

## SFL – First-Quarter 2022 Financial Information

**Rental income: €46.4 million (up 5.0%)**

### Consolidated revenue by business segment (€000's)

	Q1 22	Q1 21
<b>Rental income</b>	<b>46,364</b>	<b>44,172</b>
<i>o/w Paris Central Business District</i>	37,985	36,159
<i>Paris Other</i>	7,780	7,479
<i>Western Crescent</i>	599	534
Other revenue	0	0
<b>Total consolidated revenue</b>	<b>46,364</b>	<b>44,172</b>

First-quarter 2022 consolidated rental income amounted to €46.4 million, up by €2.2 million or 5.0% from the €44.2 million reported for the same period in 2021:

- On a like-for-like basis (excluding all changes in the portfolio affecting period-on-period comparisons), rental income was €0.2 million higher, an increase of 0.5%,
- Rental income from spaces being redeveloped was up by €2.5 million, positively impacted in particular by delivery of the 83 Marceau building in the second half of 2021, after two years of redevelopment,
- The early-2021 sale of the 112 Wagram and 9 Percier buildings led to a €0.5 million contraction in rental income.

The overall rent recovery rate for the first quarter of 2022 stands at 99%.

### **Business review**

In the first quarter of 2022, letting activity in the greater Paris rental market once again signaled a return to normal levels, with transaction volumes in line with historic averages and rents for prime properties in Paris' CBD remaining at record highs.

Against this backdrop, the SFL Group signed leases on around 7,000 sq.m. of mainly office space on very good terms in first-quarter 2022. The new leases were signed at an average nominal rent of €761 per sq.m., corresponding to an effective rent of €654 per sq.m.

The physical occupancy rate for buildings in use reached a historic high, at 98.6% as of 31 March 2022 (versus 98.0% as of 31 December 2021), while the EPRA vacancy rate was 1.1%.

No properties were purchased or sold during the first quarter of 2022. However, in February, SFL signed an agreement to acquire the Pasteur building (91-93 boulevard Pasteur in Paris), a nearly 40,000-sq.m. property that is fully occupied by Amundi (see press release of 28 February 2022). Contracts are expected to be exchanged by the end of April 2022.

### **Financing**

SFL's consolidated net debt at 31 March 2022 amounted to €1,819 million, compared with €1,792 million at 31 December 2021, representing a loan-to-value ratio of 22.3% based on the portfolio's appraisal value at 31 December 2021. The average cost of debt after hedging was 1.1% and the average maturity was 4.5 years. At end-March 2022, the interest coverage ratio stood at 6.0x.

The Company's liquidity position at 31 March 2022 was excellent, with €1,240 million in undrawn confirmed lines of credit.

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## **About SFL**

Leader in the prime segment of the Parisian commercial real estate market, Société Foncière Lyonnaise stands out for the quality of its property portfolio, which is valued at €7.6 billion and is focused on the Central Business District of Paris (#cloud.paris, Edouard VII, Washington Plaza, etc.), and for the quality of its client portfolio, which is composed of prestigious companies in the consulting, media, digital, luxury, finance and insurance sectors. As France's oldest property company, SFL demonstrates year after year an unwavering commitment to its strategy focused on creating a high value in use for users and, ultimately, substantial appraisal values for its properties.

Stock market: Euronext Paris Compartment A – Euronext Paris ISIN FR0000033409 – Bloomberg: FLY FP – Reuters: FLYP PA

S&P rating: BBB+ stable outlook

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