFL. A shareholders' pact gives SFL *de facto* control over these companies (through its ability to control the decisions that have the greatest impact on the yield generated by these investments). The four companies are therefore considered as being controlled exclusively by SFL.

As a result of the control exercised by the Group over all of its investments, all of the companies are fully consolidated.

Société Foncière Lyonnaise is a fully consolidated subsidiary of Spanish company Inmobiliaria Colonial, SOCIMI, SA, which owned 98.3% of the capital at 31 December 2024. The Group and all of its subsidiaries have their registered office in the 8th *arrondissement* of Paris.

INFORMATION ABOUT SUBSIDIARIES AND AFFILIATES AT 31 DECEMBER 2024 (IN € THOUSANDS)

Subsidiaries and affiliates	Share capital	Reserves and retained earnings before profit appropriation	% interest	Carrying amount of investment		Outstanding loans and advances granted by SFL	Guarantees provided by SFL	Last published net revenue	Last published profit/ (loss)	Dividends received by SFL during the year	Observations
				Cost	Net						
A - Investments with a gross value in excess of 1% of SFL's capital:											
1 - Subsidiaries (at least 50%-owned)											
SCI Paul Cézanne	56,934	87,636	51%	148,842	148,842	-	-	20,714	17,128	-	-
SCI 103 Grenelle	-	159,411	51%	81,861	81,861	-	-	10,738	8,853	-	-
SCI Washington	94,872	21,462	100%	330,533	330,533	143,723	-	32,643	18,969	-	-
SAS Maud	1,480	(2,866)	100%	2,450	-	3,872	-	6,955	(128)	-	-
SAS 92 Champs-Élysées	101,971	251,394	51%	206,929	185,832	-	-	11,893	11,012	-	-
SAS Cloud	178,195	458,562	51%	362,609	362,609	-	-	26,453	48,573	12,749	-
SCI Pasteur 123	14,365	1,934	100%	280,917	280,917	178,458	-	18,451	5,818	-	-
SAS Parhaus	1,500	16,774	100%	7,611	7,611	71,817	-	(1,647)	(7,016)	3,206	-
SAS Parchamps	1,558	4,578	100%	5,922	5,922	44,284	-	7,932	3,795	1,862	-
SAS Pargal	9,120	208,350	100%	9,152	9,152	86,485	-	12,970	5,722	-	-
2 - Affiliates (10-50%-owned)											
B - Aggregate information about investments not listed in A above:											
Subsidiaries (at least 50%-owned)				300	238	194,449	-	-	4,296	1,889	-
Affiliates (less than 50%-owned)				-	-	-	-	-	-	-	-

3. EPRA Indicators

3.1. Overview of EPRA indicators

	2023	2024
EPRA earnings (€m)	**109.9**	**119.2**
/share	*€2.56*	*€2.78*
EPRA Cost Ratio (including vacancy costs)	12.7%	13.1%
EPRA Cost Ratio (excluding vacancy costs)	11.8%	12.1%

	31/12/2023	31/12/2024
EPRA NRV (€m)	**4,173**	**4,218**
/share	*€97.3*	*€98.2*
EPRA NTA* (€m)	**3,752**	**3,779**
/share	*€87.5*	*€88.0*
EPRA NDV (€m)	**3,673**	**3,739**
/share	*€85.7*	*€87.0*
EPRA Net Initial Yield (NIY)	2.6%	2.9%
EPRA "Topped-Up" NIY	3.8%	3.8%
EPRA Vacancy Rate	0.2%	0.5%

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

	31/12/2023	31/12/2024
LTV	**32.5%**	**32.9%**
100%, including transfer costs		
EPRA LTV (including transfer costs)		
100%	34.3%	35.3%
Attributable to SFL	39.6%	40.7%
EPRA LTV (excluding transfer costs)		
100%	36.6%	37.6%
Attributable to SFL	42.2%	43.3%

EPRA CAPEX DISCLOSURE

(in € millions)	2023	2024
Total CapEx	70.6	100.5

3.2. Breakdown of EPRA indicators

3.2.1. EPRA EARNINGS

(in € millions)	2023	2024
Attributable net profit/(loss)	**(638.8)**	**206.9**
Less:		
Fair value adjustments to investment property	960.3	(104.5)
Profit on asset disposals	0.2	0.0
Fair value adjustments to financial instruments, discounting adjustments to debt and related costs	0.7	0.1
Expenses related to asset contributions	0.0	(0.7)
Tax on the above items	(31.7)	(5.3)
Tax impact of the SIIC regime election	0	(21.1)
Non-controlling interests in the above items	(180.8)	43.8
EPRA earnings	**109.9**	**119.2**
Average number of shares (thousands)	*42,882*	*42,929*
EPRA earnings per share	**€2.56**	**€2.78**

3.2.2. EPRA COST RATIOS

(in € millions)	2023	2024
Corporate expenses	23.9	30.6
Net service charges	11.5	7.7
Less:		
- own-work capitalised	(1.4)	(1.3)
- managed facility expenses	(4.8)	(5.0)
- portion of disposal gains allocated to employee profit-sharing fund	0.0	
- other non-recurring expenses	0.0	
EPRA costs (including vacancy costs) (A)	**29.3**	**32.0**
Direct vacancy costs	2.1	2.4
EPRA costs (excluding vacancy costs) (B)	**27.1**	**29.6**
Gross rents	234.4	248.8
Less:		
- managed facility expenses	(4.8)	(5.0)
Gross rental income (C)	**229.7**	**243.8**
EPRA Cost Ratio (including direct vacancy costs) (A/C)	**12.7%**	**13.1%**
EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	**11.8%**	**12.1%**
Additional Disclosure		
Capitalised overheads(1)	1.3	1.0
Marketing fees(2)	1.9	2.1

(1) Corresponding to the capitalised cost of employees directly assigned to the development on a full-time basis.
(2) Marketing fees are capitalised.

3.2.3. IAP EPRA NRV/NTA/NDV

(in € millions)	31/12/2023	31/12/2024
IFRS equity attributable to shareholders	**3,540**	**3,642**
Treasury shares	0	0
Fair value adjustments to owner-occupied property	34	35
Unrealised capital gains on intangible assets	4	4
Elimination of financial instruments at fair value	6	9
Elimination of deferred taxes	173	97
Transfer costs	416	431
EPRA NRV (Net Reinstatement Value)	**4,173**	**4,218**
Elimination of intangible assets	(1)	(4)
Elimination of unrealised gains on intangible assets	(4)	(4)
Elimination of transfer costs*	(416)	(431)
EPRA NTA (Net Tangible Assets)	**3,752**	**3,779**
Intangible assets	1	4
Financial instruments at fair value	(6)	(9)
Fixed-rate debt at fair value	98	62
Deferred taxes	(173)	(97)
EPRA NDV (Net Disposal Value)	**3,673**	**3,739**

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

3.2.4. EPRA Net Initial Yield/EPRA Topped-Up NIY

(in € millions)	31/12/2023	31/12/2024
Portfolio value excluding transfer costs	7,332	7,571
Less: developments	(354)	(870)
Portfolio value excluding transfer costs and developments	**6,979**	**6,701**
Transfer costs on property portfolio	471	451
Portfolio value including transfer costs, excluding developments (B)	**7,450**	**7,152**
Annualised cash rents	202	215
Irrecoverable property expenses	(5)	(5)
Annualised net rental income (excluding rent-free periods) (A)	**197**	**210**
Plus: rent-free periods and other lease incentives	84	63
Annualised net rental income (C)	**281**	**273**
EPRA NIY (A/B)	**2.6%**	**2.9%**
EPRA "topped-up" NIY (C/B)	**3.8%**	**3.8%**

3.2.5. EPRA VACANCY RATE(1)

(in € millions)	31/12/2023	31/12/2024
Estimated rental value of vacant space (A)	0.5	1.2
Estimated rental value of the whole portfolio (B)	261.8	250.5
EPRA VACANCY RATE (A/B)	**0.2%**	**0.5%**

(1) Excluding non-controlling interests.

3.2.6. EPRA LOAN TO VALUE (LTV)

At 31 December 2024 (in € millions)	SFL LTV 100%	EPRA LTV 100%	Impact of non-controlling interests	Group EPRA LTV
Bank loans	300	300	-	300
Negotiable European commercial paper (NEU CP)	185	185	-	185
Bonds	1,698	1,698	-	1,698
Other	562	562		562
Other net payables	n/a	189	(14)	174
Cash and cash equivalents	(85)	(85)	(28)	(57)
Net debt (a)	**2,660**	**2,849**	**(42)**	**2,863**
Owner-occupied property	52	52	-	52
Investment property	7,307	7,307	(972)	6,335
Investment property held for sale	-	-	-	-
Development	212	212	-	212
Intangible assets	n/a	4	-	4
Financial assets	n/a	0	0	0
Total property value excluding transfer costs (b)	**7,571**	**7,575**	**(972)**	**6,603**
Transfer costs	504	504	(73)	431
Total value of assets including transfer costs (c)	**8,057**	**8,079**	**(1,045)**	**7,035**
LTV excluding transfer costs (a/b)	**35.1%**	**37.6%**		**43.3%**
LTV including transfer costs (a/c)	**32.9%**	**35.3%**		**40.7%**

3.2.7. EPRA CAPEX DISCLOSURE

(in € millions)	2023	2024
Acquisitions	0.0	0.0
Development	26.9	26.1
Investment property excluding development	33.1	69.4
Other CapEx(1)	10.5	5.0
Total CapEx	**70.6**	**100.5**

(1) Includes interest and other charges capitalised on developments.

4. Subsequent Events

Merger between Colonial and SFL: exchange ratio set

On 18 February 2025, as part of the analysis of the proposed merger between Colonial and its subsidiary SFL, the Boards of Directors of the two companies set the exchange ratio at 13 Colonial shares for 1 SFL share, and the exit price at €77.5 per SFL share (*cum* dividend). The exit price would be adjusted by the amount of the 2024 dividend to be decided by shareholders prior to completion of the merger. The exchange ratio and exit price were determined using a multi-criteria approach. The signing of the merger agreement including the exchange ratio and exit price, which is expected to take place in early March, remains subject to the approval of the Colonial and SFL Boards of Directors. The merger is expected to be completed in the second half of 2025, subject to the approval of SFL and Colonial shareholders at general meetings to be held between now and the end of April 2025, and the usual formalities required for this type of transaction.

5. Outlook – Strategy and objectives in response to the economic environment

The year 2024 was another historically low year in terms of investment volumes (the €15.3 billion invested in France was close to the previous year's €15.1 billion, but still 45% below the ten-year average), affecting the whole of France and all asset classes. This trend is a direct consequence of the mismatch between the expectations of potential buyers, whose investment decisions are mainly opportunistic, and the prices expected by sellers, the significant decline in foreign capital looking for a home in France, and the office market's waning appeal, particularly among American and UK investors.

These factors have tipped the balance between asset classes in the severely depressed investment market. For the first time, offices are no longer the leading asset class in terms of volume, not only in France, but also in the UK and Germany (in France, 33% of volumes were invested in offices in 2024 compared with 34% in industrial buildings and warehouses). In the Paris region, €3.5 billion was invested in offices in 2024, a 77% drop vs the ten-year average that was directly attributable to the spectacular fall in deals worth over €50 million. Paris itself was the only area where investor demand for office space remained strong, but with a narrow focus on smaller assets (the core target was €60 million) offering the opportunity to add value.

In a French political and macroeconomic environment that remains fraught with uncertainty, our portfolio of very high quality, modern office properties located for the most part in central Paris, and our very robust balance sheet, are valuable sources of strength. In the Paris commercial property market, we have strengthened our leadership of the segment most in demand among users, providing a guarantee of stability and resilience that underpins the business model's robustness.

We intend to actively pursue the strategy launched ten years ago, to move our portfolio and positioning up market. This will involve continuing to invest in improving the technical and service quality of our buildings so that they remain uniquely attractive to current and future customers, while at the same time remaining attentive to market opportunities, particularly for possible acquisitions.

In 2024, the European Central Bank (ECB) started to relax its monetary policy in response to the easing of inflation and the economic slowdown. After an initial rate cut in June, the ECB announced three further cuts over the second half of the year, notably lowering the deposit facility rate from 3.5% to 3% between September and December.

Market long-term interest rates followed a similar downward trend. The 10-year OAT rate, a key indicator of French government borrowing costs, fell from 3.4% in June to 3.2% in December, reflecting market expectations that the ECB's accommodative monetary policy will continue and that inflation will stabilise around the 2% target in the medium term.

As a result of this paradigm shift, investors are now in a position to rebuild the risk premiums that had fallen dramatically in recent years.

The quality of SFL's portfolio, coupled with our proactive strategy of bringing prime office space to the market, is a guarantee of resilience in an uncertain and highly selective market. With close to 80% of our portfolio located in the Central Business District and 99% in this district and other attractive *arrondissements* such as the 15th and 7th, we are responding to the growing demand among companies and their employees for centrally located, modern buildings meeting the highest environmental standards. The quality of our strategy is demonstrated by the very strong growth in rental income, another year of almost full occupancy of the portfolio (99.4%) and our healthy operating ratios.

We are attentive to the needs of our tenants and are able to respond effectively to the expectations of the most demanding clients in terms of work environment and organisational future-proofing.

Our success in this regard is reflected in our portfolio's exceptionally low EPRA vacancy rate of 0.5% (Group share) at 31 December 2024, and our unprecedented EPRA Office vacancy rate which has stood at 0% for over 18 months.

The sustainability of our portfolio is also a decisive positive factor, as can be seen from our low tenant turnover rate (less than 10% a year).

Going forward, we will continue to adopt a highly selective approach to property purchases and sales. We may sell non-strategic assets to protect our balance sheet, if the transactions create value, and will remain very attentive to opportunities in a selective, uncertain and opportunistic market. We will continue to pursue a highly disciplined investment policy, targeting assets with significant potential to create value in the short, medium or long term. This flexible value creation outlook is a major source of competitive advantage.

In last year's uncertain environment, our strategy as leader in prime office property in Paris delivered very good results. All of our performance indicators reached record highs, attesting to the relevance of our business model.

SFL's **financial objectives** are to:
- protect the balance sheet, proactively manage its liabilities and maintain key financial ratios (comfortable LTV, ICR);
- secure optimised rental streams over the long term (by leveraging a portfolio of prime properties meeting the latest technical and environmental standards, of a high architectural quality, etc.);
- create value through an ambitious, challenging and innovative property redevelopment strategy focused on large business centres (to capture the properties' reversionary potential), while keeping a tight rein on administrative, financial and commercial risks;
- maintain vacancy rates at very low levels, notably by actively pre-marketing large properties undergoing redevelopment.

SFL's **non-financial objectives** are defined by our practical and ambitious CSR strategy built on four basic pillars:
- An appropriate low-carbon strategy to:
  - reduce the portfolio's carbon footprint (revenue-generating properties and properties undergoing redevelopment);
  - continue to reduce energy and water use, and greenhouse gas emissions;
  - improve our environmental indicators;
  - install renewable energy sources (solar or photovoltaic panels, etc.);
  - increase the number of properties in the portfolio connected to the district cooling network (Climespace) and heating network (CPCU);
  - promote urban biodiversity (by increasing the properties' planted areas, obtaining BiodiverCity labels).
- Improve quality of life in the properties and increase customer satisfaction (40,000 employees):
  - place tenant relationships top-of-mind at SFL and make them a central focus of our organisation;
  - promote and develop new forms of urban mobility (by reserving spaces for electric cars and bicycles in the parking garages, along with parking areas for bicycles, etc.) and guarantee access for all people with disabilities;
  - promote new uses of underground floors (fitness and wellness rooms, modular meeting rooms, co-working spaces, business centre, auditorium, etc.).
- Pursue and develop corporate sponsorship initiatives that promote and advance forward-looking thinking about architecture and aesthetics in the city, which is a key plank of SFL's product strategy (architectural quality of the buildings).
- Seek opportunities at our level to invest in practical initiatives in favour of more responsible urban planning, working in cooperation with the city authorities.

In November 2024, Colonial and SFL announced plans to merge SFL into its parent company. This project, which is currently being examined, would enable the Group to simplify its ownership and stock market structure. It would also create a solid, integrated corporate organisation, with the levels of efficiency and agility needed to pursue growth opportunities in the market.

6. Risk Factors

Before purchasing SFL shares on the primary or secondary market, investors are invited to consider all of the disclosures in this report, including the following discussion of SFL's specific risk exposures.

The Group regularly reviews the mapping of specific risk exposures that could have a material adverse effect on the Group, its business, financial position, results, outlook or ability to fulfil its objectives.

Investors should nevertheless bear in mind that what follows does not purport to be a comprehensive description of all the risks and uncertainties facing the Group. On the one hand, the Group is exposed to general risks that are common to all businesses and not specific to SFL. On the other hand, other unknown risks or uncertainties, or risks or uncertainties whose occurrence is not considered, at the date of this document, as likely to have a material adverse effect on the Group, its business, financial position, results or outlook, may exist or could become significant factors that may have a material adverse effect on the Group, its business, financial position, results or outlook.

Risks are identified and rated by the Head of Internal Audit, based on the perceptions of the Company's senior management and the various departments, and on the internal auditors' assessment of internal control effectiveness, as determined during the audits carried out under the annual plan. The risk map is reviewed and approved by the Audit Committee at its annual meeting.

The updated risk map at 31 December 2024 includes the following changes compared with the risks discussed in the 2023 Universal Registration Document:
- The matrix has been reduced from five to four levels, by removing the least essential level: "Impact: Not material" and "Occurrence: Very low".
- The following two risks have been removed:
  - "Risk of asset obsolescence and impairment", because its description and positioning overlapped those of other risks included in the map.
  - "Counterparty risk", because its impact and probability of occurrence are not considered sufficiently high to warrant its inclusion in the map.
- The descriptive name of the following risks has been changed:
  - "Risk of a change in the economic environment and the property market" has been changed to "Risk of a change in the property market" in order to focus on changes in property market cycles and trends.

- “Risks related to a global economic and health crisis” has been changed to “Risks related to political and economic uncertainty” in response to the improvement in the global health situation and to widen the environment covered by the assessments.
- “Information system and data protection risks” has been changed to “Risk of information system failures and cyber attacks” to take better account of the risk of cybercrime.

Thirteen risk factors have been identified, in six different categories.

Within each category, the risks presented below are numbered from 1 to 13. For each risk, the estimated extent of its negative impact on the Company (from minor to critical) and the probability of its occurrence (from very low to very high) are indicated.

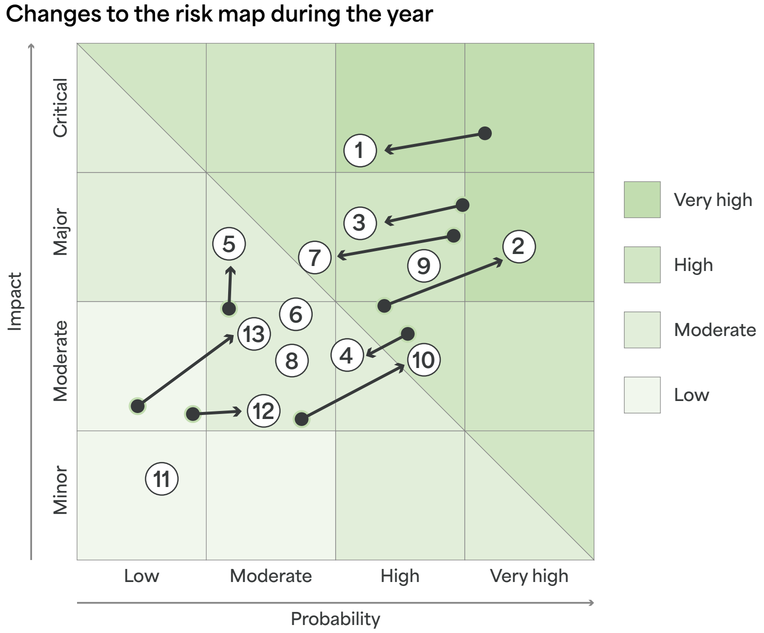
The changes in risk classifications are discussed in the paragraphs below.

6.1. Classification of risk factors

Identified risk factors

		Impact	Probability	Net risk
A	**Macroeconomic risks**			
1	Risk of a change in the property market	Critical	High	**Very high**
2	Risks related to political and economic uncertainty	Major	Very high	**Very high**
B	**Operational risks**			
3	Asset valuation risks	Major	High	**High**
4	Strategic risks	Moderate	High	**Moderate**
5	Property utilisation and development risks	Major	Average	**Moderate**
6	Tenant risks	Moderate	Average	**Moderate**
C	**Financial risks**			
7	Interest rate risk	Major	Average	**High**
8	Liquidity risk	Moderate	Average	**Moderate**
D	**Environmental, social and governance risks**			
9	Environmental risks	Major	High	**High**
10	Social risks	Moderate	High	**High**
11	Governance risks	Minor	Low	**Low**
E	**Legal and tax risks**			
12	Legal and tax risks related to regulatory compliance	Moderate	Average	**Moderate**
F	**Information system and cyber risks**			
13	Risk of information system failures and cyber attacks	Moderate	Average	**Moderate**

Changes to the risk map during the year



6.1. Description of risk factors, potential effects and preventive measures

A. MACROECONOMIC RISKS

1. Risk of a change in the property market

(Trend: downward) ↘

Impact: *Critical* ***Occurrence:*** *High* ***Net risk:*** *Very high*

The Paris commercial property market is cyclical, and prices depend on the balance between supply and demand for office space by property investors.

The appraisal values of the Company’s assets continued to trend upward in 2024, and the investment market outlook is more favourable in 2025.

Description of the risk	*Potential adverse effects*
◆ Risk of a cyclical downturn in the rental and/or investment market ◆ Risk of competition from other investors with large amounts of capital or comfortable LTVs giving them a reasonable degree of leverage, such as SCPI/OPCI property funds, sovereign wealth funds, family offices, etc. ◆ Lower portfolio appraisal values	◆ Missed opportunities or fewer opportunities to purchase and sell properties ◆ Investment opportunities lost to competitors ◆ Lower portfolio appraisal values ◆ Lower rental income ◆ Decline in operating profit ◆ Erosion of NAV

Risk prevention/mitigation measures implemented by SFL

- Regular and near-permanent monitoring of the property market; regular consultation of external advisors; regular internal and external research.
- Annual Paris Workplace surveys (carried out with IFOP among 1,300 executives in the Paris region) to gain a better understanding of the behaviour and expectations of office users.
- Strategic focus on the Paris prime office property market (81% of the Group’s portfolio).
- Sensitivity tests to determine the impact of a 2.5% increase and a 5% increase in market rents.
- Sensitivity tests to determine the impact of a 25 bps and 15 bps increase/decrease in exit yields and discount rates, in order to assess and take into account the risk of a cyclical market reversal.
- Covenant-free financing capacity.

2. Risks related to political and economic uncertainty
(Trend: upward) ↗

Impact: *Major* **Occurrence:** *Very high* **Net risk:** *Very high*

The political and economic environment, at both national and international levels, is likely to have an impact on the Company's business, as well as on its customers and suppliers.
The risk's impact and probability of occurrence are increasing due to the fragmented political landscape and government instability in France, coupled with continuing geopolitical instability internationally.

Description of the risk	*Potential adverse effects*
◆Risk of rental and investment market volatility and disruption ◆Risk of unexpected unfavourable changes in the regulatory and legislative framework ◆Risk of redevelopment projects being delayed or halted ◆Risk of tenant insolvency ◆Risk related to the supply and rising cost of raw materials, other materials and energy	◆Investment opportunities lost to competitors ◆In the event of tenant insolvency: risk of a fall in rental income with an adverse effect on the value of assets in the portfolio ◆Lost opportunities to purchase and sell properties ◆Delays in delivering major redevelopment projects, increased costs and impact on the quality of the work ◆Difficulties in obtaining costs recoverable from tenants in the event of significant increases in energy costs ◆Decline in operating profit and NAV

Risk prevention/mitigation measures implemented by SFL

- Presentation of an analysis of the market and the external environment to the Board of Directors, to inform Board discussions that may influence the Group's strategy.
- The Company constantly monitors its financial liquidity: as of 31 December 2024, it had €1,570 million in undrawn credit lines, representing a solid buffer in the event of any difficulty of accessing liquid sources of financing.
- The Company borrows at fixed rates of interest and at least 70% of its debt is hedged in accordance with Group policy, which limits the potential impact of a rise in interest rates.
- Energy use in the tenant areas is billed to tenants, which limits the cost of any energy price increases on the Company.

B. OPERATIONAL RISKS

3. Asset valuation risks
(Trend: downward) ↘

Impact: *Major* **Occurrence:** *High* **Net risk:** *High*

At 31 December 2024, the property portfolio's appraisal value, excluding transfer costs, was €7,571 million (SFL consolidated group), up 3% vs end-2023.

Description of the risk	*Potential adverse effects*
◆Risk of decline in appraisal values ◆Risk of an asset being over- or undervalued due to a lack of comparable market transactions ◆Risk of appraisal errors due to the use of flawed assumptions by the valuers	◆Adverse effect on the consolidated financial statements ◆Adverse effect on NAV

Risk prevention/mitigation measures implemented by SFL

- Investment properties valued by recognised independent experts at half-yearly intervals.
- Valuations performed in accordance with the *Charte d'Expertise en Evaluation Immobilière* (property valuation charter) and in full compliance with the standards issued by The European Group of Valuers' Associations (TEGoVA), as well as with the Royal Institution of Chartered Surveyors' (RICS) standards, using methods that are similar to those applied by SFL's peers.
- Responsibility for valuing the portfolio shared between two renowned firms (Cushman & Wakefield: 47% of the portfolio, CBRE: 53%).
- One of the experts was rotated in 2024. This policy of regular rotation reinforces the independence and transparency of the appraisals.
- Appraisal values checked by the Company's Asset Management department and reviewed by the Statutory Auditors as part of their audit of the consolidated financial statements.

See Note V - 4 to the consolidated financial statements (Investment property), pages 225 to 228 *of this report, for more information about the parameters used to value investment properties in each asset class.*

4. Strategic risks
(Trend: downward) ↘

Impact: *Moderate* ***Occurrence:*** *High* ***Net risk:*** *Moderate*

SFL specialises in acquiring and holding large assets in the prime Paris commercial property segment. No properties were purchased or sold in 2024.

Description of the risk	*Potential adverse effects*
◆Risk of investing in assets that generate an inadequate financial return or a loss ◆Risk of selling assets at a price below market value ◆Risk arising from portfolio concentration in a single asset class and geographical area ◆Risk of opportunities being lost due to poor market positioning (failure to anticipate market trends, flawed analysis of trends, etc.)	◆Lower-than-expected profit or a loss ◆Fall in portfolio values ◆Decline in the physical occupancy rate and fall in rental income

Risk prevention/mitigation measures implemented by SFL

- Property acquisitions and disposals:
  - Monthly meetings of the Investment Committee to identify and propose assets that the Company may be interested in acquiring, as well as properties in its portfolio that are ready to be offered for sale.
  - The Company's various departments work together to determine an appropriate price for each asset considered for purchase and the expected return on investment (using pricing and IRR calculation models).
  - For each transaction, internal experts are supported by external advisors (notaries, lawyers and/or technical advisors if necessary).
  - Proposed deals in excess of €20 million subject to Board authorisation.
- Analyses of the market and the competitive environment presented to the Board of Directors to inform Board discussions that may influence the Group's strategy.
- The Company's financial position means that it does not risk having to sell assets on unfavourable terms/below their appraisal value.

5. Property utilisation and development risks
(Trend: upward) ↗

Impact: *Major* ***Occurrence:*** *Average* ***Net risk:*** *Moderate*

In 2025, more than 75,000 sq.m. will be in the process of being redeveloped, primarily in the Scope, Condorcet and Haussmann Saint-Augustin buildings.
The new Paris urban development plan has made it more difficult for companies to develop new office projects in the capital.

Description of the risk	*Potential adverse effects*
◆Administrative risks relating to project modifications imposed by the planning authorities or building regulations, delays or difficulties in obtaining administrative authorisations (building permits, development permits, commercial property permits (CDAC) or approval from local commissions that oversee compliance with health and safety regulations in buildings open to the public) ◆Risks of third party planning appeals leading to delays in the redevelopment schedule ◆Risk of construction site disamenities ◆Risks related to stakeholder failures (suppliers, contractors) ◆Risk of inadequate insurance cover in terms of amount or type of cover ◆Risk of budget or schedule overruns, or a lowering of standards for the acceptance of work phases ◆Marketing risks if the property or the tenant experience becomes less attractive	◆Project delays, budget overruns, abandoned projects ◆Longer period without any revenue from the property ◆Impossibility of using certain assets or a ban on their use ◆Erosion of the Company's business performance, results, portfolio appraisal values and financial position ◆Deterioration of tenant well-being, damage to the Company's image and reputation

Risk prevention/mitigation measures implemented by SFL

- Work strategies and budgets reviewed at meetings of the Project Review Committee comprising the heads of the Company's main departments, which are held at regular intervals depending on the projects in progress.
- Systematic preparatory work prior to submission of applications for building permits and authorisations:
  - audit of the files by specialist lawyers before they are submitted;
  - pre-clearance of applications with the relevant city departments;
  - communications with local residents and use of preventive injunctions to limit the risk of appeals linked to construction sites.
- Competitive contractor selection process to ensure the best contractors are chosen on the basis of objective criteria. Contractors given a contractual obligation to systematically implement protective measures designed to limit disamenities.
- Work in progress and related costs tracked using management tools, to ensure that:
  - the prime contractor is present on site at all times and decisions at each project milestone are made internally and not delegated;
  - regular site meetings are held with all stakeholders.
- Adequate construction insurance purchased through a specialised broker.
- Asset Review Committee (ARC) meetings held every six months for each building, to discuss matters relating to the operation of the assets, in the presence of the Company's main management teams.

6. Tenant risks

(Trend: stable)

Impact: *Moderate* ***Occurrence:*** *Average* ***Net risk:*** *Moderate*

The occupancy rate was high (99%) and the quality of the Company's tenants was good at 31 December 2024.

Description of the risk	***Potential adverse effects***
◆ Risk of non-collection or late collection of rent ◆ Risk of unforeseen vacancies resulting in significant 'lost' revenue ◆ Risk of leases not being renewed or renewed on less favourable terms, especially in the event of a cyclical market downturn ◆ Risk of departure of a tenant occupying a significant part of a building	◆ Lower physical occupancy rate ◆ Lower rental income ◆ Decline in operating profit

Risk prevention/mitigation measures implemented by SFL

- Recognised brokers appointed to assist in the marketing of vacant units.
- Diversified tenant portfolio to mitigate sectoral crisis risks – Finance/Insurance (38%), Fashion/Luxury (24%), Real Estate (5%), Digital/Media (9%), Lawyers/Consultants (11%), Industry (6%), Other (7%).
- Financial analysis of new tenants' ability to pay the rent carried out before each new lease is signed; guarantee obtained according to the financial situation of each tenant (security deposit, first demand guarantee, etc.).
- Tenant's ability to pay the rent tracked over time using the Creditsafe solution, which enables an early warning system to be set up.
- Tenant arrears reviewed on a monthly basis and more detailed analysis of past-due amounts at the half-yearly close.
- Marketing strategy based on:
  - monthly meetings between the Leasing Department and its brokers to monitor the status of marketing programmes and review comparable transactions within the sector;
  - in-house Leasing Action Committee, which meets monthly to report to senior management on action taken in coordination with all operating departments.

C. FINANCIAL RISKS

7. Interest rate risk

(Trend: downward) ↘

Impact: *Major* ***Occurrence:*** *Average* ***Net risk:*** *High*

As a listed property company, the Company's business model requires it to use debt to finance its growth and value creation. Inflation has continued to ease in Europe and the ECB is expected to continue its cycle of interest rate cuts in 2025. As a result, the outlook for borrowing costs is improving, with a reduction expected over the coming year.

Description of the risk	***Potential adverse effects***
◆ Risk of exposure to higher interest rates on negotiable European commercial paper (NEU CP), bonds, drawn and undrawn revolving lines of credit, etc.	◆ Higher interest charges ◆ Increased finance costs

Risk prevention/mitigation measures implemented by SFL

- Interest rate risks prudently and actively managed using an information system that tracks changes in the financial markets and calculates the fair value of hedging instruments in real time, thereby allowing us to efficiently analyse the risks associated with interest rate fluctuations.
- Financing policy focused on raising fixed-rate debt, to reduce the sensitivity of borrowing costs to rising interest rates.
- Interest rate risk on variable-rate debt hedged using traditional instruments such as interest rate swaps.
- At least 70% of debt hedged against interest rate risk, in accordance with SFL's Internal Policy. The hedging rate is managed by the Treasury department, which is authorised to enter into forward hedging commitments. It is presented to the Audit Committee every six months.
- Management meeting every five to six weeks to adjust hedging positions (long-term, short-term, anticipation of rate changes).

The information used to assess this risk is provided in the notes to the consolidated financial statements: see Note VII - 3) (Financial instruments), pages 233 and 234 *and VII - 4) 3/ c/ (Interest rate risk)* page 235.

8. Liquidity risk

(Trend: stable)

Impact: *Moderate* **Occurrence:** *Average* **Net risk:** *Moderate*

Investing in property – especially prime office property – requires significant funds, and it is therefore essential for SFL to have regular access to various sources of finance (bank loans, bonds, NEU CP commercial paper programmes, etc.).

Description of the risk	***Potential adverse effects***
◆Risk of being unable to raise significant funds to finance capital expenditure and property purchases, to replace debt at maturity or for general corporate purposes ◆Risk of being unable to meet short-term cash needs	Difficulty or inability of the Company to: ◆refinance its existing debt ◆raise or draw down new financing to support its investment and development strategy ◆generate sufficient cash, potentially leading to bankruptcy in a worst case scenario

Risk prevention/mitigation measures implemented by SFL

- Liquidity risk covered by confirmed lines of credit: as of 31 December 2024, SFL had €1,570 million in undrawn lines of credit (contracts with a standard Significant Adverse Event default clause).
- Debt composed of several tranches with amounts and maturities spread over time.
- Liquidity risk management (to manage access to financing) and cash management (cash forecasts) processes regularly analysed in order to manage cash needs and distribution of cash surpluses as effectively as possible.
- Financing policy, key balance sheet ratios and associated risk indicators monitored by the Board of Directors.
- None of the Group's bank loans include a rating trigger.
- The macroeconomic situation is analysed and risk management processes are implemented to anticipate changes in the financial markets.
- S&P credit rating monitored (BBB+/Stable since 30 October 2017).

See also Note VII -1 to the consolidated financial statements (Borrowings and other interest-bearing debt):
- *Analysis of borrowings by maturity* (page 232),
- *Debt covenants and acceleration clauses* (page 232).

See also paragraph 1/ Liquidity risk in Note VII - 4 to the consolidated financial statements (Financial risk management objectives and policy) page 234.

D. ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS

9. Environmental risks

(Trend: stable)

Impact: *Major* **Occurrence:** *High* **Net risk:** *High*

Environmental issues continue to grow in importance in an environment where property assets and the Company's stakeholders are increasingly sensitive to these matters.

Description of the risk	***Potential adverse effects***
◆Risk of mismatch between assets and stakeholders' environmental requirements ◆ Transition risk as sector regulations and stakeholder expectations tighten ◆Risks relating to changes in environmental obligations (decrees, labels and certifications) and non-compliance with environmental regulations ◆Material and physical climate change risks ◆Risk of rising borrowings costs ◆Risk of extended timeline for obtaining administrative authorisations ◆Potential risk of jeopardising the completion of property redevelopment and disposal projects	◆Increased cost-of-use and construction cost, higher insurance premiums ◆Erosion of the buildings' appeal ◆Erosion of NAV ◆Erosion of the Company's image and reputation ◆Criminal conviction

Risk prevention/mitigation measures implemented by SFL

- Environmental issues integrated into the property management strategy through meetings of the ESG Committee, held at least four times a year to define the main strategic objectives for each CSR matter.
- Technical unit set up with specific responsibility for environmental, health and safety monitoring and compliance.
- Sustainable Development Department set up with responsibility for implementing the Company's environmental strategy and managing its environmental performance.
- Certification companies selected from among the industry majors to keep abreast of regulatory changes and perform all regulatory checks.
- Plan to drive continuous improvement in the soft performance of the Group's assets, in order to proactively prepare for future environmental and health & safety regulations. BREEAM In-Use certification policy for the entire portfolio.
- Introduction of digital building management systems (Facility Management BIM, smart metering, etc.) to make processes more efficient.
- Tracking of the application of sector-specific recommendations, such as EPRA recommendations on CSR communications and ADEME climate risk analysis guidelines.

See also note III to the consolidated financial statements (Effects of climate change), pages 219 and 220 *and paragraph 2.1.2 (Transition plan for climate change mitigation) of the Sustainability Report,* pages 62 to 64.

10. Social risks
(Trend: upward) ↗

Impact: *Moderate* **Occurrence:** *High* **Net risk:** *High*

To remain competitive in its market, the Company relies on its human capital and the expertise of its employees, who are a key asset in the pursuit of its objectives.

SFL is currently involved in a planned merger with its majority shareholder, Inmobiliaria Colonial, which will involve adapting certain organisational aspects with a view to defining a common working structure within the Group.

As with any planned merger, these changes are likely to create dissatisfaction among some employees, increasing the likelihood of their leaving the Company. The parties involved in the project are working hard to ensure that SFL's integration into Colonial takes place under the best possible conditions for each individual and allows new career opportunities to emerge within the Group.

Description of the risk	*Potential adverse effects*
◆Organisational risk of losing key people, leading to a leakage of skills that is detrimental to the efficient monitoring of projects, business development, the conduct of the business and all aspects of the Group's management (legal, technical, financial, asset management, marketing, etc.) ◆Risk of a loss of attractiveness affecting the Company's ability to hire the best talent ◆Legal and financial risks in the event of non-compliance with labour laws and regulations by the Company	◆Loss of competitiveness and quality ◆Decline in profits, NAV and margins ◆Erosion of the Company's image and reputation ◆Criminal conviction

Risk prevention/mitigation measures implemented by SFL

- ◆Direct and indirect remuneration policies that are fair, competitive and incentivising:
  - a fixed salary and objectives-based bonus scheme;
  - statutory and discretionary profit-sharing schemes;
  - a PERECO employee pension savings scheme, with matching Company contributions to encourage employees to save for their retirement;
  - performance share plans.
- ◆Policies on skills development, quality of working life and gender equality are in place within the Company, including:
  - an annual training plan to create and nurture conditions in which every employee has access to training and skills development, and to prepare for emerging technical, legal, environmental and other changes in the market, in order to improve employees' skills and expertise;
  - a new ethics charter and whistleblowing procedure introduced in 2023;
  - a preventive approach to addressing psychosocial risks through a Quality of Working Life (QWL) questionnaire sent to all employees.
- ◆Signature, on 1 January 2024, of a three-year gender equality agreement.

See also the chapters on "Employer appeal, skills development & workplace equality" and "Health, safety and quality of work life" in section 3.1.5 "Taking action on material impacts on own workforce" of the Sustainability Report, pages 83 to 87.

11. Governance risks
(Trend: stable)

Impact: *Minor* **Occurrence:** *Low* **Net risk:** *Low*

Establishing and maintaining good governance practices is the bedrock of a successful financial and non-financial strategy. Governance and compliance issues are overseen by the Company's General Secretary.

Description of the risk	*Potential adverse effects*
◆Risk of non-compliance with corporate governance rules ◆Risk of bribery and corruption ◆Risk of non-compliance with ethical rules	◆Loss of stakeholder confidence ◆Erosion of SFL's image and reputation ◆Significant governance changes ◆Loss of competitiveness and erosion of profits ◆Impact on the quality and transparency of financial and non-financial communications

Risk prevention/mitigation measures implemented by SFL

- ◆Internal ethics charter given to each employee and attached to their employment contract, along with an anti-corruption charter adopted in 2024.
- ◆Whistleblowing system set up for use by both employees and external whistleblowers via the Company's website.
- ◆Mandatory procedures for invitations to tender issued by the Company, including competitive tendering, selection based on objective criteria and justified scoring.
- ◆Contractor and supplier contracts include clauses relating to undeclared work: the e-certificate monitoring application also enables suppliers and contractors to check online that they have fulfilled their obligations.
- ◆The Company limits the subcontracting pyramid to a maximum of two levels, to avoid inappropriate use of subcontractors.

See also section 4.1.1 "Business conduct policies and corporate culture" of the Sustainability Report on page 99.

E. LEGAL AND TAX RISKS

12. Legal and tax risks related to regulatory compliance

(Trend: upward) ↗

Impact: *Moderate* ***Occurrence:*** *Average* ***Net risk:*** *Moderate*

The Company has the legal and technical skills needed to track and manage its risks, and calls on the services of specialists where necessary.

The recent amendments proposed as part of a possible reform of the SOCIMI tax regime in Spain and the political instability in France mean that the Company needs to remain vigilant regarding its continued eligibility for France's SIIC regime.

Description of the risk	*Potential adverse effects*
◆ Continuous risk of changes in the very detailed regulations covering commercial leases, town planning, the construction industry, company law, securities law, safety, the environment and public health ◆ Risk of tenants failing to strictly comply with all applicable environmental, health and safety regulations ◆ Risk of litigation and disputes ◆ Risk of losing the benefit of the SIIC tax regime if the eligibility rules are breached ◆ Risk of corruption (insider trading, misappropriation of funds)	◆ Risk of civil and/or criminal liability proceedings against SFL or its directors, leading to the payment of damages, penalties or fines ◆ Decline in profits and margins ◆ Deteriorated growth outlook ◆ Loss of SIIC status, leading to higher tax costs and lower dividends ◆ Erosion of the Company's image and reputation ◆ Negative impact on buildings' appraisal values determined by buyers during their due diligence procedures

Risk prevention/mitigation measures implemented by SFL

The Company has the legal and technical skill sets needed to manage these risks:

- ◆ A specialised Legal Department responsible for monitoring regulatory developments, overseeing compliance with the various regulations applicable to the business, tracking and monitoring all of the Group's contractual obligations and commitments.
- ◆ Support provided by external advisors and consultants where necessary (specialised legal advisors).
- ◆ In-house training programmes to raise awareness of the risks and responsibilities of the various actors.
- ◆ Internal procedures to raise the level of accountability of the employees involved.
- ◆ A technical unit with specific responsibility for environmental, health and safety compliance.
- ◆ Regular monitoring of the conditions of eligibility for the SIIC regime, especially changes in the tax authorities' position and legal precedent (dividend obligations, obligations concerning the level of control exercised by the majority shareholder, etc.).

F. INFORMATION SYSTEM AND CYBER RISKS

13. Risk of information system failures and cyber attacks

(Trend: upward) ↗

Impact: *Moderate* ***Occurrence:*** *Average* ***Net risk:*** *Moderate*

In view of the financial flows generated by its business, the Company is exposed to the risk of targeted cyberattacks or fraud in an environment shaped by the growing incidence of increasingly sophisticated cybercrimes.

To reflect this trend, the descriptive name of this risk has been changed in the risk map to emphasise the risks of cybercrime/cyberattacks (the old name was "Risks relating to the failure of information systems and the protection of personal data").

Description of the risk	*Potential adverse effects*
◆ Cyber security risk: fraud, identity theft, malicious acts, ransomware attacks, etc. ◆ Risk of all or part of the Company's information system being shut down ◆ Risk of strategic or confidential data being lost or stolen ◆ Risk of failure by the Company to fulfil its data protection obligations	◆ Business interruption, slowdown or deterioration ◆ Disputes with tenants and damage to the Company's reputation ◆ Financial loss or additional unbudgeted costs ◆ Penalties for non-compliance with data protection regulations (GDPR penalties)

Risk prevention/mitigation measures implemented by SFL

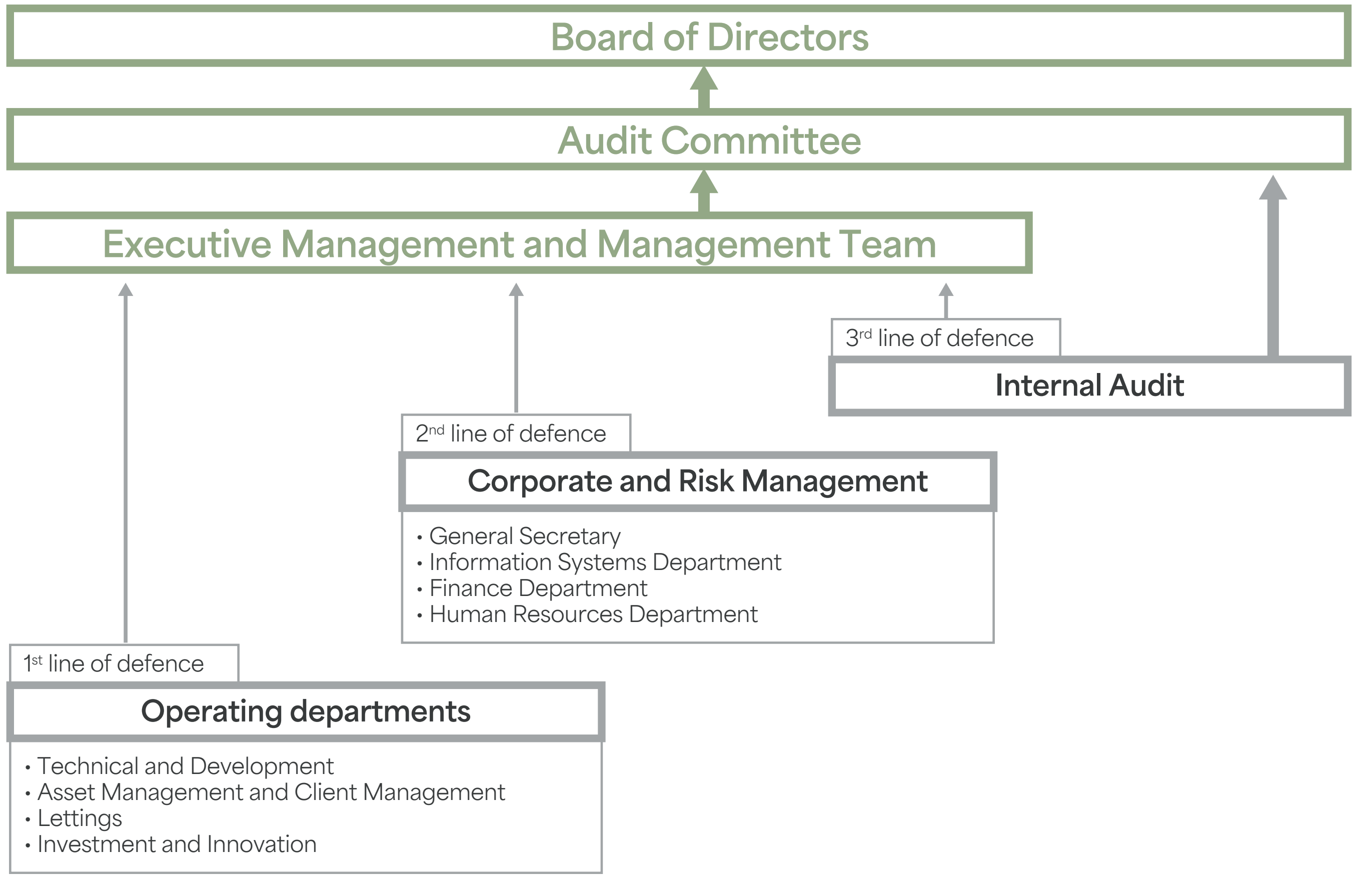
- ◆ Migration to SAP on 1 January 2024. This new ERP system includes programmed controls that strengthen the overall control environment.
- ◆ Regular security audits of systems in SaaS mode (80% of systems) or local mode to identify potential vulnerabilities or weaknesses.
- ◆ Employee awareness raising through a training module on cyber risks and phishing simulation campaigns.
- ◆ Daily backup of management data; synchronous backup of office system data.
- ◆ IT system recovery contract with external service providers, guaranteeing intervention within less than 24 hours of call out.
- ◆ Specific cyber risk insurance cover.
- ◆ Awareness-raising initiatives and internal procedure memo concerning personal data protection, in addition to the GDPR training.

14. Claims and litigation

No governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group is aware) may have or have had significant effects on the Group's financial position or profitability during the last 12 months.

6.3. General organisation of risk management

Risk management is essential to SFL's development and the execution of its strategy. Managers have front-line responsibility for identifying risks and implementing appropriate control measures. Senior management ensures that the necessary organisation is in place to permit effective control and oversees managers' activities in this area, based in part on the conclusions of the internal auditors.



First line of defence

The respective activities of the operating departments include identifying and addressing areas of risk by deploying appropriate control systems and ensuring that internal procedures are systematically executed as part of their department's daily activities.

Second line of defence

The support and control functions are responsible for organising and maintaining the system of internal controls over the organisation's activities, while contributing to the development and/or monitoring of the controls constituting the first line of defence.

Third line of defence

The Internal Audit Department, which reports to the General Secretary, is responsible for providing assurance to senior management and the Audit Committee about the effectiveness of the Company's governance, risk management and internal control systems. The internal auditors provide an independent and objective assessment of the Company's degree of control over its operations, and recommend improvements to make the control systems more effective.

7. Insurance

The insurance programmes cover (i) the property portfolio and (ii) corporate risks.

7.1. Property insurance programme
Property damage insurance

This Group-level policy covers all fully owned and co-owned property assets of the Company and its subsidiaries.

It covers all accidental damage to the properties (apart from certain named exclusions), as well as all resulting expenses and losses.

Buildings are insured with leading insurers on an all-risks basis with named exclusions.

For co-owned buildings that are managed by a third-party manager, the policy includes "manager failure" cover that kicks in when the cover taken out by the manager is inadequate or no cover has been purchased.

We take care to realign our insurance programmes whenever necessary due to changes in our own risks and those arising from our business environment.

In light of the properties' location in a dense urban environment, their complexity and size, our insurance strategy focuses on obtaining high quality cover.

The insured value is capped at €350 million per claim, including loss of up to four years' rental income. Following major refurbishment work, an expert is appointed to determine the rebuilding cost of the refurbished building, to ensure that the €350 million cap is still appropriate.

We have all the information we need to understand and manage our risks and the basis for determining premiums by reference to the cost of rebuilding each property and the rental income that would be lost.

The policy also covers the cost of repairing damage to new work arising during renovations to the insured properties, up to a maximum of €7.5 million (not including structural damage). The aim of this extension is to cover under a single contract both damage to the original property and damage to work that will become an integral part of the property once it is completed. For all other non-eligible work, a different procedure was introduced in 2021, described in section 7.3 below. It is designed to ensure that we can fulfil our commitments in respect of work not covered by a comprehensive site insurance policy.

For buildings that are no longer tenanted pending major redevelopment work, insurance cover is maintained for damage to the existing building, in addition to the construction insurance.

SFL's administrative offices, which were previously insured under a separate policy, were added to this property damage policy with effect from 1 January 2023. The comprehensive policy covers furniture, equipment and supplies in the Group's headquarters in the 42 Washington building in the 8th *arrondissement*, the Square Édouard VII Business Centre in the 9th *arrondissement* and the concierge services area in the #cloud.paris building at 6 rue Ménars in the 2nd *arrondissement*.

7.2. Corporate insurance

7.2.1. Cyber Risks

A new cyber risk insurance policy came into effect on 1 January 2023.

The policy insures the financial consequences, up to €3 million per claim and per year, of the following:
- losses and expenses incurred by SFL following a cyberattack or threatened attack on its information systems;
- any complaint resulting from a cyberattack on the information system of the Group or a third party, or the communication of libellous information and/or information that breaches third-party rights;
- attempted cyber extortion.

The policy covers the services of a computer forensics specialist on call 24/7 to assist SFL in the event of an incident affecting its information systems.

Damage to computer hardware is covered by the comprehensive property damage policy described above.

7.2.2. General Liability

All of the Group's companies and operations, including both property management and trading, are covered by a single liability policy.

The policy covers:
- Third-party liability during operations and works, capped at €20 million per claim (combined single limit), including €15 million for direct and consequential damage. The total includes €1.5 million liability cover for sudden and accidental environmental damage and €2.5 million "inexcusable fault" cover per insurance year.
- Professional liability insurance for the Group, up to a maximum of €5 million per claim and per underwriting year (combined single limit), of which €1 million corresponds to professional liability insurance for the property management and trading activities carried out by Locaparis.

Liability cover for buildings undergoing major redevelopment includes the comprehensive site insurance policies purchased for each project, and cover for direct and consequential losses incurred by third parties.

7.2.3. Directors' and Officers' Liability

This policy covers directors and officers, including *de facto* managers of the Company, against personal liability claims and related legal costs.

The policy that came into effect on 1 January 2024 is an integral part of an International Directors' and Officers' Liability Insurance Programme consisting of a master policy taken out by SFL's Spanish owner, Inmobiliaria Colonial, SOCIMI, SA, to protect its own directors and officers as well as those of its subsidiaries. The master policy covers the positive difference in terms and conditions and/or limits compared with the primary policy taken out by SFL.

7.3. Construction insurance

The following insurance cover is purchased for all of SFL's property redevelopment projects:
- Structural Damage and Developer insurance;
- Contractors All-Risks insurance;
- Project Sponsor Liability insurance, which is in addition to the cover provided by the general liability policy described in section 7.2.2 above.

To simplify and accelerate the process, a procedure has been set up with a broker who has managed SFL's property insurance and corporate policies for many years.

In this regard, the following two protocols signed in 2021 were renegotiated in April 2024:
- Contractors All-Risks insurance for operations not subject to the ten-year warranty;
- Contractors All-Risks/Structural Damage/Developer Insurance for operations subject to the ten-year warranty that represent amounts of less than €15 million. They define the arrangements with the insurer (fast-track claim reporting, amount of cover, deductible, pricing). In addition, a questionnaire prepared with the broker ensures that SFL provides all the necessary information, and also lists all the documents to be submitted at the various stages of the redevelopment project.

For operations in excess of €15 million, SFL's broker receives bids from the market and provides SFL with a report and recommendations.

8. Statutory Auditors

The appointment of PricewaterhouseCoopers Audit SA as Statutory Auditors will expire at the Annual General Meeting called to approve the financial statements for 2024.

PricewaterhouseCoopers Audit SA was first appointed in 2001 and its current term cannot be renewed according to Article L.821-45 of the French Commercial Code, which limits to 24 years the maximum period during which a firm of statutory auditors may certify the accounts of a company listed on Euronext.

To select PricewaterhouseCoopers Audit SA's replacement, SFL's management organised a call for tenders from several audit firms, which all submitted bids.

After interviewing the candidate selected by SFL's management, on 18 February 2025 the Audit Committee issued its recommendation to the Board of Directors, which decided, on the basis of this recommendation, to propose to the Annual General Meeting of 23 April 2025 (8th ordinary resolution) the appointment of Forvis Mazars SA as Statutory Auditor for a term of six financial years expiring at the close of the Annual General Meeting to be called to approve the 2030 financial statements.

9. SFL and its Shareholders

9.1. Information about the Company's capital

9.1.1. Changes in capital over the last five years (2020-2024)

	Issue/cancellation					After issue/cancellation	
Date	Description	Number of shares cancelled	Number of shares issued	Par value	Gross premium	Total number of shares	Successive amount of capital
2020	None	-	-	-	-	46,528,974	€93,057,948
2021	Cancelled	3,664,259	-	€2	-	42,864,715	€85,729,430
2022	None	-	-	-	-	42,864,715	€85,729,430
2023	Issuance	-	20,957	€2	-	42,885,672	€85,771,344
2024	Issuance	-	65,128	€2	-	42,950,800	€85,901,600

The Annual General Meeting of 20 April 2018, in its second extraordinary resolution, authorised the Board of Directors to grant ordinary shares of the Company to eligible employees and corporate officers of SFL and/or its subsidiaries.

On the same day, the Board of Directors used this authorisation to adopt the governing Performance Share Plan rules (Plan 5). Various performance share grants were made by the Board of Directors under this plan, including on 11 February 2021.

At its meeting on 16 November 2023, the Board of Directors:
- determined that a maximum of 65,184 performance share rights would vest at the end of the vesting period;
- decided that a maximum of 65,184 new shares would be issued in exchange for vested performance share rights.

On 28 March 2024, having noted that 65,128 shares had vested and that no shares were held in treasury, the Chief Executive Officer used the powers vested in her by the Board of Directors to decide to issue 65,128 new €2 par value shares, paid up by transferring €130,256 from the "Share premium" account to the "Capital" account. The share issue had the effect of increasing the number of shares making up the Company's capital from 42,885,672 to 42,950,800 and increasing the capital from €85,771,344 to €85,901,600.

9.1.2. Ownership structure and voting rights at 31 December 2024

Major shareholders	Total shares	Total voting rights	% interest	% voting rights(1)
Inmobiliaria Colonial, SOCIMI, SA	42,191,401	42,191,401	98.23194%	98.23%
Free float	759,208	759,208	1.76762%	1.77%
Treasury shares(2)	191	-	0.00044%	-
Total	42,950,800	42,950,609	100%	100%

(1) No shares carry double voting rights, all shares are in the same class and treasury shares are stripped of voting rights. SFL's share capital at 31 December 2024 was €85,901,600.
(2) Includes transactions effective at 31 December 2024 but not finalised at that date.

To the best of the Company's knowledge, no arrangements exist that could lead to a change of control of the Company.

9.1.3. Changes in ownership structure and voting rights

	2021(a)		2022(a)		2023(a)		2024(a)	
Major shareholders	% interest	% voting rights(b)	% interest	% voting rights(b)	% interest	% voting rights(b)	% interest	% voting rights(b)
Inmobiliaria Colonial, SOCIMI, SA	**98.33%**	**98.59%**	**98.33%**	**98.45%**	**98.28%**	**98.29%**	**98.23194%**	**98.23%**
Free float	1.40%	1.41%	1.55%	1.55%	1.71%	1.71%	1.76762%	1.77%
Treasury shares	0.27%	-	0.12%	-	0.01%	-	0.00044%	-
Total	100%	100%	100%	100%	100%	100%	100%	100%

(a) At 31 December of each year.
(b) No shares carry double voting rights, all shares are in the same class and treasury shares are stripped of voting rights.

To the best of the Company's knowledge, there were no other shareholders holding more than 5% of the capital or voting rights in any of the three years presented.

Disclosure thresholds

Changes in shareholders' interests disclosed to the Company since 1 January 2025
None.

Changes in shareholders' interests disclosed to the Company in 2024
None.

Changes in shareholders' interests disclosed to the Company in 2023
None.

Changes in shareholders' interests disclosed to the Company in 2022
None.

9.1.4. Disclosure thresholds specified in the Articles of Association

Paragraph IV of Article 10 of the SFL's Articles of Association states that in addition to the obligations arising from legal disclosure thresholds, any individual or legal entity acting alone or in concert that holds - directly or indirectly within the meaning of Articles L.233-7 *et seq.* of the French Commercial Code - shares and/or securities carrying rights to shares representing at least 2% of the Company's capital or voting rights is required to disclose to the Company by registered letter with return receipt requested, within five trading days of the additional interest being recorded, details of the number of shares and/or securities carrying rights to shares that are held and the number of voting rights attached thereto.

These disclosure formalities must be followed each time a shareholder's interest is raised to above or reduced to below the 2% threshold or any multiple thereof, including when the interest exceeds 5%.

In the case of failure to comply with these disclosure rules, at the request of one or several shareholders with combined holdings representing at least 2% of the Company's capital or voting rights, the undisclosed shares will be stripped of voting rights, in accordance with the conditions laid down by law. Said request will be recorded in the minutes of the Annual General Meeting and will entail the automatic application of the abovementioned sanction.

9.2. Share equivalents

None.

9.3. Directors' interests

Directors at 31 December 2024	Number of SFL shares held as at 31 December 2024(1)
Pere Viñolas Serra	0
Juan José Brugera Clavero	18,025
Ali Bin Jassim Al Thani	25
Carmina Ganyet i Cirera	0
Arielle Malard de Rothschild	25
Alexandra Rocca	0
Total	18,075

(1) The Directors' Charter stipulates that each Director must disclose to the Company the shares held directly and indirectly, within the meaning of Article L.225-109 of the French Commercial Code.

9.4. Transactions carried out by top management and parties closely related to them during 2024

9.4.1. Acquisition of vested performance shares granted by the Board of Directors on 11 February 2021 (Plan 5)

	Dimitri Boulte Chief Executive Officer (until 20 December 2024)	**Aude Grant** Managing Director (until 20 December 2024)	**Juan José Brugera Clavero** Director
Type of instrument:	shares	shares	shares
Transaction date	15 April 2024	15 April 2024	15 April 2024
AMF notification received	15 April 2024	15 April 2024	15 April 2024
Market	Off the trading platform	Off the trading platform	Off the trading platform
Unit price	€0.00	€0.00	€0.00
Number of shares	16,000	2,800	6,000
SFL share price on the vesting date	€69.40	€69.40	€69.40

9.4.2. Other transactions

	Dimitri Boulte, Chief Executive Officer (until 20 December 2024)
Type of instrument:	shares
Transaction date	30 April 2024
AMF notification received	30 April 2024
Market	Off the trading platform
Unit price	€0.00
Number of shares	2,073
Comments	SFL shares exchanged for shares of Inmobiliaria Colonial, its majority shareholder, under a liquidity contract. The initial exchange ratio was set in the liquidity contract at: one SFL share for five Colonial shares and €46.66

9.5. Employee share ownership at 31 December 2024

As of 31 December 2024, 47,282 SFL shares were held by employees, representing 0.11% of the capital.

Excluded from this total are the shares held by Aude Grant, whose employment contract was suspended when she was appointed Chief Executive Officer on 21 December 2024.

Excluded from this total are the shares held by Dimitri Boulte, who served as Chief Executive Officer from 22 July 2022, the date on which his employment contract ended, until 20 December 2024.

Corporate mutual fund

In 2021, the ACTIONS SFL corporate mutual fund sold all of its SFL shares and was merged into another fund that does not hold any SFL shares.

9.6. Transactions in SFL shares carried out by the Company

9.6.1. Stock options granted to and exercised by the Chairman, the Chief Executive Officer and the Managing Director in 2024

No stock options were granted to or exercised by the Chairman, the Chief Executive Officer or the Managing Director in 2024. The last stock option plan expired on 12 March 2015, at the end of the options' eight-year life (see Appendix 14.1, page 114).

9.6.2. 2024 performance share plans

On 14 February 2024, based on the recommendation of the Remuneration and Selection Committee, the Board of Directors decided to use the authorisation given by the Annual General Meeting of 15 April 2021 to adopt the rules of Performance Share Plan 8 and to award a total of 63,014 performance share rights to selected employees and corporate officers of the Company and related companies within the meaning of Article L.225-197-2 of the French Commercial Code.

In addition, on 6 November 2024, based on the recommendation of the Remuneration and Selection Committee, the Board of Directors decided to use the authorisation given by the Annual General Meeting of 16 April 2024 to adopt the rules of Performance Share Plan 9. On 21 November 2024, the Board of Directors decided to award 10,000 Plan 9 performance share rights to a single beneficiary.

The Plan 8 and 9 rules are presented in Appendix 14.2 (page 115 *et seq.*).

9.6.3. Share buyback programme

The Annual General Meeting of 16 April 2024 (tenth ordinary resolution) authorised a share buyback programme with the following objectives:

- To purchase shares for allocation to all or selected employees and officers of the Company, and/or related companies and economic interest groupings in accordance with the terms and conditions provided for in the applicable laws, including in connection with (i) the non-discretionary profit-sharing scheme, (ii) any employee share purchase or share grant plan governed by Articles L.3332-1 *et seq.* of the French Labour Code or other legal provisions, or (iii) any stock option plan or share grant plan for all or selected employees and officers of the Company in accordance with Articles L.225-177 *et seq.*, L.22-10-56 *et seq.*, L.225-197-1 *et seq.*, L.22-10-59 and L.22-10-60 of the French Commercial Code.
- To ensure the liquidity of SFL shares by entering into a liquidity contract with an investment firm in compliance with the practices allowed under French securities regulations.
- To purchase shares for delivery on exercise of rights attached to securities exercisable, redeemable, convertible or exchangeable, upon presentation of a warrant or otherwise, immediately or at a future date, for shares of the Company and to cover the Company's obligations towards the holders of these securities.

- To cancel all or some of the shares bought back, in accordance with Article L.22-10-62 of the French Commercial Code, subject to adoption of the ninth extraordinary resolution of the Annual General Meeting of 23 April 2025 authorising the Board of Directors to reduce the capital.
- To retain shares and subsequently tender them in payment or exchange in connection with any acquisitions, mergers, demergers or stock-for-stock transactions, up to a limit of 5% of the share capital.
- More generally, to carry out any transaction leading to an obligation to deliver shares that is permitted or that may be authorised by the applicable regulations.

As of 31 December 2024, the Company held 191 shares in treasury, representing 0.00044% of the capital.

These shares were purchased for the following purposes:

1. For allocation to SFL Group employees: 0
2. For purchase and sale transactions under a liquidity contract with an investment firm: 191
3. For delivery on exercise of rights attached to securities exercisable, redeemable, convertible or exchangeable, upon presentation of a warrant or otherwise, immediately or at a future date, for shares of the Company: 0
4. For delivery at a future date in exchange or payment for shares of another company in connection with any external growth transactions: 0
5. For cancellation: 0
6. For acquisitions, mergers, demergers and asset contributions: 0.

The Board of Directors has decided to present a resolution at the Annual General Meeting of 23 April 2025, authorising the Company to implement a share buyback programme based on a maximum price of €110 per share (fifteenth ordinary resolution).

The programme would concern the buyback of shares representing up to 10% of the Company's capital at the date of the Meeting, as adjusted if applicable for the effect of any capital increases or reductions carried out after the Meeting.

Based on the issued capital at 31 December 2024, the authorisation would concern the buyback of up to 4,295,080 shares. This ceiling will be adjusted in the event of any changes in issued capital in the period up to the date of the Annual General Meeting or any capital increases or reductions carried out after the Meeting.

The programme's main objectives would be the same as those set by the Annual General Meeting of 16 April 2024, i.e.:

- To purchase shares for allocation to all or selected employees and officers of the Company, and/or related companies and economic interest groupings in accordance with the terms and conditions provided for in the applicable laws, including in connection with (i) the non-discretionary profit-sharing scheme, (ii) any employee share purchase or share grant plan governed by Articles L.3332-1 *et seq*. of the French Labour Code or other legal provisions, or (iii) any stock option plan or share grant plan for all or selected employees and officers of the Company in accordance with Articles L.225-177 *et seq*., L.22-10-56 *et seq*., L.225-197-1 *et seq*., L.22-10-59 and L.22-10-60 of the French Commercial Code.
- To ensure the liquidity of SFL shares by entering into a liquidity contract with an investment firm in compliance with the practices allowed under French securities regulations.
- To purchase shares for delivery on exercise of rights attached to securities exercisable, redeemable, convertible or exchangeable, upon presentation of a warrant or otherwise, immediately or at a future date, for shares of the Company and to cover the Company's obligations towards the holders of these securities.
- To cancel all or some of the shares bought back, in accordance with Article L.22-10-62 of the French Commercial Code, subject to adoption of the ninth extraordinary resolution of the Annual General Meeting of 23 April 2025 authorising the Board of Directors to reduce the capital.
- To retain shares and subsequently tender them in payment or exchange in connection with any acquisitions, mergers, demergers or stock-for-stock transactions, up to a limit of 5% of the share capital.
- More generally, to carry out any transaction leading to an obligation to deliver shares that is permitted or that may be authorised by the applicable regulations.

If shares are bought back under a liquidity contract in accordance with the AMF's General Regulations, the number of shares used to calculate the limit of 10% of the issued capital will correspond to the number of shares purchased minus the number of shares sold during the authorised period.

The authorisation would be given for a period of 18 months.

9.6.4. Summary of disclosures: disclosure of treasury share transactions for the period from 1 January 2024 to 31 December 2024

Percentage of capital held by the Company and/or its subsidiaries:	0.00044%
Number of shares cancelled in the last 24 months:	0
Number of shares held:	191
Carrying amount of the shares:	€13,856.06
Market value of the shares (at 31 December 2024):	€14,172.20

	Cumulative transactions		Open positions on the publication date of programme details			
			Open buy positions		Open sell positions	
	Purchases	Sales/ Transfers[1]	Purchased calls	Forward purchases	Written calls	Forward sales
Number of shares	9,377	11,664	-	-	-	-
Average maximum maturity	-	-	-	-	-	-
Average transaction price	€66.65	€69.25	-	-	-	-
Average exercise price	-	-	-	-	-	-
Amount	€624,954.33	€807,739.33	-	-	-	-

(1) Transactions under the liquidity contract.
Not including the 65,128 new shares issued in 2024 for delivery to holders of vested Plan 5 performance share rights by decision of the Board of Directors on 11 February 2021 after noting that the Company did not hold any treasury shares on the vesting date that could be used for this purpose.
Transaction costs under the liquidity contract amounted to €26,800 in 2024.

9.7. Dividends paid in the last three years

9.7.1. Dividend policy

The amount and manner of payment of future dividends will be decided each year according to the Company's earnings, cash position, financing terms, capital needs, overall business situation, the resources necessary to ensure the Company's development and any other factor that the Board of Directors considers relevant in preparing its recommendation to shareholders. The decision to pay a dividend, and the amount of such dividend, will also depend on the rights of holders of securities that may be issued in the future and any restrictions on dividend distributions that may exist as a result of existing lines of credit or any other debt. There can be no assurance that SFL will pay dividends in future years.

In any event, as a company taxed as an SIIC, SFL has certain distribution obligations. By virtue of Article 208 C of the French Tax Code, SFL is exempt from paying tax on (i) profits from its property rental activities, (ii) capital gains on property sales and sales of interests in look-through entities or subsidiaries that have elected for the SIIC regime, and (iii) dividends received from SFL subsidiaries that have also elected for the SIIC tax regime.

In exchange for this exemption, the Company is required to distribute:

I. at least 95% of the exempted profits derived from rental activities within 12 months of the close of the financial year in which the profits are earned;
II. at least 70% of the exempted capital gains from the sale of properties or interests in look-through entities or subsidiaries that have elected for the SIIC tax regime, or the sale of finance lease contracts, within 24 months of the close of the financial year during which the capital gains were generated; and
III. 100% of the dividends received from subsidiaries that have also elected for the SIIC tax regime within 12 months of the close of the financial year during which the dividends were received. The amounts to be distributed are determined separately by each company that has elected for the SIIC tax regime, based on its individual earnings.

At the Annual General Meeting held to approve the 2024 financial statements, the Board of Directors will recommend paying a dividend of €2.85 per share.

9.7.2. Dividends paid in respect of the previous three financial years

In accordance with Article 243 *bis* of the French Tax Code, information on dividends paid in the last three years is provided below:

Year	Dividend per share	Portion of the dividend qualifying for the 40% tax allowance	Portion of the dividend not qualifying for the 40% tax allowance	Portion of the dividend classified as a return of capital	Total dividend[1]
2021	€4.20	€0.00	€4.20	€0.00	€180,031,803.00
2022	€4.20	€0.00	€4.20	€0.00	€180,119,822.40
2023	€2.40	€0.00	€2.40	€0.00	€102,925,612.80

(1) Not including dividends not paid on shares held in treasury.

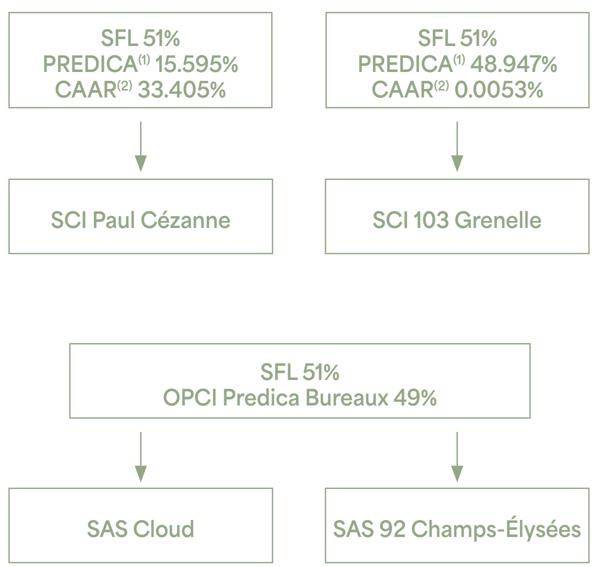
10. Partnerships

On 4 August 2021, SFL entered into two shareholders' agreements with Predica relating to SCI Paul Cézanne and SCI 103 Grenelle, and two shareholders' agreements with OPCI Predica Bureaux (a company created for this purpose by Predica) relating to SAS Cloud and SAS 92 Champs-Élysées.

On 9 November 2022, SFL and Predica signed addenda to their two shareholders' agreements in order to allow Predica to contribute assets to Crédit Agricole Assurances Retraite (CAAR) under the *apport partiel d'actifs* regime, including part of Predica's interests in SCI 103 Grenelle and SCI Paul Cézanne. The assets were contributed and CAAR became a signatory of the shareholders' agreements on 1 December 2022.

The shareholders' agreements between SFL and OPCI Prédica Bureaux concerning SAS Cloud and SAS 92 Champs-Élysées remained unchanged.

As a result, as of 31 December 2024, the shareholders' agreements were as follows:



(1) Life insurance subsidiary of Crédit Agricole Assurances.
(2) Company set up to hold the assets of the pension plans managed by Crédit Agricole Assurances.

The change of control clauses in these four agreements are as follows: in the event of a change of control of one of the partners, the other partner may:
- approve the change of control; or
- decide to purchase all of the shares and the current account advance held by the partner that is subject to the change of control; or
- decide to sell all of the shares and the current account advance to the partner that is subject to the change of control.

11. Shareholders' Agreements

There are no shareholders' agreements between SFL's main shareholders. As of 31 December 2024, SFL was 98.23%-owned by Inmobiliaria Colonial, SOCIMI, SA.

12. Share Performance

SFL shares have been quoted in Compartment A of Euronext Paris since 21 February 2005. They were previously quoted on the Premier Marché of Euronext Paris as from 25 March 1998 and on the cash settlement market before that (ISIN: 0000033409).

Period		Price (€)		Trading volume	
		High	Low	Number of shares	Amount (€m)
2024	January	71.00	67.00	5,405	0.369
	February	71.20	66.20	4,862	0.334
	March	72.00	64.00	4,053	0.281
	April	70.40	65.20	4,593	0.313
	May	68.40	65.40	2,473	0.166
	June	68.20	62.00	12,087	0.790
	July	65.20	62.60	2,468	0.158
	August	65.00	62.20	3,378	0.214
	September	68.00	63.00	8,127	0.531
	October	68.00	63.00	12,843	0.835
	November	74.60	63.20	16,667	1.195
	December	74.20	72.80	5,867	0.430
2025	January	82.00	74.20	8,600	0.686
	February	82.00	75.00	11,379	0.884

13. 2024 Sustainability Report

SFL's sustainability strategy

Introduction

Since it was founded 145 years ago, SFL has demonstrated its expertise as a property owner and developer, contributing to the construction of exceptional properties and the upkeep and transformation of the surrounding city. By combining a long-term vision with agile responsiveness, it has managed both times of growth and times of crisis with the same spirit of resilience, thanks in particular to its innovation capabilities.

At a time when a number of social and urban trends are gaining momentum, for the past several years we have sought to extend the scope of our actions, by setting an ambitious sustainability strategy, guided by a renewed commitment to high-quality, results-driven performance. Faithful to our traditional core competencies and seasoned experience, we are fully committed to our role as an engaged artisan of the Paris cityscape and the well-being of its residents.

Prime assets with optimum accessibility and high occupation density

SFL's clear positioning in the prime Parisian office property market and its organisation by core competency provide a robust and resilient foundation for the Group's value creation strategy.

At 31 December 2024, the portfolio comprised 17 assets, with a physical occupancy ratio of 99.8%[1].

All of our buildings are located less than a six-minute walk away from a train or metro station, in the thriving business districts of Paris and Neuilly-sur-Seine.

Our portfolio assets are all characterised by very high occupation density, with heavy office-user footfall and long opening hours, as well as extensive equipment and amenities, including IT and audiovisual facilities (such as at the TV5 Monde head office building on avenue Wagram).

This combination of high occupation density and low-carbon commuting positions these assets as the sector's most effective in helping to mitigate the city's climate impact and supporting its ability to adapt to the effects of climate change.

A strategy built on four pillars and clear objectives

For more than ten years, SFL's sustainability strategy has been a central factor in all of its priorities. With a long-term vision until 2050 and clear objectives, particularly for the 2030 time horizon, this ambitious, assertive strategy addresses the environmental, social and governance (ESG) issues that are material for its stakeholders and critical for its financial resilience.

We are implementing this strategy by fostering stakeholder buy-in among our tenants and office users, host communities (municipal and national authorities, local residents), employees, business partners (prime contractors, construction companies, utilities and amenities operators) and our shareholders.

Throughout, our goal is to nurture the desire to work together around ESG issues built on four pillars, by pursuing a responsible vision of the future in developing and managing our office buildings:

- **Climate strategy**
- **Urban footprint**
- **Service excellence for users**
- **Employee and partner engagement**

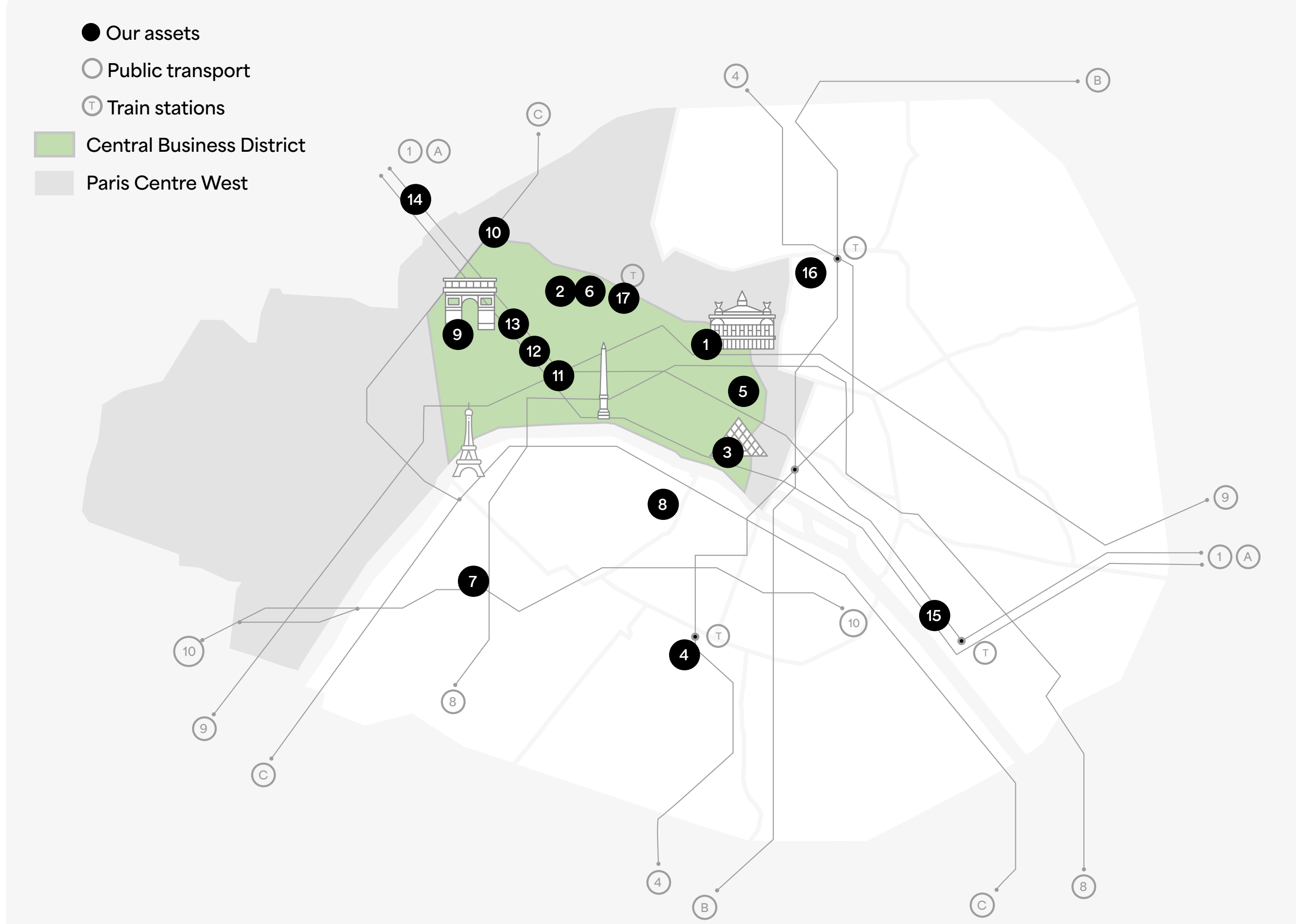
Voluntary disclosures based on ESRS and CSRD requirements

This Sustainability Report is structured in accordance with the European Sustainability Reporting Standards (ESRS) as defined in European Directive (EU) 2022/2464, known as the CSRD (Corporate Sustainability Reporting Directive).

SFL has elected to apply the new standards gradually, although they are not applicable to the Company until the year ending 31 December 2025 (subject to changes in the European regulatory framework).

This early application demonstrates our commitment to disclosing ESG information in a transparent way and to contributing to the development of best practices within our sector. It also reflects our long-standing pioneering role in sustainability matters.

(1) Excluding unusable surface areas and properties undergoing renovation and modernisation.



BUSINESS CENTRES	CHARACTER BUILDINGS	PROJECTS
1 Édouard VII	9 83 Marceau	15 Scope
2 Washington Plaza	10 131 Wagram	16 Condorcet
3 Louvre Saint-Honoré	11 90 Champs-Élysées	17 Haussmann Saint-Augustin
4 Pasteur	12 Galerie Champs-Élysées	
5 #cloud.paris	13 92 Champs-Élysées	
6 Cézanne Saint-Honoré	14 176 Charles de Gaulle	
7 Biome		
8 103 Grenelle		

A strategy built on four pillars

See pages 44 to 47 for further details.

CLIMATE *STRATEGY*

The development and use of property assets are a significant source of greenhouse gas emissions. It is the Group's responsibility to provide resilient properties demonstrating excellent technical fundamentals, while promoting an ambitious climate strategy and the judicious use of resources.

Operating environment

- Increasingly urgent goal of limiting the rise in global warming to 1.5°C.
- Far-reaching environmental regulations impacting our buildings.
- Major environmental impact from overuse of natural resources.
- Very tight energy and materials markets in France and the rest of Europe.
- Increasing number of exceptional climate events, such as rising temperature anomalies.

SFL response

OPERATIONAL SUFFICIENCY

- Improving energy efficiency.
- Transitioning to lower carbon energy sources.
- Extensively analysing each asset's usage profile.
- Sharing sufficiency commitments with partner building managers and office users.

EMBODIED CARBON EMISSIONS REDUCTION

- Ecodesign, repurposing and judicious use of resources during the works phase.
- Recovering, reusing and recycling waste from redevelopment projects and building operations.
- Increasing rainwater harvesting and controlling water use.

BUILDING RESILIENCE

- Investing in projects that are adaptable, flexible and upgradeable in response to tenant needs and demands.
- Thoroughly understanding the climate, environmental and health risks that could impact the portfolio.
- Deploying an accurate tracking system and the necessary prevention and adaptive response measures.

SIGNIFICANT EVENTS OF THE YEAR

- Development of a methodology for factoring in embodied carbon emissions and integrating the circular economy into projects of all sizes.
- Sustainable purchasing charter and CSR consultations with suppliers.

MAIN IMPACTS IN 2024

24.3 $ktCO_2e$
released across the value chain (Scopes 1, 2 and 3), down **17%** since 2021

58,422 MWh
of energy used in assets in use, down **29%** since 2018

96% of **waste from operations recovered**- up sharply year on year

CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS(1)

7 AFFORDABLE AND CLEAN ENERGY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
15 LIFE ON LAND

(1) The contribution of SFL's ESG process to achieving the Sustainable Development Goals for 2030 adopted by the United Nations in 2015 was examined. SFL considers that its initiatives are having an impact on ten of these goals.

URBAN FOOTPRINT

We want to do our part in building the new geography of work and enhancing the beauty of the city. The Group gets local stakeholders involved in the design and execution of its urban development projects and focuses its capital programs on buildings that are located in vibrant communities, respect local biodiversity and blend harmoniously into the urban landscape.

Operating environment

- Restrictive urban, heritage and architectural parameters specific to Paris: the new bioclimatic local urban planning regulation.
- Need for mixed-use capabilities in each neighbourhood.
- Land take is rising sharply in France and biodiversity is in steep decline.
- Need to invent a virtuous city that meets the business needs of companies while safeguarding the environment.
- Emergence of new forms of urban mobility.

SFL response

ARCHITECTURE AND DESIGN

- Preserving existing structures to minimise demolition and new construction.
- Architecturally bold but heritage-friendly designs.
- Urban consolidation and mixed use.
- Addressing stakeholder expectations.

NATURE AND LANDSCAPING

- Granular biodiversity audits of each asset to gain knowledge of its living environment and identify pathways to improvement.
- A commitment to opening access to wild and local species.
- Preparing the adaptation to climate change.
- Opening green spaces to stakeholders and raising awareness of biodiversity issues.

MOBILITY

- Strategically investing in assets with top-quality transit access.
- Providing offices that are exceptionally well served by public transport.
- Listening to user needs for new forms of urban mobility.
- Rapidly deploying infrastructure to enable the use of these forms of mobility.

SIGNIFICANT EVENTS OF THE YEAR

- Bioclimatic redevelopment of the Scope building.
- Biodiversity roadmap integrated into each asset's business plan.
- Creation of three bike parking areas at the cutting edge of design and amenities.

MAIN IMPACTS IN 2024

Over 50%
of surface area redeveloped or renovated in the past ten years

NET-ZERO
land take in past ten years

91%
of asset occupants commute by **public transport or low-carbon mobility means**

CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

11 SUSTAINABLE CITIES AND COMMUNITIES

SERVICE EXCELLENCE *FOR USERS*

The world of work is radically changing. SFL wants its users to look forward to coming to the office and working together by offering comfortable, flexible spaces, serviced by prime amenities and meeting the highest standards of quality and performance.

Operating environment

- The new geography of work, with widespread work-from-home and a strong employee desire for more self-management.
- Socialising with co-workers is the main reason people come to the office.
- Office buildings have to be adaptable to a variety of ever-changing uses.
- Rising expectations of potential tenants regarding the environmental performance of their leased premises.
- Extensive interaction with tenants, particularly concerning the critical issue of energy sufficiency.

SFL response

CONVENIENCE AND AMENITIES

- Undertaking to design buildings that flow seamlessly between tenant and common areas, resulting in a sense of community.
- Instilling maximum flexibility and operational efficiency in the tenant areas.
- Offering an increasingly wide range of amenities based on a detailed analysis of each building.

CERTIFICATIONS AND LABELS

- Undertaking a certification campaign for all assets in use.
- Early adoption of BREEAM In-Use certification.
- Choosing project-phase certifications and labels aligned as closely as possible with specific building features, to support its market positioning.

TENANT RELATIONS AND SATISFACTION

- Focusing on understanding tenant expectations and factoring them into project programmes.
- Fostering close tenant relationships in SFL properties through a variety of dialogue methods and channels.
- Regularly measuring tenant satisfaction, with over 91% of tenants satisfied or very satisfied in the last satisfaction survey conducted in 2023.

SIGNIFICANT EVENTS OF THE YEAR

- 11th year of the Paris Workplace survey to help craft the office of the future: the 2024 survey focused on the importance of office design aesthetics.
- Café Joyeux opens in the Cézanne Saint-Honoré building, with a strong social impact to foster inclusion in the workplace.

MAIN IMPACTS IN 2024

More than

390,000 SQ.M.

of gross leasing area

MAIN IMPACTS IN 2024

215 tenants

100%

of in-use surface area rated at least Very Good

Up to

30,000

users can be accommodated every day

22,800

office users surveyed in 11 years of Paris Workplace surveys

CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

EMPLOYEE AND PARTNER ENGAGEMENT

Our commitment to working together reflects our taste for transformation and thinking outside the box. Our team, which is entirely in-house, comprises talented people who know how to address these demanding issues. The Group can also count on its partners, with whom it nurtures robust, enduring and trusting relationships.

Operating environment

- Fostering employee commitment and engagement, improving social cohesion and workplace atmosphere, recognition and appreciation.
- Developing employability and skills, maintaining employer appeal to attract and retain talent.
- Raising employee awareness of sustainability issues and the Group's CSR policy commitments.
- Developing ties with partners who are geographically close and sensitive to the same CSR issues.

SFL response

SKILLS DEVELOPMENT AND WORKPLACE EQUALITY

- An individualised approach to career development.
- Competitive, incentivising compensation aligned with workplace equality principles.
- Skills development and training objectives defined annually.

HEALTH, SAFETY AND QUALITY OF WORKLIFE

- Regularly measuring the workplace atmosphere through the annual quality of working conditions (QWL) survey.
- Assertively pursuing policies to protect employee health and safety.

ETHICS IN THE VALUE CHAIN

- Identifying the most at-risk suppliers and deploying metrics to track their compliance.
- Sourcing extensively from local service providers and suppliers.
- Leading a continuous improvement process, particularly with maintenance providers operating the assets and contractors managing project worksites.

SIGNIFICANT EVENTS OF THE YEAR

- Adoption of an Anti-Bribery and Corruption Charter and roll-out of GDPR-compliant systems and processes.
- Creation of a training programme for the real estate sector in collaboration with the OID: Label'ID.

MAIN IMPACTS IN 2024

68

employees at year-end 2024

50%

of Board of Directors members and 50% of Management Committee members are women (at 31 January 2025)

660

tier 1 suppliers

CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

10 REDUCED INEQUALITIES

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Targets for 2030

Pillar	Issue	Primary 2030 target	2024 performance
Climate strategy	Operational sufficiency	42% reduction in tCO_2e in 2030 vs. 2021 across Scopes 1, 2 and 3 GHG emissions	17% reduction since 2021
	Embodied carbon & circular economy	Zero final waste	96% of building in use waste and 74% of redevelopment project waste recycled or recovered
	Building resilience	100% of assets subject to vulnerability assessments and having the necessary prevention and compliance measures in place	Updated vulnerability studies of every asset
Urban footprint	Architecture & design	All redeveloped buildings subject to historical heritage impact assessments	100%
	Nature & landscaping	Net-zero land take	Zero land take
	Mobility	100% of office assets located less than a ten-minute walk from a metro station	100%
Service excellence for users	Convenience & amenities	100% of business centres served by prime amenities	100%
	Certifications & labels	100% of projects and office assets in use certified	100%
	Tenant relations & satisfaction	> 85% of tenants satisfied	91%
Employee & partner engagement	Employer appeal, skills development & diversity	> 2.5% of payroll invested in training	3.1%
	Health, safety & quality of worklife	100% of employees surveyed on the quality of worklife every year	100%
	Ethics in the value chain	100% of employees, contractors and suppliers covered by an Ethics and Anti-Corruption Code of Conduct	100%

ESG ratings and green financing

SFL ensures that its actions comply with the highest standards, and that its sustainability performance can be assessed in a transparent way.

The recent distinctions it has received, such as from the GRESB and EPRA, testify to its commitment to communicating transparently to the financial community and other external stakeholders.

GRESB

GRESB

In 2024, the Global Real Estate Sustainability Benchmark (GRESB) awarded SFL the Green Star designation for the eleventh year in a row, with the following scores:

- **Standing Investments benchmark:** 92/100 - a score of ≥ 90 for the 7th year running;
- **Development benchmark:** 97/100 - a score of ≥ 95 for the 4th year running;
- **Public Disclosure:** 100/100.

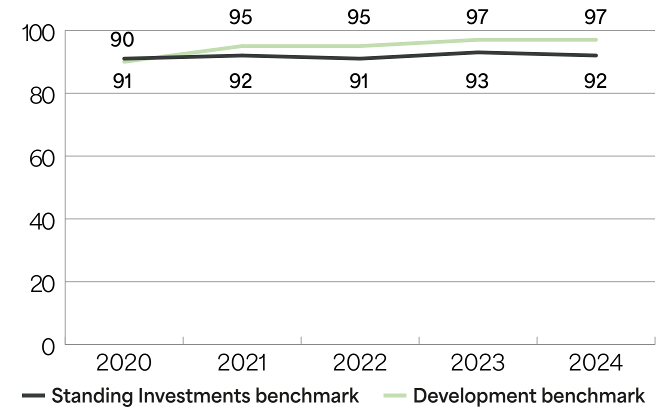
EPRA
EUROPEAN PUBLIC REAL ESTATE ASSOCIATION

EPRA

SFL complies with the recommendations issued by the European Public Real Estate Association (EPRA) for its CSR reporting. Two Gold Awards, in Sustainability and Finance Best Practices Recommendations, were once again received in 2024.

Tables containing EPRA metrics are presented in the appendices to this Report (pages 104 to 110).

SFL's GRESB scores out of 100



Sustainable finance

SFL is clearly and resolutely committed to financing that specifically focuses on ESG criteria.

SFL worked with its shareholder, Inmobiliaria Colonial, to draw up a new Green Financing Framework, which enables the Company to issue green financing instruments and includes tangible commitments regarding alignment with the EU Taxonomy.

At 31 December 2024, all of SFL's bond debt and 84% of its confirmed bank lines were aligned with strict environmental performance criteria.

European sustainability reporting standards (ESRS)

1. General disclosures (ESRS 2)

1.1. Basis for preparation

1.1.1. General basis for preparation of sustainability statements (BP-1)

SFL has prepared this Sustainability Report on a consolidated basis. The scope of consolidation for sustainability reporting includes all assets owned by SFL and all of its employees ("workforce") on the payroll at 31 December 2024. Consequently, the scope of consolidation for the Sustainability Report is the same as for the financial statements.

SFL uses an internal methodology for consolidating and processing sustainability data. This methodology standardises the data collection process, identifies contributors, and defines verification methods. It is based on the general principles described below and, in addition to the framework set by the ESRS, draws on standards such as those recommended by EPRA, and the GHG Protocol for carbon footprint calculations.

More detailed and specific rules may also be applied for particular sustainability matters and/or metrics. Where applicable, these specific rules are set out in this Report in the section on Disclosure Requirement BP-2, or directly in the sections concerned.

Value chain in the Sustainability Report

For SFL, the value chain corresponds to all of the activities and players, both internal and external, that enable it to implement its business model and create value.

SFL has two main activities:
- **ownership and operation of property assets:** lettings, rental and property management, technical operation of buildings, and development of services and amenities for occupants and tenant satisfaction;
- **development of property assets owned:** renovation or redevelopment to increase the value of buildings and constantly offer tenants and occupants spaces that are suited to their needs.

These two activities bring together a large number of internal and external stakeholders. These stakeholders and the ways in which SFL engages with them are described in section 1.3 of this report (SBM-1, SBM-2 and SBM-3).

It should be noted, however, that SFL's business partners and suppliers described in this Sustainability Report (and the information, targets and metrics derived from them) are, unless otherwise stated, Tier 1 providers and suppliers. Further information about the number and geographic location of Tier 1 contractors and suppliers, as well as the related policies and actions put in place, is provided in section 4.1 of this report.

Methodology for calculating environmental and societal metrics

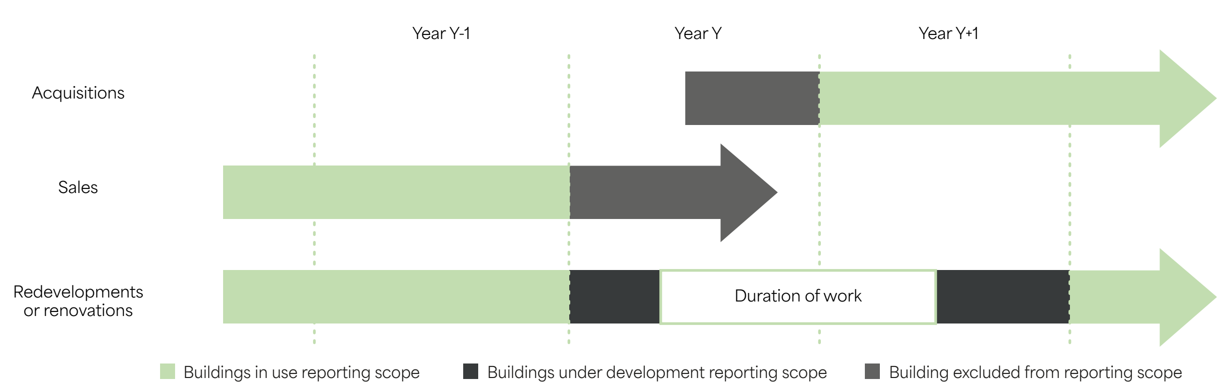
Scopes of reporting

At 31 December 2024, SFL's portfolio comprised 17 buildings, representing a total gross leasing area of 392,344 sq.m.

Based on the life cycle stages of SFL's buildings and its above-described two activities, there are two main reporting scopes for environmental and societal metrics:
- assets in use;
- assets under development: new projects, redevelopment projects and major renovations.

Changes in scope of reporting

These two scopes may change from one year to the next depending on the following events:
- **acquisitions:** newly acquired properties are included in the scope after one full year in use;
- **disposals:** buildings sold during the year are removed from that year's scope of reporting;
- **new development projects, redevelopment projects or major renovations:** major renovations correspond to renovations involving more than 50% of a property's surface area or involving the relocation of more than 50% of its tenants in terms of surface area. Major projects are included in the scope of reporting once they have been delivered, are at least 60% let and have been in use for at least one full year.



These events account for the differences between the like-for-like and absolute scopes of reporting as defined by the European Public Real Estate Association (EPRA), which are presented in section 5.2 of this Sustainability Report:
- **the absolute scope** includes all the assets held in each of the reported years;
- **the like-for-like scope** includes only those assets held over the entire period under review. i.e., a comparable asset base.

Reporting period

Data for all the environmental and societal metrics is reported for the calendar year. However, for environmental metrics related to buildings in use (energy, water, waste, refrigerant leaks), due to the time constraints related to publishing this Sustainability Report, SFL had to estimate data for the last quarter of the reporting year (2024) based on information from the last quarter of the previous year (2023).

SFL uses two base years to track the performance of its environmental and societal metrics: 2018 and 2021.

2018 is used as the base year for the target related to reducing Scopes 1 & 2 greenhouse gas (GHG) emissions as certified by the Science Based Targets initiative (SBTi) and for putting into perspective changes in energy consumption and in Scopes 1 & 2 GHG emissions over a period of several years.

The 2021 base year is used for the target related to reducing GHG emissions across the entire value chain (Scopes 1, 2 & 3).

Standardised measurements

Two types of standardised measurements were used for the preparation of this report:
- **measurement by surface area:** the surface areas used to calculate usage intensities (including energy, carbon and water) correspond to the gross leasing areas, expressed in square metres (sq.m.), as reported in the Universal Registration Document;
- **measurement by net revenue:** the revenue used corresponds to rental income as described on page 7 (section 2.1.1.1) of the Universal Registration Document.

Methodology for calculating social metrics

Social metrics (within the meaning of ESRS S1) and their related targets cover 100% of the workforce, which is based entirely in Paris.

Details of the methods used to calculate the social metrics are disclosed when necessary following the description of the metrics in section 3.1 of this Report related to ESRS S1. Further details may also be found in the comments column in the EPRA performance measures table in section 5.2.

1.1.2. Disclosures in relation to specific circumstances and explanation of the methodologies applied by type of data (BP-2)

2024 reporting scopes used for the main environmental and societal metrics

No assets were acquired or sold in 2024.

Fourteen assets representing 314,246 sq.m. of gross leasing area were included in the scope of assets in use in 2024.

Three assets, representing 78,099 sq.m. of gross leasing area, were included in the scope of assets under redevelopment, with the corresponding works still in progress at 31 December 2024. The Scope building, formerly known as Rives de Seine (in the 12th *arrondissement* of Paris), has been undergoing redevelopment since early 2023. The Louvre Saint-Honoré and Haussman Saint-Augustin buildings (in the 1st and 8th *arrondissements* of Paris respectively) were undergoing major renovation at end-2024.

The table below shows the inclusion of each asset in the various scopes and explains why when they are not.

Asset	Energy and carbon	Water	Waste	In-use certifications	Gross leasing area in sq.m.
Washington Plaza	●	●	●	●	46,740
Édouard VII	●	●	●	●	49,592[1]
103 Grenelle	●	●	●	●	17,202
#cloud.paris	●	●	●	●	31,677
Biome	●	●	●	●	24,635
Galerie Champs-Élysées	●	●	●	●	6,418
90 Champs-Élysées	●	●	●	●	8,844
Cézanne Saint-Honoré	●	●	●	●	27,401
83 Marceau	●	●	●	●	9,734
131 Wagram	●	●	●	●	8,952
176 Charles de Gaulle	●	●	●	●	6,870
92 Champs-Élysées	●	●	Waste collected by the City of Paris, with no data on amounts or disposal methods.	●	7,199
Pasteur	●	●	●	●	39,590
Condorcet	●	●	●	●	24,883
Scope	Undergoing redevelopment since January 2023				22,670
Louvre Saint-Honoré	Undergoing major renovation in 2024				41,995
Haussmann Saint-Augustin	Undergoing major renovation in 2024				13,434

(1) Excluding 4,509 sq.m. of residential surface area not managed by SFL.

Energy

Energy data is collected from the Deepki platform, which:

- consolidates data from energy supplier invoices or client platforms;
- completes any missing data;
- extrapolates tenant energy consumption when SFL has not been mandated by the tenant to collect actual data: the estimates are performed by extrapolating known tenant energy intensities for the year to the building's other occupants.

