



Paris, 20 April 2023

SFL – First-Quarter 2023 Financial Information

Rental income: €54.3 million (up 17.2%)

Consolidated revenue by business segment (€000's)

	Q1 2023	Q1 2022
Rental income	54,346	46,364
<i>o/w Paris CBD</i>	40,599	37,985
<i>Paris Other</i>	12,912	7,780
<i>Western Crescent</i>	835	599
Other revenue		
Total consolidated revenue	54,346	46,364

First-quarter 2023 consolidated rental income amounted to €54.3 million, up €7.9 million or 17.2% from the €46.4 million reported for the same period of 2022.

- On a like-for-like basis (excluding all changes in the portfolio affecting period-on-period comparisons), rental income was €4.1 million higher (up 10.2%). The increase reflected application of rent escalation clauses (€1.6 million impact), the gradual recovery in occupancy of the hotel located in the Edouard VII complex following the lifting of Covid-19 restrictions in February 2022 (€1.1 million impact), the improved occupancy rate for the Group's revenue-generating units following the signature of new leases in 2022 (with longstanding tenants or new clients such as Promontoria, Atalante and Fabrique de Styles), and the effective rent uplifts negotiated for new deals or protocols on occupied space. In particular, rental income from the Édouard VII, 103 Grenelle and Louvre Saint-Honoré complexes increased significantly.

- Rental income from spaces being redeveloped declined by €0.4 million vs. first-quarter 2022. Part of the retail space in the Galerie des Champs-Élysées (former H&M store) was vacated during 2022, and the Rives de Seine building (previously let to Natixis) and 6 Hanovre building (previously let to Pretty Simple) were vacated in the fourth quarter of 2022. The negative impact of these tenant departures was almost entirely offset by income from the Biome building, delivered in July 2022 and fully let since the fourth quarter, and by the post-renovation delivery in 2022 of entire floors in the Cézanne Saint-Honoré building (let to Wendel, Sainte Victoire and Lincoln International) and Washington Plaza building (mainly let to PUIG).

- Finally, the Pasteur building acquired in April 2022 contributed €4.3 million to first-quarter 2023 rental income growth.



Business indicators

In the first quarter of 2023, SFL signed leases on nearly 11,000 square metres of exclusively office space, of which nearly 75% consisted of lease renewals with existing tenants. The average nominal rent for these new office leases increased to €731 per sq.m., corresponding to an effective rent of €613 per sq.m., for an average non-cancellable period of 10.3 years. These lease terms attest to the attractiveness of the Group's properties.

The physical occupancy rate for revenue-generating properties remained at a historic high of 99.3% as of 31 March 2023 (vs 99.5% as of 31 December 2022), while the EPRA vacancy rate was 0.6%.

No properties were purchased or sold during the first quarter of 2023; however, an agreement for the sale of the 6 Hanovre building was signed in January 2022, and contracts were exchanged on 11 April 2023.

Financing

SFL's consolidated net debt at 31 March 2023 amounted to €2,441 million, compared with €2,438 million at 31 December 2022, representing a loan-to-value ratio of 27.7% based on the portfolio's appraisal value at 31 December 2022. The average cost of debt after hedging was 1.8% and the average maturity was 4.1 years. At 31 March 2023, the interest coverage ratio stood at 3.8x.

The Company's liquidity position at 31 March 2023 was excellent, with €1,340 million in undrawn confirmed lines of credit.

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 €8.2 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