

Exceptional growth in results 2021

- Net income, group share: €668m, up +140%
- A dividend of €2.60/share (+24%)
- A PREMIUM portfolio valued at €3.75bn excl. transfer taxes (+24%)
- Launch and delivery of Aut0nom[®], our carbon neutral warehouse

Consolidated income statement	Financial year 2021	Financial year 2020	Change
Rental income	€157m	€142m	+10%
Recurring net income	€112m €5/share*	€103m €4.6/share	+8%
Net income, group share	€668m €29.7/share*	€279m €12.5/share	+140%
Incl. change in fair value of buildings	€543m	€175m	
Dividend per share **	€2.60	€2.10	+24%
Balance sheet information	31 December 2021	31 December 2020	Change
NAV EPRA NRV /share	€103/share	€73/share	+41%
Value of the portfolio excl. transfer taxes	€3.75bn	€3bn	+24%
LTV ratio	43%	54%	-1100 bps
Cost of debt	1.50%	1.65%	-15 bps
Occupancy rate	99%	100%	- 1 point

* calculated on the weighted average number of shares for the financial year: 22,495,656

** The dividend will be submitted for approval at the Combined GM on 24 March 2022

On 17 January 2022, the Executive Board of ARGAN approved the consolidated financial statements 2021. The audit procedures performed by our statutory auditors on these consolidated financial statements have been completed. The certification report will be issued after finalisation of the specific verifications.

2021 Results

Recurring net income up +8%

Recurring net income amounts to €112m, up +8% and now represents 71% of rental income.

For the financial year 2021, rental income amounts to €156.8m, an increase of +10% compared to the financial year 2020 (€142.4m), thus exceeding our initial target of €154m.

EBITDA (current operating income) amounts to €147.1m, up +11%.

The exceptional increase in net income (group share) of +140% to €668.1m is mainly due to the very significant positive change in fair value of the portfolio of €543m in 2021 compared to €175m in 2020, due in particular to the contraction in capitalisation rates which stand at 4.30% excluding transfer taxes compared to 5.05% the previous year.

A Premium portfolio of 3.3 million sqm valued at €3.75bn excl. transfer taxes (+24%)

In 2021, ARGAN has **invested €240m**, representing **more than 325.000 sq. meters**:

- In March, delivery of a **logistics platform of 14,200 sqm** located in Gondreville, **leased to COLRUYT**, a local supermarket brand, for a **fixed term of 9 years**. The implementation of a rooftop photovoltaic power plant producing 150 MWh per year dedicated to COLRUYT's own use **saves 10 tons of CO² emissions per year**;
- In May, **delivery of the 12,000 sqm extension** consisting of two new units on the site of Decathlon in Ferrières-en-Brie. One unit is leased to **DECATHLON** under a firm 6-year lease. The second cell is rented to XEFI, a leading IT services company for very small / very small businesses, for a fixed term of 6 years;
- In May, **acquisition from Carrefour of 3 warehouses located in Lens, Marseille and Plessis-Pâté for a total surface area of 70,000 sqm** in the context of the creation of a joint property company (SCI – *Société Civile Immobilière*) held at 60% by ARGAN and 40% by the Carrefour Group. The warehouse of Plessis-Pâté is fully leased to **CARREFOUR** and the refurbishment of the warehouses of Lens and Marseille, which will be leased to identified third parties, is ongoing;
- In June, **delivery of a new warehouse of 22,000 sqm in Escrennes, leased to FDG Group**, leader in the non-food retail market, **for a fixed term of 9 years**
- in August, **delivery of the 185,000 sqm logistics platform on 4 levels located near Metz and leased to AMAZON France for a fixed term of 15 years**. The rooftop photovoltaic power plant, the rainwater collecting system, the vegetalisation of the site and the other environmental advances integrated into the project have enabled it to obtain a BREEAM Very Good certification. Self-consumption **saves 36 tons of CO² emissions per year**.
- In November, **delivery of the 18,000 sqm extension of the logistics platform located in Meung-sur-Loire to a total of 32,000 sqm**. Two units with a total surface area of 13,000 sqm are leased to **ASTR'IN**, an operator of land transport and logistics.