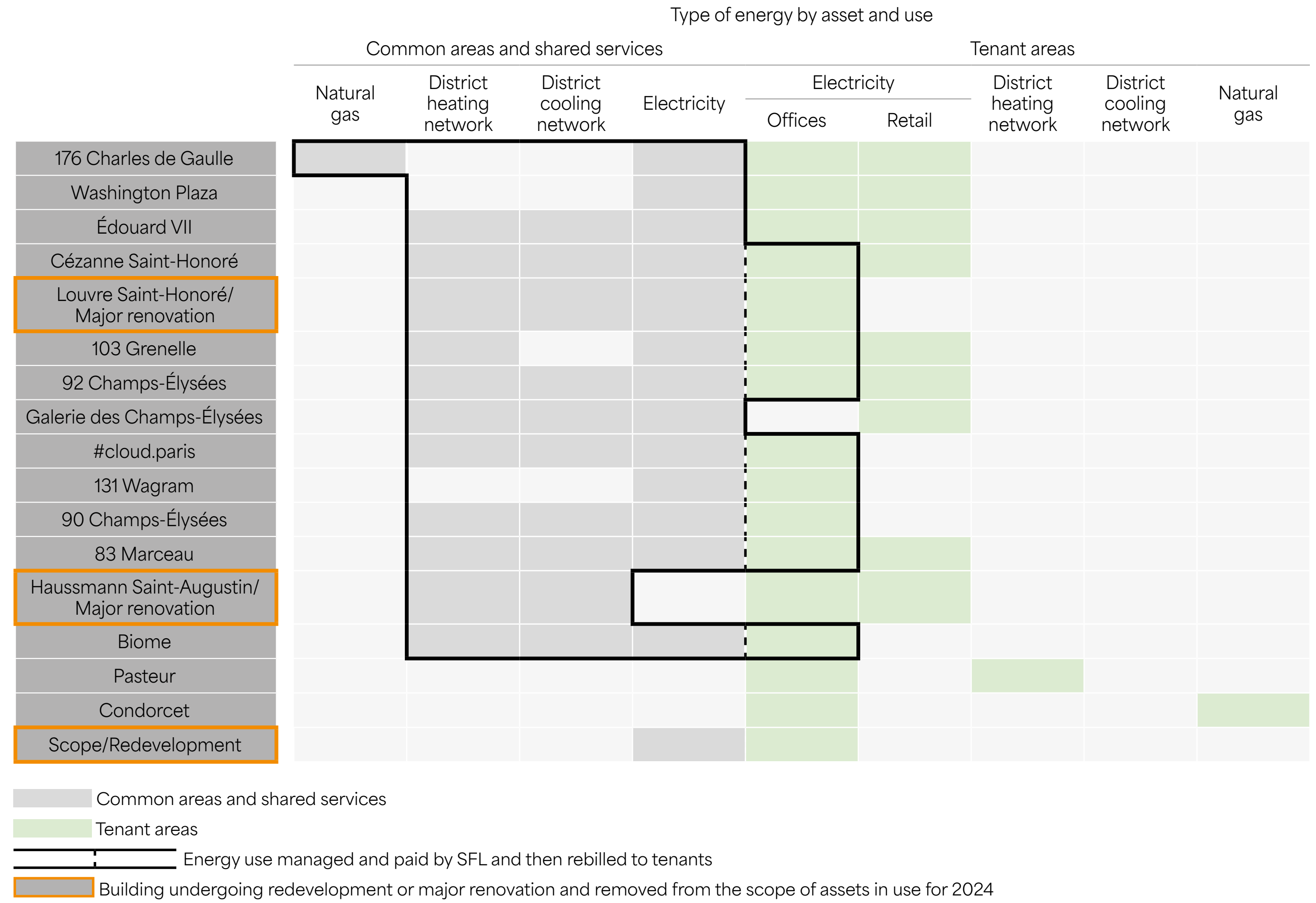
Energy data is expressed in units of final energy.

SFL differentiates between (i) energy used in common areas and shared services, which are managed and metered by SFL, and (ii) energy used in tenant areas, for which SFL works with tenants to collect and discuss usage data.

At 31 December 2024, only 7% of energy consumption (common and tenant areas combined) was estimated.

Checks are carried out by type of energy if there is a significant difference from one period to the next. Additional information can then be requested from the on-site multi-technical managers.

Energy use by energy type and per asset in 2024



Greenhouse gas (GHG) emissions

GHG emissions are calculated using the GHG Protocol methodology.

Scopes 1 & 2 emissions are calculated based on energy use and refrigerant leak data from the managed assets.

Scope 2 emissions are calculated and reported using the two methods recommended in the GHG Protocol (the location-based and market-based methods). This facilitates the understanding of the impact of SFL's choices on the energy market.

Scope 3 emissions are calculated for the categories relevant to SFL's activities, which were as follows in 2024:

	Scope 3 category	Applicability in 2024	Methodology or justification for exclusion	Source data	Potential data uncertainties
Upstream	1. Purchased goods and services	Yes	Spend-based method: emissions are estimated on the basis of OpEx categories multiplied by emission factors for each type of service. Fees and taxes are excluded.	OpEx and corporate expenses.	Mainly related to the use of ADEME average emission factors by type of purchase.
Upstream	2. Capital goods	Yes	Methods based on type of renovation and redevelopment project: emissions are estimated on the basis of life cycle analyses, the main materials used and/or the main renovation works packages for each project.	Type of project and associated CapEx.	Mainly related to the use of average emission factors by type of material or main works packages.
Upstream	3. Upstream emissions of purchased energy and emissions related to energy transmission and distribution losses	Yes	Emissions related to the production of energy purchased and consumed by SFL that are not included in Scope 1 or Scope 2, estimated based on ADEME emission factors.	Energy consumption managed and paid for by SFL by type of energy.	Mainly related to the use of ADEME emissions factors.
Upstream	4. Upstream transportation and distribution	No	Emissions related to this category are already included in categories 1 & 2.	N/A	N/A
Upstream	5. Waste generated in operations	Yes	Emissions are estimated based on the quantities of waste by type and the associated waste treatment methods for assets in use and the main assets under redevelopment. Where data on waste is not available, emissions are estimated by extrapolation.	Types of waste, quantities and associated waste treatment methods.	Mainly related to the use of ADEME average emission factors by type of waste and treatment method.
Upstream	6. Business travel	Yes	Distance-based method: emissions related to rail and air transport. Spend-based method: hotel nights and taxi fares for SFL employees on business trips.	Travel agency data.	Mainly related to the use of emission factors for modes of transport and fuel-efficiency ratios.
Upstream	7. Employee commuting	Yes	Distance-based methodology: emissions related to the different modes of transport used by SFL employees for their daily commute and the distance travelled by these modes of transport.	Annual survey of SFL employees.	Mainly related to the use of emission factors for the various modes of transport.
Upstream	8. Upstream leased assets	No	SFL owns all of the buildings in which the Group operates.	N/A	N/A
Downstream	9. Downstream transportation and distribution	No	Not applicable to the property assets held by SFL.	N/A	N/A
Downstream	10. Processing of sold products	No	Not applicable to the property assets held by SFL.	N/A	N/A
Downstream	11. Use of sold products	No	SFL did not sell any newly developed property assets in 2024.	N/A	N/A
Downstream	12. End-of-life of sold products	No	SFL did not sell any newly developed property assets in 2024.	N/A	N/A
Downstream	13. Downstream leased assets	Yes	Emissions related to tenants' energy consumption in SFL properties. Based on energy consumption by type of associated emission factors.	Tenants' energy consumption by type of energy.	Mainly related to the use of ADEME emission factors for each type of energy and estimates applied where data on tenants' energy consumption is missing.
Downstream	14. Franchises	No	SFL does not operate any franchises.	N/A	N/A
Downstream	15. Investments	No	SFL does not make any investments in addition to its investments in property assets (already reported in categories 1 and 2).	N/A	N/A

Data from SFL activities is converted into greenhouse gas emissions using emissions factors primarily from suppliers and the ADEME carbon database and global warming potentials from IPCC reports. These sources are consulted regularly and emissions factors are updated in the event of any changes.

Greenhouse gas emissions metrics are expressed in tCO_2e or in $kgCO_2e$/sq.m.

In reducing its greenhouse gas emissions, SFL is pursuing two targets:

- an operating target, to reduce Scope 1, market-based Scope 2 and Scope 3 emissions by 42% by 2030 compared with 2021;
- an SBTi-certified target, expressed in tCO_2e, to reduce Scopes 1 & 2 emissions by 50% between 2018 and 2030. A specific scope may apply for this target depending on acquisitions and disposals, in line with the recommendations of the GHG Protocol[1].

Water

Water use data is collected from the Deepki platform, which consolidates data from property manager invoices or client platforms.

In the event of significant discrepancies from one period to another, or when invoices are issued too infrequently, a consistency check is carried out by comparing invoice data with statements issued by the supplier based on meter readings, which are made available in tenants' SFL online account areas. This data from meter readings can then be substituted for invoice data if necessary.

Data related to water consumption is expressed in cubic metres and includes municipal water supplies used in the common areas, by the shared services and in the tenant areas. This data also includes quantities of rainwater measured for buildings equipped with water recovery systems.

Waste

From assets in-use

The 14 buildings managed by SFL as at end-2024 handle their waste in one of two ways:

- In 13 buildings, representing 98% of managed surface area, waste is either partly or fully managed by private operators. In 2024, the private operators for 11 of these 13 buildings were able to provide SFL with exhaustive data. The other two buildings were removed from the reporting scope, giving a coverage rate of 83%.
- In one building, representing 2% of managed surface area, waste is managed directly and entirely by the City of Paris, which does not report any information to SFL concerning amounts and treatment methods.

29 types of waste were collected in 2024 across all of the buildings managed by SFL.

In the 11 buildings where the waste is managed by private operators, for which SFL has all the data, two types of data are tracked:

- amounts, based on weighed tonnages reported by the service providers;
- treatment methods, which are also reported by the service providers using the EU statistical nomenclature.

SFL has set a target for the percentage of building waste recovered and reused. Waste is considered to be recovered if the treatment methods correspond to codes R1 to R13 in the European nomenclature.

From redevelopment projects

SFL closely tracks waste management for both redevelopment projects and major renovations (three buildings as of end-2024), for the clearance/demolition and construction phases.

Data on waste tonnages and treatment methods is reported, compiled and communicated to SFL by each project's environmental manager.

Certifications

The percentage of certified assets in use in the portfolio is calculated based on BREEAM In-Use and HQE certifications. The denominator is the aggregate usable surface area of certifiable buildings, i.e., excluding buildings that are vacant or being redeveloped or renovated and therefore not eligible for certification. The numerator is the aggregate usable surface area of the certified buildings.

The score used for the percentage of certified assets metrics is the highest score for Part 1 or, if applicable, for Part 2.

When BREEAM In-Use recertification is in progress or being prepared, or when SFL is waiting for the certifying body to issue the final results, the asset is still considered certified and the previous certificate score is used pending the new score.

When a building reopens after a period of redevelopment or major works that prevented it from being certified, it only becomes certifiable after 80% of its space has been occupied and the work completed for one year.

Time horizons

The time horizons used to analyse impacts, risks and opportunities are those defined in ESRS 1. However, longer time horizons were used for some metrics related to ESRS E1 (climate change), in particular for the analysis of the resilience of buildings to the effects of climate change (including horizons up to 2030, 2050 and 2070)[2].

(1) In accordance with the GHG Protocol and SBTi guidelines, the scope of reporting for data related to the SBTi-certified greenhouse gas reduction target differs slightly from the two above-mentioned scopes. The target runs from 2018 to 2030. Assets divested in a given year over this period are also removed from all prior-year scopes of reporting. Conversely, assets acquired over the period must be added back to the scope from the beginning and, to the extent possible, their emissions in the years prior to acquisition will be reported. These two cases could therefore lead to the recalculation of baseline and other prior-year emissions. Properties undergoing redevelopment will be factored in upon delivery, but will not impact prior-year emissions. This methodology will maintain a consistent target in absolute value over a long period, which is the only way to support an ambitious emissions reduction commitment.
(2) Further details are provided in section 2.1.1 related to Disclosure Requirement SBM-3.

1.2. Governance

1.2.1. Role of the administrative, management and supervisory bodies, and information provided to and sustainability matters addressed by those bodies (GOV-1 & GOV-2)

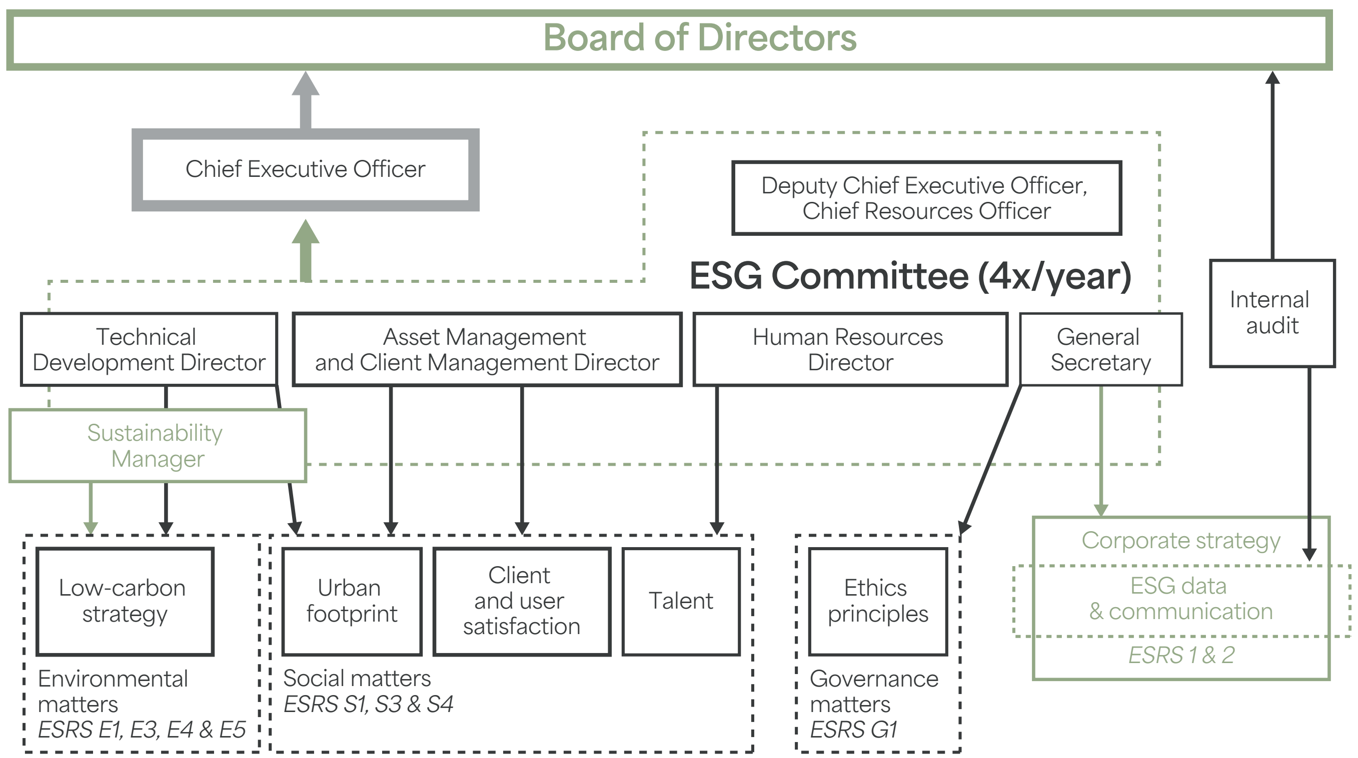
At SFL, all of the capabilities involved in creating value at each stage in a property asset's life cycle are fully integrated, from investment and redevelopment to leasing and rental management, renovation, financing, and, if the opportunity is right, disposal.

Combined with a relatively small workforce (68 employees at year-end 2024), integration means that SFL can be particularly agile, especially in responding to ESG challenges.

SFL's governance structure is detailed in Appendix 14.4 to the Universal Registration Document and on pages 6 and 7 of the Integrated Report.

The information provided includes a description of the Company's two main decision-making bodies, the **Board of Directors** and the **Management Committee**, as well as their membership and roles and responsibilities. The consideration of material ESG/sustainability impacts, risks and opportunities and the policies, actions and targets put in place to address them are an integral part of the responsibilities of these two bodies.

To further embed ESG strategy execution into everyday operations, a number of dedicated departments and a dedicated committee have been set up, which together form the following ESG governance structure.



The **ESG Committee** comprises the Management Committee and the Chief Sustainability Officer. The ESG Committee meets at least four times a year and reports to the Chief Executive Officer, with its main role being to assess SFL's operating conditions and the most critical ESG challenges facing the Group.

Together with Senior Management, it sets SFL's main strategic goals and analyses its performance compared with SFL's key metrics and targets. In this capacity, each year it validates data relating to GHG emissions, tracks SFL's compliance with its banking covenants, and monitors the Group's implementation of the EU Taxonomy Regulation and the CSRD.

It also validates the targets and action plans put forward by the Management Committee members who sit on the ESG Committee: the Technical and Development Director for environmental issues, the Asset Management Director and Human Resources Director for social issues, and the General Secretary for issues of governance, strategy and ESG/sustainability reporting.

These topics are integrated into SFL's business through various focus groups, asset management committees and ESG workshops, which discuss and work on operating procedures, issues of interest and outcomes and then relay them to stakeholders (tenants, contractors, suppliers, investors, etc.).

The **Chief Sustainability Officer** coordinates all environmental matters addressed by these various taskforces and acts as a liaison with the ESG Committee.

The **General Secretary** is responsible for coordinating the overall approach at corporate level and for sustainability reporting and external communication.

The **internal auditor** monitors the process of preparing non-financial information and reviews the effectiveness of the Company's internal control systems related to sustainability matters. The internal auditor reports to the Audit Committee on the assignments carried out in this respect.

Lastly, the **Chief Executive Officer** reports to the Board of Directors concerning ESG strategy, the main ESG issues and the outcomes of the initiatives undertaken, in particular during the presentation of the annual and half-yearly financial statements. A particularly strong bond has been created with the main shareholder, who is represented on the Board. The Chief Executive Officer, the Deputy Managing Director, and the members of the Management Committee concerned also actively participate in the ESG Committees set up at the level of Inmobiliaria Colonial.

1.2.2. Integration of sustainability-related performance in incentive schemes (GOV-3)

Stakeholders' interests in taking action on sustainability matters are increased by incorporating ESG criteria into incentive mechanisms, in particular through the performance appraisals and remuneration packages of the Group's employees and corporate officers.

In 2024, the remuneration policies applicable to the Managing Director and the Deputy Managing Director[1] included a non-financial criterion that represented a third of their qualitative bonus (i.e., up to 10% of the total bonus depending on the level of achievement).

This criterion was primarily based on objectives concerning SFL's GRESB rating, its compliance with its carbon reduction pathway, certification of the properties in its portfolio and the implementation of sustainability reporting. A breakdown of the variable remuneration of the corporate officers is provided in the corporate governance report.

Incentive mechanisms have also been introduced for SFL employees, including:

- **Annual employee appraisals:** A change in the nature of personal objectives that determine an employee's bonus (identification of ESG objectives during annual performance reviews).
- **Employee discretionary profit-sharing**: inclusion of a carbon performance criterion in the new discretionary profit-sharing contract, with reductions in greenhouse gas emissions in line with the 1.5°C target validated by the Science Based Targets initiative accounting for 15% of the total profit-share.
- **Performance share plan:** Inclusion, subject to conditions, of an environmental performance target (reduction in Scope 1 & 2 GHG emissions) when setting the number of free shares to be allocated under Plan 7.

1.2.3. Risk management, internal controls and due diligence with regard to sustainability (GOV-4 & GOV-5)

Environmental, social and governance risks are included in SFL's risk mapping and are updated annually and approved by the Audit Committee. Each risk included in the risk map is associated with a preventive measure designed to mitigate the potential negative impacts identified.

The annual internal audit programmes frequently include assignments related to ESG. For example:

- in 2024, a review of the methods used to factor in ESG criteria when selecting suppliers (CapEx) was carried out by the internal audit team and shared with the Audit Committee;
- a review of the controls put in place by the Company for the preparation of its sustainability reporting has been incorporated into the 2025 internal audit programme.

The departments involved in sustainability reporting contribute to the processes to ensure that the data disclosed is reliable by verifying that it is consistent, exhaustive and traceable.

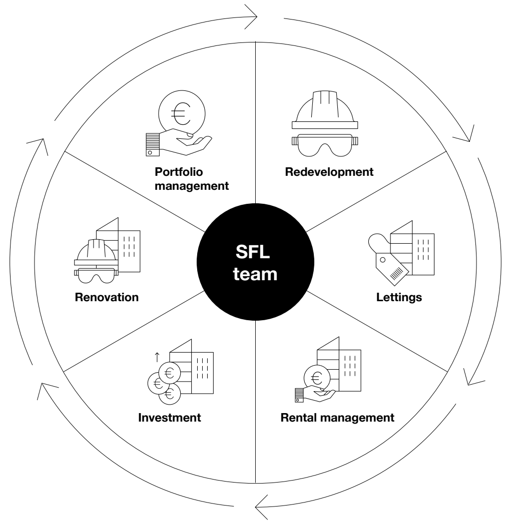
The Company is currently working on setting up reporting guidelines and a specific risk matrix for preparing sustainability information. This matrix will include the controls identified as relevant for preventing the corresponding risks. SFL recruited a team member in 2025 to strengthen the internal control system for its sustainability reporting.

(1) Governance that was in place prior to the departure of the Managing Director and the appointment of the Deputy Managing Director as Chief Executive Officer on 21 December 2024.

1.3. Strategy

1.3.1. Strategy, business model and value chain (SBM-1)

SFL seeks to design prime and sustainable properties to offer tenants a unique office experience. It is present at all stages of the value chain, throughout the life cycles of its buildings.



SFL's value creation model is detailed on pages 14 and 15 of the Group's Integrated Report. It sets out the Group's vision, values, strategy, businesses and added value.

1.3.2. Interests and views of stakeholders, and material impacts, risks and opportunities and their interaction with SFL's strategy and business model (SBM-2 & SBM-3)

Dialogue and engagement with our stakeholders lie at the heart of our strategy. Taking into account their interests and views and engaging in dialogue with them enables us to enhance both our strategy and business model.

The table below summarises the main categories of SFL's internal and external stakeholders, their main expectations, and the types of interaction with them.

Key stakeholders		Stakeholders' main expectations	Dialogue methods	Cross-reference
Own workforce	Employees Employee representatives	Employer appeal Training and skills development Equal treatment and opportunities for all Health, safety and quality of worklife	Quality of worklife and working conditions survey Employee representative bodies Internal meetings	Section 3.1
Consumers and end-users	Prospects Tenants Tenants' employees and office users	Relationships fostered at every step in the tenant journey Comfort and layout of premises Development of new amenities and services Certifications and labels	Tenant committees Satisfaction surveys Paris Workplace survey On-site presence	Section 3.3
Business partners	Building managers Multi-technical service providers Prime contractors Construction contractors	Quality of partner relations Fair business practices Payment times Shared ESG commitments	Responsible purchasing charter Supplier questionnaire Presence on work-sites and in properties in use	Section 4.1
Financial partners	Shareholders Investors Banks	Sustainable business model Resilient assets Transparent communications	Financial, non-financial and corporate communications Annual General Meeting Investor meetings	Introduction and sections 1.2 to 1.4
Public authorities	City of Paris Paris district (*arrondissement*) authorities	Urban footprint Mixed and higher-density use Architectural design quality Bioclimatic design	Meetings prior to scheduling works Individual meetings Participation in local initiatives	Section 3.2
Local communities	Residents Local retailers Non-profit organisations	Buildings that embrace the city Mixed use properties Minimal neighbourhood disturbance	Residents' meetings prior to scheduling works Meetings and specific communications during the works phase	Section 3.2

1.4. Impact, risk and opportunity management

1.4.1. Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)

In order to harmonise its practices with those of its main shareholder, Inmobiliaria Colonial, SFL took part in the preparation of the double materiality assessment carried out at Group level. The resulting double materiality matrix was adopted by SFL. The activities, value chain and investment objectives are aligned between the French and Spanish teams (acquisition and management of prime buildings in the tertiary sector), guaranteeing consistency between the two companies' material sustainability matters. The only difference is the location of the assets - Paris for SFL and Barcelona and Madrid for Colonial - which does not create any particular differences in the materiality of the sustainability topics and sub-topics that were analysed.

An initial double materiality assessment was carried out in 2023, which was updated towards the end of 2024 to ensure compliance with the latest guidelines and recommendations[1]. The update completed the mapping of Colonial's value chain, covering upstream and downstream activities and internal operations, and adjusted the classification of impacts according to their time horizons, their position in the value chain and the stakeholders affected.

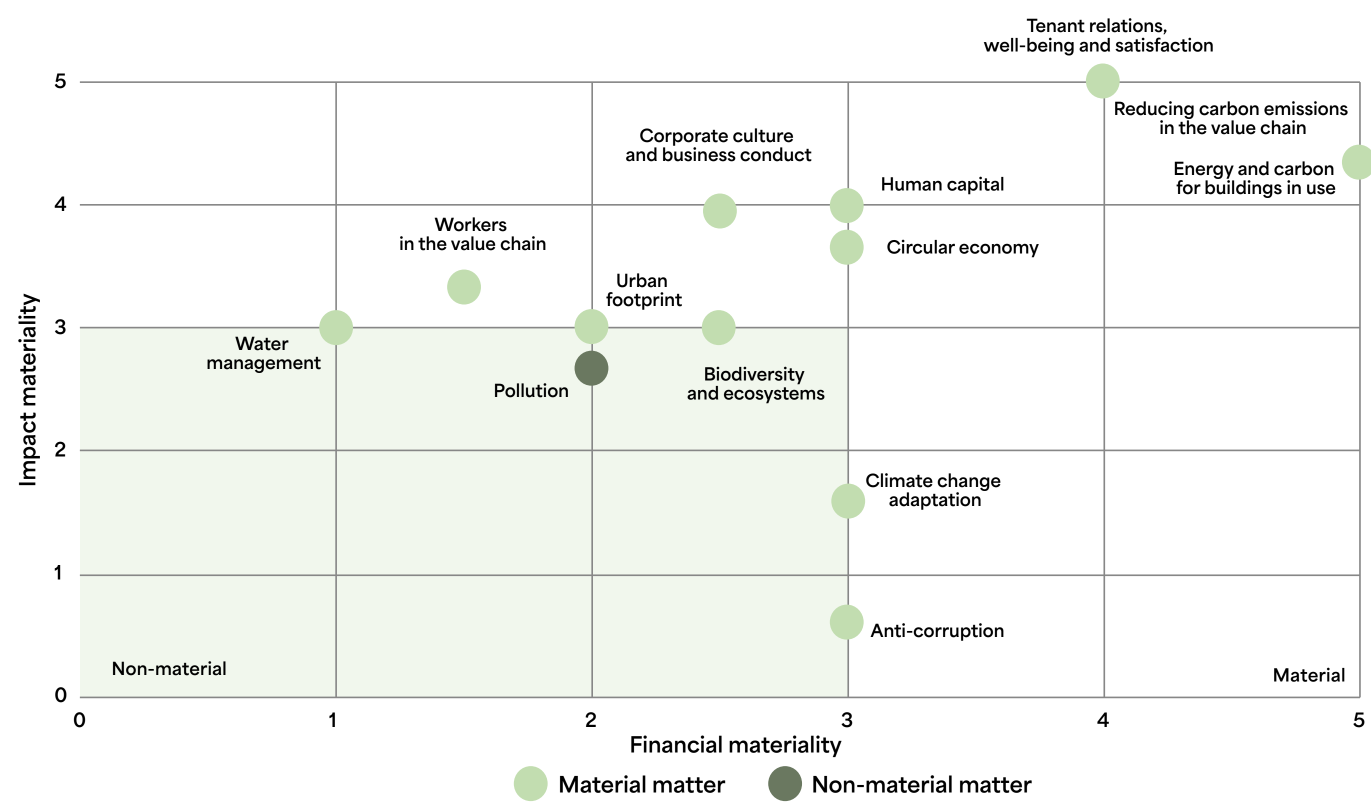
The assessment methodology used evaluated the relative materiality of each sustainability topic and sub-topic identified, in terms of impact (actual or potential significant effects on people or the environment in the short, medium or long term, caused directly by the Company's activities or related to its value chain) and from a financial point of view (effect on future cash flows).

The assessment of the materiality of sustainability topics and sub-topics was based on discussions with the stakeholders (mainly internal) identified as being those best placed to provide a clear view of the Company's imperatives and understand stakeholders' expectations.

Each topic and sub-topic was assessed according to its time horizon, where it is positioned in the value chain, the stakeholders involved, its scale (extent of the impact on people and/or the environment), its scope, its irremediable character and its probability of occurrence.

Based on this assessment, the most material sustainability topics in terms of impact and financial materiality were identified for the Group's activities.

Double materiality assessment



(1) EFRAG implementation guidance.

1.4.2. Disclosure requirements in ESRS covered by the Sustainability Report (IRO-2)

The table below cross-references the material sustainability topics covered in this Sustainability Report and the ESRSs. It also specifies the disclosure requirements covered.

Material sustainability topic	ESRS	Disclosure requirements covered	Chapter of the Sustainability Report
Energy and carbon for buildings in use	E1 Climate change	E1-1 to E1-6	2.1
Reducing carbon emissions in the value chain			
Climate change adaptation			
Water management	E3 Water and marine resources	E3-1 to E3-4	2.2
Biodiversity and ecosystems	E4 Biodiversity and ecosystems	E4-1 to E4-5	2.3
Circular economy	E5 Resource use and circular economy	E5-1 to E5-5	2.4
Human capital	S1 Own workforce	S1-1 to S1-17	3.1
Urban footprint	S3 Affected communities	S3-1 to S3-5	3.2
Tenant relations, well-being and satisfaction	S4 Consumers and end-users	S4-1 to S4-5	3.3
Corporate culture and business conduct	G1 Business conduct	G1-1 to G1-6	4.1
Anti-corruption			

For 2024 - the year of SFL's first-time, voluntary application of the CSRD framework - the Group has decided not to report on the topic of "Workers in the value chain" (ESRS S2). It will provide disclosures on this topic as from next year.

2. Environmental information

2.1. Climate change (ESRS E1)

Increasing greenhouse gas emissions are profoundly transforming the Earth's climate. The latest reports from the Intergovernmental Panel on Climate Change (IPCC) show more than ever that global warming must be limited to 1.5°C above pre-industrial levels.

This symbolic threshold was crossed in 2024, with average global warming for the year reaching 1.54°C[1].

Even if the temperature data for the past year and previous years turns out to represent peaks, the data for the last few decades shows a steady trend of rising temperatures, which makes it all the more urgent to adopt a clear strategy to reduce greenhouse gas emissions and adapt to the impacts of climate change.

The construction sector plays a key role in this dynamic. It is responsible for around a quarter of the world's greenhouse gas emissions and represents a major challenge in the fight against climate change, both globally and in France. Baseline scenarios, such as France's national low-carbon strategy (for which a public consultation was launched in late 2024 for its third update), and the European Union's "Fit For 55" package, as well as the new industry targets issued by the Science Based Targets initiative (SBTi), call for the real estate sector to be almost entirely carbon-free by 2050.

In seamless alignment with this fast changing operating environment, SFL's climate strategy is based on:
- **identifying and assessing climate change risks** to its business and **understanding the impacts** by measuring the carbon footprint as broadly and as granularly as possible (see the SBM-3 and E1-6 disclosures for further details);
- **deploying a transition plan** with precise, ambitious and achievable reduction targets and an understanding of what is required in order to adapt to the effects of climate change (see the E1-1 to E1-4 disclosures for further details).

2.1.1. Material climate-change impacts, risks and opportunities and their interaction with SFL's strategy and business model (SBM-3)

The risks related to climate change are increasingly being factored into our business model. Our approach is aligned with the TCFD[2] and ISSB[3] S2 recommendations and therefore comprises a dedicated governance structure, a detailed analysis of physical and transition risks, a climate action strategy, and dedicated metrics and targets. It is also an integral part of the general assessment of risk factors in the Universal Registration Document[4].

SFL has assessed the climate-related risks that could have a material impact on its business activities. Conducted jointly with our main shareholder, the assessment is one aspect of the general risk mapping exercise.

(1) Average global temperature rise as stated in the provisional report issued by the World Meteorological Organisation on 11 November 2024.
(2) Task Force on Climate-Related Financial Disclosures.
(3) International Sustainability Standards Board.
(4) See pages 17 to 32 of the Universal Registration Document.

Assessment of the main risks related to climate change

Transition risks

The use of baseline scenarios[1] revealed three main material risks to the Group's business activities, which are summarised below.

They were deemed to be transitional risks specific to the building industry's regulatory environment, to tenant demands for greener buildings and to the increasing prevalence of sustainable finance.

SFL's solutions to mitigate its risk exposure are summarised in the following table and discussed in more detail below.

Type of risk	Description of the risk	Time horizon	Potential impact before initiatives	SFL's response
Regulatory	Increasingly strict environmental legislation, particularly energy efficiency standards and the adaptation of buildings to the effects of climate change.	Short term	Risk of asset obsolescence and increased CapEx and OpEx to maintain the technical performance of buildings.	A decarbonisation plan focused on operating energy sufficiency and ambitious, targeted investments in assets. SBTi certification for greenhouse gas emissions targets consistent with the 1.5°C pathway.
Market	An increasingly polarised office market due to growing tenant demand for more sustainable spaces, with proven environmental performance and well served by public transport.	Short and medium term	Buildings unable to document their environmental qualities may lose value and become less leasable.	Certification for all assets-in-use and redevelopment projects. Exceptional access to public transport. Development of low-carbon mobility-friendly infrastructure.
Reputational	Growing investor demand for ESG performance.	Medium and long term	Curtailed market access and higher borrowing costs for companies unable to demonstrate their performance.	84% of confirmed bank lines already subject to ESG performance criteria. Voluntary participation in various ESG benchmarks (scores of 92 and 97/100 and 5-star rating for the two GRESB benchmarks). Proactive disclosures in compliance with European Taxonomy and CSRD reporting.

Physical risks

As a leading property company with a long-term vision, SFL uses its sustainable capital expenditure strategy to reinforce the resilience of its assets to ensure their durability.

The quality of our buildings stems from their prime locations, combined with their ability to adapt to the changing needs of businesses and to evolving regulatory and environmental standards, and their capacity to cope with the effects of climate change.

Ensuring assets' resilience to the impacts of climate change is based on an in-depth assessment of the physical risks that could affect them, and the deployment of rigorous tracking systems and appropriate prevention and remedial measures.

Adapting SFL buildings to the effects of climate change is a concern that has been studied since 2018, when the resilience of its assets to physical hazards was initially assessed according to ADEME recommendations. The findings enabled SFL to analyse possible vulnerabilities in the asset portfolio, proactively plan for the potential impacts on operations and, in this way, guarantee the quality of the tenant experience. As part of this process, SFL's buildings were reviewed to determine their resilience to the main risks, by identifying the possible impacts on each building's superstructure and shell, plumbing, electricals, HVAC, landscaping and exterior fixtures.

As climate science knowledge has improved, recent years have seen an increase in the number of climate forecasting models, scenarios and tools.

As a member of the Green Building Observatory (OID)[2], since 2023 SFL has used the Resilience for Real Estate (R4RE) platform for carrying out its resilience assessment. This tool - which was specifically developed for these assessments - enables SFL to identify buildings that are exposed to significant risks over the more or less long term and therefore to put in place adaptation measures over an appropriate time horizon. Risk exposure was assessed according to three climate scenarios (RCP2.6, RCP4.5 and RCP8.5[3]) and three time horizons (2030, 2050 and 2070).

The most recent assessment shows that physical risks do not currently represent impacts that could be material for SFL's business. The risks associated with flooding are systematically taken into account in redevelopment and renovation projects, and do not change significantly with the application of different scenarios and time horizons. In addition, the exposure of SFL's business to risks associated with rising temperatures and increasing heat waves is low.

(1) The IPCC's SSP 1-1.9 and SSP 5-8.5 scenarios, and the scenarios in the Carbon Risk Real Estate Monitor (CRREM) tool and on the Resilience for Real Estate (R4RE) platform.
(2) *Observatoire de l'Immobilier Durable.*
(3) Scenarios drawn up by the Intergovernmental Panel on Climate Change (IPCC); "RCP" - "Representative Concentration Pathways".

As climate forecasting models are still developing and being fine-tuned, this assessment will be regularly updated to factor in the latest scientific advances.

To strengthen its engagement in managing climate risks, SFL has become a member of the R4RE platform's strategy committee, which focuses on making the platform more robust and improving its alignment with reporting requirements.

Understanding SFL's impacts on climate change

The first step in the emissions reduction strategy is to measure the carbon impact of SFL's entire value chain, thereby identifying the main sources of GHG emissions and helping the Group to assess their material impacts.

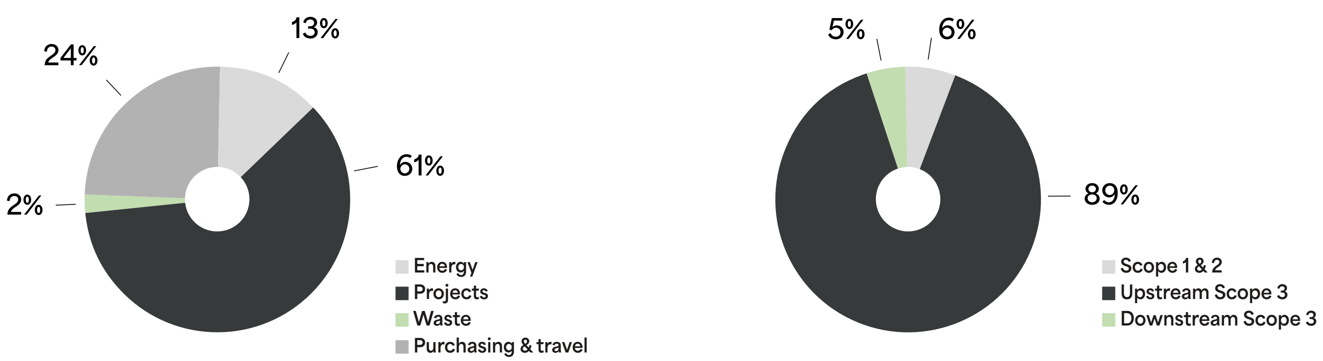
This process is designed to be as exhaustive and accurate as possible, to clearly reveal the impact of SFL's operations in terms of the three GHG Protocol emission scopes and define the most appropriate responses.

In 2023, SFL fine-tuned its measurement methodology in collaboration with the Carbone 4 consultancy, which is a recognised specialist in this area.

SFL's broader carbon footprint in $ktCO_2e$ (Scopes 1, 2[1] and 3 as defined in the GHG Protocol)

Scope	Type of emissions	2021	2022	2023	2024
Scopes 1, 2 & downstream Scope 3	Energy	4.4	4.9	4.2	3.1
Upstream Scope 3	Projects	20.1	14.9	11.5	14.7
	Waste	0.4	0.7	0.6	0.5
	Procurement and travel	4.3	4.9	4.9	6.0
Total		**29.2**	**24.6**	**21.2**	**24.3**

Greenhouse gas emissions in tCO_2e in 2024, by source and GHG Protocol Scope



SFL's overall carbon footprint stems primarily from four sources of emissions:

- **energy use** in both common areas (Scopes 1 & 2) and tenant areas (downstream Scope 3), which represented 13% of total emissions in 2024;
- **asset redevelopment and renovation projects**, which accounted for 61% of total emissions in 2024, representing a year-on-year increase due to the higher number of projects under way than in 2023 when the number was relatively low;
- **management of waste generated by operations**, which accounted for 2% of total emissions;
- **procurement,** mainly of services for assets in use and SFL's corporate operations and, to a lesser extent, **employee travel**, which together totalled 24% of emissions for the year.

Measuring the footprint enables us to set clear priorities in our commitment to reducing GHG emissions and establish a transition plan and policies adapted to the sustainability matters relevant to the Group.

2.1.2. Transition plan for climate change mitigation (E1-1)

Our transition plan for responding to the climate emergency and achieving a low-carbon future is focused on sharply reducing our GHG emissions across the entire value chain.

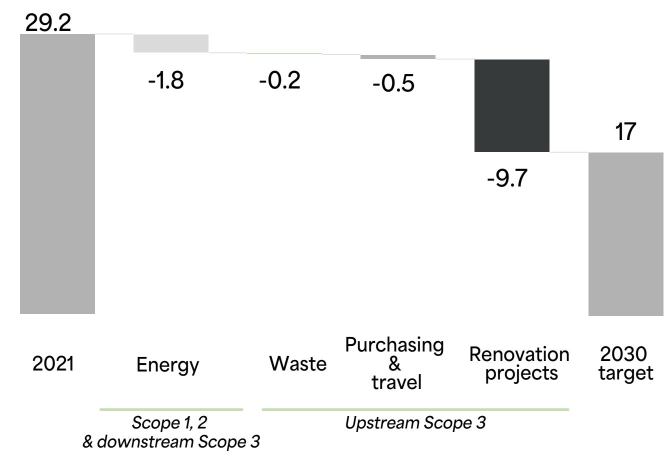
It aims to reduce Scopes 1, 2 and 3 GHG emissions by 42% by 2030 compared with 2021. By year-end 2024, initiatives already under way had driven a 17% reduction.

(1) Market-based Scope 2.

The 42% reduction target was approved by SFL's Senior Management team in December 2023, and is in line with the GHG emissions reduction target set by the Company's main shareholder in early 2024.

The target is also aligned with the objective of keeping global warming to below 1.5°C above pre-industrial levels, as set in the Paris Agreement adopted at COP 15. The annual reduction set for the SFL target (as a % of total emissions) is actually slightly higher than the target required by the Science-Based Targets initiative (SBTi) in its Absolute Contraction Approach.

Carbon reduction pathway to 2030 and contribution of the main decarbonisation levers (in $ktCO_2e$)



Main decarbonisation levers

To meet the 42% reduction target, a number of decarbonisation levers have been identified and quantified for 2030. They involve a variety of initiatives aligned by emissions source and Scope.

Scopes 1, 2 and downstream Scope 3

Energy efficiency and low-carbon refrigerants in buildings in use: initiatives in this area are geared to managing energy efficiency and monitoring energy consumption in buildings in use, transitioning to less carbon-intensive energy sources and refrigerants, and improving energy efficiency through dialogue with the tenants and users of SFL's offices.

Upstream Scope 3

Energy efficiency in works projects by reducing embodied carbon emissions and developing circular economy practices: more rational use of resources, ongoing interaction with architects and partner companies during the works phase and with business partners to decarbonise purchases and adopt more virtuous construction methods.

Investments to support the implementation of the transition plan

Nearly €6 million of CapEx was invested in 2024 for initiatives to reduce Scopes 1, 2 and upstream Scope 3 emissions from buildings in use (emissions from energy use in common and tenant areas of buildings). More than €20 million in CapEx is planned over the next five years for similar measures. These investments are aimed in particular at improving heating, ventilation and air conditioning (HVAC) systems, lighting, centralised building management systems and the production of renewable energy.

As SFL develops property assets to subsequently manage and operate them, investments supporting the implementation of the transition plan are also included in its redevelopment projects. SFL estimates that around a third of its project budgets will have an impact on the GHG emissions of the buildings concerned once they are in use.

Locked-in GHG emissions

SFL's overall carbon footprint contains several sources of potential locked-in GHG emissions. They break down as follows by GHG Protocol Scope:

Scope 1: emissions related to leaks from equipment containing refrigerants could represent locked-in emissions at end-2030 depending on whether it is possible to replace the equipment and on the available technologies.

Scope 2: GHG emissions related to the energy mix of district heating and cooling networks can be difficult to control. SFL firmly believes in the virtues of these networks, and a large number of its buildings are connected up to them. However, the carbon content of a kWh from the Paris district heating system was still fairly high at end-2024 (compared with other energy sources).

Upstream Scope 3: embodied carbon emissions in the materials used in redevelopment projects could also represent locked-in emissions with regard to SFL's emissions reduction target.

However, the above-mentioned sources of emissions are included in SFL's overall GHG emissions reduction target (42% absolute reduction between 2021 and 2030), and it will endeavour to minimise their impact in its pathway to 2030. Embodied carbon emissions are also included in specific reduction targets (< 500 $kgCO_2e$/sq.m. in the construction phase and < 700 $kgCO_2e$/sq.m. over the full life of the building for all redevelopment and renovation projects by 2030).

SFL is only marginally exposed to coal-, oil- and gas-related activities. Fossil fuels only accounted for 1.7% of the Group's direct energy use in 2024 (natural gas only). In 2024, we decided to completely eliminate the direct use of fossil fuels by removing the last two boilers running on natural gas by winter 2025/2026.

However, fossil fuels are indirectly present in the energy giving rise to Scope 2 emissions due to the production mix for the Group's energy supplies. They represent a low proportion of the mix for the Group's electricity supplier (5.6% of the total) but a greater proportion for the Paris district heating network (49.3%).

2.1.3. Policies related to climate change mitigation and adaptation (E1-2)

The policies adopted by SFL to contribute to climate change mitigation and adaptation are grouped together in the three documents listed in the table below. These policies were updated and re-endorsed at the end of 2024.

They apply to all 17 of the Group's properties, without any exclusions, and the Technical and Development Department is responsible for ensuring they are effectively implemented.

Policy	Sustainability topic	Main commitments and impacts, risks and opportunities addressed by the policy
Environmental policy	Climate change	Understanding the impacts of climate change Putting in place a GHG emissions reduction plan Putting in place climate resilience plans for the portfolio
	Energy consumption	Use of renewable energy Investments to improve energy efficiency
Climate change policy	Climate change mitigation	Preventing risks related to climate hazards (particularly flooding) Limiting ecosystem alteration
	Climate change adaptation	Broadest possible calculation of carbon footprint Reducing embodied carbon emissions in materials Reducing emissions related to energy consumption in the Group's properties Promoting sustainable mobility
Renewable energy and energy efficiency policy	Improving energy efficiency	Strategies to reduce energy demand in the Group's properties Optimising and improving the seasonal energy performance of the Group's properties
	Renewable energy	Increasing on-site renewable energy production Renewable energy purchases
	Innovation and digitalisation	Pursuing the automation of control and technical management of the Group's properties

2.1.4. Actions and resources related to climate change policies (E1-3)

Actions related to climate change mitigation

SFL's actions and resources related to climate change mitigation are based mainly on three main pillars:
- improving the energy efficiency of assets in use;
- transitioning to low-carbon energy;
- reducing embodied carbon emissions in the value chain.

Improving the energy efficiency of assets in use

Residential and commercial buildings are by far the largest energy users in France, accounting for 46% of the total energy consumed[1]. As a result, improving energy efficiency and sufficiency is certainly SFL's biggest challenge.

The importance of this challenge was further confirmed by the French government decree mandating actions to improve the energy performance of commercial buildings (the "tertiary decree"), which stipulates that energy use must be reduced by 40% by 2030, 50% by 2040 and 60% by 2050.

Meeting these ambitious national objectives will require targeted investments and continuous improvement in building management systems. It will also involve (i) addressing emerging tenant needs (digital technologies, amenities, food services, etc.), which could impact building energy use intensity, and (ii) encouraging energy sufficiency by fostering lessor/tenant dialogue and emulation, especially in France under the impetus of the tertiary decree. After ten years of major capital investments in its buildings, SFL is also endeavouring to foster a holistic ecosystem of processes and partners to improve its energy efficiency.

- **Asset-specific energy and carbon pathways and their supporting capital expenditure plans**

In particular, SFL has joined with recognised, complementary partners to build its new strategic plan, which should drive a 40% reduction in its energy use by the end of 2030 compared with the 2017 baseline. After an initial programme aimed at increasing the amount of collected data by installing more sub-metering systems, a comprehensive technical master plan was developed for the entire asset portfolio. This plan, which is broken down into energy and carbon pathways until 2030 for each asset, is designed to enable SFL's portfolio to follow the improvement trajectories defined in France's commercial real estate energy savings decree and the Carbon Risk Real Estate Monitor (CRREM)

(1) 2021 figures, from the French Ministry of Ecological Transition: https://www.statistiques.developpement-durable.gouv.fr/edition-numerique/chiffres-cles-energie-2022/8-consommation-finale-denergiepar-secteur-et

tool, and therefore to be aligned with national and European decarbonisation objectives. The master plan comprises conducting energy studies to identify any necessary adjustments to usage or maintenance and setting up CapEx programmes for each asset.

- **Involving technical maintenance contractors through energy, carbon and water performance contracts**

Multi-technical maintenance contractors and building managers are key partners in fulfilling the environmental commitments related to SFL's assets. Partnerships with these entities can take the form of energy, carbon and water performance contracts, such as those in place at end-2024 for five properties in the portfolio, for which the multi-technical contract incorporates energy-efficiency improvement targets in terms of MWh, with the achievement level of the targets affecting the contract's financial conditions.

These performance contracts are real levers for encouraging the maintenance contractors to fully embrace the Group's commitments and to put forward proposals on how to reduce energy use. Based on the promising results achieved at the first five sites where these contracts have been used, we intend to roll them out to other sites going forward.

- **Tenant dialogue and emulation to manage energy use in tenant areas**

SFL has also undertaken a broad-based dialogue and emulation process with its tenants to gain insight into energy use in its buildings and then to reduce overall consumption by integrating the energy used in the tenant areas, with energy sharing agreements, discussions on energy use profiles during tenant committee meetings, etc.

SFL measures and tracks the vast majority of its tenants' energy use, with only 7% of consumption having to be estimated in 2024[1].

Particular efforts were launched in the winter of 2022/2023, when the French government encouraged everyone to save on energy in response to tighter energy markets and the reduction in the country's nuclear power generation capacity. It is estimated that the initiatives undertaken helped to reduce energy use by 10% over the period, with peaks of 15 to 18% depending on the asset.

Transitioning to lower carbon energy sources

Another way to reduce energy consumption and shrink the carbon footprint is to optimise the energy mix with less carbon-intensive energy sources. SFL is striving to improve this energy mix, led by the following initiatives:

- **Elimination of fossil fuel-powered equipment across the portfolio:**
  - the last gas-fired boiler in the common areas of an SFL building will be replaced with a heat pump in winter 2025/2026;
  - the last gas-fired boiler in the tenant areas of an SFL building will be replaced during the renovation of the Condorcet property, which is due to start in 2025.
- **Opting for energies with the lowest emission factors:**
  - gradually connecting more eligible assets in use or being redeveloped (Scope in particular) to the district cooling network, which has a low emissions factor;
  - using heat pumps at certain sites, with significant reductions in energy consumption since they have been installed.

Reducing embodied carbon emissions in redevelopment and renovation projects

At SFL, reducing the carbon footprint involves more than just managing energy consumption during a building's in-use phase. It also means looking at every phase in a building's life cycle, particularly how it was built, redeveloped or refurbished and how greenhouse gas emissions may have been embodied in it along the way.

These building life cycle stages have a critical impact in the greenhouse gas emissions reduction strategy, as project-related emissions accounted for 61% of SFL's overall carbon footprint in 2024.

SFL is demonstrating its commitment to reducing embodied carbon volumes and supporting circular economy practices by developing and managing its assets in ways that limit carbon intensity, waste production and the use of natural resources in its programmes, procurement and construction methods. SFL takes particular care to preserve the existing structure of buildings wherever possible in order to keep demolition to a minimum, and encourages the reuse and upcycling of materials either on site or by offering them on specific reuse platforms[2].

- **Performing extensive life cycle assessments on projects to measure the intensity of embodied carbon emissions**

To establish a robust framework for this process and track the initiatives more accurately, life cycle assessments are now being performed for all major projects.

The following outcomes demonstrate the impact of embodied carbon emissions in the different types of project, assessed using the same method. These assessments identify the carbon intensity of each type of construction project and the materials used at each phase in the building life cycle. They enable options to be compared and validated, while helping to instil a culture of carbon-intensity awareness across the organisation.

(1) Excluding the last quarter of 2024, for which the data was based on the last quarter of 2023.
(2) See also the ESRS E5 disclosures in section 2.4.

	Type of project	Special features	Project start and end dates	GHG emissions from construction works[1] in kgCO_2e/sq.m.
#cloud.paris	Major renovation		2013 to 2015	858
83 Marceau	Major renovation		2019 to 2021	881
Biome	Major renovation		2020 to 2022	704
Cézanne Saint-Honoré	Major renovation	No changes to the façade	2021 to 2022	460
Louvre Saint-Honoré	Major renovation	Bare shells, water and energy on standby	2020 to 2023	461
Galerie des Champs-Élysées	Façade renovation only	Bare shells, water and energy on standby	2022 to 2023	102
Scope	Redevelopment	High-rise building	2024 to 2026	770
Haussmann Saint-Augustin	Major renovation	No changes to the façade	2024 to 2025	345
Louvre Saint-Honoré	Major renovation	Limited impact on the façade	2024 to 2027	578

(1) Based on the "Construction Products and Equipment" category of the BBCA low-carbon building label.

• Validating our initiatives with BBCA low-carbon building certification for major renovations

BBCA low-carbon building certification is also sought for major renovation projects. Already in 2018, the Biome project was one of the first in Paris to be certified to BBCA Rénovation standards as a low-carbon refurbishment, thanks in particular to the use of low-carbon concrete in 3,555 sq.m. of floor space. The Scope project (works currently in progress) and the Condorcet project (works due to start in 2025) are also aiming for this certification.

• Internal methodology for all other renovation projects

SFL's knowledge of the carbon impact of its renovation projects was enhanced in 2024 thanks to the development of a specific methodology for all works carried out on occupied buildings. The aim of this methodology is to more effectively calculate embodied carbon emissions and encourage the reuse of materials. Specific training has been launched for site managers to explain the main analyses carried out per project and the carbon reduction measures put in place. A system is currently being developed that will enable the teams to further hone the carbon impact measurement.

Actions related to climate change adaptation

The past few years have been the hottest on record in France. 2022 broke every record in France, with very intense and persistent summer heatwaves in the Paris region, and 2023 was the second hottest year on record for France. 2024 stood out worldwide, with average global warming exceeding 1.5°C, although there were fewer extreme temperature events in France during the year.

Measures put in place to mitigate the impact of heatwaves

In each asset, these heatwaves were technically managed in close collaboration with the building managers and tenants. This demonstrated the correct sizing and efficient operation of the utilities, particularly the HVAC systems, since no malfunctions were reported. Tenants and users were reminded of the proper precautions and practices ahead of the heatwaves, and there was no negative feedback in recent summers.

Redevelopment projects can also include a bioclimatic design process, focused in particular on improving thermal comfort in both summer and winter. By subtly reorienting the windows, the planned treatment of the Scope redevelopment project's southern exposed façade will capture more of the winter solar gains and delay the summertime solar gains until late in the day. The new façade is expected to reduce heating needs by more than 35% and cooling needs in the summer by more than 13%.

For the Condorcet project, an experiment was carried out to install passive cooling systems (solar protection, natural ventilation, air fans, etc.) in one of the buildings. The initial results were in the process of being analysed at end-2024 and the experiment will be continued during heatwave conditions in the summer of 2025 to check whether such systems are sufficient.

Measures put in place to limit the risk of flooding

Measures to attenuate the impact of flood risks are also being deployed in the assets, particularly during redevelopment projects. The riverfront Scope project, for example, will offer an opportunity to implement adaptive response measures, such as relocating electrical equipment to the upper floors and protectively encasing the heating and cooling utilities remaining on the lower floors.

2.1.5. Targets related to climate change mitigation and adaptation (E1-4)

Target related to climate change mitigation

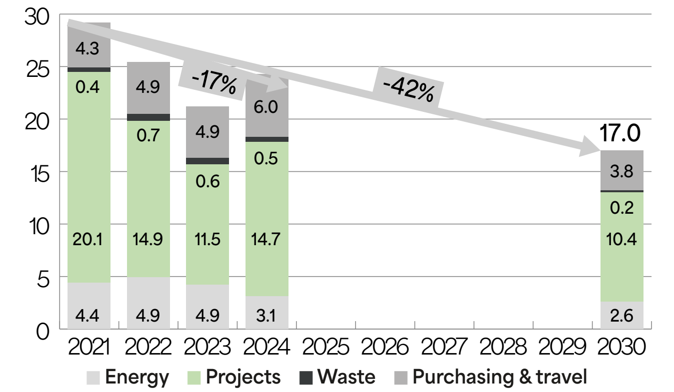
SFL has set itself the target of reducing its GHG emissions by 42% by 2030 versus 2021. This ambitious absolute emissions reduction target covers all significant GHG emissions under Scopes 1, 2 and 3 of the GHG Protocol.

This target is in line with the Paris Agreement's aim of limiting global warming to 1.5°C above pre-industrial levels. The annual reduction set for the SFL target (as a % of total emissions) is slightly higher than the target required by the Science-Based Targets initiative (SBTi) in its Absolute Contraction Approach.

SFL's previous target for Scopes 1 & 2 emissions was certified by the SBTi as aligned with the 1.5°C pathway. It will apply for its new target to be certified in 2025 now that the SBTi target-setting criteria for the buildings sector have been finalised[1].

The Group's future emissions have been modelled on the basis of a constant property portfolio with a continued high occupancy rate and the integration of renovation and redevelopment projects envisaged up until 2030. They also take into account the impact of (i) energy-efficiency measures on Scopes 1, 2 and downstream Scope 3 emissions, and (ii) measures to reduce embodied carbon on upstream Scope 3 emissions.

Target - 42% reduction in Scopes 1, 2 & 3 emissions by 2030 vs. 2021 (in absolute ktCO_2e terms)
Presentation by main GHG emission categories

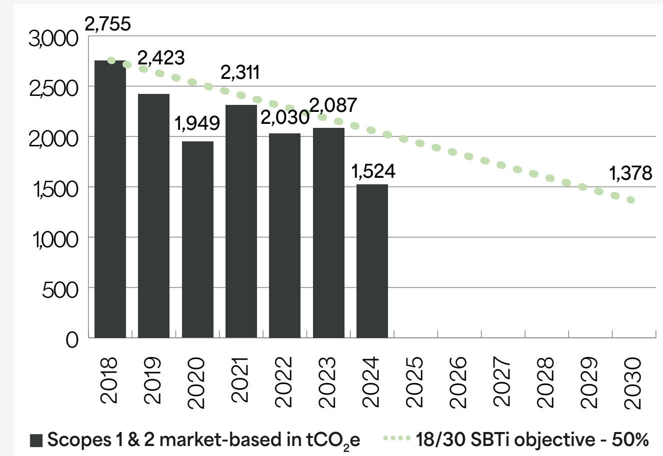


Emissions reduction target and quantitative contribution of the main decarbonisation levers (in ktCO_2e)

	Scope	2021	2024	2030 target	Δ 21/30	Contribution of decarbonisation levers by 2030	Main levers
Total GHG emissions (in ktCO_2e)	**All**	**29.2**	**24.3**	**17**	**-42%**	**-12.2**	
Energy use in common and tenant areas	Scope 1 Scope 2 Scope 3 downstream	4.4	3.1	2.6	-41%	-1.8	Elimination of fossil fuels and replacing refrigerants
Waste	Scope 3 upstream	0.4	0.5	0.2	-50%	-0.2	Deploying more waste sorting solutions and working on waste treatment methods
Renovation and redevelopment projects	Scope 3 upstream	20.1	14.7	10.4	-48%	-9.7	Reducing embodied carbon emissions and supporting circular economy practices
Procurement and travel	Scope 3 upstream	4.3	6.0	3.8	-12%	-0.5	Interaction with contractors and suppliers

Science Based Targets initiative (SBTi): validation of the Scopes 1 and 2 emissions reduction pathway

In August 2021, SBTi certified SFL's carbon pathway as compatible with a 1.5°C target.
The pathway is based on a targeted 50% reduction in market-based Scopes 1 and 2 emissions, expressed in tCO_2e, between 2018 and 2030, as defined in SBTi's streamlined route for small and medium-sized businesses.
These emissions decreased by 45% between 2018 and 2024, i.e., by more than 1,230 tCO_2e in absolute terms - in line with the target.



(1) Buildings sector target-setting criteria published by the SBTi in August 2024.

Target related to climate change adaptation

SFL has set itself a target of having all of its assets assessed for vulnerability to the effects of climate change in order to implement the necessary prevention and adaptation measures.

The latest campaign to measure the resilience of our assets to the physical risks of climate change was carried out at the end of 2023[1] and the requisite adaptation and prevention measures are gradually being implemented, particularly during redevelopment works. For example, the Biotope Area Factor at the Scope and Condorcet sites will be multiplied by 2.7 and 3 respectively once the projects have been completed, helping to combat the heat island effect.

2.1.6. Energy consumption and mix (E1-5)

85% low-carbon energy

The majority of the energy purchased by SFL, which includes electricity, heating and cooling from district networks, and natural gas, derives from low-carbon sources, with 85% corresponding to renewable energy and nuclear power.

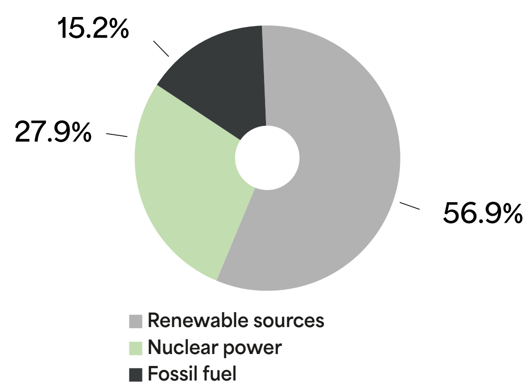
The electricity SFL uses, which accounted for 51% of its total energy consumption in 2024, is low-carbon as it comes from nuclear power plants – which have long represented a significant proportion of the national energy mix in France – as well as renewable energy.

SFL's energy use is characterised by its low direct consumption of fossil fuel-based energy (1.7%, solely through a natural gas-fired boiler in the common areas of a building, which is scheduled to be replaced in 2025).

Indirect consumption of fossil fuel-based energy accounts for 13.5% of the total, mainly due to the energy mix of the Paris district heating network, 49% of which is powered by natural gas.

In total, 57% of the energy used by SFL in 2024 was produced from renewable sources, 28% corresponded to nuclear power and 15% came from fossil fuels.

Sources of SFL purchased energy

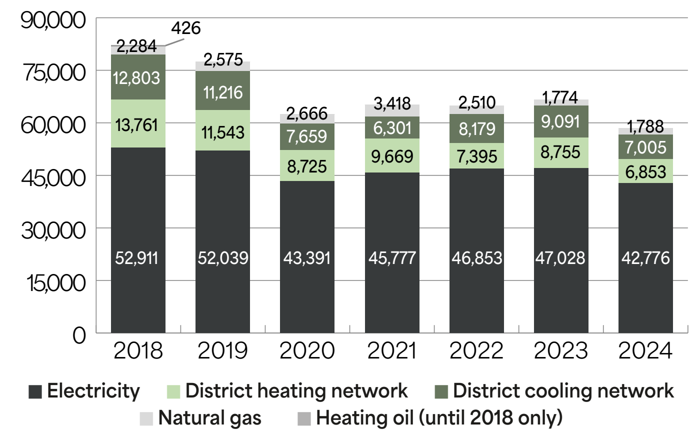


Energy consumption and mix (common areas and shared services only)			2023	2024
Fossil fuel	MWh	Fuel consumption from coal and coal products	0	0
		Fuel consumption from crude oil and petroleum products	0	0
		Fuel consumption from natural gas	645	446
		Fuel consumption from other fossil sources	0	0
		Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	4,692	3,643
		Total fossil energy consumption	**5,337**	**4,089**
	%	**Proportion of fossil sources out of total energy consumption**	**16%**	**15%**
Nuclear energy	MWh	**Consumption from nuclear sources**	**4,229**	**7,512**
	%	**Proportion of consumption from nuclear sources out of total energy consumption**	**13%**	**28%**
Renewable energy	MWh	Fuel consumption from renewable sources, including biomass	0	0
		Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	23,539	15,320
		Consumption of self-generated non-fuel renewable energy	0	0
		Total renewable energy consumption	**23,539**	**15,320**
	%	**Proportion of renewable sources out of total energy consumption**	**71%**	**57%**
Total		**Total energy consumption (in MWh)**	**33,105**	**26,921**

(1) See the disclosures related to SBM-3 of ESRS E1 for further details.

29% reduction in energy consumption since 2018

Energy consumption by type, in MWh

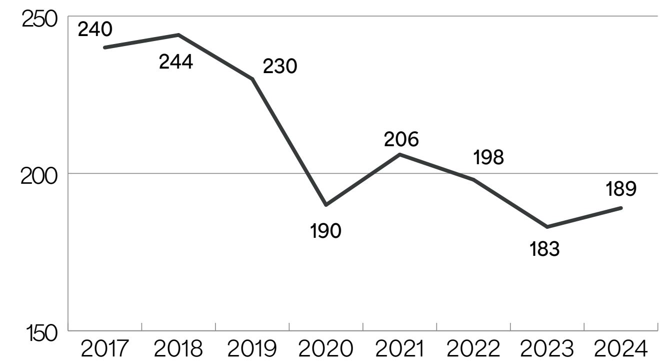


In 2024, the total final energy consumption of the assets owned and managed by SFL was 58,422 MWh, breaking down as 26,921 MWh (i.e., 46%) corresponding to energy purchased by SFL and consumed in common areas and shared facilities, and 31,501 MWh (i.e., 54%) consumed in tenant areas.

In absolute terms, total energy consumption from all sources fell by 29% between 2018 and 2024.

One of the key metrics tracked by SFL is the reduction of energy intensity in kWh/sq.m., in full compliance with France's commercial real estate energy savings decree. This reduction amounted to 21% between 2017 and 2024.

Energy intensity in kWh/sq.m. - absolute



Energy intensity per net revenue	2023	2024	Δ 23/24 in %
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/€)	0.00028	0.00023	-17.4%

2.1.7. Gross Scopes 1, 2, 3 and total GHG emissions (E1-6)

	Retrospective					Milestones and target years	
	2021	2023	2024	Δ 23/24 in %	Δ 21/24 in %	2030	Annual % target/ Base year
Scope 1 GHG emissions							
Gross Scope 1 GHG emissions	185	121	205	+70%	11%	100	-5%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	0%	0%	0%	-	-	-	-
Scope 2 GHG emissions							
Gross location-based Scope 2 GHG emissions	2,432	1,777	1,502	-15%	-38%	1,100	-6%
Gross market-based Scope 2 GHG emissions	2,169	1966	1319	-33%	-39%	900	-7%
Significant Scope 3 GHG emissions							
Total gross indirect (Scope 3) GHG emissions	26,842	19,125	22,750	19%	-15%	16,013	-4%
1. Purchased goods and services	4,292	4,937	5,925	20%	38%	3,777	-1%
2. Capital goods	20,062	11,461	14,702	28%	-27%	10,432	-5%
3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)	721	578	483	-16%	-33%	500	-3%
4. Upstream transportation and distribution	-	-	-	-	-	-	-
5. Waste generated in operations	376	605	511	-16%	36%	188	-6%
6. Business travel	7	12	20	67%	186%	6	-1%
7. Employee commuting	11	16	16	0%	45%	10	-1%
8. Upstream leased assets	-	-	-	-	-	-	-
9. Downstream transportation	-	-	-	-	-	-	-
10. Processing of sold products	-	-	-	-	-	-	-
11. Use of sold products	-	-	-	-	-	-	-
12. End-of-life treatment of sold products	-	-	-	-	-	-	-
13. Downstream leased assets	1,373	1,516	1,093	-28%	-20%	1,100	-2%
14. Franchises	-	-	-	-	-	-	-
15. Investments	-	-	-	-	-	-	-
Total GHG emissions							
Total GHG emissions (location-based)	29,459	21,023	24,457	16%	-17%	17,213	-5%
Total GHG emissions (market-based)	29,196	21,212	24,274	14%	-17%	17,013	-5%

Total GHG emissions have fallen by 17% across all Scopes and categories since 2021.

They started to rise again, however, between 2023 and 2024, mainly due to a higher number of renovation and redevelopment projects carried out in 2024 (with the corresponding emissions accounted for under category 2 of GHG Protocol Scope 3).

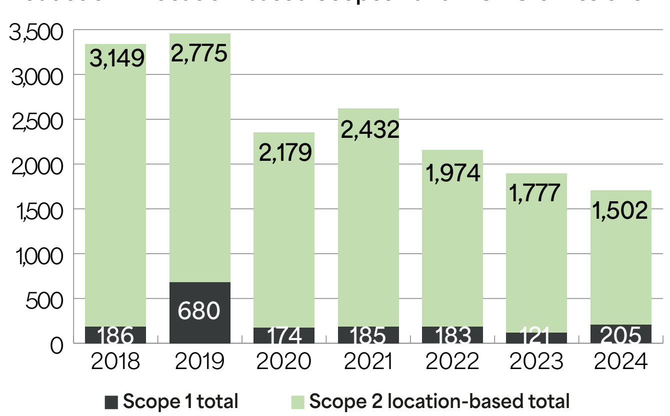
Among the other emissions sources, there was a significant drop in emissions related to energy consumption (Scopes 1, 2 and 3, categories 3 and 13).

For Scopes 1 & 2 emissions in particular, 1,707 tCO_2e were emitted in 2024 from SFL-managed assets due to energy consumption and refrigerant leaks in common areas, of which:
- 205 tCO_2e in direct Scope 1 emissions;
- 1,502 tCO_2e in indirect location-based Scope 2 emissions.

In absolute terms, Scope 1 & 2 emissions have fallen sharply since 2018, with a 49% reduction, corresponding to 1,628 tCO_2e.

The 10% decrease between 2023 and 2024 mainly stems from a significant reduction in energy consumption, especially from the district heating network which has a higher emissions factor than other energy sources.

Reduction in location-based Scopes 1 and 2 GHG emissions



GHG intensity per net revenue (in MWh/€)	2023	2024	Δ 23/24 in %
Total GHG emissions (location-based) per net revenue (in tCO_2e/€)	0.0000897	0.0000983	9.6%
Total GHG emissions (market-based) per net revenue (in tCO_2e/€)	0.0000905	0.0000976	7.8%

2.2. Water and marine resources (ESRS E3)

SFL's activities, which involve the use and redevelopment of real estate assets in Paris and Neuilly-sur-Seine, have an impact on the availability of water resources in the immediate vicinity of its sites. However, they do not have any direct or indirect material impacts on marine resources.

Assets moderately exposed to water stress, but recent droughts call for vigilance regarding the availability of resources

To date, studies indicate that the areas where SFL assets are located, i.e., in Paris and its inner suburbs, downstream from the confluence of the Seine and Marne rivers, are only moderately affected by water stress risk[1].

However, the summer droughts in 2022 and 2023 have prompted us to heighten our vigilance. In particular, climate models predict that while total annual precipitation should change little between now and the end of the century, there will likely be wide seasonal variations, with an increase in winter and a decrease in summer.

2.2.1. Policies related to water and marine resources (E3-1)

The Group's commitments related to water are described in its general environmental policy.

They are aimed at reducing water consumption by encouraging responsible water management and by taking action to reduce water consumption in its buildings, in line with the United Nations' Sustainable Development Goal 6 on ensuring sustainable management of water resources.

The environmental policy applies to all the Group's assets and is overseen by the Technical and Development Department.

2.2.2. Actions and resources related to water and marine resources (E3-2)

Actions to reduce water consumption are based on the following three priorities:
- installing water-saving systems;
- raising tenants' awareness of water consumption;
- developing the use of rainwater harvesting systems.

Installing water-saving systems

We systematically look into the possibility of installing water-saving systems during our redevelopment and renovation projects, and devices such as aerators are installed when we carry out equipment upgrade programmes.

Raising tenants' awareness of water consumption

Water consumption is one of the topics discussed with tenants at tenant committee meetings. During these meetings, SFL shares information about buildings' water efficiency as well as any leaks that have been recorded, and reminds tenants about best practices to relay among their office users.

Developing the use of rainwater harvesting systems

SFL is committed to installing rainwater harvesting systems at its sites whenever this solution is technically feasible, ecologically beneficial and cost effective. Currently, eight of our assets have these systems in place, with the recovered rainwater used for watering landscaped areas.

In 2024, 1,036 cu.m. of water were recovered through the use of such systems.

Studies are systematically carried out as part of redevelopment projects, and all of the major projects recently completed or under way, including Biome, 83 Marceau, Louvre Saint-Honoré, Scope and Condorcet, plan to integrate systems for harvesting rainwater.

Rainwater harvesting systems in use in the Group's properties

Property	Capacity in cubic metres
Washington Plaza	18
92 CE	6
#cloud.paris	28
103 Grenelle	11
Biome	20
83 Marceau	23
Louvre Saint-Honoré	5

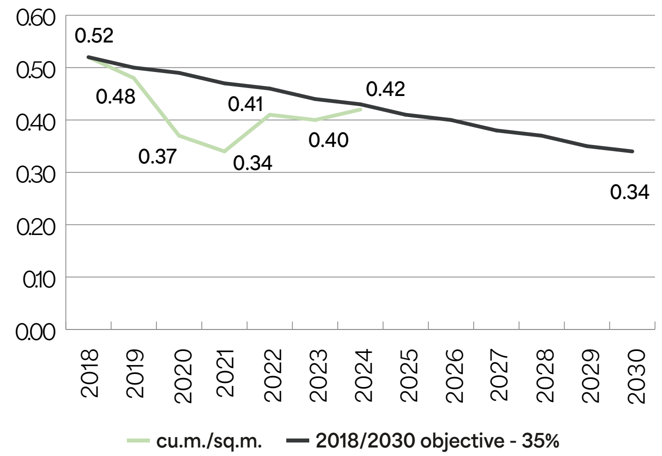
2.2.3. Targets related to water and marine resources (E3-3)

SFL has set itself two targets in terms of water resources:
- **installation of rainwater harvesting systems as part of all redevelopment projects:** at end-2024, these systems were planned for all projects where work was under way or in the design phase;
- **a 35% reduction in water intensity in cu.m./sq.m. for assets in use by 2030 versus 2018:** in absolute terms, water intensity in cu.m./sq.m. fell by 20% between 2018 and 2024.

(1) Low-Medium Risk (10-20%) or Medium-High Risk (20%-40%) according to the latest Aqueduct Water Risk Atlas published by the World Resources Institute.

This result reflects the initiatives already taken, as well as the impact of the reduced occupation density during the Covid crisis in 2020 and 2021. This explains why intensity has risen slightly since 2022, as users returned to the office and lifted occupancy rates to historic highs.

Water intensity in cu.m./sq.m. - absolute



2.2.4. Water consumption (E3-4)

	2023	2024	Δ 23/24 in %
Total water consumption in cu.m.	145,409	129,292	-11.1%
Total water consumption in cu.m. in areas at water risk	0	0	-
Total quantity of water recycled and reused in cu.m. (included in total consumption)	1,978	1,036	-47.6%

The buildings owned and managed by SFL used more than 129,000 cu.m. of water in 2024, or an average of 0.42 cu.m. per sq.m.

In absolute terms, water use declined by 11% from 2023 to 2024.

This decrease reflects the gradual roll-out of water-saving systems in renovated properties, tenant awareness-raising initiatives and changes in water consumption levels between the start and end of works for certain assets in the portfolio.

Water intensity	2023	2024	Δ 23/24 in %
Total consumption in cu.m. per million euros of revenue (cu.m./€ million)	620	520	-16.2%

2.3. Biodiversity and ecosystems (ESRS E4)

Biodiversity has been suffering unprecedented erosion in recent decades, to the extent that many scientists believe that we are heading towards the sixth mass extinction of species on the planet. The last major extinction took place over several hundred thousand years, but the current crisis is moving at a much faster pace and could be directly caused by human activities.

The IPBES[1] global assessment of biodiversity and ecosystem services identified five main types of anthropogenic pressure as the leading causes of biodiversity degradation:
- the destruction and urbanisation of natural environments;
- the overexploitation of natural resources and illegal trafficking;
- global climate change;
- ocean, freshwater, soil and air pollution;
- the introduction of invasive alien species.

2.3.1 Material impacts, risks and opportunities and their interaction with SFL's strategy and business model (SBM-3)

On a national level, every year in France, 20,000 to 30,000 hectares of land are taken by urbanisation, at a rate that is increasing three to four times faster than the population[2]. This land take is spurring a loss of biodiversity and an increase in the number of heat islands in the country.

Properties located in dense urban areas

The 17 SFL properties are located in Paris or the inner suburbs, in a dense, built-up and often restrictive environment and on plots that have often already undergone several phases of urbanisation and development. At first glance, their nature-related issues may seem minor, far removed from the world's biodiversity hotspots and the iconic species that live there.

(1) The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services.
(2) https://www.ecologie.gouv.fr/artificialisation-des-sols

However, urban environments are often teeming with a rich variety of life. Paris, for example, is home to almost 2,800 wild species. They include both animals, such as dragonflies, ladybirds, crayfish, eels, pikes, frogs, newts, peregrine falcons, tawny owls, foxes, weasels, red squirrels, hedgehogs and 11 types of bats, and plants, including orchids, ferns and mosses, as well as cultivated plants and trees[1].

Some of these species can prove highly adaptable. In the same way, natural spaces in towns and cities can provide vitally important services in diminishing heat islands, preventing extreme rainfall or, more prosaically, offering residents places of recreation and leisure.

Strong stakeholder expectations for more greenery

The presence of green spaces and natural environments ranks among the leading desires of SFL office users. It also responds to the pressing demands of Paris municipal authorities, which have made landscaping and vegetation a major vector in preparing the city for the effects of climate change.

For example, Paris's new bioclimatic local urban planning regulation (PLU), adopted in late November 2024, calls for:
- increasing the amount of open ground and the number of breathing and cooling spaces;
- encouraging landscaping, greenery and the presence of plants, animals and open spaces, preserving nature in the heart of the city and protecting trees.

2.3.2. Transition plan and consideration of biodiversity and ecosystems in SFL's strategy and business model (E4-1)

Performing granular audits of each building to gain knowledge of its living environment and identify pathways to improvement

To get a better grasp of its impacts on the living environment and its possible pathways to improvement, as well as to meet the expectations of tenants and public authorities, SFL commissioned a specialist firm to audit living environments in its buildings and identify potential areas for action. These biodiversity audits were performed in the second half of 2023 on all the properties in use[2].

They measured 31 metrics covering six priority assessment areas:
- the ability to support biodiversity;
- climate resilience;
- water management;
- ties to nature;
- management of green spaces;
- short cycle plants.

These audits identified possible initiatives in each area for each building, differentiating between the ones that would deliver major benefits and others that would require extensive time and resources to implement.

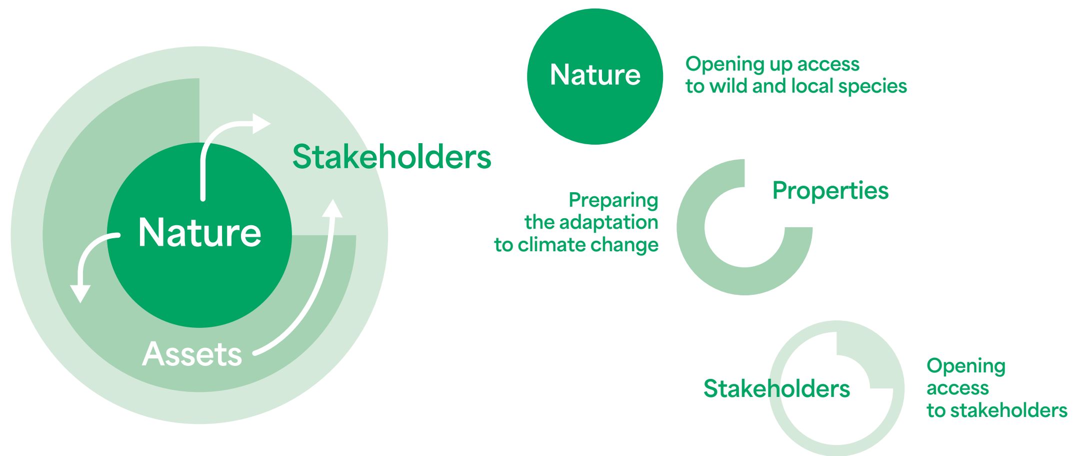
The audits were followed by biodiversity workshops, organised with the same specialist firm for asset managers, building managers, site managers and works managers. These interactive and collaborative sessions enabled the participants to sketch out the main avenues for action to improve how biodiversity issues are taken into account for assets in use.

To highlight each building's potential for improving the quality of its biodiversity, the auditors measured two metrics in particular:
- The **Biotope Area Factor** (BAF), mandated by France's ALUR housing and urban development act, which is used to calculate the percentage of the surface area of a plot of land that has biodiversity value. The BAF is aimed at maintaining a certain proportion of unsealed, undeveloped land as well as preserving ecosystem services.
- SFL's proprietary **plot quality** metric, which incorporates the notions of (i) continuity of ecosystems (green corridors for vegetation and brown corridors for soil), (ii) the presence of sanctuary space, and (iii) the building's resilience to the impacts of climate change.

Transitioning to a new nature and landscaping strategy

Through its tracked metrics and pathways to improvement for each building, the nature and landscaping strategy points to **three objectives for SFL** in restoring biodiversity in urban areas and reversing the pressures on the living environment:
- open and widen access to wild and local species;
- prepare property assets for the challenges of adapting to climate change; and
- give SFL stakeholders, office users and sometimes local residents opportunities to reconnect with nature in healthy, quiet, contemplative spaces.

(1) Source: https://www.paris.fr/pages/biodiversite-66
(2) 15 of the 17 assets in the portfolio at end-2023.



2.3.3. Policies related to biodiversity and ecosystems (E4-2)

The policies adopted by SFL to contribute to the preservation of biodiversity and ecosystems are grouped together in the two documents listed in the table below. These policies were updated and re-endorsed at the end of 2024.

They apply to all of the Group's 17 properties, and the Technical and Development Department is responsible for ensuring they are effectively implemented.

Policy	Sustainability topic	Main commitments and impacts, risks and opportunities addressed by the policy
Environmental policy	Promoting biodiversity	Protecting and promoting local species Developing plant species that can provide food and shelter for animal species Developing green roofs
Biodiversity policy	Management plan	Biodiversity audits
		Biodiversity management plans
	Certifications and labels	Seeking certifications and labels for major projects
	Measures	Description of measures that can be adopted for the Group's assets

2.3.4. Actions and resources related to biodiversity and ecosystems (E4-3)

Opening up access to wild and local species

Combating biodiversity erosion in our real estate assets involves limiting land take and identifying, protecting and nurturing their existing plant, animal and insect species.

Limiting land take

The fight against land take is one of the major thrusts of the French government's Biodiversity Plan, which hopes to reach net-zero land take by 2030. SFL supports this plan and has embraced the same target. Its primary response has been to increase occupation density in its assets, which reduces land take by concentrating new uses and amenities in previously built-up spaces.

Inventorying, safeguarding and nurturing local on-site species

SFL is also committed to safeguarding and nurturing local species on its sites.

This starts with carrying out an inventory of local species, particularly those of specific interest or requiring special protection.

Based on the biodiversity assessment carried out for the Scope building, whose redevelopment works began in 2024, no protected species are present at the site. One species whose habitat is protected in Paris - the wall lizard - has been recorded in the vicinity of the site, but it is not particularly endangered according to the IUCN. The teams in charge of landscaping the site may have to incorporate specific features to accommodate this species.

Another key measure we take to protect local species is to remodel façades in ways that limit bird collisions. Audits of the existing portfolio have identified the most accident-prone façades.

Lastly, we must pursue our pesticide-free policies, eliminating the use of plant protection products, and ringfence certain non-publicly accessible green spaces as sanctuaries.

Preparing the adaptation to climate change

SFL's nature and landscaping strategy is also designed to prepare and plan, to the extent possible, for the adaptation to climate change.

Rainwater management and low-maintenance vegetation

The recent droughts in the Seine drainage basin, particularly in the summer of 2023, have shown that water availability can be impacted by the effects of climate change.

On-site water management is therefore a key concern, involving various courses of action to manage rainwater, respond to droughts or heavy rainfall and lower water use in outside spaces:
- increasing runoff and retained rainwater directly on-site using various infiltration systems that can be installed during redevelopment projects;
- harvesting rainwater for watering green spaces, with facilities installed on every site redeveloped in recent years;
- installing water-saving drip irrigation or sprinkler systems[1].

Mitigating the heat island effect

Because SFL's assets are located in dense, highly built-up urban environments, they need to be protected from the impact of heat islands created by the higher air and surface temperatures in city centres compared to rural areas, particularly at night.

Each site's urban overheating ratio was determined based on the types of surface found on the plot.

Three main initiatives have been undertaken:
- increasing the number of green roofs, facades and/or terraces, such as for the Cézanne Saint-Honoré and Biome buildings, where new green roofs have been created, and at 176 Charles de Gaulle, whose terrace has been redeveloped and planted with greenery;
- regreening and increasing the proportion of open ground space wherever the Parisian subsoil makes it possible, such as in the Biome and Condorcet projects;
- prioritising deciduous trees, which provide more shade in summer, and species that are more resilient to increasingly higher temperatures.

Opening access to stakeholders

Lastly, SFL's nature and landscaping strategy would not be complete without the involvement of its stakeholders, especially its users.

SFL believes that landscaping and greenery help to enhance user well-being by offering access both to quiet, healthy, planted, contemplative outdoor spaces and to the views that can be enjoyed from their desks.

The recent conversion of the common areas of the building at 176 Charles de Gaulle was an opportunity to open up to tenants a terrace that was previously used for technical equipment, and to convert it into a landscaped area.

Raising awareness of biodiversity issues

Green spaces can also be used directly to increase occupant sensitivity to biodiversity preservation issues.

At Biome, part of the accessible rooftop has been converted to use as an urban vegetable garden, where planting, harvesting and awareness-raising workshops and events are organised for users by the "Ciel Mon Radis" association.

The BiodiverCity label, which we seek for our redevelopment projects, is another way we use to communicate about our biodiversity actions to our stakeholders.

This label was awarded for Biome and Cézanne Saint-Honoré and we are actively working towards it for the Scope, Condorcet and 90 Champs-Élysées projects.

2.3.5. Targets related to biodiversity and ecosystems (E4-4)

Combating land take is a priority for SFL, and we aim for net-zero land take in our activities.

We have not sealed any additional soil space for the redevelopment projects we have delivered over the past ten years.

On the contrary, for the Scope project, located on the banks of the Seine and due for completion in 2026, the selected landscape options are creating new contiguous green spaces and a generous tree layer that are expected to increase the site's greenery coefficient to 42% from 14% and the Biotope Area Factor to 36% from 11%. The rooftops will be landscaped and a garden will be created on the same level as the avenue, replacing the former three-storey built-up land.

For the Condorcet project, part of the land will be regreened and the remarkable existing plant species will be preserved.

2.3.6. Impact metrics related to biodiversity and ecosystems change (E4-5)

At end-2024, SFL's sites incorporated a total of just over 9,600 sq.m. of green space, representing 9.5% of the Group's total land footprint. This percentage should be read within the specific context of the city of Paris, where gardens and parks account for just 7% of the total surface area (excluding the Bois de Boulogne and the Bois de Vincennes at the extreme western and eastern ends).

SFL strives to increase the proportion of greenery when it carries out redevelopment projects that affect the structure and land of its properties.

(1) For further details, see the section on ESRS E3 on pages 71 and 72.

Biodiversity metrics for completed or planned projects that affect the structure and land of properties

Metric		Biome	Scope	Condorcet
Date of works handover		2022	2026	2027
Net-zero land take		√	√	√
Biotope Area Factor	Before	N/A	11%	4%
	After	31%	36%	15%
	Multiplication factor	-	x 2.7	x 3
Distance to nearest Natura 2000 area		> 25 km	> 20 km	> 20 km
Distance to nearest natural area of ecological, faunal and floristic interest (ZNIEFF)[1]		2.5 km	2.5 km	> 5 km

(1) Type 1 & 2 natural areas of ecological, faunal and floristic interest.

2.4. Resource use and circular economy (ESRS E5)

Assessing the environmental issues related to SFL's operations also involves looking at every phase in a building's life cycle, particularly how it was built, redeveloped or renovated and how resources may have been used during those phases.

2.4.1. Policies related to resource use and circular economy (E5-1)

SFL is demonstrating its commitment to supporting circular economy practices by developing and managing its assets in ways that limit carbon intensity, waste production and the use of natural resources in procurement and construction methods.

This is reflected in the Group's environmental policy, which sets out the following priorities that are in line with United Nations Sustainable Development Goal no. 12 on sustainable consumption and production:
- integrate a circular economy model into the Group's activities to reduce the use of raw materials, as well as waste and emissions;
- promote the efficient use of resources and the reduction of waste;
- outsource waste management to specialist companies that process and recycle the materials generated;
- reduce negative environmental impacts and potential sources of pollution right from the design phase;
- reuse products and materials as much as possible.

This policy applies to all of the Group's 17 properties, and the Technical and Development Department is responsible for ensuring it is effectively implemented.

2.4.2. Actions and resources related to resource use and circular economy (E5-2)

The actions and resources related to the policies described above are based on the following three topics that help to reduce our footprint:
- paying attention to existing structures to limit demolition;
- judiciously using resources during the works phase, through the promotion of eco-design, reuse and recycling of materials;
- deploying more waste sorting solutions and focusing on recovering, reusing and recycling waste during redevelopment projects and the use of buildings.

Paying attention to existing structures to limit demolition

It is reflected in the Group's approach to redevelopment projects, which are shaped by in-depth historical heritage impact assessments and close attention to the original building architecture[1].

This attention also helps to limit the amount of demolition and therefore the use of natural resources when new structures are built. By nature, redeveloping or renovating an existing building is much more carbon efficient than putting up a new building, since most of the structure, and sometimes even the roof, windows and doors, are retained. Moreover, unlike new construction, redevelopment projects do not seal any additional soil space.

Eco-design, reuse and recycling of materials

In these operations, SFL seeks to mitigate the impact of redevelopment work on the buildings it owns and renovates by implementing clearly defined policies to reduce the worksites' environmental footprints, and by demanding and monitoring contractor compliance. These policies systematically cover three main solutions:
- reusing materials from the existing building on-site;
- reusing salvaged materials on-site or selling them for reuse via online marketplaces when they cannot be used on-site;
- using bio-sourced materials or less carbon-intensive alternatives.

(1) See the ESRS S3 disclosures on pages 90 to 94 for further information.

Clearly defined worksite guidelines were drawn up for all of our recent projects, with a strong focus on reusing materials from demolition and dismantling works or from other sites.

For example, at Biome, which was delivered in 2022, more than 400 sq.m. of the site's façade stone was crushed and reused for terrazzo tiling.

At Cézanne Saint-Honoré, over 60% of the false floor structures were reused.

During the renovation of the Louvre Saint-Honoré intercompany staff restaurant, almost four tonnes of fixtures were donated to a company that refurbishes and repurposes kitchen furniture and equipment.

For the Scope project, the site clean-up was an opportunity to salvage a large number of materials that will be able to be reused on site or for other projects, including acoustic structures, raised floor systems, cable trays, marble slabs and sanitary facilities.

SFL also strives to promote circular economy practices in other projects, such as refurbishment of floor plates. The materials recovered from three projects in 2024 will avoid 220 tCO_2e. A presentation was given to on-site operations managers during the year to promote these practices and look at ways of extending them to other projects. For the project to renovate the floor plates of the 103 Grenelle building, doors, sanitary facilities, LED lights and raised false floor systems were offered for reuse off-site.

Improvement of waste treatment

Waste is tracked in the 11 buildings owned and managed by SFL. For the other three of its buildings in use, there are two different waste handling situations. For one of the buildings, waste collection is carried out directly by the City of Paris, with SFL having no access to data either about the quantity of waste collected or whether it is treated. For the other two, the waste collection service providers were unable to provide information about the waste treatment methods used. In a commitment to further improving its control over this issue, SFL is gradually attempting to take back these waste management tasks for outsourcing to private contractors capable of pursuing the identified avenues to improvement. For the last three years, five assets have been transferred from municipal management to SFL via a private waste management contractor.

In the case of redevelopment projects, SFL is seeking to improve tracking by broadening the metrics to smaller projects, in line with what was done in the large projects ongoing in 2024.

• Deploying more waste sorting solutions

To manage building waste more effectively, a wider selection of sorting solutions has been deployed for tenants. As of year-end 2024, 29 different types of waste were collected at SFL properties, including cardboard, paper, plastics, wood, glass, metals and waste electrical and electronic equipment.

• Using the most effective treatment methods

Effective management also includes ensuring that the waste collected by service providers is treated in the most appropriate way possible, depending on locally available recycling or reuse solutions.

2.4.3. Targets related to resource use and circular economy (E5-3)

SFL is committed to continuing to work with waste collection service providers to improve their feedback on treatment methods and to ensure that no waste is landfilled.

SFL has set itself the target of achieving "zero final waste" by 2030. This consists of recovering and reusing (for energy and/or materials) all the waste generated during the use of a building or during the works phase.

In the assets in use, 96% of waste was recovered and reused in 2024, primarily through recycling or burning as fuel. The sharp 59% rise in the recovery and reuse rate compared with 2023 is due to more precise monitoring of waste collection service providers, particularly regarding the treatment processes proposed for non-hazardous industrial waste. In 2024, 74% of the waste from the three main renovation and redevelopment projects was recovered and reused.

2.4.4. Resource inflows (E5-4)

SFL did not deliver any major redevelopment or renovation projects in 2024. A number of major projects were in the works phase during the year, and SFL plans to provide an overview of the resource inflows that were required for those projects once the works are completed.

2.4.5. Resource outflows (E5-5)

The French construction industry generated around 212 million tonnes of waste in 2020 (down 11.4% since 2018), representing 68% of all waste produced in France[1].

The 11 assets in use whose waste management is handled by SFL produced 915 tonnes. During the year, SFL produced 634 tonnes of waste on its three main construction worksites.

(1) *Bilan 2020 de la production de déchets en France*, November 2022, Ministry of Ecological Transition and Territorial Cohesion data-lab.

		Waste from assets in use				Waste from redevelopment and major renovation projects			
		Hazardous waste		Non-hazardous waste		Hazardous waste		Non-hazardous waste	
Waste treatment methods	**Unit**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**
Preparation for reuse	tonnes	0	0	0	0	0	0	0	0
	%	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
Recycling	tonnes	0.3	0.2	104.2	189.9	0	0	0	0
	%	*26.7%*	*45.1%*	*9.5%*	*20.8%*	*0%*	*0%*	*0%*	*0%*
Other recovery operations	tonnes	0.6	0.2	166.9	174.6	12.4	4.6	1,862.4	431.1
	%	*51.3%*	*38.5%*	*15.2%*	*19.1%*	*75%*	*75%*	*87.9%*	*68.6%*
Incineration with energy recovery	tonnes	0.2	0.1	373.4	511.2	4.1	1.5	149	33.2
	%	*22%*	*16.4%*	*34.1%*	*55.9%*	*25%*	*25%*	*7%*	*5.3%*
Incineration without energy recovery	tonnes	0	0	0	0	0	0	0	0
	%	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
Landfill	tonnes	0	0	244.8	7.4	0	0	0	0
	%	*0%*	*0%*	*22.4%*	*0.80%*	*0%*	*0%*	*0%*	*0%*
Other disposal operations	tonnes	0	0	205.5	31.6	0	0	106.9	163.8
	%	*0%*	*0%*	*18.8%*	*3.5%*	*0%*	*0%*	*5%*	*26.1%*
Total amount of waste	**tonnes**	**1.1**	**0.5**	**1,094.8**	**914.6**	**16.6**	**6.1**	**2,118.3**	**628.1**

	Waste from assets in use		Waste from redevelopment and major renovation projects	
Waste treatment methods	**2023**	**2024**	**2023**	**2024**
Inert waste/concrete	0	0	536.3	126.6
NHIW	761.7	589.3	982	464.5
Plaster	0	0	484.2	3.8
Paper	6.7	16.2	0	0
Cardboard	209.7	194	14	0
Plastics	3.5	4.7	0	0
Metals	0.5	1	37.3	21.7
Glass	19.4	20.3	0	0
Organic waste	80.3	74.1	0	0
Wood	4.7	6.5	64.6	11.5
WEEE	0.3	0.1	0	0
Batteries & ink cartridges	0.8	0.5	0	0
Bulbs and fluorescent tubes	0	0	0	0
Aluminium cans and capsules	0.1	0.4	0	0
Beverage waste	0.5	0.6	0	0
Bulky waste	0.1	0	0	0
Final waste	7.4	7.4	16.6	6.1
Total waste	**1095.9**	**915.1**	**2134.9**	**634.3**

2.5. Other environmental issues

2.5.1 Certification and labels

Earning building certification and labels, in both the renovation and in-use phases, has become indispensable in the property market. To proactively address this imperative, since 2012, SFL has ambitiously sought best-in-class environmental certification for all of its assets in use and for each redevelopment project, through globally recognised certificates considered of high standing among investors and tenants.

A critical prerequisite for top-tier tenants

SFL's tenant portfolio includes world-class companies who insist that their head offices demonstrate superior environmental and social responsibility performance, in line with their own commitments.

For them, environmental certification, and especially a low-carbon label, is now a critical prerequisite, which is almost systematically requested during the prospecting or lease negotiation phases.

A quantitative criterion built into the latest bank loans

Certification is therefore an effective, third-party-validated way for SFL to guarantee the quality of its buildings for stakeholders, investors, funders, public authorities and users. The percentage of property assets certified and the levels of certification awarded now form part of the ESG criteria included in the Group's Green Financing Framework.

These requests from stakeholders are motivating SFL to pursue its campaign to seek the highest possible levels of certification for its assets.

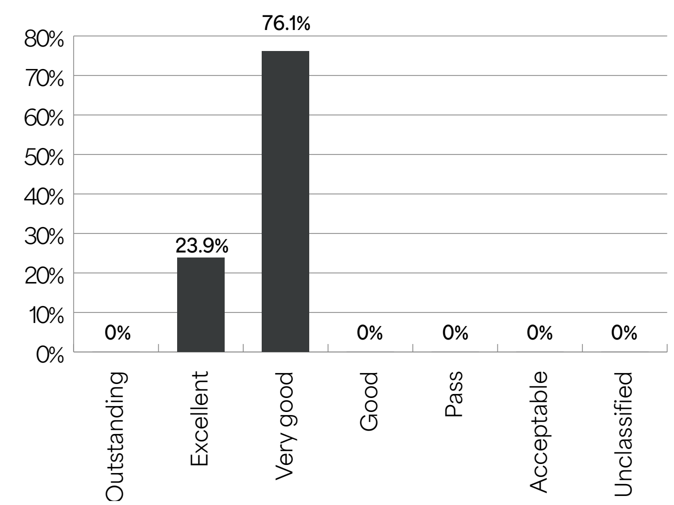
All properties in use certified

All the certifiable[1] revenue-generating properties in the portfolio, i.e., 14 assets representing almost 310,000 sq.m. of leasing area at end-2024, have been certified to BREEAM In-Use or HQE Exploitation standards.

BREEAM In-Use certification has been widely deployed since 2012, making SFL the benchmark among European property companies in pioneering early adoption of this standard for assets in use. Our objective is for each successive audit to result in a rating upgrade. All new BREEAM In-Use certifications are carried out based on the V6 version, with increasingly strict assessment criteria.

At end-2024, 100% of the portfolio's surface area had earned at least a Very Good rating under either BREEAM In-Use or HQE Exploitation standards, with 24% rated Excellent.

BREEAM In-Use and HQE Exploitation certifications by rating as a % of surface area



Systematically earning certification and labelling for redevelopments

All the major redevelopment projects have earned certification.

Certifications and labels are chosen to meet specific building characteristics as closely as possible. In this way, they support the building's market positioning, while challenging its management teams and demonstrating its most innovative features.

Scope and Condorcet are perfect examples of this approach as we are seeking multiple certifications and labels for these projects, including:
- the **BiodiverCity** label to highlight the significant efforts made to green the sites;
- the **BBCA Rénovation** low-carbon building label, reflecting the ambitious vision that is guiding our teams in reducing greenhouse gas emissions;
- the **CircoLab** label, which recognises reuse and circular economy practices;
- **ActiveScore** certification, which demonstrates the promotion of active modes of transport.

2.5.2. Accessibility and low-carbon mobility

The way people get around in Paris is constantly evolving, and this dynamic is set to accelerate. Three main trends have emerged in recent years:
- **Decline in car use:** since the 1990s, car use has fallen sharply in cities, a phenomenon that has gone hand in hand with a reduction in households' car ownership rates as an increasing number of people are giving up their private vehicles. This decline is particularly marked in Paris, where car traffic has almost halved in 10 years[2].
- **Development of new forms of mobility:** at the same time, new forms of mobility are emerging, particularly cycling, which has grown rapidly. The trend for cycling is becoming increasingly visible in the city, with the development of dedicated facilities and infrastructure. The use of bike lanes and facilities rose again between 2022 and 2023, increasing by 13% over the period[3].
- **More public transport:** lastly, public transport services are continuing to develop at a brisk pace, with a large number of metro and tramway projects under way as part of the Greater Paris project. Nearly 70 new metro stations and 200 kilometres of new lines are expected to be delivered over the next few years under this major transport programme.

Location - a key criterion when considering a job offer

These transport developments highlight the importance of daily commutes and the location of people's workplaces. Employees feel that the most important criterion for their well-being is where their office is located and therefore how long their commute takes.

(1) "Certifiable" buildings are buildings in use for at least one full year after delivery, including those whose renewal applications are being reviewed by the BRE. The category excludes major redevelopments and renovations and buildings where tenant works are in progress.
(2) 2023 report on modes of transport in Paris: https://www.paris.fr/pages/le-bilan-des-deplacements-a-paris-en-2023-27604
(3) 2023 report on modes of transport in Paris:https://www.paris.fr/pages/le-bilan-des-deplacements-a-paris-en-2023-27604

Workplace location has now become as much a decisive factor when considering a job offer as salary.

This means that high value-added companies, for which attracting and retaining talent are key to their performance, need to offer their employees workspaces located in the best districts of the capital. These places must be easily accessible on foot, by soft mobility or by a wide range of public transport, and they must offer a diverse range of quality amenities and services.

A portfolio concentrated in the most popular neighbourhoods

SFL's investment strategy has always been aligned with the needs and expectations of its tenant companies, which has led it to steadily concentrate its portfolio in the most sought-after neighbourhoods.

SFL's assets are ideally located in Paris's central business district (CBD), close to the city's main train stations and transport hubs, as is the case, for example, for #cloud.paris, Haussmann Saint-Augustin and Scope. A compelling illustration of this location strategy is the acquisition in 2022 of the Pasteur building, sitting directly on top of the Montparnasse train station. SFL now has properties located in the immediate vicinity of every Paris train station.

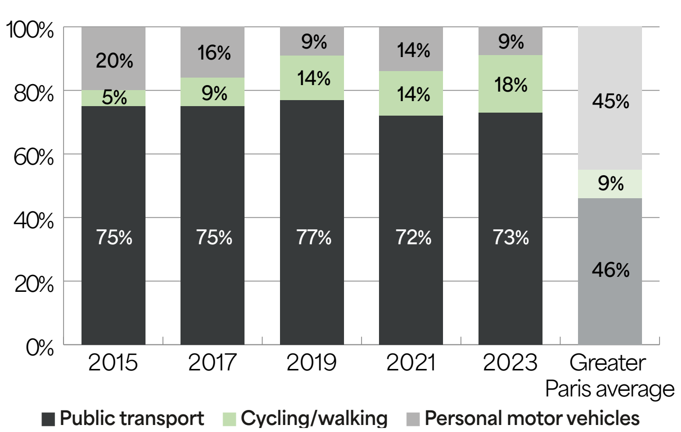
They are also located in mixed-use neighbourhoods in the full throes of redevelopment, such as the 9th *arrondissement* (Condorcet), the 7th (103 Grenelle) and the 15th (Biome). These neighbourhoods stand out for their wide range of different uses and amenities, with shops, cultural venues, housing and offices, and are extremely accessible thanks to very good public transport facilities (metro, RER and bus).

100% of assets located less than a six-minute walk from a metro station

All of SFL's assets are easily accessible by public and alternative transport, and in particular all are located less than six minutes from a metro station.

This outstanding proximity is directly reflected in the ways in which office users commute to and from work.

How SFL office users commute to and from work[1]



In late 2023, for example, the latest satisfaction survey showed that 73% of them commute by metro, tram, train or RER, and 9% drive in by car, motorcycle or scooter, or take a taxi. Lastly, 18% of users cycle or walk to work, a percentage that has risen sharply since 2015.

For our tenants, choosing an SFL building helps to decarbonise their business activities.

Responding to new forms of urban mobility

For several years now, new forms of urban mobility have been developing, which are gradually changing the way office users commute and get around the city. SFL pays particular attention to these emerging forms of mobility and remains attentive to what tenants have to say about these issues.

More bike parking facilities

One of the main measures that SFL is taking is to provide better facilities for cyclists.

For example, several hundred bike parking spaces have been installed at Washington Plaza, along with a range of facilities to encourage their use (changing rooms, repair stations, etc.). Similar infrastructure has also been installed at 103 Grenelle and Cézanne Saint-Honoré. At end-2024, 13 of the Group's properties were equipped with more than 1,600 bike parking spaces.

A bike parking area with more than 300 spaces and changing rooms are also planned for the Scope building, which is currently in the works phase.

Facilitating the electric vehicle transition

Other initiatives under way are helping to facilitate the use of electric mobility modes. Every new redevelopment project supports these modes with new recharging infrastructure, a strategy that is also being gradually extended to assets in use.

Ten assets have already installed electric vehicle charging infrastructure, representing nearly 140 stations, and plans are under way to equip other buildings in the future.

ActiveScore certification to validate the actions put in place

SFL seeks to transparently report on the actions it is taking to promote sustainable mobility. As at end-2024, three assets in use (Washington Plaza, Édouard VII and 103 Grenelle) had been awarded ActiveScore certification, which is based on an assessment of the availability and quality of facilities and services that encourage active mobility. This certification is also being sought for the Haussmann Saint-Augustin, Scope and Condorcet projects.

(1) Averages in the Greater Paris region, from a 2021 INSEE study based on a 2017 survey https://www.insee.fr/fr/statistiques/5425974#tableau-figure2

3. Labour and employment information

3.1. Own workforce (ESRS S1)

3.1.1. Material impacts, risks and opportunities related to SFL's own workforce and interaction with its strategy and business model (SBM-3)

The value chain covering a property asset's life cycle comprises six links: investment, redevelopment, leasing, rental management, renovation and, where applicable, sale. SFL has fully integrated, in-house capabilities across the value chain, giving it a significant competitive advantage in a commercial property market where such an approach is far from systematic. Having all the necessary expertise and capabilities in-house not only makes SFL more agile and responsive, it also gives it a 360° and immediate view of each project.

The nature of SFL's business requires close collaboration with all of its stakeholders. This is because property development and management need to be closely coordinated collaboratively with a wide variety of stakeholders, including local residents, public authorities, prime contractors, architects, multi-technical contractors and shareholders. The key aspects of SFL's main social and HR management issues are described below.

Talent and skills management

In specialised sectors, such as commercial property, and within markets as specific as prime Parisian asset management, attracting and retaining qualified talent is a real challenge for SFL, particularly in view of the opportunities offered by larger companies. The increasing digitalisation of asset management, for leasing, technical and financial aspects, combined with continual changes in environmental, fiscal and legal standards, requires an appropriate training and skills development plan for our people to constantly enhance their expertise and performance.

Quality of worklife and working conditions

In the same way as its tenants, SFL's employees express expectations not only in terms of the flexibility and comfort of their workspaces, but also with regard to working conditions, work organisation methods (remote/on-site), relations with their line managers, the quality of internal communications and work/life balance.

Diversity management

Ensuring gender balance and combating all forms of discrimination is also a key priority for SFL, as is the need to manage inter-generational relations among employees whose expectations and working styles vary depending on their seniority in the job or company.

Management of labour relations and social dialogue

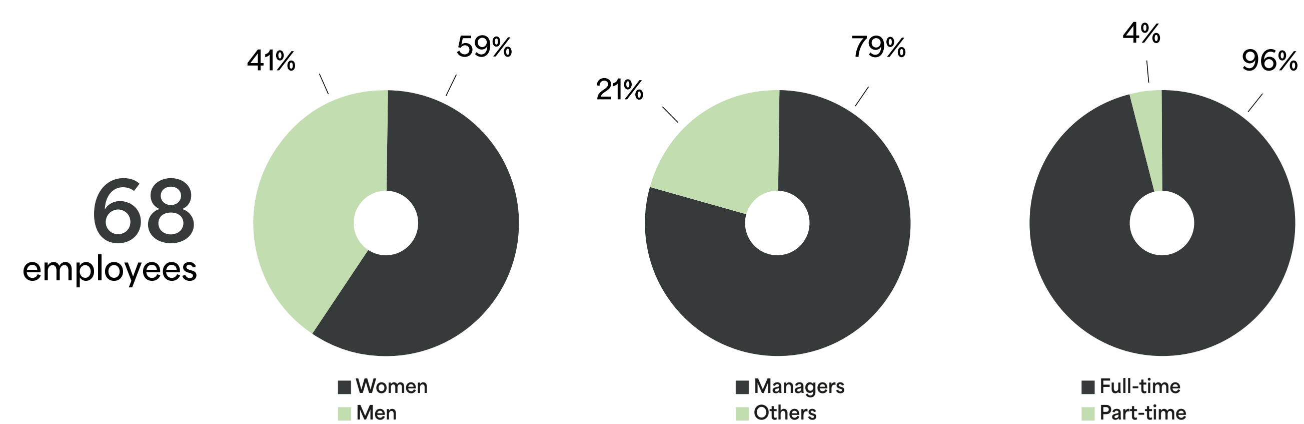
Above and beyond strictly complying with the applicable regulatory requirements, SFL places importance on regularly engaging with employee representatives and maintaining a constructive dialogue with them, particularly during periods of strategic change (e.g., during the roll-out of new management systems or work processes).

The environmental transition and corporate social responsibility (CSR)

SFL has to integrate sustainability objectives into all of the activities in its value chain, which means training employees in these new requirements and raising their awareness about the Group's social and environmental objectives.

SFL therefore constantly strives to deepen employee and partner engagement across the value chain, which helps foster a desire to work together. The SFL Group had 68 employees at 31 December 2024. Women make up the majority of the workforce, at 59% of the total, and 79% of employees are classified as managers. All employees are based at SFL's head office in Paris.

Structure of the workforce at 31 December 2024



3.1.2. Policies related to own workforce (S1-1)

SFL is committed to providing an inclusive and respectful work environment for all of its employees that complies with its fundamental values and legal obligations.

Human resources management policies (recruitment, training, promotion, remuneration, etc.) strictly respect the principles of equal treatment, equal opportunities and diversity, as well as fighting all forms of harassment and/or discrimination.

In connection with its Ethics Code of Conduct and internal whistleblowing procedure, SFL is extremely vigilant about ensuring that the fundamental rights of individuals are respected and that actions are taken immediately to put an end to any situation that may infringe on those rights.

Specific programmes are put in place to encourage employees' professional and personal development, including in particular the negotiation of specific agreements (the right to switch off from work-related communications, remote working, extra days off and paid leave for employees who are carers), as well as training/awareness-raising initiatives and performance appraisals.

Regarding workplace health and safety, procedures and processes are carried out every year to prevent accidents and promote employee well-being. Examples include a quality of worklife (QWL) programme (survey and action plan in coordination with a joint steering committee), training (on fire safety, electrical wiring standards, workplace health and safety, etc.), and updates to the internal regulations and the Occupational Risk Assessment Document *(Document unique d'évaluation des risques professionnels)*. Lastly, SFL keeps up a steady stream of dialogue with employee representatives to ensure open and transparent communication and contribute to the improvement of working conditions in compliance with ILO conventions and national and international standards.

Sustainability topic	Sub-topic	Policy	Brief description of the policy (including the main objectives and the IROs addressed by the policy)
General policies		Collective agreement	General provisions that formally document the rights and obligations of the Company and each employee
		Sector HR report	Workforce, contracts, training, remuneration **S1-1, S1-2 and S1-3**
		Collective bargaining and social dialogue	Company-level agreements Meetings and SEC consultations **S1-15**
Employer appeal, skills development & workplace equality	Remuneration	Remuneration surveys Collective bargaining salary scale	Average salaries in the sector Minimum wages in the sector **S1-3**
	Training and skills development	Career development reviews and annual appraisals Skills development plan	Collective and individual needs for training and skills development Training action plan and related budget **S1-9 and S1-10**
	Equal treatment and opportunities for all	Gender equality	Recruitment, training and remuneration **S1-12, S1-13 and S-14**
Health, safety and quality of worklife	Health and safety	Internal regulations and the Occupational Risk Assessment Document	Health and safety measures **S1-7**
	Quality of worklife and working conditions	QWL programme	Joint steering committee Employee survey Action plan **S1-16 and S1-17**
Ethics and human rights		Ethics Code of Conduct	Values, prohibited behaviour and expected behaviour **S1-13**
		Whistleblowing system	Reporting illegal, non-compliant or inappropriate situations **S1-13**

These policies, which apply to all SFL employees, do not explicitly address human trafficking, forced or compulsory labour or child labour, as these practices are, in all circumstances, expressly prohibited by the legislation to which SFL is subject.

3.1.3. Processes for engaging with own workers and workers' representatives about impacts (S1-2)

As part of its QWL programme, SFL has set up a joint steering committee responsible for putting forward proposals about quality of life at work and monitoring the related actions taken. This committee, which is made up of representatives of Senior Management, members of the Social and Economic Committee (SEC) and operations managers, met four times in 2024, including to determine the terms and conditions of the employee QWL survey.

The response rate to this survey - which was conducted in October 2024 among all of the Group's employees - was 71% and it gave each employee the opportunity to express their level of satisfaction about a range of QWL issues, such as working conditions, employee-employer relations, resources and skills, values and engagement.

SFL also promotes social dialogue, in particular through meetings held with employee representatives. Senior Management and the SEC met 11 times in 2024 for information, consultation and collective bargaining purposes. These meetings gave employee representatives the opportunity to express their views on SFL's business situation, financial position, strategic goals and HR policy, as well as on the planned merger and changes to the employee savings/retirement scheme.

None of SFL's employees are currently considered to be particularly vulnerable or marginalised. If such a situation were to arise, SFL would immediately take steps to put an end to it.

No specific measures were put in place in 2024 to promote equal opportunities or combat discrimination and harassment, apart from the events in which SFL participated during the European Disability Employment Week (EDW) described in section 3.1.13 of this report.

SFL did not identify any form of gender discrimination in terms of pay, access to employment, training or promotion in 2024.

In December 2023, SFL's Senior Management and the trade unions signed an agreement on gender equality, reaffirming the importance of the principle of non-discrimination on the grounds of gender and confirming their commitment to equal treatment and opportunities for all.

This agreement was entered into for a three-year period from 1 January 2024 to 31 December 2026, and includes metrics and targets related to recruitment, training and remuneration, as described in section 3.1.5 of this report.

3.1.4. Processes to remediate negative impacts and channels for own workers to raise concerns (S1-3)

As well as the legal systems available for employees to alert Senior Management and/or raise their concerns - such as through employee representatives (SEC meetings, whistleblowing rights, etc.) - a range of processes are in place to pre-empt, identify and prevent any infringement of employees' rights and freedoms, and more generally to provide employees with channels for reporting suggestions or comments, including:
- an Ethics Code of Conduct,
- an IT and digital charter,
- an agreement on the right to disconnect,
- the QWL survey.

These processes apply to all SFL employees.

A whistleblowing mechanism open to all

SFL also introduced a whistleblowing mechanism that employees, non-employee workers, suppliers, sub-contractors and other company co-contractors can use[1].

Dedicated training for all employees

The roll-out of the Ethics Code of Conduct and the whistleblowing mechanism in 2023 provided an opportunity to remind employees to the issues of compliance and proper conduct. Two dedicated training sessions, led by a lawyer specialised in compliance issues, were held in October 2023, and refresher training may be subsequently organised if necessary.

3.1.5. Taking action on material impacts on own workforce (S1-4)

Employer appeal, skills development & workplace equality

Developing employee skills, attracting and retaining talent and promoting gender equality in the workplace are real challenges for SFL, given the size and structure of its workforce (fewer than 100 employees, mainly managers) and internal organisation based on integrated teams interacting with each other and active across the value creation chain.

(1) Further information about the whistleblowing mechanism is provided in section 4.1.1 of this report.

Remuneration and benefits

To encourage the professional advancement and engagement of SFL employees, policies are in place to offer fair, attractive and incentive-based remuneration, whose competitiveness is tracked through an industry review in which the Company participates every two years.

With reference to disclosure requirement S1-10 in the ESRS S1 standard, note that all SFL employees receive an adequate wage in accordance with applicable indices, particularly the sector minimum wage specified in amendment 103 of 13 March 2024 to the National Collective Agreement for the Property Industry.

This remuneration policy is presented in the Personal Remuneration and Benefit Review prepared for each employee. These annually issued reviews meet several objectives: to inform employees as clearly as possible about the Company's various remuneration systems and also to present the value of their total package (salary, bonus, other remuneration and benefits).

Direct remuneration

Each employee is paid a salary and a variable performance-based bonus. In 2024, the target bonus represented on average 17% of the employee's base salary (excluding Management Committee members).

For employees on payroll at 31 December 2024, total remuneration for the year (salary and bonus) averaged €75,384, again excluding Management Committee members.

Indirect remuneration

Employees have a stake in SFL's performance through statutory and discretionary profit-sharing schemes. The accrued entitlement of employees through these schemes in 2024 represented a total of €3,449,644. For the statutory profit-sharing scheme, the majority (over 90%) of the amount available for distribution in 2024 was from the balance of the special statutory profit-sharing reserve set aside for 2021.

In order to optimise its employees' general and pension savings, SFL offers a range of high-performing plans (PEE employee savings and PERECO pension savings plans), providing a wide choice of investment funds that can be either managed or unmanaged. With a view to encouraging employees to save for retirement, their personal investments in the PERECO pension plan are matched by a company contribution, whose maximum amount was raised from €5,310 to €5,700 in 2024.

In this context, SFL's financial support for employees seeking to save for their retirement amounted to €288,900 in 2024, with 59 employees receiving an average matching contribution of €4,897.

In 2024, free shares were again granted to officers and employees, this time to 58 people (of whom 56 employees) representing 82% of the workforce on the payroll at the year-end.

Remuneration policies also cover a number of extra benefits, including a time savings account that converts unused leave entitlement into investments in the PERECO plan, service vouchers fully financed by the Company and the Social and Economic Committee, and subsidised food services (meal vouchers and/or subsidised meals at intercompany staff restaurants).

In 2023, SFL demonstrated its commitment to addressing the environmental issues inherent in its business by deploying a variety of measures to upgrade its direct and indirect remuneration system:
- introduction of a sustainable mobility package for employees to encourage them to use environmentally-friendly means of transport;
- a change in the nature of personal objectives that determine an employee's bonus (identification of ESG objectives during annual performance reviews);
- 15% of the discretionary profit-sharing bonus is now determined based on an environmental criterion, supported by a greenhouse gas emissions reduction target, in addition to the financial criterion;
- inclusion, subject to conditions, of an environmental performance objective (decarbonisation) for setting the number of free shares allocated under Plan 7.

SFL continued all of these measures in 2024 as part of its CSR policy and in line with its sustainability commitments.

In addition, at the end of 2024, SFL launched a review to adapt its employee savings plan (PEE) and pension savings plan (PER) in line with the provisions introduced by France's National Interprofessional Agreement (ANI) Act and the Green Industry Act aimed at promoting employee savings that are more accessible, simplified and aligned with environmental sustainability challenges.

This review led to the signature of an agreement with the employee representatives which will enable SFL to:
- offer, within the PEE and PER plans, an additional investment fund that is certified as meeting criteria related to financing the energy and environmental transition or socially responsible investment;
- formally document the possibility of unlocking PEE plans ahead of their maturity date for a number of specific reasons: if the plan's holder is a carer, for financing an energy retrofit of a main residence, or for acquiring a "clean" vehicle (i.e., which uses electricity, hydrogen or a combination of the two as its sole source of energy);
- include a small proportion of investments in non-listed assets in the managed assets under the PER plan.

Training and skills development

Every year, SFL defines objectives for its employee training programmes, in a constant commitment to:
- create and nurture conditions in which every employee has access to training and skills development;
- prepare for emerging technical, legal, environmental and other changes in the industry, in order to improve the professionalism of its employees and enable them to do their jobs effectively in the best possible conditions.

As part of the employee skills development commitment, performance reviews are conducted with each employee every year to assess their achievements and abilities and to identify their training needs. In addition, every two years, a career development review helps employees map out a more personal growth path, with milestones and outcomes assessed every six years.

In 2024, the procedures for conducting these online reviews and training were overhauled to make them more flexible and agile, increase employee engagement, and enhance the user experience with a view to more closely reflecting SFL's HR strategy and driving team development.

In 2024, for example, training sessions primarily focused on asset management, law, office technology and improving language skills in English.

Also during the year, SFL offered dedicated training sessions designed to:
- strengthen the managerial skills and culture of its leaders (3.5-day training programme devoted to the leadership and credibility of managers, their ability to adapt, communicate and mobilise their teams, and the prevention of psychosocial risks);
- raise awareness among its teams about the environmental challenges facing its business through the Sustainable Real Estate Climate Fresk workshop;
- prepare for the integration of the requirements of the CSRD into non-financial information, via workshops run by CBRE for employees involved in the sustainability reporting process.

In coordination with Colonial, SFL also took part in the EPRA/INSEAD Executive Programme in 2024, opening up this training to two employees who were able to attend a three-day course on the latest trends affecting the listed real-estate sector, such as topical investment, e-commerce and logistics, digitalisation and data analysis.

Lastly, as a member of the strategic committee of the *Observatoire de l'Immobilier Durable* (OID), in 2024 SFL contributed to designing the Label'ID sustainable real estate e-learning programme, which will be rolled out for all SFL employees in 2025. The aim of this programme - which provides successful candidates with a professional accreditation - is to accelerate the inclusion of ESG issues in all property-related professions. The idea is to help real-estate professionals navigate the transformational changes in their sector and to promote training in sustainable real estate. It offers a common framework of knowledge on the major ESG issues facing the real estate sector, and trainees take an evaluation test at the end, with successful candidates obtaining the Label'ID accreditation validating the skills they have acquired.

In the same aim of constantly building skills and training, as part of the "Everyone's a Trainer" internal training programme launched in 2023, three training sessions were organised in 2024, designed and run by SFL employees (on planning permissions, construction insurance, SAP tools and the energy-saving plan).

Equal treatment and opportunities for all

Treating everyone equally and offering equal opportunities is of material importance to the Group, both for employee development and business growth.

The Group has therefore reaffirmed both its pledge to reject any and all forms of discrimination and its commitment to fostering gender equality and equal opportunity in the workplace.

Since 2017, SFL has undertaken a number of initiatives to:
- fulfil the undertakings in the gender equality in the workplace agreement (described in more detail below);
- secure support for the disabled, which includes the grant made to the LADAPT non-profit organisation, the agreement with the ARPEJEH (which supports students with disabilities in their studies), and the practice of buying goods and services from companies specialised in employing people with disabilities.

In December 2023, a new three-year gender equality in the workplace agreement was negotiated and signed, comprising a number of measures backed by improvement targets and metrics in the following three areas:
- hiring and job opportunities;
- promotion opportunities thanks to ongoing skills development;
- actual remuneration packages.

Process	Objectives	2024 outcomes
Hiring and job opportunities:	• Endeavour to obtain, as far as possible, an equal number of male and female candidates. • Drive greater gender balance in the job classification grid.	• At year-end 2024, 52% of SFL managers were women. • 4 of the 8 people hired during the year were women.
Promotion opportunities thanks to ongoing skills development:	• Ensure that men and women have equal access to training opportunities. • Define with each employee returning from maternity, adoption or parental leave training courses to ease their transition back into the workforce. • Identify and address any family-related issues employees may face while in training.	• In 2024, women who participated in at least one training session or event during the year accounted for 58% of trainees and spent an average 28 hours in training (35 hours for men). • Out of the average number of employees in 2024, 88% of men and 84% of women attended training sessions during the year.
Gender-neutral remuneration:	• Guarantee that women and men who are hired for equivalent jobs are offered the same initial pay and that they continue to receive equal pay throughout their careers with the Group. • Eliminate any distortions in remuneration resulting from parental-related leave.	• As part of the statutory annual pay round in 2024, the parties noted that there was no form of gender discrimination and reaffirmed the need to apply the principle of equal pay when individual salary increases are awarded.

The Company's gender equality index published in February 2024 for the 2023 calendar year resulted in an overall score of 89/100 points, with SFL achieving the highest score for three of the four metrics making up the index (gender gap for individual salary increases, percentage of employees receiving salary increases on return from maternity leave, and number of women among the 10 highest earners).

Health, safety and quality of worklife

As key factors in making SFL a great place to work, health, safety and well-being represent major issues not only for employees, but also for the entire corporate community. With this in mind, these criteria have been fully integrated into the Group's human resources policies, independently of any legal obligations. In addition, the workplace atmosphere is regularly measured with a quality of worklife and working conditions survey, in line with SFL's goal of complying with the obligation to regularly assess workplace risks, while laying the foundation for the continuous improvement in the working environment.

Health and safety

To protect their health, all SFL employees are covered by a company-funded supplementary insurance scheme offering health, disability and death benefits.

Similarly, all employees are eligible for SFL's safety training programme, either on a voluntary basis (workplace first responder and fire prevention training) or as part of their job responsibilities (electrical contracting accreditation).

The Group's employee health and safety policies were actively pursued during the year, with:

- the organisation of a new series of fire prevention training sessions in coordination with APAVE, a risk management consultancy;
- the renewal of authorisations for qualified employees to work on electrical installations and equipment;
- the update to the Occupational Risk Assessment Document in consultation with employee representatives.

Quality of worklife

In line with the measures taken in previous years in relation to quality of worklife and working conditions (QWL), a new QWL survey was launched towards the end of 2024.

The aim of this survey is to get employees involved in a collective change dynamic to enhance the quality of worklife and working conditions.

In 2024, the survey took the form of an online questionnaire sent to all SFL employees on key QWL topics, namely:

- working conditions,
- employer-employee relations,
- impact of work on health,
- resources and skills,
- attitudes to change,
- values,
- engagement.

By analysing the responses – a process which was under way at the date of this document – the Company will be able to identify any problems in the workplace and the appropriate protective factors, and to recommend action plans to foster employee engagement and well-being.

SFL also has a remote working agreement in place – signed in February 2023 and not amended in 2024 – which meets the dual objective of driving performance and enhancing quality of worklife by encouraging a more fulfilling work-life balance, while preserving the work organisation structure and sense of corporate community.

3.1.6. Targets related to own workforce (S1-5)

SFL has set itself three operational targets in its relations with its employees.

Sustainability topic	Primary 2030 objective	2024 performance
Employer appeal, skills development & workplace equality	> 2.5% of payroll invested in training	3.1% of total payroll excluding special bonuses (2.6% including special bonuses)
Health, safety and quality of worklife	100% of employees surveyed on the quality of worklife every year	100%
Ethics	100% of employees and contractors covered by an Ethics Code of Conduct	100%

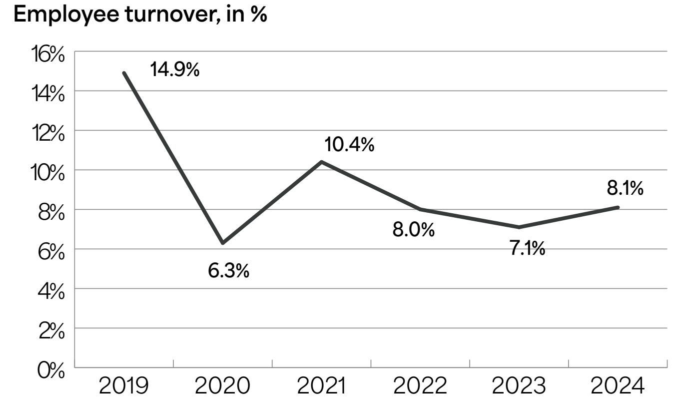
3.1.7. Characteristics of SFL's employees (S1-6)

Metric		2023	2024
Total number of employees		**77**	**68**
Breakdown of total number of employees by gender	Number of men	30	28
	Number of women	47	40
Total number of permanent employees		**70**	**64**
Breakdown of total number of permanent employees by gender	Number of men	28	26
	Number of women	42	38
Total number of temporary employees		**7**	**4**
Breakdown of total number of temporary employees by gender	Number of men	2	2
	Number of women	5	2
Number of non-guaranteed hours employees		**0**	**0**
Breakdown of total number of non-guaranteed hours employees by gender	Number of men	N/A	N/A
	Number of women	N/A	N/A
Total number of employees who left the Company		**13**	**15**
Reason for departure	Resignations	1	1
	Dismissals	0	0
	Terminations by mutual agreement	3	3
	Expiry of fixed-term contracts	6	7
	Termination of probationary period	1	1
	Death	0	0
	Retirement	2	3
Employee turnover rate (%)		7.1%	8.1%

In 2024, SFL hired eight new employees, including four work-study trainees. Fifteen people left during the year, including seven whose fixed-term contracts ended and three who retired. Given these movements, the SFL workforce remained stable, much like average seniority, which stood at 10 years at 31 December 2024 versus 9.5 years a year earlier.

Based on the average number of employees under permanent contracts at 1 January 2024 (68) and the number of employees under permanent contracts who were hired or who left during the period, the turnover rate was 8.1%, versus 7.1% in 2023[1].

Employee turnover, in %



(1) Turnover calculation formula: (Number of separations during the period + number of new hires during the period)/2/number of employees on payroll at 1 January).

3.1.8. Characteristics of non-employee workers in SFL's own workforce (S1-7)

The number of non-employee workers in the SFL workforce, as defined in the CSRD reporting standards, is not very material in relation to the number of employees under contract, and did not change significantly during the reporting period.

SFL has an average of four non-employee workers on a permanent basis, who work in the head office reception area and in IT support activities.

3.1.9. Collective bargaining coverage and social dialogue (S1-8)

In addition to company agreements, all of SFL's employees (100% of the workforce) are covered by the National Collective Bargaining Agreement for the Property Industry.

Similarly, all SFL employees (100% of the workforce) are represented by the Social and Economic Committee.

3.1.10. Diversity metrics (S1-9)

Metric	Unit	2023		2024	
		Men	Women	Men	Women
Percentage of men and women on the Board of Directors	Number	3	3	3	3
	%	50%	50%	50%	50%
Percentage of men and women on the Management Committee	Number	5	3	4	2
	%	63%	38%	67%	33%
Percentage of men and women managers, excluding the Management Committee	Number	23	29	22	26
	%	44%	56%	46%	54%
Breakdown of employees by age group	< 30 years	12%		12%	
	30-50 years	49%		54%	
	> 50 years	39%		34%	

3.1.11. Adequate wages (S1-10)

With reference to disclosure requirement S1-10 in the ESRS S1 standard, note that 100% of SFL employees receive an adequate wage in accordance with applicable indices, particularly the sector minimum wage specified in amendment 103 of 13 March 2024 to the National Collective Agreement for the Property Industry.

3.1.12. Social protection (S1-11)

All SFL employees (100% of the workforce) are covered by an unemployment insurance scheme and are therefore eligible to receive benefits ("ARE benefits") in the event of involuntary unemployment (provided they meet the conditions required by the scheme).

Similarly, all SFL employees (100% of the workforce) are covered by a supplementary personal risk protection scheme set up by SFL, which provides for the reimbursement of healthcare costs and the payment of an indemnity in the event of incapacity, disability or death.

3.1.13. People with disabilities (S1-12)

People with disabilities represented 1.5% of SFL's workforce at 31 December 2024.

As part of its policy of supporting employment opportunities for people with disabilities, in 2024 SFL once again helped to finance the operating budget of LADAPT, a non-profit organisation working in this area, through an annual grant and the allocation of a portion of its apprenticeship tax due for the year.

In 2024, SFL also renewed its membership of the ARPEJEH association, which promotes the training, qualification and employment of people with disabilities by supporting students aged between 15 and 30 in their studies and career development. To help finance these programmes, SFL allocated a portion of its apprenticeship tax due for the year to ARPEJEH.

Lastly, as part of the European Disability Employment Week, SFL organised various initiatives to raise awareness of disability issues, including:
- taking part in DuoDay – a nationwide event in France – by enabling a person with a disability to job shadow a volunteer employee for a day so they can get an insight into the Company and jobs in real estate;
- rolling out the Gamino digital platform designed to raise awareness among all employees about disability-related issues;
- participating in the organisation and financing of conferences on disability for the occupants of the building that houses SFL's head office.

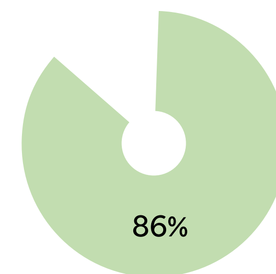
3.1.14. Training and skills development metrics (S1-13)

Metric	Unit	2023		2024	
		Men	Women	Men	Women
Percentage of employees who participated in regular performance and career development reviews, broken down by gender	%	96%	98%	100%	100%
Average number of training hours per employee and by gender	Number	34	40	35	28

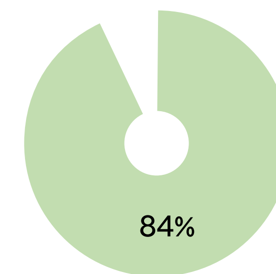
To encourage employees to develop their existing skills and acquire new ones, SFL has set a target of dedicating 2.5% of payroll to training and skills development.

In 2024, the total training expenditure represented 3.1% of total payroll, or 2.6% excluding special bonuses.

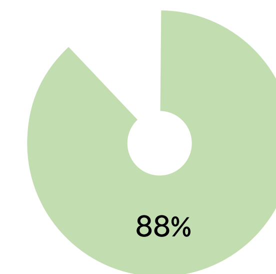
A total of 1,919 hours of training were offered to 62 employees, representing an average of 31 hours per trainee.



of employees received training



of women received training



of men received training

3.1.15. Health and safety metrics (S1-14)

Metric		Unit	2023	2024
Percentage of SFL employees covered by the health and safety management system		%	100%	100%
Number of fatalities as a result of work-related injuries and work-related ill health	SFL employees	Number	0	0
	Workers in the value chain at SFL sites	Number	0	0
Number of recordable work-related accidents	SFL employees	Number	0	3
		Accident frequency rate(1)	0	9.91
Number of recordable cases of work-related ill health	SFL employees	Number	0	0
Days lost due to work-related accidents, fatalities or ill health	SFL employees	Number	0	1
	SFL employees	Accident severity rate(2)	0	0.01

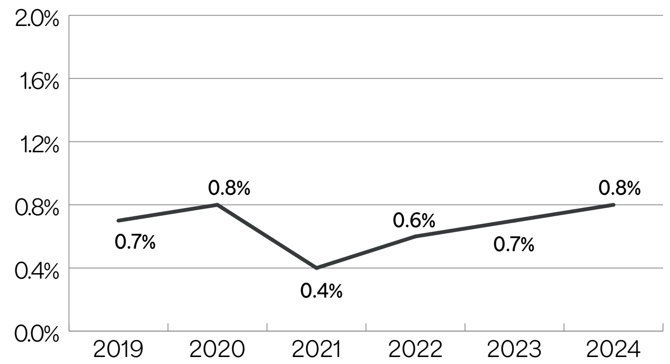
(1) Accident frequency rate = No. of accidents with initial benefit payment reported per one million hours worked.
(2) Accident severity rate = No. of days lost due to temporary disability per 1,000 hours worked.

There were no major workplace accidents, occupational illnesses or fatalities in 2024.

There were two commuting accidents during the year, one of which resulted in eight days' sick leave, and three work-related accidents, one of which resulted in one day's sick leave.

For the purposes of this report, SFL has chosen to measure employee well-being and engagement primarily by tracking the short-term absenteeism rate, which is based on the number of days lost to unauthorised absences of up to four days. In 2024, the rate stood at 0.8%, versus 0.7% in 2023.

Short-term absenteeism rate, in %



3.1.16. Work-life balance metrics (S1-15)

All employees are eligible for family leave as stipulated in the collective agreement or internal agreements in force at SFL. Family leave includes:

- maternity or paternity leave;
- parental leave;
- carer's leave.

With regard to the last category, in July 2021, company management and the union delegation signed an agreement to offer carer's leave and the possibility of donating days off to enable employees to take paid leave to care for a disabled or dependent loved one.

3.1.17. Remuneration metrics (pay gap and total remuneration) (S1-16)

Metric		Unit	2023	2024
Gender pay gap	Total workforce	%	32%	22%
	Management Committee	%	10%	-50%
	Managers (excluding Management Committee members)	%	17%	10%
	Other categories	%	14%	15%

The gender pay gap relating to the Management Committee based on its membership at 31 December 2024 – which was significantly in favour of women – was due to the appointment of a woman as Chief Executive Officer.

The level of remuneration of the Chief Executive Officer (and previously in her capacity as Deputy Managing Director) compared with the average and median remuneration of employees other than corporate officers is detailed on pages 141 to 154 of the Universal Registration Document in accordance with the disclosure requirements of Article L.22-10-9 I, 6° and 7° of the French Commercial Code.

The various actions that SFL takes to promote equal treatment and opportunities within the organisation and the impacts of these actions are described in section 3.1.5 of this report.

3.1.18. Incidents, complaints and severe human rights impacts (S1-17)

SFL was not involved in any alleged or identified cases of human rights violations in 2024 (such as harassment, discrimination or inciting hatred), either on an individual or collective basis (SEC alert system, internal whistleblowing procedure, etc.).

Although it has only a small workforce, SFL is nevertheless subject to a strict regulatory framework regarding the protection of human rights.

General information about ethics is provided in the business conduct section of this report (section 4.1).

3.2. Affected communities (ESRS S3)

3.2.1. Material impacts, risks and opportunities related to affected communities and their interaction with SFL's strategy and business model (SBM-3)

Revitalising and reinventing the city is a core driver of the strategy to increase the value of the Group portfolio.

To create value in its properties, SFL must address the expectations of its stakeholders, the public authorities and local residents, and take into account how these expectations fit into the city landscape, particularly in Paris and its inner suburbs where all of its assets are located.

Effectively managing the urban footprint of office buildings and their impacts on communities means converting them responsibly and preparing them for the future while preserving their history and heritage value and ensuring that they are harmoniously integrated into the cityscape.

Each building revitalisation represents an opportunity to create positive externalities for the surrounding neighbourhood. SFL's assets therefore have significant impacts on communities, including:

- **strong urban and architectural impacts on local neighbourhoods and/or the city:** due to the scale of the projects and their location, working in close collaboration with the public authorities;
- **impacts on the immediate vicinity:** for local residents and shopkeepers, both during the works phase and while the assets are in use, due to the flow of people who work in the building.

In 2024, the operating environment for SFL's portfolio was shaped by a number of key factors:

- **the new bioclimatic local urban planning regulation (PLU),** adopted at the end of November by the Paris City Council, which emphasises the need for building projects to retain existing structures and to integrate nature, energy efficiency and mixed-use programmes;
- **the increasing polarisation of the office property market in the Greater Paris region**, with demand concentrated on the central districts of Paris;
- **the emergence of new forms of urban mobility** and the increasing use of bicycles, electric vehicles and other less carbon-intensive modes of transport.

Over the last ten years, more than 50% of our portfolio has been redeveloped and/or renovated, and several iconic projects have recently been launched or completed. This testifies to our determination to offer spaces that are constantly adapted to changes in society.

Every year, SFL applies for and obtains around a dozen building and other permits. In 2024, through 230 projects of various sizes, it renovated 20,000 sq.m. and redeveloped approximately 60,000 sq.m.

3.2.2. Policies related to affected communities (S3-1)

SFL's Parisian projects are unique and are tailored to the specific characteristics of each building, block and neighbourhood. This project-centric approach is underpinned by several fundamental principles, influenced by the Paris cityscape.

Reclaiming the history and heritage of buildings

The heritage and urban transformation guidelines in Paris' new bioclimatic local urban planning regulation emphasise the need (i) to capitalise on existing structures, underscoring the urban and architectural qualities of current buildings, and (ii) to conduct sustainable, energy efficient transformations by improving quality of use and helping to preserve and strengthen biodiversity.

Every one of SFL's renovation and redevelopment projects is designed to embrace the building's history and original architecture, while encouraging the use of new architectural forms and incorporating contemporary design codes.

Preserving as much of the existing structure as possible

When defining redevelopment programmes, our in-house teams work closely with architects and stakeholders, applying a sustainability-focused approach to keep as much of the existing structure as possible, in line with the environmental imperative of avoiding demolition and new construction when converting buildings.

Retaining suitable structural works avoids the environmental impact of the demolition and new construction works that until recently were a prevalent practice in Parisian real estate projects. By revealing the existing structure's underlying qualities and ensuring that it can accommodate new uses, SFL is able to minimise the environmental impact of its works while maximising the flexibility of the buildings that it converts for diverse types of use.

Mixed use and spatial density

SFL has always promoted mixed-use within its property complexes: offices, shops, and sometimes housing coexist in the majority of its buildings, and the Édouard VII complex, for example, even includes a concert hall, a theatre and a hotel. This mixed-use approach, which is a key focus of our future projects, has to meet the specific needs of the local neighbourhood while respecting the objectives of preserving existing building structures and ensuring effective people flow.

SFL is also committed to contributing to urban renewal by making a concerted, enlightened effort to increase the density of spaces. This involves promoting new uses for existing spaces, such as the basements or roofs of its buildings, thanks to:

- the ability to bring natural light into previously artificially lit areas;
- the current boom in new forms of soft mobility and therefore a reduction in the number of parking spaces needed;
- the creation of high-quality outdoor spaces whenever possible, such as by repurposing rooftops, integrating garden areas, scaling back rooftop utility installations, incorporating open-ground areas at street level, and introducing accessible terraces on the upper floors.

Above all, increasing spatial density requires raising the occupation density of buildings. SFL's properties, which combine an exceptionally high physical occupancy rate with numerous and diverse tenants and amenities, contribute to achieving this objective.

SFL also took part in the creation of a system for measuring buildings' occupation density called Intensi'Score[1]. This system was devised in partnership with the authorities in Paris's 12th *arrondissement*, along with other public and private players in the real estate sector, and it includes guidance on how to increase buildings' occupation density.

Worksite guidelines to limit disturbances during the works phase

Worksite guidelines are put in place for each redevelopment project to limit the amount of disturbance that could be caused to local residents during the works phase.

These guidelines include rules on the following:

- **waste management:** objectives, signage and transport of waste;
- **management of disturbances caused by worksites:** relating to noise, visual and odour pollution, transport and storage of materials and relations with local residents;
- **environmental protection:** protection of the natural environment, preservation of the ecological value of the site and selection of sustainable materials;
- **health and safety:** specific requirements and procedures that the works contractors must comply with;
- **contribution to regional development:** by promoting employment and social inclusion.

(1) https://intensiscore.m2intenses.com/

The guidelines related to reducing disturbances are incorporated into the communication and neighbourhood relations plans that are systematically put in place for each of SFL's major redevelopment projects.

3.2.3. Processes for engaging with affected communities about impacts (S3-2)

Engagement and discussion are central aspects of our strategy. SFL supports a project governance system that involves all of its stakeholders, ranging from elected officials and local authorities during the project design phase through to local residents during the works phase.

These multifarious interactions enable SFL's projects to evolve naturally in increasingly harmonious alignment with their environment and the cityscape.

Consultations with public authorities

For the Scope project, an architectural design competition based on mutually agreed specifications was organised with the City of Paris, the 12th *arrondissement* authorities, the Urban Planning Department and the Pavillon de l'Arsenal association. These stakeholders chose the winning team together, ensuring that its design offered the best response to the expressed needs.

For the Condorcet project, the works programme was shared with the 9th *arrondissement* local authorities and the City of Paris in order to integrate social and student housing into the project.

Discussions with local residents

Local residents and businesses (notably retailers) were engaged far upstream, even before the administrative permits were obtained, to get them involved in the project, address their expectations and respond to their needs as effectively as possible. Neighbourhood meetings are regularly held as projects advance to help nurture close ties with all the stakeholders.

For the Scope project, which is scheduled for delivery in 2026, four such meetings were held in 2024, and the project for a service pavilion on the site was modified in line with residents' opinions.

For the Condorcet project, several meetings with local residents were held in 2023, and in 2024 discussions took place directly with some of the site's neighbours who wanted to find out more about the project.

Dedicated information and communication tools are put in place to enable local residents to track the progress of our projects. These tools can take the form of a website, a physical space on site presenting the project, and/or regular communications such as newsletters.

3.2.4. Taking action on material impacts on affected communities (S3-4)

With nearly 145 years of history and a unique link with Paris, SFL plays a key role in setting the standard of excellence in preserving and showcasing the city's architectural heritage. It constantly reaffirms its quality criteria through its most iconic projects.

SFL takes action in relation to material impacts on affected communities in the following three ways, as illustrated in the Scope and Louvre Saint-Honoré projects in 2024:

Revealing a building's heritage value to better integrate assets

This is why before any redevelopment project gets under way, an in-depth heritage impact assessment is conducted in partnership with the GRAHAL consultancy to reveal the building's architectural history, determine its heritage or monumental importance and offer a clearer picture of the asset to the project owner and prime contractor.

To properly design an ambitious yet heritage-sensitive project, SFL's development teams, along with project architects and design engineers, work in collaboration with a variety of public stakeholders (Architectes des Bâtiments de France, municipal building permit and landscaping departments, *arrondissement* elected officials, residents' associations, etc.) to design projects that incorporate the specific features of each location.

Working with the leading names in architecture and design

SFL is also sensitive to the urban planning and architectural issues arising from Paris' status as a world-class city, which is why it partners with some of the biggest names in architecture and design, including Ateliers Jean Nouvel, Dominique Perrault, Franklin Azzi, LAN, Patrick Jouin and Sanjit Manku, Ana Moussinet, Studio Razavi and others. The aim of these partnerships is to promote innovative, high-quality projects, taking care to adapt the design aesthetics to each building's space, use and size.

The quality of these collaborations is clearly illustrated in the three major redevelopment projects which are currently under way or for which a permit has been filed:

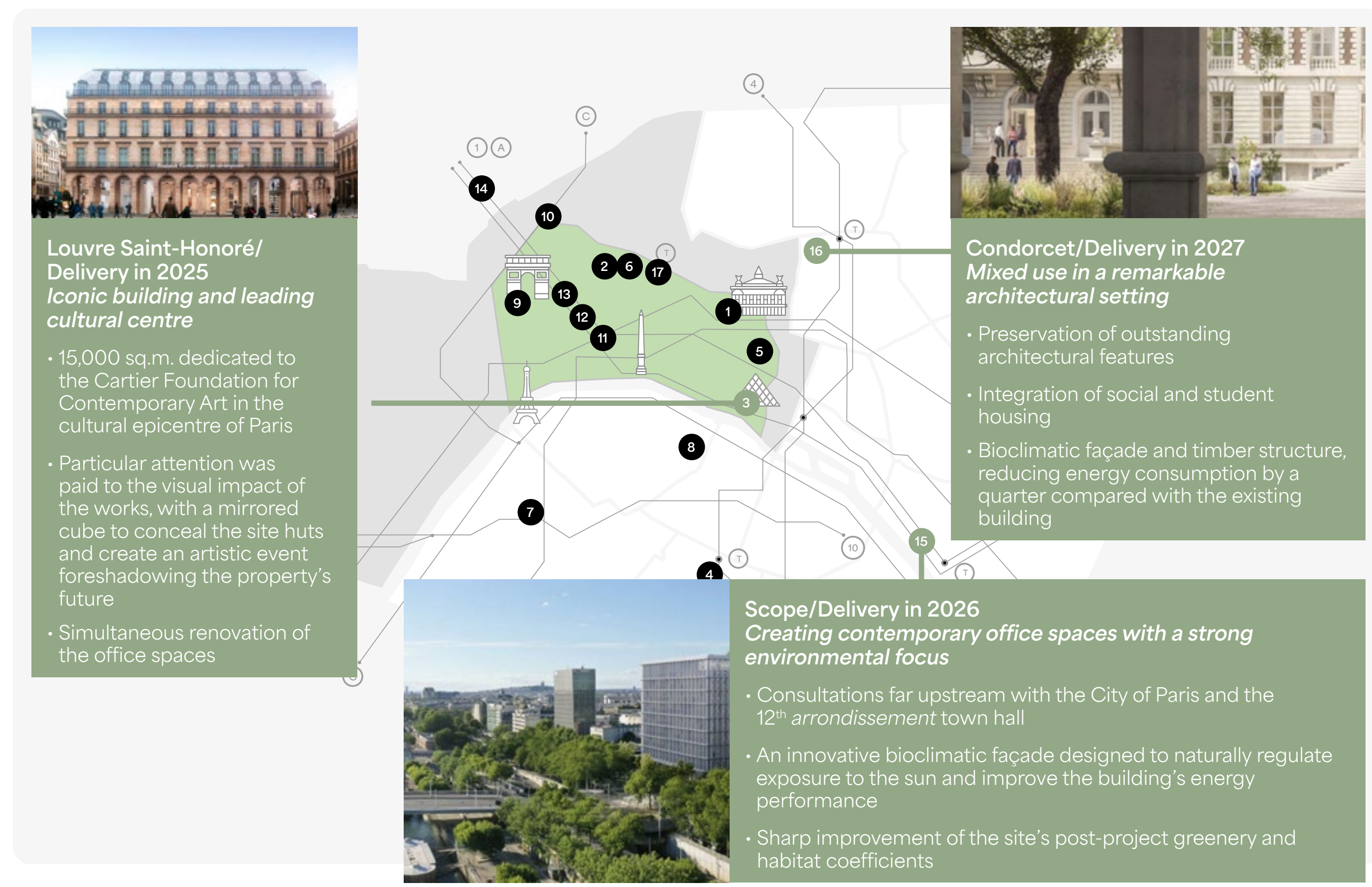
- The reinvention of the **Louvre Saint-Honoré** building, an iconic Paris property which has successively been home to the Grand Hôtel du Louvre, built for the Paris Exposition Universelle in 1855, then the Grands Magasins du Louvre department store and the Louvre des Antiquaires mall. It will soon emerge in a new incarnation with the letting of 15,000 sq.m. (of which 7,000 sq.m. of exhibition space) to the Cartier Foundation for Contemporary Art. Designed by Ateliers Jean Nouvel, the project is rejuvenating the entire lower part of the building and the 70s-era concrete pillars with a new cut-stone façade that reinterprets the façades of an iconic Parisian building with clear, pure lines, enhanced by a contemporary canopy opening onto large, full-length bay windows. The outstanding Cartier Foundation project is also upgrading the building's office space, by refurbishing all the lobbies, delivering a new shared lounge area with a cafeteria and meeting rooms, opening a new company restaurant and revamping the other common areas.
- The **Scope** redevelopment project is being taken to the next level by the future Rives de Seine project, which is being reinvented by the LAN agency for delivery in 2026. The building's façades, particularly the unobstructed main façade facing south-west, were selected in strict compliance with bioclimatic principles, which resulted in a highly innovative contemporary appearance. The tower's thoroughly reworked lower levels will allow for the creation and reopening to the public of landscaped gardens overlooking Paris. In consultation with the City of Paris and the relevant *arrondissement* authorities, SFL chose to open an additional gateway to the neighbourhood by creating a new public access building in the gardens, offering amenities for both office tenants and Paris residents.
- The project to redevelop the **Condorcet** building, the former home to Paris's natural gas trading rooms and the current head office of GRDF: this building, which dates from the late 19th century and covers almost 25,000 sq.m, contains numerous remarkable architectural features typical of the neoclassical period, such as sculpted columns, painted ceilings, marble and wood panelling. The project, entrusted to architect Franklin Azzi, involves completely refurbishing the historic building and extending and raising it from one to three storeys. In addition to offices, it will offer housing, shops, a student residence and a sports facility. The project also provides an opportunity to green the rooftops and redevelop the parking areas. As well as complying with Paris's new bioclimatic urban planning regulation, the project is also driven by high environmental ambitions: a four-fold reduction in energy use, BBCA renovation certification, a wooden structure and a bioclimatic façade made of hemp concrete.

Limiting the impact of works

On the Louvre Saint-Honoré site, in an iconic Paris neighbourhood adjacent to such renowned institutions as the Louvre Museum, the Palais Royal gardens and the Comédie Française, SFL took particular care to reduce the visual impact on the neighbourhood by installing moveable perimeter fences that can be rearranged for each phase and bold cladding to hide the site huts that take up part of the Place du Palais-Royal. After being clad in austere, trompe-l'œil panelling in the first months of construction, the huts were covered by a bold mirrored cube, designed by Ateliers Jean Nouvel, to create an artistic event foreshadowing the future Foundation. The Paris-Centre authorities are a key partner in this commitment to dampen works impacts.

All of our redevelopment projects are equipped with noise measurement systems during the works phase in order to monitor noise pollution levels and limit disturbance to local residents.

Three redevelopment projects emblematic of SFL's urban planning expertise



3.2.5. Targets related to affected communities (S3-5)

SFL has set itself the target of preserving the heritage value of buildings by commissioning heritage impact assessments before any redevelopment projects are carried out.

These assessments have been performed on all of its projects since this target was first set in 2021.

3.3. Consumers and end-users (ESRS S4)

3.3.1. Material impacts, risks and opportunities related to consumers and end-users and their interaction with SFL's strategy and business model (SBM-3)

Tenant relationships are always a top priority for SFL, and a central focus of its organisation. With 215 tenants and the capacity to accommodate up to 30,000 people simultaneously at its 17 sites, SFL believes it is essential to know and understand current and future needs. This approach is a major advantage for managing our buildings in use and designing new renovation and redevelopment projects. The organisation of in-house teams and contractors is helping the Group to optimise its tenant intelligence and align its offering more closely with expectations, thereby validating its strategic focus on properties with a high utility value.

Understanding the social role of workspaces

The successive lockdowns in 2020 and 2021, the possibilities offered by remote working technologies, the polarisation of the Greater Paris office market and the recent hiring difficulties in certain industries are some of the factors that have spurred and are still spurring debate about the role of workspaces. Given the importance of these discussions, in 2014, we launched the Paris Workplace survey to gauge employee perceptions of their offices.

These surveys reveal important information that is helping to shape how the Group looks at employee expectations.

11 years	21,800	109
of Paris Workplace surveys	employees surveyed	experts interviewed

The top 10 findings of the Paris Workplace survey

1. **Social relationships** – A clear link between well-being at work and the number of daily social interactions
2. **Working from home** – Employees are seeking to find a balance between office and home working, working from home 1.5 days a week on average
3. **Mobility** – Commuting times have a massive impact on business performance
4. **Neighbourhood** – A strong link between satisfaction with offices and where they are located
5. **Environment** – Offices should be a showcase for a company's environmental commitments
6. **Food services** – A strong cultural attachment to mealtimes, the preferred area of social interaction
7. **Central location** – Central Paris neighbourhoods are still gaining in popularity
8. **Green spaces** – Greater Paris employees appreciate a natural environment in their offices
9. **Flexibility** – Greater Paris employees prefer flexible offices, particularly in terms of opening hours
10. **The importance of the office** – Twice as many employees consider the workplace to be an important factor when applying for a job

In the case of working practices, it is clear that events in recent years have brought to the surface some deep-rooted employee demands, for empowerment and self-management first of all, but also for trust. There is also a real desire to get together with colleagues in spaces that are increasingly appropriate and responsible.

After noticing that people brought their working habits home, we are now observing a movement in the opposite direction, as employees bring their personal beliefs and commitments (particularly societal and environmental convictions) back to the office. There is also a trend of companies wanting their employees to return to the office, for a variety of reasons such as integration, experience and training. After peaking at 3.5 days a week during the Covid pandemic, working from home has now levelled off at 1.5 days a week in the Greater Paris region.

The 11th edition of the Paris Workplace survey shed more light on this new balance and the factors that can encourage employees to return to the office. To motivate their employees to want to work in the office, companies need to provide them with well-designed, attractive spaces that they can identify with and be proud of. The importance of aesthetics applies across the board, covering workstations, common areas and the surrounding neighbourhood. Office design also needs to take into account the concepts of comfort and well-being.

The office is no longer just a place to work, but also a core component in the employer brand

In this way, the office plays a major role, in that it is no longer just a place to work but rather a place with a much broader meaning.

The office has become a key factor in attracting and retaining staff - a finding that has been increasingly confirmed in the Paris Workplace survey over the years. In the 2024 survey, 57% of employees said that the office was an important factor in their decision to join their current company, a percentage that has almost doubled in the space of seven years.

The objective therefore is to define the right way to use the space in an office, depending on the tenants' needs, the specific features of the building and the immediate vicinity. In addition to designing flexible floor plates compatible with a vast array of organisational layouts, we take care to create highly user-friendly common areas that foster collaborative working in our multi-tenant buildings

In addressing the trends and data found in these surveys and studies, SFL is endeavouring to make people and their satisfaction the true focus of its investments, in addition to constantly improving building performance, amenities and features.

3.3.2. Policies related to consumers and end-users (S4-1)

SFL's policies related to its customers (tenants) and the relationships it forges with them are mainly structured by commercial leases, which are governed by the French Commercial Code.

Dialogue with tenants takes place at the various stages of the customer journey, as described in the section on disclosure requirements S4-2 and S4-3(1).

Interactions with the end-users of our offices (tenants' employees) take place solely through our relationships with our tenants.

3.3.3. Dialogue processes with consumers and end-users and channels for them to raise their concerns (S4-2 & S4-3)

With a portfolio that is highly consistent in terms of quality and location, it is essential for SFL to gain a thorough understanding of the expectations of its tenants, and through them of the end-users of its offices, namely its tenants' employees (between 100 and 200 employees per tenant on average). This enables all of our teams to provide solutions that are closely tailored to our tenants' and end-users' needs.

Dialogue at every step in the tenant journey

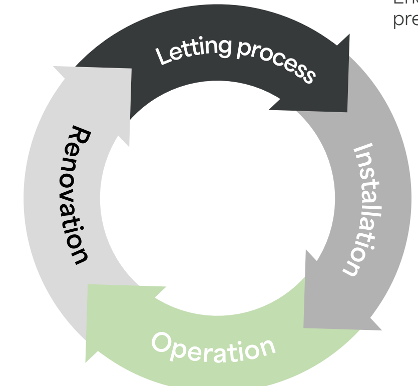
Dialogue is an integral part of SFL's corporate DNA. It plays a critical role in the Group's ability to satisfy tenants, meet their expectations and capture their feedback and perceptions of SFL properties, amenities and services.

The Marketing Department and the Asset Management Department are responsible for dialogue with tenants. Using the full range of solutions in place, they foster close relationships with tenants at every step in their journey, from first contact and the start of lease negotiations to their move-in works, and then throughout their lease and during renovation projects.

A number of channels are available for tenants to raise any concerns they may have, as detailed below.

1. Commercial brochure
- Entry point for prospects
- Presentation of available space, services, location, environmental certications

2. Green leases
- 100% of leases signed since 2016 include an environmental appendix
- Energy consumption data collected from tenants presented at tenant committee meetings



3. Relationship with building manager
- Onsite contact
- Person responsible for tenant works and for building operation in liaison with tenants

4. Tenant committees
- Meetings with major users organised at least once a year
- Discussing issues such as usage patterns, accessibility, capital improvements and environmental impacts

5. Application and newsletter
- Responsive communication
- Information on building services and latest news

6. Activities and events
- Twice-yearly tenant meetings on iconic portfolio projects
- Suggestions for events and liaison for tenant events

7. Satisfaction surveys
- Conducted at least every two years
- More than 1,000 users surveyed

8. Worksite communications
- Minimise the impact of works on tenants
- Regularly inform users through ad hoc communications measures

(1) Section 3.3.3 of the Sustainability Report.

Satisfaction of tenants and end-users – the cornerstone of everything we do

Every two years, SFL carries out a survey of its tenants and their employees to measure their satisfaction and expectations in terms of work styles, amenities and environmental performance. It also enables us to assess the effectiveness of the dialogue established with our tenants.

In all, 1,340 people responded to the latest satisfaction survey conducted at end-2023.

A review of the typical profiles of assets, tenants and their employees using our offices proves that our products are closely aligned with tenant expectations.

Key figures	17 assets	215 tenants	Up to 30,000 users a day
Typical profile	Iconic, diverse architecture in the most iconic neighbourhoods of Paris	Head office showcase Diversified industries	Manager, average age 40, lives in Paris proper 3.7 days in the office vs. an average of 3.5 days for the Greater Paris region
Average surface area	24,000 sq.m.	Contiguous 1,000 to 3,000 sq.m. floor plates	An average 10 to 12 sq.m. of leasing area per person
Quality of the premises	Over 70% of premises redeveloped or renovated in the past 10 years	75% of floor space receives direct sunlight and 20% to 25% of average floor space is dedicated to meeting rooms	The office is a decisive factor in choosing to join a company
Services and well-being	Mixed-use neighbourhoods with all the modern amenities	Need to retain employees and support a return to the office	Average well-being score of 7.6/10 (vs. 7.1/10 average for the Greater Paris region)
Accessibility	A maximum of six minutes from a metro station	Location is a decisive factor in choosing where to lease	27 minutes on average to reach the office, 16 minutes less than the daily average for the Greater Paris region. 73% of commutes by public transport and 18% by soft mobility
Satisfaction index	Physical occupancy rate: 99.8% at 31 December 2024[1]	Tenant turnover < 10%/year	91% of users satisfied with their premises at end-2023

(1) Excluding surface areas that cannot be used and those undergoing redevelopment.

3.3.4. Taking action on material impacts on customers and end-users (S4-4)

The actions SFL takes in relation to material impacts on its tenants are focused on four main objectives:
- providing maximum flexibility and operational efficiency in the tenant areas of its buildings, so they can occupy their spaces as they wish;
- developing new amenities and services to enhance the well-being of tenants and their employees;
- making joint commitments on key societal and environmental issues;
- applying a strict environmental, health and safety risk management policy

High level of operational efficiency and maximum flexibility for tenants and end-users

SFL takes special care with the amenities and layout of its assets. Evolving tenant expectations are accurately integrated into each renovation programme, thanks to the project scheduling process.

Resource-sufficient projects

SFL addresses the container, so that companies can eloquently express the content. This organisational efficiency, which can be likened to a building's frame, is a primary objective in every major redevelopment project. Once it is in place, subsequent renovation projects can be completed using fewer resources, thereby improving the capital project's sustainability.

Most of the Group's buildings offer modern floor plates of 1,000 sq.m. to 3,000 sq.m. that are highly conducive to organisational efficiency. Ideal depths range from 13 to 18 metres with double exposure, so as to maximise the amount of fixed office space receiving direct sunlight. On the future renovated floor plates in the Scope building, for example, direct sunlight will reach more than 95% of the surface area.

Technical features supporting a myriad of layout options

SFL designs its utility installations so that office occupants can position their meeting rooms anywhere on the floor plate, including in areas exposed to direct sunlight. On average, 10-20% of office floor plates is dedicated to meeting areas.

HVAC and lighting installations are sized to offer an occupancy ratio of 10 to 12 sq.m. of gross leasing area per person. The majority of SFL buildings have raised access floors and a clear ceiling height of 2.70 metres. Air flows are carefully adjusted to provide maximum capacity, often exceeding regulatory requirements. Indoor ventilation is facilitated by systematically incorporating windows in every office, enabling occupants to adjust their comfort levels and ensure healthy air circulation.

Our tenants appreciate this freedom of layout, as it means they can personalise their spaces to suit their needs, whether they prefer classic or more original designs. Thanks to the size and variety of their floor plates, SFL's properties support all types of workstyles, from the most collaborative to those requiring more concentration. In addition to facilitating office floor plan layouts, this flexibility also extends to new usage pattens and what employees are looking for in common areas.

A buffer against the risk of obsolescence and a way to retain tenants over time

SFL buildings offer maximum flexibility and highly efficient operations, which provide an effective buffer against the risk of obsolescence.

The quality of the spaces and the investments committed to redevelop them mean that future tenants can reduce both post-move punch list works and the use of resources. For example, two companies were able to lease 4,700 sq.m. of office space in the #cloud.paris building on a turnkey basis, with no additional works required, and move in the day after the previous tenants vacated.

These superior quality spaces also help retain tenants by encouraging them to renew their leases without any extra works or to look for equivalent space in the same building or in another SFL property. In 2024, 45% of total leased surface area was let to companies that were already SFL tenants.

Occupant well-being and new amenities

SFL's approach to amenities and services is informed by a granular analysis of each building, according to its size, location and tenant base. This enables us to create compelling new uses for common areas that make life easier for employees and nurture closer relationships. Amenity installations and upgrades are scheduled based on a thorough knowledge of the buildings and how they are used by tenants. When the decision is made to invest in a new building amenity, the space, its design and the operator who will optimise its use are all carefully selected.

SFL's tenants want to focus on their core business and delegate support resources as much as possible. Our buildings meet these needs perfectly and provide tenants with a clear advantage by offering the possibility of pooling a number of services and amenities.

Blurring boundaries between common and tenant areas

Work time is no longer restricted to a single, finite, compartmentalised space, but now extends to a diverse range of places, indoors and out, where people can seek out spaces where they can work alone or enjoy meet-up time with colleagues. SFL undertakes to design buildings that flow seamlessly between tenant and common areas, resulting in a sense of community. At multi-tenant sites, this means we can offer complementary environments that meet our users' expectations.

An array of amenities aligned with user needs

Users are looking for amenities that deliver the right benefits for everyone. The range of amenities we provide is being expanded, based on increasingly popular core services. For example, the following new amenities have been or are being installed in SFL's buildings:
- **Food services**, which are still the number one expectation in user surveys.
- **Café club areas**, which are beautifully and functionally designed by interior architects to offer a variety of spaces for convivial interaction.
- **Fitness, wellness and relaxation rooms**, comprising either multi-purpose health and fitness rooms or, when possible, fully equipped gyms managed by a dedicated service provider.
- **Meeting rooms and conference rooms**: large, shared meeting rooms and conference rooms, freeing up tenant areas and providing a stronger showcase for their events, speeches and discussions.
- **Spaces dedicated to new forms of mobility**: parking areas for bicycles and electric vehicle charging stations, in response to the development of new forms of urban mobility.
- **Building news, events and facilitation**, delivered by community managers or via dedicated digital tools.
- **A building-specific mobile app**, enabling users to identify all the services and amenities available on site.

Prime amenities by business centre as of end-2024

Amenities	Biome	Cézanne Saint-Honoré	#cloud. paris	Édouard VII	Louvre Saint-Honoré	Washington Plaza	103 Grenelle
Bike parking					Planned for 2025		
Electric vehicle charging stations							
Restaurant							
Café club space							
Gym		Planned for 2025					
Wellness area (hairdresser, beautician, osteopathy, etc.)							
Relaxation room							
Auditorium							
Shared meeting rooms							
Building mobile phone app		Planned for 2025	Planned for 2025				
Community manager and/or concierge services							
Recording studio						Planned for 2025	
Urban agriculture							

Shared commitments with our tenants

The alignment between tenant expectations and SFL-designed products, along with the constant attention paid to our assets every day, enables us to forge special relationships and undertake shared, powerful commitments together.

These commitments can take several forms, such as specific commercial arrangements, or joint actions or events related to societal or environmental issues.

Examples of commitments shared with tenants can be seen in the initiatives pursued throughout 2024.

Special lease arrangements for companies with a strong social, cultural or environmental impact

- Inclusion: in early 2024, Café Joyeux set up an outlet in a 220 sq.m. retail space in the Cézanne Saint-Honoré building, with more than a dozen disabled employees on permanent contracts. Conferences for tenants on the inclusion of disabled people in the workplace were also held in this space.
- Soft mobility: a bicycle sales outlet at the Washington Plaza building.
- Culture: SFL is home to three leading cultural institutions: the Olympia concert hall (6,000 sq.m), the Édouard VII theatre (2,050 sq.m) and the Cartier Foundation for Contemporary Art, which is currently under construction and will open in late 2025 on a site covering more than 20,000 sq.m.

Energy sufficiency

Three levers for action are being activated to get tenants directly involved in meeting the challenges of energy sufficiency:
- a detailed audit of how SFL's buildings are used;
- direct communication with tenants to encourage them to discuss their own energy use and possible pathways of reduction;
- direct communication with end-users via information boards reminding them of the proper way to use the premises.

Workshops and events focused on environmental and societal issues

- Urban agriculture workshops and events in the Biome rooftop vegetable garden.
- Numerous events at Washington Plaza:
  - events to mark the European Disabled Employment Week, in collaboration with several tenants and in partnership with Gamino, Café Joyeux, MMSport and a number of celebrities;
  - a circular economy collage event in the Washington Plaza building, attended by around thirty occupants;
  - events marking International Women's Rights Day, in collaboration with our tenant TP ICAP.
- A conference at the Édouard VII building, with Olympic and Paralympic medallists coming to talk about their careers, competitions and post-victory plans.

A clear focus on healthy buildings

Taken as a whole, our assets in use can be used by some 30,000 people, i.e., the equivalent of a medium-sized French town. With this in mind, SFL has adopted strict environmental, health and safety risk management policies to drive continuous improvement in the quality of the buildings in its portfolio by mitigating the risks to the health and safety of their occupants.

The health, safety and environmental risk management policy is based on the following steps:
- identifying the risks and issues to address;
- recording inventory for all the utility installations;
- defining measurable targets;
- preparing a methodology to track and meet these targets;
- recording the results.

All the assets are carefully monitored for health and environmental risks. Health and safety risk management guidelines have been put in place to enable detailed monitoring and continuous improvement of results. As part of this process, periodically – and at least once a year – a technical review is conducted of the actions undertaken or planned in each asset, with the results reported to Senior Management.

SFL has launched several action plans to make its buildings healthier and reduce the risks of pollution, in particular by:
- eliminating asbestos-containing materials and products as soon as possible;
- testing for lead exposure before redevelopment works begin;
- seeking to replace open cooling towers in order to prevent the risk of legionnaires' disease;
- analysing hot water samples every six months for legionnaires' disease.

A single audit bureau for regulatory inspections and reviews

As part of its culture of excellence in managing risks, SFL has chosen to form an effective partnership with a single audit bureau, which performs the full range of audits and reviews for all SFL-managed assets. Since the framework agreement for these audits and reviews was set up, there has been a significant reduction in the number of observations.

Over the past several years, SFL has also launched tracking and management systems for every SFL-managed property in order to ensure compliance with regulatory obligations and develop accurate metrics.

A dedicated online risk management platform

An online risk management platform, called MEX, has been set up to centralise all of the audit bureau's observations by issue and by degree of criticality, along with any remedial actions taken. This platform enables permanent risk-management monitoring, with all of SFL's directly managed assets tracked on the platform.

No provisions for environmental or climate change risks were recorded during the year.

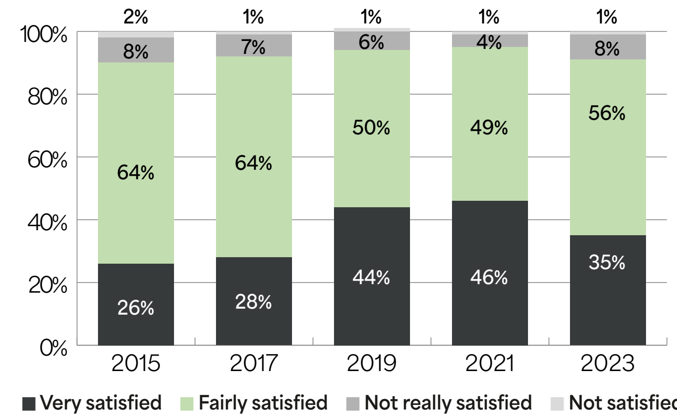
3.3.5. Targets related to consumers and end-users (S4-5)

SFL has set itself three operational targets to structure its approach to its tenants and users of its offices:
- 100% of business centres served by prime amenities;
- 100% of projects and office assets in use certified;
- >85% of tenants satisfied.

These three target had been met at end-2024[1].

In the most recent tenant satisfaction survey, carried out in late 2023, over 91% of the respondents said they were satisfied with their premises.

Tenant satisfaction



4. Governance information

4.1. Business conduct (ESRS G1)

As the leading world-class property company invested exclusively in the Paris prime segment, SFL stands out from the rest of the real estate sector. We see SFL as a showcase for our tenants and their values, and so we feel that we have an over-riding responsibility to manage our business ethically. SFL is striving to instil a genuine culture of integrity and compliance throughout the organisation by getting all its teams and partners involved in its practices.

This ethical culture is rooted in clearly defined principles, embraced by employees and partners across the value chain, and mechanisms to confidentially report any possible violations or infringements.

The culture also fosters collaboration and the use of mutually beneficial practices with industry partners in managing buildings or redevelopment projects.

4.1.1. Corporate culture and business conduct policies (G1-1)

An Ethics Code of Conduct and an Anti Bribery and Corruption Charter setting out the principles governing business conduct

The Ethics Code of Conduct, which was completely revamped in 2023, describes the values and principles that govern the conduct of the Company's business and the commitments that it expects its managers, employees and partners to uphold. It also aims to help users identify high-risk situations and respond to such situations individually and collectively.

In particular, it specifies the behaviours to be demonstrated or banned in SFL's day-to-day activities, as well as our core values of innovation, performance, respect and social responsibility.

(1) See section 3.3.4 for further information on the target related to business centres served by prime amenities and section 2.5.1 for further information on the target for certified projects and office assets in use.

An Anti-Bribery and Corruption Charter was also adopted in early 2024, aimed at preventing any behaviour that could breach the law or the Company's principles.

The Ethics Code of Conduct, the Anti-Bribery and Corruption Charter and SFL's internal procedures apply to all of its employees as well as to the members of the Board of Directors.

They are given to each employee on arrival and are available to all employees on the intranet and to external stakeholders via the Group's website[1].

Upholding national reference frameworks

SFL applies the recommendations of the AFEP-MEDEF Corporate Governance Code and respects its "comply or explain" requirements.

References to the AFEP-MEDEF Code, as well as to the recommendations of the Code that have been implemented by SFL and any cases where it has not applied the Code, are provided in the Board of Directors' Corporate Governance Report in the Universal Registration Document.

A whistleblowing mechanism open to all

SFL also introduced a whistleblowing mechanism that employees, non-employee workers, suppliers, sub-contractors and other company co-contractors can use to notify SFL's two ethics officers of any illegal or inappropriate situation or any possible violation of the Ethics Code of Conduct. Action will then be taken to resolve the infringement and, if necessary, sanction the offender. Breaches of ethical principles and non-compliance with the Code must be reported in the same way as any violation of applicable laws and regulations.

The role and identity of the ethics officers are detailed in the Whistleblowing Procedure, which is available on the SFL website.

This procedure also describes how a report can be submitted, how it will be handled and the protection provided to whistleblowers against reprisals. This protection is in line with the requirements of Article 10-1 of France's "Sapin II" anti-corruption law. In particular, it provides that whistleblowers are exempt from civil and criminal liability, subject to certain conditions being met.

The procedure also describes how whistleblowers are guaranteed confidentiality, as are the persons named in whistleblowing reports.

Dedicated training for all employees

The roll-out of the Ethics Code of Conduct and the whistleblowing mechanism provided an opportunity to resensitise employees to the issues of compliance and proper conduct.

Two dedicated training sessions, led by a lawyer specialising in compliance issues, were organised in October 2023. In view of the small size of SFL's workforce and the sector it operates in, it was agreed that these training sessions would apply to all employees and it did not seem necessary to single out the functions considered to be most at risk.

These issues are also discussed by the Human Resources Department when new people join the Company.

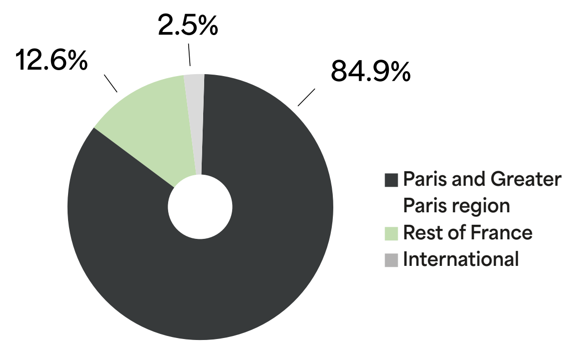
4.1.2. Management of relationships with suppliers (G1-2)

The Group pays particular attention to applying sustainable and responsible procurement processes and to maintaining sustainable and responsible relations with service and goods suppliers.

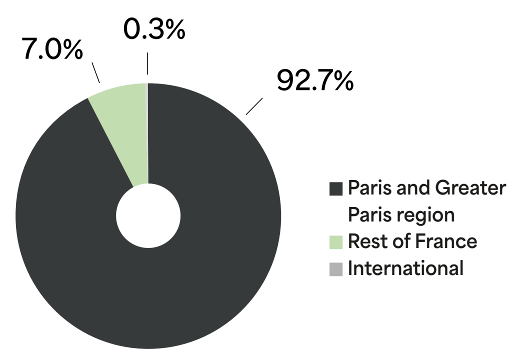
In 2024, SFL purchased goods and services from more than 660 different vendors for its corporate activities, building operations and redevelopment projects, for a total of nearly €125 million.

Special attention is also paid to a supplier's country of origin. In 2024, for example, 85% of first-tier suppliers accounting for 93% of the procurement spend were based in Paris or the Greater Paris region, within around 100 kilometres of the city centre.

Suppliers by location, in %



Procurement spend by location, in %



These two factors – limiting the sub-contracting pyramid and sourcing locally – should help to ensure that the delivered service quality meets SFL standards.

Selection and tracking performance across the value chain

SFL ensures that ESG issues are integrated into the processes for selecting and monitoring contractors and suppliers.

In addition, an in-depth review of the Responsible Procurement Charter is currently under way.

Standard service procurement contracts include a variety of environmental and labour clauses.

SFL also believes it is important to monitor the companies that work on its projects and assets. To avoid inappropriate use of sub-contractors, the sub-contracting pyramid is limited to a maximum of two tiers.

SLF also endeavours to monitor whether ESG issues have been effectively integrated into its value chain. To that end, a questionnaire was sent out to its largest suppliers, representing 80% of expenditure in 2023. The information gathered through this questionnaire should enable SFL to more accurately identify and measure the actions of its suppliers and contractors, and to target their ESG maturity and areas for improvement.

Comprising some sixty points, the questionnaire will also be used on a more targeted basis going forward to make it easier to decide between different companies during invitations to tender and selection processes.

Fighting clandestine and undeclared labour

Other than in exceptional cases, every supplier, irrespective of the type of goods or services provided, is subject to a number of obligations under applicable labour legislation, particularly as regards clandestine labour and the employment of foreign workers. Failure of any supplier to comply with these legal or regulatory obligations could expose SFL to the risk of legal and/or financial sanctions, a situation that has led to a review of the Group's practices in this area.

Measures are also in place to ensure that employees as well as suppliers uphold the Fundamental Conventions of the International Labour Organization (ILO) in the areas of:

- freedom of association and collective bargaining;
- eliminating discrimination in respect of employment and occupation;
- eliminating forced and compulsory labour;
- effectively abolishing child labour;
- fighting clandestine and undeclared labour.

French legislation prohibits clandestine labour and the employment of undocumented foreign workers. To avoid any risk of non-compliance and meet our obligations concerning supplier employee documentation, SFL has outsourced compliance reporting to a collaborative, web-based platform on which suppliers file the necessary documentation.

The dedicated platform lets suppliers submit, simply and free of charge, all their employee and tax-related documentation as well as any required certificates and statements concerning their technical capabilities and financial condition. It manages all the administrative documents, verifies that they are complete, and if necessary sends reminders to the suppliers concerned. This platform[1] enables SFL to check compliance at any time, both of existing suppliers and potential new suppliers if they are included in the database. Control systems are also in place to ensure that the submitted documents are updated every six months.

Taking social and environmental commitments into account in relations with suppliers for assets in use

SFL also aims to include contractors and suppliers in processes and initiatives to drive continuous improvement in both the management of buildings in use and in redevelopment projects. It includes measuring the total cost of purchases and managing environmental and societal impacts across the value chain.

As key partners in fulfilling the environmental commitments in SFL assets, multi-technical maintenance contractors and building managers have fully embraced the Group's CSR policies and ensure that their sub-contractors participate in this process. In practice, maintenance providers submit technical recommendations that encourage responsible behaviour, notably in the following areas:

- optimising energy and water use;
- using eco-friendly cleaning products;
- reducing packaging and waste;
- enhancing the occupant experience;
- increasing the scores for BREEAM In-Use or HQE certifications.

In particular, these recommendations can be incorporated into energy performance contracts (EPCs), such as the multi-technical service contract set up in late 2024 for five of the Group's assets and which includes energy efficiency improvement targets in terms of MWh and euros.

These EPCs are real levers for getting maintenance contractors on board and encouraging them to be proactive in reducing consumption. As the first five sites to use them have reported encouraging results, we plan to set them up for other sites.

(1) https://www.fonciere-lyonnaise.com/wp-content/uploads/2023/11/charte-ethique-sfl-en.pdf and https://www.fonciere-lyonnaise.com/wp-content/uploads/2024/10/charte-anti-corruption-va.pdf

(1) e-attestations.com

Social commitments with suppliers on renovation and redevelopment projects

For new projects, clauses to encourage local hiring are included in the contracts signed with site contractors. For example, in 2024 the Scope project comprised 1,300 hours of work carried out by people on professional inclusion programmes.

On every project, enhanced communication channels are deployed to ensure that the works are carried out smoothly and safely for everyone. Health and safety procedures include:
- environmental training and information;
- the use of badges to identify employees;
- risk prevention measures;
- on-site presence of first-aiders and first-aid equipment;
- an incident archiving system.

Contractors are also issued dedicated handbooks containing:
- information on staggered breaks;
- restrictions concerning the use of radios;
- practical information about site organisation (sanitary facilities, access, opening hours, etc.);
- instructions for personal protection equipment in compliance with the applicable regulations.

4.1.3. Prevention and detection of corruption and bribery (G1-3)

SFL has adopted an Anti-Bribery and Corruption Charter and has set up internal mechanisms, such as a whistleblowing system, to enable employees and external stakeholders to anonymously report any potential cases.

These systems and processes, together with the related training, are described above in section 4.1.1.

4.1.4. Incidents of corruption or bribery (G1-4)

No cases of bribery came to light in 2024 and the Group was not subject to any corruption-related disciplinary measures. There were no whistleblower reports during the year and, more generally, SFL did not have to respond to any incidents involving ethical issues in 2024.

4.1.5. Political influence and lobbying activities (G1-5)

SFL does not contribute to political financing and did not make any such contributions, in cash or in kind, in 2024.

Neither the Group nor any representative of the Group is registered in the EU Transparency Register or in an equivalent transparency register in France.

4.1.6. Payment practices (G1-6)

SFL's supplier payment practices are described on page 9 of the 2024 Universal Registration Document.

5. Appendices

5.1. Initiatives supported by SFL

GRESB

The Global Real Estate Sustainability Benchmark (GRESB) is the leading source of assessment benchmarks for the environmental, social and governance performance of real estate companies.

SFL has participated in GRESB assessments since the organisation was founded 11 years ago and has been awarded the Green Star designation every year.

EPRA

The European Public Real Estate Association (EPRA) is the voice of nearly 200 publicly traded real estate companies in Europe. It seeks to harmonise the financial and non-financial communications of its members, in line with its Best Practice Recommendations and Sustainability Best Practice Recommendations[1].

In 2023, SFL once again received two EPRA Gold Awards for optimal compliance with disclosure best practices.

Science Based Targets initiative

The Science Based Targets initiative (SBTi) seeks to encourage companies to help limit the increase in global warming by setting greenhouse gas emissions reduction objectives based on the latest scientific findings.

Launched in June 2015, the initiative is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

SFL has been pursuing an SBTi-certified 1.5°C greenhouse gas emissions reduction objective since August 2021.

OID

The *Observatoire de l'Immobilier Durable* (OID) is an independent forum where stakeholders in the French commercial real estate industry can discuss sustainable development and innovation issues. Created in 2012, it is committed to supporting the environmental and social performance of French property companies and to sharing all the practices that help move it forward.

It comprises around 60 members and partners, including leaders across the French commercial real estate value chain.

SFL is a member of the Strategic Committee for the development of OID climate change adaptation tools.

In connection with its membership of this Committee, in 2024 SFL participated in developing the Label'ID training programme, with the aim of accelerating the integration of ESG issues into all real estate professions.

(1) https://www.epra.com/sustainability/sustainability-reporting/sbpr-awards

C3D

The Sustainability and CSR Officers play a key role in the transformation of the Group's organisations and ultimately the Company as a whole.

To accelerate, facilitate and promote this transformation in the public sphere, the C3D association brings together 200 of France's leading sustainability and CSR officers of private and public-sector companies and non-profit organisations into a single network.

BBCA Association

Created in 2015, the Association for the Development of Low-Carbon Buildings (BBCA) brings together the leading players in the construction process, including property developers, investors, local authorities, urban planners, renowned architects, design offices and builders.

It is dedicated to deepening the Group's knowledge of low-carbon buildings, promoting best practices with the BBCA label and encouraging low-carbon construction.

"Booster du réemploi" alliance

A4MT designs and implements a variety of engagement programmes for its clients, in particular to encourage the reuse of materials from construction worksites. SFL has joined the "Booster" community, affirming its commitment to recovering and reusing materials.

AMO

SFL is a member of AMO, an association that promotes effective, inspired cooperation between project owners and prime contractors, as well as between all the other stakeholders in the construction process.

Fondation Palladio: building the City of Tomorrow

Fondation Palladio was set up in 2008 under the aegis of the Fondation de France to address a major challenge of the 21st century, that of developing urban areas and building communities. For the tenth year in a row, SFL was a sponsoring partner of Fondation Palladio in 2024.

By comparing the perspectives of business and political decision-makers, managers and experts, students and professionals, academics and people working in the field, each of the Foundation's initiatives helps to nurture a process of challenging preconceived ideas, embracing new ones and learning from one another. SFL supports the Foundation's commitment to creating the conditions that will further improve every property and urban development stakeholder's ability to respond to the major economic, environmental, human and societal challenges facing our world today and far into the future.

Pavillon de l'Arsenal, the Paris architecture and urban planning centre

SFL regularly supports Pavillon de l'Arsenal, the architecture and urban planning information, documentation and exhibition centre for the Paris metropolitan area.

Pavillon de l'Arsenal is a non-profit organisation set up to promote information and knowledge among specialists and the general public about the capital and the surrounding area's architectural heritage and urban landscape and to help promote the city's architectural landmarks.

Its objectives are seamlessly aligned with SFL's history, which has been deeply rooted in the development of the Parisian urban landscape since the end of the 19th century. SFL also organises occasional employee-only tours of the Pavillon de l'Arsenal.

City of Paris - *Nuit Blanche*

SFL supports the City of Paris' *Nuit Blanche* all-night performance festival, organised for the 22nd time in 2024, which offers the public free access to an array of artistic events in the capital, for one night only.

In this way, SFL contributes to promoting Paris' cultural outreach, sometimes by organising events at its own properties, while supporting the creative arts and making them accessible to everyone.

ADAPT: helping people with disabilities to take up their rightful place in society and find work

The Group has been supporting ADAPT for many years as part of its policy of promoting employment opportunities for people with disabilities.

For example, it has contributed to the European Disability Employment Week organised by ADAPT since 1997, which took place from 18 to 24 November 2024. This annual event aims to raise awareness among recruiters and facilitate access to jobs for people with disabilities.

The FEI (French federation of real estate companies)

The FEI brings together real estate players who build or renovate, let and market a wide range of properties, including offices, retail premises, hotels, logistics warehouses, housing and managed residences in France and abroad.

The ORIE (Greater Paris region commercial property observatory)

SFL supports the ORIE, which has set itself the goal of improving shared knowledge of the market and serving as a key forum for dialogue between public authorities and commercial property professionals.

The IEIF (French institute for land and real estate investment)

SLF is a member of the IEIF, which is a leading research organisation for the real estate economy and a think tank for finance and real estate professionals.

5.2. EPRA Sustainability Performance Measures

5.2.1. EPRA environmental Sustainability Performance Measures

EPRA Sustainability Performance Measures (Environment)					Buildings in use				
					Absolute (Abs)		Like-for-like (LfL)		
Issue	EPRA code	Units of measure	Category	Performance measure	2023	2024	2023	2024	% change
Energy	Elec-Abs, Elec-LfL	MWh	Electricity	Landlord-obtained electricity consumption	15,871	13,635	13,842	13,635	-1%
				Tenant-obtained electricity consumption	31,157	29,141	27,888	29,141	4%
				Total electricity consumption	47,028	42,776	41,730	42,776	3%
				Proportion of landlord-obtained electricity consumption from renewable sources	65%	39%			
				Amount of landlord-obtained electricity consumption from renewable sources	10,391	5,357			
		%	Proportion of electricity consumption in common areas by energy source	Renewable	65%	39%			
				Nuclear	27%	55%			
				Fossil sources	8%	6%			
		MWh	Amount of electricity consumption in common areas by energy source	Renewable	10,391	5,357			
				Nuclear	4,229	7,512			
				Fossil sources	1,251	766			
	DH&C-Abs, DH&C-LfL	MWh	District heating and cooling systems	Landlord-obtained district heating & cooling consumption	16,589	12,840	13,789	12,840	-7%
				Tenant-obtained district heating & cooling consumption	1,257	1,018	1,257	1,018	-19%
				Total district heating & cooling consumption	17,846	13,858	15,046	13,858	-8%
				Proportion of landlord-obtained district heating & cooling consumption generated from renewable sources	54%	51%			
				Amount of landlord-obtained district heating & cooling consumption generated from renewable sources	8,975	6,510			
		%	Proportion of district heating & cooling consumption by energy source	Renewable	79%	78%			
				Nuclear	0%	0%			
				Fossil sources	21%	22%			
		MWh	Amount of district heating & cooling consumption by energy source	Renewable	13,147	9,963			
				Nuclear	0	0			
				Fossil sources	3,442	2,877			
	Fuels-Abs, Fuels-LfL	MWh	Fuel	Landlord-obtained fuel consumption	645	446	645	446	-31%
				Tenant-obtained fuel consumption	1,129	1,341	1,129	1,341	19%
				Total fuel consumption	1,774	1,788	1,774	1,788	1%
				Proportion of landlord-obtained fuel consumption from renewable sources	0%	0%			
		%	Proportion of fuel consumption by energy source	Natural gas	100%	100%			
				Coal	0%	0%			
				Oil	0%	0%			
		MWh	Amount of fuel consumption by energy source	Natural gas	645	446			
				Coal	0	0			
				Oil	0	0			
	Number of assets			Coverage for energy Performance Measures	16 out of 16	14 out of 14	14 out of 14		
	Proportion of floor area (% of sq.m.)				100%	100%	100%		
	%			Proportion of energy consumption estimated	2%	7%			
	Energy-Int	kWh/sq.m/year	Building energy intensity	Energy consumption of common and tenant areas	183	189			
		kWh/revenue (€)/year			0.284	0.235			

EPRA Sustainability Performance Measures (Environment)					Buildings in use				
					Absolute (Abs)		Like-for-like (LfL)		
Issue	EPRA code	Units of measure	Category	Performance measure	2023	2024	2023	2024	% change
Greenhouse gas emissions	GHG-Dir-Abs	tCO_2e	Direct emissions (Scope 1)	Total Scope 1	121	205			
				Natural gas	117	81			
				Refrigerant leaks	4	124			
	GHG-Indir-Abs		Indirect emissions (Scope 2)	Total market-based Scope 2	1,966	1,319			
				Total location-based Scope 2	1,777	1,502			
				Scope 2 - Electricity (market based)	725	354			
				Scope 2 - Electricity (location-based)	536	537			
				Scope 2 - District heating and cooling systems	1,241	965			
	GHG-Indir-Abs		Indirect emissions (Scope 3)	Total market-based Scope 3 (GHG Protocol cat. 13 only)	3,289	1,093			
				Total location-based Scope 3 (GHG Protocol cat. 13 only)	1,455	1,551			
	Total		Scope 1 + Scope 2 (market-based)		2,087	1,524			
			Scope 1 + Scope 2 (location-based)		1,898	1,707			
			Scope 1 + Scope 2 + Scope 3 (market-based)		5,376	2,617			
			Scope 1 + Scope 2 + Scope 3 (location-based)		3,353	3,258			
	GHG-Int	$kgCO_2e$/sq.m./year	Carbon intensity	Scopes 1 & 2 emissions (market-based)	5.7	4.9			
		$kgCO_2e$/revenue (€)/year			0.0089	0.0061			
		$kgCO_2e$/sq.m./year		Scopes 1 & 2 emissions (location-based)	5.2	5.5			
		$kgCO_2e$/revenue (€)/year			0.0081	0.0069			
	Number of assets			Coverage for GHG emissions Performance Measures	16 out of 16	14 out of 14	14 out of 14		
	Proportion of floor area (% of sq.m.)				100%	100%	100%		
Water	Water-Abs Water-LfL	cu.m./year	Water consumption	Landlord-obtained water consumption	116,999	100,351	102,480	100,351	-2%
				Tenant-obtained water consumption	26,432	28,941	26,432	28,941	9%
				Total water consumption	145,409	129,292	128,912	129,292	0%
			Total water consumption by source	Surface water	0	0			
				Ground water	0	0			
				Collected rain water	1,978	1,036			
				Recycled greywater	0	0			
				Municipal water supplies or other public or private utilities	143,431	128,256			
	Water-Int	cu.m./sq.m./year	Building water intensity	Water consumption in common and tenant areas	0.40000	0.42000			
		cu.m./revenue (€)/year			0.00062	0.00052			
	Number of assets			Coverage for water Performance Measures	16 out of 16	14 out of 14	14 out of 14		
	Proportion of floor area (% of sq.m.)				100%	100%	100%		
	%			Proportion of water consumption estimated	0%	0%	0%		

EPRA Sustainability Performance Measures (Environment)					Buildings in use				
					Absolute (Abs)		Like-for-like (LfL)		
Issue	EPRA code	Units of measure	Category	Performance measure	2023	2024	2023	2024	% change
Waste	Waste-Abs, Waste-LfL	Tonnes	Total weight of waste generated by operations	Hazardous waste	1.1	0.7	1.1	0.7	-39%
				Non-hazardous waste	1094.8	914.4	1012.3	914.4	-10%
			Total weight of waste by disposal and diversion route (hazardous waste)	Reuse	0.0	0.0	0.0	0.0	-
				Recycling	1.0	0.6	1.0	0.6	-39%
				Composting	0.0	0.0	0.0	0.0	-
				Recovery	0.0	0.0	0.0	0.0	-
				Incineration with energy recovery	0.1	0.1	0.1	0.1	-42%
				Incineration without energy recovery	0.0	0.0	0.0	0.0	-
				Landfill with energy recovery	0.0	0.0	0.0	0.0	-
				Landfill without energy recovery	0.0	0.0	0.0	0.0	-
				Other	0.0	0.0	0.0	0.0	-
			Total weight of waste by disposal and diversion route (non-hazardous waste)	Reuse	0.0	0.0	0.0	0.0	-
				Recycling	271.0	364.2	271.0	364.2	34%
				Composting	0.0	0.0	0.0	0.0	-
				Recovery	0.0	0.0	0.0	0.0	-
				Incineration with energy recovery	373.5	511.2	343.1	511.2	49%
				Incineration without energy recovery	0.0	0.0	0.0	0.0	-
				Landfill with energy recovery	0.0	0.0	0.0	0.0	-
				Landfill without energy recovery	244.8	7.4	244.8	7.4	-97%
				Other	205.5	31.6	205.5	31.6	-85%
			Total weight of waste by type	Paper	6.7	16.2			
				Metals	0.5	1.0			
				Glass	19.4	20.3			
				Plastics	3.5	4.7			
				Non-hazardous industrial waste	761.7	589.3			
				Organic waste	80.3	74.1			
				Other	223.7	209.6			
		%	Proportion of waste by category	Hazardous waste	0.10%	0.07%	0.11%	0.07%	
				Non-hazardous waste	99.90%	99.93%	99.89%	99.93%	
			Proportion of waste by disposal and diversion route (hazardous waste)	Reuse	0%	0%	0%	0%	
				Recycling	88%	89%	88%	89%	
				Composting	0%	0%	0%	0%	
				Recovery	0%	0%	0%	0%	
				Incineration with energy recovery	12%	11%	12%	11%	
				Incineration without energy recovery	0%	0%	0%	0%	
				Landfill with energy recovery	0%	0%	0%	0%	
				Landfill without energy recovery	0%	0%	0%	0%	
				Other	0%	0%	0%	0%	
			Proportion of waste by disposal and diversion route (non-hazardous waste)	Reuse	0%	0%	0%	0%	
				Recycling	25%	40%	27%	40%	
				Composting	0%	0%	0%	0%	
				Recovery	0%	0%	0%	0%	
				Incineration with energy recovery	34%	56%	34%	56%	
				Incineration without energy recovery	0%	0%	0%	0%	
				Landfill with energy recovery	0%	0%	0%	0%	
				Landfill without energy recovery	22%	1%	24%	1%	
				Other	19%	3%	20%	3%	
			Proportion of waste by type	Paper	0.6%	1.8%			
				Metals	0.0%	0.1%			
				Glass	1.8%	2.2%			
				Plastics	0.3%	0.5%			
				Non-hazardous industrial waste	69.5%	64.4%			
				Organic waste	7.3%	8.1%			
				Other	20.4%	22.9%			
	Number of assets			Coverage for waste Performance Measures	12 out of 15	11 out of 14	11 out of 14		
	Proportion of floor area (% of sq.m.)				81%	83%	83%		
	%			Proportion of waste estimated	0%	0%			
Sustainably certified assets	Cert-Tot	%	Proportion of assets in use with BREEAM In-Use certification by floor area (% of sq.m.)	Total	87%	87%			
				Outstanding	0%	0%			
				Excellent	14%	11%			
				Very Good	69%	76%			
				Good/Pass	4%	0%			
			Proportion of assets in use with HQE certification by floor area (% of sq.m.)	Total	13%	13%			
				Outstanding	0%	0%			
				Excellent	13%	13%			
				Very Good	0%	0%			
				Good/Pass	0%	0%			

Methodological note (in addition to the methodological information presented in section 1.1 of the Sustainability Report)

- Scope of reporting: the data entered in the above table is based on the principle of operational control. Energy use data only concerns energy use in common areas and by shared heating and air-conditioning systems managed by SFL. Greenhouse gas emissions are calculated based on this consumption and water use data includes data reported to SFL concerning its directly managed water facilities.
- Segmental analysis: SFL's buildings in use consist of office buildings located exclusively in Paris and the Paris region. The segmental analysis proposed by EPRA is therefore not relevant to SFL.
- Normalisation: the square metres used to calculate intensities by surface area correspond to the buildings' gross leasing area because, for the properties included in the reporting scope, SFL provides heating and air-conditioning for the entire building.
- Estimates: the percentage of data estimated is specified in the table for the energy, water and waste Performance Measures.
- Coverage: for each EPRA Performance Measure, the coverage is stated in terms of number of assets and as a percentage of the gross leasing area.
- Verification: the reported data verified by an independent third party with a moderate level of assurance is specified in section 5.3 of the Sustainability Report.
- Head office: the information about offices occupied by SFL is reported in a separate table, as recommended by EPRA, and presented below.
- Narrative on performance: period-on-period changes are reported for each metric in sections 2.5. and 5.2 of the Sustainability Report.

EPRA environmental Sustainability Performance Measures - Head office occupied by SFL

EPRA Sustainability Performance Measures (Environment)					SFL head office		
Issue	EPRA code	Units of measure	Performance measure		Absolute and like-for-like (Abs & LfL) 2023	2024	Change in %
Energy	Elec-Abs & Elec-LfL	MWh	Electricity consumption	Total electricity consumption	114.8	125.1	9%
		%	Proportion of electricity consumption in common areas by energy source	Renewable	65%	39%	-40%
				Nuclear	27%	55%	107%
				Fossil sources	8%	6%	-29%
		MWh	Amount of electricity consumption in common areas by energy source	Renewable	75.2	49.1	-35%
				Nuclear	30.6	68.9	125%
				Fossil sources	9.0	7.0	-22%
	DH&C-Abs, DH&C-LfL	MWh	District heating and cooling systems	District heating & cooling consumption	0.0	0.0	-
	Fuels-Abs, Fuels-LfL	MWh	Fuel	Fuel consumption	0.0	0.0	-
	Number of assets			Coverage for energy Performance Measures	1 out of 1	1 out of 1	-
	Proportion of floor area (% of sq.m.)				100%	100%	0%
	%			Proportion of energy consumption estimated	0%	0%	-
	Energy-Int	kWh/sq.m/year	Building energy intensity	Energy consumption in common and tenant areas	53.6	58.4	9%
Greenhouse gas emissions	GHG-Dir-Abs	tCO_2e	Direct emissions (Scope 1)	Total Scope 1	0	0	-
				Natural gas	0	0	-
				Refrigerant leaks.	0	0	-
	GHG-Indir-Abs		Indirect emissions (Scope 2)	Total market-based Scope 2	5.2	3.2	-38%
				Total location-based Scope 2	3.9	4.9	27%
				Scope 2 - Electricity (market based)	5.2	3.2	-38%
				Scope 2 - Electricity (location-based)	3.9	4.9	27%
				Scope 2 - District heating & cooling systems	0	0	-
	GHG-Indir-Abs		Indirect emissions (Scope 3)	Total market-based Scope 3 (GHG Protocol cat. 13 only)	N/A	N/A	-
				Total location-based Scope 3 (GHG Protocol cat. 13 only)	N/A	N/A	-
	Total		Scope 1 + Scope 2 (market-based)		5.2	3.2	-38%
			Scope 1 + Scope 2 (location-based)		3.9	4.9	27%
	GHG-Int	kgCO2e/sq.m./year	Carbon intensity	Scopes 1 & 2 emissions (market-based)	2.5	1.5	-38%
		kgCO2/sq.m./year		Scopes 1 & 2 emissions (location-based)	1.8	2.3	27%
	Number of assets			Coverage for GHG emissions Performance Measures	1 out of 1	1 out of 1	-
	Proportion of floor area (% of sq.m.)				100%	100%	0%
Water	Water-Abs Water-LfL	cu.m./year	Water consumption	Total water consumption	522	723	39%
			Total water consumption by source	Surface water	0	0	-
				Ground water	0	0	-
				Collected rainwater	0	0	-
				Recycled greywater	0	0	-
				Municipal water supplies or other public or private utilities	522	723	39%
	Water-Int	cu.m./sq.m./year	Building water intensity	Water consumption in common and tenant areas	0.24	0.34	39%
	Number of assets			Coverage for water Performance Measures	1 out of 1	1 out of 1	-
	Proportion of floor area (% of sq.m.)				100%	100%	0%
	%			Proportion of water consumption estimated	0%	0%	-

EPRA Sustainability Performance Measures (Environment)					SFL head office		
Issue	EPRA code	Units of measure	Performance measure		Absolute and like-for-like (Abs & LfL) 2023	2024	Change in %
Waste	Waste-Abs, Waste-LfL	Tonnes	Total weight of waste generated from operations	Hazardous waste	0	0	-
				Non-hazardous waste	4.46	4.27	-4%
			Total weight of waste by treatment method (non-hazardous waste)	Reuse	0	0	-
				Recycling	2.12	3.71	75%
				Composting	0	0	-
				Recovery	0	0	-
				Incineration with energy recovery	0	0	-
				Incineration without energy recovery	0	0	-
				Landfill with energy recovery	2.34	0.56	-76%
				Landfill without energy recovery	0	0	-
				Other	0	0	-
			Total weight of waste by type	Paper & cardboard	1.06	0.95	-10%
				Metals	0.01	0.01	0%
				Glass	0.13	0.13	0%
				Plastics	0.04	0.05	25%
				Non-hazardous industrial waste	3.22	3.13	-3%
				Organic waste	0	0	-
				Other	0	0	-
		%	Proportion of waste by category	Hazardous waste	0%	0%	
				Non-hazardous waste	100%	100%	
			Proportion of waste by disposal and diversion route (non-hazardous waste)	Reuse	0%	0%	
				Recycling	48%	87%	
				Composting	0%	0%	
				Recovery	0%	0%	
				Incineration with energy recovery	0%	0%	
				Incineration without energy recovery	0%	0%	
				Landfill with energy recovery	52%	13%	
				Landfill without energy recovery	0%	0%	
				Other	0%	0%	
			Proportion of waste by type	Paper	24%	22%	
				Metals	0%	0%	
				Glass	3%	3%	
				Plastics	1%	1%	
				Non-hazardous industrial waste	72%	73%	
				Organic waste	0%	0%	
				Other	0%	0%	
	Number of assets			Coverage for waste Performance Measure	1 out of 1	1 out of 1	-
	Proportion of floor area (% of sq.m.)				100%	100%	0%
	%			Proportion of waste estimated	0%	0%	-
Sustainably certified assets	Cert-Tot	%	Percentage of assets in use with BREEAM In-Use certification by floor area (% of sq.m.)	Total	100%	100%	0%
				Outstanding	0%	0%	-
				Excellent	0%	0%	-
				Very Good	100%	100%	0%
				Good/Pass	0%	0%	-
			Percentage of assets in use with HQE certification by floor area (% of sq.m.)	Total	0%	0%	-
				Outstanding	0%	0%	-
				Excellent	0%	0%	-
				Very Good	0%	0%	-
				Good/Pass	0%	0%	-

Methodological note (in addition to the methodological information presented in section 1.1. of the Sustainability Report)

- Coverage: SFL's head office occupies an office floor in the Washington Plaza building. The above Performance Measures cover all occupied floor areas.
- The absolute and like-for-like scopes of reporting are identical and therefore undifferentiated, since they apply to the same head office.

5.2.2. EPRA Social and Governance Performance Measures

Issue	EPRA code	Unit of measure	Performance Measure	Category	Performance 2023 Men	2023 Women	2024 Men	2024 Women
	EPRA Sustainability Performance Measures (Social)							
Diversity	Diversity-Emp	%	Breakdown by gender	All employees	39%	61%	41%	59%
			Breakdown by gender by level	Board of Directors	50%	50%	50%	50%
				Management Committee	63%	37%	67%	33%
				Managers (excluding Management Committee members)	45%	55%	46%	54%
				Other employees	17%	83%	14%	86%
		Number	Breakdown of employees by age group	Over 50 years old	12%		12%	
				30 to 50 years old	49%		54%	
				Under 50 years old	39%		34%	
	Diversity-Pay	Ratio	Gender pay gap	All employees	32%		22%	
			Gender pay gap by level	Management Committee	10%		-50%	
				Managers (excluding Management Committee members)	17%		10%	
				Other employees	14%		15%	
Attracting and retaining talent	Emp-Training	Number of hours	Average number of training hours	All employees	34	40	35	27
		% of employees	% of employees trained	All employees	93%	93%	88%	84%
			% of payroll allocated to training	All employees	3.40%		3.10%	
	Emp-Dev	% of employees	% of employees who had a performance review	All employees	97%		100%	
	Emp-Turnover	Number of employees	All employees	All employees				
			Total number of hires		14		15	
			Total number of departures		13		8	
			Turnover rate		7.10%		8.10%	
Health and safety	H&S-Emp	Per 100,000 hours worked	Accident frequency rate	All employees	0		9.9	
			Accident severity rate	All employees	0		0.01	
		%	Absentee rate	All employees	0.70%		0.80%	
		Number	Number of work-related accidents	All employees	0		3	
			Fatal accidents	All employees	0		0	
	H&S-Asset	%	Percentage of assets covered by health and safety risk management system	All assets	100%		100%	
	H&S-Comp	Total number	Number of health and safety-related incidents of non-compliance	All assets	0		0	
Communities	Comty-Eng	% of assets	Community engagement initiatives	All assets	Given that SFL assets are concentrated exclusively in Paris and the inner suburbs, community engagement initiatives are undertaken directly at Group level, as described in section 5.1.			
Governance	Gov-Board	Description	Composition of the Board of Directors	See section 3.1 of the Board of Directors' corporate governance report (page 124)				
	Gov-Selec	Description	Nomination and selection process for the Board of Directors	See section 3.1 of the Board of Directors' corporate governance report (page 124)				
	Gov-COI	Description	Procedure for managing potential conflicts of interest	See section 3.9.3 of the Board of Directors' corporate governance report (pages 131 and 132)				

5.3. Data verification

Report by one of the Statutory Auditors on selected non-financial information disclosed in the Management Report.