At the same time, ARGAN sold a portfolio of four logistics hubs with a total area of more than 53,000 sqm to OPPCI GROUPAMA GAN REIM in October 2021.

After these transactions, the built portfolio (excluding property assets under development) **amounts to 3,265,000 sqm as at 31 December 2021**, compared to 2,990,000 sqm at the end of 2020. **Its valuation amounts to €3,745m excluding transfer taxes, i.e. €3,934m including transfer taxes.**

The valuation of the portfolio is thus increasing by +24%, from €3,012m at the end of 2020 to €3,745m excluding transfer taxes, resulting in a capitalisation rate of **4.30% excluding transfer taxes (4.10% including transfer taxes)**, down compared to the rate of 5.05% excluding transfer taxes as at 31 December 2020.

The weighted average remaining fixed length of the leases, calculated as at 1st January 2022, is **5.9 years** (in progress vs. 5.7 years as at 1st January 2021).

The occupancy rate for the portfolio is 99% and its weighted average age is 9.6 years (vs. 9.2 years as at 31 December 2020).

Decrease of the LTV ratio to 43% and cost of debt down at 1.50%

Gross financial debt amounts to €2,164m, including bond issues for €655m.

Including residual cash, **net LTV** (net financial debt/appraisal value excluding transfer taxes) **stands at 43%** at the end of 2021.

Debt consists of 30% of fixed rates bonds, 35% of fixed rates amortising loans, 29% of hedged variable rates and 6% of variable rates.

The average cost of debt as of 31 December 2021 fell to 1.50% compared to 1.65% as at 31 December 2020. Its maturity is 6.8 years.

+41% increase in the NAV EPRA Net Reinstatement Value (NRV) at €103 per share

NAV EPRA Net Reinstatement Value (NRV) amounts to €102.5 per share as at 31 December 2021 (+€29.5, +41% over 1 year).

NAV EPRA Net Tangible Asset (NTA) amounts to €91.8 per share as at 31 December 2021 (+€27.6, +43% over 1 year).

NAV EPRA Net Disposal Value (NDV) amounts to €91.6 per share as at 31 December 2021 (+€27.9, +44% over 1 year).

This significant increase of €29.50 in the NAV EPRA NRV per share comes from net income (+€5.0), the change in the fair value of the portfolio (+€23.6), the result of disposals (+€0.9), the payment of the dividend in cash (-€1.1) and in shares (-€0.9) and the transfer taxes (+€2.0).

A dividend of €2.60 per share, up +24%

Given the excellent 2021 results, the payment of a dividend up +24% at €2.60 per share will be proposed at the Annual General Meeting on 24 March 2022. This dividend represents a yield of 2.30% on the basis of the average share price in December 2021 (€113.34) and a distribution rate of 51% of the net cash-flows. Its payment is scheduled for April 2022.

Targets 2022

Key indicators	Targets end-2022	Change vs. end-2021
<i>Rental income</i>	€163m	+4%
<i>Recurring net income</i>	€117m	+5%
<i>NAV EPRA NRV / share</i>	€107	+4%
<i>Dividend per share *</i>	€2.75	+6%

* The dividend would be submitted for approval at the Combined GM approval in 2023

- **Launch and delivery of our carbon neutral warehouse Aut0nom®**

Aut0nom® is now our warehouse standard. Aut0nom® is s a PREMIUM warehouse equipped with a **photovoltaic power plant and a battery energy storage** for self-consumption only, which delivers over a year more electrical energy than it consumes for heating - cooling and lighting.

Documentation relating to the presentation of the company's results is available on www.argan.fr.

Financial calendar 2022 (Publication of the press release after closing of the stock exchange)

- 24 March: Annual General Meeting of Shareholders
- 04 April: 1st quarter sales 2022
- 04 July: 2nd quarter sales 2022
- 20 July: Half-year results 2022
- 03 October: 3rd quarter sales 2022

About Argan

ARGAN is the only French real estate company specialising in the DEVELOPMENT & RENTAL OF PREMIUM WAREHOUSES listed on Euronext.