Limited assurance report by one of the Statutory Auditors on the verification of selected environmental information

Year ended 31 December 2024

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Executive Management,

In our capacity as Statutory Auditors of Société Foncière Lyonnaise ("the Company") and in response to your request, we conducted a review for the purpose of expressing limited assurance in relation to the environmental information selected by the Company, prepared in accordance with the Company's procedures (the "Guidelines") and presented in the Sustainability Report for the year ended 31 December 2024 (the "Information").

The Information selected by the Company is as follows:

Quantitative information

- Number of assets in use that have been certified and percentage of the portfolio, by surface area, with a Very Good or higher rating;
- Waste generated in tonnes (paper, cardboard and non-hazardous industrial waste);
- Total municipal water use in cu.m. and water use intensity in cu.m/sq.m. at constant scope of reporting – absolute values (common and tenant areas combined);
- Energy use by type of energy and energy use intensity – absolute values (not climate adjusted);
- 2024 market-based Scope 1 and 2 greenhouse gas (GHG) emissions – absolute values (not climate adjusted);
- Planted and landscaped surface (horizontal or vertical) in sq.m. and % of the portfolio's total footprint.

Quantitative information

- Scope 1 and 2 carbon trajectory certified by the Science Based Targets initiative (SBTi).

Conclusion

Based on the procedures we performed, as described in the "Nature and scope of our work" section, and the audit evidence we obtained, we did not identify any material anomaly likely to call into question the fact that the Information is presented fairly, in accordance with the Reporting Guidelines.

Preparation of the Information

The lack of any generally accepted and commonly used reference frameworks or established practices available to assess and measure the Information means that a variety of different, but equally acceptable, measurement techniques may be used, which may affect comparability between entities and over time.

As a result, the Information should be read and understood with reference to the Reporting Guidelines, whose material aspects are presented in the Report and available upon request from the Company's head office.

Limitations inherent in the preparation of the Information

The Information may be subject to inherent uncertainty because of incomplete scientific and economic knowledge and due to the quality of the external data used. Some Information is sensitive to the choice of metrics, assumptions or estimates used for its preparation.

Responsibility of the Company

The Company is responsible for:

- selecting or establishing suitable criteria and procedures for preparing the Guidelines;
- preparing the Information in accordance with the Guidelines;
- implementing the internal control procedures it deems necessary for the disclosure of Information free of material misstatement, whether due to fraud or error.

Responsibility of the Statutory Auditor

The findings set out in this report relate solely to the Information.

On the basis of our work, our responsibility is to:

- express a limited assurance conclusion that the Information has been prepared in accordance with the Guidelines and is free from material misstatement, whether due to fraud or error;
- form an independent conclusion based on the evidence we have obtained; and
- share our conclusion with the Company's management.

Moreover, given that our responsibility is also to express an independent conclusion on the information, as prepared by the Company, we are not authorized to participate in any way in its preparation, as this could compromise our independence.

Regulatory provisions and applicable professional standards

Our work described below was performed in accordance with the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) and with ISAE 3000 Revised "Assurance Engagements other than Audits and Reviews of Historical Financial Information" of the IAASB (International Auditing and Assurance Standards Board).

Independence and quality control

Our independence is defined by Article L. 822-11 of the French Commercial Code and the French Code of Ethics (*Code de Déontologie*) for Statutory Auditors. In addition, we implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, ethical standards and the professional guidance issued by the French Institute of Statutory Auditors concerning this engagement.

Nature and scope of our work

We planned and performed our work with a view to expressing a limited assurance conclusion in relation to the Information.

The nature, timing and extent of the procedures performed on this information are based on our professional judgement, including the assessment of the risks of material misstatement, whether due to fraud or error.

To this end:
- assessed the appropriateness of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability;
- verified the implementation of a data collection, compilation, processing and control process to ensure that the Information was complete and prepared on a consistent basis;
- conducted interviews with the relevant departments at the Company's head office to analyse the implementation and application of the Guidelines;
- implemented analytical procedures to verify the calculations made and the proper consolidation of the data collected and the consistency of any changes in those data;
- conducted substantive tests, using sampling methods on a set of representative entities[1] that we selected, to verify the proper application of definitions and procedures and reconcile the data with the supporting documents.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. The procedures performed in a limited assurance engagement are less extensive than those required in a reasonable assurance engagement performed in accordance with the professional guidance issued by the French Institute of Statutory Auditors; a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, 27 February 2025
French original signed by one of the Statutory Auditors
Deloitte & Associés

Sylvain Durafour
Partner, Audit

Catherine Saire
Partner, Sustainable Services

(1) Selected units: the #cloud.paris and Édouard VII buildings.

14. Appendices

Appendix 14.1 - Board of Directors' Special Report on Stock Options

(prepared in accordance with Article L.225-184 of the French Commercial Code (*Code de commerce*))

In compliance with Article L.225-184 of the French Commercial Code (*Code de commerce*), we hereby report to shareholders on stock options granted and/or exercised during the year ended 31 December 2024. The last stock option plan expired on 12 March 2015, at the end of the options' eight-year life.

1) Number of stock options granted by SFL or any related companies during 2024 to the Chairman, the Chief Executive Officer or the Managing Director in respect of directorships or corporate functions held in SFL:
None.

2) Number of stock options granted during the year to the Chairman, the Chief Executive Officer or the Managing Director by any companies in which SFL has a controlling interest in respect of directorships or corporate functions held in those companies:
None.

3) Number and exercise price of options on shares in the companies mentioned in 1) and 2) that were exercised during the year by the Chairman, the Chief Executive Officer or the Managing Director:

None.

4) Number, exercise period and exercise price of stock options granted during the year by SFL or any related companies to the ten employees of the Company other than the Chief Executive Officer or the Managing Director who received the greatest number of options:
None.

5) Number and exercise price of options on shares in the companies mentioned in 1) and 2) above that were exercised during the year by the ten employees of the Company other than the Chief Executive Officer or the Managing Director who received the greatest number of options:
None.

6) Number, exercise price and exercise period of stock options granted during the year by the companies mentioned in 1) and 2) above to all eligible employees:
None.

The Board of Directors

Appendix 14.2 - Board of Directors' Special Report on Performance Share and Free Share Plans (prepared in accordance with Article L.225-197-4 of the French Commercial Code)

In compliance with Article L.225-197-4 of the French Commercial Code, we hereby present our 2024 report to shareholders on performance share plans for employees and executives who do not hold over 10% of the Company's capital.

During 2024, awards under a performance share plan and a free share plan were made.

Pursuant to the 38-month authorisation given by the Annual General Meeting of 15 April 2021 (tenth extraordinary resolution), at its meeting on 14 February 2024, the Board of Directors unanimously approved the recommendation of the Remuneration and Selection Committee, made at its meeting held earlier the same day. In line with this recommendation, the Board adopted the rules of the eighth performance share plan ("Plan 8") and decided to award performance share rights under the plan.

Pursuant to the 38-month authorisation given by the Annual General Meeting of 16 April 2024 (second extraordinary resolution), at its meeting on 6 November 2024, the Board of Directors unanimously approved the recommendation of the Remuneration and Selection Committee, made at its meeting held earlier the same day. In line with this recommendation, the Board adopted the rules of a free share plan ("Plan 9") and decided to award free shares under the plan.

Adoption of Plans 8 and 9 did not affect the plans set up in previous years or any performance share rights granted by the Board of Directors under said plans.

1. Plan 8

1.1. Framework for the performance share plan

1.1.1. Authorisation given by the Annual General Meeting of 15 April 2021 (tenth extraordinary resolution)

At the Annual General Meeting of 15 April 2021, the Board of Directors was given a 38-month authorisation to set up performance share plans governed by Articles L.225-197-1 *et seq.*, L.22-10-59 and L.22-10-60 of the French Commercial Code. The shares may be awarded to all or selected employees or corporate officers (*mandataires sociaux*) of the Company or of related entities within the meaning of Article L.225-197-2 of said Code (together "the Group"). The total number of performance shares awarded may not exceed 1% of the number of SFL shares outstanding on the Meeting date and performance shares awarded to corporate officers may not exceed 0.5%.

1.1.2. Adoption of the Plan 8 rules by the Board of Directors on 14 February 2024

Using the authorisation given by the Annual General Meeting of 15 April 2021, at its meeting on 14 February 2024, the Board of Directors adopted the rules of the eighth performance share plan (Plan 8).

1.2. Performance share awards decided by the Board of Directors on 14 February 2024 under Plan 8

At its meeting on 14 February 2024, the Board of Directors decided to award up to 63,014 performance share rights (corresponding to a target of 31,507 shares) to the Chief Executive Officer and the Managing Director and certain senior executives as a long-term incentive bonus, and to certain other categories of employees of the Company or of related entities within the meaning of Article L.225-197-2 of the French Commercial Code.

1.2.1. Performance shares awarded to the Chairman, the Chief Executive Officer and the Managing Director in 2024

Of the total 31,507 target performance share rights, 14,000 were awarded to corporate officers of SFL, including 10,000 to Dimitri Boulte, Chief Executive Officer and 4,000 to Aude Grant, Managing Director. No performance share rights were awarded to Pere Viñolas Serra, Chairman of the Board of Directors.

	Dimitri Boulte Chief Executive Officer until 20 December 2024	**Aude Grant** Managing Director until 20 December 2024	**Pere Viñolas Serra** Chairman
Performance shares awarded by the Company to corporate officers in 2024	Maximum number: 20,000 Target number: 10,000 Value*: €402,372	Maximum number: 4,000 Target number: 8,000 Value*: €160,949	Maximum number: none Target number: none Value*: €0

* The value of the performance share rights at 31 December 2024 was determined using the Monte Carlo method, which consists of simulating a sufficient number of Brownian diffusion scenarios for the SFL share price and the prices of comparable stocks on the simulation date. Other valuation criteria include the grant date, SFL share price volatility, comparable share price correlations, expected annual dividend rate of the SFL share, risk-free yield curve, etc. The fair value per share determined by this method was €40.08 for performance share rights granted on 14 February 2024 (€40.237 for the calculation of the total cost measured in accordance with IFRS 2 "Share-based payment"). The fair value does not include related payroll taxes.

As recommended by the AFEP/MEDEF Code, each beneficiary of Plan 8 performance share rights undertakes not to hedge the risk of losses on the vested shares for as long as they serve as a corporate officer.

1.2.2. Performance share rights awarded to the 15[1] employees other than corporate officers who received the greatest number of rights

Grantee	Maximum number of performance shares	Target number of performance shares	Value of performance shares at 31 December 2024
Jérôme Lacombe	4,800	2,400	€96,569
Pierre-Yves Bonnaud	4,000	2,000	€80,474
Éric Oudard	4,000	2,000	€80,474
Émilie Germane	3,600	1,800	€72,427
François Derrian	3,300	1,650	€66,391
Fabienne Boileau[2]	3,300	1,650	€66,391
Alexia Abtan	1,000	500	€20,119
Lionel Djoko Kombou	1,000	500	€20,119
Antoine Dupont	1,000	500	€20,119
Stéphane Blanc	920	460	€18,509
Virginie Krafft	920	460	€18,509
Caroline Nguyen	920	460	€18,509
Fabrice Ruchaud	920	460	€18,509
Boris Siquet	920	460	€18,509
Nicolas Tennevet[2]	920	460	€18,509

(1) The last six employees in this table all received the same number of performance shares.
(2) These beneficiaries left the Company in 2024 before the end of the vesting period, forfeiting their performance share rights in accordance with the plan rules.

1.2.3. Performance shares awarded to employees in 2024

Category of grantees	Number of grantees	Maximum number of performance shares	Target number of performance shares	Value of performance shares at 31 December 2024
Management Committee members	6	23,000	11,500	€462,728
Category 3 and 4 executives	14	9,710	4,855	€195,352
Category 1 and 2 executives	37	2,304	1,152	€46,353

1.3. Characteristics of Performance Share Plan 8

1.3.1. Purpose of the performance share awards

The main purpose of the Plan 8 rules adopted by the Board of Directors on 14 February 2024 was to set up a profit-related long-term incentive plan for the Chairman, the Chief Executive Officer, the Managing Director and the categories of SFL and Locaparis employees that the Group wants to incentivise by giving them a stake in the Group's development.

The categories of employee grantees are determined by the Board of Directors on the basis of objective and non-restrictive criteria, taking into account in particular the classification levels defined by the collective bargaining agreement and/or the nature of the grantees' duties and the responsibilities that these entail in relation to the Company's interests.

1.3.2. Vesting period and conditions, performance targets

1.3.2.1. Vesting date

Provided that the grantee has not left the Group and the performance targets are met (see below), the performance shares awarded by the Board of Directors on 14 February 2024 will vest 15 business days after the publication by the last of the "Reference Companies" (see definition below) to do so, of a press release announcing its results for the third financial year following the award date, which shall serve as the reference period (i.e., for this plan, the year ending 31 December 2026).

1.3.2.2. Continuing presence within the Group

The performance shares will vest only if, at the end of the three-year vesting period, the grantee is still an employee or corporate officer of the Company or another Group entity, as applicable.

However, this rule is waived if the grantee's departure is due to certain events that are beyond his or her control and outlined in Plan 8.

In addition, the Board of Directors may decide, on a case-by-case basis, to allow the performance shares to vest even if the grantee is no longer an employee or a corporate officer of any of the Group's entities on the vesting date.

1.3.2.3. Performance targets

The number of performance shares that vest at the end of the vesting period will depend on Colonial's ranking in a group of eight listed property companies, including Colonial.

The performance criteria set out in Plan No. 8 are aligned with those applied by Colonial, which has adopted a multi-criteria approach. These criteria and their respective weightings are presented below:
- Total Shareholder Return (TSR), 35% absolute weighting
- Total Shareholder Return (TSR), 15% relative weighting
- EPRA Net Tangible Assets (NTA), 10% relative weighting
- EPRA Net Tangible Assets (NTA), 10% absolute weighting
- Earnings Per Share (EPS), 20% weighting
- Environment, Social and Governance (ESG) performance, 10% weighting

The number of shares that vest under this Plan will be determined based on achievement of the following performance targets:

	Absolute TSR	Relative TSR[1]	Payout (payment) (% of target)	Absolute NTA + Σ Dividends per share (€/Share)	Relative NTA[2]	Adjusted EPS[3] (€cts./share)	ESG[4]	Payout (payment) (% of target)
Weighting	35%	15%		10%	10%	20%	10%	
	3 years	Colonial vs Index		NTA 31 Dec. 2026 + Σ Dividends per share 2024-2026	Colonial vs Index	Cumulative	n/d	
Maximum	≥94.9%	≥125%	**200%**	n/a	n/a	n/a	n/d	**n/d**
	52.1%	115%	**150%**	≥13	≥125%	≥101.2	n/d	**200%**
Target	33.1%	100%	**100%**	11.3	100%	88	n/d	**100%**
Minimum	27.7%	85%	**50%**	9.6	75%	74.8	n/d	**50%**
< Minimum	Less than 27.7%	Less than 85%	**0%**	<9.6	Less than 75%	<74.8	n/d	**0%**

Intermediate values are calculated by linear interpolation.
The Total Payout is calculated by multiplying the percentage under each column by the Payout resulting from the application of the criteria for that column.

(1) (Relative TSR at 31 December 2026) vs (an index made up of seven Peer Group companies).
The index will be calculated as the weighted average of the Relative TSRs of the Peer Group companies. The weighting of each Peer Group company will be based on their market capitalisation at 31 December 2023.

(2) Relative NTA: Colonial Total Return on NTA / Index Total Return on NTA.
Colonial Total Return on NTA = (NTA/share at 31 Dec. 2026 + Σ Dividends per share 2024-2026) / (NTA/share at 31 Dec. 2023). Index Total Return on NTA = weighted average of the Total Returns on NTA of the seven Peer Group companies: Icade, Merlin, Gecina, Covivio, Vitura, Arima and Société Tour Eiffel. The NTA of each Peer Group company is determined as (NTA/share at 31 Dec. 2026 + Σ Dividends per share 2024-2026) / (NTA/share at 31 Dec. 2023). The weighting of each Peer Group company will be based on their market capitalisation at 31 December 2023.

(3) Cumulative Adjusted EPS: sum of Adjusted EPS for the years 2024, 2025 and 2026.

(4) Progress made under the decarbonisation strategy in the period to 2026: Reduction in absolute CO_2 emissions from operations between 2018 and 2026, per GHG Protocol recommendations (Scope 1 and Scope 2 emissions calculated using the market-based method on a like-for-like basis, i.e., comparable portfolio adjusted for disposals, changes in the project pipeline and the measurement scope).

Note: If one or more of the Peer Group companies making up the index ceased to exist, the Board of Directors could either replace it/them with one or more other listed company(ies) whose business was comparable to that of the Company, or decide not to select a replacement, in which case the number of companies in the Peer Group would be reduced. The replacement would not be effective until after the publication date of the last results announcement by the Peer Group company that ceased to exist, and the performance taken into account would therefore be that of the original Peer Group company up to that date and that of the replacement Peer Group company after that date.

The number of vested shares will be calculated using the following formula:

Target number of performance share rights x Performance,

where 'Performance' refers to actual performance measured against performance targets and is equal to the 'Payout', calculated over three (3) years for the criteria set out in the above table.

Performance will be determined by the Chief Executive Officer of the Company (or, in the event of a merger, the Chief Executive Officer or equivalent of the surviving company) on the basis of the criteria shown in the table above and Colonial's consolidated financial statements for the third financial year after the grant date, as approved by Colonial's Board of Directors.

The Plan 8 rules also stipulate that in the event of changes within the Group that have an unfavourable impact on the Company or on the achievement of the performance targets, the assessment of these performance targets may be adjusted by the Board of Directors to take account of said impact. In the event of a merger, the assessment of the performance targets will automatically be adjusted, by the Board of Directors (or the Board of Directors or equivalent of the surviving company) on the same basis mutatis mutandis as the adjustments made to the other plans of the surviving company. The proposed merger between the Company and Colonial will not be considered as having an impact on the Company or the achievement of the performance targets, given the methods used to calculate performance.

1.3.3. Lock-up period

With some exceptions (in the case of disability, death or retirement), the performance shares may not be sold or otherwise transferred before the end of a period of one year as from the vesting date.

In addition, as well as complying with the one-year lock-up rule, the Chief Executive Officer and Managing Director will be required to keep 10% of the shares for the remainder of their period of service with the Company or another Group entity, as applicable.

2. Plan 9

2.1. Framework for the performance share plan

2.1.1. Authorisation given by the Annual General Meeting of 16 April 2024 (second extraordinary resolution)

At the Annual General Meeting of 16 April 2024, the Board of Directors was given a 38-month authorisation to set up performance share plans governed by Articles L.225-197-1 *et seq.*, L.22-10-59 and L.22-10-60 of the French Commercial Code. The shares may be awarded to all or selected employees or corporate officers (*mandataires sociaux*) of the Company or of related entities within the meaning of Article L.225-197-2 of said Code (together "the Group"). The total number of performance shares awarded may not exceed 1% of the number of SFL shares outstanding on the Meeting date and performance shares awarded to corporate officers may not exceed 0.5%.

2.1.2. Adoption of the Plan 9 rules by the Board of Directors on 6 November 2024

Using the authorisation given by the Annual General Meeting of 16 April 2024, at its meeting on 6 November 2024, the Board of Directors adopted the rules of a free share plan (Plan 9).

2.2. Free share grant decided by the Board of Directors on 21 November 2024 under Plan 9

On 21 November 2024, the Board of Directors decided to grant 10,000 Plan 9 free shares to Dimitri Boulte.

The vested number of shares will be determined on the basis of the merger exchange ratio between SFL shares (the absorbed company) and Inmobiliaria Colonial shares (absorbing company), with no shares vesting if the merger exchange ratio exceeds 13 Inmobiliaria Colonial shares for 1 SFL share.

As recommended by the AFEP/MEDEF Code, the beneficiary of Plan 9 free shares undertakes not to hedge the risk of losses on the vested shares for as long as they serve as a corporate officer.

2.3. Characteristics of the Free Share Plan

2.3.1. Purpose of the share grants

The adoption by the Board of Directors of Plan 9 on 6 November 2024 was consistent with the logic underlying the planned merger between the Company and Inmobiliaria Colonial, its controlling shareholder, as the plan's purpose is to reward the beneficiaries for their contribution to bringing the merger project to a successful conclusion.

2.3.2. Vesting period and conditions, performance targets

2.3.2.1. Vesting date

Plan 9 shares will vest on the later of the following two dates:
- within a maximum of fifteen days of the issue by the clerk of the Paris Commercial Court - in accordance with Article L. 236-42 of the French Commercial Code - of the certificate of compliance concerning the merger of SFL into Inmobiliaria Colonial, or
- at the end of a one-year period following the date of grant.

2.3.2.2. Continuing presence within the Group

Vesting of Plan 9 shares is not conditional upon the beneficiary remaining with the Company until the vesting date.

2.3.2.3. Performance targets

The vesting of shares granted under Plan No. 9 is not subject to any performance conditions. However, if the merger is not completed from a legal standpoint, no shares will vest.

2.3.3. Lock-up period

With some exceptions (in the case of disability or death), the shares may not be sold or otherwise transferred before the end of a period of one year as from the vesting date. In addition, as well as complying with the one-year lock-up rule, beneficiaries of the free shares will be required to keep at least 10% of the vested shares for the remainder of their period of service with the Company or another Group entity, as applicable.

Likewise, as well as complying with the one-year lock-up rule, if any Plan 9 free shares were to be granted to LTI beneficiaries designated as such by the Board of Directors, said beneficiaries would be required to keep at least 10% of the shares for the remainder of their period of service with the Company or another Group entity, as applicable.

3. Type of shares and rights attached to the shares

In accordance with the authorisation given by the Annual General Meetings of 15 April 2021 and 16 April 2024, the Company's obligation to deliver shares in respect of vested performance share rights may be fulfilled by allocating shares held in treasury or by issuing new shares. The vested shares will be subject to all the provisions of the law and the Company's Articles of Association and will carry rights from the date when they vest, including rights to all dividends paid and other distributions made after said date. Grantees will be required to comply with the lock-up obligation(s) referred to above.

4. Admission to trading

An application will be made for any new shares issued under Plan 8 and Plan 9 to be admitted to trading on Euronext Paris in compartment A immediately after their issuance.

5. Adjustments that may be decided by the Board of Directors

Under the terms of Plan 8 and Plan 9, the Board of Directors undertakes to make any adjustments that it considers necessary to reflect the impact of certain transactions affecting the Company's equity.

In the event of the Company being involved in a cross-border merger (including the current merger into Colonial), the stipulations of the Plan 8 and Plan 9 rules - with the exception of those already dealing with a possible merger - will be adapted as necessary by the Company's Board of Directors to bring them into line with the local law applicable to the surviving company.

The Board of Directors will use its best efforts to take into account the possible income tax and payroll tax implications of any such adjustment for both the grantees and the Company.

The Board of Directors

Appendix 14.3 - Five-year financial summary (parent company)
(prepared in accordance with Article R.225-102 of the French Commercial Code)

	2020	2021	2022	2023	2024
I. Capital at 31 December					
Share capital	€93,057,948	€85,729,430	€85,729,430	€85,771,344	€85,901,600
Number of ordinary shares outstanding	46,528,974	42,864,715	42,864,715	42,885,672	42,950,800
Number of convertible bonds outstanding	-	-	-	-	-
II. Results of operations					
Net revenue	€101,508,459	€88,187,230	€65,191,921	€64,819,129	€93,871,607
Profit before tax, employee profit-sharing, depreciation, amortisation and provisions	€87,047,654	€1,129,794,847	€91,784,815	€103,444,034	€102,968,518
Income tax benefit/(expense)	€(361,000)	€(48,800)	€(42,000)	€0	€90,600
Employee profit-sharing due for the year	€141,133	€5,850,402	€124,273	€128,332	€653,300
Profit after tax, employee profit-sharing, depreciation, amortisation and provisions	€42,992,080	€1,093,150,824	€58,233,161	€11,402,381	€122,447,526
Ordinary dividend(1)	€97,710,845	€180,031,803	€180,119,822	€102,925,613	€122,409,780
III. Per share data(2)					
Earnings after tax and employee profit-sharing, before depreciation, amortisation and provisions	€1.87	€26.22	€2.14	€2.41	€2.53
Earnings after tax, employee profit-sharing, depreciation, amortisation and provisions	€0.92	€25.50	€1.36	€0.27	€2.85
Dividend per share	€2.10	€4.20	€4.20	€2.40	€2.85
IV. Employee data					
Average number of employees	62	60	61	67	62
Total payroll	€12,379,210	€12,923,032	€16,090,337	€9,805,337	€10,470,953
Total employer contributions	€3,965,273	€4,565,668	€4,043,679	€3,752,493	€5,385,325

(1) Not including dividends not paid on shares held in treasury.
(2) The transactions involving SFL shares carried out on 4 August 2021 led to the capital being reduced through the cancellation of 3,664,259 shares.
On 13 March 2023, 20,957 new shares were issued to satisfy the performance share awards decided by the Board of Directors on 6 February 2020.
On 28 March 2024, 65,128 new shares were issued to satisfy the performance share awards decided by the Board of Directors on 11 February 2021.

Appendix 14.4 - Board of Directors' Corporate Governance Report (prepared in accordance with Article L.225-37, paragraph 6, of the French Commercial Code)

This report covers the period from 1 January to 31 December 2024. It was approved by the Board of Directors on 18 February 2025.

1. Reference to the AFEP-MEDEF Code

In matters of corporate governance, the Company refers to the AFEP-MEDEF Corporate Governance Code for listed companies, as revised in December 2022 ("the AFEP-MEDEF Code").

It may be downloaded from the AFEP website (www.afep.com).

Since 30 October 2017, SFL has been rated BBB+ by Standard & Poor's (versus BBB previously), with a stable outlook.

The following table summarises the provisions of the AFEP-MEDEF Code with which the Company is not in full compliance.
(Situation at 31 December 2024)

Issue	AFEP-MEDEF recommendation	SFL's situation at 31 Dec. 2024	Rationale
Ownership of company shares by directors in relation to their remuneration	Directors should be shareholders personally and hold a fairly significant number of shares in relation to their remuneration as directors; if they do not hold these shares when assuming office, they should use their remuneration as directors to acquire them (Art. 21).	Only Juan José Brugera Clavero holds a significant number of shares.	In 2021, most of the transferable shares held by the Directors were tendered to the simplified cash and paper offer for SFL shares initiated by Colonial, the majority shareholder (see the information memorandum prepared by the Company in response to Colonial's public offer, approved by the AMF under visa no. 21-341).
Annual self-assessment of the Board's practices/formal three-yearly assessment	The Board should undertake a self-assessment of its practices once a year. A formal assessment should be performed at least once every three years (Art. 11.3).	A discussion of the Board of Directors' practices was not included on the agenda of any of the Board meetings held in 2024. No formal assessments have been carried out in the last three years.	In 2017, an assessment of the Board's practices was performed by an external firm of consultants based on a questionnaire given to directors. The results of the assessment were presented to the Board at its meeting on 19 December 2017.
Chairmanship of the Remuneration and Selection Committee	It is recommended that the Remuneration Committee and Selection be chaired by an independent director (Art. 19.1).	The Remuneration and Selection Committee is chaired by the Chairman of the Board of Directors.	It was not possible to appoint an independent director to chair the Remuneration and Selection Committee, due to the limited number of members of the Board of Directors.
Board of Directors' meeting without the presence of the executive directors	Each year, one meeting should be held without the presence of the executive directors (Art. 12.3).	The Chief Executive Officer and Managing Director were present at all meetings of the Board of Directors.	The Chief Executive Officer attends meetings of the Board of Directors, but does not have the right to vote, as she/he is not a member of the Board.
Remuneration of the Chief Executive Officer	It is recommended that no performance shares be granted to a senior executive upon his/her departure (art. 26.5.1).	The Board of Directors decided to award performance shares to the Chief Executive Officer at the time of his departure.	The Chief Executive Officer made a decisive contribution to SFL's success over some 14 years, particularly in his roles as Managing Director and Chief Operating Officer from 2015 and Chief Executive Officer from 2022. Over this period, the Company has become a benchmark player, recognised for the quality of its properties in the centre of Paris, its commitment to sustainable development and its expertise in managing exceptional projects. In view of these results, the Board of Directors considered that the performance share award was justified.

2. Executive management and the Management Committee as of 31 December 2024

2.1. Executive management organisation - separation of the positions of Chairman of the Board of Directors and Chief Executive Officer

The positions of Chairman of the Board of Directors and Chief Executive Officer have been separate since 27 January 2015, pursuant to a decision by the Board of Directors in line with the recommendation of the Remuneration and Selection Committee.

2.2. Senior management change in 2024

Following confirmation of plans to merge the Company and its controlling shareholder Inmobiliaria Colonial SOCIMI SA, the Board of Directors met on 21 November 2024 to discuss a change of senior management.

During the meeting, the Board decided to terminate the appointment of Dimitri Boulte as Chief Executive Officer with effect from midnight on 20 December 2024 and to appoint Aude Grant, Managing Director, as SFL's new Chief Executive Officer with effect from 21 December 2024.

2.3. Directorships and other positions held by the Chief Executive Officer as of 31 December 2024

The table below lists the positions and directorships held as of 31 December 2024 by Aude Grant, Chief Executive Officer since 21 December 2024.

The positions and directorships held as of 31 December 2024 by the Chairman of the Board of Directors and the other directors are presented in section 3.7 below.

Aude Grant, Chief Executive Officer

Business address: 42 rue Washington - 75008 Paris (France)

• Positions held in the SFL Group as of 31 December 2024:

Chief Executive Officer	SFL	since 21 December 2024
Chairman and Chief Executive Officer	Segpim (SA)	since 21 December 2024
Chair	Parhaus (SAS)	since 21 December 2024
Chair	Pargal (SAS)	since 21 December 2024
Chair	Parchamps (SAS)	since 21 December 2024
Chair	Locaparis (SAS)	since 9 May 2023
Member: Shareholders' Committee, representing SFL	SAS Cloud	since 4 August 2021
Member: Shareholders' Committee, representing SFL	92 Champs-Élysées (SAS)	since 4 August 2021
Member: Shareholders' Committee, representing SFL	SCI Paul Cézanne	since 4 August 2021
Member: Shareholders' Committee, representing SFL	SCI 103 Grenelle	since 4 August 2021

• Other directorships and positions held in the past five years

Managing Director and Chief Operating Officer	SFL	until 20 December 2024
Deputy Managing Director, Asset Management and Client Management	SFL	until 30 June 2022
Managing Director	Parholding (SAS)*	until 4 September 2023
Managing Director	Locaparis (SAS)	until 9 May 2023
Member: Shareholders' Committee, representing SFL	Parholding (SAS)	until 4 August 2021
Director representing SFL on the Management Board of	SCI Washington	until 4 August 2021

* Parholding was merged into SFL in 2023. The merger was carried out with legal effect on 4 September 2023.

2.4. Restrictions on the powers of the Chief Executive Officer and Managing Director decided by the Board

The Chief Executive Officer represents the Company in its dealings with third parties. In accordance with the law, the Chief Executive Officer has the broadest powers to act in any and all circumstances in the Company's name within the limits of its corporate purpose, except for those powers expressly attributed by law to the shareholders and the Board of Directors.

In accordance with Article L.225-35 of the French Commercial Code, the Board of Directors' prior approval must be obtained for the issuance of all forms of guarantee.

However, in accordance with Article R.225-28 of the French Commercial Code, at its meeting on 14 February 2024 the Board authorised the Chief Executive Officer (or any person to whom the Chief Executive Officer's powers are delegated) to issue bonds and other guarantees in the Company's name, covering the same period as the underlying commitment:
- for an aggregate amount of €500,000;
- for an unrestricted amount in the case of tax and customs bonds.

This authorisation has been given for a period of one year, at the end of which the Chief Executive Officer is required to report to the Board of Directors on the commitments given pursuant to the authorisation.

In addition, the Chief Executive Officer is subject to an internal requirement to obtain the prior authorisation of the Board of Directors concerning:
1. Any financing commitment in excess of €20 million.
2. Any acquisition of one or more assets (including directly-held properties and all or part of the share capital of property companies), directly or indirectly through legal entities, for an amount in excess of €20 million.
3. Strategies related to (i) financing, (ii) the hedging of interest rate, counterparty and liquidity risks, and (iii) the optimisation of cash positions.
4. Bank financing or securities issues in excess of €20 million per transaction.
5. Refinancing and financial restructuring transactions in excess of €20 million.
6. The use of financial instruments to hedge interest rate risk.
7. The Company's tax strategy and any action that could affect its eligibility for the SIIC tax regime provided for in Article 208 C of the General Tax Code or any similar preferential tax regime in any other country.
8. SFL's general financial communications policy.
9. Information system modifications and upgrades, and approval of the related suppliers.
10. The general human resources policy.

2.5. Members of the Management Committee as of 31 December 2024

The members of the Management Committee as of 31 December 2024 were as follows:
- Aude Grant: Chief Executive Officer
- Jérôme Lacombe: Deputy Chief Executive Officer, Chief Resources Officer
- Pierre-Yves Bonnaud: Asset Management and Client Management Director
- François Derrian: Human Resources Director
- Émilie Germane: Legal Director, General Secretary, Secretary to the Board
- Éric Oudard: Technical and Development Director

Two members of the Management Committee left the Company in 2024:
- Dimitri Boulte, Chief Executive Officer until 30 December 2024.
- Fabienne Boileau, Chief Financial Officer until 30 September 2024.

Aude Grant (43), Chief Executive Officer	After graduating from HEC business school, Aude Grant began her career in the Transaction Services department of Deloitte. In 2006, she joined the Convivio, where she successively held the positions of Analyst, Portfolio & Acquisitions Manager and Office Division Asset Management and Investments Director. She joined SFL in 2014 as Transactions & Business Strategy Director and was appointed Deputy Managing Director, Asset Management & Investments, in 2016. She was appointed Managing Director and Chief Operating Officer of SFL on 1 July 2022 and has held the position of Chief Executive Officer since 21 December 2024.
Jérôme Lacombe (54), Deputy Chief Executive Officer, Chief Resources Officer	A graduate of Paris Dauphine University, Jérôme Lacombe holds an MBA from ESADE in Barcelona and has recently completed a University of Oxford course on sustainable finance and climate-related financial risk. After acquiring wide-ranging experience with leading companies such as CBRE Investment Management and ING Real Estate, where his duties included managing international teams, he joined SFL on 5 December 2022. He is now participating in the ongoing development of SFL by overseeing the Finance, IT, Administration, Human Resources and Communications Departments. He is also responsible for shaping the Company's ESG strategy.
Pierre-Yves Bonnaud (47) Asset Management and Client Management Director	Pierre-Yves Bonnaud is a graduate of the ESTP Cachan engineering school and holds a Master's degree from ESSEC Business School. He began his career with CBRE Investors as a financial analyst and asset manager, before joining Mercialys, a subsidiary of the Casino group, in 2006. He moved to Immobilière Casino in 2011, where he served as Major Project Director then Property Acquisitions and Sales Director, before returning to Mercialys in 2014 as Asset Management and Enhancement Director. Pierre-Yves Bonnaud joined SFL as Asset Management and Client Management Director in 2016.
François Derrian (55) Human Resources Director	François Derrian is a graduate of Institut de Gestion Sociale with an "AES" degree (combining law, economics, management and social sciences). He joined SFL in 2002 after holding various human resources positions with Auchan and Pinault-Printemps-La Redoute (Pinault Distribution, FNAC).
Emilie Germane (48) Legal Director, General Secretary, Secretary to the Board	Émilie Germane is a graduate of ESSEC business school and has a Master's degree and DESS degree in business law. She became a member of the Paris bar in 2004. Between 2004 and 2009, she worked for property law specialists Lefèvre Pelletier & Associés and Lacourte Balas & Associés. She then took up a position in the Legal Department of Club Méditerranée's Development, Assets and Construction Division. At the start of 2016, she joined SFL's Legal Department, becoming Legal Director and, since 1 January 2020, a member of the Management Committee. She was appointed General Secretary effective 1 January 2021 and Secretary to the Board of Directors effective 11 February 2021.
Éric Oudard (56), Technical and Development Director	Éric Oudard is a graduate of the Ponts et Chaussées engineering school and an alumnus of University College London's Bartlett School of Architecture. He is Vice President of the X-Ponts Pierre group of real estate professionals. During his career, he has notably held positions with Vinci Construction and the real estate arm of Casino Group. He joined SFL's Management Committee as Technical and Development Director in 2014, with responsibility for overseeing the development of restructuring and renovation projects, the technical operation of buildings, and sustainable development policy.

Gender policy at Management Committee level

As of 31 December 2024, two of the six Management Committee members were women (33%). They hold the positions of Chief Executive Officer (Aude Grant) and Company Secretary, General Counsel and Secretary to the Board of Directors (Emilie Germane).

The Company has only 62 employees (as of 31 December 2024) and the 10% of positions with the highest level of decision-making responsibilities are all held by members of the Management Committee.

The Company is pursuing its efforts to increase the proportion of women on its management bodies.

Two women joined the Management Committee in January 2025:
- Alexia Abtan, Investments and Corporate Communications Director, and
- Virginie Kraftt, Commercial Director, raising the number of Management Committee members to eight, including four women, i.e., 50%.

3. The Board of Directors

3.1. Members of the Board of Directors as of 31 December 2024

Article 15 of the Articles of Association states that the Board of Directors shall have between 3 and 16 members.

As of 31 December 2024, the Board of Directors had six members, unchanged from 31 December 2023.

The composition of the Board of Directors as of 31 December 2024 was as follows:
- Three directors elected on the recommendation of the majority shareholder, Inmobiliaria Colonial Socimi, SA:
  - Pere Viñolas Serra (Chairman of the Board of Directors);
  - Juan José Brugera Clavero;
  - Carmina Ganyet i Cirera.
- One director elected on the recommendation of Qatar Holding LLC and DIC Holding LLC(1):
  - Ali Bin Jassim Al Thani.
- Two independent directors:
  - Arielle Malard de Rothschild;
  - Alexandra Rocca.

In accordance with Article 15 of the Articles of Association, Directors are elected for three-year terms, except for candidates who are aged 70 or over on the date of their election or re-election, whose term is limited to one year.

The number of directors over 70 may not represent more than one third of the members serving on the Board.

In addition, Article 17 of the Articles of Association states that the Chairman of the Board of Directors is required to retire from this function at the close of the Annual General Meeting called to approve the financial statements for the year of his 75th birthday.

As of 31 December 2024, one director was over 70 years of age, four directors (including the Chairman of the Board) were aged between 60 and 69, and one director was under the age of 60.

3.2. Board of Directors' diversity policy

The qualifications and professional experience of each director are presented in section 3.8 of this report.

The Board of Directors endeavours to diversify its membership in terms of nationality, international experience, skills and gender balance.

Of the six members of the Board of Directors as of 31 December 2024, three were women. At 50%, the proportion of women on the Board as of that date was in line with the requirements of Articles L.22-10-3 and L.225-18-1 of the French Commercial Code.

The Company aims to maintain this gender balance and the Board's diversity in 2025.

Care has always been taken to ensure that the number of directors and the capabilities, skills and expertise represented on the Board are aligned with the Company's needs and contribute to the Board's efficient organisation and practices, by fostering constructive discussions and decisions that contribute effectively to the Company's sustainable growth.

(1) At the time of Sheikh Ali Bin Jassim Al Thani's election as a director by the General Meeting of 13 November 2015, Qatar Holding LLC and DIC Holding LLC, acting in concert, held 13.64% and 8.56% of SFL's share capital respectively.
In a letter to the Company dated 14 November 2018 (sent by registered mail with return receipt requested), Qatar Holding LLC and DIC Holding LLC (acting in concert) disclosed that they had entered into an agreement with Colonial on 15 October 2018, subject to certain conditions precedent, and had sold all of their SFL shares to SFL's majority shareholder (Inmobiliaria Colonial Socimi SA) with effect on 12 November 2018.

To contribute to the Board's diversity, when a seat on the Board falls vacant and it is necessary or desirable to appoint a new director, the Remuneration and Selection Committee is tasked with reviewing candidates' files and interviewing the short-listed candidates. The Committee presents the results of its review to the Board of Directors, based on the skills, capabilities and expertise of candidate(s) assessed as being qualified to contribute their knowledge and experience to the Company. The Committee also takes legal and regulatory considerations into account, as well as the provisions of the Company's Articles of Association. The factors considered include the requirement to have a certain proportion of independent directors and women directors, and the statutory age limit for serving on a company's board. The Board then decides to appoint a new director subject to ratification at the next Annual General Meeting, or to propose the candidate for election at the next Annual General Meeting, as appropriate.

The Board of Directors does not include any director representing employees, as the number of employees of the Company and its subsidiaries is below the thresholds set in Article L.225-27-1 of the French Commercial Code.

In accordance with Article L.2312-72 of the French Labour Code (*Code du travail*), two members of the Works Council attend meetings of the Board of Directors with a consultative vote.

Average age of directors	64
Average period served on the Board of Directors	11.75 years
Proportion of female Board members	50%
Proportion of male Board members	50%
Number of nationalities represented	3

3.3. Changes in the membership of the Board of Directors and the Board Committees during 2024 - Situation as of 31 December 2024

	Re-elected	Elected/appointed	Resigned
Board of Directors	Ali Bin Jassim Al Thani 16/04/2024	-	-
	Juan José Brugera Clavero 16/04/2024	-	-
Audit Committee	-	-	-
Remuneration and Selection Committee	-	-	-
Committee of Independent Directors	-	-	-
Executive and Strategy Committee	-	-	

3.4. Directors proposed for re-election to the Board at the Annual General Meeting of 23 April 2025

The terms of the following directors will expire at the Annual General Meeting to be called to approve the 2024 financial statements: Arielle Malard de Rothschild, Juan José Brugera Clavero and Pere Viñolas Serra.

At the Annual General Meeting to be held on 23 April 2025, the Board of Directors will invite shareholders to:
- Re-elect Arielle Malard de Rothschild as Director for a three-year term expiring at the close of the Annual General Meeting to be called to approve the financial statements for the year ending 31 December 2027 (fifth ordinary resolution).
- Re-elect Pere Viñolas Serra as Director for a three-year term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ended 31 December 2027 (sixth ordinary resolution).
- Re-elect Juan José Brugera Clavero for a one-year term expiring at the close of the Annual General Meeting to be called to approve the financial statements for the year ending 31 December 2025 (seventh ordinary resolution).

In accordance with Article 15 of the Articles of Association, Juan José Brugera Clavero is proposed for re-election for a one-year term because he is over 70 years of age, while Arielle Malard de Rothschild and Pere Viñolas Serra are proposed for a standard three-year term.

Arielle Malard de Rothschild, Pere Viñolas Serra and Juan José Brugera Clavero have all confirmed that they wish to stand for re-election and that they are not disqualified from serving as directors.

If the Annual General Meeting votes in favour of the above proposals, the composition of the Board of Directors will remain unchanged and, with six members including two independent directors, will continue to comply with the related provisions of the French Commercial Code and the AFEP-MEDEF Corporate Governance Code to which the Company refers.

3.5. Independent directors

According to Article 10.2 of AFEP-MEDEF Code, a director is independent when he or she has no relationship of any kind whatsoever with the corporation, its group or the management that may interfere with his or her freedom of judgement. Accordingly, an independent director is understood to be any non-executive director of the Company or the Group who has no particular bond of interest (significant shareholder, employee, other) with them.

Article 10.5 of the AFEP-MEDEF Code lists the criteria to be applied by the Remuneration and Selection Committee and the Board of Directors to determine whether a director is independent and to prevent conflicts of interest between the director, on the one hand, and the management, the Company or the Group on the other. In particular:

- Not to be and not to have been during the course of the previous five years:
  - an employee or corporate officer of the Company,
  - an employee, corporate officer or a Director of a company consolidated within the Company,
  - an employee, corporate officer or a director of the Company's parent company or a company consolidated within this parent company;
- Not to be a corporate officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or a corporate officer of the Company (currently in office or having held such office during the last five years) holds a directorship;
- Not to be a customer, supplier, commercial banker, investment banker or consultant:
  - that is significant to the Company or its Group, or
  - for which the Company or the Group represents a significant portion of its activity.

  The evaluation of the significant or non-significant relationship with the Company or its Group must be debated by the Board and the quantitative criteria that lead to the evaluation (continuity, economic dependence, exclusivity, etc.) must be explicitly stated in the Corporate Governance Report;
- Not to be related by close family ties to a corporate officer;
- Not to have been an auditor of the Company within the previous five years;
- Not to have been a director of the Company for more than 12 years. Loss of the status of independent director occurs on the date at which this period of 12 years is reached.

Furthermore, the AFEP-MEDEF Code states that a non-executive officer cannot be considered independent if he or she receives variable compensation in cash or in the form of shares or any compensation linked to the performance of the corporation or the group.

Furthermore, the APEP-MEDEF Code adds that Directors representing major shareholders of the Company or its parent company may be considered independent, provided these shareholders do not take part in the control of the Company. Nevertheless, beyond a 10% threshold in capital or voting rights, the Board, upon a report from the Remuneration and Selection Committee, should systematically review the qualification of a director as independent in the light of the make-up of the Company's capital and the existence of a potential conflict of interest.

The Board of Directors of SFL has adopted all of the above criteria.

Based on the above criteria and the opinion of the Remuneration and Selection Committee, the Board of Directors considers that two directors qualify as independent:

- Arielle Malard de Rothschild;
- Alexandra Rocca.

Neither of these directors have any business ties with the Company.

Table summarising the independent directors' compliance with the above independence criteria

	Compliance	
Independence criteria	Arielle Malard de Rothschild	Alexandra Rocca
Criterion 1: Employee or corporate officer in the previous five years		
Not to be and not to have been during the course of the previous five years:		
• an employee or corporate officer of the Company	√	√
• an employee, corporate officer or a director of a company consolidated within the Company	√	√
• an employee, corporate officer or a director of the Company's parent company or a company consolidated within this parent company	√	√
Criterion 2: Cross-directorships		
Not to be a corporate officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or a corporate officer of the Company (currently in office or having held such office during the last five years) holds a directorship	√	√
Criterion 3: Material business relationships		
Not to be a customer, supplier, commercial banker, investment banker or consultant:		
• that is significant to the Company or its Group	√	√
• for which the Company or the Group represents a significant portion of its activity	√	√
Criterion 4: Family ties		
Not to be related by close family ties to a corporate officer	√	√
Criterion 5: Statutory Auditors		
Not to have been an auditor of the Company within the previous five years	√	√
Criterion 6: More than 12 years served on the Board		
Not to have been a director of the Company for more than 12 years. Loss of the status of independent director occurs on the date at which this period of 12 years is reached	√	√
Criterion 7: Non-executive officer		
Not to have received variable remuneration in cash or in the form of shares or any remuneration linked to the performance of the Company or the Group	√	√
Criterion 8: Major shareholder		
Directors representing major shareholders of the Company or its parent company may be considered independent, provided that these shareholders do not exercise control of the Company. Nevertheless, beyond a 10% threshold in capital or voting rights, the Board, upon a report from the nominations committee, should systematically review the qualification of a director as independent in the light of the make-up of the Company's capital and the existence of a potential conflict of interest.	√	√

3.6. Experience and expertise represented on the Board of Directors at 31 December 2024

		Personal information				Experience	Position on the Board				Membership of Board Committees*			
		Age	Gender	Nationality	Number of shares	Directorships of listed companies	Independent	First elected	Current term expires	Years served on the Board	Audit Committee	Remuneration and Selection Committee	Executive and Strategy Committee	Committee of Independent Directors
Pere Viñolas Serra (Chairman of the Board of Directors)		62	M	Spanish	0	2	No	23 July 2008	2025 AGM	16.5 years	-	C	C	-
Directors	Ali Bin Jassim Al Thani	65	M	Qatari	25	2	No	13 Nov. 2015	2027 AGM	9.5 years	-	-	-	-
Directors	Juan José Brugera Clavero	78	M	Spanish	18,025	2	No	23 July 2008	2025 AGM	16.5 years	-	-	M	-
Directors	Carmina Ganyet i Cirera	56	F	Spanish	0	3	No	20 July 2009	2026 AGM	15.5 years	C	-	M	-
Directors	Arielle Malard de Rothschild	61	F	French	25	1	Yes	26 July 2018	2025 AGM	6.5 years	M	M	-	M
Directors	Alexandra Rocca	62	F	French	0	2	Yes	15 Feb. 2019	2026 AGM	6 years	M	M	-	M

* C: Chair. M: Member.

3.7. Directors' profiles, experience and expertise

Pere Viñolas Serra

- **Chairman of the Board of Directors (SFL)**
- **Chairman of the Remuneration and Selection Committee (SFL)**
- **Chairman of the Executive and Strategy Committee (SFL)**

Business address: Avenida Diagonal, 532 - 08006 Barcelona (Spain)

Main areas of expertise and experience

Pere Viñolas Serra holds a degree in business management from the Polytechnic University of Catalonia and an MBA from ESADE - Barcelona University. He worked at the Barcelona Stock Exchange from 1990 to 1997, first as Head of Research and then as Deputy Chief Executive Officer. He was Chief Executive Officer of Filo, a listed property company, from 1997 to 2001, and then Partner and Chief Executive Officer of the Riva y Garcia financial group until 2008. From 1994 until 2000, he also served as Chairman of the Barcelona-based Catalonian Financial Analysts Institute, Chairman of the Urban Land Institute in Spain and member of the Board of Directors of the Riva y Garcia financial group. In Spain, he is currently a member of the Boards of Directors of Bluespace, the European Public Real Estate Association (EPRA) and Banco Sabadell. He is also Chief Executive Officer, Vice-Chairman and member of the Executive Committee of Inmobiliaria Colonial SOCIMI SA.

Offices and positions held at 31 December 2024 (excl. SFL)	Listed company
- Chief Executive Officer, Vice-Chairman and member of the Executive Committee of Inmobiliaria Colonial SOCIMI SA (Spain)	√
- Member of the Board of Directors of Bluespace SA (Spain)	
- Member of the Board of Directors of EPRA (Spain)	
- Member of the Board of Directors of Banco Sabadell (Spain)	√

Prior directorships and positions held in the past five years

- Member of the Board of Directors of Electro-Stocks SL (Spain) (term expired in 2020)

Juan José Brugera Clavero

- Director of SFL
- Member of the Executive and Strategy Committee (SFL)

Business address: Avenida Diagonal, 532 - 08006 Barcelona (Spain)

Main areas of expertise and experience

Juan José Brugera Clavero studied industrial engineering at the Terrassa EUITI engineering school and earned an MBA from the ESADE business school. He began his career as a lecturer at the Terrassa and La Salle engineering schools (1967-1968), before joining Inter Grundig as an engineer in 1968 until 1970. He moved to Banco Atlantico in 1971, where he worked in sales and logistics until 1975. He also taught economics (1972-1975) and bank management (1975-1988) at the ESADE business school, and was appointed honorary Vice Chairman of the school's Foundation in 1989 and Chairman in 1999, a position he held until 2005. From 1975 to 1987, he held various positions at Banco Sabadell. He joined Sindibank as Chief Executive Officer (1987-1994) and served in the same position at Inmobiliaria Colonial SA (now Inmobiliaria Colonial, SOCIMI, SA) (1994-2006) and at Mutua Madrilena (2006-2007). He was also a director of SFL from 2004 to 2006 and Chairman of Panrico from 2007 to 2010. He has been Chairman of the Board of Directors and Chairman of the Executive Committee of Inmobiliaria Colonial, SOCIMI, SA (Spain) since 2008. He also holds an honorary doctorate from the University of Rhode Island (United States). He served as Chairman of the Board of Directors of SFL from 14 April 2010 to 7 April 2022.

Offices and positions held at 31 December 2024 (excl. SFL)	Listed company
- Chairman of the Board of Directors and Chairman of the Executive Committee of Inmobiliaria Colonial, SOCIMI, SA (Spain)	√
- Honorary Doctorate from University of Rhode Island (United States)	

Prior directorships and positions held in the past five years

- Chairman of the Board of Directors of SFL (until 7 April 2022)

Sheikh Ali Bin Jassim Al Thani

- Director of SFL
- Business address: Qatar Investment Authority - PO Box 23224 - Doha (Qatar)

Main areas of expertise and experience

Sheikh Ali Bin Jassim Al Thani has spent over 30 years working for the Qatari government, primarily in the areas of commerce, finance and real estate. He has been a strategy and investment consultant since 2007. He served as Vice Chairman, member of the Board of Directors and of the Executive Committee of Housing Bank for Trade and Finance of Jordan (listed company and Jordan's second largest bank) from 1995 to 2016. He was a member of the Board of Directors and Vice Chairman of Dubai-based United Arab Shipping Company (United Arab Emirates) from 2003 to 2016.

He has been Vice-Chairman of Libyan Qatari Bank since 2007. He was a member of the Board of Directors of Qatar Navigation from 2003 to 2016, serving as its Chairman and Chief Executive Officer from 2009. Qatar Navigation has interests in shipping and real estate. Since 2012, he has been a member of the Board of Directors of Qatar Abu Dhabi Investment Company, which specialises in investing in real estate and private equity.

He is currently Chairman of Qatar General Insurance & Reinsurance Co., a member of the Supervisory Board of Hapag-Lloyd AG, Vice President of Libyan Qatari Bank (LQB) and, since 2015, a director of Inmobiliaria Colonial SOCIMI SA (Spain).

Offices and positions held at 31 December 2024 (excl. SFL)	Listed company
- Director of Inmobiliaria Colonial SOCIMI SA (Spain)	√
- Chairman of the Board of Directors of Eagle SPPICAV	
- Chairman of the Board of Directors of 52 Capital (SA)	
- Chairman of the Board of Directors of Diamond SPPICAV (SAS)	
- Chairman of the Board of Directors and Chief Executive Officer of Elypont (SA)	
- Chairman of Qatar General Insurance & Reinsurance Co.	
- Vice-President of Libyan Qatari Bank (LQB)	
- Member of the Supervisory Board of Hapag-Lloyd AG	√

Prior directorships and positions held in the past five years

- None.

Carmina Ganyet i Cirera

- Director of SFL
- Member of the Audit Committee (SFL)
- Member of the Executive and Strategy Committee (SFL)

Business address: Avenida Diagonal, 532 - 08006 Barcelona (Spain)

Main areas of expertise and experience

Carmina Ganyet i Cirera, a trained economist, started her career at Caixa de Catalunya and later joined Arthur Andersen as an auditor (1991-1995). She moved on to work for Caixa's holding company (now Criteria Caixa) as head of Investments and Budget Control within the Finance, Insurance and Property Department, a position that led her to participate in the Inmobiliaria Colonial IPO process.

In Spain, she is also a member of the Executive Committee of the Circulo de Economia and a director of Repsol. In 2000, she was appointed Chief Financial Officer of Inmobiliaria Colonial, SA (now Inmobiliaria Colonial SOCIMI SA) before becoming Corporate Managing Director in January 2009.

Offices and positions held at 31 December 2024 (excl. SFL)	Listed company
- Corporate Managing Director of Inmobiliaria Colonial SOCIMI SA (Spain)	√
- Independent member of the Board of Directors, Member of the Delegated Commission of Repsol (Spain)	√
- Member of the Executive Committee of Barcelona Global/ULI Barcelona (Spain)	
- Member of the Board of Directors of Fira 2000 (Spain)	
- Member of the Executive Committee of Circulo de Economia (Spain)	

Prior directorships and positions held in the past five years

- Member of the Board of Directors of Ramon Llul University (Spain) (term expired in 2023)
- Member of the Board of Directors of Esade-Alumni (Spain) (term expired in 2023)

Arielle Malard de Rothschild

- Independent director of SFL
- Member of the Audit Committee (SFL)
- Member of the Remuneration and Selection Committee (SFL)
- Member of the Committee of Independent Directors

Business address: 23 bis Avenue de Messine - 75008 Paris (*France*)

Main areas of expertise and experience

Arielle Malard de Rothschild is an independent director of SFL. She holds an economics doctorate from Institut d'Etudes Politiques de Paris (Sciences Po) and a DEA post-graduate degree in Currency, Banking and Finance from Paris II-Assas University. In 1989, she joined Lazard Frères & Co as a member of the foreign government advisory team. Ten years later, she set up Rothschild Conseil International, a firm of emerging market financial advisors, and became its Deputy Chief Executive Officer. She has been Managing Director of Rothschild & Cie since 2006 and a Partner of Rothschild & Co (SCA) since 2019. She is also a director of Sagard Holdings, Inc. and Sagard Holdings Management (Canada).

Offices and positions held at 31 December 2024 (excl. SFL)	Listed company
- Manager of Rothschild & Cie (SCS)	
- Partner of Rothschild & Co (SCA)	
- Director of Fondation Rothschild	
- Director of Sagard Holdings, Inc (*Canada*)	
- Director of Sagard Holdings Management (*Canada*)	

Prior directorships and positions held in the past five years

- Member of the Supervisory Board of Rothschild & Co (SCA)
- Member of the Risks Committee of Rothschild & Co (SCA)
- Member of the Audit Committee of Rothschild & Co (SCA) (until 21 November 2023)

Alexandra Rocca

- Independent director of SFL
- Member of the Audit Committee (SFL)
- Member of the Remuneration and Selection Committee (SFL)
- Member of the Committee of Independent Directors

Business address: 42 rue Washington - 75008 Paris (*France*)

Main areas of expertise and experience

Alexandra Rocca is an Independent Director of SFL. A graduate of the HEC business school and the Sciences Po Paris political science school, she began her career with the Printemps Group (1986-1990). She then spent eleven years with the Air Liquide Group (1990-2001), where she notably served as Head of Communications. She was also Communications Director at Galeries Lafayette (2001-2005). She held the same position at LCL (2005-2008), Crédit Agricole Group (2008-2010), Lafarge Group (2010-2015) and Sanofi (2015-2018). She was Vice President, Communications at Air Liquide from July 2018 until the end of 2022. She is currently Chair of the Board of Arenco (SASU) and a director and member of the Governance and Compensation Committee of Chargeurs (SA).

Offices and positions held at 31 December 2024 (excl. SFL)	Listed company
- Chair of Arenco (SASU)	
- Independent director and Chair of the Governance and Compensation Committee of Chargeurs SA	√
- Member of the Advisory Board of Metyis (Netherlands)	

Prior directorships and positions held in the past five years

- Vice President, Communications of Air Liquide (SA) (until 1 January 2023)
- Advisor to the Chairman and Chief Executive Officer of Air Liquide (until June 2023)

3.8. Directors' attendance rates

		Board of Directors	Audit Committee meetings	Remuneration & Selection Committee meetings	Executive and Strategy Committee	Committee of Independent Directors meetings[1]
Pere Viñolas Serra, Chairman		100%	n/a	100%	n/a	n/a
Directors	Ali bin Jassim Al Thani	83%	n/a	n/a	n/a	n/a
	Juan José Brugera Clavero	67%	n/a	n/a	n/a	n/a
	Carmina Ganyet i Cirera	100%	100%	n/a	n/a	n/a
	Arielle Malard de Rothschild	100%	100%	100%	n/a	100%
	Alexandra Rocca	100%	100%	100%	n/a	100%

n/a: not applicable
(1) No meetings held in 2024.

3.9. Board practices

3.9.1. Role of the Board of Directors

In accordance with the law, the Board of Directors sets the general guidelines of the activity of the Company and oversees their implementation.

The Board of Directors is involved in defining and overseeing strategies relating to the Company's financial and operational performance. It is committed to promoting long-term value creation in line with the Company's interests, giving due consideration to the social and environmental challenges associated with the business.

The Board's prior authorisation is required for all acquisitions, disposals and financial commitments in excess of €20 million, including:

- any financial commitment, asset acquisition, bank financing, preliminary refinancing or financial restructuring operation in excess of €20 million,
- all decisions relating to financing strategy, interest rate, counterparty and liquidity risk hedging strategies, and the optimisation of SFL's cash positions,
- any purchase of interest rate hedging instruments,
- choices in terms of tax strategy, particularly in relation to eligibility for the SIIC regime,
- definition of general financial communications and human resources policies,
- information system modifications and upgrades, and approval of the related suppliers.

At least twice a year, in February and July, the Chief Executive Officer informs the Board of the Company's financial position, cash position and commitments. This information is preceded by a presentation, with the participation of the Statutory Auditors, to the Audit Committee, which in turn reports to the Board of Directors on its own work.

Each year, the Board approves the following year's budget and the two- to five-year business plans prepared by management.

The Board's work in 2024 is described in more detail in section 3.9.4 below.

3.9.2. Organisation and procedures of the Board of Directors

The Board's organisation and procedures are governed by the Company's Articles of Association and by the Board's own internal rules, which include a directors' charter.

The internal rules describe the Board's duties and practices, as well as the rights and obligations of individual directors.

Extracts from the Board of Directors' internal rules and ethical and corporate governance standards are presented in sections 3.9.3 and 3.9.4 below.

3.9.3. Rights and obligations of directors and management of conflicts of interest

In addition to describing the directors' legal and statutory rights and obligations, the directors' charter included in the Board's internal rules also describes the directors' duties in such areas as trading in SFL shares, potential conflicts of interest, multiple directorships, regular attendance at Board meetings and confidentiality.

Directors, their spouses (unless legally separated) and the permanent representatives of corporate directors are required to hold their shares in registered form or to deposit the shares in SFL or its subsidiaries held by them or by their children who are dependent minors. They are required to disclose all transactions in SFL shares to the Company and to France's securities regulator, *Autorité des Marchés Financiers*, in accordance with applicable regulations.

In addition, each director must notify the Chairman of any directorships and corporate functions held in other named companies during the year and whenever any change occurs.

The Board's internal rules require directors to notify the Board of any potential or actual conflicts of interests and to abstain from discussions and voting on the matters concerned.

Directors must act at all times in the Company's interest, attend Annual General Meetings and treat all information received from the Board as strictly confidential.

3.9.4. Work of the Board of Directors in 2024

Article 18 of the Articles of Association stipulates that the Board of Directors shall meet as frequently as necessary in the Company's interests and at least four times a year.

At least three days before each meeting, except for emergency meetings, the directors are given a file on the agenda items that warrant prior analysis and consideration. Where applicable, the file includes the recommendation of the relevant Board Committee.

The Board of Directors met six times in 2024, with an average attendance rate of 91.67%.

The main issues covered during the meetings held in 2024 were as follows:

Agenda of the 14 February 2024 meeting	• Management's 2023 business review and approval of the 2023 financial statements • Preparation of the Annual General Meeting (agenda, proposed resolutions and reports to shareholders) and decision to call the meeting • Guarantees issued in 2023 and renewal of authorisations to issue guarantees • Proposals of the Remuneration and Selection Committee: calculation of variable remuneration and determination of the fixed remuneration of the Chief Executive Officer and Managing Director/ Adoption of Performance Share Plan 8/Performance share awards under Plan 8 • Presentation by the Audit and Accounts Committee of the revised positioning of certain risks within the risk map and approval of the changes by the Board • Review of related party agreements (Article L.225-40-1 of the French Commercial Code) • Management briefing on the SAP data migration project
Agenda of the 16 April 2024 meeting	• Business update presented by Management • Management presentation of a current redevelopment project • Authorisation to take on new debt • Share buybacks: authorisation for the Chief Executive Officer to implement the programme • Authorisation for PARGAL, a wholly-owned subsidiary of SFL, to elect for taxation as an SIIC • Approval of internal forecasts and projections • Authorisation for an employee to retain her rights under the 2022 and 2023 performance share plans following her resignation
Agenda of the 23 July 2024 meeting	• Management's first-half 2024 business review and approval of the 2024 interim financial statements • Approval of amendments to the contracts of the Chief Executive Officer and the Managing Director • Update on the Company's financing and consideration of a new financing facility • Briefing on the ESG strategy • Presentation of the proposed Anti-Corruption Charter
Agenda of the 6 November 2024 meeting	• Proposed strategic transaction and approval of the press release on the SFL/Colonial merger • Report on the Remuneration and Selection Committee's 6 November meeting • Financing strategy
Agenda of the 21 November 2024 meeting	• Review and approval of the 2025-2029 Business Plan • Business review • Merger of SFL into Colonial: progress report, change in Executive Management, approval of press releases, approval of information document to be presented to the Social and Economic Committee, free share grant • Vested Plan 6 performance shares – Issuance of shares • Approval of internal forecasts and projections
Agenda of the 17 December 2024 meeting	• Management briefing: market update, portfolio appraisal at 31 December 2024, business news, 11th Paris Workplace survey • Update on the planned SFL/Colonial merger

3.10. Adoption of the SIIC Code of Conduct

In accordance with the Board's decision of 25 September 2008, the Company applies the code of conduct for listed property investment companies (SIIC).

3.11. Corporate governance disclosures

To the best of the Company's knowledge:
- There are no family ties between the members of the Board of Directors and the Statutory Auditors.
- No member of the Board of Directors has been found guilty of fraud in at least the past five years.
- No member of the Board of Directors has been involved in an instance of bankruptcy, sequestration or liquidation in at least the past five years.
- No member of the Board of Directors has been charged by the statutory or regulatory authorities in at least the past five years.
- There are no potential conflicts of interest between the members of the Board and their duties to the Company. The directors' charter requires directors to disclose any conflicts of interest to the Board and to abstain from voting on related topics.
- No member of the Board of Directors has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer in at least the past five years.
- In application of European Regulation 596/2014 (Market Abuse Regulation), the directors are prohibited from trading in SFL shares, directly or indirectly, on their own behalf or on behalf of third parties, during periods designated as negative windows.
- There are no service contracts between members of the administrative, management or supervisory bodies and SFL or any of its subsidiaries providing for benefits upon termination of employment.

3.12. Board Committees

3.12.1. Rules governing the membership and procedures of the Board Committees

The decision to create a Committee is made by the Board of Directors. Members are freely chosen and may or may not be directors or shareholders. In practice, the members of the Board Committees are selected on the basis of their expertise. The number of members of each Committee is determined by the Board of Directors (usually three or four members).

The Committees only examine issues submitted to them by the Board of Directors or the Chairman, in the areas falling within their terms of reference as decided by the Board. Under no circumstances may the Committees interfere in the management of the Company or act in any way that would indirectly reduce the powers of the Chief Executive Officer or the Managing Director(s). They act solely in an advisory capacity. The Committees report to the Board of Directors.

Their members may be appointed for the duration of their term as a director (where applicable) or for a shorter period.

The Board of Directors may remove Committee members at any time, without giving a reason. Likewise, Committee members may step down at any time without giving a reason.

The members of the Committees have the same obligations of allegiance and confidentiality as the directors.

The Committees report to the Board on their work after each of their meetings.

3.12.2. Audit Committee

At 31 December 2024, the Audit Committee comprised three members:

Chair: ◆ Carmina Ganyet i Cirera
Members: ◆ Arielle Malard de Rothschild (independent director)
◆ Alexandra Rocca (independent director)

In accordance with the recommendations of the AFEP-MEDEF Code, at least two-thirds of Audit Committee members are independent directors and no members are corporate officers.

The Audit Committee members' experience in the areas of finance and accounting is described on pages 129 and 130.

In accordance with Article L.821-67 of the French Commercial Code, the AFEP-MEDEF Code and the Board of Directors' internal rules, the role of the Audit Committee is to:
- Monitor the processes for the preparation of financial and sustainability information and make any necessary recommendations to guarantee the processes' integrity.
- Monitor the effectiveness of internal control and risk management systems, and – if applicable – of the internal audit of the procedures for the preparation and processing of accounting and financial information and sustainability information, without affecting its independence.

- Make recommendations concerning the firm of accountants to be proposed for appointment as Statutory Auditors by the Annual General Meeting and also make recommendations to the Board of Directors concerning the re-appointment of incumbent Statutory Auditors in accordance with Article L.821-45 of the French Commercial Code.
- Monitor the Statutory Auditors' audit of the financial statements and the sustainability statement. To assist the Committee in this task, the Statutory Auditors are required to submit to the Committee a report outlining the results of their audit, at the same time as their audit opinion or earlier.
- Obtain assurance concerning the independence of the auditors responsible for certifying the financial statements and the sustainability statement.
- Define and monitor audits of controls over the Company's internal procedures and report the Statutory Auditors' conclusions and recommendations to the Board of Directors.
- Report regularly to the Board of Directors on its activities. The Committee also reports to the Board on the results of the audits of the financial statements and the sustainability statement, the ways in which the audit work contributed to the integrity of reported financial and sustainability information and the Committee's role in the process. It is also required to notify the Board immediately of any audit-related problems.
- Approve the provision of non-audit services (NAS) by the Statutory Auditors. The Statutory Auditors may perform authorised non-audit services subject to the following two conditions:
  - at the beginning of each year, the Audit and Accounts Committee is required to issue a list of approved audit firms which have been checked to ensure that the non-audit services would not expose them to any independence issues, and
  - the fees for permitted NAS do not exceed 70% of the average fees paid in the last three financial years for the audit of the consolidated financial statements of the Public Interest Entity (PIE) and, if applicable, the entity that controls or is controlled by the PIE.

The Chairman of the Audit Committee regularly updated the Board of Directors about the Committee's work, so that the Board could assess this work.

The Statutory Auditors are required to submit to the Audit Committee their audit plan, a description of material weaknesses in internal control over the preparation and processing of accounting and financial information, details of any unrecognised accounting adjustments identified during the audit, and details of any other identified irregularities or misstatements.

The Statutory Auditors are also required to submit to the Audit Committee the report provided for in Article L.821-63 of the French Commercial Code, the annual declaration of independence and details of their fees and the services provided.

The Audit Committee met seven times in 2024, with an attendance rate of 100% for each meeting.

The main issues covered during the meetings were as follows:

Agenda of the 18 January 2024 meeting	• Approval of the 2024 internal audit programme • Services provided by the Statutory Auditors – Renewal of delegations of authority to the Audit Committee
Agenda of the 14 February 2024 meeting	• Approval of the 2023 financial statements for presentation to the Board • Approval of the updated risk map
Agenda of the 3 April 2024 meeting	• 52nd internal audit engagement: asset purchases and sales
Agenda of the 27 June 2024 meeting	• 53rd internal audit engagement: cash outflows • Presentation of the Statutory Auditors' audit approach
Agenda of the 23 July 2024 meeting	• Approval of interim financial statements for presentation to the Board
Agenda of the 8 October 2024 meeting	• 54th internal audit engagement: rent receipt issuance process and integration of rental data • Presentation of the call for tenders: statutory audit engagement
Agenda of the 18 November 2024 meeting	• 55th internal audit engagement: Application of ESG criteria in the CapEx supplier selection process

For more information about the Audit Committee's work in 2024, see page 164 of this report.

3.12.3. Remuneration and Selection Committee

At 31 December 2024, the Remuneration and Selection Committee comprised three members:
- Chairman: Pere Viñolas Serra
- Members: Arielle Malard de Rothschild (independent director)
  Alexandra Rocca (independent director)

As recommended in the AFEP-MEDEF Code, the majority of Remuneration and Selection Committee members are independent directors and no members are corporate officers.

In accordance with the Board of Directors' internal rules, the role of the Remuneration and Selection Committee is to:
- Make recommendations to the Board concerning the remuneration of the Chairman, the Chief Executive Officer and the Managing Director, the directors' remuneration, stock option or performance share plans and specific incentive bonus plans.
- Make recommendations to the Board concerning candidates for election to the Board and senior management succession planning, particularly when a seat on the Board or a senior management position falls vacant for unforeseeable reasons or following a change in the number of seats on the Board.
- Review the independence of the Board members and the candidates for election to the Board or a Board Committee.

The Remuneration and Selection Committee met six times in 2024, with an attendance rate of 100%.

The main issues covered during the meetings were as follows:

Agenda of the 18 January 2024 meeting	• 2024 variable remuneration of the Chief Executive Officer and the Managing Director • Review of a proposed new performance share plan • Discussion on the liquidity to be offered to recipients of performance shares
Agenda of the 25 January 2024 meeting	• Review of the rules of Performance Share Plan 8
Agenda of the 14 February 2024 meeting	• Calculation of the 2023 variable remuneration of the Chief Executive Officer and the Managing Director • 2024 fixed remuneration of the Chief Executive Officer • Performance share plan: – 2024 awards – Adoption of the rules of Performance Share Plan 8
Agenda of the 14 May 2024 meeting	• Approval of an amendment to the Chief Executive Officer's contract • Approval of an amendment to the Managing Director's contract
Agenda of the 6 November 2024 meeting	• Approval of a new free share plan (Plan 9)
Agenda of the 18 November 2024 meeting	• Departure of the Chief Executive Officer, Dimitri Boulte • Appointment of Aude Grant as Chief Executive Officer • Free share grant

3.12.4. Executive and Strategy Committee

At 31 December 2024, the Executive and Strategy Committee comprised:
Chairman: ◆ Pere Viñolas Serra
Members: ◆ Carmina Ganyet i Cirera
◆ Juan José Brugera Clavero

In accordance with the Board of Directors' internal rules, the role of the Executive and Strategy Committee is to:
- Advise the Board and senior management in defining the Company's strategic vision to drive business growth in the best interests of the Company and all of its shareholders.
- Help the Board and senior management to efficiently fulfil their respective responsibilities, by acting as an interface for strategic issues and transactions.
- Review the Company's business plans and projections in order to assess the medium- and long-term outlook.
- Review and make recommendations concerning planned transactions that require the Board's prior approval.
- Report to the Board on its activities.

The Executive and Strategy Committee did not hold any meetings in 2024.

3.12.5. Committee of Independent Directors

At 31 December 2024, the Committee of Independent Directors comprised two members:
- Arielle Malard de Rothschild
- Alexandra Rocca

The role of the Committee of Independent Directors is to review relations between SFL and its controlling shareholder that may have a material impact on financial flows, assets, the financial statements or the SFL share price and make recommendations to the Board.

At the meeting of the Board of Directors on 6 November 2024, the Chairman, Pere Viñolas Serra, presented the proposed cross-border merger of SFL into Colonial, which currently owns 98.30% of SFL.

In light of the proposed transaction and in accordance with best governance practices, at its meeting on 6 November 2024, the Board of Directors decided to set up a Special Committee to:
- participate in analysing the terms of the proposed merger, to obtain assurance concerning the fairness of Colonial's proposed merger exchange ratio and exit price;

- act as Colonial's contact for the determination of the merger exchange ratio and exit price;
- participate in monitoring the work of the merger auditor(s);
- make a recommendation to SFL's Board of Directors prior to signing the merger agreement; and
- generally, make any and all recommendations to the Board of Directors that will help it make an informed decision about the planned merger.

The Board of Directors decided that the Committee of Independent Directors should take on the role of Special Committee and the Committee members, Alexandra Rocca and Arielle Malard de Rothschild, accepted this role.

It was agreed that the Special Committee could draw on the assistance of the law firm retained to advise SFL and its Board of Directors on merger-related matters and could be assisted by a financial advisor, if necessary. Mr Viñolas also pointed out that, in any event, the Special Committee would benefit from the support of all Colonial and SFL teams, for monitoring purposes and also for explanations of all the legal procedures and analyses.

The Special Committee, comprising the two independent directors, has met several times since it was set up. Further meetings will be held as necessary to carry out the tasks assigned to it by the Board of Directors.

4. 2025 remuneration policy applicable to the Chairman, the Chief Executive Officer and the members of the Board of Directors

In accordance with Articles L.22-10-8 and R.22-10-14 of the French Commercial Code, we present below the remuneration policy established by the Board of Directors for 2025.

This section presents (i) the overall remuneration policy applicable to the Chairman, the Chief Executive Officer and the members of the Board of Directors and (ii) the fixed, variable and special components of the total remuneration and benefits, including performance shares, awarded to the Chairman of the Board of Directors, the Chief Executive Officer and the members of the Board of Directors in respect of their functions.

The Board of Directors is submitting for approval at the Annual General Meeting the remuneration policy established for the Chairman, the Chief Executive Officer and the members of the Board of Directors, as well as the fixed, variable and special components of the total remuneration and benefits for 2025 awarded to the Chairman of the Board of Directors, the Chief Executive Officer and the members of the Board of Directors in respect of their functions, as described below.

In accordance with Article L.22-10-8 of the French Commercial Code, payment of the variable and special components of their remuneration for 2025, as presented in this section, will in principle depend on their remuneration being approved by the Annual General Meeting to be held in 2026 to approve the 2025 financial statements.

However, if the cross-border merger of SFL into Colonial is completed before the 2026 Annual General Meeting, the surviving company will assume liability for this remuneration without the need for a decision by SFL's Board of Directors or General Meeting.

4.1. Remuneration policy applicable to the Chairman, the Chief Executive Officer and the members of the Board of Directors for 2025

4.1.1. Compatibility with the corporate interest and contribution to the Company's business strategy and sustainability

The variable remuneration payable under the remuneration policy applicable to the Chairman and the Chief Executive Officer rewards their contribution to the Company's business strategy and overall long-term strategy.

The variable remuneration of the Chief Executive Officer consists for the most part of a bonus based on quantitative or financial criteria and also includes a smaller bonus based on qualitative or non-financial criteria.

The quantitative bonus is determined on the basis of clear and precise financial objectives set by the Board of Directors, which approves the current year's budget.

The bonus based on qualitative or non-financial criteria rewards contributions to the Company's strategy and sustainability and includes, in particular, a RSE criterion.

In addition, the use of performance share plans as a long-term incentive brings the corporate interest, the interests of shareholders and the respective interests of corporate officers (Chief Executive Officer) into even closer alignment.

4.1.2. Decision-making process followed to determine, revise and implement the remuneration policy, including measures to avoid or manage conflicts of interest, role of the Remuneration and Selection Committee

Each year, the Remuneration and Selection Committee submits its proposals to the Board of Directors concerning the remuneration of the Chairman, the Chief Executive Officer and the members of the Board of Directors. The Board of Directors discusses these proposals and then decides on its remuneration policy. The Chairman of the Board does not take part in the discussions or vote (if any) on his remuneration.

When determining the remuneration of the Chairman and the Chief Executive Officer, the Remuneration and Selection Committee takes into account and applies the principles set out in the AFEP-MEDEF Code. The Committee and the Board ensure that the remuneration and employment terms of the Company's employees are taken into account when determining the remuneration of the Chairman and the Chief Executive Officer. They pay particular attention to ensuring that the remuneration of the Chairman and the Chief Executive Officer is determined on a basis that is consistent with that applied to the Company's other senior executives and its employees, and that the components of their remuneration are balanced and take into account the Company's corporate interest, market practices, the performance of the Chairman, the Chief Executive Officer and the Company's other stakeholders.

4.1.3. Performance assessment methods to be applied to the Chief Executive Officer to determine to what extent the performance criteria used to determine her bonus and the performance share vesting criteria have been met

4.1.3.1. Determination of variable remuneration criteria and objectives

The criteria and objectives used to determine the variable remuneration of the Chief Executive Officer are set by the Board of Directors on the recommendation of the Remuneration and Selection Committee. Similarly, the calculation formula and the variable remuneration amounts are determined by the Board of Directors, based on the recommendation of the Remuneration and Selection Committee.

- For 2025, at its meeting on 18 February 2025, the Board of Directors approved the recommendation of the Remuneration and Selection Committee and decided that the performance criteria used to calculate the quantitative and qualitative components of the Chief Executive Officer's variable remuneration would remain unchanged compared with 2024 as follows:

	Quantitative bonus: 70%	
Criteria	EPRA earnings per share (EPRA EPS)	35%
	Rental income	25%
	Loan To Value (LTV)	10%

	Qualitative bonus: 30%	
Criteria	CSR policy	10%
	General attitude and contribution to defining and executing the Company's strategy	10%
	Corporate management and financial resources	10%

The performance criteria are presented in section 4.2.2.2 (pages 138 to 140).

The adjusted formula is still in line with the market practices of other listed property companies. It also ensures that quantifiable criteria have a predominant role in determining the variable remuneration of the Chief Executive Officer, in accordance with the recommendations of the AFEP-MEDEF Code.

4.1.3.2. Calculation of variable remuneration

Following the Board meeting at which the previous year's financial statements are approved for publication, the Remuneration and Selection Committee:
- notes the achievement rate for each of the criteria mentioned in 4.1.3.1 above in respect of the previous financial year;
- determines the resulting variable bonus amount for that year, based on the performance grids presented below (see sections 4.2.2.2.1 and 4.2.2.2.2);
- proposes the method for determining this variable bonus for the following year; and
- submits all of these proposals to the Board of Directors (which in turn submits the Chief Executive Officer's variable remuneration to the Annual General Meeting for approval).

As mentioned above, if the cross-border merger of SFL into Colonial is completed before the 2026 Annual General Meeting, the surviving company will assume liability for this remuneration without the need for a decision by SFL's Board of Directors or General Meeting.

4.1.3.3. Share-based payments

The assessment of the performance conditions that determine whether the performance shares awarded to the Chief Executive Officer, if any, will vest is subject to the following procedure:

Management issues a representation letter to the Statutory Auditors containing the following information:
- Dates of the Annual General Meeting and the Board of Directors' meeting at which the decision was made to award performance shares to the Chief Executive Officer.
- Date on which the performance share rules were adopted (with a copy of the plan rules enclosed with the representation letter).
- Method used to measure the performance objective during the vesting period.
- Number of performance shares that have vested and are to be delivered, respectively, to the Chief Executive Officer in accordance with the plan rules.

The Statutory Auditors are then required to certify this information in order to determine the number of vested shares in each case. Their certificate is prepared after reviewing the performance share plan rules and checking that the calculation method complies with the plan's stipulations.

4.1.4. Criteria for allocating the fixed annual amount awarded to the members of the Board of Directors by the Annual General Meeting

The directors' remuneration allocated by the Annual General Meeting comprises a fixed amount in recognition of their liability as directors and a variable amount based on their attendance rate at meetings of the Board and its Committees.

These fixed and variable amounts are presented in section 4.2.4 below.

4.1.5. Method of applying the remuneration policy to a newly appointed Chairman or Chief Executive Officer, or following the re-appointment of the Chairman or Chief Executive Officer before shareholders have had the opportunity to approve significant changes to said policy

The Company's proposed 2025 remuneration policy would apply unchanged to any newly appointed corporate officer.

4.1.6. Non-compliance with the remuneration policy

Not applicable.

4.1.7. Suspension of the employment contract of corporate officers *(mandataires sociaux)*

When an employee becomes a corporate officer of the Company, his or her employment contract may be maintained; however, SFL's practice consists of suspending the contract.

4.2. Remuneration policy applicable to the Chairman, the Chief Executive Officer and the members of the Board of Directors

4.2.1. Remuneration policy applicable to the Chairman of the Board of Directors

The remuneration policy for 2025 applicable to the Chairman of the Board of Directors is described below.

4.2.1.1. Fixed remuneration for the function of Chairman of the Board of Directors and director

The Chairman of the Board of Directors has waived payment of his fixed and variable remuneration and will not therefore receive any remuneration for his services as Chairman and director in 2025.

4.2.1.2. Performance shares

The Chairman of the Board of Directors has waived payment of his fixed and variable remuneration and will not therefore be granted any performance shares in 2025.

4.2.2. Remuneration policy applicable to the Chief Executive Officer

The remuneration policy applicable to the Chief Executive Officer for 2025 is described below.

4.2.2.1. Fixed remuneration

The Chief Executive Officer is paid fixed remuneration in an amount decided by the Board of Directors on the recommendation of the Remuneration and Selection Committee.

It is reviewed annually by the Remuneration and Selection Committee and the Board of Directors, and may be adjusted depending on the Company's business and financial performance for the previous year.

4.2.2.2. Bonus

The Chief Executive Officer's bonus is determined by the Board of Directors, based on the recommendation of the Remuneration and Selection Committee.

The target bonus is determined based on quantitative and qualitative criteria decided each year by the Board of Directors on the recommendation of the Remuneration and Selection Committee.

The 2025 formula was decided by the Board of Directors on 18 February 2025, based on the recommendations formulated by the Remuneration and Selection Committee at its meeting on 17 February 2025.

This variable remuneration is equivalent to 80% of the fixed salary if targets are achieved, and is subject to two sets of performance criteria:
- quantitative criteria for 70% of the total,
- qualitative criteria for 30%.

If the cross-border merger of SFL into Colonial takes place during the 2025 financial year and the Chief Executive Officer becomes an employee of the expanded Group, the variable remuneration amounts and criteria would remain unchanged, subject to the adjustments set out below for the quantitative portion. The variable remuneration would be calculated separately for the period when the Chief Executive Officer was a corporate officer *(mandataire social)* and the period when she became an employee of the Group.

4.2.2.2.1. Determination of the quantitative component (financial criteria)

70% of the theoretical variable bonus (assuming 100% achievement of the performance objectives) is based on quantitative criteria.

This quantitative component is calculated on the basis of the average achievement rate of budget objectives for the year in terms of:
- EPRA earnings/share: for 35%
- Gross rental income: for 25%
- Loan To Value (LTV): for 10%

If the cross-border merger of SFL into Colonial is completed during the second half of 2025, the variable bonus will be calculated on the basis of the average achievement rate of budget objectives for the year in terms of:
- Gross Rental Income: for 30%
- First-half 2025 EPRA earnings per share: for 15%
- EBITDA excluding group expense allocation to SFL: for 15%
- SFL LTV at 30 June 2025: for 10%

If the merger is completed before 30 June 2025, the EPRA earnings per share criterion will not be taken into account, and the EBITDA criterion will be weighted at 30%.

Completion of the merger is not one of the criteria used to calculate variable remuneration. If appropriate, payment of a special merger-related bonus may be considered on a case-by-case basis.

The bonus amount awarded for the above criteria will be determined using the following performance grid:

Gross rental income achievement rate	Less than 90%	90%	100%	105%	More than 105%
Quantitative bonus as a % of theoretical bonus	0%	40%	80%	100%	100%

Note: the bonus is determined based on a straight-line calculation for achievement rates between two thresholds.

EPRA EPS or EBITDA achievement rate	Less than 90%	90%	100%	110%	More than 110%
Chief Executive Officer's bonus rate	0%	40%	80%	120%	120%

Note: the bonus is determined based on a straight-line calculation for achievement rates between two thresholds.

LTV achievement rate	Less than 90%	90%	100%	120%	More than 120%
Chief Executive Officer's bonus rate	100%	100%	80%	40%	0%

Note: the bonus is determined based on a straight-line calculation for achievement rates between two thresholds.

4.2.2.2.2. Determination of the qualitative component (non-financial criteria)

30% of the theoretical variable bonus (assuming 100% achievement of the performance objectives) is based on qualitative criteria.

The qualitative bonus will be determined on the basis of the achievement rate for non-financial objectives, as assessed by the Remuneration and Selection Committee up to the merger date and the body that replaces this Committee after the merger. The Committee makes its recommendations to the Board of Directors.

The bonus amount awarded based on qualitative criteria is determined using the following performance grid:

Achievement rate	Less than 70%	70%	100%	125%	More than 125%
Quantitative bonus as a % of theoretical bonus	0%	56%	80%	100%	100%

Note: the bonus is determined based on a straight-line calculation for achievement rates between two thresholds.

The Committee (or the body that replaces it after the merger) will nevertheless retain the ability to determine an overall achievement rate for the non-financial objectives taken as a whole, particularly in the event of an unexpected change in conditions compared to expectations at the beginning of the year.

The non-financial criteria are as follows:
- CSR policy: weighted at 10%
- General attitude and contribution to defining and executing the Company's strategy: weighted at 10%
- Corporate management and financial resources: weighted at 10%

They include the following components:

1) CSR policy (10% weighting)
- Two of the following three criteria:
  - remain among the highest-rated companies by GRESB Green Star;
  - comply annually with the SBTi linear carbon reduction trajectory, with a deviation of no more than 10% (on a constant portfolio basis);
  - maintain environmental labels or certificates for all properties in the portfolio ("In Use" label for revenue-generating properties, and a label such as BBCA Renovation for properties in the process of being redeveloped).
- Participation in applying the EU Taxonomy Regulation and Corporate Sustainability Reporting Directive (CSRD).
- Development of CRREM trajectories for each property in use.

2) General attitude and contribution to defining and executing the Company's strategy (10% weighting)
- Leadership, sense of responsibility, willingness to seize the initiative and take risks, dynamic management vision.
- Relations with public authorities (City of Paris, State, administrations, urban planners), lobbying.

- Ability to represent the Company on various bodies (FEI, Coalition Bureau).
- Involvement in major redevelopment projects (Rives de Seine, Condorcet).
- Portfolio management: involvement in the execution of the business plan, including the objectives concerning asset sales.

3) Corporate management and financial resources (10% weighting)

- Relations with Colonial: alignment of corporate governance practices.
- Financial strategy implementation in line with the Company's financial objectives, hedging strategy management and action to prevent and mitigate financial risks.
- Governance of the Company up until the merger is completed (management of Boards and Committees).
- Administrative processes.

4.2.2.3. Special bonus

The Chief Executive Officer will also be set an exceptional objective related to the completion of the SFL/Colonial merger. If this objective is achieved, she will receive a special bonus determined post-merger by Colonial and calculated as a percentage of her fixed remuneration.

4.2.2.4. Performance shares

The Chief Executive Officer is eligible to participate in the performance share plans decided by the Board of Directors.

4.2.2.5. Company car

The Chief Executive Officer is provided with a company car for both business and personal use.

Personal use of the car constitutes a benefit in kind calculated according to the rules in force within the Company.

4.2.2.6. Other benefits

The Chief Executive Officer is entitled to the benefits applicable to senior executives within the Company.

Each year, the Chief Executive Officer may elect to have a full medical check-up, paid for by the Company up to a maximum of €2,000 per year, excluding tax.

This Company-paid expense constitutes a benefit in kind calculated according to the rules in force within the Company.

4.2.2.7. Other benefits

The Chief Executive Officer participates in the Group's discretionary profit-sharing scheme and is entitled to matching employer payments on his voluntary contributions to the SFL Group Pension Savings Plan (PERECO).

4.2.2.8. Compensation for loss of office

None.

4.2.3. Remuneration policy applicable to the Managing Director and Chief Operating Officer

No Managing Director has been appointed since the previous Managing Director and Chief Operating Officer, Aude Grant, was appointed by the Board of Directors on 21 November 2024 to fill the position of Chief Executive Officer left vacant by the departure of Dimitri Boulte with effect at midnight on 20 December 2024.

4.2.4. Remuneration policy applicable to the members of the Board of Directors

The remuneration policy for 2025 applicable to the members of the Board of Directors is described below. It is unchanged from 2024.

At the Annual General Meeting on 28 April 2017, shareholders decided to increase the total amount awarded to the Board of Directors to €800,000 (sixteenth resolution).

At its meeting held immediately after the Annual General Meeting, the Board of Directors confirmed the allocation of directors' remuneration decided at its meeting on 3 March 2017 based on the Remuneration and Selection Committee's recommendation of 2 March 2017. Consequently, as from 1 January 2017 and until a new decision is made, directors' remuneration is allocated as follows:

Fixed annual remuneration:
- Director: €20,000
- Member of a Board Committee: €30,000
- Chairman of the Board and/or of a Board Committee: €40,000

Variable remuneration:
- Per meeting of the Board of Directors: €3,000
- Per meeting of a Board Committee: €2,000

As shown above, the Company complies with the recommendation in the AFEP-MEDEF Code (Article 22.1) that directors' remuneration should comprise a significant variable portion that takes into account each director's attendance rate at Board meetings and meetings of Board Committees.

This remuneration is paid to directors on a half-yearly basis in arrears.

There are no agreements providing for the payment of compensation for loss of office to directors in any circumstances.

4.3. Service contracts with members of the administrative, management or supervisory bodies

There are no service contracts between members of the administrative, management or supervisory bodies and SFL or any of its subsidiaries providing for benefits upon termination of employment.

5. Remuneration and benefits paid or payable to the Chairman of the Board of Directors, the Chief Executive Officer, the Managing Director and other members of executive management for 2024

5.1. Ratios disclosed in accordance with Article L.22-10-9 I, 6° and 7°, of the French Commercial Code

The following tables present the ratio between (i) the pay of the Chairman of the Board of Directors, the Chief Executive Officer and the Managing Director and (ii) the average and median full-time equivalent pay of employees of the Société Foncière Lyonnaise economic and social unit (ESU)[1], other than the persons listed in (i), for each of the years presented. The data presented below are based on the gross remuneration and benefits paid to corporate officers and employees during the reporting year.

Data concerning the SFL ESU presented in line with the guidelines on remuneration multiples published by AFEP on 28 January 2020, as updated in February 2021:

	Executive-to-average employee remuneration ratio (employees of the SFL ESU)	Change in ratios over the past five years				
	2024	2023	2022	2021	2020	2019
Chairman of the Board[a]	n/a	n/a	n/a	2.91	3.27	3.13
Chief Executive Officer[b]	8.76	11.21	11.71	12.76	12.16	11.01
Managing Director[c]	4.71	4.68	8.80	9.75	9.30	8.38

	Executive-to-median employee remuneration ratio (employees of the SFL ESU)	Change in ratios over the past five years				
	2024	2023	2022	2021	2020	2019
Chairman of the Board[a]	n/a	n/a	n/a	3.87	4.71	4.22
Chief Executive Officer[b]	10.60	13.89	14.71	16.97	17.52	14.83
Managing Director[c]	5.70	5.79	11.05	12.97	13.40	11.30

Chairman of the Board[a]	2024	2023	2022	2021	2020	2019
Annual remuneration	0	0	0	€308,270	€413,149	€370,000
Company performance						
– Rental income	€248,829k	€234,420k	€204,517k	€174,634k	€182,424k	€198,710k
– EPRA earnings	€119,174k	€109,904k	€108,039k	€92,390k	€100,794k	€119,236k
– Growth in EPRA earnings	+8.4%	+1.7%	+16.9%	-8.3%	-15.47%	11.7%
– Growth in NNNAV (EPRA NDV)	+1.8%	-20.9%	+6.1%	-4.8%	3.1%	11.1%
Average remuneration	€157,639	€156,377	€147,104	€105,840	€126,502	€118,182
Ratios	n/a	n/a	n/a	2.91	3.27	3.13

Chief Executive Officer[b]	2024	2023	2022	2021	2020	2019
Annual remuneration	€1,380,966	1 752 876	€1,722,047	€1,351,007	€1,537,994	€1,300,738
Company performance						
– Rental income	€248,829k	€234,420k	€204,517k	€174,634k	€182,424k	€198,710k
– EPRA earnings	€119,174k	€109,904k	€108,039k	€92,390k	€100,794k	€119,236k
– Growth in EPRA earnings	+8.4%	+1.7%	+16.9%	-8.3%	-15.47%	11.7%
– Growth in NNNAV (EPRA NDV)	+1.8%	-20.9%	+6.1%	-4.8%	3.1%	11.1%
Average remuneration	€157,639	€156,377	€147,104	€105,840	€126,502	€118,182
Ratios	8.76	11.21	11.71	12.76	12.16	11.01

(1) The Société Foncière Lyonnaise ESU (the "SFL ESU") comprises the Group's two employer companies, SFL and Locaparis.

Managing Director[c]	2024	2023	2022	2021	2020	2019
Annual remuneration	€742,746	€731,179	€1,293,894	€1,032,373	€1,176,618	€990,678
Company performance						
– Rental income	€248,829k	€234,420k	€204,517k	€174,634k	€182,424k	€198,710k
– EPRA earnings	€119,174k	€109,904k	€108,039k	€92,390k	€100,794k	€119,236k
– Growth in EPRA earnings	+8.4%	+1.7%	+16.9%	-8.3%	-15.47%	11.7%
– Growth in NNNAV (EPRA NDV)	+1.8%	-20.9%	+6.1%	-4.8%	3.1%	11.1%
Average remuneration	€157,639	€156,377	€147,104	€105,840	€126,502	€118,182
Ratios	4.71	4.68	8.80	9.75	9.30	8.38

Data concerning the Company only, in accordance with Article L.22-10-9, 6° and 7°, of the French Commercial Code

	Executive-to-average employee remuneration ratio	Change in ratios over the past five years				
	2024	2023	2022	2021	2020	2019
Chairman of the Board[a]	n/a	n/a	n/a	2.82	3.14	3.07
Chief Executive Officer[b]	8.43	10.87	13.38	12.37	11.70	10.81
Managing Director[c]	4.53	4.53	10.05	9.45	8.95	8.23

Chairman of the Board[a]	2024	2023	2022	2021	2020	2019
Annual remuneration	0	0	0	€308,270	€413,149	€370,000
Company performance						
– Rental income	€248,829k	€234,420k	€204,517k	€174,634k	€182,424k	€198,710k
– EPRA earnings	€119,174k	€109,904k	€108,039k	€92,390k	€100,794k	€119,236k
– Growth in EPRA earnings	+8.4%	+1.7%	+16.9%	-8.3%	-15.47%	11.7%
– Growth in NNNAV (EPRA NDV)	+1.8%	-20.9%	+6.1%	-4.8%	3.1%	11.1%
Average remuneration	€163,882	€161,265	€128,698	€109,210	€131,435	€120,345
Ratios	n/a	n/a	n/a	2.82	3.14	3.07

Chief Executive Officer[b]	2024	2023	2022	2021	2020	2019
Annual remuneration	€1,380,966	€1,752,876	€1,722,047	€1,351,007	€1,537,994	€1,300,738
Company performance						
– Rental income	€248,829k	€234,420k	€204,517k	€174,634k	€182,424k	€198,710k
– EPRA earnings	€119,174k	€109,904k	€108,039k	€92,390k	€100,794k	€119,236k
– Growth in EPRA earnings	+8.4%	+1.7%	+16.9%	-8.3%	-15.47%	11.7%
– Growth in NNNAV (EPRA NDV)	+1.8%	-20.9%	+6.1%	-4.8%	3.1%	11.1%
Average remuneration	€163,882	€161,265	€128,698	€109,210	€131,435	€120,345
Ratios	8.43	10.87	13.38	12.37	11.70	10.81

Managing Director[c]	2024	2023	2022	2021	2020	2019
Annual remuneration	€742,746	€731,179	€1,293,894	€1,032,373	€1,176,618	€990,678
Company performance						
– Rental income	€248,829k	€234,420k	€204,517k	€174,634k	€182,424k	€198,710k
– EPRA earnings	€119,174k	€109,904k	€108,039k	€92,390k	€100,794k	€119,236k
– Growth in EPRA earnings	+8.4%	+1.7%	+16.9%	-8.3%	-15.47%	11.7%
– Growth in NNNAV (EPRA NDV)	+1.8%	-20.9%	+6.1%	-4.8%	3.1%	11.1%
Average remuneration	€163,882	€161,265	€128,698	€109,201	€131,435	€120,345
Ratios	4.53	4.53	10.05	9.45	8.95	8.23

(a) The position of Chairman of the Board of Directors was held by Juan José Brugera Clavero from 14 April 2010 to 7 April 2022 and then by Pere Viñolas Serra. The two successive Chairmen waived payment of their remuneration for 2022, 2023 and 2024, including any new performance share awards.
(b) Nicolas Reynaud was Chief Executive Officer from 27 January 2015 to 30 June 2022. Dimitri Boulte served as Chief Executive Officer from 1 July 2022 to 20 December 2024 and Aude Grant was appointed Chief Executive Officer with effect from 21 December 2024.
(c) Dimitri Boulte was Managing Director from 27 January 2015 to 30 June 2022. Aude Grant was Managing Director from 1 July 2022 to 20 December 2024.

5.2. Remuneration and benefits paid or payable to the Chairman of the Board of Directors, the Chief Executive Officer and the Managing Director for 2024

This section describes the remuneration and benefits paid or payable in respect of 2024 to the Company's corporate officers, namely:

- Pere Viñolas Serra, Chairman of the Board of Directors;
- Dimitri Boulte, Chief Executive Officer from 1 January to 20 December 2024;
- Aude Grant, Managing Director from 1 January to 20 December 2024 and Chief Executive Officer from 21 December to 31 December 2024.

The tables presented in section 5.2.5 below have been prepared in accordance with the AMF's position paper/recommendation 2021-02 and the AFEP-MEDEF Corporate Governance Code for Listed Companies.

The components of the 2024 remuneration and benefits paid or payable to Dimitri Boulte, Chief Executive Officer until 20 December 2024 and to Aude Grant, Chief Executive Officer from 21 December 2024, in accordance with the remuneration policy approved by shareholders at the Annual General Meeting of 16 April 2024 (ninth ordinary resolution) are subject to shareholder approval at the Annual General Meeting of 23 April 2025 in accordance with Article L.22-10-34 of the French Commercial Code. See below for details.

As Pere Viñolas Serra, Chairman of the Board of Directors, has waived payment of his remuneration, no resolution concerning his remuneration as Chairman will be submitted to the vote of shareholders at the Annual General Meeting of 23 April 2025.

5.2.1. Remuneration and benefits paid or payable to Pere Viñolas Serra, Chairman of the Board of Directors.

Pere Viñolas Serra waived payment of his remuneration.

Accordingly, no remuneration was paid or payable to him in 2024.

5.2.2. Remuneration and benefits paid or awarded to Dimitri Boulte, Chief Executive Officer, for the period from 1 January to 20 December 2024

5.2.2.1. Fixed remuneration

On the recommendation of the Remuneration and Selection Committee made at its meeting on 14 February 2024, the Board of Directors, meeting on the same day, set the gross annual remuneration of Dimitri Boulte for 2024 at €430,000.

For the period served as Chief Executive Officer, from 1 January to 20 December 2024, Dimitri Boulte was paid €418,569, calculated on an pro rata basis.

5.2.2.2. Bonus

The method for calculating the Chief Executive Officer's 2024 bonus was decided by the Board of Directors on 14 February 2024 and approved by the Annual General Meeting of 16 April 2024 as part of the vote on the 2024 remuneration policy.

Having decided on 21 November 2024 to terminate Dimitri Boulte's appointment as Chief Executive Officer with effect from midnight on 20 December 2024, the Board of Directors decided that his variable remuneration for the 2024 financial year would be prorated to the period served in this position, i.e., from 1 January 2024 to 20 December 2024.

Based on the recommendations of the Remuneration and Selection Committee on 18 November 2024, the Board of Directors, meeting on 21 November 2024, noted that the achievement rate for the qualitative objectives was 100%.

Based on the recommendations of the Remuneration and Selection Committee on 17 February 2025, the Board of Directors, meeting on 18 February 2025, noted that the achievement rate for each of the quantitative objectives was as follows:

- EPRA earnings per share: 118.8%,
- Gross rental income: 108.6%,
- LTV: 109.3%.

Consequently, Dimitri Boulte's bonus for the period from 1 January to 20 December 2024 amounts to €506,433, breaking down as follows:

- Quantitative component of €381,310 (representing 70% of the total bonus), based on the Company's performance in relation to an annual objective determined by reference to three criteria:
  (i) EPRA earnings per share (EPRA EPS), weighted at 35%
  (ii) Gross rental income, weighted at 25%, and
  (iii) LTV, weighted at 10%
  and
- Qualitative component of €125,123 (representing the remaining 30% of the total bonus) based on the achievement of individual objectives (100% achievement rate) divided into three categories, each weighted at 10%:
  - General attitude and contribution to defining and executing the Company's strategy,
  - CSR policy,
  - Corporate management and financial resources.

Payment of the bonus is subject to shareholder approval at the Annual General Meeting on 23 April 2025 (ex-post Say-on-Pay resolution).

5.2.2.3. Performance shares

On 14 February 2024, the Board of Directors decided to award 10,000 Plan 8 performance shares to Dimitri Boulte. The rules of Plan 8 are presented in Appendix 14.2 of the Management Report (pages 115 to 118 of this document).

In view of Dimitri Boulte's decisive contribution to the Company's excellent performance, in his role as Managing Director from 2015 and Chief Executive Officer from 2022, at its meeting on 21 November 2024 the Board of Directors decided:

- to grant 10,000 Plan 9 free shares to Dimitri Boulte, on the basis described in Appendix 14.2 of the Management Report (see pages 118 et 119 of this Universal Registration Document); and
- as authorised by the rules of the performance share plans, to waive the requirement for the beneficiary to remain with the Company until the vesting date in relation to (i) the 8,000 performance share rights awarded to him on 18 February 2022 (and the potential 8,000 additional shares), (ii) the 10,000 performance share rights awarded to him on 14 February 2023 (and the potential 10,000 additional shares) and (iii) the 10,000 performance share rights awarded to him on 14 February 2024 (and the potential 10,000 additional shares), with vesting of the potential additional shares remaining subject to the performance conditions being met.

5.2.2.4. Benefits in kind

Dimitri Boulte had the use of a company car and was covered by private unemployment insurance (*Garantie Sociale des Chefs et Dirigeants d'Entreprise* – GSC). These benefits ended at midnight on 20 December 2024, when his appointment as Chief Executive Officer was terminated.

5.2.2.5. Compensation for loss of office

Based on the Remuneration and Selection Committee's review of the matter, at its meeting on 21 November 2024, the Board of Directors observed that the conditions for the payment of compensation for loss of office were fulfilled and noted that the performance conditions attached to the payment of said compensation had been met.

The Board of Directors therefore decided to pay Dimitri Boulte compensation for loss of office in the amount of €1,843,246 (equivalent to two years' fixed and variable remuneration). This amount was calculated in accordance with the remuneration policy for corporate officers approved by the Annual General Meeting of 16 April 2024 (seventh ordinary resolution), based on his 2024 fixed remuneration (€430,000) and the most recent variable remuneration paid to him (€491,623).

5.2.2.6. The following table presents the components of the remuneration and benefits paid or payable to Dimitri Boulte, Chief Executive Officer from 1 January to 20 December 2024:

Components of remuneration due or awarded to Dimitri Boulte in 2024 Chief Executive Officer	**Amount or accounting value**	**Comments**
Fixed remuneration	€418,569	Dimitri Boulte's annual fixed remuneration for 2024 was set by the Board of Directors on 14 February 2024, based on the 18 January 2024 recommendation of the Remuneration and Selection Committee, at an amount of €430,000. This annual amount was adjusted to reflect the actual period served by him as Chief Executive Officer in 2024.
Annual bonus	€506,433 (payment of this bonus is subject to shareholder approval at the Annual General Meeting of 23 April 2025, ex-post Say-on-Pay resolution)	Dimitri Boulte's target bonus was determined based on quantitative and qualitative criteria decided by the Board of Directors on 14 February 2024 on the recommendation made by the Remuneration and Selection Committee earlier on the same day.
Long-term incentive bonus	n/a	Dimitri Boulte was not entitled to any long-term incentive bonus.
Special bonus	€0	Dimitri Boulte did not receive any special bonus in 2024.
Stock options, performance shares and other deferred remuneration	€402,372	Dimitri Boulte was awarded 10,000 performance shares by the Board on 14 February 2024.
Remuneration as member of the Board of Directors	n/a	Dimitri Boulte was not a member of the Board of Directors and did not therefore receive any remuneration in this respect.
Benefits in kind	€27,264	Dimitri Boulte had the use of a company car and was covered by private unemployment insurance (*Garantie Sociale des Chefs et Dirigeants d'Entreprise* – GSC).
Other	€31,092	Matching employer payments to the SFL Group Pension Savings Plan (PERECO), entitlements under the discretionary profit-sharing plans for 2023, paid in 2024 (entitlements for 2024 had not been determined as of the date this document was published).
Compensation for loss of office	€1,843,246	Dimitri Boulte received compensation for loss of office equal to two years' fixed and variable remuneration, based on his fixed annual remuneration in 2024.
Non-compete indemnity	n/a	Dimitri Boulte was not entitled to any non-compete indemnity.
Supplementary pension benefits	n/a	Dimitri Boulte did not participate in any supplementary pension plan set up by the Group.

5.2.3. Remuneration and benefits paid or awarded to Aude Grant, Managing Director and Chief Operating Officer for the period from 1 January to 20 December 2024

Throughout her term as Managing Director, from 15 June 2022 to 20 December 2024, Aude Grant retained her employment contract and did not receive any remuneration in her capacity as Managing Director (*mandataire social*) during this period.

The amounts reported below therefore correspond to her salary as Chief Operating Officer for the period from 1 January to 20 December 2024.

5.2.3.1. Fixed remuneration

Aude Grant received a gross salary of €293,136 for the period from 1 January to 20 December 2024.

5.2.3.2. Bonus

See section 5.2.4.2 below.

5.2.3.3. Performance shares

On 14 February 2024, the Board of Directors decided to award 4,000 Plan 8 performance shares to Aude Grant. The rules of Plan 8 are presented in Appendix 14.2 of the Management Report (pages 115 to 118).

5.2.3.4. Benefits in kind

Aude Grant has the use of a company car.

5.2.3.5. Compensation for loss of office

None.

5.2.4. Remuneration and benefits paid or payable to Aude Grant, Chief Executive Officer for the period from 21 to 31 December 2024

Aude Grant was appointed Chief Executive Officer by the Board of Directors on 21 November 2024 and she took up this position on 21 December 2024. Prior to this date, she had held the position of Managing Director and Chief Operating Officer since 1 July 2022 and was paid a salary under her employment contract.

The amounts reported below correspond to her remuneration in her capacity as Chief Executive Officer.

5.2.4.1. Fixed remuneration

At its meeting on 21 November 2024, the Board of Directors set Aude Grant's annual fixed remuneration as Chief Executive Officer at €375,000 (gross). Her remuneration for the period from 21 to 31 December 2024 amounted to €10,045.

5.2.4.2. Bonus

The method for calculating Aude Grant's bonus as Managing Director was decided by the Board of Directors on 14 February 2024.

This method was reiterated by the Board of Directors at its 21 November 2024 meeting during which Aude Grant was appointed as Chief Executive Officer with effect from 21 December 2024. At that meeting, the Board decided that Aude Grant's variable remuneration would be calculated as if she had been Chief Executive Officer throughout the year.

At its meeting on 18 February 2025, the Board of Directors noted that the achievement rate for the qualitative bonus objective was 100% and that the achievement rates for the quantitative objectives were as follows:
- EPRA earnings per share: 118.8%,
- Gross rental income: 108.6%,
- LTV: 109.3%.

Based on these achievement rates, Aude Grant's variable remuneration as Managing Director and then as Chief Executive Officer amounted to €364,273 for the whole of 2024, breaking down as follows:
- Quantitative component of €274,273 (representing 70% of the total bonus), based on the Company's performance in relation to an annual objective determined by reference to three criteria:
  (i) EPRA earnings per share (EPRA EPS), weighted at 35%
  (ii) Gross rental income, weighted at 25%, and
  (iii) LTV, weighted at 10%
  and
- Qualitative component of €90,000 (representing the remaining 30% of the total bonus) based on the achievement of individual objectives (100% achievement rate) divided into three categories, each weighted at 10%:
  - General attitude and contribution to defining and executing the Company's strategy,
  - CSR policy,
  - Corporate management and financial resources.

Payment of the bonus is subject to shareholder approval at the Annual General Meeting on 23 April 2025 (ex-post Say-on-Pay resolution).

5.2.4.3. Performance shares

See section 5.2.3.3 above.

5.2.4.4. Benefits in kind

As explained in section 5.2.3.4, Aude Grant has the use of a company car.

5.2.4.5. Compensation for loss of office

None.

5.2.4.6. The following table presents the components of the remuneration and benefits paid or payable to Aude Grant, for 2024:

Components of remuneration due or awarded in 2024 to Aude Grant	Amount or accounting value		Comments
	Managing Director (from 1 January to 21 December 2024)	Chief Executive Officer (from 21 to 31 December 2024)	
Fixed remuneration	€293,136	€10,045	Aude Grant's annual salary as Chief Operating Officer under her employment contract was set at €240,000 for 2024. In 2024, she served as Managing Director and Chief Operating Officer from 1 January to 20 December, and her salary as Chief Operating Officer was therefore calculated on an accruals basis over this period. At its meeting on 21 November 2024, the Board of Directors awarded Aude Grant annual fixed remuneration of €375,000 (gross) for her services as Chief Executive Officer. For 2024, this remuneration was calculated on an accruals basis over the period served (from 21 to 31 December).
Annual bonus	€353,325	€10,948	Aude Grant's target bonus was determined based on quantitative and qualitative criteria decided by the Board of Directors on 14 February 2024, based on the recommendation of the Remuneration and Selection Committee following its meeting on the same day. At its meeting on 21 November 2024, the Board of Directors decided that her 2024 bonus would be calculated as if she had been Chief Executive Officer throughout the year.
Long-term incentive bonus	n/a	n/a	Aude Grant is not entitled to any long-term incentive bonus.
Special bonus	€0	€0	Aude Grant did not receive any special bonus in 2024.
Stock options, performance shares and other deferred remuneration	€160,949		Aude Grant was awarded 4,000 performance shares by the Board on 14 February 2024. Aude Grant was not awarded any performance shares or any other long-term compensation in her capacity as Chief Executive Officer.
Remuneration as member of the Board of Directors	n/a	n/a	Aude Grant is not a member of the Board of Directors and does not therefore receive any remuneration in this respect.
Benefits in kind	€5,060		Company car.
Other	€64,086		Matching employer payments to the SFL Group Pension Savings Plan (PERECO), entitlements under the statutory and discretionary profit-sharing plans for 2023, paid in 2024 (entitlements for 2024 had not been determined as of the date this document was published).
Compensation for loss of office	n/a	n/a	Under the terms of her employment contract and in her capacity as Chief Executive Officer, Aude Grant is not be entitled to any specific termination benefit or compensation for loss of office in the event of a change of ownership of SFL.
Non-compete indemnity	n/a	n/a	Aude Grant is not be entitled to any non-compete indemnity.
Supplementary pension benefits	n/a	n/a	Aude Grant does not benefit from any supplementary pension scheme within the Group under her employment contract or in her capacity as Chief Executive Officer.

5.2.5. Remuneration summaries

The following tables have been prepared in accordance with the AMF's position paper/recommendation no. 2021-02 and the AFEP-MEDEF Corporate Governance Code for Listed Companies.

TABLE 1 - SUMMARY OF REMUNERATION PAID AND STOCK OPTIONS AND PERFORMANCE SHARES GRANTED TO THE CHAIRMAN, THE CHIEF EXECUTIVE OFFICER AND THE MANAGING DIRECTOR

Pere Viñolas Serra[(1)] Chairman of the Board	**2023**	**2024**
Remuneration due for the year	€0	€0
Fair value of stock options granted during the year	n/a	n/a
Fair value of performance shares awarded during the year[(2)]	€0	€0
Other deferred remuneration	€0	€0
Total	**€0**	**€0**

(1) Pere Viñolas Serra waived payment of his remuneration.
(2) Pere Viñolas Serra was not awarded any performance shares in 2023 or 2024 in his capacity as Chairman of the Board of Directors.

Dimitri Boulte Chief Executive Officer until 20 December 2024	**2023**	**2024**
Remuneration awarded for the year (see Table 2, page 149, for details)	€995,415	€2,826,604
Fair value of stock options granted during the year	n/a	n/a
Fair value of performance shares awarded during the year[(1)] (see Table 6, page 152, for details)	€729,050	€402,372
Other deferred remuneration	n/a	n/a
Total	**€1,724,465**	**€3,228,976**

(1) 20,000 Plan 7 performance shares were awarded to Dimitri Boulte at the Board Meeting of 14 February 2023 and 10,000 Plan 8 performance shares were awarded to him at the Board Meeting of 14 February 2024.
On 21 November 2024, the Board of Directors decided to grant 10,000 Plan 9 free shares to Dimitri Boulte.
Plan 7, 8 and 9 performance share/free share awards, vesting conditions and values are presented on pages 115 to 119 (plans 8 and 9) and pages 157 and 158 (plan 7) of this Universal Registration Document.

Aude Grant Managing Director, Chief Operating Officer from 1 January to 20 December 2024 Chief Executive Officer from 21 December 2024	**2023**	**2024**	
		1 January to 20 December 2024	21 to 31 December 2024
Remuneration awarded for the year (see Table 2, page 151, for details)	€531,725[(1)]	€715,607[(1)]	€20,993
Fair value of stock options granted during the year	n/a	n/a[(1)]	n/a
Fair value of performance shares awarded during the year[(2)] (see Table 6, page 152, for details)	€218,715	€160,949	€0
Other deferred remuneration	n/a	n/a	n/a
Total	**€750,440**	**€876,556**	**€20,993**

(1) Aude Grant's remuneration presented above corresponds to the salary paid to her under her employment contract as Chief Operating Officer. She was not paid any additional remuneration in her capacity as Managing Director from 1 July 2022 to 20 December 2024.
(2) 6,000 Plan 7 performance shares were awarded to Aude Grant at the Board Meeting of 14 February 2023 and 4,000 Plan 8 performance shares were awarded to her at the Board Meeting of 14 February 2024.
The Plan 8 performance share award and vesting conditions and values are presented in Appendix 14.2 (pages 115 to 118).

TABLE 2
REMUNERATION PAID OR PAYABLE TO THE CHAIRMAN, THE CHIEF EXECUTIVE OFFICER AND THE MANAGING DIRECTOR IN 2023 AND 2024

Pere Viñolas Serra[(1)] Chairman of the Board	**2023**	**2024**
	€0	€0

(1) Pere Viñolas Serra has waived payment of his remuneration since 1 January 2022.

Dimitri Boulte Managing Director until 30 June 2022 Chief Executive Officer from 1 July 2022 to 20 December 2024	**2023**		**2024***	
	Due for the period	Paid during the year	Payable for the period from 1 January to 20 December 2024	Paid in 2024
Fixed remuneration[(1)]	€430,000	€430,000	€418,569[(a)]	€418,569[(a)]
Bonus[(2)]	€491,623 [(b)]	€520,034[(c)]	€506,433	€491,623 [(b)]
Special bonus	€0	€0	€0	€0
Remuneration as member of the Board of Directors	n/a	n/a	n/a	n/a
Benefits in kind[(3)]	€22,738	€22,738	€27,264	€27,264
Other[(4)]	€51,054	€51,054	€1,874,338	€1,874,338
Total	**€995,415**	**€1,023,826**	**€2,826,604**	**€2,811,794**

(a) Amount covering the period from 1 January to 20 December 2024.
(b) Amount due for 2023, paid in 2024 after approval by the Annual General Meeting of 16 April 2024.
(c) Amount due for 2022, paid in 2023 after approval by the Annual General Meeting of 13 April 2023.

(1) Fixed remuneration

The fixed remuneration of the Chief Executive Officer and the Managing Director is reviewed annually and may be adjusted depending on the Company's business and financial results for the previous year.

At its meeting on 14 February 2024, the Board of Directors decided to maintain Dimitri Boulte's annual fixed remuneration at €430,000 for 2024. This decision was based on the recommendation of the Remuneration and Selection Committee meeting on the same day, that was made after considering the Company's results, P&L indicators and balance sheet indicators. His 2024 remuneration as Chief Executive Officer, calculated on an accruals basis for the period served, i.e., from 1 January to 20 December 2024, amounted to €418,569.

(2) Bonus

The method for calculating Dimitri Boulte's bonus (and the bonus of the corporate officers) was decided by the Board of Directors on 14 February 2023 for the 2023 bonus and on 14 February 2024 for the 2024 bonus.

- The 2023 bonus comprised a quantitative component and a qualitative component, as follows:
  - a quantitative component for 50% of the total bonus, based on the Company's performance in relation to the following two criteria:
    - EPRA earnings per share,
    - Rental income;
  - a qualitative component for 50% of the total bonus, based on personal performance objectives.

To determine the 2023 **quantitative bonus**, the Board of Directors decided to set the following objectives for the two performance criteria:
- an EPRA earnings per share objective of €2.17;
- a rental income objective of €213 million.

The average of the achievement rates for these two criteria has been taken as the overall achievement rate used to determine the quantitative bonus for 2023, applying the following correspondence table:

Objective achievement rate	Less than 70%	70%	100%	122%	More than 122%
Chief Executive Officer's bonus rate	0	60%	100%	145%	145%
Managing Director's bonus rate	0	48%	80%	116%	116%

Note: the bonus is determined based on a straight-line calculation for achievement rates between two thresholds.

To determine the amount of the **qualitative component** due in respect of 2023, the criteria taken into account for the performance assessment were organised into five categories, all weighted at 20%, as follows:
- General attitude and contribution to defining and executing the Company's strategy;
- CSR policy;
- Portfolio management;
- Financial policy;
- Corporate criteria.

Weighting
The total bonus obtained by adding the qualitative bonus and the quantitative bonus was also weighted, by applying the following coefficient to the ratio between EPRA earnings per share for the current year and the prior year:

Current year EPRA EPS/Prior year EPRA EPS	Less than 90%	90%	95%	100%	105%	110%	More than 110%
Weighting coefficient	0.9	0.9	1.0	1.0	1.0	1.1	1.1

Note: the bonus is determined based on a straight-line calculation for achievement rates between two thresholds.

The 2024 bonus also comprises a quantitative component and a qualitative component, as follows:
- a quantitative component for 70% of the total bonus, based on the Company's performance in relation to the following three criteria:
  - EPRA earnings per share (EPRA EPS): weighted at 35%
  - Gross rental income: weighted at 25%
  - Loan To Value (LTV): weighted at 10%
- a qualitative component for 30% of the total bonus, based on personal performance objectives.

To determine the 2024 **quantitative bonus**, the Board of Directors decided to set the following objectives for the three performance criteria:
- an EPRA earnings per share objective of €2.34;
- a gross rental income objective of €229.1 million;
- a Loan to Value (LTV) objective of 30.1%.

The bonus amount awarded for each of these criteria is determined using the following performance grids:

Rental income achievement rate	Less than 90%	90%	100%	105%	More than 105%
Quantitative bonus as a % of theoretical bonus	0%	50%	100%	125%	125%

Note: the bonus is determined based on a straight-line calculation for achievement rates between two thresholds.

RNR achievement rate	Less than 90%	90%	100%	110%	More than 110%
Quantitative bonus as a % of theoretical bonus	0	50%	100%	150%	150%

Note: the bonus is determined based on a straight-line calculation for achievement rates between two thresholds.

LTV achievement rate	Less than 90%	90%	100%	120%	More than 120%
Quantitative bonus as a % of theoretical bonus	125%	125%	100%	50%	0

Note: the bonus is determined based on a straight-line calculation for achievement rates between two thresholds.

To determine the amount of the **qualitative component** due in respect of 2024, the criteria taken into account for the performance assessment were organised into three categories, all weighted at 10%, as follows:
- CSR policy;
- General attitude and contribution to defining and executing the Company's strategy;
- Corporate management and financial resources.

The bonus amount awarded based on qualitative criteria is determined using the following performance grid:

Achievement rate	Less than 70%	70%	100%	125%	More than 125%
Quantitative bonus as a % of theoretical bonus	0	70%	100%	125%	125%

Note: the bonus is determined based on a straight-line calculation for achievement rates between two thresholds.

The Committee and the Board of Directors nevertheless retain the ability to assess the overall achievement of non-financial objectives taken as a whole, particularly in the event of an abrupt change in conditions compared to expectations at the beginning of the year.

(3) Benefits in kind
- Company car.
- Private unemployment insurance *(Garantie Sociale des Chefs et Dirigeants d'Entreprise* – GSC) until 20 December 2024.

(4) Other
- Matching employer payments on voluntary contributions for 2023 and 2024 to the SFL Group Pension Savings Plan (PERECO).
- Entitlements under the statutory and discretionary profit-sharing plans for 2022 and 2023, paid in 2023 and 2024 respectively (entitlements payable in respect of 2024 had not been determined as of the date this document was published). During his period as Chief Executive Officer from July 2022 until 20 December 2024, Dimitri Boulte was not entitled to participate in the statutory profit-sharing plan but continued to participate in the discretionary plan.
- Compensation for loss of office (€1,843,246) as described in section 5.2.2.5 above, following the termination of his appointment as Chief Executive Officer on 20 December 2024.

In 2024, Aude Grant served successively as Managing Director (from 1 January to 20 December) and Chief Executive Officer (from 21 to 31 December), and her remuneration for the year is therefore presented below in three separate tables:

Aude Grant **Managing Director, Chief Operating Officer until 20 December 2024**	2023		2024 (from 1 January to 20 December)	
	Payable	Paid	Payable	Paid
Fixed remuneration(1)	€240,780	€240,780	€293,136	€293,136
Bonus(2)	€219,516	€200,254	€353,325	€219,516
Remuneration as member of the Board of Directors	n/a	n/a	n/a	n/a
Total	**€460,296**	**€441,034**	**€646,461**	**€512,652**

Aude Grant **Chief Executive Officer from 21 to 31 December 2024**	2023		2024 (21 to 31 December)	
	Payable	Paid	Payable	Paid
Fixed remuneration(1)	n/a	n/a	€10,045	€10,045
Bonus(2)	n/a	n/a	€10,948	€0
Remuneration as member of the Board of Directors	n/a	n/a	n/a	n/a
Total	**n/a**	**n/a**	**€20,993**	**€10,045**

Aude Grant **Managing Director, Chief Operating Officer until 20 December 2024** **Chief Executive Officer from 21 to 31 December 2024**	2023		2024	
	Payable	Paid	Payable	Paid
Benefits in kind(3)	€4,823	€4,823	€5,060	€5,060
Other(4)	€66,606	€66,606	€64,086	€64,086
Total	**€71,429**	**€71,429**	**€69,146**	**€69,146**

(1) Fixed remuneration

The fixed remuneration of the Chief Executive Officer and the Managing Director is reviewed annually and may be adjusted depending on the company's business and financial results for the previous year.

At its meeting on 14 February 2024, the Board of Directors decided, based on the recommendation of the Remuneration and Selection Committee which met on the same day to review the Company's results, P&L indicators and balance sheet indicators, to raise Aude Grant's annual fixed remuneration as Managing Director, Chief Operating Officer from €240,000 to €300,000 for 2024. In 2024, her actual remuneration as Managing Director, Chief Operating Officer amounted to €293,136 for the period served in this position.

At its meeting on 21 November 2024, the Board of Directors decided to appoint Aude Grant as Chief Executive Officer with effect from 21 December 2024, and to increase her annual fixed remuneration to €375,000 (gross) with effect from that date. In 2024, her actual remuneration as Chief Executive Officer amounted to €10,045 for the period served in this position.

(2) Bonus

The bonus paid to Aude Grant in her capacity as Chief Operating Officer was determined by the method applied to the bonuses of Management Committee members (other than the Chief Executive Officer and Managing Director), as decided by the Board of Directors on 14 February 2023 for the 2023 bonus. At its meeting on 21 November 2024, the Board decided that Aude Grant's 2024 variable remuneration would be calculated as if she had been Chief Executive Officer throughout the year.

(3) Benefits in kind

Company car.

(4) Other

Matching employer payments on voluntary contributions for 2023 and 2024 to the SFL Group Pension Savings Plan (PERECO), entitlements under the statutory and discretionary profit-sharing plans for 2022 and 2023, paid in 2023 and 2024 respectively (entitlements payable in respect of 2024 had not been determined as of the date this document was published). Since her appointment as Chief Executive Officer on 21 December 2024 and for as long as she holds this position, Aude Grant is no longer entitled to participate in the statutory profit-sharing plan but continues to participate in the discretionary plan.

Entitlements for 2024 had not been determined as of the date this document was published and will be paid in 2025.

TABLE 10
LONG-TERM INCENTIVE BONUSES AWARDED TO THE CHAIRMAN, THE CHIEF EXECUTIVE OFFICER AND THE MANAGING DIRECTOR

Name	2022	2023	2024
Pere Viñolas Serra	No long-term incentive bonus was awarded during the period		
Dimitri Boulte	No long-term incentive bonus was awarded during the period		
Aude Grant	No long-term incentive bonus was awarded during the period		

TABLE 4
STOCK OPTIONS GRANTED DURING THE YEAR TO THE CHAIRMAN, THE CHIEF EXECUTIVE OFFICER AND THE MANAGING DIRECTOR BY SFL OR OTHER GROUP COMPANIES

Name	Plan no. and date	Type of stock options (purchase or subscription)	Fair value of stock options as calculated in the consolidated financial statements	Number of stock options granted during the year	Exercise price	Exercise period
Pere Viñolas Serra	No stock options were granted during the year					
Dimitri Boulte	No stock options were granted during the year					
Aude Grant	No stock options were granted during the year					

TABLE 5
STOCK OPTIONS EXERCISED DURING THE YEAR BY THE CHAIRMAN, THE CHIEF EXECUTIVE OFFICER AND THE MANAGING DIRECTOR

Name	Plan no. and date	Number of stock options exercised during the year	Exercise price
Pere Viñolas Serra	No stock options were exercised during the year		
Dimitri Boulte	No stock options were exercised during the year		
Aude Grant	No stock options were exercised during the year		

TABLE 6
PERFORMANCE SHARES GRANTED DURING THE YEAR TO THE CHAIRMAN, THE CHIEF EXECUTIVE OFFICER AND THE MANAGING DIRECTOR BY SFL OR OTHER GROUP COMPANIES

Name	Plan no. and date	Number of performance shares awarded during the year(1)	Fair value of performance shares as calculated in the consolidated financial statements(2)	Vesting date(3)	End of lock-up period(4)	Performance conditions(5)
Pere Viñolas Serra	No performance shares were awarded during the year					
Dimitri Boulte	Plan 8 14 Feb. 2024	20,000	€402,372	14 Feb. 2027	14 Feb. 2028	(5)
	Plan 9 21 Nov. 2024	0 to 10,000	*	**	**	(5)
Aude Grant	Plan 8 14 Feb. 2024	8,000	€160,949	14 Feb. 2027	14 Feb. 2028	(5)
Directors	No performance shares were awarded during the year					

(1) At its meeting on 14 February 2024, the Board of Directors decided to use the authorisation given at the Annual General Meeting of 15 April 2021 to award performance shares.

The reported number corresponds for each recipient to the maximum number of shares that may vest under the plan approved by the Board of Directors on 14 February 2024 (Plan 8), provided that they remain with the Group until the end of the vesting period and the performance conditions are met. Details of the performance conditions are provided in Appendix 14.2, pages 116 to 118). At its meeting on 21 November 2024, the Board of Directors waived application of the requirement for the beneficiary to remain with the Group until the end of the vesting period in the case of Dimitri Boulte.

* The free shares granted to Dimitri Boulte under Plan 9 dated 6 November 2024 are subject to two vesting conditions related to completion of the SFL/Colonial merger and the level of the merger exchange ratio. By way of an exception, the expected number of vested shares under Plan 9 is expressed not as a maximum value but as a unit value in accordance with Plan 9 rules.

(2) The amounts corresponding to the value of the performance shares at 31 December 2024 were determined using the Monte Carlo method, which consists of simulating a sufficient number of Brownian diffusion scenarios for the SFL share price and the prices of comparable stocks on the simulation date. Other valuation criteria include the grant date, SFL share price volatility, comparable share price correlations, expected annual dividend rate of the SFL share, risk-free yield curve, etc. The fair value per share determined by this method was €40.08 for performance share rights granted on 14 February 2024 (€40.237 for the calculation of the total cost measured in accordance with IFRS 2 “Share-based payment”).

The fair value does not include related payroll taxes.

This value is calculated based on the target number of shares, corresponding to 50% of the maximum performance share rights.

* This value could not be calculated for the free shares granted on 21 November 2024 under Plan 9, as the final number of shares included in the grant was not known as of the date this report was drawn up.

(3) Date when the performance shares will vest, provided that the grantee remains with the Group until that date and the performance conditions are met. The vesting date is timed to fall 15 business days after the publication by the last of the Reference Companies to do so, of a press release announcing its results for the third financial year following the award date and not less than three years after the grant date (i.e., 14 February 2027 at the earliest).

** By way of an exception, the vesting date is not mentioned for the free shares granted on 21 November 2024 under Plan 9, because the Plan's rules stipulate that the shares will vest on the later of the following two dates: (i) within a maximum of 15 days of the issue by the clerk of the Paris Commercial Court - in accordance with Article L. 236-42 of the French Commercial Code - of the certificate of compliance concerning the merger of SFL into Inmobiliaria Colonial, or (ii) within one year of the grant date.

(4) Performance shares may not be sold or otherwise transferred for one year after the vesting date, with certain exceptions such as in the case of disability or death. In addition, 10% of the shares must be retained beyond the two-year lock-up period. For the shares granted on 21 November 2024 under Plan 9, the end of the lock-up period cannot be shown, as the vesting date marking the start of the lock-up period was not known as of the date this report was drawn up.

(5) The number of performance shares that vest will depend on SFL's ranking in a group of eight listed property companies including SFL on the vesting date. The Plan 8 performance objectives are presented in Appendix 14.2 to the Management Report (pages 117 and 118).

The number of vested Plan 9 shares acquired by Dimitri Boulte will be determined on the basis of the merger exchange ratio between the SFL shares (absorbed company) and the Inmobiliaria Colonial shares (absorbing company) - see Appendix 14.2 on page 118.

To the best of the Company's knowledge, no hedging instruments have been acquired to cover the equity risk associated with the performance shares.

TABLE 7
PERFORMANCE SHARES GRANTED TO THE CHAIRMAN, THE CHIEF EXECUTIVE OFFICER AND THE MANAGING DIRECTOR THAT BECAME AVAILABLE DURING THE YEAR

Name	Plan no. and date	Number of performance shares that became available during the year
Juan José Brugera Clavero(1)	Plan 5 15 February 2019	6,000
Pere Viñolas Serra	Not applicable	0
Dimitri Boulte	Plan 5 15 February 2019	16,000
Aude Grant	Plan 5 15 February 2019	2,400

(1) José Brugera Clavero was Chairman of the Board of Directors until 7 April 2022.

TABLE 11
INFORMATION ABOUT EMPLOYMENT CONTRACTS, SUPPLEMENTARY PENSION SCHEMES, TERMINATION BENEFITS PAID OR PAYABLE AND NON-COMPETE INDEMNITIES PAID OR PAYABLE

Name	Employment contract		Supplementary pension benefits		Termination benefits payable or likely to be payable		Non-compete indemnities	
	Yes	No	Yes	No	Yes	No	Yes	No
Pere Viñolas Serra Chairman of the Board - Appointed: 7 April 2022 - Term expired: 2025 AGM		X		X		X		X
Dimitri Boulte Chief Executive Officer - Appointed: 1 July 2022 - Term expired: 20 December 2024		X		X	X(1)			X
Aude Grant Managing Director - Appointed: 1 July 2022 - Term expired: 20 December 2024	X(2)			X		X		X
Aude Grant Chief Executive Officer - Appointed: 21 December 2024 - Term expires: unlimited		X		X		X		X

(1) The terms and conditions governing the compensation for loss of office as Chief Executive Officer payable to Dimitri Boulte were decided by the Board of Directors at its meeting on 21 November 2024 (see section 5.2.2.5, page 144, for details), in line with the 2024 remuneration policy approved by the Annual General Meeting of 16 April 2024.

(2) In 2024, Aude Grant had an employment contract covering her positions as Deputy Managing Director - Asset Management and Investments from 1 January 2016 and then Chief Operating Officer from 1 July 2022.
Her employment contract was suspended as of 21 December 2024 upon her appointment as Chief Executive Officer, as decided by the Board of Directors on 21 November 2024.

5.3. Remuneration and benefits paid or payable to the directors for 2024

The remuneration paid or payable to the directors for 2024 was determined in accordance with the policy set out in section 4.2.4.

For 2024, the variable portion amounted to €103,000 (gross) and the fixed portion to €80,000 (gross).

TABLE 3
REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS (GROSS AMOUNTS)

Name	Amounts due and paid in 2023	Amounts due in 2023, paid in 2024*	Amounts due and paid in 2024*	Amounts due in 2024, paid in 2025**
Juan José Brugera Clavero(1)				
Remuneration (fixed, variable)	€0.00	€0.00	€0.00	
Other remuneration	€0.00	€0.00	€0.00	
Ali Bin Jassim Al Thani				
Remuneration (fixed, variable)	€32,000	€3,000	€32,000	€3,000
Other remuneration	€0.00	€0.00	€0.00	
Carmina Ganyet i Cirera(2)				
Remuneration (fixed, variable)	€0.00	€0.00	€0.00	
Other remuneration	€0.00	€0.00	€0.00	
Arielle Malard de Rothschild				
Remuneration (fixed, variable)	€62,000	€7,000	€71,000	€3,000
Other remuneration	€0.00	€0.00	€0.00	
Alexandra Rocca				
Remuneration (fixed, variable)	€63,000	€7,000	€71,000	€3,000
Other remuneration	€0.00	€0.00	€0.00	
Total	€157,000	€17,000	€174,000	€9,000

* Two Committee meetings and a Board meeting were held in December 2023 after the payment of Directors' remuneration for the second half of 2023. The additional remuneration due in respect of these meetings was paid in 2024.
** A Board meeting was held in December 2024, after the payment of Directors' remuneration for the second half of 2024. The additional remuneration due in respect of this last meeting was paid in 2025.
(1) Juan José Brugera Clavero has waived all his remuneration since 2022.
(2) Carmina Ganyet I Cirera has waived all her remuneration since 1 July 2022.

Details of the remuneration received by Pere Viñolas Serra as Chairman of the Board of Directors, are provided in section 5.2.1 above.

5.4. Remuneration and benefits paid or payable to executive management other than the Chief Executive Officer and the Managing Director for 2024

The following table presents the total gross remuneration for 2024 paid by SFL to the persons who were members of the Management Committee at 31 December 2024 other than the Chief Executive Officer and the Managing Director:

	2024
Fixed remuneration	€829,748
Bonuses(1)	€392,960
Benefits in kind	€21,606
Special bonuses	€0
Non-discretionary/discretionary profit-sharing(2)	€261,212
Matching payments to the Group Pension Savings Plan (PERECO)	€22,800

(1) Subject to the performance objectives decided by the Board of Directors on 14 February 2024 for the remuneration of the Chief Executive Officer and the Managing Director (70/30 split between quantitative and qualitative objectives).
(2) Entitlements under the non-discretionary and discretionary profit-sharing plans for 2023, paid in 2024 (profit shares in respect of 2024 had not been determined as of the date this document was published).

5.5. Information about stock options and performance shares

TABLE 8
SUMMARY OF STOCK OPTIONS GRANTED IN PREVIOUS YEARS

None.

TABLE 9
SUMMARY OF PERFORMANCE SHARE RIGHTS GRANTED IN PREVIOUS YEARS

	Plan 5				Plan 6		Plan 7	Plan 8	Plan 9
Date of Annual General Meeting	20/04 2018				15/04 2021		15/04 2021	15/04 2021	16/04 2024
Date of Board meeting	20/04 2018	15/02 2019	06/02 2020	11/02 2021	18/02 2022	14/02 2023	14/02 2023	14/02 2024	21/11 2024
Total performance share rights awarded	**67,184**	**65,896**	**68,952**	**66,920**	**61,248**	**9,960**	**45,000**	**63,014**	**10,000**
of which rights awarded to:	*42,000*	*42,000*	*42,000*	*42,000*	*36,000*	*0*	*26,000*	*28,000*	*10,000*
- Juan José Brugera Clavero	6,000	6,000	6,000	6,000	0	0	0	0	0
- Nicolas Reynaud	20,000	20,000	20,000	20,000	20,000	0	0	0	0
- Dimitri Boulte	16,000	16,000	16,000	16,000	16,000	0	20,000	20,000	10,000
- Aude Grant						0	6,000	8,000	0
Vesting date	06/04 2021	31/03 2022	31/03 2023	15/04 2024	18/02 2025	14/02 2026	14/02 2026	14/02 2027	(1)
End of lock-up period	05/04 2023	30/03 2024	31/03 2025	10/02 2026	17/02 2027	14/02 2028	14/02 2027	13/02 2028	(2)
Performance criteria	(3)	(3)	(3)	(3)	(4)	(4)	(5)	(6)	(7)
Number of vested performance shares as of 31 December 2024	63,648	64,992	67,760	65,128	112	112	-	-	
Cumulative number of performance share rights cancelled or forfeited	-	-	-	-	1,968	2,024	-	4,706	
Number of performance share rights outstanding at 31 December 2024	-	-	-	-	59,224	7,880	45,000	58,308	10,000

This table does not include performance shares awarded to Aude Grant before 1 July 2022, the date of her appointment as Managing Director.

(1) See section 2.3.2.1 (Vesting date) of Appendix 14.2, page 118.
(2) See section 2.3.3 (Lock-up period) of Appendix 14.2, page 119.
(3) The performance criteria are described in "Plan 5 Rules" below.
(4) The performance criteria are described in "Plan 6 Rules" below.
(5) The performance criteria are described in "Plan 7 Rules" below.
(6) The Plan 8 performance conditions are presented in Appendix 14.2 of the Management Report (pages 117 and 118).
(7) See section 2.3.2.3 of Appendix 14.2, page 118.

Plan 8 and Plan 9 rules are presented in Appendix 14.2 of the Management Report (pages 115 to 119).

The following are the rules for Plans 5, 6 and 7.

Plan 5 Rules

Vesting date

Provided that the grantee has not left the Group and the performance targets are met (see below), the performance shares will vest 15 business days after the publication by the last of the Reference Companies (see definition below) to do so, of a press release announcing its results for the third financial year following the grant award (i.e., for the 11 February 2021 award, the year ending 31 December 2023).

Continuing presence within the Group

The performance shares will vest only if, at the end of the three-year vesting period, the grantee is still an employee or corporate officer of the Company or another Group entity, as applicable. However, this rule is waived if the grantee's departure is due to certain events that are beyond his or her control.

Performance targets

The number of performance shares that vest will depend on SFL's ranking in a group of six listed property companies including SFL (the "Reference Companies"). The ranking will be established based on growth in each of the Reference Companies' consolidated net tangible assets (NTA)* per share over the vesting period, as calculated by adding back dividends paid in each year of said period.

* At its meeting on 19 November 2021, the Board of Directors, on the recommendation of the Remuneration and Selection Committee, approved a first amendment to Plan 5 due to the change in EPRA indicators. Following this amendment, from 1 January 2021, the ANAV performance indicator has been replaced by Net Tangible Assets (NTA), which is the closest EPRA indicator to the traditional NAV. In addition, in light of (i) the change of control of the Company resulting from the Colonial transaction which led to Colonial's interest in SFL being increased to 98.33% as of 30 August 2021, and (ii) the fact that the Company is currently in a transition period, at its meeting on 19 November 2021, the Board of Directors approved a second amendment to Plan 5 allowing the plan's performance objectives to be adjusted in the event of developments at Colonial Group level that have an adverse effect on the Company or on the achievement of its performance objectives.

Lock-up period

Under Plan 5, the performance shares may not be sold or otherwise transferred before the end of a period of two years as from the vesting date. In addition, after the end of this statutory two-year lock-up period, the Chairman, the Chief Executive Officer and the Managing Director will be required to keep 10%* of the shares for the remainder of their period of service with the Company or another Group entity, as applicable.

* A third amendment to the rules of Plan 5 approved by the Board of Directors on 19 November 2021 reduced from 40% to 10% the proportion of shares to be retained by the Chairman, the Chief Executive Officer and the Managing Director beyond the lock-up period.

Plan 6 Rules

Vesting date

Provided that the grantee has not left the Group and the performance targets are met (see below), the performance shares awarded by the Board of Directors on 18 February 2022 will vest 15 business days after the publication by the last of the "Reference Companies" (see definition below) to do so, of a press release announcing its results for the third financial year following the award date (i.e., for Plan 6, the year ending 31 December 2024).

Continuing presence within the Group

The performance shares will vest only if, at the end of the three-year vesting period, the grantee is still an employee or corporate officer of the Company or another Group entity, as applicable. However, this rule is waived if the grantee's departure is due to certain events that are beyond his or her control.

In addition, the Board of Directors may decide, on a case-by-case basis, to allow the performance shares to vest even if the grantee is no longer an employee or corporate officer on the vesting date.

Performance targets

The number of performance shares that vest will depend on SFL's ranking in a group of six listed property companies including SFL (the "Reference Companies"). The ranking will be established based on growth in each of the Reference Companies' consolidated net tangible assets (NTA) per share over the vesting period, as calculated by adding back dividends paid in each year of said period.

Lock-up period

The performance shares may not be sold or otherwise transferred before the end of a period of two years as from the vesting date. In addition, after the end of this statutory two-year lock-up period, the Chairman, the Chief Executive Officer and the Managing Director will be required to keep 10% of the shares for the remainder of their period of service with the Company or another Group entity, as applicable.

Plan 7 Rules

Vesting date

Provided that the grantee has not left the Group and the performance targets are met (see below), the performance shares awarded by the Board of Directors on 14 February 2023 will vest 15 business days after the publication by the last of the "Reference Companies" (see definition below) to do so, of a press release announcing its results for the third financial year following the award date, which shall serve as the reference period (i.e., for Plan 5, the year ending 31 December 2025).

Continuing presence within the Group

The performance shares will vest only if, at the end of the three-year vesting period, the grantee is still an employee or corporate officer of the Company or another Group entity, as applicable.

However, this rule is waived if the grantee's departure is due to certain events that are beyond his or her control and outlined in Plan 7.

In addition, the Board of Directors may decide, on a case-by-case basis, to allow the performance shares to vest even if the grantee is no longer an employee or a corporate officer of any of the Group's entities on the vesting date.

Performance targets

The number of performance shares that vest at the end of the vesting period depends on SFL's ranking in a group of six listed property companies including SFL (the "Reference Companies"). This ranking is established on the basis of the percentage change in SFL's Net Tangible Assets (NTA) per share for the reference period under consideration compared with the percentage change in the NTA per share of each of the Reference Companies over the reference period. The NAV included in the NTA calculation is determined by adding back the dividends paid in each of the financial years of the reference period.

Lock-up period

With some exceptions (in the case of disability, death or retirement), the performance shares may not be sold or otherwise transferred before the end of a period of one year as from the vesting date. In addition, as well as complying with the one-year lock-up rule, the Chief Executive Officer and the Managing Director will be required to keep 10% of the shares for the remainder of their period of service with the Company or another Group entity, as applicable.

6. Agreements between a corporate officer or material shareholder of SFL and one of its subsidiaries

In accordance with the disclosure requirements of Article L.225-37-4, 2° of the French Commercial Code, shareholders are informed that no agreements have been entered into, directly or through a third party, between the Chairman, the Chief Executive Officer, the Managing Director, a member of the Board of Directors or a shareholder that holds over 10% of SFL's voting rights and a company controlled by SFL, within the meaning of Article L.233-3, other than agreements entered into in the normal course of business on arm's length terms.

7. Related party agreements (routine and regulated agreements)

7.1. Annual assessment of related party agreements (routine agreements entered into on arm's length terms and regulated agreements)

At its meeting on 23 June 2020, in accordance with Article L.22-10-12 of the French Commercial Code, the Board of Directors set up a procedure to regularly assess whether agreements qualified as concerning routine transactions and as having been entered into on arm's length terms effectively fulfil these conditions.

During the same meeting, the Board of Directors decided to include the review of regulated related party agreements in this procedure, in order to comply with the AMF's recommendation 2012-05 inviting companies to set up an internal charter to qualify agreements concerned by the regulated related party agreements procedure.

The procedure adopted by the Board at its meeting on 23 June 2020 is available on the Company's website.

It is summarised below:

Procedure concerning regulated related party agreements:

All regulated related party agreements must be submitted to the Board of Directors for ex-ante authorisation and to the Annual General Meeting for ex-post approval. The Board of Directors shall justify its decision by explaining the ways in which the agreement is in the Company's interests, and shall disclose details of its financial terms. The person(s) directly or indirectly concerned by the agreement shall not take part in the deliberations or vote of the Board of Directors on the authorisation concerned. Furthermore, the shares held by said person(s) shall not be taken into account for the purpose of determining whether the agreement is approved by a majority vote of the Annual General Meeting.

The Board of Directors shall review each year the regulated related party agreements authorised and signed during the last financial year or previous financial years, that continued to be implemented during the last financial year, or that had not been executed at the time of the review. Said review shall cover:

- for each of the agreements authorised during a previous financial year that continued to be implemented during the last financial year or is likely to continue to be implemented or will be executed in a future financial year, an examination of the rules for calculating the agreement's financial terms and adjusting them over time;
- specific information for each agreement that has undergone a substantial change in its amount or financial terms, due for example to the application of an indexation clause;
- agreements that the Board has determined no longer qualify as regulated related party agreements in light of changing circumstances.

At its meeting on 18 February 2025, the Board of Directors reviewed the regulated related party agreements authorised and signed in 2024 or previous years that continued to be implemented during 2024.

Procedure concerning routine agreements with related parties entered into on arm's length terms:

Routine related party agreements entered into on arm's length terms shall be assessed by the Company's internal teams and their assessment shall be reviewed annually by the Audit Committee, to ensure that the following conditions continue to be met:

- Routine transactions are regular transactions carried out by the Company in the normal course of business and in line with its corporate purpose. Account is also taken of the usual practices of companies operating in the same sector as the Company.
- Arm's length terms are terms that are comparable to those applied by companies in the same sector or that are usually applied by the Company in its dealings with third parties.
- "Routine transactions" and "arm's length terms" are cumulative criteria: in the absence of one or the other, the agreement will be subject to the procedure for regulated related party agreements.

If recommended by the Audit Committee, the Board of Directors may re-qualify routine agreements as regulated related party agreements.

The person(s) directly or indirectly concerned by any of these agreements shall not take part in their assessment, in accordance with Article L.22-10-12 of the French Commercial Code.

No agreements were submitted to the Audit Committee for review at its meeting on 18 February 2025.

7.2. Regulated related party agreements authorised in 2024 and submitted to the Annual General Meeting for approval

7.2.1. Agreement with Inmobiliaria Colonial SOCIMI SA, shareholder of SFL with 98.3% of the capital

At its meeting of 6 November 2024, in accordance with Article L.225-38 of the French Commercial Code, the Board of Directors authorised the signature of a loan agreement between Inmobiliaria Colonial Socimi SA (lender), the Spanish company that owns 98.3% of SFL, and SFL (borrower).

Pursuant to Article L.225-40 of the French Commercial Code, which states that any person directly or indirectly concerned by a regulated agreement must abstain from taking part in the deliberations or voting on the requested authorisation of that agreement, and in accordance with the AFEP-MEDEF Corporate Governance Code, to which SFL refers for matters concerning potential conflicts of interest, Pere Viñolas Serra, Juan José Brugera Clavero and Carmina Ganyet, elected as directors on the recommendation of Inmobiliaria Colonial Socimi SA, did not take part in the discussions or vote on the proposed authorisation.

In accordance with Article L.225-40 of the French Commercial Code, these agreements are described in the Statutory Auditors' special report (page 282 of this Universal Registration Document) and will be submitted to the shareholders for approval at the Annual General Meeting of 23 April 2025 (4th ordinary resolution).

7.2.2. Agreements entered into on 23 July 2024 between the Company and Dimitri Boulte, in his capacity as Chief Executive Officer, and between the Company and Aude Grant, in her capacity as Managing Director

At its meeting of 23 July 2024, in accordance with Article L.225-38 of the French Commercial Code, the Board of Directors authorised the signature with the Company of an amendment to the mandate of Dimitri Boulte as Chief Executive Officer and an amendment to the mandate of Aude Grant as Managing Director.

In accordance with Article L.225-40 of the French Commercial Code, these mandates are described in the Statutory Auditors' special report (pages 279 and 280) and will be submitted to the shareholders for approval at the Annual General Meeting of 23 April 2025 (4th ordinary resolution).

7.2.3. Agreements entered into on 21 November 2024 between the Company and Aude Grant, in her capacity as Chief Executive Officer

At its meeting of 21 November 2024, in accordance with Article L.225-38 of the French Commercial Code, the Board of Directors authorised the signature of a mandate (*contrat de mandat*) between SFL and Aude Grant, appointed Chief Executive Officer with effect from 21 December 2024.

In accordance with Article L.225-40 of the French Commercial Code, the agreement is described in the Statutory Auditors' special report (page 281 of this Universal Registration Document) that will be submitted to the shareholders for approval at the Annual General Meeting of 23 April 2025 (4th ordinary resolution).

During the 21 November 2024 meeting, the Board also approved the signature of an addendum to Aude Grant's employment contract with SFL dated 3 June 2014 and decided that her employment contract would be suspended until such date as Aude Grant ceases to be Chief Executive Officer.

8. Internal Control and Risk Management Procedures Implemented by the Company for the Preparation and Processing of Accounting and Financial Information

(Article L.22-10-10 of the French Commercial Code)

This report describes the procedures set up by the Company to prevent and control risks arising in the course of its business, including the measures taken to guarantee the reliability of accounting and financial information and the Company's compliance with all applicable laws and regulations.

The Company applies all the recommendations and key processes contained in the AMF's reference framework for risk management and internal control dated 22 July 2010, and follows the guidance issued by French business organisations (MEDEF, AFEP and ANSA) and accounting authorities (CNCC).

The pillars of the internal control system are:
- a standard set of procedures;
- accountable operations, finance and audit teams;
- collective decision-making processes;
- segregation of duties between the authorisation of expenditure and the related payments.

Company organisation

The internal organisation since December 2022 comprises two pillars:
- Operations, consisting of:
  - Technical and Development Department
  - Asset Management and Client Management Department
  - Leasing Department
  - Investments and Innovation Department
  - Communications

- Resources, consisting of:
  - General Secretariat, Audit and Internal Control
  - Information Systems Department
  - Finance Department
  - Human Resources Department
  - ESG Strategy

This organisation is supported by clear definitions of individual roles and responsibilities and procedure reviews to clarify who does what and, in this way, more effectively manage risks.

Changes in governance rules

Effective from 1 January 2024, the internal audit function is performed by a staff member recruited for this purpose. In previous years, this function was outsourced to an external firm.

Internal audits covering specialist areas may be performed from time to time with the support of outside experts.

The internal audits are performed according to the annual audit programme drawn up by the Audit Committee with input from the Company's management. They are overseen by the General Secretary and the internal auditor.

This report presents:

1. **The internal control** system, the people and structures responsible for its implementation, and the process for preparing financial and accounting information for shareholders.
2. **Internal control procedures**, with details of their scope of application and the risks covered, including the specific risks inherent in the Group's business.
3. **Internal audit methodology.**
4. **Overview of the Audit Committee's work** in 2024 and comparison with best practices.

8.1. General presentation of internal control

8.1.1. Overall organisation

Internal control procedures over business processes are communicated to all employees concerned and updated to reflect process changes, including the migration to SAP in 2024.

All the consolidated companies apply the same procedures and accounting staff are not assigned to a specific entity. For this reason, it has not been necessary for the Company to establish an additional layer of internal control over consolidated entities.

To limit the risks of fraud, payables accounting and payment functions are strictly segregated. The Treasury Department is independent from the Accounting Department and reports directly to the Chief Financial Officer. The number of accountants able to create suppliers in SAP has been reduced to three.

To improve the reliability and quality of accounting information, a separate Budget Control Department analyses management and cost accounting data and performs reconciliations between these data and the statutory accounts.

Management and cost accounting data are produced separately for each property in the portfolio. These data are aggregated and reconciled to the statutory accounting data and consolidation packages produced by the entities concerned, providing a critical means of control.

SFL is fully consolidated in the consolidated financial statements of its main shareholder and is required to produce specific monthly reporting packages for this purpose. In addition to incorporating new and frequently complementary data processing and control practices, the monthly reporting process also helps management to monitor the business more closely thanks to the increased availability of data:
- Basic reporting schedules are prepared by cash generating units corresponding to each individual building.
- The monthly reporting schedules are reconciled to the budget, allowing management to swiftly identify variances or any inconsistencies in processing the raw data.

8.1.2. Delegations of authority

The list of authorised signatories is checked periodically and updated to take account of organisational changes.

Bank signing authority is granted only for payments and a strict segregation of duties is maintained between the authorisation of expenditure and the related payments, in accordance with banking regulations. A single signature is required for payments of less than €1 million. Payments in excess of this amount may only be approved by the Chief Executive Officer. These limits do not apply to intra-group payments.

The list of authorised signatories is checked periodically and updated to take account of organisational changes.

8.1.3. Information systems governance

The Information Systems Department is responsible for the routine and evolutive maintenance of the Group's information systems, in line with data security standards.

These standards cover:
- system uptime rates;
- data classification;
- data backups and protection;
- incident management;
- protection against computer viruses and security breaches.

Since 1 January 2024, the business has been supported by the SAP S/4HANA solution used by Colonial, SFL's controlling shareholder. This enterprise resource planning (ERP) platform comprises rental management, works management, expense management and accounting modules. The consolidated financial statements are produced using SAP's Business Planning and Consolidation (BPC) software.

The network infrastructure and all the security systems are unchanged and an audit has confirmed that they comply with the highest cyber security standards.

An information systems development plan has been approved by the Chief Executive Officer, comprising around forty projects to be launched in 2025. The developments concern application of new regulatory requirements (electronic invoicing, corporate sustainability reporting), improvements to business processes (works management) and ongoing evolutive maintenance of the systems.

8.1.4. Internal Code of Ethics

The Code of Conduct has been replaced by an Ethics Code of Conduct, which was presented in detail to all employees at a meeting on 5 October 2023.

The Ethics Code of Conduct applies not only to SFL's management and employees, but also to all of its stakeholders. It is designed to help users identify high-risk situations and determine the appropriate individual and collective response in each case.

It describes the behaviour to be avoided or adopted in the day-to-day activities of SFL, which prohibits all unethical actions.

The Code incorporates an internal whistleblowing system in application of Articles 6 to 16 of the Law of 9 December 2016 on transparency, the fight against corruption and the modernisation of economic life ("Sapin II" Law). The purpose of the system is to allow the reporting to SFL's ethics officers of any illegal or inappropriate practices, or any practices that breach the Ethics Code of Conduct, so that such practices can be halted and, if necessary, disciplinary action can be taken.

The whistleblowing system can be accessed by all internal and external employees, as well as all the Company's co-contractors (suppliers, subcontractors, etc.) on the SFL website.

In July 2024, the Ethics Code of Conduct was supplemented by a new Anti-Corruption Charter, which aims to prevent all forms of bribery and corruption and fraud. The Charter applies to all SFL Group employees and directors (the "Relevant Persons").

Its implementation is based on the development of a training and/or awareness programme for the Relevant Persons, to ensure that they are aware of and understand its provisions and to promote a culture built around ethical practices, integrity and regulatory compliance.

The Charter also applies to the individuals and companies with whom SFL has a business relationship (the "Other Concerned Persons").

The Charter's main principles are as follows:
- Participation in any form of bribery or corruption will not be tolerated.
- Actions that are illegal or breach the applicable regulations or the Charter are strictly prohibited.
- A culture of prevention is promoted throughout the organisation, based on the principle of zero tolerance of all forms of bribery and corruption.
- A transparent environment is promoted.

The Charter comprises five principles for action, which can be summarised as follows:
- Any behaviour likely to be qualified as corruption or that may be qualified as extortion in any of its possible forms is strictly prohibited.
- No gifts may be accepted if their purpose is to increase the chances of a contract for the supply of goods or services being awarded to the person or organisation making the gift.
- In all circumstances, SFL will comply strictly with national legislation on the financing of political parties.
- The Company will deploy its best efforts to ensure that its sponsorship activities are aligned with its corporate strategy and that appropriate procedures are implemented to this end.
- Donations, defined as voluntary contributions to an organisation or legal entity with nothing in return, must comply with the Charter's commitments.

A confidential whistleblowing channel is available to all Relevant Persons and Other Concerned Persons to express any doubts they may have about the Charter's interpretation and application and to report any breaches of its terms.

The Anti-Corruption Charter has been published on the SFL website and can therefore be accessed any person interested by its content.

8.2. Internal control procedures

8.2.1. Procedures for identifying and managing business-specific risks

Existence and valuation controls over the properties that constitute the bulk of the Company or the Group's assets are performed by external, independent valuers during their interim and annual portfolio valuations.

The Accounting Department pays particular attention to ensuring the completeness of accounting entries concerning renovation, repair and other work undertaken by Group companies.

To this end, a dedicated accounting team has been given specific responsibility for managing works accounts for all companies, providing the Technical and Development Department with a single point of contact and guaranteeing consistent treatment of all transactions.

Procedures are performed at several levels to ensure that internal control objectives of completeness and valuation are met for liabilities:
- Tenant risks, which are managed by the Receivables Accounting unit, are reviewed regularly by the Legal Department and are also subject to second-tier controls.
- The risk of legal disputes with the Company and the Group's partners is closely monitored, with technical guidance from the Legal Department.
- The Treasury Department participates actively in collecting information about off-balance sheet commitments related to hedging and debt instruments, as well as commitments to suppliers, and ensuring that the information is complete.

8.2.2. Identifiable risks

The Group's main identifiable risks concern:
- risk of a change in the property market: market downturn, competition, etc.
- risks associated with political and economic uncertainty: market volatility and disruption, unfavourable changes in the regulatory framework, etc.
- risk of a decline in asset values: reduced appraisal values, etc.
- rental risks: non-receipt of rent, vacancy, etc.
- interest rate risks
- environmental risks: stricter obligations, effects of climate change, etc.

The risks specific to the Company, the Group and the industry are described in detail on pages 18 to 31 of the Management Report.

8.2.3. Insurance

Details of the Group's various insurance policies are provided on pages 33 and 34.

8.2.4. Controls over the quality of accounting and financial information

As a company listed on Euronext Paris, SFL has to take a more rigorous, highly disciplined approach to preparing financial information.

With a very high capital-per-employee ratio, we use the services of external experts to stay informed of technical developments in the areas of accounting, finance and tax. As well as providing regular technical updates, these experts also give formal advice on the choice of accounting options that have a material impact on the financial statements.

We participate in working groups set up by the industry federation and other organisations representing the property sector, providing an opportunity to exchange information about best practices and industry standards.

Since July 2011, the Company has been a member of Institut Français des Administrateurs, the French federation of company directors.

8.2.5. Book-keeping procedures

The accounts of all Group companies are kept on the same internal accounting system, which is integrated in the management information system.

The Accounting Department, which is part of the Finance Department, monitors regulatory changes and their application by the Group, based on the advice of external advisors, where appropriate.

The corporate accountants each keep the accounts of one or several consolidated companies. Their work is overseen by their respective managers who also replace corporate accountants if necessary.

8.2.6. Procedure for the preparation of the consolidated financial statements

The consolidated financial statements are produced using consolidation software that represents a market standard, guaranteeing its reliability and maintainability. The consolidated financial statements are prepared in accordance with the IFRSs adopted by the European Union.

A full set of monthly consolidated accounts is produced and submitted to the Company's majority shareholder. All departments are concerned and controls are performed over the centralised data to ensure that the reported statutory and management accounting data have been prepared on a consistent basis. These full monthly accounts are not audited or published.

The half-yearly and annual financial statements represent the basis for an extensive financial communication process and must be produced within a very short timeframe to comply with market standards. The publication dates are announced to the market in advance and must be adhered to.

The Audit Committee meets twice a year to review with the Statutory Auditors the financial statements and any significant transactions for the period. The Committee also meets with the Statutory Auditors to discuss the content of their work programmes and the observations and recommendations set out in the post-audit reports prepared after their audits of the interim and annual financial statements.

8.2.7. Budget and business plan procedures

The Budget Control Department produces a rolling five-year business plan, the first year of which corresponds to the budget. It collects, aggregates and consolidates the data reported by each operating unit, and analyses the consolidated data.

Revenue, expense and CapEx projections are presented separately for each building, and rental income projections are analysed on a lease-by-lease basis.

The Business Plan includes:
- Five-year profit and loss account and capital expenditure projections.
- Projected changes in consolidated debt.
- Key financial ratios, such as EBITDA, EPRA earnings, loan-to-value (LTV) and NAV.

The budget and the Business Plan are submitted to the Board of Directors for approval.

As well as playing an essential role as a roadmap for the business, they provide a basis for checking and analysing the monthly reports and consolidated financial statements in order to improve the reliability of the accounting and financial information submitted to the majority shareholder and released to the market.

In conclusion, the Group's control procedures over the production of accounting and financial information, and its internal control procedures covering the preparation of the consolidated financial statements are in line with the needs of a top-tier listed company.

8.2.8. Controls over liquidity risks

SFL's liquidity management policy consists of maintaining long maturities of debt, in order to be in a position to efficiently roll over or replace borrowings without having to contend with market distortions which, while rare, nevertheless exist. In addition, confirmed undrawn lines of credit are maintained for amounts at least equal to the debt repayments due in the short-term, in order to cover liquidity risks.

8.2.9. Management of market risks

Market risks are managed on a conservative basis, without taking any speculative positions. The Group's main market risk is interest rate risk. At 31 December 2024, 80% of Group debt was protected against interest rate risk, including 62% in the form of fixed rate bonds and 18% hedged by interest rate swaps. If applicable, our policy is to hedge interest rate risk on at least 70% of debt using simple financial instruments.

8.2.10. Management of counterparty risks

All SFL's financial instrument contracts are entered into with leading financial institutions.

Cash surpluses are invested with leading banking groups and in investment products that have little or no exposure to a loss of capital.

8.2.11. Controls over property-related technical risks

The purpose of controls over property-related technical risks is to prevent and contain environmental risks (asbestos, lead, legionella, etc.) associated with the properties in our portfolio and to ensure that all of these properties comply strictly with the applicable laws and regulations.

Risks have been identified in an environmental charter. Procedures have been drawn up to address these risks, including checks for asbestos and lead paint, legionella prevention measures, analyses of drinking water and safety checks on technical installations.

The procedures describe the action to be taken, the implementation timeline and the related controls. Employees responsible for these measures and controls receive specific training. An online platform has been set up to ensure implementation of all the controls required by the regulations, based on appropriate tracking indicators.

8.2.12. Purchases and contract tendering

Routine purchases are made from approved suppliers at regularly negotiated prices. For other purchases, competitive bids are obtained from several companies or suppliers where appropriate.

Under the tendering procedure, competing bids must be sought from at least three suppliers or contractors for contracts in excess of €100 thousand, and quotes must be obtained from at least three suppliers or contractors for contracts representing between €50 thousand and €100 thousand.

8.3. Internal audit methodology

As part of his work, the internal auditor is required to analyse and understand the Company's processes in the areas covered by the annual audit programme. The internal auditor ensures that the main identified risks are covered by appropriate preventive and detective controls and, where necessary, makes recommendations to improve the Company's control environment.

To this end, the relevant controls are assessed in terms of the quality of their design and their level of application, in order to determine the Company's degree of control over identified risks classified according to four levels of criticality. The internal auditor also performs follow-up checks to ensure that his recommendations have been duly implemented.

8.4. Internal audits performed in 2024

At its meeting on 18 January 2024, the Audit Committee defined and approved the internal audit programme for the year based on the Group's risk map described in section 6 above (pages 17 *et seq.*).

The 2024 programme covered the four engagements listed below, which relate to three categories of risk factors, namely (i) operational risks, (ii) financial risks, and (iii) environmental risks.

The updated version of the Company's risk map was approved by the Audit Committee at its meeting on 14 February 2024.

1	**Property acquisitions and disposals:** *Operational risks* The purpose of this engagement was to review the processes involved in the Group's property acquisitions and disposals and the key controls over these processes. The sale of the Hanover building in 2023 and the acquisition of the Pasteur building in 2022 were reviewed as part of the audit.
2	**Cash outflows:** *Financial risks* This engagement consisted of reviewing the Group's cash disbursements and the control procedures in place to prevent the risk of error or fraud. To this end, tests were performed on the information system's records of cash disbursements made in 2023, along with a review of the preventive controls covering the various payment flows: transfers, direct debits, payments by bank card and cheque, and cash payments.
3	**Issuance of rent receipts and integration of rental data:** *Operational risks* As part of the roll-out of the Group's new SAP ERP system, the purpose of this engagement was to check the reliability of the rental database, as well as the controls in place over the rent receipt issuance process and the process to update the lease database in SAP.
4	**Choice of Capex suppliers based on ESG criteria:** *ESG risks* The purpose of this engagement was to assess the extent to which ESG criteria are taken into account when selecting suppliers for the Group's capex operations.
5	**Risk map** The Internal Auditor also conducted an engagement to update the Company's risk assessment and associated risk map at the end of 2024.

The 25 recommendations resulting from the internal audits performed in 2024 were presented by the Internal Auditor at a meeting of the Audit Committee.

No material anomalies or major weaknesses in the internal control system were identified during the above audits.

9. Summary of financial authorisations

In accordance with the disclosure requirements of Article L.225-37-4, 3° of the French Commercial Code, the table below provides a summary of the authorisations valid at 31 December 2024 to increase the capital given to the Board of Directors by shareholders pursuant to Articles L.225-129-1 and L.225-129-2 of said Code. The table also provides information on the use of these authorisations during 2024.

Date of AGM	Authorisation or delegation of competence	Used/ unused in 2024	Duration of authorisation
13 April 2023	Delegation of competence to the Board of Directors to issue ordinary shares or securities with immediate or deferred rights to ordinary shares, with pre-emptive subscription rights for existing shareholders, duration of the delegation, maximum aggregate par value of resulting share issue(s), option to offer any shares or securities not taken up by existing shareholders for subscription by the public.	Unused	26 months
13 April 2023	Delegation of competence to the Board of Directors to issue ordinary shares or securities with immediate or deferred rights to ordinary shares, without pre-emptive subscription rights for existing shareholders, through a public offer other than an offer to a restricted group of investors or to qualified investors governed by Article L.411-2, 1° of the French Monetary and Financial Code (*Code monétaire et financier*), duration of the delegation, maximum aggregate nominal amount of the resulting share issue(s), issue price.	Unused	26 months
13 April 2023	Delegation of competence to the Board of Directors to issue ordinary shares or securities with immediate or deferred rights to ordinary shares, without pre-emptive subscription rights for existing shareholders, through an offer to a restricted group of investors or to qualified investors governed by Article L.411-2, 1° of the French Monetary and Financial Code, duration of the delegation, maximum aggregate nominal amount of the resulting share issue(s), issue price.	Unused	26 months
13 April 2023	Authorisation given to the Board of Directors to set the issue price, by the method decided by the shareholders at Annual General Meetings, for issues of ordinary shares or securities with rights to shares, without pre-emptive subscription rights for existing shareholders, through (i) a public offer other than an offer to a restricted group of investors or to qualified investors governed by Article L.411-2, 1° of the French Commercial Code, or (ii) an offer to a restricted group of investors or to qualified investors governed by Article L.411-2, 1° of the French Monetary and Financial Code.	Unused	26 months
13 April 2023	Authorisation given to the Board of Directors, for share issues with or without pre-emptive subscription rights for existing shareholders, to increase the number of shares issued.	Unused	26 months
13 April 2023	Delegation of competence to the Board of Directors to issue ordinary shares or securities with rights to ordinary shares in connection with a public exchange offer made by the Company, duration of the delegation.	Unused	26 months
13 April 2023	Delegation of powers to the Board of Directors to issue ordinary shares or securities with rights to ordinary shares in payment for contributed shares or securities with rights to shares of another company, other than in connection with a public exchange offer made by the Company, duration of the delegation, maximum aggregate amount of the capital increase(s), procedure for dealing with rights to fractions of shares.	Unused	26 months
13 April 2023	Delegation of competence to the Board of Directors to increase the Company's capital by capitalising reserves, profits or share premiums, duration of the delegation, maximum aggregate amount of the capital increase(s), issue price.	Used(1)	26 months
13 April 2023	Delegation of competence to the Board of Directors to issue shares to employees who are members of an Employee Share Ownership Plan, without pre-emptive subscription rights for existing shareholders, duration of the authorisation, purposes, terms and conditions, and ceiling.	Unused	26 months
13 April 2023	Authorisation to be given to the Board of Directors to grant stock options to employees and to the Chairman, the Chief Executive Officer and the Managing Director of the Company, waiver of shareholders' pre-emptive subscription rights for the shares issued on exercise of the options, duration of the authorisation, ceiling, exercise price, maximum life of the options.	Unused	38 months
16 April 2024	Authorisation given to the Board of Directors to award performance shares to eligible employees and corporate officers of SFL and/or its subsidiaries, without pre-emptive subscription rights for existing shareholders.	Used(2)	38 months

(1) On 28 March 2024, the Chief Executive Officer, acting on a delegation of authority granted by the Board of Directors on 19 November 2023, decided to issue 65,128 shares to fulfil the Company's total obligation to deliver shares in exchange for vested performance share rights awarded by the Board of Directors on 11 February 2021 under Plan 5. The share issue was necessary as no SFL shares were held in treasury to fulfil this obligation.
(2) On 21 November 2024, the Board of Directors decided to grant a maximum of 10,000 free shares (target number of shares) under Plan 9 to Dimitri Boulte. Details of this free share plan are provided in Appendix 14.2 of the Management Report (pages 118 and 119 of this Universal Registration Document).

10. Shareholder participation in General Meetings (extracts from Articles 23, 24 and 28 of the Articles of Association)

(Article L.22-10-10-5° of the French Commercial Code)

Article 23

General Meetings are called in accordance with the applicable laws and regulations.

They are held at the Company's registered office or at the venue selected by the Board of Directors, as specified in the notice of meeting.

The Board of Directors sends or makes available to shareholders the documents required to enable them to make informed decisions about which way to vote on proposed resolutions and an informed judgement about the management of the Company's business.

Following communication of the above information, shareholders may submit written questions to the Board of Directors to be answered during the General Meeting by the Board or, with the latter's authorisation, one of its members, the Chief Executive Officer or the Managing Director. If several questions are submitted on the same subject, the Board may issue a single statement in reply to all the questions.

A written question is considered as having been answered when the reply is posted on the FAQs page of the Company's website.

Article 24

I - General Meetings may be attended by all holders of fully paid up shares that have been recorded in the shareholder's account prior to the date of the Meeting as follows:

- Holders of bearer shares and holders of registered shares recorded in an account not kept by the Company may vote at General Meetings in person, by proxy or by post provided that their shares are recorded in an account kept by an accredited intermediary as of the record date.
- Holders of registered shares recorded in an account kept by the Company may vote at General Meetings in person, by proxy or by post provided that their shares are recorded as of the record date.

These formalities must be completed no later than midnight Paris time on the second business day preceding the date of the Meeting (the record date).

Shareholders, proxy holders and accredited intermediaries are entitled to attend General Meetings on presentation of proof of their identity and eligibility to attend. The Board of Directors may provide shareholders with personal admission cards for General Meetings and, if it thinks fit, require that they be shown prior to admittance.

II - Any shareholder may, on the basis stipulated in the applicable laws and regulations, vote by post, or give proxy to his or her spouse or civil partner or to another shareholder or to any other person or legal entity in order to be represented at General Meetings, by writing to the Company to request a postal voting/proxy form. Written requests for a postal voting/proxy form must be received at the Company's registered office at least six days before the Meeting.

If a shareholder gives proxy to a person other than his or her spouse or civil partner, the proxyholder must notify the shareholder of any situation that could give rise to a conflict of interest so that the shareholder can assess the risk of the proxyholder not voting in accordance with his or her wishes.

If any such situation arises, the proxyholder must notify the shareholder without delay and the shareholder will then be required to formally confirm the proxy. Failing that, the proxy will not be valid and the proxyholder must notify the Company.

Any individuals or entities other than a shareholder's spouse or civil partner that actively solicit proxies (for example, a minority shareholder or an organisation set up to defend shareholders' interests) by offering, directly or indirectly and by any method, to represent one or several shareholders, must disclose their voting policy. Said individuals or entities may also disclose their voting intentions with regard to the resolutions tabled at the Meeting. In this case, they will be required to vote in accordance with their stated intentions for all undirected proxies given to them.

If a proxyholder fails to comply with any of the above obligations, the represented shareholder may ask the commercial court in the jurisdiction where the Company has its registered office to ban the proxyholder from acting in this capacity at all General Meetings of the Company for a period of up to three years. The Company may file a similar application but only if the proxyholder has breached the rules governing the active solicitation of proxies.

The Company must receive the postal voting/proxy form at least three days before the Meeting date.

The procedure for returning these forms is specified by the Board of Directors in the notice of meeting.

Shareholders domiciled outside France may give proxy to an intermediary registered in accordance with the applicable legal conditions, provided the Company is informed of the proxy in writing at least five days before the date of the Meeting.

The Board of Directors may reduce or waive the time periods specified in this section II.

Article 28

Resolutions are adopted by the number of votes prescribed in the corresponding legislation in force on the date of the Meeting.

Shareholders are entitled to one vote per share.

The Company's shares (including any bonus shares that may be allocated in connection with a share issue paid up by capitalising reserves, profits or share premiums) do not qualify for double voting rights, as allowed under Article L.22-10-46 (final paragraph) of the French Commercial Code.

11. Items that could affect a public offer for the Company's shares

The following information about items that could affect a public offer for the Company's shares is presented in accordance with Article L.22-10-11 of the French Commercial Code:

1. Details about the Company's ownership structure are provided in section 9.1.2 (page 35) of the Management Report.
2. The Articles of Association do not impose any restrictions on the exercise of voting rights, except that in the event of failure to disclose any increase in a shareholder's interest to above one of the disclosure thresholds specified in the Articles of Association, the undisclosed shares may be stripped of voting rights at the request of one or several shareholders together holding at least 2% of the capital (Article 10 IV of the Articles of Association).

   The Articles of Association do not impose any restrictions on the transfer of shares.
3. The direct or indirect interests of which the Company is aware are presented in section 9.1.2 (page 35) of the Management Report.
4. The Company has not issued any securities comprising any special rights of control.
5. There is no employee share ownership scheme in which control rights are not exercised by employees.
6. To the best of the Company's knowledge, there are no shareholders' agreements in force between the shareholders (see section 11 of the Management Report) that could have the effect of restricting share transfers or the exercise of voting rights.
7. The rules governing the election and removal from office of members of the Board of Directors result from French law and the Company's Articles of Association. Changes to the Company's Articles of Association are governed by the applicable French laws and regulations.
8. The delegations of authority to the Board of Directors are described in section 9.6.3 (page 37 and 38) of the Management Report on the share buyback programme and in the financial authorisations table (page 165).
9. Contracts entered into by the Company that would be affected or terminated by a change of control are described in section 10 of the Management Report (page 40).
10. As of 31 December 2024, there were no agreements providing for the payment of compensation for loss of office to the directors or the Chief Executive Officer, or for the payment of termination benefits to employees, whatever the circumstances of their departure.

The Board of Directors

Appendix 14.5 – Report of the Board of Directors to the Extraordinary General Meeting, including the Report on the Merger

We invite shareholders to adopt the resolutions presented below, based on the quorum and majority voting rules applicable to extraordinary resolutions, with the exception of the eighth extraordinary resolution (authorisation for the Board of Directors to increase the capital by capitalising reserves, profits or share premiums) for which the quorum corresponds to one-fifth of the shares making up the issued capital and for which a simple majority vote by the shareholders present and represented is required.

Shareholders are asked to grant delegations of competence to the Board to issue shares and securities with rights to ordinary shares, with or without pre-emptive subscription rights for existing shareholders, in order to enable the Company to swiftly take advantage of market opportunities. In light of the wide variety of financial instruments currently available and the rapidly changing market conditions, it is important for the Board to have the greatest possible flexibility in choosing the best type of issue.

The delegations of competence will give the Board ample scope to act in all circumstances in the best interests of the Company, by deciding to issue ordinary shares and securities with rights to ordinary shares in France or abroad.

They are being sought for a period of 26 months from the date of this Meeting, and would replace the unused portion of earlier delegations to the same effect.

Specifically, shareholders are invited to grant delegations of competence or powers to the Board of Directors to issue ordinary shares and/or securities with rights to ordinary shares, with or without pre-emptive subscription rights for existing shareholders, in order to enable the Board to take up opportunities – especially by cancelling shareholders' pre-emptive rights – to carry out public offers and private placements in France, abroad and/or on international markets, based on the interests of the Company and shareholders. Depending on the type of securities, the issues could be denominated in euros or in foreign currency or in any monetary unit determined by reference to a basket of currencies.

In two other extraordinary resolutions, shareholders are invited to (i) authorise the Board of Directors to reduce the Company's capital by cancelling shares acquired under the share buyback programme, and (ii) grant a delegation of competence to the Board of Directors to issue shares to employees who are members of an Employee Share Ownership Plan.

1. Delegations of competence to issue ordinary shares and securities with immediate or deferred rights to ordinary shares

In the first, second and third extraordinary resolutions, shareholders are asked to grant the Board of Directors a 26-month delegation of competence to issue, with or without pre-emptive subscription rights for existing shareholders, ordinary shares or securities with immediate or deferred rights to ordinary shares, in accordance with Articles L.225-129 *et seq.* of the French Commercial Code, particularly Articles L.225-135, L.22-10-51 and L.22-10-52. The non-cumulative aggregate par value of ordinary shares issued under these three delegations of competence and those sought in the first to sixth extraordinary resolutions of this Meeting of 23 April 2025 would not exceed €100,000,000.

The Board considers it appropriate to exclude from these delegations of competence:
- Preference share issues.
- Issues of securities with immediate or deferred rights to preference shares.

Shareholders are therefore asked to specifically rule out preference share issues and issues of securities with immediate or deferred rights to preference shares.

1.1. Issues with pre-emptive subscription rights (first extraordinary resolution)

a) The first extraordinary resolution concerns a delegation of competence to issue ordinary shares and securities with immediate or deferred rights to ordinary shares, with pre-emptive subscription rights for existing shareholders.

A decision to delegate competence to the Board to issue securities with deferred rights to ordinary shares, whatever the form of said rights, would automatically entail or could entail, depending on the case, the waiver by shareholders of their pre-emptive right to subscribe for the ordinary shares issued on exercise of the rights attached to the securities (although shareholders would have a pre-emptive right to subscribe for the securities).

The aggregate amount by which the capital could be increased during the 26-month period covered by the delegation of competence would be capped at €100 million.

This ceiling does not take into account the effect on the amount of the capital increase of any adjustments that may be made to protect the rights of holders of securities with rights to ordinary shares.

The aggregate nominal value of dated or undated, subordinated or unsubordinated debt securities that may be issued under the first extraordinary resolution – including securities associated with the issue of debt securities or securities allowing the issue of intermediate debt securities – would not exceed €2 billion or the equivalent (on the date the issue is decided) in foreign currency or in a monetary unit determined by reference to a basket of currencies. This ceiling does not include any redemption premiums that may be payable on the securities.

This ceiling applies to the cumulative amount of all debt securities that may be issued under the second, third, fifth and sixth extraordinary resolutions tabled at this Meeting of 23 April 2025, but is independent and separate from the ceiling on the issue of debt securities that may be decided or authorised by the Board of Directors in application of Article L.228-40 of the French Commercial Code.

The life of debt securities with rights to ordinary shares would not exceed 50 years, although the delegation of competence could also be used to issue undated subordinated or unsubordinated notes. It could be used to issue fixed and/or floating rate or zero coupon debt securities. The securities could be redeemable in advance at par or at a premium, or repayable in instalments. In addition, they could be bought back on the market or through a cash or exchange offer made by the Company.

In accordance with Article L.228-97 of the French Commercial Code, the issue agreement could stipulate that the securities would be redeemable only after all of the Company's other creditors had been paid, including or excluding holders of participating securities; it could also stipulate a creditor ranking.

b) The issue price of securities with rights to ordinary shares would be set in such a way that the amount received immediately by the Company plus any amount to be received at a future date by the Company for each ordinary share issued as a result of the issue of these securities, is at least equal to the par value of the Company's shares.

c) The terms and conditions under which shareholders' pre-emptive subscription rights may be exercised pro rata to their existing shareholding would be set by the Board of Directors in accordance with the applicable laws. The Board of Directors could also give shareholders a pre-emptive right to subscribe for ordinary shares or securities with rights to ordinary shares not taken up by other shareholders. If the entire issue was not taken up by shareholders exercising their pre-emptive subscription rights as provided for above, the Board of Directors could take any or all of the following courses of action provided for in Article L.225-134 of the French Commercial Code, in the order of its choice: (i) limit the amount of the issue to the subscriptions received, provided that at least three-quarters of the planned issue was taken up; or (ii) freely allocate all or some of the unsubscribed shares or securities; or (iii) offer all or some of the unsubscribed shares or securities for subscription by the public, through a public placement in France and/or, if appropriate, abroad and/or on the international market.

d) On this basis, the Board of Directors would have the broadest powers to carry out the above issues, on one or several occasions and on all markets, in the best interests of the Company and its shareholders, to place the issue(s) on record and to amend the Articles of Association to reflect the new capital, to charge the issue costs against the premiums on the issued shares and deduct any amounts from said premiums to raise the legal reserve to one-tenth of the new capital, and to carry out any and all filing and other formalities and obtain any and all authorisations that could be necessary to carry out and complete the issues.

The Board of Directors would decide the characteristics, terms and conditions of each issue, set the subscription price of the shares or other securities, which may or may not include a premium, the future or retroactive date from which the shares or securities have coupon rights and, in the case of securities with rights to ordinary shares, the terms on which the rights are exercisable for ordinary shares.

In accordance with the law, the Board of Directors could delegate the powers granted by shareholders under the first extraordinary resolution to the Chief Executive Officer or – with the Chief Executive Officer's agreement – to the Managing Director(s), subject to limits to be set by the Board.

1.2. Issues without pre-emptive subscription rights in connection with a public offer other than an offer to a restricted group of investors or to qualified investors governed by Article L.411-2, 1° of the French Monetary and Financial Code (second extraordinary resolution)

a) In the interests of the Company and shareholders, the Board of Directors could in certain circumstances want to take up opportunities offered by the financial markets, by carrying out issues without existing shareholders having pre-emptive subscription rights. For this reason, the Board of Directors is asking shareholders in the second extraordinary resolution for a 26-month delegation of competence to issue ordinary shares and securities with rights to shares without pre-emptive subscription rights for existing shareholders.

The aggregate nominal amount of ordinary shares issued under this delegation, either directly or at a future date on exercise of the rights attached to securities with deferred rights to ordinary shares, would not exceed €100,000,000. This ceiling would not, however, include the nominal amount of any ordinary shares to be issued to protect the rights of holders of securities with rights to ordinary shares pursuant to the law or the applicable contractual terms.

This delegation would be used to issue ordinary shares or securities with rights to ordinary shares through a public offer, other than an offer to a restricted group of investors or to qualified investors governed by Article L.411-2, 1° of the French Monetary and Financial Code.

Any such public offers (other than offers governed by Article L.411-2, 1° of the French Monetary and Financial Code) decided pursuant to the second extraordinary resolution could be linked - in a single issue or several simultaneous issues - to offers to a restricted group of investors or to qualified investors governed by Article L.411-2, 1° of the French Monetary and Financial Code that may be decided pursuant to the third extraordinary resolution of this Meeting of 23 April 2025.

The aggregate nominal amount of debt securities issued pursuant to the second extraordinary resolution would not exceed €2,000,000,000, or the equivalent in foreign currency or monetary units at the date the issue is decided. This ceiling (i) would not include any redemption premiums that may be payable on the securities, (ii) would apply to all debt securities that may be issued under this resolution and the first, third, fifth and sixth extraordinary resolutions of this Meeting of 23 April 2025, (iii) is independent and separate from the ceiling on issues of debt securities that may be decided or authorised by the Board of Directors in application of Article L.228-40 of the French Commercial Code.

b) If you grant the Board of Directors this delegation of competence entailing the waiver of shareholders' pre-emptive rights, the issue price of ordinary shares issued under the resolution would be freely determined by the Board of Directors.

For any securities with rights to ordinary shares issued under the resolution, the issue price would also be freely determined by the Board of Directors.

The Board of Directors would set the issue price of the securities and, in the case of debt securities, the interest terms, in the best interests of the Company and shareholders, taking into account all relevant factors. These would include the type of securities issued, stock market trends and the market for SFL shares, any priority subscription right granted to existing shareholders, market interest rates (in the case of an issue of debt securities), the number of ordinary shares represented by the rights and, generally, all the characteristics of the issued securities.

c) On these bases, the Board would have the broadest powers to issue ordinary shares and securities with rights to ordinary shares, on one or several occasions without pre-emptive subscription rights, and to set the terms and conditions of each issue, place the share issues on record and amend the Articles of Association to reflect the new capital.

The securities would be placed in accordance with market practices on the issue date. The Board is nevertheless asking shareholders for an authorisation to grant shareholders a non-transferable priority subscription right - if circumstances permit - possibly including a priority right to subscribe for securities not taken up by other shareholders. The conditions of exercise of this right would be determined by the Board in accordance with the law.

If the issue were not taken up in full, including by shareholders, the Board of Directors could (i) limit the amount of the issue to the subscriptions received, provided that the legal conditions were fulfilled, or (ii) freely allocate all or some of the unsubscribed shares or securities with rights to shares.

d) In accordance with the law, the Board of Directors could delegate the powers granted by shareholders under the second extraordinary resolution to the Chief Executive Officer or - with the Chief Executive Officer's agreement - to the Managing Director(s), subject to limits to be set by the Board.

1.3. Issues without pre-emptive subscription rights in connection with an offer to a restricted group of investors or to qualified investors governed by Article L.411-2, 1° of the French Monetary and Financial Code (third extraordinary resolution)

a) In the interests of the Company and shareholders, the Board of Directors could in certain circumstances want to take up opportunities offered by the financial markets, by carrying out issues without existing shareholders having pre-emptive subscription rights.

For this reason, the Board of Directors is asking shareholders in the third extraordinary resolution for a 26-month delegation of competence to issue ordinary shares and securities with rights to shares without pre-emptive subscription rights for existing shareholders.

The aggregate nominal amount of ordinary shares issued under this delegation, either directly or at a future date on exercise of the rights attached to securities with deferred rights to ordinary shares, would not exceed €100,000,000. This ceiling would not, however, include the nominal amount of any ordinary shares to be issued to protect the rights of holders of securities with rights to ordinary shares pursuant to the law or the applicable contractual terms.

The ordinary shares or securities with immediate and/or deferred rights to ordinary shares would be issued through an offer to a restricted group of investors or to qualified investors governed by Article L.411-2, 1° of the French Monetary and Financial Code and would be limited to the equivalent of 30% of the issued capital per 12-month period, as calculated from the date of each successive issue. The Board of Directors would check that the 30% limit had not been reached during the 12 months preceding a planned issue, taking into account changes in the Company's issued capital affecting the denominator.

Any such offers governed by Article L.411-2, 1° of the French Monetary and Financial Code that may be decided pursuant to the third extraordinary resolution could be linked - in a single issue or several simultaneous issues - to any public offers decided pursuant to the second extraordinary resolution of this Meeting of 23 April 2025.

The aggregate nominal amount of debt securities issued pursuant to the third extraordinary resolution would not exceed €2,000,000,000, or the equivalent in foreign currency or monetary units at the date the issue is decided. This ceiling (i) would not include any redemption premiums that may be payable on the securities, (ii) would apply to all debt securities that may be issued under this resolution and the first, second, fifth and sixth extraordinary resolutions of this Meeting of 23 April 2025, (iii) is independent and separate from the ceiling on issues of debt securities that may be decided or authorised by the Board of Directors in application of Article L.228-40 of the French Commercial Code.

b) In the case of ordinary shares, the issue price would be freely determined by the Board of Directors.

For any securities with rights to ordinary shares issued under the resolution, the issue price would also be freely determined by the Board of Directors.

The Board of Directors would set the issue price of the securities and, in the case of debt securities, the interest terms, in the best interests of the Company and shareholders, taking into account all relevant factors. These would include the type of securities issued, stock market trends and the market for SFL shares, any priority subscription right granted to existing shareholders, market interest rates (in the case of an issue of debt securities), the number of ordinary shares represented by the rights and, generally, all the characteristics of the issued securities.

c) On these bases, the Board would have the broadest powers to issue ordinary shares and securities with rights to ordinary shares, on one or several occasions without pre-emptive subscription rights, and to set the terms and conditions of each issue, place the share issues on record and amend the Articles of Association to reflect the new capital.

The securities would be placed in accordance with market practices on the issue date.

If the issue were not taken up in full by investors and shareholders, the Board of Directors could (i) limit the amount of the issue to the subscriptions received, provided that the legal conditions were fulfilled, (ii) place the shares or securities with rights to shares on the market in France and/or abroad and/or on the international market, or (iii) freely allocate all or some of the unsubscribed shares or securities with rights to shares.

d) Shareholders should note that under this delegation, the Board would be authorised to take all other necessary measures in connection with or as a result of the issues.

e) In accordance with the law, the Board of Directors could delegate the powers granted by shareholders under the third extraordinary resolution to the Chief Executive Officer or - with the Chief Executive Officer's agreement - to the Managing Director(s), subject to limits to be set by the Board.

1.4. Share issue with or without pre-emptive subscription rights: authorisation to be given to the Board to increase the number of shares offered (fourth extraordinary resolution)

In accordance with the rules introduced in Article L.225-135-1 of the French Commercial Code, in the fourth extraordinary resolution, the Board of Directors is seeking an authorisation to decide, for all issues carried out pursuant to the first extraordinary resolution (delegation of competence to issue shares and securities with rights to shares with pre-emptive subscription rights) and the second and third extraordinary resolutions (delegations of competence to issue shares and securities with rights to shares without pre-emptive subscription rights through a public offer) tabled at this Meeting of 23 April 2025, to increase the number of securities offered for subscription, on the basis allowed under Article L.225-135-1, provided that the ceiling specified in the related resolution is not exceeded.

This authorisation would enable the Board to offer additional shares on the same terms as for the original offer, by permitting the exercise of a greenshoe option in the event that an offer is over-subscribed.

In accordance with Article R.225-118 of the French Commercial Code, the Board of Directors would be authorised to decide, within 30 days of the close of the original subscription period for each issue decided pursuant to the first, second and third extraordinary resolutions tabled at this Meeting of 23 April 2025, to increase the number of shares offered by up to 15% compared to the original offer, provided that this does not result in the ceiling set in the relevant resolution being exceeded.

The Board would be authorised to delegate its powers to the Chief Executive Officer or - with the Chief Executive Officer's agreement - to the Managing Director(s), subject to the limits to be set by the Board.

1.5. Issue of securities in connection with a public exchange offer made by the Company (fifth extraordinary resolution)

A delegation of competence is being sought in accordance with Articles L.225-129-2, L.22-10-54 and L.228-92 of the French Commercial Code to allow the Board to use the authorisation given in the second extraordinary resolution to issue ordinary shares and securities with immediate or deferred rights to ordinary shares in payment for shares tendered to a public exchange offer by SFL for the shares of another company traded on a regulated market in a country that is a member of the European Economic Area or of the OECD.

The procedure allows shares to be exchanged without SFL being required to implement the procedures applicable to contributions of shares or other securities.

The rules described in the above section on the second extraordinary resolution would also apply to issues carried out under the fifth extraordinary resolution, except those concerning the issue price of ordinary shares or securities with rights to ordinary shares, and the priority subscription right for existing shareholders.

Existing shareholders would not have a pre-emptive right to subscribe for the new shares and shareholders are therefore asked to waive this right, on the same basis as under the second extraordinary resolution.

For each issue, the Board would be authorised to decide the type and characteristics of the ordinary shares or securities with rights to ordinary shares, the exchange ratio and the amount of any cash payment that would be due if application of the exchange ratio resulted in rights to fractions of shares. The amount of the capital increase would depend on the number of shares of the target tendered to the offer, taking into account the number of ordinary shares and securities with rights to ordinary shares issued and the exchange ratio.

The aggregate par value of ordinary shares issued under this delegation, which is the subject of a special resolution, would be capped at €100 million. This amount represents the ceiling for cumulative share issues carried out under the first, second, third and sixth extraordinary resolutions tabled at this Meeting of 23 April 2025. It does not take into account the effect on the amount of the capital increase of any adjustments that may be made to protect the rights of holders of securities with rights to ordinary shares.

The delegation is being sought for a period of 26 months from the date of this Meeting.

1.6. Issues in payment for contributed shares or securities with rights to shares or securities (sixth extraordinary resolution)

In accordance with the rules introduced in Articles L.225-147 and L.22-10-53 of the French Commercial Code, the sixth extraordinary resolution concerns a 26-month delegation of powers sought by the Board of Directors to issue ordinary shares and securities with rights to ordinary shares in payment for shares or securities with rights to shares contributed to the Company under transactions that are not governed by Article L.22-10-54 of the French Commercial Code. Issues under this authorisation would be capped at 20% of the Company's capital at the issue date, taking into account any adjustments made after this Meeting of 23 April 2025.

Shareholders would be required to waive their pre-emptive right to subscribe for the new shares or securities, in favour of the holders of the contributed shares or securities.

In addition, if the delegation of powers was used to issue securities with rights to ordinary shares, shareholders would automatically be considered as having waived their pre-emptive right to subscribe for the shares issued on exercise of said rights.

Issues under this delegation would be deducted from the amount available under the blanket ceiling set in the seventh extraordinary resolution for issues carried out under the first to sixth extraordinary resolutions.

If the sixth extraordinary resolution is used, the Board would be authorised to approve the value attributed to the contributed shares or securities and to the benefits granted, based on the valuation report issued by the expert appraiser of capital contributions, in the same way as if the transaction had been presented to shareholders for approval (paragraphs 1 and 2 of Article L.225-147 of the French Commercial Code), and to place on record the capital increases carried out under the resolution. The Board could also reduce the value attributed to the contributed shares or securities or the remuneration of any benefits granted, with the agreement of the parties making the contribution.

The Board would be given the necessary powers to act on this authorisation and to amend the Articles of Association to reflect the resulting capital increase(s).

The Board would be authorised to delegate its powers to the Chief Executive Officer or - with the Chief Executive Officer's agreement - to the Managing Director(s), subject to the limits to be set by the Board.

1.7. Blanket ceiling on the authorisations (seventh extraordinary resolution)

Shareholders are asked to set at €100,000,000 the aggregate par value of ordinary shares issued directly and/or at a future date on exercise of the rights attached to securities with deferred rights to ordinary shares under the authorisations sought in the first to sixth extraordinary resolutions tabled at this Meeting of 23 April 2025. The par value of any ordinary shares to be issued to protect the rights of holders of securities with rights to ordinary shares pursuant to the law or the applicable contractual terms would be in addition to this ceiling.

1.8. Capital increase to be paid up by capitalising reserves, profits or share premiums (eighth extraordinary resolution)

The eighth extraordinary resolution concerns a delegation of competence sought by the Board of Directors to increase the capital by capitalising reserves, profits or share premiums. This type of transaction, which does not necessarily lead to the issue of new ordinary shares, is governed by specific legal provisions contained in Article L.225-130 of the French Commercial Code. The delegation of competence is subject to the quorum and majority voting rules applicable to Ordinary General Meetings, which is why a separate resolution is being tabled.

The 26-month delegation of competence would enable the Board of Directors to decide to increase the capital by up to €25 million through one or several transactions. This ceiling does not include the par value of any ordinary shares to be issued to protect the rights of holders of securities with rights to ordinary shares. In addition, it is independent and separate from the ceilings set in the first to sixth extraordinary resolutions.

The Board of Directors would have full powers to decide the items and amounts to be capitalised, as well as the method to be used to carry out the capital increase (increase in the par value of shares and/or bonus share issue), to place on record each capital increase and amend the Articles of Association to reflect the new capital, and to make any and all adjustments required by law.

If the capital increase was carried out by issuing bonus shares, with future or retroactive dividend rights, the Board could decide that rights to fractions of shares would be non-transferable, and that the corresponding shares would be sold, in which case the sale proceeds would be allocated among holders of rights to fractions of shares within the period stipulated in the applicable regulations.

The Board would be authorised to delegate its powers to the Chief Executive Officer or - with the Chief Executive Officer's agreement - to the Managing Director(s), subject to the limits to be set by the Board.

2. Specific authorisations

2.1. Authorisation to cancel SFL shares acquired under a share buyback programme (ninth extraordinary resolution)

In relation to the fifteenth ordinary resolution of this Meeting (share buyback programme) and in accordance with Article L.22-10-62 of the French Commercial Code, shareholders are asked to give the Board of Directors an 18-month authorisation to cancel all or some of the SFL shares bought back under the share buyback programme authorised in the fifteenth ordinary resolution or any other share buyback programme and therefore reduce the share capital.

According to the applicable legislation, the Company could only cancel shares representing up to 10% of its issued capital in any 24-month period.

2.2. Share issues to employees who are members of an SFL Employee Share Ownership plan (tenth extraordinary resolution)

Article L.225-129-6 of the French Commercial Code stipulates that when companies seek shareholder authorisation to issue shares for cash, they must also table a resolution authorising an employee share issue governed by Articles L.3332-18 *et seq.* of the French Labour Code.

The Board of Directors is therefore seeking a delegation of competence to issue ordinary shares or securities with rights to ordinary shares to employees and retired employees who are members of an Employee Share Ownership Plan set up by the SFL Group, or to make grants of ordinary shares or securities with rights to ordinary shares, to be paid up by capitalising reserves, profits, share premiums or other items. These issues would be governed by the employee share ownership provisions of the French Commercial Code (Articles L.22-10-49, L.225-129-6, L.225-138 I and II and L.225-138-1) and the French Labour Code (Articles L.3332-18 *et seq.*).

This delegation of competence is being sought for a period of 26 months. The aggregate nominal amount of ordinary shares that could be issued under the authorisation, either directly or at a future date on exercise of rights attached to securities with deferred rights to ordinary shares would be capped at €500,000. This ceiling (i) does not include the nominal amount of any ordinary shares to be issued to protect the rights of holders of securities with rights to ordinary shares, and (ii) is independent and separate from all other ceilings on issues of ordinary shares.

The shares would be offered at a discount of 30% or, if the lock-up period provided for in the plan in accordance with Article L.3332-25 of the French Labour Code was ten years or more, 40% of the average of the opening prices quoted for SFL shares on Euronext Paris over the 20 trading days immediately preceding the date on which the opening date of the subscription period was decided. However, shareholders could decide to authorise the Board to reduce the discount in the case of an offer to members of a Group Employee Share Ownership Plan of shares or securities on the international market and/or outside France, to comply with any local laws.

The Board would also be authorised to replace all or part of the discount with a free grant of ordinary shares or securities with rights to ordinary shares. The terms of any such grant of ordinary shares or securities with rights to ordinary shares would have to comply with Article L.3332-26 of the French Labour Code.

If shareholders adopt this resolution, they would be required to waive their pre-emptive subscription rights to the ordinary shares or securities with rights to ordinary shares in favour of the employees and retired employees who are members of the Employee Share Ownership Plan. They would also be considered as having automatically waived their pre-emptive right to subscribe for shares issued to these employees and retired employees on exercise of the rights attached to securities with rights to ordinary shares.

The Board would be authorised to delegate its powers to the Chief Executive Officer or - with the Chief Executive Officer's agreement - to the Managing Director(s), subject to the limits to be set by the Board.

Expiry of delegations of competence and authorisations given at the Extraordinary General Meeting of 13 April 2023

If the extraordinary resolutions tabled at this Meeting are adopted by shareholders, the unused portions of the authorisations and delegations of competence to the same effect given to the Board of Directors by the Extraordinary General Meeting of 13 April 2023 will be automatically cancelled.

3. Report of the Board of Directors on the Merger
(eleventh extraordinary resolution)

SOCIÉTÉ FONCIÈRE LYONNAISE
French *société anonyme* with share capital of €85,901,600.
Registered office: 42 rue Washington - 75008 Paris (France)
Paris Trade and Companies Registry: 552 040 982
("the Company" or **"SFL")**

To the shareholders,

In your capacity as shareholders of the Company, you have been invited to attend an Ordinary and Extraordinary General Meeting to be held on 23 April 2025 at 11 a.m. (**"the General Meeting"**). One of the purposes of this meeting is to consult you on the proposed cross-border merger of the Company with the Spanish company Inmobiliaria Colonial (**"Colonial"**) (**"the Merger"**), as required by Article L 236-9 of the French Commercial Code.

The related agenda item is as follows:
- Review and approval of a proposed cross-border merger agreement and approval of the merger of the Company into Inmobiliaria Colonial, a Spanish company, in accordance with the terms of the merger agreement (as defined below), subject to the fulfilment or waiver of certain conditions precedent, and delegation of powers to the Board of Directors to implement said cross-border merger.

The text of the resolution relating to the Merger that is being tabled at the General Meeting is attached to this report as **Appendix 1** (see pages 183 and 184).

The draft merger agreement set out in a private deed dated 4 March 2025 (including its appendices, the **"Merger Agreement")** between the Company and Colonial, and the report of the merger auditor appointed to (i) verify that the relative values attributed to the shares of the companies participating in the Transaction are appropriate and that the Exchange Ratio (as this term is defined below) proposed in the context of the Merger is fair and (ii) examine the method(s) used, in accordance with Article R.236-26 of the French Commercial Code, to determine the amount of the Exit Price (as this term is defined below) to be proposed as provided for in Article L.236-40 of the French Commercial Code, will be filed with the clerk of the Paris Commercial Court and made available to the shareholders of the Company and Colonial on the basis provided by law.

1. Presentation of the companies involved in the proposed transaction

1.1. Presentation of SFL, the absorbed company

SFL is a listed French property company whose shares are admitted to trading in Compartment A of Euronext Paris, which has elected to be taxed as an SIIC (listed property investment company). SFL specialises in investing in prime office property located for the most part in Paris's central business district.

At 31 December 2024, the portfolio comprised 17 assets (81% offices, 18% retail units and a hotel and 1% residential units by value), whose physical occupancy rate stood at 99.7%.

1.2. Presentation of Colonial, the absorbing company

Colonial is a limited company governed by the laws of Spain which has its registered office at Paseo de la Castellana 52, 28046 Madrid (Spain) and is registered in the Madrid Mercantile Register in sheet M-30.822 volume 36.660, page 87.

Its shares are admitted to trading on the Barcelona and Madrid regulated markets and it has elected to be taxed as a SOCIMI (listed property investment company).

Colonial is one of Europe's leading property companies. It specialises in acquiring, developing and managing prime commercial property (mainly offices and retail units).