As at 31 December 2021, ARGAN's portfolio amounted to 3.3 million sq. meters, comprising approximately 100 warehouses located exclusively in France, valued at €3.75 billion and generating annual rental income of €162 million. ARGAN is listed on Compartment A of Euronext Paris (ISIN FR0010481960 - ARG) and is included in the CAC All-Share and IEIF SIIC France indices. The company opted for the listed real estate investment companies (SIICs) tax regime on 01 July 2007.

www.argan.fr

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Simplified consolidated income statement (IFRS)

In millions of €	2019	2020	2021
Rental income	100.2	142.4	156.8
Rebilling of rental charges and taxes	20.8	25.8	25.7
Rental charges and taxes	-21.3	-27.3	-27.7
Other property income (IFRS 16)	2.6	2.8	3.1
Other property expenses	-0.2	-0.3	-0.3
Net property income	102.1	143.4	157.7
EBITDA (excl. acquisition costs for the « Cargo » portfolio)	89.2	132.2	147.1
Acquisition costs for « Cargo »	-47.1	-	-
EBITDA (Current Operating Income)	42.1	132.2	147.1
Including impact of IFRS 16	0.6	0.4	3.1
Change in fair value of the portfolio	197.1	174.6	544.6
Change in fair value IFRS 16	-	-	-2.1
Income from disposals	-0.3	9.3	18.5
EBITDA, after value adjustments (FV)	238.9	316.1	708.2
Income from cash and equivalents	0.2	0.1	0.2
Interest on loans and overdrafts	-17.1	-26.4	-29.5
Interest on IFRS 16 lease liabilities	-1.5	-1.6	-1.6
Borrowing costs	-0.6	-2.3	-2.8
Borrowing costs for the bridge « Cargo »	-4.8	-3.0	-
Change in fair value of the derivative instruments	-1.9	-1.7	-1.7
Income before tax	213.2	281.2	672.7
Other financial expenses	-1.0	-2.0	3.6
Tax	1.4	-	-
Share of profit of equity-accounted companies	1.4	-0.3	-
Consolidated net income	215.0	278.9	676.3
Net income, group share	215.0	278.9	668.1
Diluted earnings per share (€)	12.1	12.5	29.7

Recurring net income

In millions of €	2019	2020	2021
Consolidated net income	215.0	278.9	676.3
Acquisition costs for « Cargo »	47.1	-	-
Borrowing costs for the bridge « Cargo »	4.8	3.0	-
Change in fair value of the derivative instruments	1.9	1.7	1.7
Change in fair value of the portfolio	-197.1	-174.6	-544.6
Income from disposals	0.3	-9.3	-18.5
Other financial expenses	1.0	2.0	-3.6
Other non recurring expenses	-	0.2	-
Tax	-1.4	-	-
Share of profit of equity-accounted companies	-1.4	0.3	-
Impact of IFRS 16	0.9	1.2	0.6
Recurring net income	71.1	103.4	111.9
Recurring net income per share (€)	4.0	4.6	5.0

NAV EPRA

	31 December 2020			31 December 2020		
	NRV	NTA	NDV	NRV	NTA	NDV
Shareholders' equity (in €m)	1 478.6	1 478.6	1 478.6	2 125.6	2 125.6	2 125.6
Shareholders' equity (in €/share)	66.3	66.3	66.3	94.1	94.1	94.1
+ Fair value of financial instruments (in €m)	9.8	9.8	-	3.2	3.2	-
- Goodwill in the balance sheet (in €m)	-	-55.6	-55.6	-	-55.6	-55.6
+ Transfer taxes (in €m)	139.3	-	-	186.9	-	-
= NAV (in €m)	1 627.7	1 432.7	1 422.9	2 315.7	2 073.1	2 070.0
= NAV (in €/share)	73.0	64.2	63.8	102.5	91.8	91.6