Based in Spain and with a significant presence in Paris and Madrid, Colonial is regarded as a European benchmark, particularly in the prime commercial property segment.

The office market accounts for 97% of Colonial's total business.

Colonial's gross asset value (GAV) was approximately €11.4 billion at 30 June 2024, rising to €11.6 billion at 31 December 2024.

Colonial's main shareholders are Criteria (17.3% of capital and voting rights), Qatar Investment Authority (16.4% of capital and voting rights), Finaccess (13.1% of capital and voting rights) and Puig (6.8% of capital and voting rights).

1.3. Ties between the absorbed company and the absorbing company

Colonial first became a shareholder of SFL in 2004, when it acquired a 55.6% controlling interest in the Company.

After steadily building its stake, including through a combined cash and paper offer launched in 2021, Colonial now holds over 98% of SFL's capital and voting rights.

In connection with the combined cash and paper offer, Colonial signed liquidity agreements with the holders of performance shares that could not be tendered to the offer (because they had not yet vested or because the lock-up period had not expired). In these agreements, Colonial gave an undertaking to offer to purchase the shares concerned once the restrictions on their sale had been lifted, on the same terms as the cash and paper offer (the **"Liquidity Agreements")**.

2. Presentation of the planned transaction and benefits of the Merger

2.1. Presentation of the merger transaction

The merger transaction (the **"Transaction"),** the terms of which are set out in the Merger Agreement, would be qualified as a cross-border merger of the Company into Colonial pursuant to which:

(i) the Company would be automatically dissolved and Colonial would receive all the Company's assets and liabilities, in their condition on the Merger completion date, by way of a *transmission universelle de patrimoine* (universal transfer of assets and liabilities); and

(ii) the Company's shareholders would receive new ordinary shares issued by Colonial as a result of the Merger, which would be admitted to trading on the regulated markets of Barcelona and Madrid on the same line as the previously issued ordinary shares making up the share capital of Colonial (ISIN: ES0139140174).

2.2. Benefits of the Merger

2.2.1. The main objective of the Merger is to create a pan-European group that is the market leader in the prime commercial property segment, with deeply-held values and a strong commitment to applying ESG criteria. The Merger would simplify and optimise the Colonial group's structure, and improve the efficiency and profitability of its projects and investments. It would also provide a response to the current challenges in the real estate sector and give the expanded organisation greater flexibility to pursue its future development by strengthening its competitive position and creating a solid, more attractive platform for when the real estate market starts to recover.

2.2.2. Colonial and SFL are developing highly specialised business in the same sector (prime real estate), creating scope to achieve cost efficiencies in certain business processes. For Colonial, the Merger will create an opportunity to consolidate its leadership of the prime commercial real estate market in Spain and France and increase its weight and its shares' liquidity in the capital markets. This will translate into improved access to resources and financing to drive the ongoing transformation of its assets and support cross-business strategies aimed at improving building renovations and redevelopments and accelerating the Group's growth on a pan-European scale.

2.2.3. The creation of a single unified group will streamline its structure, while having just one listed company will reduce the regulatory burden and the related costs. For SFL, the Merger will be placed under the sign of business continuity. The SFL and Colonial brands will continue to be used in their respective national markets in order to capitalise on their established reputations, and their teams' employment and working conditions will be maintained in continued recognition of each market's specific cultural and local characteristics.

2.2.4. The choice of a merger enables Colonial to continue to benefit from the SOCIMI tax regime in Spain, which would not have been the case if SFL had simply been delisted.

- Without a merger, Colonial would have wound up owning SFL, an unlisted company that in turn held shares in other companies (indirect subsidiaries of Colonial).
- This would not fulfil a fundamental condition of the SOCIMI tax regime, which requires 80% of the SOCIMI's assets to meet the Asset Test, corresponding for the most part to investments in subsidiaries that fulfil certain criteria **("Qualified Subsidiaries").** As an unlisted company that itself holds shares in other companies, SFL would not be considered as a Qualified Subsidiary for the application of the Asset Test.
- The regime also requires 80% of the SOCIMI's revenue to be derived from property rentals (as defined in Spanish legislation on SOCIMIs) or from dividends paid by Qualifying Subsidiaries (Revenue Test).
- SFL would not be considered as a Qualifying Subsidiary for the application of the Revenue Test.
- In other words, delisting SFL could have prevented Colonial from complying with the Asset Test and Revenue Test requirements under Spanish tax law and thus from maintaining its status as a SOCIMI.

2.2.5. Another factor concerns Colonial's election to be taxed as an SIIC in France, which means that SFL's assets and subsidiaries will continue to qualify for taxation under SIIC rules after the merger. In this regard, the fact that Colonial's SOCIMI status would be maintained made it easier to ensure that SIIC status would also be maintained and it was also an important consideration underpinning the French tax authorities' confirmation of the French tax treatment of the merger.

2.2.6. Lastly, with a merger, capital gains realised on the absorbed company's shares generally qualify for rollover relief, which would not be the case for shares tendered to a public buy-out offer.

3. Approval of the Merger by employees - Employee representative bodies - Committee of Independent Directors - Merger auditor

3.1. Approval of the Merger by employees

At its meeting on 4 March 2025, SFL's Board of Directors approved the terms of the Merger Agreement, authorised its signature and gave full powers to the Company's Chief Executive Officer, Aude Grant, to sign the Merger Agreement and all other agreements or documents relating thereto in the name and on behalf of the Company.

Authorisation of the Merger by the General Meeting of SFL shareholders would not be conditional upon a separate authorisation being obtained from any other corporate body of SFL as the Absorbed Company.

Colonial's Board of Directors approved the Merger Agreement on 3 March 2025. Colonial's Articles of Association and the applicable provisions of Spanish law do not include any stipulation that the resolution authorising the Merger adopted by the General Meeting of Colonial shareholders is subject to a separate authorisation being obtained from any other corporate body of Colonial.

3.2. Employee representative bodies

The Company's Social and Economic Committee was informed of and consulted about the proposed Merger and issued a favourable opinion on the plan at its meeting on 31 January 2025 (see **Appendix 2**, page 185).

Colonial's employees were not required to be consulted about the Merger.

3.3. Committee of Independent Directors

3.3.1. In line with best corporate governance practices, the Committee of Independent Directors (**"the Committee"**), comprising Arielle Malard de Rothschild and Alexandra Rocca, both independent directors, has been given the following tasks by SFL's Board of Directors: *"Participate in analysing the terms and conditions of the proposed merger to ensure the fairness of the merger exchange ratio and exit price proposed by Colonial; act as Colonial's contact for the determination of the merger exchange ratio and exit price; participate in monitoring the work of the merger auditor(s); make a recommendation to SFL's Board of Directors prior to signing the merger agreement; and, generally, make any and all recommendations to the Board of Directors that will help it make an informed decision about the planned merger."*

3.3.2. Rothschild & Cie (**"Rothschild & Co"**) has been appointed as financial advisor to the Committee and will assist it in its review of the financial terms of the transaction. On 18 February, Rothschild & Co issued a fairness opinion on the Exchange Ratio and on the Exit Price to be offered to any minority shareholders who vote against the Merger at the Extraordinary General Meeting called to approve the project.

3.3.3. Based on the work performed by the various persons involved and on Rothschild & Co's fairness opinion, on 18 February 2025 the Committee confirmed that the Exchange Ratio and the Exit Price are fair to SFL shareholders.

3.4. Merger auditor

3.4.1. Agnès Piniot, a partner at Ledouble, was appointed as merger auditor by order of the Presiding Magistrate of the Paris Commercial Court on 12 November 2024, in accordance with applicable Spanish regulations and Articles L.236-10 and L.236-37 of the French Commercial Code.

3.4.2. The merger auditor has prepared a report on the terms and conditions of the Merger, including the appropriateness of the values used, and also on the fairness of the Exchange Ratio and the Exit Price proposed by SFL and Colonial.

3.4.3. This report will be filed with the clerk of the Paris Commercial Court and has been made available to the shareholders of SFL and Colonial.

4. Main terms of the Merger

4.1. Legal regime

The Merger would be qualified as a cross-border merger under both French and Spanish law. As such, it would be governed by Articles L.236-31 to L.236-45 and R.236-20 to R.236-34 of the French Commercial Code and with Articles 6, 41 and 103 of Spanish Royal Decree-Law 512023 of 28 June 2023.

It would be carried out by reconciling these provisions of French and Spanish law.

The Merger would be eligible for taxation under the French and Spanish simplified merger regimes (Article L.236-11 of the French Commercial Code and Article 54 of the Spanish Royal Decree-Law 512023 of 28 June 2023), as Colonial will hold more than 90% of SFL's capital between the date when the Merger Agreement is filed with the Commercial Court and the Merger completion date.

Although Spanish law allows Colonial's Board of Directors to approve the Merger without seeking prior shareholder approval to the extent that it holds more than 90% of SFL's share capital, it will nevertheless be submitted for approval at Colonial's upcoming Annual General Meeting.

The purpose of this formality is to harmonise the approval procedures in France and Spain.

4.2. Exchange ratio and Right to Withdraw

The merger exchange ratio specified in the Merger Agreement has been set at 13 Colonial ordinary shares for 1 SFL ordinary share (the **"Exchange Ratio")**.

The merger auditor's report confirmed the fairness of this Exchange Ratio.

Provided they have not exercised their Right to Withdraw (as this term is defined below), if a shareholder considers that the Exchange Ratio is inadequate, they may contest it and call for the Company to pay a top-up amount in cash, without this being an obstacle to the Merger taking place in accordance with Article L.236-41 of the French Commercial Code.

Any such complaint must be brought before the court in whose jurisdiction the Company's registered office is located, within ten days of the later of the following two dates:
(i) expiry of the period during which the Buyback Offer (as defined below) is valid, for shareholders who have not exercised their Right to Withdraw, or
(ii) the date of the Extraordinary General Meeting of SFL shareholders at which the Merger was approved, for those shareholders who did not have a Right to Withdraw.

4.3. Buyback offer and Right to Withdraw

4.3.1. Principles

In accordance with Article L.236-40 of the French Commercial Code, SFL shareholders who vote against the Merger will be entitled to require SFL to buy back their shares (the **"Right to Withdraw").**

The Right to Withdraw will apply to all the shares held by the shareholder on the date of the buyback request.

It will have to be exercised within ten days of the General Meeting of SFL shareholders at which the Merger was approved.

The buyback request must be submitted by email sent to the following address: juridique@fonciere-lyonnaise.com or by registered letter with acknowledgement of receipt sent to the Company's registered office. To facilitate the processing of their requests, shareholders wishing to exercise their Right to Withdraw should use the standard form presented in **Appendix 3** (see page 186).

Within ten days of receiving the request, the Company will be required to send to the shareholder concerned an offer to buy back all the shares held on the date of the request (the **"Buyback Offer"**). This offer will be sent by email or by registered letter with acknowledgement of receipt to the address provided by the shareholder.

The Buyback Offer will include the price offered per share (the **"Exit Price"**) and the proposed payment method, as well as the period during which the Buyback Offer will remain valid, which may not be less than ten days from the date of receipt of the offer.

Subject to fulfilment of the Conditions Precedent, the Exit Price must be paid by the Company no later than two months after the Merger Completion Date. In this regard, the Merger will not be completed until (i) the clerk of the Paris Commercial Court has issued a certificate of compliance and (ii) the Madrid Mercantile Registry has completed a legality check without any objections being raised. In accordance with Article R.236-30 of the French Commercial Code, the compliance checks must be completed within three months of receipt of the copy of the minutes of the SFL and Colonial General Meetings. If the clerk of the Commercial Court considers it necessary to make further enquiries or obtain additional information in order to complete the checks, the three-month period may be extended for a further period of up to three months. If, due to the complexity of the operation, the checks cannot be completed within this period, the clerk may extend it again for successive one-month periods.

The Exit Price must be determined using a multi-criteria approach in accordance with Article R.236-26 of the French Commercial Code and Article L.433-4 II of the French Monetary and Financial Code. The process for its determination must be supervised by the merger auditor in accordance with Article L.236-37 of the Commercial Code, which stipulates that the merger auditor must consider *"the market price of the shares in the participating company or companies prior to the announcement of the proposed merger or the value of the company or companies as determined using generally accepted valuation methods without taking into account the effect of the proposed merger"*.

Any dispute concerning the Exit Price specified in the Buyback Offer must be brought before the court in whose jurisdiction the Company's registered office is located within the above period during which the Offer is valid, which may not be less than 10 days.

4.4. Methods used to determine the Exchange Ratio

The Exchange Ratio has been determined using a multi-criteria approach based on:
(i) EPRA Net Asset Value (NAV): EPRA Net Tangible Assets (NTA) and EPRA Net Disposal Value (NDV)
(ii) Value of Colonial in previous transactions
(iii) Target share prices
(iv) Application to Colonial and SFL of the discount to NTA applied in comparable transactions involving listed companies
(v) Reference to previous Colonial/SFL transactions
(vi) Previous transactions in the real estate sector.

These methods and their application are described in more detail in Appendix 6 to the Merger Agreement (see **Appendix 4** to this report, pages 188 *et seq.*).

4.5. Methods used to determine the Exit Price

The Exit Price has been determined using a multi-criteria approach in accordance with Article R.236-26 of the French Commercial Code and Article L.433-4 of the French Monetary and Financial Code, based on:
(i) The employee liquidity agreements
(ii) The SFL share price
(iii) Reference to SFL's EPRA Net Tangible Assets (NTA).

These methods and their application are described in more detail in Appendix 6 of the Merger Agreement (see **Appendix 4** of this report, pages 192 *et seq.*).

4.6. Merger Completion Date and effective date for accounting and tax purposes

Subject to the fulfilment (or waiver) of the Conditions Precedent (as defined below), the Merger would become effective from a legal standpoint on the date of registration of the public Deed of Merger with the Madrid Mercantile Registry (the **"Completion Date")**.

From an accounting and tax perspective (corporate income tax), the Merger effective date would be set retroactively at the date of approval of the Merger by the General Meeting of SFL shareholders (the **"Accounting and Tax Effective Date")**.

4.7. Financial statements used for the purposes of the Merger

The financial statements used for the purposes of the Merger are the financial statements of Colonial and the Company at 31 December 2024.

5. Description of assets and liabilities transferred to Colonial

5.1. Valuation method for assets and liabilities transferred to Colonial

In accordance with Spanish generally accepted accounting principles, SFL's assets and liabilities will be transferred to Colonial at their net book value in SFL's accounts on the Accounting and Tax Effective Date.

5.2. Description of assets and liabilities transferred by SFL to Colonial

Subject to the satisfaction (or waiver) of the Conditions Precedent (as defined below), as stipulated in the Merger Agreement, all of the assets and liabilities of the Company would be transferred to Colonial in their condition on the Completion Date, by way of a *transmission universelle de patrimoine* (universal transfer of assets and liabilities), without any restrictions or exceptions other than those provided for in the applicable law.

A description of the assets and liabilities to be transferred to Colonial in the Merger has been prepared for information purposes only, based on the Company's financial statements.

The assets to be transferred to Colonial on the Completion Date are described in more detail in the Company's financial statements attached to the Merger Agreement.

For the avoidance of doubt, any assets not mentioned in the Merger Agreement or not recorded in the Company's accounts due to an error or omission, or for any other reason, will be deemed to be the property of Colonial and will be transferred *ipso jure* as part of the universal transfer of assets to Colonial, on the Completion Date, without any adjustment of the Exchange Ratio.

5.3. Valuation of the transferred assets and liabilities on the Accounting and Tax Effective Date

The assets and liabilities to be transferred have been measured at their net book value in the Company's provisional balance sheet at the Accounting and Tax Effective Date, i.e., €1,023,388,973.

This provisional net asset value will be adjusted on the basis of the Company's final balance sheet at the Accounting and Tax Effective Date, which will be prepared and approved within 60 calendar days of the Completion Date.

5.4. Technical deficit

The difference between the net book value of the Company's assets in the Final Balance Sheet (as this term is defined in the Merger Agreement) and the book value of the SFL shares held by Colonial which will be cancelled as a result of the Merger will constitute a technical deficit that will be allocated between the various assets in proportion to the unrealised gain attached to each of them).

6. Conditions precedent

6.1. Completion of the Merger is subject to the satisfaction of the following conditions precedent (the "Conditions Precedent"):

(i) confirmation by France's securities regulator, *Autorité des Marchés Financiers* (AMF), that Colonial is not required to file a takeover bid for SFL pursuant to Article 236-6 2° of the AMF's General Regulations and expiration of the period for appeals against this decision;
(ii) approval of the Merger by the Extraordinary General Meeting of SFL shareholders;
(iii) approval of the Merger by the Extraordinary General Meeting of Colonial shareholders;

(iv) the issue by the clerk to the Paris Commercial Court of the certificate of compliance required by Articles L. 236-42 and R. 236-29 *et seq.* of the French Commercial Code certifying the legality of the Merger and the compliance of the merger deeds and pre-merger formalities;

(v) completion by the Madrid Mercantile Registry of the legality check without any objections being raised.

6.2. Under the terms of the Merger Agreement, if the Conditions Precedent are not all satisfied by 15 December 2025, unless Colonial and SFL agree to extend the period or waive the Conditions Precedent (except the conditions in (i) and (iii) above, which may be waived at Colonial's sole discretion), the Merger Agreement will be cancelled.

Exceptionally, the Condition Precedent relating to the AMF's confirmation that Colonial is not required to file a takeover bid for SFL, must be satisfied or waived (at Colonial's sole discretion) by 23 April 2025 at 23:59 CET, unless the period is extended at Colonial's discretion for successive periods of one month until 15 December 2025 at the latest.

7. Governance

7.1. No changes are expected to be made to Colonial's governance or the composition of its Board of Directors following completion of the Merger.

7.2. Aude Grant, who was appointed Chief Executive Officer of SFL with effect from 21 December 2024, will complete the work on the Merger and then continue to run SFL's business within the Colonial Group.

7.3. Colonial's name will be changed concurrently with the completion of the Merger to become "Colonial SFL".

8. Consequences of the Merger for shareholders

8.1. Shareholders' rights and interests

The Merger would enable SFL's minority shareholders to benefit from a considerably more liquid market for their investments by exchanging their SFL shares for Colonial shares. In addition, the rights of SFL's shareholders would be preserved, insofar as Spanish company law offers protections comparable to those afforded by French law. In addition, they would continue to receive equivalent dividends because rental income and capital gains in France will remain subject to the SIIC regime's compulsory distribution rules, which would continue to apply to Colonial's French business (previously conducted by SFL), while rental income and capital gains from Colonial's Spanish activities is subject to the SOCIMI regime's compulsory distribution rules.

8.2. Dividends

Prior to completion of the Merger, SFL shareholders will receive the 2024 dividend decided by the Annual General Meeting.

Conversely, they will not receive Colonial's 2024 dividend, which will also be paid before the Completion Date.

8.3. Holders of performance share rights

Following the Merger, Colonial will be substituted for SFL for the satisfaction of the obligations related to the exercise of vested performance share and free share rights. The rights to a number of SFL shares will be replaced by rights to a number of Colonial shares determined by applying the Merger Exchange Ratio. Unvested SFL performance share rights and free share rights will not be exchanged for Colonial performance share rights or free share rights in connection with the Merger.

In accordance with Article L.225-197-1 III of the French Commercial Code, the vesting and lock-up periods would continue to apply to Colonial shares to be received or already received in exchange for SFL shares.

9. Consequences of the Merger for employees

9.1. The Merger will have no individual or collective impact on Colonial's current employees. To the extent that the company resulting from the Merger will have its registered office in Spain, the profit-sharing rights of its employees will be defined in accordance with Spanish labour law.

9.2. In order to confirm the inclusion of Colonial's French branch in the SFL Economic and Social Unit defined in the agreement of 31 May 2013 and its subsequent addenda, Colonial will propose drawing up a fifth addendum to the initial agreement, to be signed no later than the Completion Date.

9.3. The Merger would not result in any job losses and is not expected to have any impact on the job categories, reporting relationships or working conditions of the employees in the SFL Economic and Social Unit.

9.4. Colonial will neutralise any impact of the Merger on the collective status of the employees in the SFL Economic and Social Unit.

9.5. Pursuant to Article L.1224-1 of the French Labour Code, all current employment contracts of SFL employees will be automatically transferred to Colonial as from the Completion Date. As this is a public policy rule, no formalities will be required for this transfer to take place.

9.6. After the Merger, the transferred employment contracts will continue to be governed by French employment law. In practice, this means that all transferred employees will retain all the rights arising from their employment contract on the transfer date.

9.7. The same property sector collective bargaining agreement and the same sector-level collective agreements will continue to apply to Colonial's French branch after the Merger, on the same terms and within the same limits.

9.8. In order to neutralize the potential consequences of the Merger on the sector-level collective agreements applicable to the employees of SFL, Colonial will propose signing a collective agreement that will ensure that the open-ended collective agreements will continue to apply indefinitely after the Merger and that all fixed-term collective agreements will continue to apply for their originally agreed period, on the terms described in the information document shared with SFL's employee representatives.

9.9. Neither Colonial nor the Company has appointed any employee representatives to participate in their administrative or supervisory bodies within the meaning of Article L. 2351-6 of the French Labour Code and, accordingly, no information is provided on the way in which employees will be involved in defining their participation rights in the company resulting from the Merger.

10. Consequences of the Merger for creditors

10.1. Treatment of creditors other than bondholders

10.1.1. In accordance with Article L.236-15 of the French Commercial Code, as from the Merger Completion Date, Colonial will be substituted for SFL with respect to its liability towards creditors other than bondholders, without this substitution being qualified as a novation.

10.1.2. SFL creditors other than bondholders whose claims predate the publication of the Merger Agreement may contest the Merger within three months of the latest date when the Merger Agreement was published or made available to the public on the websites of Colonial and SFL in accordance with Articles L.236-15 and R.236-34 of the French Commercial Code.

10.1.3. If the Merger were to be contested by one or more creditors, this would not prevent or delay the Merger's completion. In the event the Merger is contested, the Commercial Court may (i) reject the complaint, (ii) require a guarantee to be provided or (iii) order the early settlement of the creditor's claims.

10.1.4. Colonial's creditors other than bondholders will have the same right of contestation in accordance with applicable Spanish regulations. In the same way as under French law, if the Merger were to be contested by one or more of Colonial's creditors, this would not prevent or delay the Merger's completion.

10.2. Treatment of bondholders

There is no requirement to call a general meeting of bondholders in connection with the Merger.

10.2.1. Concerning the €500,000,000 worth of bonds issued on 29 May 2018 and due 29 May 2025 (the **"2025 Bonds"**), the Merger will not be effective until they have been redeemed in full, as provided for in section 6 of the Merger Agreement to ensure that the bondholders' rights are not affected at any time by the Merger.

10.2.2. In accordance with the 2025 Bonds' terms and conditions, SFL plans to redeem the bonds in advance of their maturity by giving prior notice to the Bondholders no later than the date of the General Meeting of shareholders.

11. Tax regime

11.1. Corporate income tax

11.1.1. Preferential tax regime

The Merger will qualify for the preferential tax regime provided by Article 210 A of the French General Tax Code (CGI). Under this regime:

- capital gains realised by SFL on the transferred assets will not be subject to corporate income tax at the time of the Merger, but will either qualify for rollover relief (non-depreciable assets) or be written back to taxable profit over a certain period (depreciable assets); and
- the capital gain realised by Colonial on cancellation of its SFL shares will be exempt from corporate income tax.

To qualify for this regime, the Merger Agreement includes (i) the standard undertakings set out in Article 210 A of the CGI (transfer of the tax basis of non-current assets, etc.) and (ii) the specific undertakings set out in Article 208 C *bis* of the CGI:

- undertaking by Colonial to take over SFL's distribution obligations;
- undertaking by Colonial to distribute 70% of any capital gain arising on cancellation of the SFL shares it held prior to the Merger;
- undertaking by Colonial to distribute capital gains realized on transfers of depreciable assets as and when they are written back to taxable profit in accordance with Article 210 A, 3-d of the CGI.

In conclusion, the Merger should be exempt from corporate income tax.

11.1.2. Continued application of the SIIC regime

A merger between two SIICs does not disqualify the absorbing company from benefiting from the SIIC regime, provided that it gives a specific undertaking in the merger agreement to assume the absorbed company's SIIC distribution obligations (Article 208 C IV, fourth paragraph, of the CGI).

The SFL/Colonial merger will take place between two companies that have opted for the SIIC regime or an equivalent foreign tax regime. As a result, the Merger will not result in the loss of SFL's tax status as an SIIC.

Under the provisions of Article 208 C II of the CGI, Colonial will be subject to SIIC distribution obligations in respect of profits generated by its permanent establishment in France. Accordingly, Colonial will distribute:

- 95% of its net rental income (including profits earned by directly held flow-through entities) before the end of the financial year following the year in which it was earned;
- 70% of capital gains arising from the disposal of (i) property assets (including properties held by flow-through entities), (ii) shares in flow-through entities and (iii) shares in subsidiaries that have elected to be taxed as an SIIC, before the end of the second financial year following the year in which they were realised;
- 100% of the dividends received from subsidiaries that have elected to be taxed as an SIIC, before the end of the financial year following the year in which they were received.

Colonial will also have to comply with its distribution obligations in Spain under the SOCIMI regime.

The dividend that the Board intends to recommend at the Annual General Meeting will fulfil SFL's distribution obligations under the SIIC regime for the 2024 financial year. This distribution will be deemed to have been made directly by SFL and not by Colonial as it will take place before shareholder approval of the proposed Merger has been obtained.

SFL has received a written ruling from the French tax authorities (decision 2023/3978 dated 25 July 2023) confirming that the preferential corporate income tax treatment described above would apply in the type of circumstances in which the Merger is taking place.

11.2. VAT

As the Merger will take place between two companies subject to VAT, deliveries of goods and services in the context of the Merger will be exempt from VAT in accordance with Article 257 *bis* of the CGI. Colonial will be considered as a continuation of the legal person represented by SFL and will be subrogated to the rights and obligations of SFL in respect of VAT.

Consequently, no VAT or adjustment of input VAT is expected on the properties transferred in the Merger.

11.3. Transfer costs

The Merger involves legal entities liable for corporate income tax and therefore falls within the scope of Article 816 of the CGI, which means that it will not be subject to any registration duty if registration takes place within one (1) month of the Merger Completion Date.

The *Contribution de Sécurité Immobilière* (CSI) levy will be applied at the rate of 0.1% on the appraisal value of SFL's directly-held properties.

12. Approval of the Merger

In accordance with Article L. 236-9 of the French Commercial Code, completion of the Merger is subject to approval at the Extraordinary General Meeting of SFL shareholders by a two-thirds majority of the voting rights, with a quorum of at least 25% of the shares carrying voting rights.

The Board of Directors invites shareholders to vote in favour of (i) the proposed Merger, the terms and conditions of which are set out in this report and in the Merger Agreement, and (ii) any other related resolution which may be submitted to you for the purpose of completing the Merger.

Appendix 1 to the Merger Report

TEXT OF THE RESOLUTION TABLED AT THE EXTRAORDINARY GENERAL MEETING

Review and approval of a proposed cross-border merger agreement and approval of the merger of the Company into Inmobiliaria Colonial, a Spanish company, in accordance with the terms of the merger agreement (as defined below), subject to the fulfilment or waiver of certain conditions precedent, and delegation of powers to the Board of Directors to implement said cross-border merger.

The General Meeting, acting under the quorum and majority voting rules applicable to Extraordinary General Meetings and in accordance with the provisions of the French Commercial Code, including Articles L.236-31 to L.236-45, having considered:

- the opinion of the Company's Social and Economic Committee dated 31 January 2025;
- the draft joint cross-border merger agreement (including its appendices) drawn up in French, English and Spanish, set out in a private deed dated 4 March 2025 between the Company and Inmobiliaria Colonial, SOCIMI, S.A., a company incorporated under Spanish law with a share capital of €1,270,286,952.50, which has its registered office at Paseo de la Castellana 52, 28046 Madrid (Spain), registered in the Madrid Mercantile Register under number A-28027399 **("Colonial",** and collectively with the Company, the **"Merged Companies")** (the **"Merger Agreement")** relating to the proposed cross-border merger of the Company into Colonial (the **"Cross-Border Merger"),** as established by the Boards of Directors of each of the Merged Companies;
- the receipt for the Merger Agreement filed on 6 March 2025;
- a copy of the notice published in the BODACC dated 19 March 2025;
- a copy of the notice published in the BALO on 21 March 2025;
- a copy of the notice published in the Légal II digital legal gazette on 21 March 2025;
- the report on the Cross-Border Merger drawn up by the Board of Directors of the Company in accordance with Articles L.236-36 and R.236-24 of the French Commercial Code (including its appendices, the **"Merger Report")** and the attached opinion of the Company's Social and Economic Committee dated 31 January 2025;
- the report on the terms and conditions of the Cross-Border Merger and the value of the contributions, drawn up by Agnès Piniot, practising with the firm Ledouble and appointed by order of the Presiding Magistrate of the Paris Commercial Court dated 12 November 2024, pursuant to Articles L.236-10, L.236-37, R.236-9 and R.22-10-7 of the French Commercial Code and Articles 6, 41 and 103 of Spanish Royal Decree-Law 5/2023 of 28 June 2023, to act as merger auditor for the Cross-Border Merger;
- the audited annual financial statements of the Company and Colonial for the year ended 31 December 2024 and the approved and audited annual financial statements of the Company for the years ended 31 December 2023 and 31 December 2022, together with the Company's management reports for the last three financial years;

approves the Merger Agreement and all the provisions thereof, including the following main stipulations:

- the Cross-Border Merger will result in the transfer to Colonial of all assets, liabilities, rights, obligations and other legal relationships making up the net assets of the Company, by way of a *transmisions universelle de patrimoine* (universal transfer of assets and liabilities), without any restrictions or exemptions, in accordance with the terms and conditions of the Merger Agreement and subject in particular to the satisfaction of the conditions precedent specified in Article 6 of the Merger Agreement (unless all or some of the conditions precedent are waived to the extent permitted by the Merger Agreement or applicable law);
- the completion date of the Cross-Border Merger, which shall be the date of registration of the notarial Deed of Merger in Spain, provided that said date shall not be earlier than the date on which all the bonds included in the Company's five hundred million euro (€500,000,000) bond issue are redeemed (the **"Completion Date"),** in accordance with the stipulations of the Merger Agreement, and provided that the Cross-Border Merger shall only take place once the conditions precedent specified in Article 6 of the Merger Agreement have been satisfied (unless all or some of the conditions precedent are waived to the extent permitted by the Merger Agreement or applicable law);
- the effective date of the Cross-Board Merger for accounting and tax purposes, as agreed between the Company and Colonial, shall be the date of approval of the Merger by the General Meeting of the Company's shareholders;
- each ordinary share of the Company with a par value of two euros (€2) that is issued and outstanding immediately prior to the Completion Date (excluding any shares held in treasury), will be exchanged for ordinary shares of Colonial with a par value of two euros and fifty cents (€2.50) per share, on the basis of one (1) ordinary share of the Company for thirteen (13) ordinary shares of Colonial (the **"Exchange Ratio"),** and any shares of the Company held in treasury will be cancelled and will cease to exist, without any consideration being paid or payable in exchange for such shares;

notes that, subject to the satisfaction of the conditions precedent stipulated in Article 6 of the Merger Agreement or, to the extent permitted by the Merger Agreement or applicable law, the waiver on such date of all or some of the conditions precedent:

- in accordance with Article L.236-40 of the French Commercial Code, shareholders who voted against the proposed Cross-Border Merger will be entitled to sell their shares to the Company at a price of seventy-seven euros and fifty cents (€77.50) per share. In order to be admissible, the buyback request must be submitted within ten days from the date of approval of the Cross-Border Merger, by email sent to the address indicated in the Merger Report or by registered letter with acknowledgement of receipt;

- the provisional valuation of the contributed assets and assumed liabilities and the value of the net assets transferred at their provisional net book value amounts to €1,023,388,973 based on the Company's provisional financial statements at the effective date for accounting and tax purposes (taking into account the application of a flat technical discount of €25,000,000) and the final net book values of the assets and liabilities transferred by the Company and, consequently, of the net assets transferred, will be determined on the basis of the Company's final financial statements at the effective date of the Cross-Border Merger for accounting and tax purposes;
- on the Completion Date, Colonial shall allocate Colonial ordinary shares for each issued and outstanding ordinary share of the Company, on the basis of one (1) ordinary share of the Company for thirteen (13) ordinary shares of Colonial, which will consist of treasury shares such that Colonial will not increase its share capital;
- any entry in a registered share account with Société Générale Securities Services, the Company's custodian and registrar, which previously corresponded to a share issued by the Company held (i) in pure registered form or (ii) in administered registered form immediately prior to the Completion Date, will thereafter correspond to a Colonial share which will be registered either directly with Société Générale Securities Services or with the shareholder's financial intermediary, without it being necessary to exchange the shares;
- any shares held in treasury by the Company will not be exchanged and will be cancelled on the Completion Date in accordance with Article L.236-3 of the French Commercial Code;
- the Colonial ordinary shares allocated in the Cross-Border Merger will rank *pari passu* in all respects with all other Colonial ordinary shares issued and outstanding on the Completion Date and no special rights or restrictions will apply to the Colonial ordinary shares allocated in the Cross-Border Merger, provided that the Colonial ordinary shares allocated pursuant to the Cross-Border Merger will not be entitled to the dividend paid by Colonial in respect of the financial year ended 31 December 2024;
- the Colonial ordinary shares allocated in the Cross-Border Merger will be fully paid up and free of all third party rights and security interests; they will be admitted to trading on the regulated markets of Barcelona and Madrid;
- Colonial will be subrogated, on the Completion Date, to all the rights and obligations of the Company; and
- subject to completion of the Cross-Border Merger, the Company will be dissolved without prior liquidation with effect on the Completion Date;

resolves, as a consequence of the foregoing, to give full powers to the Board of Directors, directly or through a representative appointed in accordance with the applicable laws and regulations, to:

- place on record, as necessary, the completion of the Cross-Border Merger, its remuneration and the dissolution of the Company and, to this end, place on record the satisfaction of the conditions precedent specified in Article 6 of the Merger Agreement (or, to the extent permitted by the Merger Agreement or applicable law, the waiver of all or some of the conditions precedent);
- negotiate, sign and amend any deed, declaration or contract necessary to complete the Cross-Border Merger;
- carry out all formalities required in connection with the Cross-Border Merger or with a view to regularising and/or rendering effective against third parties the transfer of assets, rights and obligations; and
- to the extent necessary, reiterate the terms of the Cross-Border Merger, draw up any and all deeds reiterating, confirming, rectifying or supplementing the Merger Agreement, issue any and all findings, conclusions and communications, complete any and all formalities, in particular to obtain the certificate of compliance required by the applicable legislative provisions, in order to complete the Cross-Border Merger.

Appendix 2 to the Merger Report

OPINION OF THE COMPANY'S SOCIAL AND ECONOMIC COMMITTEE

Extract from the minutes of the Economic and Social Committee meeting of 31 January 2025

Société Foncière Lyonnaise Group

The Social and Economic Committee (SEC) of the Société Foncière Lyonnaise Group met on 31 January 2025 at 3.00 p.m. in the Gaudi room. The meeting was chaired by Aude Grant, Chief Executive Officer.

Members present:
- Laure Dessolain, member of the second college,
- Laure Ferrao, member of the first college,
- Marie Untereiner, member of the second college,
- Marie-Laure Vignon, member of the second college.

Also present:
- François Derrian
  Human Resources Director
- Omar Takali and Claire Astruc, representing SECAFI, the expert appointed by the Social and Economic Committee to assist it during the information and consultation process concerning the proposed merger of Société Foncière Lyonnaise SA into Inmobiliaria Colonial SOCIMI SA.

The meeting was called to order at 3.00 p.m. by Aude Grant.

In accordance with the agenda for this meeting, the following matter was discussed:

Consultation of the Social and Economic Committee of the Société Foncière Lyonnaise Economic and Social Unit about the principle and terms of the proposed merger of Société Foncière Lyonnaise SA into Inmobiliaria Colonial SOCIMI SA and the resulting transfer of Société Foncière Lyonnaise SA employees to Inmobiliaria Colonial SOCIMI SA – submission of the opinion.

Before hearing the opinion of the SEC on the above project, Omar Takali and Claire Astruc, whose participation in the meeting was agreed between the members of the SEC and its Chair, presented the report on their independent expert assessment of the project that had been requested by the SEC to help it reach an informed opinion.

The report was sent to the SEC and to SFL's management, and was posted on line in the Company's economic, social and environmental database (BDESE). It was drawn up on the basis of the documents made available to SECAFI, including accounting documents, economic, social and financial information, and interviews with representatives of SFL and Inmobiliaria Colonial.

The report included a discussion of the rationale for the project, an analysis of the tax consequences for SFL, a list of the financial impacts, the consequences of the merger on the individual and collective status of SFL employees and their employee representative bodies, and the project's impact on the organisation and value-sharing arrangements.

The report's appendices included information provided by the law firms Darrois and Capstan, which acted as advisors to Inmobiliaria Colonial in connection with this transaction.

At the end of this presentation, the SEC members were asked for their opinion on the project submitted for consultation.

The result of the vote, by a show of hands, was as follows:

◆ Votes in favour:	4
◆ Votes against:	0
◆ Invalid votes:	0

The Social and Economic Committee of the Société Foncière Lyonnaise Economic and Social Unit unanimously issued a favourable opinion on the proposed merger of Société Foncière Lyonnaise SA into Inmobiliaria Colonial SOCIMI SA and the subsequent transfer of Société Foncière Lyonnaise SA employees to Inmobiliaria Colonial SOCIMI SA.

Paris, 31 January 2025

Laure Dessolain Secretary of the SEC	Aude Grant Chair of the SEC

Appendix 3 to the Merger Report

FORM TO BE SENT TO THE COMPANY TO EXERCISE THE RIGHT TO WITHDRAW

Right to Withdraw exercise form to be sent to the Company within ten days of SFL's Extraordinary General Meeting:

- by email to the following address: juridique@fonciere-lyonnaise.com or;
- by registered letter with acknowledgement of receipt to the following address:

Société Foncière Lyonnaise

42 rue Washington
75008 Paris
For the attention of Émilie Germane

Form

I, the undersigned:

Surname, first name or company name: ______________________

Address: ______________________

Postcode: ______________ City: ______________

Country: ______________________

Owner of the following SFL shares:

Number of shares: ______________________

Number of voting rights: ______________________

Type of shareholding: pure registered shares / administered registered shares / bearer shares

If held in administered registered form or bearer form:

- Name of securities account: ______________________
- Securities account no: ______________________
- Name of the financial intermediary that manages the securities: ______________________
- Name, BIC code and Euroclear France affiliate number of the custodian or subcustodian in Euroclear France of the financial intermediary that manages the SFL shares: ______________________

____

confirm that I participated in the General Meeting of SFL shareholders held on 23 April 2025;

confirm that I voted against the proposed cross-border merger of SFL into the Spanish company Inmobiliaria Colonial;

note that, in order for me to receive the Exit Price, my shares must be segregated in account type 15 if they are bearer shares (or in account type 17 if they are registered shares) and that my financial intermediary must therefore be instructed by me to move them to a segregated account as soon as possible;

hereby express my wish to exercise my right to withdraw provided for in Article L.236-40 of the French Commercial Code.

I hereby certify that this request to exercise my right to withdraw applies to all the SFL shares that I hold as of the date hereof.

Signed in: ______________________

Date: ______________________

Signature:

Appendix 4 to the Merger Report

METHODS USED TO DETERMINE THE EXCHANGE RATIO AND THE EXIT PRICE

1. Rejected methods

The following valuation methods were considered as not relevant to the determination of the Exchange Ratio and were rejected:

- Discounted cash flows method (DCF)
- Reference to share prices
- Reference to book net assets

The share prices used to determine the Exchange Ratio were SFL's unaffected share price (at the close of trading on 6 November 2024) and Colonial's affected share price (at the close of trading on 18 February 2025). The unaffected share price corresponds to the price quoted on the last trading day prior to the joint announcement by SFL and Colonial of their intention to examine in detail the proposed merger of SFL into Colonial.

Following the announcement of the proposed merger, SFL's share price reacted in an uncharacteristic manner, against a backdrop of market dynamics unrelated to SFL's intrinsic value. Consequently, to truly capture SFL's intrinsic value, the unaffected share price was used as the reference price. By contrast, announcement of the proposed Merger did not have any material impact on Colonial's share price, due to the relative size of the Merger compared to Colonial's total market capitalization. As a result, the affected share price on 18 February 2025 was used as the reference price for Colonial.

1.1. Discounted cash flows method (DCF)

The discounted cash flows or DCF method consists of determining the intrinsic value of a company based on the present value of its future cash flows over the business plan period, discounted at a rate that reflects the market's profitability expectations, plus an exit value at the end of the projection period.

The DCF method was rejected because, in the case of property companies, it is redundant with the Net Asset Value methodologies (EPRA NTA and NDV, explained in 3.1), given that the NTA and NDV are derived from the Gross Asset Value (GAV), which is the aggregation of the appraisal values of the assets in the portfolio determined by a third-party valuer. GAV is determined by calculating discounted cash flows, asset-by-asset, over ten years, based on cash flows, weighted average cost of capital and estimated exit yield for each asset.

1.2. Reference to share prices

Share price analyses were rejected due to the extremely low liquidity of the SFL share. As of 18 February 2025, SFL shares held by the public represented 1.9% of the Company's fully-diluted share capital, a very small free-float which translates into very limited liquidity. This is particularly evident from a comparison of SFL's average daily trading volume prior to the announcement of the Merger on 6 November 2024 with that of Colonial and its main peers, Icade and Gecina:

	Colonial	SFL	Icade	Gecina	Colonial *vs* SFL
Average daily trading volume (in millions of euros)					
Last month	5.7	0.03	3.1	10.7	170x
Last 3 months	6.2	0.02	3.2	12.4	253x
Last 6 months	6.1	0.02	3.0	12.0	292x

In the six months preceding the announcement of the Merger, Colonial's average daily trading volume was almost 300 times greater than that of SFL. Consequently, SFL's share price cannot be considered as a relevant criterion as it is not representative of the Company's fair value.

1.3. Book net assets

Colonial and SFL have both chosen to measure their asset portfolios using the fair value model set out in IAS 40, and the respective book values of their net assets are therefore close to fair value. For this reason, the reference to net book assets was not retained.

2. Valuation methods used to determine the Exchange Ratio

The following methods were used to determine the Exchange Ratio:

- References to EPRA NAV (EPRA NTA and EPRA NDV)
- Value of Colonial in previous transactions
- Research analysts' price targets
- Application to Colonial and SFL of the discounts to NTA observed in comparable transactions involving listed companies
- Reference to previous Colonial/SFL transactions
- Reference to previous transactions in the real estate sector.

2.1. References to EPRA NAV (EPRA NTA and NDV)

The European Public Real Estate Association (EPRA) is the entity responsible for the publication of the EPRA Best Practice Recommendations (BPR) which have long been essential for non-GAAP financial reporting by real estate companies and have significantly improved transparency within the European listed property company sector.

The EPRA Net Asset Value ("NAV") measurements adjust the value of shares in line with the amounts reported in the IFRS financial statements, in order to provide stakeholders with the most relevant information about the fair value of a property investment company's assets and liabilities under different scenarios.

The EPRA Net Tangible Assets (NTA) analysis provides a consistent measure of tangible NAV on a going concern basis. The NTA calculation includes all properties at market value, but excludes the fair value of financial instruments, deferred taxes and intangible assets.

By contrast, the EPRA Net Disposal Value (NDV) represents the value of equity in a disposal scenario. It includes all properties at their market value, excludes the fair value of financial instruments and includes the fair value of fixed-rate debt and the book value of intangible assets.

As disclosed by Colonial and SFL in their annual financial statements, the appraisal values of their real estate assets were determined by the valuers using a multi-criteria approach aligned with the specific nature of their respective assets. The valuers used at least two of the following three methods: comparisons with recent transactions, income capitalisation method and discounted cash flows (DCF) method.

Based on the EPRA NTA and EPRA NDV of Colonial and SFL respectively at 31 December 2024, the exchange ratio would be:

(€ per share)	Colonial	SFL	Exchange ratio
EPRA NTA	€9.63	€88.0	9.1x
EPRA NDV	€9.45	€87.1	9.2x

2.2. Value of Colonial in previous transactions

Another relevant valuation methodology for the determination of the Exchange Ratio is the reference price of Colonial's most recent share issue.

On 17 May 2024, Criteria Caixa, which held a 3% stake in Colonial, underwrote a €622 million share issue at a blended price of €6.83 per share (after dividend), representing a premium of around 22% to the share price at the time of the transaction. The fact that Criteria Caixa, a professional financial investor, considered Colonial to be worth €6.83 per share, means that this price can be considered as a relevant indicator of Colonial's intrinsic value.

On the basis of this price and SFL's unaffected share price on 6 November 2024, the corresponding Exchange Ratio would be:

(€ per share)	Value of Colonial in previous transactions	SFL unaffected share price	Exchange ratio
Value	€6.83	€64.0	9.4x

2.3. Research analysts' price targets

In accordance with standard practice for listed companies, Colonial and SFL shares are followed by research analysts. These analysts regularly publish their assessment of the fundamental value of each share over the next 12 months, which determines their price target. Colonial benefits from extensive analyst coverage, with 23 reputable research firms publishing reports on its stock, while SFL is followed by only two analysts due to the stock's lack of liquidity.

To ensure that the Exchange Ratio based on price targets was not affected by the announcement of the Merger, the price targets used for SFL were those published before the Merger was announced. By contrast, Colonial's share price was not significantly affected by the announcement of the Merger, given that it already owned 98.1% of SFL. For this reason, the Colonial price targets were considered as from 18 February 2025 because they were not altered by the announcement of the Merger, unlike those of SFL.

The price targets for Colonial and SFL are shown in the tables below:

Colonial		
Company	**Target (€)**	**Date**
Goldman Sachs	6.5	16/01/2025
Intermoney Valores	8.5	15/01/2025
Bank of America	6.5	14/01/2025
Kempen	5.4	14/01/2025
Oddo BHF	6.6	07/01/2025
Jefferies	7.0	06/01/2025
J.P. Morgan	6.8	10/12/2024
Morgan Stanley	6.0	03/12/2024
Banco Sabadell	7.8	28/11/2024
JB Capital Markets	7.4	20/11/2024
Santander	8.1	15/11/2024
Alantra	7.2	15/11/2024
Société Générale	6.9	15/11/2024
Kepler	6.1	15/11/2024
Deutsche Bank	6.0	15/11/2024
Baader/AlphaValue	4.2	14/11/2024
Citi	4.1	14/11/2024
Barclays	5.3	14/10/2024
CaixaBank BPI	8.1	08/07/2024
Bankinter	7.2	01/06/2024
Renta 4 SAB	7.0	29/02/2024
Mirabaud Securities	7.2	13/02/2024
GVC Gaesco	8.0	07/02/2024
Bestinver Securities	6.0	28/07/2023
Median	6.85	

SFL		
Company	**Target (€)**	**Date**
Oddo BHF	70.0	25/10/2024
Invest Securities SA	67.0	20/09/2024
Median	68.5	

The Exchange Ratio based on analysts' price targets is as follows:

(€ per share)	Colonial	SFL	Exchange ratio
Price target	€6.85	€68.5	10.0x

2.4. Application to Colonial and SFL of the discounts to NTA observed in comparable transactions involving listed companies

Another method commonly used to assess fundamental value is to apply the multiples of comparable listed companies. In the case of SFL and Colonial, EPRA NTA multiples were used, as this is the most commonly used and relevant reference for property stocks.

Use of the premium/(discount) to NTA reflected in the share price of comparable companies to determine the intrinsic value of SFL is relevant due to the low liquidity of SFL shares. This approach normalises the share price in relation to the level at which comparable listed property companies in France are currently trading. The sample of comparable companies used to value SFL consists of listed real estate investment trusts (REITs) or their equivalent in France. It includes both Gecina and Icade, which are listed in France, specialise in office property and own significant office portfolios in France, making them the most relevant comparable companies for Colonial and SFL.

Gecina is a property investment company listed in France, with a portfolio valued at €17.4 billion at 31 December 2024. 79% of this portfolio consists of offices, mainly in the Paris region. At 18 February 2025, it had a market capitalisation of €7.4 billion.

Icade is a property investment company listed in France, with a portfolio valued at €6.4 billion at 31 December 2024. Office property, mainly in the Paris region, accounts for 82% of this total. At 18 February 2025, it had a market capitalisation of €1.8 billion.

The average discounts to NTA applied by the market over different periods as of 18 February 2025 are as follows:

Average premium/(discount) to EPRA NTA	Current	Cumulative annual	Last month	Last 3 years	Covid	Last 5 years
Gecina	(35.3%)	(32.8%)	(33.4%)	(37.9%)	(34.6%)	(34.9%)
Icade	(63.6%)	(61.4%)	(62.7%)	(54.8%)	(44.5%)	(45.0%)
Sample of French listed office property companies	(41.0%)	(38.8%)	(39.4%)	(41.8%)	(36.9%)	(37.2%)

The percentages shown for the sample of French listed office property companies corresponds to the weighted average discount to NTA based on the market capitalisations of Icade and Gecina. The Exchange Ratio obtained by applying the average discount for this sample to the Colonial and SFL share prices is presented below:

(€ per share)	Colonial	SFL	Exchange ratio
Average discount to EPRA NTA for the sample of French listed office property companies (last 12 months)	€5.84	€53.4	9.14x

2.5. Reference to previous Colonial/SFL transactions

The proposed Merger marks the culmination of a long process of consolidation of Colonial's position in SFL. Over the last ten years, Colonial has acquired successive minority stakes in the Company.

The exchange ratios used in the transactions where Colonial acquired a minority interest in SFL were as follows:

a. Acquisition of REIG's 4.44% interest in SFL (25 May 2016)

- In 2016, Colonial and Reig Capital Group Luxembourg Sàrl ("Reig") entered into an agreement whereby Colonial would acquire 2,038,956 SFL shares (4.38% of its capital).
- The shares were acquired in two transactions:
  i. Contribution to Colonial of 1,019,478 SFL shares in exchange for 90,805,920 newly issued Colonial shares, corresponding to an exchange ratio of 8.9x;
  ii. Sale to Colonial of 1,019,478 shares at a price of €50.00 per share (for a total of €50,974,000).

b. Acquisition of APG's 1.0% stake in SFL (4 August 2016)

- On 4 August 2016, Colonial and APG Strategic Real Estate Pool ("APG") entered into an agreement whereby Colonial would acquire 475,247 SFL shares (1.02% of its capital).
- The shares were acquired in two transactions:
  i. Contribution to Colonial of 237,463 SFL shares in exchange for 2,116,508 newly issued Colonial shares valued at €13,922,000, corresponding to an exchange ratio of 8.9x; and
  ii. Sale to Colonial of 237,624 shares at a price of €50.00 per share (for a total of €11,881,000).

c. Acquisition of QIA's 22.2% stake in SFL (15 October 2018)

- In 2018, Colonial acquired a 22.2% stake in SFL from Qatar Investment Authority ("QIA") in a transaction comprising:
  i. A stock component: 7,536,507 SFL shares, representing 73% of the SFL shares contributed by QIA and 16.2% of SFL's capital, exchanged for 56,523,803 newly issued Colonial shares, corresponding to an exchange ratio of 7.5 Colonial shares for 1 SFL share;
  ii. A cash component: 2,787,475 SFL shares, representing 27% of the SFL shares sold by QIA and 6.0% of SFL's capital, sold for cash consideration of €203.5 million corresponding to a price per share of €73.0.

d. Acquisition of Predica's 13% stake in SFL (3 June 2021)

- On 3 June 2021, Colonial and Predica announced an agreement providing for:
  i. Contribution by Predica to Colonial of 2,328,644 SFL shares, representing approximately 5.0% of the capital;
  ii. In exchange for 22,494,701 newly-issued Colonial shares, based on an exchange ratio of 9.67 Colonial shares (ex-dividend) for 1 SFL share (ex-dividend).
- The exchange ratio was based on the EPRA NDV ratio at 31 December 2020, adjusted for dividend distributions relating to the 2020 financial year.

2.6. Previous transactions in the real estate sector

Another relevant methodology consists of using implied valuation multiples derived from previous transactions in the real estate sector.

However, it is essential to take into account the recent situation in the property market, which has undergone a paradigm shift since the interest rate cycle reversed in 2022. Prior to 2022, the NTA generally constituted a valuation threshold, but since 2022, deals have been priced at a discount to NTA.

It is important to note that the values offered in the transactions mentioned below included a buyer control premium. This type of premium is not relevant in the case of the Merger and should not therefore be applied. This means that the discount to NTA for the Merger exchange ratio should theoretically be even greater than the average presented below.

The table below provides a list of public tender offers of over €300 million in the European real estate market since January 2022. The shaded areas indicate office transactions, which are particularly relevant to the Merger:

Date	Buyer	Target	Country	Offer price (Local currency)	Equity (€bn)	P/(D) to: NTA
Oct-24	Brookfield Asset Management	Tritax EuroBox	United Kingdom	0.69	557	(14%)
Sep-24	SCOR	MRM	France	35.40	114	+0%
July-24	Helios RE (Hines & Grupo Lar)	Lar España	Spain	8.30	695	(19%)
May-24	JSS Real Estate SOCIMI S.A.	Árima Real Estate SOCIMI, S.A.	Spain	8.61	245	(24%)
Apr-24	Shurgard Self Storage Ltd	Lok'nStore Group Plc	United Kingdom	11.10	442	+12%
Feb-24	Tritax Big Box	UK Commercial Property REIT	United Kingdom	0.71	1,082	(10%)
Dec. -23	LondonMetric Property plc	LXi REIT plc	United Kingdom	1.11	2,201	(1%)
Oct-23	TPG	Intervest Offices & Warehouses	Belgium	21.00	654	(7%)
July-23	Carmila	Galimmo	France	9.10	294	(41%)
Apr-23	Blackstone Inc.	Industrials REIT	United Kingdom	1.68	582	+4%
May-22	Oaktree & Cura V.	Deutsche EuroShop	Germany	22.50	1,390	(41%)
March -22	Brookfield AMC	Hibernia REIT	Ireland	1.63	1,081	(5%)
Feb-22	Brookfield	Befimmo	Belgium	47.50	1,351	(21%)
Jan.-22	DIC Asset AG	VIB Vermögen AG	Germany	51.00	1,413	+68%
Average for the Office sector after rate redefinition						**(17%)**
Average for all sectors						**(13%)**

Applying average discount to SFL's NTA, based on the transactions analysed above and valuing Colonial at €5.61 per share on 18 February 2025, gives the following Exchange Ratio:

(€ per share)	Colonial	SFL	Exchange ratio
SFL valued at average discount to NTA of Office sector public offers, Colonial at stock market price	€5.49	€73.2	13.3x

3. Summary of methods used to determine the Exchange Ratio

Reference (18 February 2025) (€ per share)	Colonial	SFL	Implied Exchange Ratio	Premium/(Discount) to 13.0x Exchange Ratio vs. selected indicator
EPRA NTA	€9.63	€88.0	9.1x	+42.2%
EPRA NDV	€9.45	€87.1	9.2x	+41.1%
Value of Colonial in previous transactions	€6.83	€64.0	9.4x	+38.7%
Price target	€6.85	€68.5	10.0x	+30.0%
Average discount to NTA of the French office sample (last 12 months)	€5.84	€53.4	9.1x	+42.2%
Acquisition of REIG's 4.44% stake (25 May 2016)	n.m.	n.m.	8.9x	+46.1%
Acquisition of APG's 1.0% stake (4 August 2016)	n.m.	n.m.	8.9x	+46.1%
Acquisition of QIA's 22.2% stake (15 October 2018)	n.m.	n.m.	7.5x	+73.3%
Acquisition of Predica's 13% stake (3 June 2021)	n.m.	n.m.	9.7x	+34.4%
SFL valued at average discount to NTA of Office public offers, Colonial at stock market price	€5.49	€73.2	13.3x	(2.3%)

The Exchange Ratio of 13.0x includes an implied premium under all the valuation methodologies used.

Although the implied premium compared with the references analysed is significant, it is fully justified by the synergies generated by the Merger. The synergistic benefits include reducing the costs associated with the stock market listings, simplifying the legal structure and improving the organisation structure. They translate into substantial value creation for SFL and Colonial shareholders, which significantly increases the apparent premium reflected in the 13.0x Exchange Ratio.

4. Methods used to value the Exit Price

4.1. Background

Pursuant to Article L.236-40 of the French Commercial Code, SFL shareholders who vote against the Merger at the General Meeting of SFL shareholders have a Right to Withdraw in respect of their SFL shares, provided that they retain such shares until the right is exercised.

The Exit Price payable to shareholders who exercise their Right to Withdraw has been determined in accordance with Article R.236-26 of the French Commercial Code and Article L.433-4 of the French Monetary and Financial Code.

The Merger would be the first cross-border merger in France between two listed companies since the transposition into French law in 2023 of Directive (EU) 2019/2121 of 27 November 2019 amending Directive 2017/1132/EU of the European Parliament and of the Council of 14 June 2017 on certain aspects of company law. As a result, there is no precedent on which to base the Exit Price.

Although the Exit Price does not have to correspond to the Exchange Ratio, the two elements must be correlated.

In this regard, the Exit Price has been determined on the basis of the following valuation methodologies:
- Employee liquidity agreements
- SFL share price
- Reference to SFL's EPRA NTA

4.2. Employee liquidity agreements

In connection with its public offer for SFL in 2021, Colonial signed liquidity agreements with the holders of performance shares that could not be tendered to the offer (because they had not yet vested or because the lock-up period had not expired). In these agreements, Colonial gave an undertaking to offer to purchase the shares concerned once the restrictions on their sale had been lifted, on the same terms as the public offer. The liquidity mechanism applies to approximately 59% of SFL's total outstanding shares. Given that this represents a significant quantum, the liquidity mechanism is an important benchmark for assessing the Exit Price.

The original liquidity mechanism was based on a value of €46.66 per share in cash and 5 Colonial shares for 1 SFL share. However, following adjustments made in accordance with the terms of the liquidity agreements, the number of Colonial shares to be received was subsequently increased to 5.174. The adjustment mechanism ensures that beneficiaries' rights are maintained in the event of transactions involving the capital of Colonial or SFL.

Applying the liquidity mechanism to Colonial's current share price of €5.49 on 18 February 2025 gives a value equivalent to €75.07 per share. If the same mechanism is applied to the volume-weighted average share price (VWAP) over the last 30 days (L30D), i.e., €5.33 per share, the value obtained by applying the liquidity mechanism would be €74.23 per share.

These two benchmarks can be compared to SFL's unaffected share price prior to the announcement of the Merger on 6 November 2024.

(€ per share)	Colonial	SFL	Premium/(Discount) to unaffected share price of €64.0 per share	Premium/(Discount) to Exit Price of €77.5 per share vs. the indicator
Liquidity mechanism, Colonial spot share price	€5.49	€75.1	+17.3%	+3.2%
Liquidity mechanism, Colonial VWAP L30D	€5.33	€74.2	+16.0%	+4.4%

4.3. SFL share price

Although SFL shares offer only limited liquidity and their price was affected by the announcement of the Merger in November, the Exit Price was also compared to SFL's current affected share price over different periods: current share price on 18 February 2025, the volume weighted average price (VWAP) over the last 60 days and VWAP over the last 180 days.

(€ per share) 18 February 2025	Colonial	SFL	Premium/(discount) to unaffected share price of €64.0 per share	Premium/(Discount) to Exit Price of €77.5 per share vs. the indicator
Current share price	€5.49	€82.0	+28.1%	(5.5%)
VWAP over last 60 days	€5.27	€77.3	+20.8%	+0.3%
VWAP over last 180 days	€5.57	€70.1	+9.6%	+10.6%

4.4. Reference to SFL's EPRA NTA

The EPRA NTA analysis is the main benchmark for valuing property companies. However, it is essential to take account of the current market environment and the Exit Price was therefore compared to NTA for December 2024:

(€ per share)	Colonial	SFL	Premium/(Discount) to unaffected share price of €64.0 per share	Premium/(Discount) to Exit Price of €77.5 per share vs. the indicator
NTA	€9.63	€88.0	+42.2%	(11.9%)

The proposed Exit Price represents a 12% discount to NTA. This discount is supported by the following three factors:
- historical price performances of comparable companies in the office sector;
- previous public offers in the real estate sector as a whole, and the office sector in particular;
- adjustments to reflect corporate costs and taxes.

As mentioned above, the main comparable companies, Gecina and Icade, have traded at significant discounts to NTA in recent years, of as much as 30% to 40%.

In addition, an analysis of previous public offers leads to a similar conclusion: since 2022, deals in the office sector have closed at an average discount of 17% to NTA, while the average discount for a broader sample of property transactions is around 13%.

Lastly, the values do not take into account corporate costs or the tax that a company would have to pay. Therefore, in order to analyse the overall value of a business using EPRA NTA as a benchmark, reported EPRA NTA needs to be adjusted to reflect these items, which are not included in the Gross Asset Value (GAV). After applying this adjustment to the latest EPRA NTA reported by SFL, the adjusted value is 12% to 16% below current EPRA NTA.

In short, these three factors strengthen the justification for the Exit Price and support the discount to NTA implied in the price.

4.5. Summary of methods used to value the Exit Price

Reference (18 February 2025) (€ per share)	SFL	Premium/(Discount) to unaffected share price of €64.0 per share	Premium/(Discount) to Exit Price of €77.5 per share vs. the indicator
Liquidity mechanism: Colonial's current share price	€75.1	+17.3%	+3.2%
Liquidity mechanism: Colonial's VWAP over last 30 days	€74.2	+16.0%	+4.4%
Current share price	€82.0	+28.1%	(5.5%)
VWAP over last 60 days	€77.3	+20.8%	+0.3%
VWAP over last 180 days	€70.1	+9.6%	+10.6%
NTA	€88.0	+42.2%	(11.9%)
Comparable French companies, office sector - Premium/(Discount) to NTA over the last 12 months	€53.4	(16.6%)	+45.2%
Comparable French companies, office sector - Premium/(Discount) to NTA over the last 3 years	€53.4	(20.0%)	+51.4%
Discount to NTA of previous public offers	€73.2	+14.4%	+5.8%

Except for the analysis of the current SFL share price, which was heavily affected by the market's reaction to the announcement of the Merger, the proposed Exit Price of €77.5 includes significant premiums compared to the amounts obtained using the other valuation methodologies and also compared to NTA, for the reasons set out above.

Appendix 14.6 - Agenda and proposed resolutions of the Annual General Meeting of 23 April 2025

Agenda

Ordinary Meeting

1. Approval of the Company financial statements for the year ended 31 December 2024.

2. Approval of the consolidated financial statements for the year ended 31 December 2024.

3. Appropriation of profit for the year ended 31 December 2024 and dividend.

4. Special report of the Statutory Auditors on the agreements referred to in Articles L.225-38 *et seq.* of the French Commercial Code, signed in 2024, and approval of these agreements.

5. Re-election as a director of Arielle Malard de Rothschild.

6. Re-election as a director of Pere Viñolas Serra.

7. Re-election as a director of Juan José Brugera Clavero.

8. Appointment of Forvis Mazars SA as Statutory Auditor to replace PricewaterhouseCoopers Audit SA, whose appointment is due to expire.

9. Appointment of Deloitte & Associés as auditor responsible for certifying sustainability information.

10. Approval of the remuneration policy applicable to the Chairman of the Board of Directors, the Chief Executive Officer, the Managing Director and the members of the Board of Directors in accordance with Article L.22-10-8 II of the French Commercial Code.

11. Approval of the remuneration paid or payable to the Chairman of the Board of Directors, the Chief Executive Officer, the Managing Director and the members of the Board of Directors for the year ended 31 December 2024, in accordance with Article L.22-10-34 I of the French Commercial Code.

12. Approval of the components of the remuneration paid or awarded to Dimitri Boulte, Chief Executive Officer, for the period from 1 January to 20 December 2024.

13. Approval of the components of the remuneration paid or awarded to Aude Grant, Chief Executive Officer from 21 to 31 December 2024, for the year ended 31 December 2024.

14. Say-on-Climate vote on the Company's carbon emissions reduction ambitions.

15. Authorisation to be given to the Board of Directors to carry out a share buyback programme governed by Article L.22-10-62 of the French Commercial Code.

16. Powers to carry out formalities.

Extraordinary Meeting

1. Delegation of competence to the Board of Directors to issue ordinary shares or securities with immediate or deferred rights to ordinary shares, with pre-emptive subscription rights for existing shareholders, duration of the delegation, maximum aggregate par value of resulting share issue(s), option to offer any shares or securities not taken up by existing shareholders for subscription by the public.

2. Delegation of competence to the Board of Directors to issue ordinary shares or securities with immediate or deferred rights to ordinary shares, without pre-emptive subscription rights for existing shareholders, through a public offer other than an offer to a restricted group of investors or to qualified investors governed by Article L.411-2, 1° of the French Monetary and Financial Code (*Code monétaire et financier*), duration of the delegation, maximum aggregate nominal amount of the resulting share issue(s), issue price.

3. Delegation of competence to the Board of Directors to issue ordinary shares or securities with immediate or deferred rights to ordinary shares, without pre-emptive subscription rights for existing shareholders, through an offer to a restricted group of investors or to qualified investors governed by Article L.411-2, 1° of the French Monetary and Financial Code, duration of the delegation, maximum aggregate nominal amount of the resulting share issue(s), issue price.

4. Authorisation given to the Board of Directors, for share issues with or without pre-emptive subscription rights for existing shareholders, to increase the number of shares issued.

5. Delegation of competence to the Board of Directors to issue ordinary shares or securities with rights to ordinary shares in connection with a public exchange offer made by the Company, duration of the delegation.

6. Delegation of powers to the Board of Directors to issue ordinary shares or securities with rights to ordinary shares in payment for contributed shares or securities with rights to shares of another company, other than in connection with a public exchange offer made by the Company, duration of the delegation, maximum aggregate amount of the capital increase(s), procedure for dealing with rights to fractions of shares.

7. Blanket ceiling on financial authorisations.

8. Delegation of competence to the Board of Directors to increase the Company's capital by capitalising reserves, profits or share premiums, duration of the delegation, maximum aggregate amount of the capital increase(s), issue price.

9. Authorisation to be given to the Board of Directors to cancel shares held in treasury stock pursuant to Article L.22-10-62 of the French Commercial Code.

10. Delegation of competence to the Board of Directors to issue shares to employees who are members of an Employee Share Ownership Plan, without pre-emptive subscription rights for existing shareholders, duration of the authorisation, purposes, terms and conditions, and ceiling.

11. Review and approval of a proposed cross-border merger agreement and approval of the merger of the Company into Inmobiliaria Colonial, a Spanish company, in accordance with the terms of the merger agreement (as defined below), subject to the fulfilment or waiver of certain conditions precedent, and delegation of powers to the Board of Directors to implement said cross-border merger.

12. Powers to carry out formalities.

Resolutions

Ordinary Meeting

FIRST ORDINARY RESOLUTION (Approval of the Company financial statements for the year ended 31 December 2024)

The Ordinary General Meeting, having considered the Board of Directors' Corporate Governance Report, the Board of Directors' Management Report and the Statutory Auditors' report on the Company financial statements, and acting under the quorum and majority voting rules applicable to Ordinary General Meetings, approves the Company financial statements for the year ended 31 December 2024 as presented, showing a profit of €122,447,526.45, together with the transactions reflected in these financial statements or described in these reports.

SECOND ORDINARY RESOLUTION (Approval of the consolidated financial statements for the year ended 31 December 2024)

The Ordinary General Meeting, having considered the Board of Directors' Corporate Governance Report, the Group Management Report included in the Board of Directors' Management Report, and the Statutory Auditors' report on the consolidated financial statements, and acting under the quorum and majority voting rules applicable to Ordinary General Meetings, approves the consolidated financial statements for the year ended 31 December 2024 as presented, showing a profit attributable to owners of the parent of €206,925 thousand, as well as the transactions reflected in these financial statements or described in these reports.

THIRD ORDINARY RESOLUTION (Appropriation of profit for the year ended 31 December 2024 and dividend)

The Ordinary General Meeting, having considered the Board of Directors' Management Report and the Statutory Auditors' report on the Company financial statements, and acting under the quorum and majority voting rules applicable to Ordinary General Meetings:

1. Notes that profit for the year ended 31 December 2024, after tax and additions to provisions, amounts to €122,447,526.45.

2. Notes that profit available for distribution, including retained earnings brought forward from the prior year, is as follows:

Net profit for the year ended 31 December 2024	€122,447,526.45
Retained earnings brought forward from the prior year	€744,283,186.22
Profit available for distribution	€866,730,712.67

3. Approves the recommendation of the Board of Directors and resolves to pay shareholders a dividend per share of €2.85, representing a total payout of €122,409,780.00 based on the 42,950,800 shares outstanding at 31 December 2024.

4. Approves the recommendation of the Board of Directors and resolves to deduct the total dividend of €122,409,780.00 from profit for the year.

Dividends not payable on shares held in treasury stock on the dividend payment date and any dividends waived by shareholders will be credited to retained earnings. The total dividend will be adjusted accordingly.

SFL shares will trade ex-dividend from 28 April 2025.

The dividend will be paid in cash as from 30 April 2025.

The Annual General Meeting gives the Board of Directors full powers, which may be delegated to the Chief Executive Officer or – with the Chief Executive Officer's agreement – to the Managing Director, to implement this resolution, and to place on record the actual amount of dividends distributed and the amount credited to retained earnings.

The Annual General Meetings notes that the dividend of €122,409,780.00 (€2.85 per share) will qualify as securities revenue (*revenu de capitaux mobiliers*) as defined in Article 158, 3-1°, of the French Tax Code (*Code général des impôts*). The total amount will be paid out of profit that was previously exempt from corporate income tax under the tax rules applicable to French real estate investment trusts ("SIICs"), as set out in Article 208 C of the French Tax Code.

Consequently, shareholders will not be entitled to the 40% tax relief provided for in Article 158, 3-2°, of the French Tax Code, even if they have made a general election to pay tax at the graduated rate (Article 158, 3-3°b *bis* of the Code).

The dividend will be subject to the flat tax (*prélèvement forfaitaire non libératoire*) provided for in Article 117 *quater* of the French Tax Code and the withholding tax (*retenue à la source*) provided for in Article 119 *bis* of said Code.

In the case of individual shareholders who are resident in France for tax purposes and whose SFL shares are not held in a "PEA" personal equity plan, the dividend will be subject to a flat tax of 12.8% in accordance with Article 117 *quater* of the French Tax Code.

Dividends will be subject to withholding tax at the rate of 12.8% if they are paid to individual shareholders who are not resident in France for tax purposes. This rate will be increased to:

- 15% if the dividends are paid to (i) non-profit organisations that have their headquarters in a member state of the European Union, Iceland, Norway or Liechtenstein and would be taxed in accordance with Article 206-5 of the French Tax Code if they had their headquarters in France, or (ii) to French OPCVMs, OPCIs, SICAFs or other equivalent French or foreign investment funds;
- 75% if the dividends are paid outside France, in an "uncooperative" country or jurisdiction within the meaning of Article 238-0 A 1 and 2 bis-1° of the French Tax Code; or
- 25% in all other cases (Articles 119 bis and 187 of the French Tax Code).

However, a lower withholding tax rate may apply to residents of countries that have signed a double tax treaty with France. Shareholders resident in such countries will be required to provide a certificate of residence to benefit from the treaty rate.

If a corporate shareholder owns, directly or indirectly, at least 10% of the dividend rights and if the dividends received by that shareholder are exempt from French corporate income tax or an equivalent foreign tax, SFL will have to pay a 20% tax on the dividends paid to the shareholder concerned out of profits generated by "SIIC" activities, provided that the shareholder fulfils the above-mentioned conditions. To avoid the 20% tax, the non-resident shareholder would have to provide a certificate stating that the dividends paid out of the "SIIC" profits would be subject to an amount of foreign tax that is no more than two-thirds less than the corporate income tax that would have been paid in France if the profits had not qualified for the "SIIC" regime (Article 208 C II *ter* of the French Tax Code).

In accordance with Article 243 *bis* of the French Tax Code, information on dividends paid in the last three years is provided below:

Year	Dividend per share	Portion of the dividend qualifying for the 40% tax allowance	Portion of the dividend not qualifying for the 40% tax allowance for shareholders resident in France	Portion of the dividend classified as a return of capital	Total dividend(1)
2021	€4.20	€0.00	€4.20	€0.00	€180,031,803.00
2022	€4.20	€0.00	€4.20	€0.00	€180,119,822.40
2023	€2.40	€0.00	€2.40	€0.00	€102,925,612.80

(1) Not including dividends not paid on shares held in treasury.

FOURTH ORDINARY RESOLUTION (Special report of the Statutory Auditors on the agreements referred to in Articles L.225-38 *et seq.* of the French Commercial Code and approval of these agreements)

The Ordinary General Meeting, having considered the Board of Directors' report on corporate governance and the Statutory Auditors' special report on agreements governed by Articles L.225-38 *et seq.* of the French Commercial Code, and acting under the quorum and majority voting rules applicable to Ordinary General Meetings, resolves to approve the new agreements signed in 2024 that are mentioned therein.

FIFTH ORDINARY RESOLUTION (Re-election as a director of Arielle Malard de Rothschild)

The Ordinary General Meeting, having noted that Arielle Malard de Rothschild's term of office as a director expires at the close of the Meeting, and acting under the quorum and majority voting rules applicable to Ordinary General Meetings, resolves to re-elect her for a three-year term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending 31 December 2027.

SIXTH ORDINARY RESOLUTION (Re-election as a director of Pere Viñolas Serra)

The Ordinary General Meeting, having noted that Pere Viñolas Serra's term of office as a director expires at the close of the Meeting, and acting under the quorum and majority voting rules applicable to Ordinary General Meetings, resolves to re-elect him for a three-year term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending 31 December 2027.

SEVENTH ORDINARY RESOLUTION (Re-election as a director of Juan José Brugera Clavero)

The Ordinary General Meeting, having noted that Juan José Brugera Clavero's term of office as a director expires at the close of the Meeting, and acting under the quorum and majority voting rules applicable to Ordinary General Meetings, resolves to re-elect him for a one-year term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending 31 December 2025.

EIGHTH ORDINARY RESOLUTION (Appointment of Forvis Mazars SA as statutory auditor to replace PricewaterhouseCoopers Audit SA, whose appointment is coming to an end)

The Ordinary General Meeting, acting under the quorum and majority voting rules applicable to Ordinary General Meetings, having considered the report of the Board of Directors and noted that the appointment as Statutory Auditor of PricewaterhouseCoopers Audit SA expires at the close of this General Meeting and that, pursuant to Article L.821-45 II of the French Commercial Code, PricewaterhouseCoopers Audit SA's appointment may not be extended, resolves to appoint Forvis Mazars SA, a *société anonyme* registered with the Nanterre Trade and Companies Registry under number 784 824 153, as Statutory Auditor to replace PricewaterhouseCoopers Audit SA for a period of six years expiring at the close of the General Meeting to be called to approve the financial statements for the year ending 31 December 2030.

NINTH ORDINARY RESOLUTION (Appointment of Deloitte & Associé as auditor responsible for certifying sustainability information)

The General Meeting, acting under the quorum and majority voting rules applicable to Ordinary General Meetings, having considered the report of the Board of Directors, resolves, pursuant to Articles L.821-40 *et seq.* of the French Commercial Code and Article 38 of Order 2003-1142 of 6 December 2023, to appoint Deloitte & Associés, a *société par actions simplifiée* whose registered office is at 6 Place de la Pyramide, 92908 Paris la Défense, registered with the Nanterre Trade and Companies Register under number 572 028 041, as auditor responsible for certifying the sustainability information, for the remainder of its term as Statutory Auditor expiring at the close of the General Meeting to be called to approve the financial statements for the year ending 2028.

TENTH ORDINARY RESOLUTION (Approval of the remuneration policy applicable to the Chairman of the Board of Directors, the Chief Executive Officer, the Managing Director and the members of the Board of Directors in accordance with Article L.22-10-8 II of the French Commercial Code)

The Ordinary General Meeting, having considered the Board of Directors' Corporate Governance Report, and acting under the quorum and majority voting rules applicable to Ordinary General Meetings, resolves, in accordance with Articles L.22-10-8 II and R.22-10-14 of the French Commercial Code, to approve the 2025 remuneration policy applicable to the Chairman of the Board of Directors, the Chief Executive Officer, the Managing Director and the members of the Board of Directors, as described in section 4 of the Corporate Governance Report presented by the Board of Directors.

ELEVENTH ORDINARY RESOLUTION (Approval of the remuneration paid or payable to the Chairman of the Board of Directors, the Chief Executive Officer, the Managing Director and the members of the Board of Directors for the year ended 31 December 2024, in accordance with Article L.22-10-34 I of the French Commercial Code)

The Ordinary General Meeting, having considered the Board of Directors' Corporate Governance Report, and acting under the quorum and majority voting rules applicable to Ordinary General Meetings, resolves, in accordance with Article L.22-10-34 I of the French Commercial Code, to approve the disclosures made in accordance with said Article concerning the remuneration paid or payable to the Chairman of the Board of Directors, the Chief Executive Officer, the Managing Director, Chief Operating Officer and the members of the Board of Directors for the year ended 31 December 2024, as described in section 5 of the Corporate Governance Report presented by the Board of Directors.

TWELFTH ORDINARY RESOLUTION (Approval of the components of the 2024 remuneration paid or awarded to Dimitri Boulte, Chief Executive Officer from 1 January to 20 December 2024)

The Ordinary General Meeting, having considered the Board of Directors' Corporate Governance Report, and acting under the quorum and majority voting rules applicable to Ordinary General Meetings, resolves, in accordance with Article L.22-10-34 II of the French Commercial Code, to approve the fixed, variable and special components of the total remuneration and benefits paid or payable to Dimitri Boulte in his capacity as Chief Executive Officer from 1 January to 20 December 2024, as described in section 5.2.2 of the Board of Directors' Corporate Governance Report.

THIRTEENTH ORDINARY RESOLUTION (Approval of the components of the 2024 remuneration paid or awarded to Aude Grant, Chief Executive Officer from 21 to 31 December 2024)

The Ordinary General Meeting, having considered the Board of Directors' Corporate Governance Report, and acting under the quorum and majority voting rules applicable to Ordinary General Meetings, resolves, in accordance with Article L.22-10-34 II of the French Commercial Code, to approve the fixed, variable and special components of the total remuneration and benefits paid or payable to Aude Grant in her capacity as Chief Executive Officer from 21 to 31 December 2024, as described in section 5.2.4 of the Board of Directors' Corporate Governance Report.

FOURTEENTH ORDINARY RESOLUTION (Say-on-Climate vote on the Company's carbon emissions reduction ambitions)

The Ordinary General Meeting, acting under the quorum and majority voting rules applicable to Ordinary General Meetings, having considered the Company's ambitions concerning the reduction of carbon emissions as set out in paragraph 1.1 of the 2024 Sustainability Statement included in the Company's Universal Registration Document, expresses a favourable opinion thereon.

FIFTEENTH ORDINARY RESOLUTION (Authorisation to be given to the Board of Directors to carry out a share buyback programme governed by Article L.22-10-62 of the French Commercial Code)

The Ordinary General Meeting, having considered the Board of Directors' report, and acting under the quorum and majority voting rules applicable to Ordinary General Meetings, resolves:

1. To cancel, with immediate effect, the unused portion of the authorisation given in the tenth ordinary resolution of the Annual General Meeting of 16 April 2024 to buy back the Company's shares.

2. To authorise the Board of Directors, in accordance with Articles L.22-10-62 *et seq.* and L.225-210 *et seq.* of the French Commercial Code, to buy back, hold or transfer, in one or several transactions, shares representing up to 10% of the Company's issued capital at the date of this Meeting, as adjusted if applicable to take into account any capital increases or reductions that may take place after this Meeting, subject to the following restrictions:
   - The shares may not be bought back at a price in excess of €110 per share, excluding transaction costs, as adjusted if appropriate for the effects of any corporate actions, including any bonus share issue paid up by capitalising reserves and/or any share split or reverse share split.
   - Consequently, based on the number of shares outstanding at 31 December 2024, the total amount invested in the share buyback programme will represent a maximum of €472,458,800 corresponding to 4,295,080 ordinary shares. This maximum will be adjusted, if necessary, to reflect the number of shares outstanding at the date of this Meeting and the effects of any future corporate actions.

3. That this authorisation is given for a period of 18 months from the date of this Meeting.

4. That the share buybacks carried out under this authorisation may not under any circumstances result in the Company holding, directly or indirectly, more than 10% of the shares making up its issued capital.

The shares may be purchased, exchanged, sold or transferred at any time, including while a public offer is in progress provided that said offer is for cash only, on the basis and subject to the restrictions - particularly in terms of volumes and price - specified in the laws and regulations applicable on the transaction date. The transactions may be carried out by any appropriate method, including on the market, through a multilateral trading facility, through a "systematic internaliser" (as defined by the Markets in Financial Instruments Directive) or over-the-counter, through block purchases or sales or otherwise, or through the use of options or warrants, or through the remittance of shares following the issue of securities carrying rights to shares or the loan or temporary transfer of securities on the basis approved by the securities regulator. The timing of such transactions will be decided by the Board of Directors or by any person duly authorised by the Board. The entire programme may be carried out through a block purchase.

The shares may be bought back for any purpose allowed by law. The objectives of the share buyback programme shall notably be as follows:

- To purchase shares for allocation to all or selected employees and corporate officers of the Company, and/or related companies and economic interest groupings in accordance with the terms and conditions provided for in the applicable laws, including in connection with (i) the non-discretionary profit-sharing scheme, (ii) any employee share purchase or share grant plan governed by Articles L.3332-1 *et seq.* of the French Labour Code or other legal provisions or (iii) any stock option plan or share grant plan for all or selected employees and officers of the Company in accordance with Articles L.225-177 *et seq.*, L.22-10-56 *et seq.*, L.225-197-1 *et seq.*, L.22-10-59 and L.22-10-60 *et seq.* of the French Commercial Code.
- To buy and sell SFL shares through an investment firm under a liquidity contract that complies with a market practice recognised by the French securities regulator *(Autorité des Marchés Financiers).*
- To purchase shares for delivery on exercise of rights attached to securities exercisable, redeemable, convertible or exchangeable, upon presentation of a warrant or otherwise, immediately or at a future date on exercise of the rights attached to securities with deferred rights to shares, for shares of the Company and to cover the Company's obligations towards the holders of these securities.
- To cancel all or some of the shares bought back, in accordance with Article L.22-10-62 of the French Commercial Code, subject to adoption of the first extraordinary resolution of this Meeting authorising the Board of Directors to reduce the capital.
- To retain shares and subsequently tender them in payment or exchange in connection with any acquisitions, mergers, demergers or stock-for-stock transactions, up to a limit of 5% of the share capital.
- More generally, to carry out any other transaction that may be authorised by the law or regulations in force and/or any market practice that may be accepted at the time.

When shares are bought back under a liquidity contract in accordance with the AMF's General Regulations, the number of shares used to calculate the limit of 10% of the issued capital will correspond to the number of shares purchased minus the number of shares sold during the authorised period.

The Board of Directors shall report to shareholders at each Annual General Meeting on the transactions carried out under this resolution, in accordance with Article L.22-10-62 of the French Commercial Code.

5. That the Board of Directors shall have full powers, including the power of delegation, to implement this authorisation, clarify its terms if necessary, and decide on the method of implementation in accordance with the law and this resolution. Specifically, the Board of Directors is authorised to place buy and sell orders, enter into any and all agreements for the keeping of registers of purchases and sales or other registers, draw up any and all information and other documents, allocate or re-allocate the

shares bought back to any of the above purposes, carry out any and all filing and other formalities with the AMF and all other organisations, and generally do whatever is necessary.

SIXTEENTH ORDINARY RESOLUTION (Powers to carry out formalities)

The Ordinary General Meeting, acting under the quorum and majority voting rules applicable to Ordinary General Meetings, gives full powers to the bearer of an extract or copy of the minutes of the Meeting to carry out all necessary formalities.

Extraordinary Meeting

FIRST EXTRAORDINARY RESOLUTION (Delegation of competence to the Board of Directors to issue ordinary shares or securities with immediate or deferred rights to ordinary shares, with pre-emptive subscription rights for existing shareholders, duration of the delegation, maximum aggregate par value of resulting share issue(s), option to offer any shares or securities not taken up by existing shareholders for subscription by the public)

The Extraordinary General Meeting, having considered the Board of Directors' report and the Statutory Auditors' special report and noted that the Company's issued capital is fully paid up, and acting under the quorum and majority voting rules applicable to Extraordinary General Meetings, resolves, in accordance with Articles L.225-129 *et seq.* and L.22-10-49 *et seq.* of the French Commercial Code, particularly Articles L.225-129-2, L.225-135 and L.22-10-51, and Articles L.228-91 *et seq.* of said Code:

1. To cancel, with immediate effect, the unused portion of the delegation of competence given in the first extraordinary resolution of the General Meeting of 13 April 2023.

2. To grant the Board of Directors a 26-month delegation of competence, from the date of this Meeting, to decide the issue of ordinary shares and/or securities with immediate or deferred rights to ordinary shares, with pre-emptive subscription rights for existing shareholders, to be paid up in cash or by capitalising debt. The Board of Directors shall not use this delegation of competence to issue preference shares or securities with immediate or deferred rights to preference shares.

3. That the aggregate par value of ordinary shares issued under this delegation, either directly or at a future date on exercise of the rights attached to securities with deferred rights to ordinary shares, shall not exceed €100,000,000. This ceiling does not include the nominal amount of any ordinary shares to be issued to protect the rights of holders of securities with rights to ordinary shares pursuant to the law or the applicable contractual terms.

4. That the securities with rights to ordinary shares issued under this delegation may consist of debt securities or securities associated with the issue of debt securities or securities allowing the issue of intermediate debt securities. They may be dated or undated, and subordinated or unsubordinated, and may be denominated in euros, in foreign currency or in any monetary unit determined by reference to a basket of currencies.

   The aggregate nominal value of said debt securities shall not exceed €2,000,000,000, or the equivalent in foreign currency or monetary units at the date the issue is decided. This ceiling does not include any redemption premiums that may be payable on the securities. This non-cumulative ceiling shall apply to all debt securities that may be issued under this resolution and the second, third, fifth and sixth extraordinary resolutions tabled at this Meeting, but is independent and separate from the ceiling on issues of debt securities that may be decided or authorised by the Board of Directors in application of Article L.228-40 of the French Commercial Code.

   The life of debt securities with rights to ordinary shares of the Company shall not exceed 50 years, although this delegation of confidence may also be used to issue undated debt securities. It may be used to issue fixed and/or floating rate or zero coupon debt securities. The securities may be redeemable in advance at par or at a premium, or repayable in instalments. In addition, they may be bought back on the market or through a cash or exchange offer made by the Company.

5. That this delegation automatically entails the waiver by shareholders of their pre-emptive right to subscribe for any ordinary shares issued on exercise of the rights attached to securities with rights to ordinary shares issued under this delegation.

6. That shareholders shall have a pre-emptive right to subscribe for the ordinary shares or securities with rights to ordinary shares issued under this resolution, pro rata to their existing shareholdings. The terms and conditions under which this pre-emptive right may be exercised will be set by the Board of Directors in accordance with the applicable laws. The Board of Directors may also give shareholders a pre-emptive right to subscribe for ordinary shares or securities with rights to ordinary shares not taken up by other shareholders; in this case, if the issue is oversubscribed, this secondary pre-emptive right will also be exercisable pro rata to the existing shareholdings of the shareholders concerned.

   If the entire issue is not taken up by shareholders exercising their pre-emptive subscription rights as provided for above, the Board of Directors may take any or all of the following courses of action provided for in Article L.225-134 of the French Commercial Code, in the order of its choice: (i) limit the amount of the issue to the subscriptions received, provided that at least three-quarters of the planned issue is taken up; and/or (ii) freely allocate all or some of the unsubscribed shares or securities, and/or (iii) offer all or some of the unsubscribed shares or securities for subscription by the public, through a public placement in France and/or abroad and/or on the international market.

7. That the Board of Directors shall have full powers to use this delegation of competence and to:
   - Determine the characteristics, amounts and terms of the issues and the securities, the category of securities to be issued and, based on the information given in its report, set the subscription price of the shares or other securities, which may or may not include a premium, the method of payment of the subscription price, the future or retroactive date from which the shares or securities have coupon rights and, in the case of securities with rights to ordinary shares, the terms on which the rights are exercisable for ordinary shares.
   - Enter into any and all underwriting or other agreements necessary to the issues' success and issue the securities defined above, on one or several occasions on dates and for amounts to be decided by the Board, in France and/or abroad and/or on the international market, and if appropriate, decide to abandon any such issue; place the issues on record; amend the Articles of Association to reflect any resulting increase in capital; carry out any and all filing and other formalities; and obtain any and all authorisations that may be necessary to implement and complete the issues.
   - Take any and all necessary measures to protect the rights of holders of rights or of securities with rights to ordinary shares in accordance with the applicable laws and regulations and with any contractual terms providing for adjustments to be made in any other cases.
   - At the Board's sole discretion, charge the share issuance costs against the related premium and deduct from the premium the amount necessary to increase the legal reserve to one-tenth of the new capital after each issue.
   - If applicable, have the ordinary shares, the securities with rights to ordinary shares, or the ordinary shares issued upon exercise of the rights attached to the securities with rights to ordinary shares, admitted to trading on a regulated market.

The Board may delegate its powers under this resolution to the Chief Executive Officer or - with the Chief Executive Officer's agreement - to the Managing Director(s), subject to the limits to be set by the Board.

SECOND EXTRAORDINARY RESOLUTION (Delegation of competence to the Board of Directors to issue ordinary shares or securities with immediate or deferred rights to ordinary shares, without pre-emptive subscription rights for existing shareholders, through a public offer other than an offer to a restricted group of investors or to qualified investors governed by Article L.411-2, 1° of the French Monetary and Financial Code *(Code monétaire et financier)*, duration of the delegation, maximum aggregate nominal amount of the resulting share issue(s))

The Extraordinary General Meeting, having considered the Board of Directors' report and the Statutory Auditors' special report and noted that the Company's issued capital is fully paid up, and acting under the quorum and majority voting rules applicable to Extraordinary General Meetings, resolves, in accordance with Articles L.225-129 *et seq.* and L.22-10-49 *et seq.* of the French Commercial Code, particularly Articles L.225-129-2, L.225-135 and L.22-10-52, and Articles L.228-91 *et seq.* of said Code:

1. To cancel, with immediate effect, the unused portion of the delegation of competence given in the second extraordinary resolution of the Annual General Meeting of 13 April 2023.

2. To grant the Board of Directors a 26-month delegation of competence, from the date of this Meeting, to decide to issue ordinary shares and/or securities with immediate or deferred rights to ordinary shares, on one or several occasions, for the amounts and during the periods of its choice, in France or abroad by means of a public offer other than an offer governed by Article L.411-2, 1° of the French Monetary and Financial Code, without pre-emptive subscription rights for existing shareholders, to be paid up in cash or by capitalising debt. The Board of Directors shall not use this delegation of competence to issue preference shares or securities with immediate and/or deferred rights to preference shares.

   Any public offers decided pursuant to this resolution may be linked - in a single issue or several simultaneous issues - to offers governed by Article L.411-2, 1° of the French Monetary and Financial Code.

3. That the aggregate nominal amount of ordinary shares issued under this delegation, either directly or at a future date on exercise of the rights attached to securities with deferred rights to ordinary shares, shall not exceed €100,000,000. This ceiling does not include the nominal amount of any ordinary shares to be issued to protect the rights of holders of securities with rights to ordinary shares pursuant to the law or the applicable contractual terms.

4. That the securities with rights to ordinary shares issued under this delegation may consist of debt securities or securities associated with the issue of debt securities or securities allowing the issue of intermediate debt securities. They may be dated or undated, and subordinated or unsubordinated, and may be denominated in euros, in foreign currency or in any monetary unit determined by reference to a basket of currencies.

The aggregate nominal value of said debt securities shall not exceed €2,000,000,000, or the equivalent in foreign currency or monetary units at the date the issue is decided. This ceiling does not include any redemption premiums that may be payable on the securities. This non-cumulative ceiling shall apply to all debt securities that may be issued under this resolution and the first, third, fifth and sixth extraordinary resolutions tabled at this Meeting, but is independent and separate from the ceiling on issues of debt securities that may be decided or authorised by the Board of Directors in application of Article L.228-40 of the French Commercial Code.

5. That this delegation automatically entails the waiver by shareholders of their pre-emptive right to subscribe for any ordinary shares issued on exercise of the rights attached to securities with rights to ordinary shares issued under this delegation.

6. That shareholders shall not have a pre-emptive right to subscribe for the shares or securities with rights to shares issued under this resolution. However, the Board of Directors may grant shareholders a non-transferable priority subscription right, exercisable pro rata to their existing shareholdings. In addition, shareholders may be given a non-transferable priority right to subscribe for ordinary shares or securities with rights to ordinary shares not taken up by other shareholders; in this case, if the issue is oversubscribed, this secondary pre-emptive right will also be exercisable pro rata to the existing shareholdings of the shareholders concerned. The terms and conditions under which these priority rights may be exercised for all or part of the issue will be set by the Board of Directors in accordance with the applicable laws. Ordinary shares and securities with rights to ordinary shares not taken up by shareholders exercising their priority right will be placed on the market in France and/or abroad and/or on the international market.

7. That if the issue is not taken up in full by investors and shareholders, the Board of Directors may take either or both of the following courses of action provided for in Article L.225-134 of the French Commercial Code, in the order of its choice:
   - Limit the amount of the issue to the subscriptions received, provided that at least three-quarters of the planned issue is taken up; and/or
   - Freely allocate all or some of the unsubscribed shares and/or securities with rights to shares.

8. That the amount received or to be received by the Company for each of the shares and securities with rights to shares issued or to be issued under this delegation - in the case of equity warrant issues, after taking into account the warrants' issue price - shall be at least equal to the minimum price provided for, if applicable, in the laws and/or regulations in force on the issue date, whether or not the securities to be issued immediately or on a deferred basis are fungible with existing equity instruments.

9. That the Board of Directors shall have full powers to use this delegation of competence and to:
   - Determine the characteristics, amounts and terms of the issues and the securities, the category of securities to be issued and set the subscription price of the shares or other securities, which may or may not include a premium, the method of payment of the subscription price, the future or retroactive date from which the shares or securities have coupon rights and, in the case of securities with rights to ordinary shares, the terms on which the rights are exercisable for ordinary shares.
   - Enter into any and all underwriting or other agreements necessary to the issues' success and issue the securities defined above, on one or several occasions on dates and for amounts to be decided by the Board, in France and/or abroad and/or on the international market, and if appropriate, decide to abandon any such issue; place the issues on record; amend the Articles of Association to reflect any resulting increase in capital; carry out any and all filing and other formalities; and obtain any and all authorisations that may be necessary to implement and complete the issues.
   - Take any and all necessary measures to protect the rights of holders of rights or of securities with rights to ordinary shares in accordance with the applicable laws and regulations and with any contractual terms providing for adjustments to be made in any other cases.
   - At the Board's sole discretion, charge the share issuance costs against the related premium and deduct from the premium the amount necessary to increase the legal reserve to one-tenth of the new capital after each issue.
   - If applicable, have the ordinary shares, the securities with rights to ordinary shares, or the ordinary shares issued upon exercise of the rights attached to the securities with rights to ordinary shares, admitted to trading on a regulated market.

10. That, in the event that this delegation of competence is used, the Board of Directors shall issue a further report, certified by the Statutory Auditors, on the final terms of the issue and on the estimated impact on the situation of existing shareholders.

The Board may delegate its powers under this resolution to the Chief Executive Officer or - with the Chief Executive Officer's agreement - to the Managing Director(s), subject to the limits to be set by the Board.

THIRD EXTRAORDINARY RESOLUTION (Delegation of competence to the Board of Directors to issue ordinary shares or securities with immediate or deferred rights to ordinary shares, without pre-emptive subscription rights for existing shareholders, through an offer to a restricted group of investors or to qualified investors governed by Article L.411-2, 1° of the French Monetary and Financial Code, duration of the delegation, maximum aggregate nominal amount of the resulting share issue(s))

The Extraordinary General Meeting, having considered the Board of Directors' report and the Statutory Auditors' special report and noted that the Company's issued capital is fully paid up, and acting under the quorum and majority voting rules applicable to Extraordinary General Meetings, resolves, in accordance with Articles L.225-129 *et seq.* and L.22-10-49 *et seq.* of the French Commercial Code, particularly Articles L.225-129-2, L.225-135 and L.22-10-52, and Articles L.228-91 *et seq.* of said Code, as well as Article L.411-2, 1° of the French Monetary and Financial Code:

1. To cancel, with immediate effect, the unused portion of the delegation of competence given in the third extraordinary resolution of the Annual General Meeting of 13 April 2023.

2. To grant the Board of Directors a 26-month delegation of competence, from the date of this Meeting, to decide to issue ordinary shares and/or securities with immediate or deferred rights to ordinary shares, on one or several occasions, for the amounts and during the periods of its choice, in France or abroad by means of an offer governed by Article L.411-2, 1° of the French Monetary and Financial Code, without pre-emptive subscription rights for existing shareholders, to be paid up in cash or by capitalising debt. The Board of Directors shall not use this delegation of competence to issue preference shares or securities with immediate and/or deferred rights to preference shares.

3. That the aggregate nominal amount of ordinary shares issued under this delegation, either directly or at a future date on exercise of the rights attached to securities with deferred rights to ordinary shares, shall not exceed €100,000,000. This ceiling does not include the nominal amount of any ordinary shares to be issued to protect the rights of holders of securities with rights to ordinary shares pursuant to the law or the applicable contractual terms.

4. That the number of shares issued in any 12-month period shall not represent more than 30% of the Company's issued capital, said period being calculated from the date of each successive issue. The Board of Directors would check that the 30% limit had not been reached during the 12 months preceding a planned issue, taking into account changes in the Company's issued capital affecting the denominator.

5. That the securities with rights to ordinary shares issued under this delegation may consist of debt securities or securities associated with the issue of debt securities or securities allowing the issue of intermediate debt securities. They may be dated or undated, and subordinated or unsubordinated, and may be denominated in euros, in foreign currency or in any monetary unit determined by reference to a basket of currencies.

   The aggregate nominal value of said debt securities shall not exceed €2,000,000,000, or the equivalent in foreign currency or monetary units at the date the issue is decided. This ceiling does not include any redemption premiums that may be payable on the securities. This non-cumulative ceiling shall apply to all debt securities that may be issued under this resolution and the first, second, fifth and sixth extraordinary resolutions tabled at this Meeting, but is independent and separate from the ceiling on issues of debt securities that may be decided or authorised by the Board of Directors in application of Article L.228-40 of the French Commercial Code.

6. That this delegation automatically entails the waiver by shareholders of their pre-emptive right to subscribe for any ordinary shares issued on exercise of the rights attached to securities with rights to ordinary shares issued under this delegation.

7. That shareholders shall not have a pre-emptive right to subscribe for the ordinary shares or securities with rights to ordinary shares issued under this delegation.

8. That if the issue is not taken up in full by investors and shareholders, the Board of Directors may take any or all of the following courses of action provided for in Article L.225-134 of the French Commercial Code, in the order of its choice:
   - Limit the amount of the issue to the subscriptions received, provided that at least three-quarters of the planned issue is taken up; and/or
   - Offer all or some of the unsubscribed shares or securities for subscription by the public, through a public placement in France or abroad; and/or
   - Freely allocate all or some of the unsubscribed securities.

9. That the Board of Directors shall have full powers to use this delegation of competence and to:
   - Determine the characteristics, amounts and terms of the issues and the securities, the category of securities to be issued and set the subscription price of the shares or other securities, which may or may not include a premium, the method of payment of the subscription price, the future or retroactive date from which the shares or securities have coupon rights and, in the case of securities with rights to ordinary shares, the terms on which the rights are exercisable for ordinary shares.
   - Enter into any and all underwriting or other agreements necessary to the issues' success and issue the securities defined above, on one or several occasions on dates and for amounts to be decided by the Board, in France and/or abroad and/or on the international market, and if appropriate, decide to abandon any such issue; place the issues on record; amend the Articles of Association to reflect any resulting increase in capital; carry out any and all filing and other formalities; and obtain any and all authorisations that may be necessary to implement and complete the issues.
   - Take any and all necessary measures to protect the rights of holders of rights or of securities with rights to ordinary shares in accordance with the applicable laws and regulations and with any contractual terms providing for adjustments to be made in any other cases.
   - At the Board's sole discretion, charge the share issuance costs against the related premium and deduct from the premium the amount necessary to increase the legal reserve to one-tenth of the new capital after each issue.
   - If applicable, have the ordinary shares, the securities with rights to ordinary shares, or the ordinary shares issued upon exercise of the rights attached to the securities with rights to ordinary shares, admitted to trading on a regulated market.

10. That, in the event that this delegation of competence is used, the Board of Directors shall issue a further report, certified by the Statutory Auditors, on the final terms of the issue and on the estimated impact on the situation of existing shareholders.

The Board may delegate its powers under this resolution to the Chief Executive Officer or - with the Chief Executive Officer's agreement - to the Managing Director(s), subject to the limits to be set by the Board.

FOURTH EXTRAORDINARY RESOLUTION (Authorisation given to the Board of Directors, for share issues with or without pre-emptive subscription rights for existing shareholders, to increase the number of shares issued.)

The Extraordinary General Meeting, having considered the Board of Directors' report and the Statutory Auditors' special report, and acting under the quorum and majority voting rules applicable to Extraordinary General Meetings, resolves, in accordance with Article L.225-135-1 of the French Commercial Code:

1. To cancel, with immediate effect, the unused portion of the authorisation given in the fifth extraordinary resolution of the Annual General Meeting of 13 April 2023.

2. To grant the Board of Directors a 26-month authorisation, from the date of this Meeting, to decide, for any issue carried out pursuant to the first, second and third extraordinary resolutions of this Meeting that is over-subscribed, to increase the number of securities to be issued in order to grant a greenshoe option in line with market practice, in accordance with the above Article L.225-135-1, provided that the ceiling specified in the related resolution is not exceeded.

The Board may delegate its powers under this resolution to the Chief Executive Officer or - with the Chief Executive Officer's agreement - to the Managing Director(s), subject to the limits to be set by the Board.

FIFTH EXTRAORDINARY RESOLUTION (Delegation of competence to the Board of Directors to issue ordinary shares or securities with rights to ordinary shares in connection with a public exchange offer made by the Company, duration of the delegation.)

The Extraordinary General Meeting, having considered the Board of Directors' report and the Statutory Auditors' special report, and acting under the quorum and majority voting rules applicable to Extraordinary General Meetings, resolves, in accordance with Articles L.225-129-2, L.22-10-54 and L.228-92 of the French Commercial Code:

1. To cancel, with immediate effect, the unused portion of the authorisation given in the sixth extraordinary resolution of the Annual General Meeting of 13 April 2023.

2. To grant the Board of Directors a 26-month delegation of competence, from the date of this Meeting, to decide to use the second extraordinary resolution to issue - without pre-emptive subscription rights for existing shareholders - ordinary shares or securities with immediate and/or deferred rights to ordinary shares in payment for shares tendered to a public exchange offer or an alternative cash or exchange offer for the shares of another company traded on one of the regulated markets referred to in the above Article L.22-10-54 made by SFL in France or in another country under local rules.

The aggregate par value of ordinary shares issued under this delegation, either directly or at a future date on exercise of the rights attached to securities with deferred rights to ordinary shares, shall not exceed €100,000,000 and shall be deducted from the ceiling set in the second and third extraordinary resolutions of this Meeting. This ceiling does not include the nominal amount of any ordinary shares to be issued to protect the rights of holders of securities with rights to ordinary shares pursuant to the law or the applicable contractual terms.

3. That the securities with rights to ordinary shares issued under this delegation may consist of debt securities or securities associated with the issue of debt securities or securities allowing the issue of intermediate debt securities. They may be dated or undated, and subordinated or unsubordinated, and may be denominated in euros, in foreign currency or in any monetary unit determined by reference to a basket of currencies.

The aggregate nominal value of said debt securities shall not exceed €2,000,000,000, or the equivalent in foreign currency or monetary units at the date the issue is decided. This ceiling does not include any redemption premiums that may be payable on the securities. This non-cumulative ceiling shall apply to all debt securities that may be issued under this resolution and the first, second, third and sixth extraordinary resolutions tabled at this Meeting, but is independent and separate from the ceiling on issues of debt securities that may be decided or authorised by the Board of Directors in application of Article L.228-40 of the French Commercial Code.

4. That this delegation automatically entails the waiver by shareholders of their pre-emptive right to subscribe for any ordinary shares issued on exercise of the rights attached to securities with rights to ordinary shares issued under this delegation.

5. That the Board of Directors shall have full powers to carry out public exchange offers under this delegation and to:
   - Set the exchange ratio and any cash payment to be made if application of the exchange ratio results in rights to fractions of shares.
   - Set the terms and conditions of issue and the characteristics of securities issued under this delegation.
   - Place on record the number of securities tendered to the offer.
   - Determine the date and terms of issue, including the price and cum dividend date, of the new ordinary shares or, if applicable, the securities with immediate and/or deferred rights to ordinary shares.
   - Take any and all necessary measures to protect the rights of holders of rights or of securities with rights to ordinary shares in accordance with the applicable laws and regulations.
   - Record in a "share premium" account in equity, to which all shareholders shall have rights, the difference between the issue price of the new shares and their par value.
   - Charge against said premium all costs and fees incurred in connection with the offer.
   - If applicable, have the ordinary shares, the securities with rights to ordinary shares, or the ordinary shares issued upon exercise of the rights attached to the securities with rights to ordinary shares, admitted to trading on a regulated market.
   - Generally, take any and all appropriate measures and enter into any and all agreements to complete the authorised transaction, place on record the resulting capital increase(s) and amend the Articles of Association to reflect the new capital.

The Board may delegate its powers under this resolution to the Chief Executive Officer or - with the Chief Executive Officer's agreement - to the Managing Director(s), subject to the limits to be set by the Board.

SIXTH EXTRAORDINARY RESOLUTION (Delegation of powers to the Board of Directors to issue ordinary shares or securities with rights to ordinary shares in payment for contributed shares or securities with rights to shares of another company, other than in connection with a public exchange offer made by the Company, duration of the delegation, maximum aggregate amount of the capital increase(s), procedure for dealing with rights to fractions of shares.)

The Extraordinary General Meeting, having considered the Board of Directors' report and the Statutory Auditors' special report, and acting under the quorum and majority voting rules applicable to Extraordinary General Meetings, resolves, in accordance with Articles L.225-147 and L.22-10-53 of the French Commercial Code:

1. To cancel, with immediate effect, the unused portion of the authorisation given in the seventh extraordinary resolution of the Annual General Meeting of 13 April 2023.

2. To grant to the Board of Directors a 26-month delegation of powers, from the date of this Meeting, to issue ordinary shares or securities with immediate and/or deferred rights to ordinary shares, based on the report of the expert appraiser(s) of capital contributions referred to in the first and second paragraphs of the above-mentioned Article L.225-147, in payment for shares or securities with rights to shares of another company that are contributed to the Company under a transaction not governed by Article L.22-10-54 of the French Commercial Code. To this end, the Extraordinary General Meeting resolves to waive, in favour of the contributing parties, the pre-emptive right of existing shareholders to subscribe for these ordinary shares or securities with rights to ordinary shares.

   The aggregate par value of ordinary shares issued under this delegation, either directly or at a future date on exercise of the rights attached to securities with rights to ordinary shares, shall not exceed 20% of the Company's issued capital at the issue date. Said 20% limit shall apply to an adjusted number of shares, if necessary, to take into account any corporate actions carried out after this Meeting.

   That the securities with rights to ordinary shares issued under this delegation may consist of debt securities or securities associated with the issue of debt securities or securities allowing the issue of intermediate debt securities. They may be dated or undated, and subordinated or unsubordinated, and may be denominated in euros, in foreign currency or in any monetary unit determined by reference to a basket of currencies.

   The aggregate nominal value of said debt securities shall not exceed €2,000,000,000, or the equivalent in foreign currency or monetary units at the date the issue is decided. This ceiling does not include any redemption premiums that may be payable on the securities. This non-cumulative ceiling shall apply to all debt securities that may be issued under this resolution and the first, second, third and fifth extraordinary resolutions tabled at this Meeting, but is independent and separate from the ceiling on issues of debt securities that may be decided or authorised by the Board of Directors in application of Article L.228-40 of the French Commercial Code.

4. That this delegation automatically entails the waiver by shareholders of their pre-emptive right to subscribe for any ordinary shares issued on exercise of the rights attached to securities with rights to ordinary shares issued under this delegation.

5. That the Board of Directors shall have full powers to use this delegation of powers and to:
   - Approve the value attributed to the contributed shares or securities and to the benefits granted, based on the valuation report issued by the expert appraiser(s) of capital contributions referred to in the first and second paragraphs of the above-mentioned Article L.225-147.
   - Determine the date and terms of issue, including the price and cum dividend date, of the new ordinary shares and/or, if applicable, the securities with immediate and/or deferred rights to ordinary shares.
   - At the Board's sole discretion, charge the share issuance costs against the related premium and deduct from the premium the amount necessary to increase the legal reserve to one-tenth of the new capital after each issue.
   - Take any and all necessary measures to protect the rights of holders of rights or of securities with rights to ordinary shares in accordance with the applicable laws and regulations and with any contractual terms providing for adjustments to be made in any other cases.
   - If applicable, have the ordinary shares, the securities with rights to ordinary shares, or the ordinary shares issued upon exercise of the rights attached to the securities with rights to ordinary shares, admitted to trading on a regulated market.
   - Place on record the capital increases carried out under this delegation, amend the Articles of Association to reflect the new capital, carry out any and all filing and other formalities and obtain any and all authorisations that are necessary to carry out the contributions.

The Board may delegate its powers under this resolution to the Chief Executive Officer or – with the Chief Executive Officer's agreement – to the Managing Director(s), subject to the limits to be set by the Board.

SEVENTH EXTRAORDINARY RESOLUTION (Blanket ceiling on the authorisations)

The Extraordinary General Meeting, having considered the Board of Directors' report, and acting under the quorum and majority voting rules applicable to Extraordinary General Meetings, resolves to set at €100,000,000 the maximum aggregate nominal amount of ordinary shares that may be issued directly or on exercise of the rights attached to securities with rights to ordinary shares issued under the authorisations given in the first, second, third, fourth, fifth and sixth extraordinary resolutions of this Meeting. This ceiling shall not include the nominal amount of ordinary shares to be issued to protect the rights of holders of securities with rights to ordinary shares.

EIGHTH EXTRAORDINARY RESOLUTION (Delegation of competence to the Board of Directors to increase the Company's capital by capitalising reserves, profits or share premiums, duration of the delegation, maximum aggregate amount of the capital increase(s), issue price.)

The Ordinary General Meeting, having considered the Board of Directors' report, resolves, in accordance with Articles L.225-129-2, L.225-130 and L.22-10-50 of the French Commercial Code and under the quorum and majority voting rules applicable to Ordinary General Meetings:

1. To cancel, with immediate effect, the unused portion of the delegation of competence given in the ninth extraordinary resolution of the Annual General Meeting of 13 April 2023.

2. To grant to the Board of Directors a 26-month delegation of competence from the date of this Meeting, to increase the capital on one or several occasions, in periods and under the terms and conditions of its choice, to be paid up by capitalising reserves, profits, share premiums or any other capitalisable amounts and issuing bonus shares or raising the par value of existing shares or both.

3. To give full powers to the Board of Directors to decide that rights to fractions of shares shall be non-transferable and that the corresponding shares will be sold, with the proceeds from the sale allocated among the holders of rights to fractions of shares within the period specified in the applicable regulations.

4. That the aggregate amount by which the capital may be increased under this delegation shall not exceed €25,000,000. This ceiling does not include the par value of any ordinary shares to be issued to protect the rights of holders of securities with rights to ordinary shares. In addition, it is independent and separate from the ceilings on issues of ordinary shares – directly or at a future date on exercise of rights attached to securities with rights to ordinary shares – carried out under the first, second, third, fourth, fifth and sixth extraordinary resolutions.

5. That the Board of Directors shall have full powers to use this delegation of powers and to:
   - Set the amounts to be capitalised and decide on the accounts from which the funds will be transferred.
   - Set the number of ordinary shares to be issued and/or the amount by which the par value of existing shares will be increased.
   - Decide the future or retroactive date from which the new shares will carry rights or the increase in par value will be effective.
   - Decide that any rights to fractions of shares shall be non-transferable and that the corresponding shares will be sold, with the proceeds from the sale allocated among the holders of rights to fractions of shares within the period specified in the applicable regulations.
   - Take any and all necessary measures to protect the rights of holders of rights or of securities with rights to ordinary shares in accordance with the applicable laws and regulations and with any contractual terms providing for adjustments to be made in any other cases.
   - At the Board's sole discretion, charge the share issuance costs against one or several reserve accounts and deduct from said account(s) the amount necessary to increase the legal reserve to one-tenth of the new capital after each issue.
   - If applicable, have the new shares admitted to trading on a regulated market.
   - Place on record the capital increases carried out under this delegation, amend the Articles of Association to reflect the new capital, carry out any and all filing and other formalities and obtain any and all authorisations that are necessary to complete the capital increase.

The Board may delegate its powers under this resolution to the Chief Executive Officer or – with the Chief Executive Officer's agreement – to the Managing Director(s), subject to the limits to be set by the Board.

NINTH EXTRAORDINARY RESOLUTION (Authorisation to be given to the Board of Directors to cancel shares held in treasury stock pursuant to Article L.22-10-62 of the French Commercial Code, duration of the authorisation, and ceiling)

The Extraordinary General Meeting, having considered the Board of Directors' report and the Statutory Auditors' special report, and acting under the quorum and majority voting rules applicable to Extraordinary General Meetings, resolves, in accordance with Article L.22-10-62 of the French Commercial Code:

1. To authorise the Board of Directors to cancel, on one or several occasions, all or some of the shares held by the Company or that may be held in the future following utilisation of the various buyback authorisations given by the Annual General Meeting to the Board of Directors, provided that the number of shares cancelled in any 24-month period does not exceed 10% of the total shares outstanding on the transaction date. Said 10% limit shall apply to an adjusted number of shares, if necessary, to take into account any corporate actions carried out after this Meeting.

2. To authorise the Board of Directors to charge the difference between the cost of the cancelled shares and their par value to any available premium or reserve account.

3. To give full powers to the Board of Directors – directly or through a representative appointed in accordance with the applicable laws and regulations – to carry out the capital reduction(s) resulting from the share cancellations authorised by this resolution, determine and place on record the final amount of the capital reduction(s), record the corresponding accounting entries, amend the Articles of Association to reflect the new capital and generally carry out any and all necessary formalities.

4. To set at 18 months from the date of this Meeting the period of validity of this authorisation, which cancels and replaces all previous authorisations with the same purpose.

TENTH EXTRAORDINARY RESOLUTION (Delegation of competence to the Board of Directors to issue shares to employees who are members of an Employee Share Ownership Plan, without pre-emptive subscription rights for existing shareholders, duration of the authorisation, purposes, terms and conditions, and ceiling.)

The Extraordinary General Meeting, having considered the Board of Directors' report and the Statutory Auditors' special report, and acting under the quorum and majority voting rules applicable to Extraordinary General Meetings, resolves, in accordance with Articles L.22-10-49, L.225-129-6, L.225-138 I and II and L.225-138-1 of the French Commercial Code and Articles L.3332-18 *et seq.* of the French Labour Code:

1. To cancel, with immediate effect, the unused portion of the delegation of competence given in the eleventh extraordinary resolution of the General Meeting of 13 April 2023.

2. To grant to the Board of Directors a 26-month delegation of competence, from the date of this Meeting, to decide to increase the capital on one or several occasions, in the periods and under the terms and conditions of its choice, by issuing ordinary shares or securities with rights to ordinary shares to employees and retired employees who are members of an SFL Group Employee Share Ownership Plan or by making grants of shares or securities with rights to shares paid up by capitalising reserves, profits or share premiums, within the limits set in the applicable laws and regulations.

3. The aggregate nominal amount of ordinary shares issued under this delegation, either directly or at a future date, shall not exceed €500,000. This ceiling (i) does not include the nominal amount of any ordinary shares to be issued in respect of adjustments made to protect the rights of holders of securities with rights to ordinary shares and (ii) is independent and separate from all other ceilings on issues of ordinary shares.

   If an issue is not taken up in full, the amount of the issue shall be reduced based on the number of shares or securities effectively subscribed.

4. To waive, in favour of Employee Share Ownership Plan members, the pre-emptive right of existing shareholders to subscribe for the ordinary shares or securities with rights to ordinary shares. In addition, this delegation automatically entails the waiver by shareholders of their pre-emptive right to subscribe for any ordinary shares issued on exercise of the rights attached to securities with rights to ordinary shares issued under this delegation.

5. That:
   - The discount offered under the Employee Share Ownership Plan shall be set at 30% of the average of the opening prices quoted for SFL shares on NYSE Euronext Paris over the 20 trading days immediately preceding the date on which the opening date of the subscription period is decided, or 40% of said average if the Plan's lock-up period, as set in accordance with Article L.3332-25 of the French Labour Code, is at least ten years. The Board of Directors may reduce this discount, at its discretion, in the case of an offer to members of a Group Employee Share Ownership Plan of shares or securities on the international market and/or outside France, to comply with any local laws. It may also replace all or part of the discount with a grant of ordinary shares or securities with rights to ordinary shares on the basis stipulated below.
   - The Board of Directors may make grants of ordinary shares or securities with rights to ordinary shares, provided that the aggregate amount of the benefit resulting from these grants and the discount referred to above, if any, does not exceed the benefit that the Employee Share Ownership Plan members would have received if the shares or securities had been offered to them at a discount of 30%, or 40% if the Plan's lock-up period, as set in accordance with Article L.3332-26 of the French Labour Code, is at least ten years. In addition, the total benefit including the financial value of the ordinary shares granted without consideration, determined based on the subscription price, must not exceed the legal limits.
6. That the Board of Directors shall have full powers to use this delegation of competence and to:
   - Decide the characteristics, amount and terms of each issue of ordinary shares or securities with rights to ordinary shares and each grant of ordinary shares or other securities.
   - Decide that the ordinary shares or securities will be offered for subscription either directly or through a corporate mutual fund.
   - Draw up, in accordance with the law, the list of companies or other entities whose employees and retired employees will be eligible to subscribe for the ordinary shares or securities with rights to ordinary shares and, if applicable, to receive grants of ordinary shares or securities with rights to ordinary shares.
   - Decide the nature and terms of the capital increase and the terms and conditions of the issue or share grant.
   - Decide the conditions of eligibility in terms of period of service of employees and retired employees to subscribe for the ordinary shares or securities with rights to ordinary shares or to receive grants of ordinary shares or securities with rights to ordinary shares.
   - Set the terms and conditions of the issues of ordinary shares or securities with rights to ordinary shares to be carried out under this delegation, including the cum dividend date and the method of payment of the subscription price.
   - Decide the opening and closing dates of the subscription periods.
   - Place on record the capital increases based on the aggregate nominal amount of the ordinary shares subscribed.
   - Decide, if applicable, the type of securities to be granted, as well as the terms and conditions of grant.
   - Determine, if applicable, the amounts to be capitalised within the limit specified above, the accounts from which said amounts are to be transferred, and the cum dividend date of the ordinary shares issued without consideration.
   - At the Board's sole discretion, charge the share issuance costs against the related premium and deduct from the premium the amount necessary to increase the legal reserve to one-tenth of the new capital after each issue.
   - Take all necessary measures to implement the capital increases, carry out any and all related formalities, including listing formalities for the new shares, amend the Articles of Association to reflect the new capital and generally do whatever else is necessary.

The Board may delegate its powers under this resolution to the Chief Executive Officer or – with the Chief Executive Officer's agreement – to the Managing Director(s), subject to the limits to be set by the Board.

ELEVENTH EXTRAORDINARY RESOLUTION (Review and approval of a proposed cross-border merger agreement and approval of the merger of the Company into Inmobiliaria Colonial, a Spanish company, in accordance with the terms of the merger agreement (as defined below), subject to the fulfilment or waiver of certain conditions precedent, and delegation of powers to the Board of Directors to implement said cross-border merger)

The Extraordinary General Meeting, acting under the quorum and majority voting rules applicable to Extraordinary General Meetings and in accordance with the provisions of the French Commercial Code, including Articles L.236-31 to L.236-45, having considered:

- the opinion of the Company's Social and Economic Committee dated 31 January 2025;
- the draft joint cross-border merger agreement (including its appendices) drawn up in French, English and Spanish, set out in a private deed dated 4 March 2025 between the Company and Inmobiliaria Colonial, SOCIMI, S.A., a company incorporated under Spanish law with a share capital of €1,270,286,952.50, which has its registered office at Paseo de la Castellana 52, 28046 Madrid (Spain), registered in the Madrid Mercantile Register under number A-28027399 ("Colonial", and collectively with the Company, the "Merged Companies") (the "Merger Agreement") relating to the proposed cross-border merger of the Company into Colonial (the "Cross-Border Merger"), as established by the Boards of Directors of each of the Merged Companies;
- the receipt for the Merger Agreement filed on 6 March 2025;
- a copy of the notice published in the BODACC dated 19 March 2025;
- a copy of the notice published in the BALO on 21 March 2025;
- a copy of the notice published in the Légal II digital legal gazette on 21 March 2025;
- the report on the Cross-Border Merger drawn up by the Board of Directors of the Company in accordance with Articles L.236-36 and R.236-24 of the French Commercial Code (including its appendices, the "Merger Report") and the attached opinion of the Company's Social and Economic Committee dated 31 January 2025;
- the report on the terms and conditions of the Cross-Border Merger and the value of the contributions, drawn up by Agnès Piniot, practising with the firm Ledouble and appointed by order of the Presiding Magistrate of the Paris Commercial Court dated 12 November 2024, pursuant to Articles L.236-10, L.236-37, R.236-9 and R.22-10-7 of the French Commercial Code and Articles 6, 41 and 103 of Spanish Royal Decree-Law 5/2023 of 28 June 2023, to act as merger auditor for the Cross-Border Merger;
- the audited annual financial statements of the Company and Colonial for the year ended 31 December 2024 and the approved and audited annual financial statements of the Company for the years ended 31 December 2023 and 31 December 2022, together with the Company's management reports for the last three financial years;

approves the Merger Agreement and all the provisions thereof, including the following main stipulations:

- the Cross-Border Merger will result in the transfer to Colonial of all assets, liabilities, rights, obligations and other legal relationships making up the net assets of the Company, by way of a transmision universelle de patrimoine, without any restrictions or exemptions, in accordance with the terms and conditions of the Merger Agreement and subject in particular to the satisfaction of the conditions precedent specified in Article 6 of the Merger Agreement (unless all or some of the conditions precedent are waived to the extent permitted by the Merger Agreement or applicable law);
- the completion date of the Cross-Border Merger, which shall be the date of registration of the notarial Deed of Merger in Spain, provided that said date shall not be earlier than the date on which all the bonds included in the Company's five hundred million euro (€500,000,000) bond issue are redeemed (the "Completion Date"), in accordance with the stipulations of the Merger Agreement, and provided that the Cross-Border Merger shall only take place once the conditions precedent specified in Article 6 of the Merger Agreement have been satisfied (unless all or some of the conditions precedent are waived to the extent permitted by the Merger Agreement or applicable law);
- the effective date for accounting and tax purposes of the Cross-Border Merger, as agreed between the Company and Colonial, will be the date of approval of the Merger by the general meeting of shareholders of the Company; and
- each ordinary share of the Company with a par value of two euros (€2) that is issued and outstanding immediately prior to the Completion Date (excluding any shares held in treasury), will be exchanged for ordinary shares of Colonial with a par value of two euros and fifty cents (€2.50) per share, on the basis of one (1) ordinary share of the Company for thirteen (13) ordinary shares of Colonial (the "Exchange Ratio"), and any shares of the Company held in treasury will be cancelled and will cease to exist, without any consideration being paid or payable in exchange for such shares;

notes that, subject to the satisfaction of the conditions precedent stipulated in Article 6 of the Merger Agreement or, to the extent permitted by the Merger Agreement or applicable law, the waiver on such date of all or some of the conditions precedent:

- in accordance with Article L.236-40 of the French Commercial Code, shareholders who voted against the proposed Cross-Border Merger will be entitled to sell their shares to the Company at a price of seventy-seven euros and fifty cents (€77.50) per share. In order to be admissible, the buyback request must be submitted within ten days from the date of approval of the Cross-Border Merger, by email sent to the address indicated in the Merger Report or by registered letter with acknowledgement of receipt;
- the provisional valuation of the contributed assets and assumed liabilities and the value of the net assets transferred at their provisional net book value amounts to €1,023,388,973 based on the Company's provisional financial statements at the effective date for accounting and tax purposes (taking into account the application of a flat technical discount of €25,000,000) and the final net book values of the assets and liabilities transferred by the Company and, consequently, of the net assets transferred, will be determined on the basis of the Company's final financial statements at the effective date of the Cross-Border Merger for accounting and tax purposes;
- on the Completion Date, Colonial shall allocate Colonial ordinary shares for each issued and outstanding ordinary share of the Company, on the basis of one (1) ordinary share of the Company for thirteen (13) ordinary shares of Colonial, which will consist of treasury shares such that Colonial will not increase its share capital;
- any entry in a registered share account with Société Générale Securities Services, the Company's custodian and registrar, which previously corresponded to a share issued by the Company held (i) in pure registered form or (ii) in administered registered form immediately prior to the Completion Date, will thereafter correspond to a Colonial share which will be registered either directly with Société Générale Securities Services or with the shareholder's financial intermediary, without it being necessary to exchange the shares;

- any shares held in treasury by the Company will not be exchanged and will be cancelled on the Completion Date in accordance with Article L.236-3 of the French Commercial Code;
- the Colonial ordinary shares allocated in the Cross-Border Merger will rank *pari passu* in all respects with all other Colonial ordinary shares issued and outstanding on the Completion Date and no special rights or restrictions will apply to the Colonial ordinary shares allocated in the Cross-Border Merger;
- the Colonial ordinary shares allocated in the Cross-Border Merger will be fully paid up and free of all third party rights and security interests;
- Colonial will be subrogated, on the Completion Date, to all the rights and obligations of the Company; and
- subject to completion of the Cross-Border Merger, the Company will be dissolved without prior liquidation with effect on the Completion Date;

resolves, as a consequence of the foregoing, to give full powers to the Board of Directors, directly or through a representative appointed in accordance with the applicable laws and regulations, to:

- place on record, as necessary, the completion of the Cross-Border Merger, its remuneration and the dissolution of the Company and, to this end, place on record the satisfaction of the conditions precedent specified in Article 10 of the Merger Agreement (or, to the extent permitted by the Merger Agreement or applicable law, the waiver of all or some of the conditions precedent);
- negotiate, sign and amend any deed, declaration or contract necessary to complete the Cross-Border Merger;
- carry out all formalities required in connection with the Cross-Border Merger or with a view to regularising and/or rendering effective against third parties the transfer of assets, rights and obligations; and
- to the extent necessary, reiterate the terms of the Cross-Border Merger, draw up any and all deeds reiterating, confirming, rectifying or supplementing the Merger Agreement, issue any and all findings, conclusions and communications, complete any and all formalities, in particular to obtain the certificate of compliance required by the applicable legislative provisions, in order to complete the Cross-Border Merger.

TWELFTH EXTRAORDINARY RESOLUTION (Powers to carry out formalities)

The Extraordinary General Meeting, acting under the quorum and majority voting rules applicable to Extraordinary General Meetings, gives full powers to the bearer of an extract or copy of the minutes of the Meeting to carry out all necessary formalities.

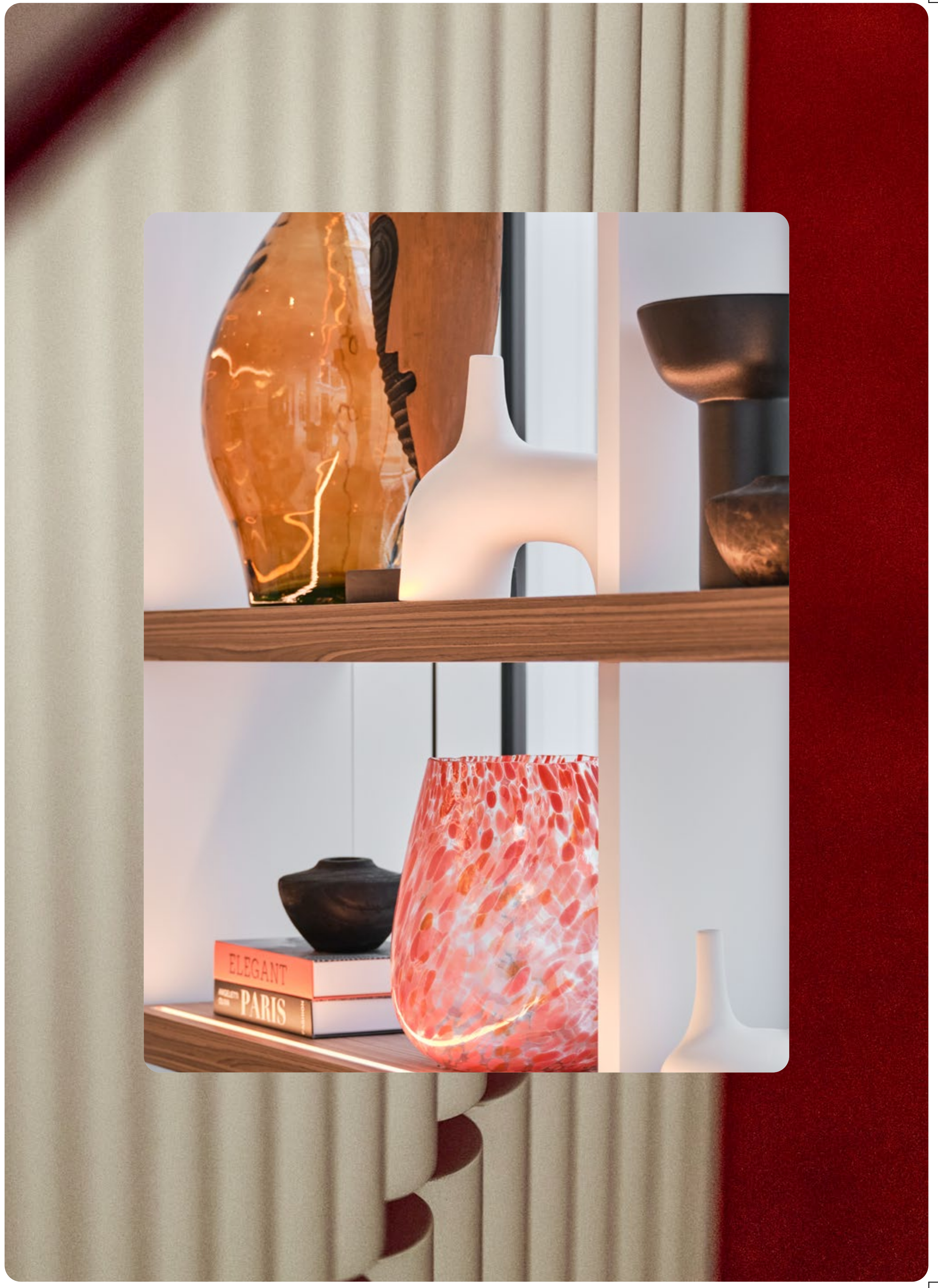
Appendix 14.7 - Portfolio at 31 December 2024

Owned properties at 31 December 2024		Gross usable surface area (sq.m.)								
		Total usable surface area (sq.m.)	Offices (sq.m.)	Retail (sq.m.)	Hotels (sq.m.)	Theatres (sq.m.)	Residential (sq.m.)	Staff restaurants/ fitness centres (sq.m.)	File rooms, stock rooms (sq.m.)	Parking spaces (number)
1st *arrondissement*	Louvre Saint-Honoré	**41,995**	25,205	16,037	-	-	-	753	-	181
2nd *arrondissement*	#cloud.paris	**31,677**	29,875	-	-	-	-	246	1,556	211
7th *arrondissement*	103 Grenelle	**17,202**	15,585	258	-	-	-	1,052	307	100
8th arrondissement	Washington Plaza	**46,740**	41,096	406	-	-	-	2,557	2,681	662
8th arrondissement	Haussmann Saint-Augustin	**13,434**	11,683	791	-	-	-	-	960	104
8th *arrondissement*	Galerie des Champs-Élysées	**6,418**	-	4,599	-	-	-	-	1,819	117
8th *arrondissement*	90 Champs-Élysées	**8,844**	7,912	932	-	-	-	-	-	0
8th arrondissement	92 Champs-Élysées	**7,199**	4,347	2,852	-	-	-	-	-	0
8th arrondissement	Cézanne Saint-Honoré	**27,401**	24,136	1,849	-	-	-	-	1,416	128
9th *arrondissement*	Condorcet	**24,883**	20,375	-	-	-	1,562	1,301	1,644	50
9th *arrondissement*	Édouard VII	**54,101**	28,859	6,822	3,125	8,019	4,509	1,090	1,677	523
12th *arrondissement*	Scope	**22,670**	20,269	-	-	-	-	1,760	641	366
15th arrondissement	Biome	**24,635**	22,452	-	-	-	759	1,111	313	84
15th arrondissement	Pasteur	**39,590**	38,452	961	-	-	-	-	176	443
16th *arrondissement*	83 Marceau	**9,734**	8,737	690	-	-	-	-	307	129
17th *arrondissement*	131 Wagram	**8,952**	8,007	-	-	-	-	-	945	114
Neuilly-sur-Seine	176 Charles de Gaulle	**6,870**	5,546	1,196	-	-	-	-	128	123
Total		392,344	312,537	37,392	3,125	8,019	6,831	9,869	14,572	3,335

CONSOLIDATED *FINANCIAL STATEMENTS*

02

The consolidated financial statements were approved for publication by the Board of Directors on 18 February 2025.



A - Consolidated Statement of Financial Position

ASSETS

(in thousands of euros)	Notes Section E	31 Dec. 2024	31 Dec. 2023
Intangible assets	V - 1	3,955	1,421
Property and equipment	V - 2	21,676	22,761
Investment property	V - 4	7,358,814	7,156,813
Non-current financial assets	VII - 5	237	237
Other non-current assets	VI - 4	141,764	112,880
Total non-current assets		**7,526,446**	**7,294,112**
Trade and other receivables	VI - 3	55,460	33,360
Current financial assets	VII - 5	171	612
Other current assets	VI - 4	934	4,662
Cash and cash equivalents	VII - 6	84,696	96,776
Total current assets		**141,261**	**135,410**
Total assets		7,667,706	7,429,521

EQUITY AND LIABILITIES

(in thousands of euros)	Notes Section E	31 Dec. 2024	31 Dec. 2023
Share capital	VIII - 1	85,901	85,771
Reserves		3,348,825	4,093,159
Profit/(loss) for the year		206,925	(638,767)
Equity attributable to owners of the parent		**3,641,652**	**3,540,164**
Non-controlling interests		986,950	941,976
Total non-controlling interests		**986,950**	**941,976**
Total equity		**4,628,602**	**4,482,140**
Long-term borrowings and derivative instruments	VII - 1	1,491,844	1,983,226
Long-term provisions	IX - 1	1,485	1,348
Deferred tax liabilities	XI - 2	97,236	172,955
Other non-current liabilities	VI - 6	72,394	50,157
Total non-current liabilities		**1,662,958**	**2,207,686**
Trade and other payables	VI - 5	57,341	28,075
Short-term borrowings and other interest-bearing debt	VII - 1	1,253,112	644,429
Short-term provisions	IX - 1	1,673	836
Other current liabilities	VI - 6	64,020	66,355
Total current liabilities		**1,376,146**	**739,695**
Total equity and liabilities		7,667,706	7,429,521

B - Consolidated Statement of Comprehensive Income

(in thousands of euros)	Notes Section E	2024	2023
Rental income		**248,829**	**234,420**
Gross property expenses		(52,024)	(53,497)
Property expenses recovered from tenants		44,305	41,992
Property expenses, net of recoveries		(7,719)	(11,505)
Net property rentals	VI - 1	**241,110**	**222,915**
Other income	VI - 2	7,058	10,528
Depreciation, amortisation and impairment	V - 3	(1,551)	(1,906)
Provision expense, net	IX - 2	1,712	(6,021)
Employee benefits expense	X - 1	(20,120)	(15,514)
Other expenses	VI - 7	(10,443)	(8,433)
Profit/(loss) on disposal of investment property	V - 5	0	(158)
Fair value adjustments to investment property	V - 4	104,535	(960,277)
Operating profit/(loss)		**322,299**	**(758,865)**
Finance costs and other financial expenses	VII - 2	(63,562)	(57,654)
Financial income	VII - 2	3,557	1,644
Profit/(loss) before income tax		**262,294**	**(814,876)**
Income tax benefit	XI - 1-2	24,176	28,005
Net profit/(loss)		286,470	(786,872)
Attributable to owners of the parent		**206,925**	**(638,767)**
Attributable to non-controlling interests	VIII - 6	79,545	(148,105)
Earnings per share	VIII - 4	€4.82	€(14.90)
Diluted earnings per share	VIII - 4	€4.81	€(14.90)
Other comprehensive income			
Actuarial gains and losses	IX - 1	(38)	132
Items that will not be reclassified to profit or loss		(38)	132
Valuation gains and losses on financial instruments (cash flow hedges)	VII - 3	(6,882)	(23,994)
Items that may be reclassified subsequently to profit or loss		(6,882)	(23,994)
Other comprehensive income/(expense)		**(6,920)**	**(23,862)**
Comprehensive income/(expense)		**279,550**	**(810,734)**
Attributable to owners of the parent		**200,005**	**(662,629)**
Attributable to non-controlling interests	VIII - 6	79,545	(148,105)

C - Consolidated Statement of Changes in Equity

(in thousands of euros)	Share capital	Share premium account	Revaluation reserve	Treasury shares	Cash flow hedging reserve	Other reserves	Profit/(loss) for the year	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
Equity at 31 December 2022	**85,729**	**160,003**	**22,621**	**(18,318)**	**30,684**	**3,954,857**	**143,430**	**4,379,003**	**1,097,432**	**5,476,435**
Profit/(loss) for the year	-	-	-	-	-	-	(638,767)	(638,767)	(148,105)	(786,872)
Other comprehensive income/(expense), net of tax	-	-	-	-	(23,994)	132	-	(23,862)	-	(23,862)
Comprehensive income	**-**	**-**	**-**	**-**	**(23,994)**	**132**	**(638,767)**	**(662,629)**	**(148,105)**	**(810,734)**
Appropriation of profit/(loss)	-	-	-	-	-	143,430	(143,430)	-	-	-
Share issues	42	(42)	-	-	-	-	-	-	-	-
Treasury share transactions	-	-	-	3,878	-	-	-	3,878	-	3,878
Gains and losses on sales of treasury shares	-	-	-	(3,744)	-	-	-	(3,744)	-	(3,744)
Share-based payments	-	-	-	-	-	3,755	-	3,755	-	3,755
Dividends paid to owners of the parent	-	-	-	-	-	(180,100)	-	(180,100)	(7,351)	(187,451)
Equity at 31 December 2023	85,771	159,961	22,621	(18,184)	6,690	3,922,074	(638,767)	3,540,164	941,976	4,482,140
Profit/(loss) for the year	-	-	-	-	-	-	206,925	206,925	79,545	286,470
Other comprehensive income/(expense), net of tax	-	-	-	-	(6,882)	(38)	-	(6,920)	-	(6,920)
Comprehensive income/(expense)	**-**	**-**	**-**	**-**	**(6,882)**	**(38)**	**206,925**	**200,005**	**79,545**	**279,550**
Appropriation of profit/(loss)	-	-	-	-	-	(638,767)	638,767	-	-	-
Share issues	130	(130)	-	-	-	-	-	-	-	-
Treasury share transactions	-	-	-	830	-	-	-	830	-	830
Gains and losses on sales of treasury shares	-	-	-	(630)	-	-	-	(630)	-	(630)
Share-based payments	-	-	-	-	-	3,851	-	3,851	-	3,851
Dividends paid to owners of the parent	-	-	-	-	-	(103,076)	-	(103,076)	(34,571)	(137,646)
Other						505	-	505	-	505
Equity at 31 December 2024	85,901	159,831	22,621	(17,983)	(192)	3,184,550	206,925	3,641,652	986,950	4,628,602

D - Consolidated Statement of Cash Flows

(in thousands of euros)	**Notes Section E**	**2024**	**2023**
Cash flows from operating activities			
Profit/(loss) for the year attributable to owners of the parent		206,925	(638,767)
Fair value adjustments to investment property	V - 4	(104,534)	960,277
Depreciation and amortisation expense (excluding impairment)	V - 3	1,551	1,906
Net additions to/(reversals of) provisions	IX - 1	937	(486)
Net (gains)/losses from disposals of investment property	V - 6	-	158
Deferral of rent-free periods and key money	VI - 1	(31,206)	(44,820)
Employee benefits	X - 3	3,851	3,755
Non-controlling interests in profit/(loss) for the year	VIII - 6	79,545	(148,105)
Cash flow after finance costs and other financial income and expense and income tax		**157,069**	**133,918**
Finance costs and other financial income and expense	VII - 2	60,005	56,010
Income tax	XI - 1-2	(24,176)	(28,005)
Cash flow before finance costs and other financial income and expense and income tax		**192,899**	**161,924**
Change in working capital		(10,641)	10,889
Interest paid		(69,667)	(54,511)
Interest received		1,982	1,244
Income tax paid		(14,596)	(4,229)
Net cash provided by operating activities		**99,977**	**115,318**
Cash flows from investing activities			
Acquisitions of and improvements to investment property	XIII - 1	(97,466)	(62,380)
Acquisitions of intangible assets and property and equipment		(3,001)	(5,053)
Amounts due on asset acquisitions		16,998	(15,147)
Proceeds from disposals of investment property, intangible assets and property and equipment	V - 5	-	58,296
Investment property disposal costs	V - 5	-	(421)
Other cash inflows and outflows		(615)	397
Net cash provided by (used in) investing activities		**(84,085)**	**(24,308)**
Cash flows from financing activities			
Purchases and sales of treasury shares		201	134
Dividends paid to owners of the parent	VIII - 3	(103,076)	(180,100)
Dividends paid to non-controlling interests		(34,571)	(7,351)
Proceeds from borrowings	XIII - 2	3,757,500	3,403,736
Repayments of borrowings	XIII - 2	(3,647,882)	(3,279,994)
Other movements in financing items		(144)	(92)
Net cash provided by (used in) financing activities		**(27,972)**	**(63,666)**
Net change in cash and cash equivalents		(12,080)	27,344
Cash and cash equivalents at beginning of period		96,776	69,433
Cash and cash equivalents at end of period	XIII - 1	84,696	96,776
Net change in cash and cash equivalents		**(12,080)**	**27,344**

E - Notes to the Consolidated Financial Statements

I - Accounting Policies

I - 1) Accounting standards

As required under European Commission regulation (EC) 16/06/2002 dated 19 July 2002, the consolidated financial statements of the SFL Group have been prepared in accordance with the International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) and related interpretations (SICs and IFRICs) adopted by the European Union.

The following amendments published by the IASB are applicable in accounting periods beginning on or after 1 January 2024:
- Amendment to IAS 1 (Presentation of Financial Statements) clarifying the criteria for classifying liabilities as current or non-current (in particular those with covenants).
- Amendments to IAS 7 and IFRS 7 (Supplier Finance Arrangements), requiring entities to disclose in the notes qualitative and quantitative information that enables users of the financial statements to assess the impact of supplier finance arrangements on the entity's liabilities and cash flows, understand the impact of such arrangements on the entity's exposure to liquidity risk, and understand what the impact would be on the entity if it no longer had access to such arrangements.
- Amendment to IFRS 16 specifying the measurement method for liabilities arising from sale and leaseback transactions.

These amendments, which became effective on 1 January 2024, do not have a material impact on the Group.

I - 2) Accounting conventions

The consolidated financial statements are presented in thousands of euros. They include the financial statements of SFL and its subsidiaries. The financial statements of subsidiaries cover the same period as those of SFL and have been prepared according to the same accounting policies. Intragroup transactions are eliminated in consolidation.

Subsidiaries are consolidated from the date when control is acquired and are removed from the scope of consolidation when control is transferred outside the Group. When SFL ceases to exercise control over a subsidiary, the consolidated financial statements include the subsidiary's results for the period from the beginning of the period to the date when control is transferred.

Material companies in which the Group exercises control, pursuant to the terms of a shareholders' pact that gives *de facto* control, through ownership of the majority of voting rights or otherwise, are fully consolidated.

The Group has chosen to measure investment property using the fair value model (see Note V - 4).

I - 3) Critical accounting estimates and judgements

Certain amounts recognised in the consolidated financial statements reflect estimates and assumptions made by management in the context of the current uncertain geopolitical and economic environment, which has led to inflationary pressures, rising interest rates, higher raw materials and energy costs, supply shortages and exchange rate volatility. Assessing the impact of these factors on the future outlook remains difficult. Management has taken these uncertainties into account based on the reliable information available at the date of preparation of the consolidated financial statements, particularly for the fair value measurement of investment property and financial instruments.

Estimates are inherently uncertain and are reviewed by the Group based on regularly updated information. Actual results may ultimately differ from estimates made as of the date of preparation of the consolidated financial statements.

The most significant estimates concern:
- Measurement of investment property: the rental portfolio is valued by independent valuers. The valuers independently estimate current and future cash flows, and apply risk factors either in the cash flow projections (e.g. risk factors affecting future rents, growth rates, capital expenditure needs, vacancy periods, rent concessions), or in the yields, discount rates or exit capitalisation rates used to calculate the terminal value by capitalising the expected rent over 10 years; (see note V-4).
- Fair values of financial instruments: all of the Group's financial instruments are measured at fair value using standard market valuation models (see Note VII - 4).

II - Significant Events of the Period

II - 1) Planned merger

On 6 November 2024, the Boards of Directors of SFL and its majority shareholder, Inmobiliaria Colonial, decided to examine in detail a proposal to merge SFL into Inmobiliaria Colonial.

II - 2) Executive management change

Dimitri Boulte stepped down as Chief Executive Officer of SFL on 21 December 2024. On the same date, Aude Grant, Managing Director and Chief Operating Officer, was appointed Chief Executive Officer of SFL with immediate effect.

II - 3) Property transactions and renovation programmes

During 2024, leases were signed on around 21,000 sq.m of mainly office space.

The most significant leases were for 3,523 sq.m in the #cloud.paris building let to Squarepoint and 2,722 sq.m in the Cézanne Saint Honoré building let to Skadden.

Properties undergoing redevelopment at 31 December 2024 represented around 14% of the total portfolio.

They include the Scope office building (formerly Rives de Seine) on Quai de la Râpée in Paris (around 23,000 sq.m). The property is being completely restructured following the departure of its tenant on 30 September 2022. The site clearance and asbestos removal phase of the project was delivered in May 2024. Restructuring work began in August, following the signature of the works contracts in June 2024, with delivery scheduled for the summer of 2026.

The Haussmann Saint-Augustin building (around 12,000 sq.m) is also being restructured following the departure of its tenant, WeWork, on 30 June 2024. Work began in October 2024, following delivery of the site clearance phase of the project. Delivery is scheduled for May 2025.

Planning permission for the redevelopment of the former GRDF headquarters on rue Condorcet (around 23,000 sq.m) was obtained in October 2024.

No properties were purchased or sold during the year.

II - 4) Financing

In June 2024, the €100 million bilateral credit line obtained from BNP Paribas in May 2018 was rolled over for five years (with two one-year extension options). The facility includes a spread adjustment mechanism based on the Group's performance in relation to three sustainable development criteria.

In July 2024, the maturity of the €300 million syndicated term loan obtained in December 2022 was extended by another year, until December 2029.

Also in July 2024, a €2.5 billion Euro Medium Term Notes (EMTN) programme was set up to prepare for new bond issues.

In November 2024, SFL obtained a €500 million long-term loan from Inmobiliaria Colonial. This loan had not been drawn down at 31 December 2024. It is in addition to a €600 million short-term shareholder advance set up in 2023, of which €562 million had been drawn down at 31 December 2024.

Lastly, also in November 2024, SFL and Inmobiliaria Colonial updated SFL's Green Financing Framework.

II - 5) Taxes

During the first half of 2024, SAS Pargal elected to be taxed as an SIIC, with retroactive effect from 1 January 2024. This election led to the recognition of an exit tax liability in the Group's accounts (see Note XI - 3), as well as the reversal of the SAS Pargal deferred taxes.

II - 6) Information system

SFL migrated to a new ERP (SAP 4/HANA) on 1 January 2024. The audited consolidated financial statements for the year ended 31 December 2024 have been prepared using this new system.

II - 7) Subsequent events

Merger between Colonial and SFL: exchange ratio set

On 18 February 2025, as part of the analysis of the proposed merger between Colonial and its subsidiary SFL, the Boards of Directors of the two companies set the exchange ratio at 13 Colonial shares for 1 SFL share, and the exit price at €77.5 per SFL share (*cum* dividend). The exit price would be adjusted by the amount of the 2024 dividend to be decided by the shareholders prior to completion of the merger. The exchange ratio and exit price were determined using a multi-criteria approach. The signing of the merger agreement including the exchange ratio and exit price, which is expected to take place in early March, remains subject to the approval of the Boards of Directors of Colonial and SFL. The merger is expected to be completed in the second half of 2025, subject to the approval of SFL and Colonial shareholders at the general meetings to be held between now and the end of April 2025, and the usual formalities required for this type of transaction.

III - Effects of Climate Change

Climate change is bringing about profound changes in the economy, which is why increasing attention needs to be paid to its effects on companies' financial and non-financial performance. To address the major challenges associated with these changes, very ambitious objectives have been set in the European Green Deal, the Glasgow Climate Pact (COP26) and the Paris Agreement (COP21). Meeting these objectives will involve radical transformations.

The purpose of this note is to present the impact of these changes on the Group's business and performance, as well as the main impacts on the consolidated financial statements.

III - 1) Effects of climate change on the Group's financial position

The construction industry accounts for nearly one quarter of all greenhouse gas emissions in France. For this reason, the Group has developed a strategy to monitor the risks and impacts of climate change, supported by measures to address them.

The main effects of climate change on the consolidated financial statements have been identified. These effects cannot be measured with perfect accuracy, as it is difficult to separate them from other factors that influence developments over the reporting period. However, the main effects on the Group's financial information can be summarised as follows:

- Capital expenditure and building operating costs have increased due to the cost of work needed to reduce greenhouse gas emissions and adapt the buildings to the effects of climate change. This involves, for example, obtaining "low-carbon building" labels for all major redevelopment projects, re-using materials and equipment, building with low-carbon concrete, using bio-sourced materials, limiting deconstruction work, installing LED lights throughout the buildings, implementing more efficient heating and cooling systems, measuring energy use more reliably, installing electric recharging points and bicycle parking facilities, and promoting energy efficient practices among tenants. Capital expenditure directly linked to ESG objectives included in the 5-year capex plan amounts to €16 million.
- Various other expenditures will be necessary, such as environmental certification costs (mainly Building Research Establishment Environmental Assessment Method (BREEAM), Global Real Estate Sustainability Benchmark (GRESB), and European Public Real Estate Association (EPRA)), ESG data publication costs (data collection, preparation of reports, other external resources), and the cost of bonuses paid to certain employees and/or members of the Management Committee for meeting ESG objectives.

III - 2) Green financing

All outstanding bonds (representing a total principal amount of €1,698 million) held by the Group at 31 December 2024 are green bonds.

SFL's objective is to further strengthen the convergence between its environmental performance and its financial structure. These bonds are an alternative to traditional corporate financing, responding to growing corporate sensitivity to sustainability issues. Going forward, the Group intends to carry out all bond issues under its Green Financing Framework. Green financing gives the Group a competitive advantage and the bonds are attractive for capital market investors, who continue to turn more and more to this type of investment.

In addition to these ESG-labelled project finance instruments, SFL also holds bank financing instruments indexed to ESG performance objectives. During 2024, the Group obtained a €100 million revolving credit facility, raising to €1,570 million (or 84%) the amount of bank financing incorporating a margin adjustment mechanism based on ESG performance indicators (mainly greenhouse gas emission reduction targets).

III - 3) Climate change considerations taken into account in the appraisal value of investment property

The Group collected the information needed to produce the ESG grids for office properties developed by the *Association Française des Sociétés d'Expertise Immobilière* (AFREXIM) and sent it to the independent valuers.

This data has enabled the valuers to gain a more detailed view of the assets, in terms of primary energy use, greenhouse gas emissions, and the results of measures to improve the properties' environmental performance, such as energy audits (currently, DPE energy performance certificate audits), performance in relation to the Carbon Risk Real Estate Monitor (CRREM) trajectory, and compliance with the decree on energy-saving objectives applicable to owners of office and retail properties (*Décret Tertiaire*) Work is currently underway to identify opportunities for action to reduce energy use, asset by asset.

The valuers considered that, at this stage, insufficient information is available to rationalise the exact impact of climate-related aspects and other ESG components on market values, because many investors have only recently finalised their strategies and are only just beginning to collect performance indicators. Similarly, the existence or otherwise of a green premium for the most sustainable buildings is currently being monitored and discussed among market participants.

The independent valuers' appraisals took account of climate change aspects, based on current knowledge of the market and recent transactions.

III - 4) Other potential effects on the consolidated financial statements

Other potential climate-related effects, none of which had an impact on the consolidated financial statements, include:

- Provisions for environmental levies (IAS 37): the Group's investment choices have ensured that it is in compliance with climate-related regulations. As a result, the Group has not received any penalties for non-compliance. A regulatory watch system has been set up to anticipate changes in climate-related legal requirements and proactively initiate any necessary compliance measures. For this reason, no provision has been set aside at 31 December 2024 for levies or penalties for non-compliance with emerging regulatory standards.
- Impairment of assets (IAS 36) or adjustment of the useful lives and residual values of plant, property and equipment (IAS 16): the Group's portfolio consists mainly of investment properties measured using the Fair Market Value option; consequently, the application of IAS 36 and IAS 16 has no impact on the consolidated financial statements.

IV - Segment Information

The Group's properties are similar in nature and, although they are managed separately in the same manner, none are large enough to be treated as a separate reportable segment. They are grouped into geographical segments.

Comprehensive income can be analysed as follows by geographical segment:

(in thousands of euros)	Paris CBD	Other Paris	Western Crescent	Corporate	2024
Rental income	**191,495**	**54,145**	**3,189**	**-**	**248,829**
Gross property expenses	(40,156)	(10,933)	(935)	-	(52,024)
Property expenses recovered from tenants	31,761	11,700	844	-	44,305
Property expenses, net of recoveries	(8,395)	768	(91)	-	(7,719)
Net property rentals	**183,100**	**54,913**	**3,097**	**-**	**241,110**
Other income	4,384	1,588	142	943	7,058
Depreciation, amortisation and impairment	(167)	-	-	(1,383)	(1,551)
Provision expense, net	3,390	-	(672)	(1,006)	1,712
Employee benefits expense	-	-	-	(20,120)	(20,120)
Other expenses	-	-	-	(10,443)	(10,443)
Profit/(loss) on disposal of investment property	-	-	-	-	-
Fair value adjustments to investment property	85,706	21,136	(2,307)	-	104,535
Operating profit/(loss)	**276,414**	**77,637**	**260**	**(32,010)**	**322,299**
Finance costs and other financial expenses	0	1,699	0	(65,260)	(63,562)
Financial income	-	0	0	3,555	3,557
Profit/(loss) before income tax	**276,414**	**79,335**	**260**	**(93,715)**	**262,294**
Income tax benefit	74,048	-	-	(49,872)	24,176
Net profit/(loss)	350,462	79,335	260	(143,587)	286,470
Attributable to SFL	**278,607**	**72,742**	**260**	**(144,683)**	**206,925**
Attributable to non-controlling interests	71,855	6,594	-	1,096	79,545
Other comprehensive income					
Actuarial gains and losses	-	-	-	(38)	(38)
Items that will not be reclassified to profit or loss	*-*	*-*	*-*	*(38)*	*(38)*
Valuation gains and losses on financial instruments (cash flow hedges)	-	-	-	(6,882)	(6,882)
Items that may be reclassified subsequently to profit or loss		*-*	*-*	*(6,882)*	*(6,882)*
Other comprehensive income/(expense)	**-**	**-**	**-**	**(6,920)**	**(6,920)**
Comprehensive income/(expense)	**350,462**	**79,335**	**260**	**(150,507)**	**279,550**
Attributable to SFL	**278,607**	**72,742**	**260**	**(151,603)**	**200,005**
Attributable to non-controlling interests	71,855	6,594	-	1,096	79,545

(in thousands of euros)	Paris CBD	Other Paris	Western Crescent	Corporate	31 Dec. 2024
Segment assets	5,607,636	1,625,357	85,391	349,324	7,667,706
Total assets	5,607,636	1,625,357	85,391	349,324	7,667,706

The segment analysis for 2023 is as follows:

(in thousands of euros)	Paris CBD	Other Paris	Western Crescent	Corporate	2023
Rental income	**177,361**	**53,873**	**3,186**	**-**	**234,420**
Gross property expenses	(39,373)	(13,050)	(1,075)	-	(53,497)
Property expenses recovered from tenants	29,954	11,169	869	-	41,992
Property expenses, net of recoveries	(9,419)	(1,880)	(205)	-	(11,505)
Net property rentals	**167,942**	**51,992**	**2,980**	**-**	**222,915**
Other income	7,771	1,102	219	1,436	10,528
Depreciation, amortisation and impairment	-	-	-	(1,906)	(1,906)
Provision expense, net	(5,164)	-	-	(857)	(6,021)
Employee benefits expense	-	-	-	(15,514	(15,514
Other expenses	-	-	-	(8,433)	(8,433)
Profit/(loss) on disposal of investment property	(158)	-	-	-	(158)
Fair value adjustments to investment property	(681,110)	(266,542)	(12,624)	-	(960,277)
Operating profit/(loss)	**(510,720)**	**(213,448)**	**(9,425)**	**(25,273)**	**(758,865)**
Finance costs and other financial expenses	-	-	-	(57,654)	(57,654)
Financial income	-	-	-	1,644	1,644
Profit/(loss) before income tax	**(510,720)**	**(213,448)**	**(9,425)**	**(81,283)**	**(814,876)**
Income tax benefit	-	-	-	28,005	28,005
Net profit/(loss)	(510,720)	(213,448)	(9,425)	(53,279)	(786,872)
Attributable to owners of the parent	**(377,939)**	**(197,804)**	**(9,425)**	**(53,600)**	**(638,767)**
Attributable to non-controlling interests	(132,782)	(15,644)	-	320	(148,105)
Other comprehensive income					
Actuarial gains and losses	-	-	-	132	132
Items that will not be reclassified to profit or loss	-	-	-	*132*	*132*
Valuation gains and losses on financial instruments (cash flow hedges)	-	-	-	(23,994)	(23,994)
Items that may be reclassified subsequently to profit or loss		-	-	*(23,994)*	*(23,994)*
Other comprehensive income/(expense)	**-**	**-**	**-**	**(23,862)**	**(23,862)**
Comprehensive income/(expense)	**(510,720)**	**(213,448)**	**(9,425)**	**(77,141)**	**(810,734)**
Attributable to owners of the parent	**(377,939)**	**(197,804)**	**(9,425)**	**(77,462)**	**(662,629)**
Attributable to non-controlling interests	(132,782)	(15,644)	-	320	(148,105)

(in thousands of euros)	Paris CBD	Other Paris	Western Crescent	Corporate	31 Dec. 2023
Segment assets	5,634,069	1,559,374	85,300	125,430	7,404,173
Unallocated assets	-	-	-	25,348	25,348
Total assets	5,634,069	1,559,374	85,300	150,778	7,429,521

Segment assets correspond mainly to the Group's property assets. No segment analysis of liabilities is presented, as they correspond primarily to unsecured financing for general corporate purposes and unsecured bonds that are not allocated to any specific segment.

The Group's main geographical segments are as follows:
- Paris Central Business District (CBD): market comprising the Golden Triangle and the Financial District, spanning parts of the 1st, 2nd, 8th, 9th, 16th and 17th *arrondissements* of Paris. The segment extends from Porte Maillot, avenue de Malakoff and Trocadéro in the west to rue Montmartre and rue du Louvre in the east, and from Porte de Champerret, avenue de Villiers and Saint-Lazare railway station in the north to rue de Rivoli in the south.
- Other Paris: corresponding to the rest of Paris, outside the CBD.
- Western Crescent: located to the west of Paris on the other side of the boulevard périphérique ring-road, comprising notably Neuilly-sur-Seine, Boulogne-Billancourt, Issy-les-Moulineaux and Levallois-Perret. These geographic segments have been defined by the main Paris-based real estate professionals by combining neighbourhoods with similar economic features.

V - Intangible Assets, Property and Equipment, and Investment Property

V - 1) Intangible assets

Accounting policy

Intangible assets correspond mainly to purchased software and software development costs incurred in connection with the Group's systems upgrades, accounted for in accordance with IAS 38.
Intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.
Intangible assets with a finite useful life are amortised on a straight-line basis over their useful life. Intangible assets with an indefinite useful life are not amortised but are tested for impairment annually (in accordance with IAS 36) or more frequently if there is an indication that they may be impaired.
Software development costs for the main projects are amortised over the software's expected period of use from the date it is put in production. Other software development costs are amortised over the period in which they are capitalised.

(in thousands of euros)	31 Dec. 2023	Increases	Decreases	Reclassifications	31 Dec. 2024
Cost					
Computer software	8,741	3,061	-	1,107	12,909
Other	1,179	-	-	(1,156)	23
Amortisation and impairment					
Computer software	(8,453)	(477)	-	-	(8,930)
Other	(46)	-	-	-	(46)
Carrying amount	1,421	2,583	-	(49)	3,955

V - 2) Property and equipment

Accounting policy

Property and equipment consist mainly of furniture, computer equipment and owner-occupied property.
Owner-occupied property is property held by the owner for use in the production or supply of goods or services or for administrative purposes. The only property in this category is the section of the Washington Plaza building used by the Group for administrative purposes.
Property and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses, in accordance with IAS 16. Depreciation is calculated by the straight-line method over the asset's estimated useful life. Each part of an item of property or equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Washington Plaza owner-occupied property:

– Shell	105 to 118 years
– Roof, windows, doors	8 to 24 years
– Fixtures, fittings and installations	5 to 29 years

Other:

– Fixtures and installations	2 to 20 years
– Fittings and equipment	5 to 10 years
– Computer and other equipment	2 to 5 years

The gain or loss arising from derecognition of an item of property or equipment, corresponding to the difference between the net disposal proceeds and the carrying amount of the item, is included in profit when the item is derecognised.

(in thousands of euros)	31 Dec. 2023	Increases	Decreases	Reclassifications	31 Dec. 2024
Cost					
Owner-occupied property	21,238	-	-	-	21,238
Other property and equipment	10,000	(60)	-	49	9,989
Depreciation and impairment					
Owner-occupied property	(4,251)	(102)	-	-	(4,353)
Other property and equipment	(4,226)	(972)	-	-	(5,198)
Carrying amount	22,761	(1,134)	-	49	21,676

The fair value excluding transfer costs of owner-occupied property – corresponding to the Company's headquarters – was €51,860 thousand at 31 December 2024 and €51,437 thousand at 31 December 2023.

V - 3) Depreciation, amortisation and impairment

(in thousands of euros)	2024	2023
Amortisation and impairment of intangible assets	(477)	(1,532)
Depreciation and impairment of property and equipment	(1,074)	(374)
Total	(1,551)	(1,906)

Amortisation and impairment of intangible assets relate to computer software. Depreciation and impairment of property and equipment concern owner-occupied property (corresponding to the Company's headquarters) and other property and equipment.

V - 4) Investment property

Accounting policy

Investment property is property held by the owner or by the lessee under a finance lease to earn rentals or for capital appreciation or both.
Acquisitions of property companies that do not meet the definition of a business combination under IFRS 3 are treated as direct acquisitions of the underlying investment property.
Investment property is initially recognised at cost. SFL has chosen to measure investment property in subsequent periods using the fair value model as provided for in IAS 40 (paragraph 30). Under this model, investment property is measured at fair value and gains or losses arising from changes in fair value are recognised in profit or loss. Investment property is not depreciated.
IFRS 13 defines the fair value of investment property as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair values of investment property carried in the Group's statement of financial position correspond to the prices obtained from independent valuations performed using the method described below.
Changes in fair value, which are recognised in the income statement under "Fair value adjustments to investment property", are calculated as follows:
Change in fair value = Market value at the period-end – Market value at the prior period-end – Work and other costs capitalised during the period.
The change in fair value is adjusted to exclude the effects of specific lease terms or provisions recognised under other asset captions that are included in the fair value calculation, to avoid these effects being taken into account twice.
Investment property is reclassified as held for sale when their sale is considered as highly probable. It continues to be measured at fair value after reclassification in accordance with IFRS 5.

Valuation method

The Group's entire property portfolio is valued at six-monthly intervals by two firms of independent valuers. The valuations at 31 December 2024 were carried out by BNP Paribas Real Estate and CBRE.

The valuations are performed in accordance with the *Charte de l'Expertise en Evaluation Immobilière* (property valuation charter) included in the February 2000 report of France's securities regulator (COB, renamed AMF), and also complied with the standards issued by The European Group of Valuers' Associations (TEGOVA) as well as with Royal Institution of Chartered Surveyors (RICS) standards.

Independent experts are rotated in compliance with the SIIC code of ethics, which states: "Regardless of the number of independent experts used by the SIIC, the following principles must be upheld:
- Appointments should be based on a selection process evaluating each candidate's independence, qualifications and competency to value property within the asset classes and geographical locations concerned.
- When a firm of valuers is used, the SIIC should ensure that the firm's internal valuation teams are rotated after a period of seven years.
- An independent valuer may serve for no more than two four-year terms for any given client, unless that valuer is a company in which case the above team rotation rule applies."

In accordance with this rotation principle, BNP Paribas Real Estate was appointed to replace Cushman & Wakefield (in charge of half-yearly appraisals at SFL since 2017), following the selection process described above. BNP Paribas Real Estate carried out an appraisal of part of the portfolio at 31 December 2024, alongside CBRE.

The share of the portfolio (based on appraisal values assuming 100% ownership, excluding transfer costs) valued by each firm is defined below:
- BNP Paribas Real Estate (in charge of appraisals at SFL since 2024): 44%
- CBRE (in charge of appraisals at SFL since 2019): 56%

The firms ensure that their internal teams are rotated as required. In addition, certain properties are assigned to different valuers each year to ensure a gradual rotation of assets among them. The valuers' fees are agreed before the appraisal process begins and do not depend in any way on the value of the properties to be appraised. They are determined at a flat rate based exclusively on the number of properties to be valued and the complexity of the appraisal process. Fees paid to the valuers during the year other than for half-yearly and annual appraisals amounted to €5 thousand and mainly concerned market research.

The properties are valued primarily by the discounted cash flows method, which consists of discounting projected future cash flows. Assumptions concerning future revenue flows take into account passing rents, estimated market rents for the period beyond the lease expiry date, any rent-free periods and rent step-ups, vacancy risk and projected changes in the construction cost index (ICC), office rent index (ILAT) and retail rent index (ILC). Each property is analysed in detail, according to the type of use and the surface area of each unit, lease by lease.

Based on information provided by the Group, the valuers noted that rents on certain units were above or below market rents for the period on similar properties. These differences were taken into account to value the properties according to their current occupancy, based on the duration of the underlying leases.

Vacant units were valued on the basis of assumed rents, excluding rent for the estimated marketing period, the period needed to complete the renovation work and any rent-free period expected to be granted. Expenditure assumptions cover non-recoverable costs – determined on a lease-by-lease basis – and projected capital expenditure to achieve the asset's highest and best use as defined by IFRS 13. Asset valuations include the estimated cost of future work (based on expenditure budgets for properties in the process of being redeveloped), including any lessor contributions to the cost of work carried out by the tenant.

Net cash flows for the final year of the projection period are capitalised to calculate the terminal value, corresponding to the property's resale price at the end of the period.

The results obtained are then compared to market data and adjusted, if necessary, to obtain a market-consistent value. However, given that these appraisal values are essentially estimates that are sensitive to changes in rental values and discount rates, the proceeds from the sale of certain property assets may be different to their appraisal value, even if the sale takes place within a few months of the period-end.

The appraisal values are quoted both including transfer costs (calculated on the basis of a flat 7.5% rate for all properties subject to registration duty and 1.8% for properties subject to VAT) and excluding transfer costs and acquisition expenses.

Assets under redevelopment are measured at their fair value, as determined at half-yearly intervals by independent experts using the discounted cash flows method, which is considered to be reliable.

Fair value measurement of investment property

IFRS 13 – Fair Value Measurement establishes a single definition of fair value and describes all the information concerning fair value to be disclosed in the notes to the financial statements.

Fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The valuation of investment property takes into account this definition of fair value.

In IFRS 13, fair value measurements are categorised into a three-level hierarchy. Level 3 concerns unobservable inputs for the asset or liability. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Due to the nature of the investment property market in France and the characteristics of the Group's investment property, the most meaningful inputs, particularly market rents, investment yields and/or discount rates, represent Level 3 inputs.

(in thousands of euros)	31 Dec. 2023	Acquisitions	Increases	Positive fair value adjustments	Decreases	Negative fair value adjustments	Reclassifications	31 Dec. 2024
Investment property	7,156,813	-	97,466	184,229	-	(79,695)	-	7,358,814
Total	7,156,813	-	97,466	184,229	-	(79,695)	-	7,358,814

The "Increases" column above corresponds to subsequent expenditure (i.e. post-acquisition, mainly for work) added to the carrying amount of the assets.

Reconciliation of the appraisal values of investment property to their fair values in the statement of financial position:

(in thousands of euros)	31 Dec. 2024	31 Dec. 2023
Appraisal value of investment property, excluding transfer costs	7,570,849	7,332,131
Deduction of owner-occupied property (see Note V - 2)	(51,860)	(51,437)
Adjustments to reflect specific lease terms and other adjustments	(160,176)	(123,881)
Fair value of investment property in the statement of financial position	7,358,814	7,156,813

The table below shows the fair value measurement inputs for each asset class:

Geographic area	Value excluding transfer costs 31 December 2024 (in millions of euros, on a 100% basis)	Inputs	Range of values(1)	Weighted average(1)
Paris CBD	5,851	ERV(2)	€800 - €1,083	958
		Exit yield	3.90% - 5.00%	4.08%
		Discount rate	4.90% - 6.00%	5.02%
Other Paris	1,635	ERV(2)	€627 - €880	745
		Exit yield	4.30% - 4.75%	4.51%
		Discount rate	5.30% - 6.05%	5.56%
Western Crescent	85	ERV(2)	€656 - €656	656
		Exit yield	4.75% - 4.75%	4.75%
		Discount rate	5.75% - 5.75%	5.75%
Total	7,571			

(1) Offices.
(2) Estimated rental value.

Investment property valuation inputs used at 31 December 2023 were as follows for each asset class:

Geographic area	Value excluding transfer costs 31 December 2023 (in millions of euros, on a 100% basis)	Inputs	Range of values(1)	Weighted average(1)
Paris CBD	5,688	ERV(2)	€768 - €1,000	€928
		Exit yield	3.80% - 4.75%	4.16%
		Discount rate	4.80% - 5.75%	5.15%
Other Paris	1,559	ERV(2)	€607 - €837	€717
		Exit yield	4.20% - 4.90%	4.52%
		Discount rate	5.20% - 6.60%	5.74%
Western Crescent	85	ERV(2)	€607 - €607	€607
		Exit yield	4.45% - 4.45%	4.45%
		Discount rate	5.45% - 5.45%	5.45%
Total	7,332			

(1) Offices.
(2) Estimated rental value.

Sensitivity analysis

For each key parameter used for fair value measurement purposes, sensitivity tests were performed at 31 December 2024, using ranges reflecting reasonably possible variations given current macroeconomic conditions (notably taking into account forecasts for inflation and European Central Bank key interest rates, as well as historical trends in market rents for Paris-CBD properties over the last 18 months).

a/ Sensitivity of market rental values:

(in thousands of euros)	Reference value	+2.5%	+5%
Appraisal value of investment property, excluding transfer costs	7,570,849	7,701,860	7,834,472
Induced change in value	-	+131,011	+263,623

b/ Exit yield sensitivity:

(in thousands of euros)	-25 bps	-15 bps	Reference value	+15 bps	+25 bps
Appraisal value of investment property, excluding transfer costs	7,806,585	7,709,561	7,570,849	7,438,116	7,355,037
Induced change in value	+235,736	+138,712	-	-132,732	-215,812

c/ Discount rate sensitivity:

(in thousands of euros)	-25 bps	-15 bps	Reference value	+15 bps	+25 bps
Appraisal value of investment property, excluding transfer costs	7,822,293	7,718,832	7,570,849	7,428,975	7,340,031
Induced change in value	+251,443	+147,983	-	-141,873	-230,817

V - 5) Profit/(loss) on disposal of investment property

The Group did not dispose of any investment property in 2024. In first-half 2023, the 6 Hanovre investment property was sold, leading to the recognition of a capital loss of €158 thousand.

VI - Operating Activities

VI - 1) Net property rentals

Accounting policy

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount can be measured reliably. The specific revenue recognition criteria applied by the Group are as follows:

Rental income

Rental income from investment property is recognised on a straight-line basis over the fixed lease term. The economic benefits are transferred on the effective date stipulated in the contract, or the date the tenant moves into the property if stipulated in the contract. Rental income also comprises income from external management contracts. Variable rents are not material.

Specific lease terms

Current leases include various specific terms concerning rent-free periods, step-up clauses, key money and eviction compensation. In compliance with IFRS 16, the effects of rent-free periods and step-up clauses are recognised over the non-cancellable lease term.
Key money received by the lessor is recognised in rental income over the non-cancellable lease term.
Penalties paid by tenants for terminating their lease in advance of the expiry date are treated as revenue from the terminated lease and are recognised in revenue on the payment date.
Eviction compensation may be paid to secure the departure of a tenant, either to allow renovation work to be performed or so that the property can be re-let at a higher rent. In both cases this has the effect of increasing the asset's value and the compensation is therefore capitalised as part of the cost of the asset.

Property expenses

An analysis of the principal versus agent distinction under IFRS 15 led to the conclusion that the Group acts as principal. Accordingly, gross property expenses are presented separately from property expenses recovered from tenants in the statement of comprehensive income.

The Group's principal business is the rental of office and retail properties which accounts for 97.6% of rental income. Rental income includes the €31,206 thousand positive net impact of the deferral over the non-cancellable lease term of rent-free periods, rent step-ups and key money. Revenue from external management contracts amounted to €9,862 thousand.

At 31 December 2024, future minimum lease payments receivable over the remaining term of non-cancellable operating leases break down as follows:

(in thousands of euros)	Total	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due beyond 5 years
Rental income	1,483,796	203,782	202,739	190,895	172,533	138,058	575,789

At 31 December 2023, future minimum lease payments receivable over the remaining term of non-cancellable operating leases broke down as follows:

(in thousands of euros)	Total	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due beyond 5 years
Rental income	1,516,480	175,849	189,689	183,960	172,947	157,372	636,663

VI - 2) Other income

(in thousands of euros)	2024	2023
Own-work capitalised	1,174	1,435
Other income	5,884	9,093
Total	7,058	10,528

The caption "Other income" corresponds mainly to rental repairs and other work billed to tenants.

VI - 3) Trade and other receivables

Accounting policy

Trade receivables are initially recognised at amortised cost, corresponding to the initial invoice amount. Upon origination, the receivables are written down using the simplified expected loss-to-maturity model, in accordance with IFRS 9. The model is based on observed actual historical losses and projections of expected future losses taking into account identified risk factors. A receivables ageing analysis is used to determine historical losses. Expected losses are then determined based on observed historical losses adjusted for a forward-looking component.

In subsequent periods, the collection risk is systematically reviewed on a case-by-case basis, and a loss allowance is recorded if necessary to reflect the incurred risk.

(in thousands of euros)	31 Dec. 2024	31 Dec. 2023
Trade receivables	24,361	31,507
Provisions	(4,148)	(7,719)
Trade receivables	**20,213**	**23,787**
Prepayments to suppliers	21,458	1,468
Employee advances	5	3
Tax receivables (other than income tax)	13,683	7,590
Other operating receivables	-	457
Other receivables	100	55
Other receivables	**35,247**	**9,573**
Total	55,460	33,360

Trade receivables include outstanding receivables, and the short-term portion of receivables relating to the recognition of rent-free periods and rent concessions in accordance with IFRS for €18,412 thousand (31 December 2023: €16,390 thousand). Receivables do not bear interest.

Cost of risk can be analysed as follows:

(in thousands of euros)	2024	2023
Increases in provisions	(2,044)	(5,704)
Reversals of provisions	5,612	330
Bad debt write-offs, net of recoveries	-	(166)
Total	3,568	(5,540)
Rental income	248,829	234,420
Cost of risk as a % of rental income	-1.43%	2.36%

VI - 4) Other current and non-current assets

(in thousands of euros)	31 Dec. 2024	31 Dec. 2023
Other trade receivables	141,764	112,880
Total other non-current assets	141,764	112,880
Income tax prepayments	764	3,484
Current prepayments	170	1,178
Total other current assets	934	4,662

Other trade receivables recorded under “Other non-current assets” correspond to the long-term portion of receivables relating to the recognition of rent-free periods and rent concessions in accordance with IFRS. Current prepayments correspond mainly to office tax payments.

VI - 5) Trade and other payables

(in thousands of euros)	31 Dec. 2024	31 Dec. 2023
Trade payables	20,026	7,787
Amounts due within one year on asset acquisitions	37,285	20,288
Total	57,341	28,075

VI - 6) Other current and non-current liabilities

(in thousands of euros)	31 Dec. 2024	31 Dec. 2023
Deposits	49,485	50,157
Accrued taxes	22,909	-
Total other non-current liabilities	72,394	50,157
Deposits	-	4,200
Customer prepayments	33,001	30,970
Accrued employee benefits expense	8,393	9,542
Accrued taxes	15,600	3,242
Other liabilities	661	16,423
Accruals	6,364	1,977
Total other current liabilities	64,020	66,355

The caption “Deposits” corresponds mainly to security deposits and bonds received from tenants. Accrued employee benefits expense includes statutory and discretionary profit-sharing and bonus accruals.

Tax liabilities at 31 December 2024 correspond mainly to the exit tax payable by SAS Pargal following its election to be taxed as an SIIC, made in April 2024 with retroactive effect from 1 January 2024 (see Note XI - 3).

VI - 7) Other expenses

(in thousands of euros)	2024	2023
Fees	(3,307)	(2,431)
Taxes other than on income	(1,723)	(1,518)
Other	(5,413)	(4,485)
Total	(10,443)	(8,433)

Fees paid to the Auditors and the members of their networks were as follows:

(in thousands of euros)	2024		2023	
	PricewaterhouseCoopers	Deloitte & Associés	PricewaterhouseCoopers	Deloitte & Associés
Statutory and contractual audits	395	375	369	325
Other services	71	47	51	86
Total	466	422	420	411

In 2024, fees for other services concerned the review of the translation of financial information, the review, at the Group’s request, of ESG information published in the SFL management report, and issuance of comfort letters in connection with the new Euro Medium Term Notes (EMTN) programme.

VII - Financing Activities

VII - 1) Borrowings and other interest-bearing debt

Accounting policy

Loans and borrowings are initially recognised at fair value, corresponding to the consideration paid or received, net of directly attributable transaction costs.

Interest-bearing loans and borrowings must subsequently be measured at amortised cost, using the effective interest method. In principle, amortised cost takes into account all debt issuance costs and any difference between the initial amount and the amount at maturity. Finance costs are recalculated based on this amortised cost figure and the related effective interest rate. For simplicity, the Group amortises debt issuance costs and premiums on a straight-line basis, as the results obtained using this method are almost identical to those obtained using the effective interest rate method.

Borrowing costs directly attributable to the acquisition, construction or production of property assets are capitalised as part of the cost of the asset.

(in thousands of euros)			31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
	Nominal rate (%)	Expiry date	Short-term portion		Long-term portion	
Bonds						
€500 million bond issue, 2021-2028	0.50%	21 April 2028	2,092	2,087	599,000	599,000
€500 million bond issue, 2020-2027	1.50%	5 June 2027	5,169	5,155	599,000	599,000
€500 million bond issue, 2018-2025	1.50%	29 May 2025	504,459	4,447	-	500,000
Bank loans						
BNPP syndicated term loan	3-month Euribor + margin	11 Dec. 2029	323	438	300,000	300,000
Negotiable European commercial paper (NEU CP)	Fixed rate (payable in advance)	Within 1 year	184,524	292,000	-	-
Other	1-month/3-month Euribor + margin	Within 1 year	563,518	347,410	-	-
Hedging instruments with a negative fair value			-	-	8,638	5,554
Bank overdrafts	Various	-	-	382	-	-
Impact of deferred recognition of debt arranging fees		-	(6,974)	(7,491)	(14,794)	(20,328)
Total			1,253,112	644,429	1,491,844	1,983,226

The following table analyses borrowings by maturity:

(in thousands of euros)	31 Dec. 2024	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	31 Dec. 2023
Bonds	1,709,721	511,721	1,198,000	-	1,709,689
BNPP syndicated term loan	300,323	323	300,000	-	300,438
NEU CP	184,524	184,524	-	-	292,000
Other	563,518	563,518	-	-	347,410
Fair value of hedging instruments	8,638	-	7,535	1,103	5,554
Bank overdrafts	-	-	-	-	382
Deferred debt arranging fees	(21,769)	(6,974)	(14,794)	-	(27,818)
Total	2,744,956	1,253,112	1,490,741	1,103	2,627,655

At 31 December 2024, the main covenants and acceleration clauses, which were applicable to all the bank credit lines, were as follows:

Applicable ratios	Actual ratios at 31 Dec. 2024	Actual ratios at 31 Dec. 2023	Main acceleration clauses
Loan-to-value (LTV) <= 50%	32.9%	32.5%	Default Termination of operations
Interest cover >= 2x	3.5	3.7	Bankruptcy proceedings
Secured LTV <= 20%	0.0%	0.0%	Material adverse event
Unrestricted property portfolio value >= €2bn	€8.1bn	€7.8bn	

The Group was not in breach of any of its financial covenants at 31 December 2024.

VII - 2) Finance costs and other financial income and expenses

(in thousands of euros)	2024	2023
Interest on bank loans, bonds and commercial paper	(68,445)	(55,723)
Interest on hedging instruments	6,073	3,346
Other financial expenses	(2,889)	(8,157)
Capitalised interest expense	1,699	2,880
Finance costs and other financial expenses	**(63,562)**	**(57,654)**
Interest income	159	666
Other financial income	2,016	978
Discounting adjustments to receivables and payables	1,382	-
Financial income	**3,557**	**1,644**
Finance costs and other financial income and expense	(60,005)	(56,010)

Other financial expenses relate to the deferral of debt issuance costs and bond issue premiums.

Capitalised interest expense corresponds to interest capitalised at the rate of 2.06% over the restructuring period for the Scope building (and the Louvre Saint-Honoré building in 2023).

VII - 3) Financial instruments

Accounting policy

The Group uses derivative instruments such as interest rate swaps and caps to hedge the risk of changes in interest rates. These instruments are measured at fair value at each period-end.

All of the derivative instruments held by the Group are considered as macro-hedges and qualify for hedge accounting. Prospective hedge effectiveness tests performed at the period-end showed that the hedges were 100% effective. All of the Group's hedging positions correspond to cash flow hedges. The portion of the gain or loss on these instruments that is determined as being an effective hedge is recognised directly in equity and the ineffective portion is recognised through profit or loss. When a hedging relationship is discontinued, it no longer qualifies for hedge accounting and any subsequent changes in fair value of the hedging instrument are recognised directly through profit or loss. The cumulative gains and losses on the instrument recorded in equity at that date are reclassified ("recycled") to the income statement over the remaining life of the hedged item.

Standard market valuation methods are used - corresponding to Level 2 inputs in the fair value hierarchy (see Note V - 4) - taking into account the risk of non-performance (particularly the Group's own credit risk), in line with IFRS 13.

Fair value of hedging instruments

At 31 December 2024, derivatives held by the Group for hedging purposes included:

- Counterparty: CIC. 5-year interest rate swap on a notional amount of €100,000 thousand, whereby CIC pays the 3-month Euribor and SFL pays a fixed rate of 2.6250%. The swap came into effect on 14 November 2022 and is a cash flow hedge qualifying for hedge accounting.
- Counterparty: Société Générale. 7-year interest rate swap on a notional amount of €100,000 thousand, whereby Société Générale pays the 3-month Euribor and SFL pays a fixed rate of 2.4920%. The swap came into effect on 6 December 2022 and is a cash flow hedge qualifying for hedge accounting.
- Counterparty: CIC. 7-year interest rate swap on a notional amount of €100,000 thousand, whereby CIC pays the 3-month Euribor and SFL pays a fixed rate of 2.4240%. The swap came into effect on 6 December 2022 and is a cash flow hedge qualifying for hedge accounting.
- Counterparty: Cadif. 7-year interest rate swap on a notional amount of €200,000 thousand, whereby Cadif pays the 3-month Euribor and SFL pays a fixed rate of 2.4925%. The swap came into effect on 6 December 2022 and is a cash flow hedge qualifying for hedge accounting.
- Counterparty: CACIB. 5-year interest rate swap on a notional amount of €100,000 thousand, whereby CACIB pays the 3-month Euribor and SFL pays a fixed rate of 2.3750%. The swap will come into effect on 28 January 2025 and is a cash flow hedge qualifying for hedge accounting.

The table below summarises the main characteristics and fair values of SFL's hedging instruments:

(in thousands of euros)	Notional amount	Maturity	31 Dec. 2024	31 Dec. 2023
CIC swap at 2.6250%	100,000	Nov. 2027	(1,472)	(993)
Société Générale swap at 2.4920%	100,000	Dec. 2029	(1,594)	(935)
CIC swap at 2.4240%	100,000	Dec. 2029	(1,276)	(562)
Cadif swap at 2.4925%	200,000	Dec. 2029	(3,193)	(1,874)
CA-CIB swap at 2.375%	100,000	Jan. 2030	(1,103)	(1,190)
Total			(8,638)	(5,554)

Fair value adjustments to hedging instruments through other comprehensive income

The change in the cash flow hedging reserve corresponding to gains and losses accumulated in equity was a decrease of €6,882 thousand in 2024 (2023: decrease of €23,994 thousand).

(in thousands of euros)	2024	2023
Interest rate hedges	(6,882)	(23,994)
Total	(6,882)	(23,994)

This change includes gains and losses accumulated in the cash flow hedging reserve in equity that were reclassified to profit or loss for the period in respect of cash flow hedging instruments that had already been unwound.

The change in gains and losses maintained in equity in respect of unwound hedges breaks down as follows:

(in thousands of euros)	Date on which the instrument was unwound	Gains/losses accumulated in equity 31 Dec. 2023	Reclassified to profit or loss for the year	Gains/losses accumulated in equity 31 Dec. 2024
CA-CIB Nov. 2021 swap at 0.3475%	Oct. 2021	567	(200)	367
CIC Nov. 2021 swap at 0.4525%	Oct. 2021	862	(304)	558
CIC collar 0.25% cap/-0.52% floor	April 2022	6,700	(1,729)	4,971
SG collar 0.11% cap/-0.60% floor	June 2022	4,173	(1,565)	2,608
Total		12,302	(3,798)	8,504

VII - 4) Financial risk management objectives and policy

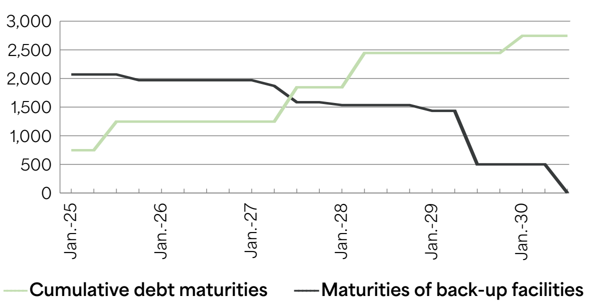
The Group prudently manages its various financial risks.

1/ Liquidity risk

Liquidity risk is covered by confirmed undrawn lines of credit. At 31 December 2024, SFL had €2,070 million in undrawn confirmed credit facilities, including a €1,570 million line of credit from its banking partners and a €500 million loan from its shareholder Inmobiliaria Colonial. This shareholder loan was set up in November 2024 to finance the redemption at maturity of SFL's €500 million bond issue due in May 2025.

Total undrawn confirmed credit facilities increased by €500 million at 31 December 2024 compared with the previous year end. As shown in the graph below, the liquidity represented by these back-up facilities is sufficient to cover the Group's repayment obligations under its lines of credit up until June 2027.

SFL liquidity risk



In addition to its undrawn lines of credit, SFL has diversified sources of financing (comprising bilateral lines of credit, bonds, NEU CP commercial paper programme, etc.) and a portfolio of high quality assets, all of which reduce its exposure to liquidity risk.

The acceleration clauses contained in the facility agreements are presented in Note VII - 1.

2/ Counterparty risk

All financial instrument contracts are entered into with leading financial institutions. The contracts concern either interest rate hedges or the short-term investment of available cash in money market funds. It should be emphasised that these same banks finance a portion of the Group's debt. The rental deposits obtained from tenants offer protection against the risk of rent default. The Group considers that its exposure to counterparty risk on operations is not material.

3/ Market risk

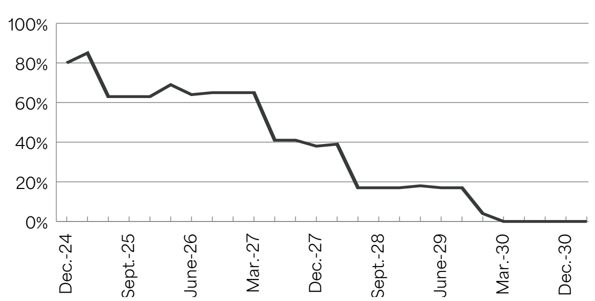
The Group did not have any exposure to currency risk at 31 December 2024. Interest rate risks are prudently and actively managed using an information system that tracks changes in the financial markets and calculates the fair value of hedging instruments in real time, thereby allowing the Group to efficiently quantify and analyse the risks associated with interest rate fluctuations.

a/ Objectives and strategy

Standard interest rate derivatives and fixed rate borrowings are used with the dual objective of reducing the sensitivity of borrowing costs to rising interest rates and minimising the cost of the derivatives. Steeper or flatter yield curves, market volatility, intrinsic interest rate levels and expected interest rate trends influence the choice of hedging instruments.

At 31 December 2024, 80% of debt was at fixed rates of interest (including variable rate debt swapped for fixed rate).

SFL debt hedging rate 2024-2030



b/ Risk assessment

The average spot cost of debt stood at 1.98% at 31 December 2024, versus 2.07% at 31 December 2023.

A 25-basis point rise in interest rates across the yield curve would have had the effect of increasing the average cost of debt to 2.03%, driving up finance costs by €1,368 thousand or 2.5%. A 25-basis point decline in interest rates across the yield curve would have had the effect of decreasing the average cost of debt to 1.93%, reducing finance costs for the year by €1,368 thousand or 2.5%.

A 25-basis point increase in interest rates would have had the effect of increasing the fair value of hedging instruments by €6,231 thousand at 31 December 2024, while a 25-basis point decrease would have had the effect of reducing their fair value by €6,320 thousand.

c/ Interest rate risk

The following table provides an analysis by maturity of the notional amount of financial instruments exposed to interest rate risk at 31 December 2024.

(in thousands of euros)	Due within 1 year	Due in 1-2 years	Due in 2-3 years	Due in 3-4 years	Due in 4-5 years	Due beyond 5 years	Total
Negotiable European commercial paper (NEU-CP)	185,000	-	-	-	-	-	185,000
Other	562,000	-	-	-	-	-	562,000
BNPP syndicated term loan	-	-	-	-	300,000	-	300,000
Total floating rate debt	747,000	-	-	-	300,000	-	1,047,000

The other financial instruments used by the Group are not listed in the table above because they do not bear interest or are not exposed to any interest rate risk.

Fair value of bonds

The fair value of the Group's outstanding bond issues at 31 December 2024 was €1,636,100 thousand, as follows:

(in thousands of euros)	Notional amount	Maturity	31 Dec. 2024	31 Dec. 2023
May 2018 bonds	500,000	May 2025	496,358	486,505
June 2020 bonds (+ May 2022 tap)	599,000	June 2027	579,491	574,929
Oct. 2021 bonds (+ April 2022 tap)	599,000	April 2028	560,251	538,142
Total			1,636,100	1,599,576

VII - 5) Financial assets

Accounting policy

Financial assets consist mainly of deposits paid to third parties and derivative instruments.
They are initially recognised at fair value, generally corresponding to their purchase price plus transaction costs.
The accounting treatment of derivative instruments is presented in Note VII - 3.

(in thousands of euros)	31 Dec. 2024	31 Dec. 2023
Deposits	237	237
Total non-current financial assets	237	237
Interest rate hedges	171	-
Other	-	612
Total current financial assets	171	612

VII - 6) Cash and cash equivalents

Accounting policy

Cash and cash equivalents carried in the statement of financial position include cash at bank and on hand and short-term deposits with original maturities of less than three months. They are short-term, highly liquid investments that are readily convertible into a known amount of cash and that are subject to an insignificant risk of changes in value.
Bank overdrafts represent a source of financing for the Group and they are therefore included in cash flows from financing activities in the statement of cash flows.

(in thousands of euros)	31 Dec. 2024	31 Dec. 2023
Cash and cash equivalents	8,381	50,965
Short-term investments	76,316	45,811
Total	84,696	96,776

VIII - Equity and Earnings Per Share

VIII - 1) Equity

Equity is analysed in the consolidated statement of changes in equity included in the financial statements. At 1 January 2024, the Company's share capital amounted to €85,771 thousand, represented by 42,885,672 ordinary shares with a par value of €2. Following a share issue paid up by capitalising reserves, at 31 December 2024, the capital stood at €85,901 thousand, divided into 42,950,800 shares with a par value of €2.

VIII - 2) Treasury shares

Accounting policy

Acquisitions, disposals and cancellations of treasury shares are recorded as a deduction from equity.

	31 Dec. 2023	Increases	Decreases	31 Dec. 2024
Number of treasury shares	2,883	9,479	(12,252)	110
Value (in thousands of euros)	571	630	(830)	371

VIII - 3) Dividends

(in thousands of euros)	2024		2023	
	Total payout	Per share	Total payout	Per share
Dividends paid out during the period	103,076	€2.40	180,100	€4.20
Total	103,076	€2.40	180,100	€4.20

VIII - 4) Earnings per share

Earnings per share are calculated by dividing profit attributable to ordinary owners of the parent by the weighted average number of shares outstanding during the period, i.e., the number of ordinary shares outstanding at the beginning of the period, net of treasury shares, adjusted for the time-weighted number of ordinary shares cancelled or issued during the period.

Diluted earnings per share are calculated by dividing profit attributable to ordinary owners of the parent by the weighted average number of ordinary shares outstanding during the period, net of treasury shares and adjusted for the dilutive effect of outstanding performance shares awarded to employees and corporate officers.

(in thousands of euros)	2024	2023
Profit/(loss) used to calculate basic earnings per share	206,925	(638,767)
Average number of ordinary shares	42,929,091	42,882,179
Average number of treasury shares	(2,760)	(19,981)
Average number of ordinary shares excluding treasury shares	**42,926,331**	**42,862,198**
Basic earnings per share	€4.82	€(14.90)
Profit/(loss) used to calculate basic earnings per share	206,925	(638,767)
Average number of ordinary shares	42,929,091	42,882,179
Average number of treasury shares	(2,760)	(19,981)
Average potential ordinary shares corresponding to dilutive instruments	(25,936)	-
Diluted weighted average number of ordinary shares excluding treasury shares	**42,900,394**	**42,862,198**
Diluted earnings per share	€4.81	€(14.90)

There were no other transactions on ordinary shares or potential ordinary shares between the period-end and the date when these financial statements were drawn up.

VIII - 5) Non-controlling interests in profit

Non-controlling interests in profit for the period break down as follows:

(in thousands of euros)	SCI Paul Cézanne	SCI 103 Grenelle	SAS 92 Champs-Élysées	SAS Cloud	Total 2024
Rental income	10,150	5,262	5,828	12,962	34,201
Fair value adjustments to investment property	14,982	1,000	(811)	28,676	43,847
Finance costs and other financial income and expense	245	214	311	485	1,255
Other	197	300	42	(297)	242
Total	25,573	6,776	5,370	41,826	79,545

The 2023 breakdown was as follows:

(in thousands of euros)	SCI Paul Cézanne	SCI 103 Grenelle	SAS 92 Champs-Élysées	SAS Cloud	Total 2023
Rental income	9,194	5,896	5,925	10,005	31,020
Fair value adjustments to investment property	(73,522)	(21,535)	(15,887)	(69,813)	(180,757)
Finance costs and other financial income and expense	71	57	186	81	394
Other	(175)	(29)	(166)	1,608	1,238
Total	(64,433)	(15,611)	(9,943)	(58,118)	(148,105)

IX - Provisions

IX - 1) Short- and long-term provisions

Accounting policy

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are recorded in the financial statements if, and only if, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.
Provisions for contingencies and charges are determined using Management estimates and assumptions based on information and circumstances existing at the time of preparation of the financial statements, and therefore require the use of judgement.
When the Group expects reimbursement of some or all of the expenditure required to settle a provision, the reimbursement is recognised as a separate asset when, and only when, it is almost certain that it will be received. In the income statement, the provision expense is presented net of the amount recognised for the reimbursement.

(in thousands of euros)	31 Dec. 2023	Increases	Decreases	o/w utilisations	Actuarial gains and losses	Reclassifications	Other	31 Dec. 2024
Provisions for employee benefits	1,348	1,020	(97)	(97)	38	(823)	-	1,485
Provisions for taxes other than on income	-	-	-	-	-	-	-	-
Long-term provisions	**1,348**	**1,020**	**(97)**	**(97)**	**38**	**(823)**	**-**	**1,485**
Provisions for employee benefits	836	-	(836)	(822)	-	823	-	823
Other provisions for contingencies and charges	-	850	-	-	-	-	-	850
Short-term provisions	**836**	**850**	**(836)**	**(822)**	**-**	**823**	**-**	**1,673**
Total	2,184	1,870	(933)	(919)	38	-	-	3,158

Provisions for employee benefits include provisions for length-of-service awards payable to employees on retirement and jubilees for €1,083 thousand. See Note X - 2 for more details.

Short- and long-term provisions covering benefits payable to members of senior management amounted to €44.6 thousand at 31 December 2024 and €25.3 thousand at 31 December 2023.

IX - 2) Net change in provisions and impairment

(in thousands of euros)	2024	2023
Charges to provisions for impairment of current assets	(2,044)	(5,704)
Charges to provisions for operating contingencies and charges	(1,725)	(687)
Charges to provisions for other contingencies and charges	(145)	(164)
Total charges	**(3,913)**	**(6,556)**
Reversals of provisions for impairment of current assets	5,612	330
Reversals of provisions for other contingencies and charges	14	205
Total reversals	**5,625**	**535**
Total	1,712	(6,021)

X - Remuneration and Other Employee Benefits

X - 1) Employee benefits expense

Employee benefits expense breaks down as follows:

(in thousands of euros)	2024	2023
Wages and salaries	(9,693)	(7,164)
Payroll taxes	(4,779)	(3,672)
Other employee benefits	(3,892)	(3,755)
Statutory and discretionary profit-sharing	(1,756)	(922)
Total	(20,120)	(15,514)

The average number of administrative staff breaks down as follows:

	2024	2023
Officers	2	2
Managers	58	59
Supervisors	15	18
Administrative and technical staff	-	-
Total	75	79

X - 2) Length-of-service awards payable to employees on retirement

Accounting policy

IAS 19R requires companies to recognise all of their employee benefit liabilities in the statement of financial position. Employee benefit plan costs are recognised over the vesting period. The main employee benefit plans concern length-of-service awards payable to employees on retirement.

Measurement method

Long-term employee benefits are recognised in the period in which the qualifying service is rendered by the employee. They are discounted at a rate defined in IAS 19. Short-term employee benefits are recognised in current liabilities and in expenses for the period. They are calculated at six-monthly intervals based on actuarial assumptions. Actuarial gains and losses are included in "Other comprehensive income". The benefit cost is determined based on employee service rendered up to the measurement date, assuming employees retire at their own initiative.

Long-term employee benefits are allocated to the periods of service in which the obligation arises, in accordance with the 2021 IFRIC decision on this subject.

(in thousands of euros)	2024	2023
Projected benefit obligation at beginning of period	**997**	**1,036**
Benefits paid during the period	(97)	(71)
Service cost	112	133
Interest cost	33	31
Actuarial gains and losses	**38**	**(132)**
Projected benefit obligation at end of period	1,083	997

The projected benefit obligation is calculated at six-monthly intervals based on actuarial assumptions, including a discount rate of 3.10% (31 December 2023: 3.44%) and a 2.30% rate of future salary increases (31 December 2023: 2.30%). Actuarial gains and losses are recognised in "Other comprehensive income".

A 25-bps reduction in the discount rate at 31 December 2024 would lead to a €26 thousand increase in the projected benefit obligation at that date.

The Group's employee benefit plans are as follows:
- Length-of-service awards payable to employees on retirement: benefits payable under this plan are specified in a corporate agreement signed with employee representatives.
- Post-employment medical care: this plan concerns a closed group of retired SFL employees. Benefits consist of the payment by SFL of two-thirds of the contributions due to the insurance company responsible for reimbursing medical costs.
- Jubilees: the agreements in force within the Group provide for the payment of one month's salary to administrative staff who complete 20, 30, 35 and 40 years of service with the SFL Group, and one month's salary to building staff who complete 25 years of service.

Employees are not covered by any defined benefit pension plan and are not entitled to any other post-employment benefits. As the Group does not have any defined benefit obligations, no sensitivity analyses are presented.

X - 3) Share-based payments

Accounting policy

IFRS 2 requires all share-based payment transactions to be recognised in the income statement.

Measurement method

The total cost of each performance share plan is calculated at the grant date by multiplying the number of performance share rights that are expected to vest by the fair value per share.

The fair value of the performance shares is determined using the Capital Asset Pricing Model (CAPM), based on the share price on the grant date, adjusted for the discounted present value of future dividends payable during the vesting period. The number of shares expected to vest corresponds to the target number of allocated shares multiplied by the estimated vesting rate, taking into account each plan's specific vesting conditions.

The total cost calculated as explained above is recognised on a straight-line basis over the vesting period. The estimated vesting rate and the resulting estimated total cost are adjusted at each period-end to take account of the latest estimate of the number of shares expected to vest.

Details of performance share plans at 31 December 2024

	Plan no. 6	Plan no. 6	Plan no. 7	Plan no. 8
Date of shareholder authorisation	15 April 2021	15 April 2021	15 April 2021	15 April 2021
Grant date (date of Board meeting)	18 Feb. 2022	14 Feb. 2023	14 Feb. 2023	14 Feb. 2024
Initial target number of shares	30,624	4,980	22,500	31,507
Initial expected vesting rate	100.00%	100.00%	100.00%	100.00%
Initial number of shares expected to vest	30,624	4,980	22,500	31,507
Fair value per share	€73.37	€72.91	€72.91	€40.24
Rights cancelled/forfeited	(1,012)	(1,040)	-	(2,321)
Expected vesting rate at end of period	200.00%	100.00%	100.00%	100.00%
Shares acquired	56	56	-	-
Number of shares expected to vest at end of period	59,280	3,996	22,500	29,186

Main features of the plans

The plans' main features are as follows:

- The shares will vest only if the grantee is still employed by the Group on the vesting date.
- Performance target: the number of shares that vest depends on SFL's ranking among a group of six listed property companies based on growth in consolidated ANAV per share.
- The performance shares will vest 15 business days after the publication, by the last of the Reference Companies to do so, of a press release announcing its results for the third financial year after the grant date.
- Lock-up period: the performance shares may not be sold or otherwise transferred before the end of a period of one to two years as from the vesting date.

Accounting treatment

The expected vesting rate is adjusted to reflect SFL's most probable ranking at the end of the vesting period. At 31 December 2024, the rates applied were 200% for the 2022 plan (probable ranking: no. 1), 100% for the 2023 plan (probable ranking: no. 3) and 100% for the 2024 plan.

During the period, a total of 65,128 performance shares vested under 2021 Plan no. 5.

The cost of performance share plans recognised during the period amounted to €3,851 thousand (excluding specific employer contributions).

X - 4) Related party information

The remuneration paid to the members of the Board of Directors and corporate officers breaks down as follows:

(in thousands of euros)	2024	2023
Short-term benefits, excluding payroll taxes[1]	5,443	3,419
Payroll taxes on short-term benefits	2,935	2,343
Share-based payments[2]	1,339	1,544
Directors' fees	191	157
Total	9,908	7,463

(1) Gross salary and other remuneration, bonuses, statutory and discretionary profit-sharing, matching Company payments and termination benefits paid during the period.
(2) Cost recognised in the income statement for stock options and employee rights issues.

XI - Income Taxes

XI - 1) Income tax expense

Accounting policy

The results of businesses subject to income tax are taxed at the standard rate. The Group entities that have elected to be taxed as an SIIC are not liable for income tax and the number of companies for which current and deferred taxes are recognised is therefore limited.

Income tax expense for 2024 amounted to €49,872 thousand (2023: €2,534 thousand). The 2024 amount corresponds for the most part to the exit tax payable by SAS Pargal following its election to be taxed as an SIIC (see Note XI - 3).

The global minimum tax (Pillar 2 -BEPS 2.0) applicable with effect from 1 January 2024 is designed to ensure that groups with revenue in excess of €750 million pay an effective tax rate of at least 15% per tax jurisdiction. SFL is not concerned by this measure.

XI - 2) Deferred taxes

Accounting policy

For businesses subject to income tax, deferred tax assets and liabilities are recognised by the liability method for all temporary differences between the book value of assets and liabilities and their tax basis.

SAS Pargal's election for taxation as an SIIC led to the elimination of the tax bases previously used to determine the SIICs' deferred tax assets and liabilities. The only remaining deferred tax assets and liabilities concern companies that are not eligible for taxation as a SIIC (mainly the businesses of SAS Parhaus and Parchamps).

Deferred tax assets and liabilities are calculated for all temporary differences using the tax rate that is expected to apply to the period when the asset is realised or the liability is settled, i.e., 25%.

(in thousands of euros)	31 Dec. 2023	Reclassifications	Other	Income statement	31 Dec. 2024
Fair value adjustments to investment property	(134,382)	-	-	62,596	(71,786)
Adjustment of depreciation and amortisation	(33,375)	-	-	9,504	(23,871)
Adjustment of rental income	(4,635)	-	1,672	2,964	0
Capitalisation of interest expense and transaction costs	(521)	-	-	-	(521)
Other	(42)	-	-	(1,016)	(1,058)
Net	(172,955)	-	1,672	74,048	(97,236)
Of which deferred tax assets	-	-	-	-	-
Of which deferred tax liabilities	(172,955)	-	1,672	74,048	(97,236)

XI - 3) Exit tax liability

Following its election for taxation as an SIIC, SAS Pargal became liable for an exit tax, payable in four annual instalments between 2024 and 2027. This liability is reported in the Group's consolidated financial statements at its discounted present value. At 31 December 2024, the discounted amounts of the various instalments are as follows:

Due	2025	2026	2027	Total
Amount due (in thousands of euros)	11,802	11,569	11,340	34,711

XI - 4) Consolidated tax proof

(in thousands of euros)	2024	2023
Profit/(loss) after income tax	127,380	(786,872)
Income tax benefit	24,176	28,005
Profit/(loss) before income tax	103,204	(814,876)
Corporate income tax rate applicable in France	25.83%	25.83%
Theoretical income tax benefit/(expense)	**(26,653)**	**210,442**
Impact of differences in tax rates	60	70
Impact of permanent differences	(1,165)	756
Impact of unrecognised tax losses	(1,652)	(2,201)
Impact of unrecognised deferred tax assets	(2,301)	(2,633)
Effects of tax credits	-	42
Effects of the SIIC regime	55,678	(178,540)
Other	209	69
Actual income tax benefit	24,176	28,005
Effective tax rate	-23.43%	3.44%

Income tax expense is reconciled to book profit using the tax rate of the country where the parent company is located, i.e., France.

Unrecognised deferred tax assets arise from deductible temporary differences for which the recovery of the associated tax benefit is not considered probable.

SIICs are flow-through entities and are exempt from corporate income tax.

XII - Off-Balance Sheet Commitments

XII - 1) Operations-related commitments

Guarantees

(in thousands of euros)	Total	Within 1 year	In 1 to 5 years	Beyond 5 years
Commitments received				
Guarantees received from tenants (including FDG[1])	64,815	1,567	14,097	49,150
Guarantees received from suppliers	22,116	2,226	19,890	-
Financial guarantees	110	110	-	-
Total commitments received	87,021	3,903	33,987	49,150

(1) FDG: Independent first demand guarantee

Contractual redevelopment and renovation obligations

At 31 December 2024, the contractual commitments given by the Group relating to investment property undergoing redevelopment totalled €115,773 thousand (€39,453 thousand at 31 December 2023) and primarily concerned the Scope (formerly Rives de Seine) and Condorcet properties.

XII - 2) Off-balance sheet financing commitments

At 31 December 2024, off-balance sheet financing commitments received only concerned unused confirmed credit lines. They can be broken down as follows:

(in thousands of euros)	Total	Within 1 year	In 1 to 5 years	Beyond 5 years
Banco Sabadell	50,000	-	50,000	-
Cadif	145,000	-	145,000	-
Syndicated loan	835,000	-	835,000	-
BNPP	100,000	-	100,000	-
BECM	140,000	-	140,000	-
SG	100,000	100,000	-	-
Intesa Sanpaolo	100,000	-	100,000	-
Caixabank	100,000	-	100,000	-
Long-term shareholder loan	500,000	-	-	500,000
Total	2,070,000	100,000	1,470,000	500,000

XII - 3) Employee-related off-balance sheet commitments

At 31 December 2024, the Group had no employee-related off-balance sheet commitments.

XIII - Note to the Statement of Cash Flows

XIII - 1) Acquisitions of and improvements to investment properties and cash and cash equivalents

(in thousands of euros)	2024	2023
Acquisitions of and improvements to investment property		
Acquisitions	(2,879)	(1,910)
Work	(94,587)	(60,470)
Total	(97,466)	(62,380)
Cash and cash equivalents at end of period		
Cash at bank and in hand	8,381	50,965
Short-term investments	76,315	45,811
Total	84,696	96,776

XIII - 2) Changes in liabilities related to financing activities

Changes in liabilities related to financing activities are as follows:

(in thousands of euros)	31 Dec. 2023	Cash flows			Non-cash changes			31 Dec. 2024
		Proceeds from new borrowings	Repayments of borrowings	Interest paid[1]	Deferred recognition of debt arranging fees	Fair value adjustments	Other	
Borrowings (excluding accrued interest)	1,970,182	-	-	-	6,051	-	-	1,976,233
Accrued interest on borrowings and derivatives	14,538	-		(1,452)	-	-	-	13,086
NEU Commercial Paper	292,000	1,255,500	(1,362,500)	-	-	-	-	185,000
Derivative instruments (liabilities)	5,554	-	-	-	-	3,084	-	8,638
Other	345,000	2,502,000	(2,285,000)	-	-	-	-	562,000
Bank overdrafts (including interest)	382	-	(382)	-	-	-	-	-
Total	2,627,655	3,757,500	(3,647,882)	(1,452)	6,051	3,084	-	2,744,956

(1) This amount represents the impact of the change in accrued interest in calculating paid interest and not the actual interest payments.

XIV - Scope of Consolidation

The table below summarises the main information concerning the scope of consolidation at 31 December 2024:

Consolidated companies	Registration no.	Percentage (%)	
		Interest	Voting rights
Parent company			
SA Société Foncière Lyonnaise	552 040 982	-	-
Fully consolidated companies			
SA SEGPIM	326 226 032	100	100
SAS Locaparis	342 234 788	100	100
SAS Maud	444 310 247	100	100
SAS Parchamps	410 233 498	100	100
SAS Pargal	428 113 989	100	100
SAS Parhaus	405 052 168	100	100
SAS SB2	444 318 398	100	100
SAS SB3	444 318 547	100	100
SCI SB3	444 425 250	100	100
SCI 103 Grenelle	440 960 276	51	51
SCI Paul Cézanne	438 339 327	51	51
SCI Washington	432 513 299	100	100
SNC Condorcet Holding	808 013 890	100	100
SNC Condorcet Propco	537 505 414	100	100
SAS Cloud	899 379 390	51	51
SAS 92 Champs-Élysées	899 324 255	51	51
SCI Pasteur 123	789 738 556	100	100

Four companies are 51%-owned by SFL. A shareholders' pact gives SFL *de facto* control over these companies (through its ability to control the decisions that have the greatest impact on the yield generated by these investments). The four companies are therefore considered as being controlled exclusively by SFL.

As a result of the control exercised by the Group over all of its investments, all of the companies are fully consolidated.

Société Foncière Lyonnaise is a fully consolidated subsidiary of Spanish company Inmobiliaria Colonial SOCIMI, SA, which owned 98.3% of the capital at 31 December 2024. The Group and all of its subsidiaries have their registered office in the 8th *arrondissement* of Paris.

COMPANY FINANCIAL *STATEMENTS*

03

The consolidated financial statements were approved for publication by the Board of Directors on 18 February 2025.

A - Balance Sheet

ASSETS

(in thousands of euros)	Notes Part C - IV	Total	Depreciation, amortisation and provisions	31 Dec. 2024 Net	31 Dec. 2023 Net
NON-CURRENT ASSETS					
Intangible assets	A - 1.1				
Software		13,988	8,930	5,058	242
Intangible assets in progress		-		-	1,156
Property and equipment	A - 1.2				
Land		549,311		549,311	549,311
Buildings		930,091	274,455	655,636	673,695
Other		8,017	3,984	4,033	484
Assets under construction		125,322		125,322	80,843
Prepayments to suppliers of property and equipment		14,400		14,400	-
Non-current financial assets[2]	A - 1.3				
Shares in subsidiaries and affiliates		1,437,126	23,609	1,413,517	1,364,090
Advances to subsidiaries and affiliates		40,267		40,267	35,344
Other		348,809		348,809	348,756
Total I		3,467,331	310,978	3,156,353	3,053,921
CURRENT ASSETS					
Receivables[3]	A - 2				
Prepayments to suppliers		41		41	53
Rental receivables		84,895	1,528	83,367	5,167
Other		732,654	1,433	731,221	732,050
Current financial assets	A - 3				
Treasury shares		7		7	190
Other marketable securities		20,813		20,813	
Treasury instruments		-		-	-
Cash at bank and in hand	A - 4	3,085		3,085	4,695
Prepaid expenses[3]		476		476	1,006
Total II		841,971	2,961	839,010	743,161
Deferred debt issuance costs (III)	A - 5	9,246		9,246	10,563
Debt redemption premiums (IV)	A - 6	12,522		12,522	17,255
Conversion losses (V)		-		-	-
Total assets (I to V)		4,331,070	313,939	4,017,131	3,824,900
(1) Of which lease premiums				-	-
(2) Of which due within one year (gross)				*40,267*	*35,344*
(3) Of which due beyond one year (gross)				*68,585*	-

EQUITY AND LIABILITIES

(in thousands of euros)	Notes Part C - IV	31 Dec. 2024	31 Dec. 2023
EQUITY			
Share capital		85,902	85,771
Share premium account		159,830	159,961
Revaluation reserve		21,439	21,439
Other reserves			
Legal reserve		9,306	9,306
Retained earnings		744,283	791,691
Profit for the year		122,448	11,402
Capital and reserves		**1,143,208**	**1,079,570**
Government grants		-	
Untaxed provisions		27,327	25,995
Total I	A - 7.1 & 2	1,170,535	1,105,565
Provisions for contingencies and charges	A - 7.3	2,011	1,131
Total II		2,011	1,131
LIABILITIES[1][2]			
Convertible bonds		-	-
Other bonds		1,709,721	1,709,689
Bank borrowings[3]		300,464	300,445
Other borrowings		763,769	665,982
Prepaid property rentals		13,806	5,815
Trade payables		6,864	5,133
Accrued taxes and payroll costs		10,765	9,057
Due to suppliers of property and equipment		27,951	12,663
Other liabilities		11,245	9,420
Deferred income		-	-
Total III	A - 8	2,844,585	2,718,204
Total equity and liabilities (I to IV)		4,017,131	3,824,900
(1) Of which due beyond one year		*2,011,450*	*2,018,333*
(2) Of which due within one year		*833,135*	*699,871*
(3) Of which short-term bank loans and overdrafts		*7*	*7*

B - Profit and Loss Account

(in thousands of euros)	Notes Part C - IV	2024	2023
Property rentals		92,127	62,716
Service revenue		1,745	2,103
Total revenue	B - 1	93,872	64,819
Own-work capitalised		875	1,061
Reversals of depreciation, amortisation and provisions, and expense transfers	B - 2	21,027	31,581
Other income		3,432	2,440
Total I		119,206	99,901
OPERATING EXPENSES			
Other purchases and external charges	B - 3	27,457	26,916
Taxes other than on income	B - 4	10,516	10,043
Payroll costs	B - 5		
Wages and salaries		11,293	9,805
Payroll taxes and other employee benefits expenses		4,563	3,752
Depreciation, amortisation and provision expense			
Depreciation and amortisation expense		28,584	29,817
Impairment losses on current assets		1,464	180
Provision expense		1,679	654
Other expenses		349	548
Total II		85,905	81,715
OPERATING PROFIT (I - II)		**33,301**	**18,186**
FINANCIAL INCOME			
From investments in subsidiaries and affiliates		75,783	47,483
From other non-current financial assets		-	-
Other interest income		41,012	37,695
Reversals of provisions and impairment losses, and expense transfers		56,218	2,880
Net gains from sales of current financial assets		153	251
Total III		173,166	88,309
FINANCIAL EXPENSES			
Depreciation, amortisation, impairment losses and other provision expense		8,548	69,574
Interest expense		71,500	66,873
Total IV		80,048	136,447
NET FINANCIAL INCOME/(EXPENSE) (III - IV)	B - 7	**93,118**	**(48,138)**
PROFIT/(LOSS) BEFORE TAX AND OTHER INCOME AND EXPENSE (I - II + III - IV)		**126,419**	**(29,952)**
OTHER INCOME			
From revenue transactions		1,439	176
From capital transactions			59,568
Reversals of provisions and impairment losses, and expense transfers		15	204
Total V		1,454	59,948
OTHER EXPENSES			
On revenue transactions		56	21
On capital transactions		3,293	17,104
Amortisation, impairment losses and other provision expense		1,332	1,341
Total VI		4,681	18,466
OTHER INCOME/(EXPENSE), NET (V - VI)	B - 8	**(3,227)**	**41,482**
Employee profit-sharing (IX)		653	128
Income tax expense (X)	B - 9	91	
Total income (I + III + V)		293,826	248,158
Total expenses (II + IV + VI + IX + X)		171,378	236,756
Profit for the year		122,448	11,402

C - Notes to the Financial Statements

I - Accounting Policies

General principles

The financial statements are presented in accordance with regulation ANC no. 2014-03 (amended) on the French generally accepted accounting principles (GAAP) applicable to financial years ended 31 December 2024.

The financial year covers a period of 12 months.

The amounts in the notes to the financial statements below are presented in thousands of euros.

The financial statements have been prepared on a going concern basis, in accordance with the principles of prudence and segregation of accounting periods.

Change in accounting method during the year

With effect from 1 January 2024, SFL has adopted a new method of recognising lease incentives granted to new tenants.

These incentives are now recognised on a straight-line basis over the non-cancellable lease term.

In accordance with regulation ANC no. 2018-01, the change of method has been applied retrospectively by adjusting opening equity (retained earnings) at 1 January 2024 by an amount of €44,266 thousand, with no impact on the 2024 income statement.

The purpose of this change of method is to better reflect the economic reality of rental commitments and to improve the year-on-year comparability of the financial statements.

The other main accounting policies, which have been applied consistently from one year to the next, are as follows:

a) Intangible assets

Intangible assets recognised in the balance sheet mainly consist of software purchased or developed for the Company's ERP system.

They are amortised by the straight-line method over their estimated useful life.

b) Property and equipment

1 - Cost

The property portfolio was revalued in 2003, when the Company elected for SIIC status.

All expenses, including eviction compensation paid to tenants of properties scheduled for large-scale renovation, are considered as an integral part of the renovation cost and are therefore capitalised.

Capitalised renovation costs also include borrowing costs for the period until the property is put back on the rental market, calculated at the average month-end interest rate after hedging.

The cost of properties does not include transaction expenses.

2 - Depreciation and impairment

Each part of an item of property or equipment with a cost that is significant in relation to the total cost of the item is depreciated separately over its useful life. The depreciation method used reflects the pattern in which the asset's future economic benefits are expected to be consumed.

Properties held in the portfolio when the component approach was adopted were analysed by estimating the cost of rebuilding or replacing each part of the property, its degree of wear and tear and its useful life. These technical data were used to determine the proportion of each property's value represented by each component part. This ratio was then applied to the revaluations at 1 January 2005 that were used as deemed cost at that date.

The useful lives of the component parts of investment property are as follows, except for certain specific cases which do not materially affect depreciation expense:

Shell	50 to 125 years
Roof, windows, doors	20 to 125 years
Fixtures and installations	10 to 50 years
Fittings and equipment	5 to 40 years

Depreciation is calculated by the straight-line method, based on:
- The useful lives of the component parts of the property. Each part of an item of property or equipment with a cost that is significant in relation to the total cost of the item is depreciated separately over its respective useful life.
- The cost of the asset less its residual value.

The residual value of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. Accelerated depreciation is calculated for tax purposes on the residual value, in accordance with the tax instruction issued in 2005.

Properties in the portfolio are valued at six-monthly intervals in order to compare their period-end carrying amount to their appraisal value. The appraisals are performed by independent valuers. The carrying amount – corresponding to value in use – may not exceed the properties' appraisal value.

Any impairment loss is determined by comparing their carrying amount to their appraisal value excluding transfer costs.

An impairment provision is recognised for each property whose carrying amount is greater than its appraisal value excluding transfer costs. The impairment provision is allocated to the extent possible to each asset's non-depreciable components and is adjusted each year based on the new appraisal value.

Valuation method

The methods used to value the properties in the portfolio comply with the *Charte de l'Expertise en Evaluation Immobilière* (property valuation charter), the February 2000 report of France's securities regulator (COB, renamed AMF), and the standards issued by The European Group of Valuers' Associations (TEGoVA) as well as with Royal Institution of Chartered Surveyors (RICS) standards.

Independent experts are rotated in compliance with the SIIC code of ethics, which states:
Regardless of the number of independent experts used by the SIIC, the following principles must be upheld:
- Appointments should be based on a selection process evaluating each candidate's independence, qualifications and competency to value property within the asset classes and geographical locations concerned.
- When a firm of valuers is used, the SIIC should ensure that the firm's internal valuation teams are rotated after a period of seven years.
- An independent valuer may serve for no more than two four-year terms for any given client, unless that valuer is a company in which case the above team rotation rule applies.

The valuation of the portfolio at 31 December 2024 was performed by the two independent experts:

- CBRE (in charge of half-yearly appraisals at SFL since 2019).
- BNP Paribas Real Estate (in charge of half-yearly appraisals at SFL since 2024).

The properties are valued primarily by the discounted cash flows method, which consists of discounting projected future cash flows. Assumptions concerning future revenue flows take into account passing rents, estimated market rents for the year beyond the lease expiry dates, any rent-free years and rent step-ups, vacancy risk and projected changes in the construction cost index (ICC), office rent index (ILAT) and retail rent index (ILC). Each property is analysed in detail, according to the type of use and the surface area of each unit, lease by lease.

Based on information provided by SFL, the valuers noted that rents on certain units were above or below market rents for the year on similar properties. These differences were taken into account to value the properties according to their current occupancy, based on the duration of the underlying leases.

Vacant units were valued on the basis of assumed rents, excluding rent for the estimated marketing period, after deducting remaining renovation costs for the period until the units are re-let and any rent-free period expected to be granted. Expenditure assumptions cover non-recoverable costs – determined on a lease-by-lease basis – and projected capital expenditure to achieve the asset's highest and best use. Asset valuations include the estimated cost of future repairs and renovations (based on expenditure budgets for properties in the process of being redeveloped), including any lessor contributions to the cost of work carried out by the tenant.

Net cash flows for the final year of the projection period are capitalised to calculate the terminal value, corresponding to the property's resale price at the end of the period.

The results obtained are then compared to market data and adjusted, if necessary, to obtain a market-consistent value. However, given that these appraisal values are essentially estimates that are sensitive to changes in rental values and discount rates, the proceeds from the sale of certain property assets may be different to their appraisal value, even if the sale takes place within a few months of the year-end.

c) Non-current financial assets

Non-current financial assets are stated at cost or transfer value. They include negative technical adjustments allocated to shares in subsidiaries and affiliates. When the fair value of financial assets at the balance sheet date is less than their carrying amount, a provision for impairment is recorded.

The fair value of shares in subsidiaries and affiliates, and the related technical adjustments, corresponds to the investment's fair value to the Company and takes into account unrealised capital losses on the subsidiary's property assets, as determined based on the independent valuations performed at each year end by the method described in paragraph b) 2- above.

An additional provision is recorded when the Company has an obligation to cover losses in excess of the amount of its interest in the subsidiary or affiliate concerned and also includes any technical adjustments associated with the shares. The total provision is booked against the following items, in the order listed: technical adjustments, shares in subsidiaries and affiliates, long-term receivables and current account advances, with any balance recognised in liabilities under provisions for contingencies.

d) Rental receivables

Rental receivables are measured at the lower of their nominal value and recoverable amount, determined on a case-by-case basis. A provision for doubtful accounts is recorded for rental receivables that present a risk of non-recovery.

Provisions are calculated at the following rates, based on the amount of the receivable excluding tax, net of the guarantee deposit:
- Residential leases: 100%.
- Office and retail leases: 50% when the tenant is still occupying the premises; 100% when they have vacated the premises.

Provisions calculated at the above rates are adjusted where appropriate to take specific situations into account.

e) Current financial assets

Current financial assets are stated at the lower of cost and fair value, with fair value corresponding to the average market price for the last month of the period.

f) Debt issuance costs and redemption premiums

Bond issuance costs, bank loan arranging fees and bond redemption premiums are recognised under deferred charges in assets, and amortised to the profit and loss account on a straight-line basis over the term of the loans to which they relate.

g) Financial instruments

SFL uses financial instruments such as swaps to manage interest rate risk.

The instruments used may consist of interest rate swaps, caps or floors.

Premiums paid when the contracts are signed are recorded under financial instruments on the assets side of the balance sheet and amortised to the profit and loss account on a straight-line basis.

Interest income or expense is recognised in the profit and loss account by the accruals method.

Interest rate differentials on swaps are recognised in financial income or expense over the life of the instruments.

h) Operating income and expenses

Operating income consists mainly of rental income and property expenses recovered from tenants.

Rental income from ordinary leases is recognised on a straight-line basis over the lease term.

With effect from 1 January 2024, following the change in accounting method, rent step-ups and rent-free periods granted to tenants are recognised as an adjustment to rental income over the non-cancellable lease term.

Expense transfers correspond mainly to property expenses billed to tenants (including property tax and office tax), and expenses included in the cost of properties undergoing redevelopment.

Lease termination penalties correspond to penalties charged to tenants for terminating their lease before the contractual expiry date. They are recognised in revenue for the period in which they are billed.

Key money paid by tenants is recognised over the non-cancellable lease term.

Marketing, re-marketing and lease renewal costs are recognised as expenses for the year in which they are incurred.

i) Income tax

Since 1 January 2003, SFL has elected to be taxed as an SIIC. Under the SIIC regime:
- the operating profit and capital gains of businesses eligible for the SIIC regime are exempt from corporate income tax;
- the activities that are not eligible for this regime are liable for corporate income tax.

j) Financial income and expense

Balancing payments received or paid on early repayment of loans are reported under other financial income or expenses.

Financial expense transfers correspond to reclassifications of borrowing costs that are recognised on a straight-line basis over the life of the debt. They also include borrowing costs capitalised as part of the redevelopment cost of property assets.

II - Significant Events of the Year

1) Planned merger

On 6 November 2024, the Boards of Directors of SFL and its majority shareholder, Inmobiliaria Colonial, decided to examine in detail a proposal to merge SFL into Inmobiliaria Colonial.

2) Executive management change

Dimitri Boulte stepped down as Chief Executive Officer of SFL on 21 December 2024. On the same date, Aude Grant, Managing Director and Chief Operating Officer, was appointed Chief Executive Officer of SFL with immediate effect.

3) Property transactions

Properties undergoing redevelopment represented roughly 33,000 sq.m. of the total portfolio by surface area at 31 December 2024. The pipeline corresponds to the Scope office building on Quai de la Râpée in Paris (approximately 23,000 sq.m.), which was vacated by the tenant on 30 September 2022 and is now being extensively redeveloped. The site clearance and asbestos removal phase of the project was delivered in May 2024. Restructuring work began in August, following the signature of the works contracts in June 2024, with delivery scheduled for the summer of 2026.

No properties were purchased or sold during the year.

4) Financing activities

In June 2024, the €100 million bilateral credit line obtained from BNP Paribas in May 2018 was rolled over for five years (with two one-year extension options). The facility includes a spread adjustment mechanism based on the Group's performance in relation to three sustainable development criteria.

In July 2024, the maturity of the €300 million syndicated term loan obtained in December 2022 was extended by another year, until December 2029.

Also in July 2024, a €2.5 billion Euro Medium Term Notes (EMTN) programme was set up to prepare for new bond issues.

In November 2024, SFL obtained a €500 million long-term loan from Inmobiliaria Colonial. This loan had not been drawn down at 31 December 2024. It is in addition to a €600 million short-term shareholder advance set up in 2023, of which €562 million had been drawn down at 31 December 2024.

Lastly, also in November 2024, SFL and Inmobiliaria Colonial updated SFL's Green Financing Framework.

5) Information system

SFL migrated to a new ERP (SAP 4/HANA) on 1 January 2024. The Company's audited financial statements for the year ended 31 December 2024 have been prepared using this new system.

6) Subsequent events

On 18 February 2025, as part of the analysis of the proposed merger between Colonial and its subsidiary SFL, the Boards of Directors of the two companies set the exchange ratio at 13 Colonial shares for 1 SFL share, and the exit price at €77.5 per SFL share (*cum* dividend). The exit price would be adjusted by the amount of the 2024 dividend to be decided by shareholders prior to completion of the merger. The exchange ratio and exit price were determined using a multi-criteria approach. The merger agreement including the exchange ratio and exit price, which is expected to be signed in early March, remains subject to the approval of the Colonial and SFL Boards of Directors. The merger is expected to be completed in the second half of 2025, subject to the approval of SFL and Colonial shareholders at general meetings to be held between now and the end of April 2025 and the usual formalities required for this type of transaction.

III - Effects of Climate Change

Climate change is bringing about profound changes in the economy, which is why increasing attention needs to be paid to its effects on companies' financial and non-financial performance. To address the major challenges associated with these changes, very ambitious objectives have been set in the European Green Deal, the Glasgow Climate Pact (COP26) and the Paris Agreement (COP21). Meeting these objectives will involve radical transformations.

The purpose of this note is to present the impact of these changes on the Company's business and performance, as well as the main impacts on the financial statements.

1) Effects of climate change on the Company's financial position

The construction industry accounts for nearly one quarter of all greenhouse gas emissions in France. For this reason, the Company has developed a strategy to monitor the risks and impacts of climate change, supported by measures to address them.

The main effects of changing weather conditions on the financial statements have been identified. These effects cannot be measured with perfect accuracy, as it is difficult to separate them from other factors that influence developments over the reporting period. However, the main effects on the Group's financial information can be summarised as follows:

- Capital expenditure and building operating costs have increased due to the cost of work needed to reduce greenhouse gas emissions and adapt the buildings to the effects of climate change. This involves, for example, obtaining "low-carbon building" labels for all major redevelopment projects, re-using materials and equipment, building with low-carbon concrete, using bio-sourced materials, limiting deconstruction work, installing LED lights throughout the buildings, implementing more efficient heating and cooling systems, measuring energy use more reliably, installing electric recharging points and bicycle parking facilities, and promoting energy efficient practices among tenants.
- Various other expenditures will be necessary, such as environmental certification costs (mainly Building Research Establishment Environmental Assessment Method (BREEAM), Global Real Estate Sustainability Benchmark (GRESB), and European Public Real Estate Association (EPRA)), ESG data publication costs (data collection, preparation of reports, other external resources), and the cost of bonuses paid to certain employees and/or members of the Management Committee for meeting ESG objectives.

2) Green financing

All outstanding bonds (representing a total principal amount of €1,698 million) held by the Company at 31 December 2024 are green bonds.

SFL's objective is to further strengthen the convergence between its environmental performance and its financial structure. These bonds are an alternative to traditional corporate financing, responding to growing corporate sensitivity to sustainability issues. Going forward, the Company intends to carry out all bond issues under its Green Financing Framework. Green financing gives SFL a competitive advantage and the bonds are attractive for capital market investors, who are turning more and more frequently to this type of investment.

In addition to these ESG-labelled project finance instruments, SFL also holds bank financing instruments indexed to ESG performance objectives. In 2024, SFL obtained an €100 million revolving credit facility, raising to €1,570 million (or 84%) the amount of bank financing incorporating a margin adjustment mechanism based on ESG performance indicators (mainly greenhouse gas emission reduction targets).

3) Other potential effects on the financial statements

Other potential climate-related effects, none of which had an impact on the 2024 financial statements, include:

- Environmental levies: the Company's investment choices have ensured that it is in compliance with climate-related regulations. As a result, the Company has not received any penalties for non-compliance. A regulatory watch system has been set up to anticipate changes in climate-related legal requirements and proactively initiate any necessary compliance measures. No impairment losses were recorded for environmental risks in 2024.

IV - Notes to the Financial Statements

A - Notes to the Balance Sheet

A - 1) Non-current assets

A - 1.1) Intangible assets

(in thousands of euros)	31 Dec. 2023	Additions	Disposals	Reclassifications	31 Dec. 2024
Software	8,695			5,293	13,988
Intangible assets in progress	1,156	2,337		(3,493)	
Total	9,851	2,337	-	1,800	13,988

Software includes both software licences and internally developed software.

The change in accumulated amortisation can be analysed as follows:

(in thousands of euros)	31 Dec. 2023	Amortisation and impairment for the year	Amortisation and impairment written off on disposals and other	31 Dec. 2024
Software	8,453	477		8,930
Intangible assets in progress	-			-
Total	8,453	477	-	8,930

Amortisation and impairment of intangible assets relate to computer software.

A - 1.2) Property and equipment

(in thousands of euros)	31 Dec. 2023	Additions	Disposals	Reclassifications	31 Dec. 2024
Land	549,311				549,311
Buildings	500,578		4,296	432	496,714
Fixtures and fittings	438,879		15,101	9,601	433,379
Furniture and equipment	4,081		9	(523)	3,549
Other				4,468	4,468
Assets under construction	80,843	60,289	32	(15,778)	125,322
Prepayments to suppliers of property and equipment		14,400			14,400
Total	1,573,692	74,689	19,438	(1,800)	1,627,143

Decreases for the year primarily concerned site clearance work on the Scope building.

Additions to property and equipment generally correspond to costs accumulated in the "Assets under construction" account that are reclassified on delivery of the property to the appropriate depreciable asset accounts.

The change in accumulated depreciation can be analysed as follows:

(in thousands of euros)	31 Dec. 2023	Depreciation and impairment for the year	Depreciation and impairment written off on disposals and other	Reclassifications	31 Dec. 2024
Buildings	55,223	8,493	2,735		60,981
Fixtures and fittings	210,539	16,378	13,423	(20)	213,474
General fixtures and fittings		281		535	816
Furniture and equipment	3,597	90	4	(515)	3,168
Total	269,359	25,242	16,162	-	278,439

A - 1.3) Non-current financial assets

(in thousands of euros)	31 Dec. 2023	Additions	Disposals	31 Dec. 2024
Shares in subsidiaries and affiliates	1,438,384		1,258	1,437,126
Advances to subsidiaries and affiliates	35,344	40,267	35,344	40,267
Technical adjustments	348,219			348,219
Deposits	91	499		590
Total	1,822,038	40,766	36,602	1,826,202

Shares in subsidiaries and affiliates are presented below (list of subsidiaries and affiliates).

Changes in impairment provisions can be analysed as follows:

(in thousands of euros)	31 Dec. 2023	Increases	Decreases	31 Dec. 2024
SAS Maud shares	2,450			2,450
SCI Pasteur shares	25,670		25,670	-
SAS Cloud shares	28,831		28,831	-
SAS 92 Champs-Élysées shares	17,283	3,814		21,097
Other shares	60	2		62
Total	74,294	3,816	54,501	23,609

List of subsidiaries and affiliates

Subsidiaries and affiliates	Share capital	Reserves and retained earnings before profit appropriation	% interest	Carrying amount of investment		Outstanding loans and advances granted by SFL	Out-standing guaran-tees	Last published net revenue	Last pub-lished profit	Dividends received during the year	Observa-tions
				Cost	Net						
A - Investments with a gross value in excess of 1% of SFL's capital:											
1 - Subsidiaries (at least 50%-owned)											
SCI Paul Cézanne	56,934	87,636	51%	148,842	148,842	-	-	20,714	17,128	-	-
SCI 103 Grenelle	-	159,411	51%	81,861	81,861	-	-	10,738	8,853	-	-
SCI Washington	94,872	21,462	100%	330,533	330,533	143,723	-	32,643	18,969	-	-
SAS Maud	1,480	(2,866)	100%	2,450	-	3,872	-	6,955	(128)	-	-
SAS 92 Champs-Élysées	101,971	251,394	51%	206,929	185,832	-	-	11,893	11,012	-	-
SAS Cloud	178,195	458,562	51%	362,609	362,609	-	-	26,453	48,573	12,749	-
SCI Pasteur 123	14,365	1,934	100%	280,917	280,917	178,458	-	18,451	5,818	-	-
SAS Parhaus	1,500	16,774	100%	7,611	7,611	71,817	-	(1,647)	(7,016)	3,206	-
SAS Parchamps	1,558	4,578	100%	5,922	5,922	44,284	-	7,932	3,795	1,862	-
SAS Pargal	9,120	208,350	100%	9,152	9,152	86,485	-	12,970	5,722	-	-
2 - Affiliates (10-50%-owned)											
B - Aggregate information about investments not listed in A above:											
Subsidiaries (at least 50%-owned)				300	238	194,449	-	-	4,296	1,889	-
Affiliates (less than 50%-owned)				-	-	-	-	-	-	-	-

A - 2) Receivables

Receivables can be analysed as follows by maturity:

Analysis by maturity at 31 December 2024	Total	o/w accrued income	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Prepayments to suppliers	41		41	-	-
Trade receivables	84,895	2,274	16,310	38,532	30,053
Other					
. Employee advances	1,062	4	1,062	-	-
. Prepaid and recoverable taxes	7,593		7,593	-	-
. Current account advances	717,127	5,960	717,127	-	-
. Miscellaneous receivables	6,872	6,181	6,872	-	-
Prepaid expenses	476	-	476	-	-
Total	818,066	14,419	749,481	38,532	30,053

At 31 December 2024, trade receivables include current receivables and receivables arising from the deferred recognition of rent step-ups and rent-free periods over the non-cancellable lease term for €75,860 thousand. No interest is payable on receivables.

"Current account advances" include dividends receivable from subsidiaries.

Provisions for impairment of receivables	31 Dec. 2023	Increases	Decreases	31 Dec. 2024
Rental receivables	183	1,425	80	1,528
Subsidiary current accounts	1,394	39	-	1,433
Total	1,577	1,464	80	2,961

A - 3) Current financial assets

SICAV mutual funds	Cost	Provisions	Net	Market value	Gross gain or loss
SG Monetaire Plus	20,813	-	20,813	20,830	17
Total	20,813	0	20,813	20,830	17

The carrying amount of treasury shares held by SFL at 31 December 2024 was €7 thousand.

Treasury shares	31 Dec. 2023	Increases(*)	Decreases	31 Dec. 2024
Number of shares	2,883	9,479	12,252	110
Average purchase/sale price	€72.18	€66.42	€67.76	€68.05
Total	208	630	830	7

* With no shares allocated to the performance share plan.

Treasury shares allocated to performance share plans concern SFL Group companies and are carried at cost.

Treasury shares	Number of shares	Cost	Provisions	Net	Market value	Gross gain or loss
Available treasury shares						
Shares held for future stock-for-stock acquisitions	-	-	-	-	-	-
Shares held for external growth transactions	-	-	-	-	-	-
Shares held under the liquidity contract	110	7	-	7	8	1
Total	110	7	0	7		

Performance share plans

The plans' main features are as follows:

- The shares will vest only if the grantee is still employed by the Group on the vesting date.
- Performance target: the number of shares that vest depends on SFL's ranking among a group of six listed property companies based on growth in consolidated ANAV per share.
- The performance shares will vest 15 business days after the publication by the last of the Reference Companies to do so of a press release announcing its results for the third financial year after the grant date.
- Lock-up period: the performance shares may not be sold or otherwise transferred before the end of a period of one to two years as from the vesting date.

The expected vesting rate is adjusted to reflect SFL's most probable ranking at the end of the vesting period.

At 31 December 2024, the rates applied were 200% for the 2022 plan (probable ranking: no. 1) and 100% for the 2023 and 2024 plans (probable ranking: no. 3).

Performance share plans for Company employees are as follows:

Details of the performance share plans	Plan no. 6	Plan no. 6 and no. 7	Plan no. 8
Date of General Meeting	**15 Apr. 2021**	**15 Apr. 2021**	**15 Apr. 2021**
Date of Board meeting	**18 Feb. 2022**	**14 Feb. 2023**	**14 Feb. 2024**
End of vesting period	31 Dec. 2024	31 Dec. 2025	31 Dec. 2026
Initial expected vesting rate	100.00%	100.00%	100.00%
Target number of shares	29,168	25,924	29,379
SFL share price at the grant date	€86.20	€82.20	€68.00
SFL share price at 31 December 2024	€74.20	€74.20	€74.20
Performance share rights cancelled during the year (departures/ vesting conditions not met)	(984)	(1,012)	(2,321)
Freely transferable vested shares	(56)	(56)	-
Expected vesting rate at 31 December 2024	200.00%	100.00%	100.00%
Number of shares expected to vest at 31 December 2024	**56,256**	**24,856**	**27,058**

A - 4) Cash at bank and in hand

(in thousands of euros)	31 Dec. 2023	31 Dec. 2024
Cash at bank and in hand	4,695	3,085
Total	4,695	3,085

A - 5) Deferred charges

Loan arranging fees and commissions are amortised on a straight-line basis over the life of the loan and the deferred balance is adjusted in the event of any partial early repayment.

(in thousands of euros)	Amortisation period	Total	Accumulated amortisation at 31 Dec. 2023	Amortisation for the year	Accumulated amortisation at 31 Dec. 2024	Net
2018 bonds	7 years	1,946	1,552	281	1,833	113
2020 bonds	7 years	2,491	1,234	368	1,602	889
2021 bonds	6.5 years	2,559	837	401	1,238	1,321
2018 Société Générale loan	5 years	450	335	63	398	52
2020 BNP Paribas loan	7 years	620	502	117	619	1
2022 CA loan	3 years	633	281	103	384	249
2022 BECM loan	5 years	830	402	120	522	308
2021 Intesa Sanpaolo loan	6 years	593	163	87	250	343
2022 Caixa Bank loan	5 years	400	147	80	227	173
2022 Sabadell loan	5 years	179	38	36	74	105
2024 BNP Paribas loan	5 years	413	-	44	44	369
2022 loan from the 5-member banking pool	7 years	2,489	406	358	764	1,725
2023 loan from the 11-member banking pool	5 years	4,876	471	807	1,278	3,598
Total		18,479	6,368	2,865	9,233	9,246

A - 6) Redemption premiums

Redemption premiums are amortised on a straight-line basis over the life of the bonds and the deferred balance is adjusted in the event of any partial early repayment.

(in thousands of euros)	Amortisation period	Total	Accumulated amortisation at 31 Dec. 2023	Amortisation for the year	Accumulated amortisation at 31 Dec. 2024	Net
2018 bonds	7 years	4,005	3,194	578	3,772	233
2020 bonds	7 years	8,617	3,140	1,602	4,742	3,875
2021 bonds	6.5 years	15,483	4,516	2,553	7,069	8,414
Total		28,105	10,850	4,733	15,583	12,522

A - 7) Equity

A - 7.1) Changes in equity

A. Equity at 31 December 2023 before appropriation of profit for the year	**1,105,565**
Dividend decided by the Annual General Meeting of 16 April 2024	(103,076)
B. Contributions received with retroactive effect to the beginning of the reporting period	**-**
C. Equity at 1 January 2024 after appropriation of 2023 profit	**1,105,565**
D. Movements for the year:	
1. Reduction in capital	130
2. Changes in share premium account, reserves, retained earnings	(14,674)
3. Changes in untaxed reserves	-
4. Changes in revaluation reserve	-
5. Changes in untaxed provisions and government grants	1,332
6. Other movements*	(44,266)
7. Profit for the year	122,448
E. Equity at 31 December 2024 before appropriation of profit for the year	**1,170,535**
F. Change in equity during the year	**(64,970)**
G. Of which: changes due to changes in structure during the year	
H. Other changes in equity during the year	**(64,970)**

* The impact of the change in accounting method recognised in equity relates to the deferred recognition of lease incentives.

At 31 December 2024, the Company's share capital comprised 42,950,800 ordinary shares with a par value of €2. The number of voting rights at that date was 42,950,609.

Société Foncière Lyonnaise is a subsidiary of Spanish company Inmobiliaria Colonial SA, which owned 98.23% of the capital at 31 December 2024.

Untaxed provisions correspond exclusively to accelerated capital allowances, representing excess tax depreciation calculated on the residual value of certain properties.

(in thousands of euros)	31 Dec. 2023	Increases	Decreases	31 Dec. 2024
Excess tax depreciation	25,995	1,332	-	27,327
Total	25,995	1,332	-	27,327

A - 7.2) Dividends

(in thousands of euros)	2023		2024	
	Paid	Per share	Paid	Per share
Dividend paid in the reporting year	180,100	€4.20	103,076	€2.40
Total	180,100	€4.20	103,076	€2.40

A - 7.3) Provisions for contingencies and charges

(in thousands of euros)	31 Dec. 2023	Increases	Decreases	31 Dec. 2024
Provisions for employee benefits	1,131	829	799	1,161
Short-term provisions for contingencies	–	850	–	850
Total	1,131	1,679	799	2,011

Provisions for contingencies and charges are determined using Management estimates and assumptions based on information and circumstances existing at the time of the preparation of the financial statements, and Management's judgement.

Provisions for employee benefits include social security charges calculated based on performance share plan costs, deferred over three years from the grant date. Delivery of shares awarded under the 2021 plan led to the reversal of €798 thousand from the provision, corresponding to the specific employer contribution.

Short-term provisions for contingencies include an €850 thousand provision covering a tenant risk.

A - 8) Liabilities

Liabilities can be analysed as follows by maturity:

(in thousands of euros)	Total	o/w accrued expenses	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Bonds	1,709,721	11,721	11,721	1,698,000	-
Bank borrowings	300,464	464	464	300,000	-
Other borrowings and financial liabilities					
. Tenant deposits	15,551		2,101	2,038	11,412
. Negotiable European commercial paper (NEU CP)	185,000		185,000	-	-
. Other borrowings (Colonial)	563,218	1,218	563,218	-	-
. Current account advances	2,991	7	2,991	-	-
Prepaid property rentals	13,806		13,806	-	-
Trade payables	6,864	5,695	6,864	-	-
Accrued payroll costs	8,788	6,471	8,788	-	-
Accrued taxes	1,977		1,977	-	-
Due to suppliers of property	27,951	21,699	27,951	-	-
Other liabilities	8,254	1,997	8,254	-	-
Total	2,844,585	49,272	833,135	2,000,038	11,412

The amounts reported under "Due to suppliers of property" correspond mainly to invoices for redevelopment work on the Louvre Saint-Honoré and Scope buildings.

Accrued payroll costs include statutory and discretionary profit-sharing and bonus accruals.

The change in bonds can be analysed as follows:

(in thousands of euros)	31 Dec. 2024	31 Dec. 2023	Year-on-year change
2018 bonds	504,459	504,447	12
2020 bonds	604,170	604,155	15
2021 bonds	601,092	601,087	5
Total	1,709,721	1,709,689	32

B – Notes to the Profit and Loss Account

B - 1) Net revenue

(in thousands of euros)	2024	2023
Property rentals	89,734	60,180
Property and facility management fees	2,209	2,536
Sub-total	**91,943**	**62,716**
Payments received for seconded employees	1,745	1,923
Other service revenue	184	180
Sub-total	**1,929**	**2,103**
Total	93,872	64,819

The Company reported net revenue of €93,872 thousand in 2024 compared with €64,819 thousand in 2023. The increase of €29,052 thousand (up 44.82%) followed a change of accounting method for lease incentives applied retrospectively from 1 January 2024.

The new method consists of recognising the effect of rent step-ups and rent-free periods over the non-cancellable lease term. The amount recognised in 2024 under this method was €31,593 thousand, with the balance to be recognised in future periods.

B - 2) Reversals of provisions and impairment losses, and expense transfers

(in thousands of euros)	2024	2023
Reversals of provisions for doubtful receivables	80	617
Reversals of provisions for contingencies and charges	799	8,832
Impairment loss reversed on the sale of a building	-	-
Sub-total	**879**	**9,449**
Costs and taxes recovered from tenants	18,389	16,321
Other expense transfers	1,759	5,812
Sub-total	**20,148**	**22,133**
Total	21,027	31,582

B - 3) Other purchases and external charges

(in thousands of euros)	2024	2023
Reinvoiced costs	12,714	10,183
Other purchased services and expenses	14,743	16,733
Total	27,457	26,916

B - 4) Taxes other than on income

(in thousands of euros)	2024	2023
Recoverable taxes	9,330	6,561
Other taxes	1,187	3,482
Total	10,517	10,043

B - 5) Payroll costs

(in thousands of euros)	Administrative staff	Building staff	2024 total	2023 total
Wages and salaries				
Wages and salaries	11,293	-	11,293	9,805
Sub-total	**11,293**	**0**	**11,293**	**9,805**
Payroll taxes and other employee benefits expenses				
Social security taxes and disability/health insurance premiums	2,743	-	2,743	3,197
Other employee benefits expenses	1,820	-	1,820	555
Sub-total	**4,563**	**0**	**4,563**	**3,752**
Total	15,856	0	15,856	13,557

The remuneration awarded to senior management (including bonuses, benefits in kind, corporate savings plan rights, termination benefits, etc.) amounted to €5,151 thousand in 2024 (2023: €3,143 thousand).

Directors' fees for the year awarded to the members of the Board of Directors represented a total of €191 thousand in 2024.

B - 6) Number of employees

(number)	2024	2023
Building caretakers	-	1
Supervisors	10	12
Managers	52	54
Total	62	67

B - 7) Net financial expense

(in thousands of euros)	2024	2023
Dividends received:		
. SA Segpim	1,889	434
. SCI Parchamps	1,862	3,072
. SCI Parhaus	3,206	3,214
. SCI Pargal	-	2,993
. SAS Cloud	12,750	1,344
. SAS 92 Champs-Élysées	11,220	-
. SCI Pasteur 123	-	1,082
Income from long-term investments:	-	-
. SCI 103 Grenelle	6,555	3,812
. SCI Paul Cézanne	11,285	3,603
. SCI Washington	18,969	17,267
. SNC Condorcet Holding	2,229	4,666
. SCI Pasteur 123	5,818	5,995
Sub-total	**75,783**	**47,483**
Interest income from derivative instruments	6,073	3,793
Interest income from current account advances to subsidiaries	34,939	33,890
Other financial income	-	12
Sub-total	**41,012**	**37,695**
Capitalised interest expense (a)	1,699	2,880
Reversals of impairment of current financial assets	18	-
Reversals of impairment of shares in subsidiaries and affiliates (b)	54,501	-
Sub-total	**56,218**	**2,880**
Net gains from sales of current financial assets	153	251
Sub-total	**153**	**251**
Financial income	**173,166**	**88,309**
Change in provisions for bond redemption premiums	4,733	4,705
Impairment of shares in subsidiaries and affiliates (c)	3,815	64,851
Impairment of current financial assets	-	18
Sub-total	**8,548**	**69,574**
Interest expense on bonds and bank loans	34,810	33,230
Interest expense on current account advances from subsidiaries	4,069	7,345
Interest expense on bank overdrafts	18	64
Interest on other bonds (Colonial facility)	16,700	6,872
Interest on negotiable European commercial paper (NEU CP)	10,097	13,434
Bank loan arranging fees	5,806	5,450
Expenses on financial instruments	-	478
Sub-total	**71,500**	**66,873**
Financial expenses	**80,048**	**136,447**

(a) Capitalised interest expense concerns the financing of the Scope redevelopment project and corresponds to the interest capitalised during the redevelopment period.
(b) Impairment losses on shares in subsidiaries and affiliates are analysed in A - 1-3).

B - 8) Other income and expenses

(in thousands of euros)	2024	2023
Scrapped property and equipment (a)	(3,277)	44,936
Value of shares allocated to holders of vested performance share rights	0	(2,407)
Transaction costs on purchases of shares in subsidiaries and affiliates	-	0
Capital gains and losses on share buybacks	15	(65)
Charges to/(reversals from) depreciation, amortisation and untaxed provisions	(1,332)	(1,137)
Other non-recurring income and expenses, net	59	141
Tax rebates received	1,308	14
Total	(3,227)	41,482

(a) Including €3,199 thousand of assets scrapped during clearance work on the Scope building.

B - 9) Income tax expense

(in thousands of euros)	2024	2023
Corporate income tax expense	91	-
Total	91	0

C - Related party transactions

Related party transactions (other than transactions with subsidiaries) are routine transactions carried out on arm's length terms. Transactions not fulfilling this criterion are not material.

D - Off-balance sheet commitments

Guarantees and other commitments

(in thousands of euros)	Total	Within 1 year	In 1 to 5 years	Beyond 5 years
Commitments received				
Guarantees received from tenants	20,650	1,567	5,248	13,835
Guarantees received from suppliers	21,683	1,793	19,890	-
Total commitments received	42,333	3,360	25,138	13,835
Undrawn confirmed lines of credit				
Long-term shareholder loan	500,000	-	-	500,000
BECM loan	140,000	-	140,000	-
Caixabank loan	100,000	-	100,000	-
Banco Sabadell loan	50,000	-	50,000	-
Cadif loan	145,000	-	145,000	-
Société Générale loan	100,000	100,000	-	-
2019 BNP Paribas loan	835,000	-	835,000	-
Intesa Sanpaolo loan	100,000	-	100,000	-
2020 BNP Paribas loan	100,000	-	100,000	-
Total undrawn confirmed lines of credit	2,070,000	100,000	1,470,000	500,000

Hedging portfolio

At 31 December 2024, derivatives held by the Group for hedging purposes included:

- Counterparty: CIC. 5-year interest rate swap on a notional amount of €100,000 thousand, whereby CIC pays the 3-month Euribor and SFL pays a fixed rate of 2.6250%. The swap came into effect on 14 November 2022 and is a cash flow hedge qualifying for hedge accounting.
- Counterparty: Société Générale. 7-year interest rate swap on a notional amount of €100,000 thousand, whereby Société Générale pays the 3-month Euribor and SFL pays a fixed rate of 2.4920%. The swap came into effect on 6 December 2022 and is a cash flow hedge qualifying for hedge accounting.
- Counterparty: CIC. 7-year interest rate swap on a notional amount of €100,000 thousand, whereby CIC pays the 3-month Euribor and SFL pays a fixed rate of 2.4240%. The swap came into effect on 6 December 2022 and is a cash flow hedge qualifying for hedge accounting.
- Counterparty: Cadif. 7-year interest rate swap on a notional amount of €200,000 thousand, whereby Cadif pays the 3-month Euribor and SFL pays a fixed rate of 2.4925%. The swap came into effect on 6 December 2022 and is a cash flow hedge qualifying for hedge accounting.
- Counterparty: CACIB. 5-year interest rate swap on a notional amount of €100,000 thousand, whereby CACIB pays the 3-month Euribor and SFL pays a fixed rate of 2.3750%. The forward swap will come into effect on 28 January 2025 and is a cash flow hedge qualifying for hedge accounting.

Fair value of hedging instruments	Notional amount	Maturity	31 Dec. 2024	31 Dec. 2023
CIC swap at 2.625%	100,000	Nov. 2027	(1,472)	(993)
Soc. Gen swap at 2.492%	100,000	Dec. 2029	(1,594)	(935)
CIC swap at 2.4240%	100,000	Dec. 2029	(1,276)	(562)
Cadif swap at 2.4925%	200,000	Dec. 2029	(3,193)	(1,874)
CACIB swap at 2.375%	100,000	Jan. 2030	(1,103)	(1,190)
			(8,638)	**(5,554)**

Contractual redevelopment and renovation obligations

At 31 December 2024, the Company's contractual commitments relating to investment property undergoing renovation totalled €95,998 thousand (€25,082 thousand at 31 December 2023), of which €83,899 thousand concerned the Scope property.

Employee benefits

SFL has elected not to use the recommended method for recognising pension and other post-employment benefit obligations.

The amount of these obligations, for which no provision has been set aside, stood at €966 thousand at 31 December 2024.

The benefit cost is determined based on employee service rendered up to the measurement date, assuming employees retire at their own initiative and that, consequently, the benefits are subject to payroll taxes.

The calculation parameters are determined on a historical basis. The projected benefit obligation is calculated annually based on actuarial assumptions, including a discount rate of 3.10% at 31 December 2024 (31 December 2023: 3.44%) and a 2.30% rate of future salary increases (the same as at 31 December 2023).

SFL's employee benefit plans are as follows:
- Length-of-service awards payable to employees on retirement: benefits payable under this plan are specified in a corporate agreement signed with employee representatives.
- Post-employment medical care: this plan concerns a closed group of retired SFL employees. Benefits consist of the payment by SFL of two-thirds of the contributions due to the insurance company responsible for reimbursing medical costs.
- Jubilees:

the agreements in force within the Company provide for the payment of one month's salary to:
- administrative staff who complete 20, 30, 35 and 40 years of service, and
- building staff who complete 25 years of service.

Employees are not covered by any defined benefit pension plan and are not entitled to any other post-employment benefits. As SFL does not have any such defined benefit obligations, no sensitivity analyses are presented.

E - Consolidation

Société Foncière Lyonnaise is included in the consolidated financial statements of Inmobiliaria Colonial SA, a company governed by Spanish law and listed on the Madrid Stock Exchange (ISIN: ES0139140018).

STATUTORY AUDITORS' *REPORTS*

04

The financial statements were approved for publication by the Board of Directors on 18 February 2025.

Statutory Auditors' report on the consolidated financial statements

Year ended 31 December 2024

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Société Foncière Lyonnaise for the year ended 31 December 2024.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at 31 December 2024 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules set out in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors, for the period from 1 January 2024 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) 537/2014.

Justification of assessments - Key audit matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were of most significance in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Fair value measurement of investment property

Notes I - 3) and V - 4) to the consolidated financial statements.

Description of risk	How our audit addressed this matter
The Group owns investment property that is measured at fair value as permitted under IAS 40. Gains and losses arising from changes in fair value from the previous year are recognised in profit. The carrying amount of investment property in the consolidated statement of financial position at 31 December 2024 is €7,359 million, representing an increase over the year of €202 million, of which €105 million was recorded through profit. The property portfolio is valued by independent property valuers every six months using a set of assumptions to determine future discounted cash flows with a direct impact on the fair value of the property and therefore on profit. Given that the value of the investment property portfolio is material in relation to the consolidated financial statements taken as a whole and considering the significant use of judgement to determine the main assumptions used in the appraisal process - relating to exit yields, discount rates, market rental values, estimated future repair and renovation costs, and any rent step-ups and rent-free periods - as well as the sensitivity of fair values to changes in these assumptions, the measurement of investment property is considered to be a key audit matter.	We verified the existence and quality of the processes implemented by management to check the data used by the independent valuers for their appraisals and the review of their appraisal values. We assessed the competence and independence of the property valuers used by the Company and obtained copies of the engagement letters. We obtained copies of the appraisal reports and, with the assistance of our property valuation specialists, compared the valuation methods used with standard industry practices. We performed a critical review of the market inputs (exit yield, discount rate, market rental values) used by the valuers based on available market data and information about recent leases signed by the Company. Based on a sample that we selected, we reconciled and assessed the consistency of the information provided by the Company to the independent valuers and used by them for their appraisals, with appropriate documentation such as leases, future repair and renovation cost estimates and any rent step-ups and rent-free periods. Accompanied by our own specialists, we met with the independent valuers and the Company's management to rationalise the overall portfolio appraisal. We also performed more detailed work on the appraisal values of a sample of assets, with the assistance of our property valuation specialists. We assessed how the independent valuers had reflected the current macroeconomic conditions and climate issues in their appraisal values. We verified that the appraisal values were properly accounted for and checked that the information disclosed in the notes to the consolidated financial statements was appropriate.

Specific verifications

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we also verified the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Other verifications or information required by legal and regulatory provisions

Reporting format of the consolidated financial statements prepared for inclusion in the annual financial report

In accordance with the professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the European single electronic reporting format, we have verified that the presentation of the consolidated financial statements to be included in the annual financial report referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and prepared under the responsibility of the Chief Executive Officer, complies with this format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018. As it relates to the consolidated financial statements, our work included verifying that the markups in the financial statements comply with the format defined by the aforementioned Regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

It is not our responsibility to ensure that the consolidated financial statements to be included by the Company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Société Foncière Lyonnaise by the Annual General Meetings of 20 June 1995 for PricewaterhouseCoopers Audit and 21 April 2005 for Deloitte & Associés.

At 31 December 2024, PricewaterhouseCoopers Audit and Deloitte & Associés were in the 30th and 20th consecutive year of their engagement, respectively.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the Company consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in Article L.821-55 of the French Commercial Code, our audit does not include assurance on the viability or quality of management of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit. They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L.821-27 to L.821-34 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Paris-La Défense, 25 February 2025
The Statutory Auditors

PricewaterhouseCoopers Audit France	Deloitte & Associés
Jean-Baptiste Deschryver	Sylvain Durafour Estelle Sellem

Statutory Auditors' report on the Company financial statements

Year ended 31 December 2024

This is a free translation into English of the Statutory Auditors' report on issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Société Foncière Lyonnaise for the year ended 31 December 2024.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at 31 December 2024 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules set out in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors, for the period from 1 January 2024 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) 537/2014.

Observations

Without qualifying the opinion expressed above, we draw your attention to the change of accounting method applied to lease incentives granted on inception of the leases, as described in Note C I "Accounting policies" to the Company financial statements.

Justification of assessments - Key audit matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were of most significance in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

Valuation and impairment risk of property and equipment

Notes I - b), II - 3) and IV - A - 1.2) to the Company financial statements

Description of risk	How our audit addressed this matter
Property and equipment, consisting almost exclusively of property assets, are carried in the Company's balance sheet at 31 December 2024 for an amount of €1,349 million. Property is stated at cost less accumulated depreciation and any accumulated impairment losses. Impairment is determined by comparing the carrying amount to market value. The Company works with independent property valuers to determine the market value of its property portfolio every six months. Appraisal of a property asset's market value requires significant judgement to determine the appropriate assumptions. Given that the value of the property portfolio is material in relation to the Company financial statements taken as a whole and considering the significant use of judgement to determine the main assumptions used in the appraisal process - relating to exit yields and discount rates, market rental values, estimated future repair and renovation costs, and any rent step-ups and rent-free periods - the measurement of property assets and assessing the related impairment risk are considered to be a key audit matter.	We verified the existence and quality of the processes implemented by management to check the data used by the independent valuers for their appraisals and the review of their appraisal values. We assessed the competence and independence of the property valuers used by the Company and obtained copies of the engagement letters. We obtained copies of the appraisal reports and, with the assistance of our property valuation specialists, compared the valuation methods used with standard industry practices. We performed a critical review of the market inputs (exit yield, discount rate, market rental values) used by the valuers based on available market data and information about recent leases signed by the Company. Based on a sample that we selected, we reconciled and assessed the consistency of the information provided by the Company to the independent valuers and used by them for their appraisals, with appropriate documentation such as leases, future repair and renovation cost estimates and any rent step-ups and rent-free periods. Accompanied by our own specialists, we met with the independent valuers and the Company's management to rationalise the overall portfolio appraisal. We also performed more detailed work on the appraisal values of a sample of assets, with the assistance of our property valuation specialists. We assessed how the independent valuers had reflected the current macroeconomic conditions and climate issues in their appraisal values. We verified that each property's market value was at least equal to the property's net book value. Where this was not the case, we obtained assurance that an impairment loss had been recorded in the accounts. We verified the appropriateness of the disclosures provided in the notes to the financial statements.

Valuation and impairment risk of shares in subsidiaries and affiliates and their related technical adjustments

Notes I - c), IV - A - 1.3) and IV - A.2) to the Company financial statements

Description of risk	How our audit addressed this matter
At 31 December 2024, Société Foncière Lyonnaise held shares in subsidiaries and affiliates with a gross value of €1,437 million, to which technical adjustments of €348 million were allocated. The shares were written down by €24 million at that date, after taking into account €4 million added to the provision and €55 million released during the year. Shares in subsidiaries and affiliates and related technical adjustments are recognised at cost or contribution value, and are recorded if their value in use falls below cost plus the related technical provisions. The determination of value in use takes into account the market value of the investee's property assets, based on the reports of independent valuers. Value in use assessments require significant judgement to determine the appropriate assumptions. The value of shares in subsidiaries and affiliates and technical adjustments assigned to said shares is material in relation to the Company financial statements taken as a whole. For this reason and in light of the significant use of judgement to determine the main assumptions underpinning value in use estimates, measuring shares in subsidiaries and affiliates and technical adjustments assigned to said shares and assessing the related impairment risk are considered to be a key audit matter.	Our procedures to assess whether the estimates of the value in use of shares in subsidiaries and affiliates and technical adjustments assigned to said shares were reasonable consisted mainly of verifying that the valuation methods were appropriate. We verified that the market value of these assets had been properly taken into account for the purpose of determining the value in use of shares in subsidiaries and affiliates and their related technical adjustments. In the same way as for assets owned directly, we performed a critical review of the methods used to value the assets held by the subsidiaries. We checked the arithmetical accuracy of the value in use calculations and the technical adjustments allocated to shares in subsidiaries and affiliates, and also checked that the percentage interests in these companies and their net assets were properly taken into account. In addition, we verified that impairment losses and technical adjustments allocated to the shares in subsidiaries and affiliates on this basis had been correctly calculated.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

Information given in the management report and in the other documents provided to the shareholders with respect to the Company's financial position and the parent company financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements.

We attest to the fair presentation and the consistency with the Company financial statements of the information given with respect to payment terms as referred to in Article D.441-6 of the French Commercial Code.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code relating to remuneration and benefits received by or allocated to corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from entities controlled by it that are included in its scope of consolidation. Based on this work, we attest to the accuracy and fair presentation of this information.

Concerning the information given in accordance with the requirements of Article L.22-10-11 of the French Commercial Code relating to items that the Company considers liable to have an impact in the event of a public cash or exchange offer, we verified the consistency of said information with the underlying documents provided to us. Based on this work, we have no matters to report with regard to this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other verifications or information required by legal and regulatory provisions

Reporting format of the Company financial statements prepared for inclusion in the annual financial report

In accordance with the professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the European single electronic reporting format, we have verified that the presentation of the financial statements to be included in the annual financial report referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and prepared under the responsibility of the Chief Executive Officer, complies with this format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018.

On the basis of our work, we conclude that the presentation of the Company financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

It is not our responsibility to ensure that the financial statements to be included by the Company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Société Foncière Lyonnaise by the Annual General Meetings of 20 June 1995 for PricewaterhouseCoopers Audit and 21 April 2005 for Deloitte & Associés.

At 31 December 2024, PricewaterhouseCoopers Audit and Deloitte & Associés were in the 30th and 20th consecutive year of their engagement, respectively.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements presenting a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements free of material misstatement, whether due to fraud or error.

In preparing the Company financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The Company financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the financial statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As specified in Article L.821-55 of the French Commercial Code, our audit does not include assurance on the viability or quality of management of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit. They also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the Company financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L.821-27 to L.821-34 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Paris-La Défense, 25 February 2025
The Statutory Auditors

PricewaterhouseCoopers Audit France
Jean-Baptiste Deschryver

Deloitte & Associés
Sylvain Durafour Estelle Sellem

Statutory Auditors' special report on related-party agreements

Annual General Meeting held to approve the financial statements for the year ended 31 December 2024

This is a free translation into English of the Statutory Auditors' special report on related-party agreements issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Société Foncière Lyonnaise, we hereby present our report on related-party agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of, and the reasons for, the agreements that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of Article R.225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of shareholders to determine whether the agreements are appropriate and should be approved.

We are also required to disclose the information provided for under Article R.225-31 of the French Commercial Code concerning the implementation in 2024 of any related-party agreements approved by shareholders in prior years.

We performed the procedures that we deemed necessary in accordance with the professional standards applicable in France to such engagements. These standards require us to perform procedures to verify that the information given to us agrees with the underlying documents.

Commitments subject to approval by shareholders

Agreements authorised and entered into during 2024

In accordance with Article L.225-40 of the French Commercial Code (*Code de commerce*), we were advised of the following agreements entered into during the year that were authorised in advance by your Board of Directors.

Agreement with Dimitri Boulte, Chief Executive Officer until 20 December 2024

Authorised at the Board meeting of:
23 July 2024

Agreement signed on:
23 July 2024

Effective date:
23 July 2024

Person concerned:
Dimitri Boulte, Chief Executive Officer (until 20 December 2024)

Nature and purpose:
Addendum to the mandate as Chief Executive Officer dated 15 June 2022 stipulating that:

a) Notwithstanding the powers conferred on the Chief Executive Officer by law and the Articles of Association, the prior authorisation of the Board of Directors is required for all significant decisions concerning:
   - any acquisition, financing, refinancing or financial restructuring transaction in excess of €20 million;
   - the Group's (i) financing policy, (ii) interest rate, counterparty and liquidity risk hedging policy and (iii) cash optimisation policy, and its general financial communications and human resources policies;
   - purchases of interest rate hedging instruments;
   - the Company's tax strategy;
   - information systems modifications and upgrades, and approval of the related suppliers.

Benefits of the agreement for the Company:
The addendum responds to the wishes of SFL's controlling shareholder (Inmobiliaria Colonial) to integrate SFL more closely within the Colonial Group. The wishes expressed by Colonial led the Board of Directors to decide that, going forward, its prior approval would be required for a number of significant decisions.

These changes to Dimitri Boulte's mandate as Chief Executive Officer were agreed between Mr Boulte and Inmobiliaria Colonial after a period of intensive discussion.

Although these restrictions on the powers of the Chief Executive Officer extend the powers of the Board of Directors, which will have to meet more often as a result, they do not complicate the decision-making process between SFL and Colonial, whose practices are now perfectly aligned.

In the past, Colonial has always been seen to protect SFL's corporate interests. The members of SFL's Board of Directors elected on Colonial's recommendation will continue to act in the best interests of SFL.

Amounts paid in 2024 to Dimitri Boulte in his capacity as Chief Executive Officer:
Dimitri Boulte's gross annual remuneration as Chief Executive Officer amounted to €430,000. His remuneration for the period served in this position in 2024 (from 1 January to 20 December) amounted to €418,569.

Dimitri Boulte's 2023 bonus paid in 2024, as calculated by the method decided by the Board of Directors on 14 February 2024, amounted to €491,623.

On 14 February 2024, the Board of Directors decided to grant 10,000 Plan 8 performance shares to Dimitri Boulte. The rules of Plan 8 are presented in the Board of Directors' Special Report appended to the Management Report in accordance with Article L.225-397-4 of the French Commercial Code.

At its meeting on 21 November 2024, the Board of Directors decided, in accordance with the provisions of the free share plan (Plan 9) approved by the Board of Directors on 6 November 2024, to grant to Dimitri Boulte a number of free shares determined on the basis of the merger ratio adopted for the proposed merger between SFL (the absorbed company) and Inmobiliaria Colonial (the absorbing company). The number of shares granted under Plan 9 will be between 0 and 10,000. The terms and conditions of this plan are set out in the Special Report appended to the Management Report in accordance with Article L225-197-4 of the French Commercial Code.

On 21 November 2024, the Board of Directors terminated the appointment of Dimitri Boulte as Chief Executive Officer. After noting that work had begun on the proposed merger of the Company with Inmobiliaria Colonial and, consequently, that the conditions for the payment of the compensation for loss of office provided for in Article 6 "Compensation for loss of office" of Dimitri Boulte's mandate of 15 June 2022 had been met, the Board decided to immediately pay to him compensation for loss of office in the amount of €1,843,246.

Lastly, Dimitri Boulte had the use of a company car and was covered by private unemployment insurance (Garantie des Chefs et dirigeant d'Entreprise - GSC) (benefits in kind).

All remuneration paid or awarded to Dimitri Boulte during the 2024 financial year will be described in the Company's Corporate Governance Report for 2024.

The mandate as Chief Executive Officer was terminated on 20 December 2024, the date on which Dimitri Boulte ceased to be Chief Executive Officer.

Agreement with Aude Grant, Managing Director until 20 December 2024

Authorised at the Board meeting of:
23 July 2024

Agreement signed on:
23 July 2024

Effective date:
23 July 2024

Person concerned:
Aude Grant, Managing Director (until 20 December 2024).

Nature and purpose:
Addendum to the mandate as Managing Director dated 15 June 2022 ('the Mandate') stipulating that:

Without prejudice to the provisions of Article 1 of the Mandate, and notwithstanding the powers conferred on the Managing Director by law and the Articles of Association, the prior authorisation of the Board of Directors is required for all significant decisions concerning:
- any acquisition, financing, refinancing or financial restructuring transaction in excess of €20 million;
- the Group's (i) financing policy, (ii) interest rate, counterparty and liquidity risk hedging policy and (iii) cash optimisation policy, and its general financial communications and human resources policies;
- purchases of interest rate hedging instruments;
- the Company's tax strategy;
- information systems modifications and upgrades, and approval of the related suppliers.

Benefits of the agreement for the Company:
The addendum responds to the wishes of SFL's controlling shareholder (Inmobiliaria Colonial) to integrate SFL more closely within the Colonial Group. The wishes expressed by Colonial led the Board of Directors to decide that, going forward, its prior approval would be required for a number of significant decisions.

Although these restrictions on the powers of the Managing Director extend the powers of the Board of Directors, which will have to meet more often as a result, they do not complicate the decision-making process between SFL and Colonial, whose practices are now perfectly aligned.

In the past, Colonial has always been seen to protect SFL's corporate interests. The members of SFL's Board of Directors elected on Colonial's recommendation will continue to act in the best interests of SFL.

The mandate as Managing Director was terminated on 21 December 2024, the effective date of Aude Grant's appointment as Chief Executive Officer.

Agreement with Aude Grant in respect of her employment contract

Authorised at the Board meeting of:
21 November 2024

Agreement signed on:
21 November 2024

Person concerned:
Aude Grant, Managing Director

Nature and purpose:
Addendum to the employment contract entered into on 3 June 2014 (see below).

The addendum stipulates that, in the event of Aude Grant being appointed as Chief Executive Officer of the Company, her employment contract will be suspended and will resume on the date of termination of her mandate as Chief Executive Officer of SFL for any reason whatsoever. In the event that SFL were to merge with Inmobiliaria Colonial, her employment contract would automatically be transferred to Inmobiliaria Colonial.

The addendum to the employment contract describes the position, job title and responsibilities, remuneration and benefits in kind that Aude Grant would be entitled to following the merger of SFL with Inmobiliaria Colonial. It also includes no-poaching and confidentiality clauses.

Benefits of the agreement for the Company:
As the employment contract is simply suspended, it can be transferred to Inmobiliaria Colonial in the event that the merger between SFL and its controlling shareholder is completed.

Agreement with Aude Grant, Chief Executive Officer from 21 December 2024

Authorised at the Board meeting of:
21 November 2024

Agreement signed on:
21 November 2024

Effective date:
21 December 2024

Person concerned:
Aude Grant, Chief Executive Officer (from 21 December 2024).

Nature and purpose:
Chief Executive Officer mandate setting out Aude Grant's remuneration and stipulating that:
- her employment contract is suspended for the duration of her term of office as Chief Executive Officer;
- the prior authorisation of the Board of Directors is required for the significant decisions listed below and in section 2.4 of the Corporate Governance Report:
  - any financial commitment, acquisition, financing, refinancing or financial restructuring transaction in excess of €20 million;
  - the Group's (i) financing policy, (ii) interest rate, counterparty and liquidity risk hedging policy and (iii) cash optimisation policy, and its general financial communications and human resources policies;
  - purchases of interest rate hedging instruments;
  - the Company's tax strategy;
  - information systems modifications and upgrades, and approval of the related suppliers.
- a no-poaching clause applicable if she leaves the Company, whereby Aude Grant undertakes not to directly or indirectly solicit any of the officers, directors or executives of the SFL Group companies in the 12 months following her departure, with the aim of offering them a job, a directorship or a consultancy contract in any capacity whatsoever and/or persuading them to give up their position within these companies and/or hiring them, except where the persons concerned would submit an unsolicited application for the position in a recruitment campaign not targeted specifically at them. Aude Grant also undertakes to ensure that any company she may manage complies with this no-poaching clause;
- a confidentiality clause applicable in the event of her leaving the Company, under which Aude Grant undertakes:
  - for a period expiring (i) 5 years after her departure or (ii) on the date on which the information is no longer confidential, whichever is later - not to disclose to third parties any information directly and/or indirectly concerning the Company and/or its Group that may have come to her attention in her capacity as Chief Executive Officer (or in her prior positions within the Group), with the exception of information that is or becomes public (through no fault of her own).

Benefits of the agreement for the Company:
In recent years, Aude Grant has demonstrated her ability to lead the Company towards new developments, and she is capable of working alongside the Board of Directors to co-ordinate the proposed merger with Inmobiliaria Colonial. For these reasons, Aude Grant was asked to take over as Chief Executive Officer of SFL.

Amounts paid in 2024 to Aude Grant as Managing Director (from 1 January to 20 December 2024) and Chief Executive Officer (from 21 to 31 December 2024):
Aude Grant's gross annual salary under her employment contract as Managing Director amounted to €300,000. The gross salary paid to her for the period served in this position in 2024 (from 1 January to 20 December) amounted to €290,984.

Her gross annual remuneration as Chief Executive Officer was set at €375,000. The gross remuneration paid to her for the period served in this position in 2024 (from 21 to 31 December) amounted to €10,045.

Aude Grant's 2023 bonus paid in 2024, as calculated by the method decided by the Board of Directors on 14 February 2024, amounted to €219,516.

On 14 February 2024, the Board of Directors decided to award 4,000 Plan 8 performance shares to Aude Grant. The rules of Plan 8 are presented in the Board of Directors' Special Report appended to the Management Report in accordance with Article L.225-397-4 of the French Commercial Code.

Aude Grant has the use of a company car.

All remuneration paid or awarded to Aude Grant during the 2024 financial year will be described in the Company's Corporate Governance Report for 2024.

Agreement with Inmobiliaria Colonial SOCIMI SA

Agreement with Inmobiliaria Colonial SOCIMI SA, shareholder of the Company with 98.3% of the capital

Authorised at the Board meeting of:
6 November 2024

Agreement signed on:
20 November 2024

Persons concerned:
Pere Viñolas Serra, Juan José Brugera Clavero and Carmina Ganyet i Cirera, directors representing Inmobiliaria Colonial Socimi SA

Nature and purpose:
Facility Agreement

This agreement sets out the terms of the loan between Inmobiliaria Colonial Socimi SA (lender) and SFL (borrower).

This intra-group financing facility of up to €500 million has been granted by Inmobiliaria Colonial SOCIMI SA to SFL at a market rate of interest (3.269%).

Benefits of the agreement for the Company:
This facility will be used to refinance the €500 million tap issued in May 2018 and due on 28 May 2025.

It has two major differences compared to bond debt:
- the funds can be drawn down at any time between the contractual date and the due date of the existing tap to be refinanced, i.e., 28 May 2025;
- SFL has not paid any arranging fees or commission on the facility.

The facility had not been drawn down as of 31 December 2024.

Agreements already approved by the Annual General Meeting

Agreements approved in prior years that remained in force in 2024

In accordance with Article R.225-30 of the French Commercial Code, we were informed of the following agreements authorised in prior years that remained in force in 2024.

Agreements with Aude Grant, Managing Director

Authorised at the Board meeting of:
15 June 2022

Agreement signed on:
1 July 2022

Person concerned:
Aude Grant, Managing Director since 1 July 2022

Nature and purpose:
Continuation of the employment contract signed prior to the appointment of Aude Grant who, under this contract, only receives remuneration in her capacity as an employee and is entitled to long-term incentive bonus plans and benefits in kind in her capacity as a senior executive of the Company.

An addendum to her employment contract has been signed, giving her the title of Chief Operating Officer from 1 July 2022.

Benefits of the agreement for the Company:
In recent years, Aude Grant has demonstrated her ability to lead the Company towards new developments. This agreement strengthens Aude Grant's commitment and engagement as Managing Director of the Company, and will further build her loyalty so that she continues to contribute her skills and expertise.

Aude Grant was appointed as Chief Executive Officer with effect from 21 December 2024 and her employment contract was therefore suspended on that date.

Amendments to the amount and term of the financing facility covered by the Facility Agreement between SFL and Inmobiliaria Colonial SOCIMI SA, 98.28% shareholder of SFL, authorised by the Board of Directors on 14 February 2023 and signed on 28 February 2023.

Amendments authorised at the Board meeting of:
16 November 2023

Persons concerned:
Pere Viñolas Serra, Juan José Brugera Clavero and Carmina Ganyet i Cirera, directors representing Inmobiliaria Colonial Socimi SA

Amendments authorised by the Board of Directors on 16 November 2023:
- increase in the maximum amount of the facility covered by the Facility Agreement, from €250 million to €600 million;
- extension of the Facility's expiry date from 21 December 2024 to 31 December 2025.

Benefits of the amendments for SFL:
The increase in the intra-group facility to €600 million will enable SFL to:
- For 2024:
  - continue to benefit from another source of increased short-term financing, other than the NEU CP programme, which is close to its maximum;
- For 2024 and 2025:
  - ensure that it can finance the budgets for the years concerned without having to draw on its RCF back-up financing facilities, even at the peak of its financing needs,
  - save money compared to printing back-up facilities.

As of 31 December 2024, the Facility had been drawn down by an amount of €562 million.

Agreements approved in prior years that expired in 2024

In addition, we were informed of the termination in 2024 of the following agreement approved by shareholders at the Annual General Meeting of 13 April 2023 and covered in the Statutory Auditors' special report of 6 March 2023.

Agreement with Dimitri Boulte, Chief Executive Officer

Authorised at the Board meeting of:
15 June 2022

Approved at the General Meeting of:
13 April 2023

Effective date:
1 July 2022

Person concerned:
Dimitri Boulte, Chief Executive Officer from 1 July 2022 to 20 December 2024.

Nature and purpose:
Chief Executive Officer mandate setting out Dimitri Boulte's remuneration and including:
- A no-poaching clause applicable if he left the Company, whereby Dimitri Boulte undertook not to directly or indirectly solicit any of the officers, directors or executives of the SFL Group companies in the 12 months following his departure, with the aim of offering them a job, a directorship or a consultancy contract in any capacity whatsoever and/or persuading them to give up their position within these companies and/or hiring them, except where the persons concerned would submit an unsolicited application for the position in a recruitment campaign not targeted specifically at them.

Dimitri Boulte also undertook to ensure that any company he managed in the future complied with this no-poaching clause.

- A confidentiality clause applicable if he left the Company, whereby Dimitri Boulte undertook – for a period expiring (i) 5 years after his departure or (ii) on the date on which the information was no longer confidential, whichever was later – not to disclose to third parties any information directly and/or indirectly concerning the Company and/or its Group that may have come to his attention in his capacity as Chief Executive Officer (or in his prior positions within the Group), with the exception of information that was or became public (through no fault of his own).
- Compensation for loss of office as Chief Executive Officer.

Benefits of the agreement for the Company:
In recent years, Dimitri Boulte demonstrated his ability to lead SFL towards new developments. This agreement strengthened Dimitri Boulte's commitment and engagement as Chief Executive Officer of the Company, and further built his loyalty so that he continued to contribute his skills and expertise.

The agreement was terminated on 20 December 2024, the date on which Dimitri Boulte ceased to be Chief Executive Officer.

Neuilly-sur-Seine and Paris-La Défense, 25 February 2025
The Statutory Auditors

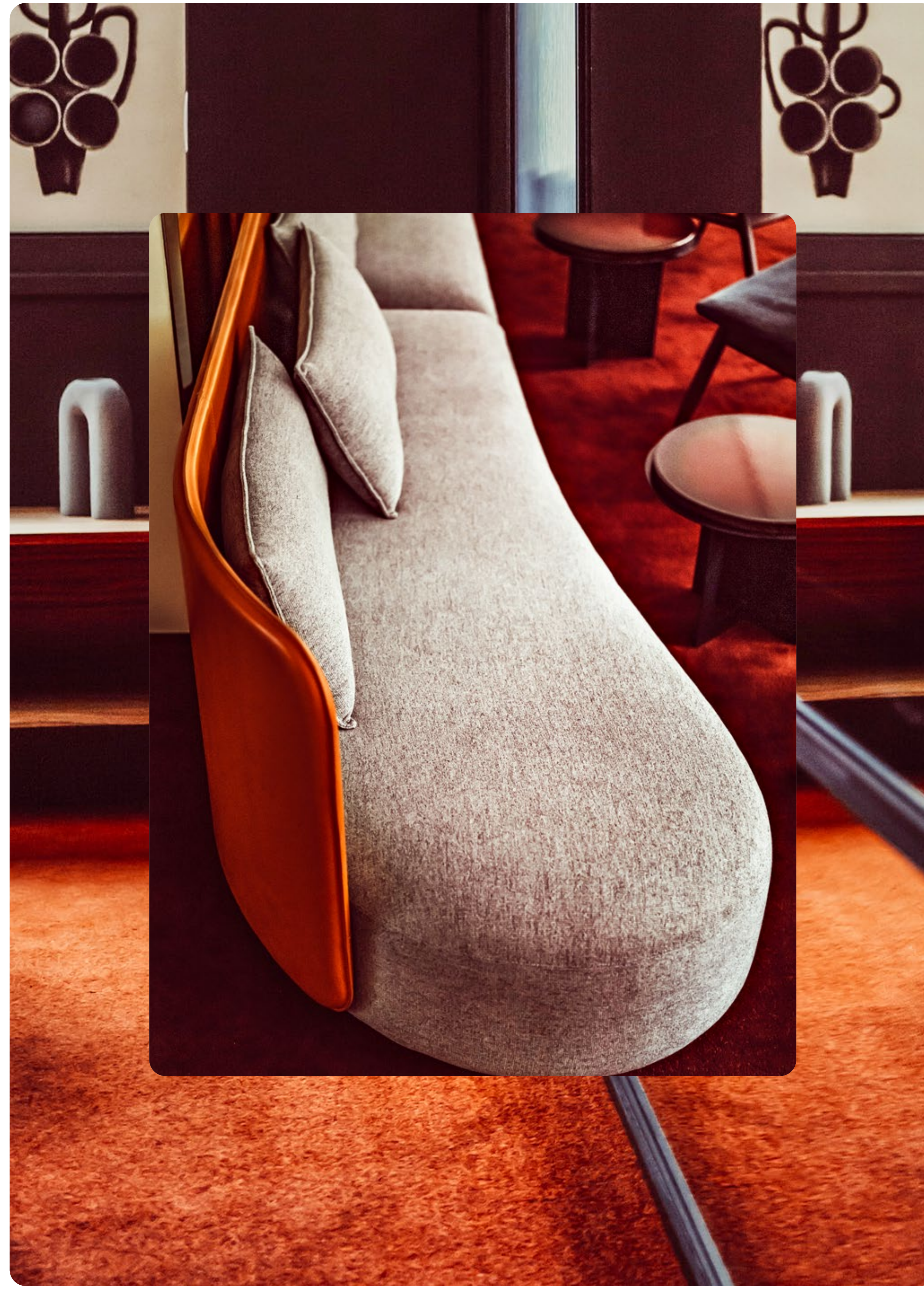
PricewaterhouseCoopers Audit France
Jean-Baptiste Deschryver

Deloitte & Associés
Sylvain Durafour Estelle Sellem

ADDITIONAL *INFORMATION*

05

The financial statements were approved for publication by the Board of Directors on 18 February 2025.



1. Persons Responsible for the Universal Registration Document and the Audit of the Accounts

1.1. Statement by the person responsible for the Universal Registration Document

Person responsible for the Universal Registration Document

Aude Grant, Chief Executive Officer

Statement by the person responsible for the Universal Registration Document

I hereby declare that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I hereby declare that, to the best of my knowledge, the annual financial statements and consolidated financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and profits and losses of the issuer and all the entities included in the scope of consolidation, and that the management report presented on page 4 *et seq.* presents fairly the changes in, and the results and financial position of the Company and all the entities included in the scope of consolidation, and describes their principal risks and uncertainties.

Paris, 1 April 2025

Aude Grant
Chief Executive Officer

1.2. Statutory Auditors

Auditors

	First appointed	Term renewed	Term expires*
DELOITTE & ASSOCIÉS Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles 6, Place de la Pyramide - 92908 Paris La Défense - France represented by Sylvain Durafour and Estelle Sellem	21 April 2005	13 April 2023	2028
PRICEWATERHOUSECOOPERS AUDIT** Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles 63, rue de Villiers - 92200 Neuilly-sur-Seine - France represented by Jean-Baptiste Deschryver	20 June 1995	5 April 2019	2024

* At the close of the Annual General Meeting to be called to approve the financial statements for the year indicated.
** After 24 years as Statutory Auditor, the term of office of PricewaterhouseCoopers Audit will expire at the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2024. Pursuant to Article L.821-45 II of the French Commercial Code, PricewaterhouseCoopers Audit may not be reappointed. As a result, a resolution concerning the appointment of a new Statutory Auditor to replace PricewaterhouseCoopers Audit will be submitted to shareholders for a vote at the Annual General Meeting of 23 April 2025.

2. Additional Legal Information

Corporate name and registered office

- Corporate name: Société Foncière Lyonnaise
- Registered office: 42, rue Washington, 75008 Paris, France
- Phone: 33 (0)1 42 97 27 00

Legal form

Société anonyme (public limited company) governed by the French Commercial Code

Governing Law

French law

Date of incorporation and term

- Incorporated on: 9 October 1879
- Term: 8 October 2064

Corporate purpose (Article 3 of the Articles of Association)

The Company's purpose is to:
- Acquire, by way of purchase or absorption or under a 99-year lease or a shorter lease, any and all real property located in France, the French overseas territories or abroad, and to extend any such properties; conduct any industrial, rental or management activities and generally enhance the value of the properties.
- Sell or exchange such properties, for cash or for shares.
- Manage properties on behalf of third parties.
- Participate by any method in any and all existing or future companies or business ventures related to the corporate purpose, including by means of the formation of new companies, the sale of assets in exchange for shares, membership of a general partnership, subscription or purchase of shares or other rights.
- Conduct any and all transactions related directly or indirectly to the corporate purpose or which are likely to facilitate the fulfilment of said purpose.

Registration particulars

Paris Companies Registry: 552 040 982 - NAF Code: 6820 B

LEI (Legal Entity Identifier)

969500B0S40FTUKD182

Financial year

1 January to 31 December

Market for the Company's shares

SFL shares are quoted on Euronext Paris, compartment A.
ISIN: FR0000033409
Reuters: FLYP PA
Bloomberg: FLY FP

Website

www.fonciere-lyonnaise.com

3. Additional Information about the Company's Capital and Share Ownership

3.1. Excerpts from the Articles of Association concerning the Company's capital and share ownership

Disclosure thresholds

The provisions of the Articles of Association that require the Company to be informed if certain capital or voting rights thresholds are exceeded or fallen below are summarised on page 36 of the Management Report.

Rights attached to shares

(Articles 11, 12, 13 and 14 of the Articles of Association)

Shares are indivisible vis-à-vis the Company, meaning that one share confers only one right. This does not, however, apply to the right to receive information prior to General Meetings as such entitlement applies both to the bare owners (*nu-propriétaires*) and the beneficial owners (*usufruitiers*) of any jointly held shares.

If several persons own the same share, they are required to elect one representative to act on behalf of that share. If no agreement can be reached on the appointment of such a representative, he or she shall be named by a Commercial Court judge in summary proceedings following an application by the first joint shareholder to take action.

Voting rights attached to the Company's shares shall be exercised by the beneficial owner in Ordinary General Meetings and by the bare owner in Extraordinary General Meetings. Voting rights attached to pledged shares are retained by the pledger.

In the event of a capital increase, any pre-emptive subscription or allocation rights attached to shares that have both legal and beneficial owners shall be exercised in accordance with the applicable law.

Shares are freely transferable, subject to the applicable legal and regulatory limits.

The Company's bearer shares may be traded on the stock market in accordance with the applicable laws. Shares may also be purchased or sold through off-market account transfers, subject to the conditions set down by the applicable laws and regulations.

All rights and obligations attached to shares are transferred with title thereto. Share ownership automatically requires shareholders to comply with the Company's Articles of Association and the decisions made by General Meetings.

The heirs or creditors of a shareholder may not under any circumstances apply for the Company's assets to be placed under seal or to be sold or divided, and may not interfere in any way whatsoever with the running of the Company. All rights of said persons are governed by the Company's applicable rules and regulations and decisions of General Meetings.

In accordance with Article 32 below, each share entitles its holder to a proportion of profits and net assets based on the proportion of capital represented by the share. All tax exemptions, as well as any tax payable by the Company, shall be applied to all of the Company's shares equally prior to any allocation or redemption, throughout the term of the Company or upon its liquidation, in order to ensure that all shares receive the same net amount.

Where a shareholder must own a specific number of shares to exercise a particular right relating to the exchange or allocation of shares, a reverse stock-split, a capital increase or reduction, a merger or other corporate action, shareholders owning fewer than the number of shares required to exercise the rights concerned will be personally responsible for obtaining said number, through share purchases or sales if necessary.

Appropriation of profits

(Article 32 of the Articles of Association)

The profit or loss for the year represents the difference between total income and total expenses, including charges to and reversals from depreciation, amortisation and provisions, shown in the profit and loss account.

At least 5% of net profit for the year, less any losses brought forward from prior years, is transferred to the legal reserve, until such time as the legal reserve represents one tenth of the share capital.

Profit available for distribution consists of profit for the year, less any losses carried forward from prior years and any amounts transferred to the legal reserve as provided for above, plus retained profits carried forward from prior years.

Total profit available for distribution is appropriated as follows:
- to provident reserves or any other reserves, by decision of the Annual General Meeting;
- to dividends payable to shareholders.

Any unappropriated balance is carried forward to the next year.

3.2. Share capital

As of 31 December 2024, the Company's issued share capital amounted to €85,901,600 divided into 42,950,800 ordinary shares with a par value of €2, all fully paid up.

3.3. Ownership structure

The Company's ownership structure is presented on page 35 of the Management Report.

To the best of the Company's knowledge, no arrangements exist whose implementation may result in a change in control in the future.

3.4. Shareholders' pacts

As stated on page 41 of the Management Report, the Company is not aware of the existence of any shareholders' pact concerning it.

3.5. Corporate governance

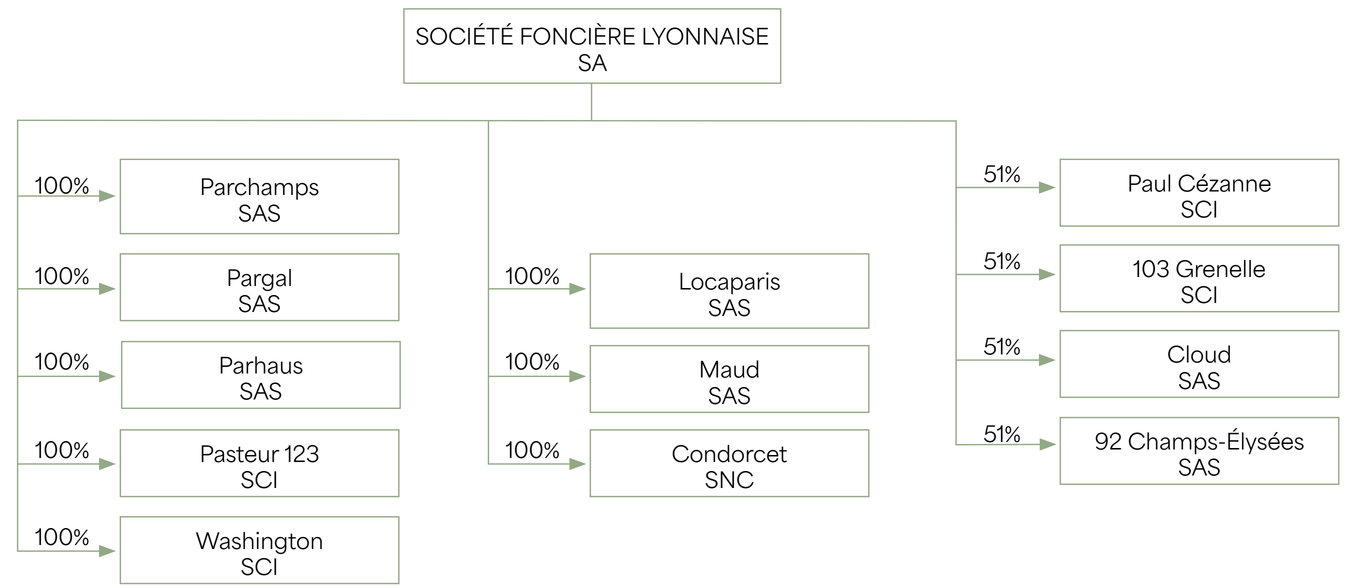
In application of Article 20 of the Articles of Association, the functions of Chairman and Chief Executive Officer were separated by decision of the Board of Directors on 27 January 2015.

The Board of Directors' corporate governance report is presented on pages 121 *et seq.* of this document.

The Company's Articles of Association can be found on the website (in French only):
http://www.fonciere-lyonnaise.com/societe/informations-juridiques/

4. Additional Information about the Group's Operations and Organisational Structure

4.1 Organisation chart



At 31 December 2024, SFL directly or indirectly owned:
- 100% of the capital of eight of its active subsidiaries; and
- 51% of the capital of its other active subsidiaries, for each of which the Company has entered into a shareholders' pact with the Crédit Agricole Assurances Group.

Executive management positions (Chairman, Chief Executive Officer or Legal Manager) in these subsidiaries are held either by SFL or by a member of SFL's executive management.

SFL's Board of Directors examines the parent company and consolidated financial statements presented by the Audit Committee.

SFL and all of its subsidiaries have their registered office at 42, rue Washington in the 8th *arrondissement* of Paris.

SFL conducts arm's length transactions with its subsidiaries.

SFL entered into a cash management agreement with its wholly-owned subsidiaries. In this context, SFL lends at the €STR + 0.60% with the bond (rate + margin) floored at zero, and borrows at the €STR floored at zero, with no additional margin.

From time to time, SFL may issue guarantees on behalf of subsidiaries, on arm's length terms.

4.2. Material contracts

No company within the SFL Group is party to an agreement that would entail a material obligation or commitment for the Group, other than contracts entered into in the ordinary scope of business.

4.3. Dependence on patents or licences

The Group is not dependent on any patents or licences for the conduct of its business.

4.4. Third party information, statement by experts and declarations of any interests

The firms mentioned below have declared themselves to be independent.

All properties owned by SFL have been valued and visited by experts over the last three years.

Statement by experts

SFL's entire property portfolio was valued at 31 December 2024 by two firms, CBRE and BNP Paribas Real Estate.

The valuations were performed in accordance with the *Charte de l'expertise en évaluation immobilière* (property valuation charter) included in the February 2000 report of France's securities regulator (COB, renamed AMF in 2004). They also complied with the standards issued by the European Group of Valuers' Associations (TEGoVA) and with Royal Institution of Chartered Surveyors (RICS) standards.

Method

The properties were valued primarily by the discounted cash flow method, which consists of discounting projected net future cash flows and the resale value of the property at the end of the projection period.

Each property is analysed in detail, based on the type of use and the surface area of each unit, lease by lease.

The valuers noted that, based on second-half 2024 rent-rolls, rents on certain units were above or below observed market rents for the second half of 2024 on similar properties. These differences were taken into account to value the properties according to their current occupancy, based on the duration of the underlying leases.

Vacant units were valued on the basis of assumed rents, excluding rent for the estimated marketing period, after deducting remaining renovation costs and service charges for the period until the units are re-let.

The cost of scheduled renovation work - based on information supplied by the Group - was taken into account over the cash flow projection period.

The results of the valuation were checked by applying the capitalised net rental revenue method, and based on direct comparisons with the observed price per square metre of recent buy-to-let transactions involving occupied and vacant properties.

The appraisal values were determined including transfer costs (calculated at a standard 7.5% or 1.8% for all properties subject to registration duty) and also excluding transfer costs.

Each of the two firms provided an individual appraisal value and is not responsible for the valuations performed by other firms.

On the above basis, the appraisal value of the Group's portfolio at 31 December 2024 was:
- €6,599,032,116 excluding transfer costs and €7,030,211,120 including transfer costs for the Group's share;
- €7,570,849,116 excluding transfer costs and €8,074,809,045 including transfer costs on a 100% basis.

Appendix: Cross-Reference Table for the 2024 Universal Registration Document

The cross-reference table below has been prepared for the convenience of readers of this Universal Registration Document, to help them find the main information required by Annex 1 of Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129.

Annex 1 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019		
Information	**Integrated Report**	**Universal Registration Document**
5. Business overview		
5.1. Principal activities		
5.1.1. Operations and principal activities	8, 9	6 to 12
5.1.2. New products		N/A
5.2. Main markets	36, 37	6
5.3. Important events in the development of the business		6
5.4. Strategy and objectives	14, 15	16, 17
5.5. Dependence on patents or licences, industrial, commercial or financial contracts or new manufacturing processes		289
5.6. The basis for statements made by the issuer regarding its competitive position		6 to 8
5.7. Investments		
5.7.1. Material investments completed during the year		6, 63, 219
5.7.2. Material investments in progress or for which firm commitments have already been made		6, 63, 219
5.7.3. Information on holdings		12, 257
5.7.4. Environmental issues that may affect the issuer's utilisation of the tangible fixed assets		42 to 110
6. Organisational structure		
6.1. Brief description of the Group		289
6.2. List of significant subsidiaries		244
7. Operating and financial review		
7.1. Financial condition		
7.1.1. Development and performance of the issuer's business	38, 39	6 to 12, 13 to 15, 120
7.1.2. Other information		N/A
7.2. Operating results		
7.2.1. Significant factors		N/A
7.2.2. Material changes in net sales or revenues		N/A
8. Capital resources		
8.1. Short and long-term capital resources	44, 45	14, 214, 216, 234, 249, 260
8.2. Sources and amounts of cash flows		
8.3. Borrowing requirements and funding structure	42, 43	6, 15, 254, 261
8.4. Restrictions on the use of capital resources that have materially affected or could materially affect the issuer's business		24
8.5. Anticipated sources of funds		7 to 8, 219, 220, 254, 255
9. Regulatory environment		
9.1. External influences		19, 20, 30
10. Trend information		
10.1. The most significant recent trends in production, sales and inventory, and costs and selling prices		6 to 9
10.2. Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects		16, 18, 19, 20
11. Profit forecasts or estimates		
11.1. Statement about any profit forecast or profit estimate that has been published and is still outstanding but no longer valid		N/A
11.2. Principal assumptions		N/A
11.3. Statement of compliance		N/A
12. Administrative, management and supervisory bodies and senior management		
12.1. Information about members of the Board of Directors and senior managers	6, 7	122 to 131
12.2. Conflicts of interest		131, 132

Annex 1 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019		
Information	**Integrated Report**	**Universal Registration Document**
13. Remuneration and benefits		
13.1. Remuneration and benefits in kind		141 to 156
13.2. Total amounts set aside or accrued to provide pension, retirement or similar benefits		238, 239
14. Board practices		
14.1. Date of expiration of current terms of office		128
14.2. Service contracts between members of the administrative, management or supervisory bodies and SFL providing for benefits upon termination of employment, or appropriate negative statement		140
14.3. Information about the audit committee and remuneration committee		133 to 135
14.4. Statement of compliance with France's corporate governance regime		121, 133
14.5. Potential material impacts on corporate governance		N/A
15. Employees		
15.1. Number of employees		120, 239, 263
15.2. Shareholdings and stock options		37, 114
15.3. Arrangements for involving employees in the capital of the issuer		115 to 117, 259
16. Major shareholders		
16.1. Shareholders owning over 5% of the capital or voting rights	46	35
16.2. Different voting rights		35
16.3. Control of the issuer		35
16.4. Arrangements which may result in a change in control of the issuer		289
17. Related-party transactions		241, 265
18. Financial information concerning the issuer's assets and liabilities, financial position and profits and losses		
18.1. Historical financial information		
18.1.1. Audited historical financial information and audit report		212 to 278
18.1.2. Change of accounting reference date		N/A
18.1.3. Accounting standards		218, 251 to 253
18.1.4. Change of accounting framework		N/A
18.1.5. Items included in the historical financial information		120
18.1.6. Consolidated financial statements		212 to 244
18.1.7. Age of financial information		212, 246
18.2. Interim and other financial information		N/A
18.3. Auditing of historical annual financial information		
18.3.1. Independent audit		270 to 278
18.3.2. Other audited information		111, 112, 279 to 283
18.3.3. Other unaudited information		N/A
18.4. Pro forma financial information		N/A
18.5. Dividend policy		
18.5.1. Description of the policy		39
18.5.2. Dividend per share		9, 40
18.6. Legal and arbitration proceedings		31
18.7. Significant change in the issuer's financial position		N/A

Annex 1 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019		
Information	**Integrated Report**	**Universal Registration Document**
19. Additional information		
19.1. Share capital	61	
19.1.1. Issued and authorised capital		288
19.1.2. Shares not representing capital		N/A
19.1.3. Shares of the issuer held by or on behalf of the issuer		35
19.1.4. Convertible securities, exchangeable securities or securities with warrants		N/A
19.1.5. Acquisition rights		N/A
19.1.6. Capital under option or agreed to be put under option		N/A
19.1.7. History of share capital		35, 120
19.2. Memorandum and Articles of Association		
19.2.1. Register, registration number and issuer's objects and purposes		287
19.2.2. Rights, preferences and restrictions attaching to shares		167, 288
19.2.3. Provisions that would have an effect of delaying, deferring or preventing a change in control		N/A
20. Material contracts		
21. Available documents		

Table of the Main Items of the Annual Financial Report

The table below indicates the pages of the Universal Registration Document where readers can find the information making up the annual financial report required to be published by listed companies in accordance with Article L.451-1-2 of the French Monetary and Financial Code and Article 222-3 of the AMF's General Regulations.

Information (in accordance with Article 222-3 of the AMF's General Regulations)	Universal Registration Document
1. Financial statements of the Company	246
2. Consolidated financial statements	212
3. Management Report	4
4. Statement by the person responsible for the annual financial report	286
5. Auditors' reports on the financial statements of the Company and the consolidated financial statements	270
6. Board of Directors' report on corporate governance	121

Historical Financial Information

Financial statements and Statutory Auditors' reports for 2024: see table above.

Pursuant to the AMF's General Regulations, the following information is incorporated by reference pursuant to Article 19 of Regulation (EU) 2017/1129:

- The consolidated financial statements for the year ended 31 December 2022, prepared in accordance with IFRS, and the related Statutory Auditors' reports, as presented on pages 160 to 194 and 218 to 221 of the 2022 Universal Registration Document (Financial and Legal Report) filed with the AMF on 20 March 2023 under No. D.23-0118.
- The consolidated financial statements for the year ended 31 December 2023, prepared in accordance with IFRS, and the related Statutory Auditors' reports, as presented on pages 158 to 192 and 216 to 219 of the 2023 Universal Registration Document (Financial and Legal Report) filed with the AMF on 25 March 2024 under No. D.23-0164.

SOCIETE FONCIERE LYONNAISE

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Paris Trade and Companies Registry: 552 040 982

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2024
Integrated Report
Universal Registration Document

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