

# FULL YEAR RESULTS

AS AT DECEMBER 31<sup>ST</sup>, 2021

**A first successful step of the transformation plan contributing to historically high dividends**

**At group level, assets under management increased by 13% to reach approximately €2.7bn**

- €196m of owned assets (+6.3% on a like-for-like basis compared to December 31, 2020)
- €2,501m managed on behalf of institutional and retail investors (+14% compared to December 31, 2020)

## Solid financial indicators

- **Net results increased by 35%** at €11.0m (€8.2m as of December 31, 2020)
- **EPRA Net Reinstatement Value (NRV) increased by 4%** at €130.0 per share (€125.1 per share as of December 31, 2020)
- **Loan to Value (LTV<sup>1</sup>) decreased to 22%** (vs. 25% as of December 31, 2020)
- **Substantial liquidity of nearly €50m** (including an undrawn committed credit line)

## Dynamic business development

- **Financial occupancy rate<sup>2</sup> reached 92.6% increasing by 11.5 points** compared to December 31, 2020
- **Opening of the 3<sup>rd</sup> subsidiary of PAREF Investment Management in Frankfurt** in September 2021
- **2 new asset management mandates** signed by PAREF Investment Management with institutional investors

**Proposed distribution of the Group highest value ever dividend at €4.70 per share for the fiscal year 2021 to be paid in cash, for approval by the Annual General Meeting to be held on May 19, 2022.**

The Management Board of PAREF, during the meeting held on February 17, 2022, approved the closing of the annual statutory and consolidated accounts as of December 31, 2021. The review of the results by our auditors is in progress.

<sup>1</sup> Loan-to-value (LTV): consolidated net debt divided by the consolidated asset value excluding transfer taxes (LTV at 22% including the shares in Wep Watford)

<sup>2</sup> Including Gaia office. Financial occupancy rate excluding Gaia office reached 95.3% (83,8% as at December 31, 2020)

“PAREF delivered a solid year in 2021, resulting from the profound transformation over the past 4 years. This value creation should continue thanks to the rebalancing of revenues (with more stable management fees over time), the investment realized in future activities and international expansion. On this successful first step, we propose to pay the highest dividend ever in the Group’s history, at €4.70 per share (+104% compared to 2020) while shareholder value has continued to increase with a NRV reaching now €130 per share (+4% compared to 2020).”

Magali Volet – Group CFO

“The PAREF Group is actively pursuing its strategy of innovation, European expansion and product diversification. The Group has demonstrated the relevance of its model through the development of new income sources and a good balance between different activities. The Group is now well positioned to seize all the opportunities that come with the end of the health crisis, thanks in particular to the recruitments made in 2021 and the new services developed for institutional investors. The Group has stepped up its digital transformation and is deploying an ambitious ESG strategy at all stages of the company.

Finally, during this period of difficult operational environments, I would like to thank and share my appreciations to the whole PAREF family for the efforts made throughout the year, which enabled us to achieve these promising results.

Antoine Castro – Group CEO

## I - Real-estate activity

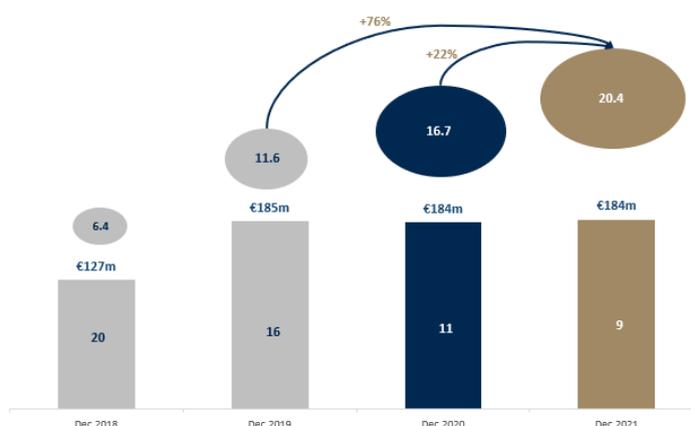
As of December 31, 2021, PAREF holds:

- 9 assets directly;
- two main subsidiaries, namely PAREF Gestion and PAREF Investment Management, and
- financial participations in SCPIs and OPPCIs.

### - Continuation of the active management strategy

PAREF has carried forward its strategy of active management of its portfolio by repositioning it progressively on larger assets mainly located in Greater Paris: **average asset size reached €20m, +76% over the last 2 years, from €11.6m to €20.4m, increasing by 22% in 2021 alone.**

Average value per asset



Two assets located in Gentilly and La Houssaye-en-Brie have been disposed for a total net selling price of €15m, representing 29% premium on average over last independent appraisals.

### - Owned assets portfolio appreciated by 6.3% on a like-for-like basis

The value of PAREF's owned assets<sup>3</sup> was €196m as of Dec 31, 2021, consisting of investment property for €184m (including the participation in the Gaïa building) and financial participations in funds managed by the Group for €12m.

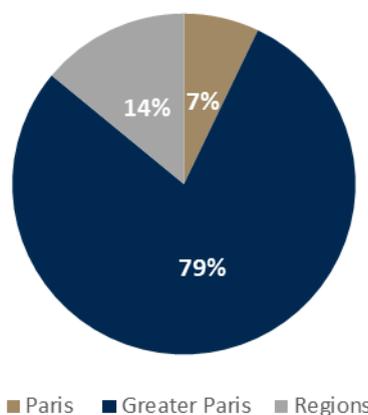
Owned assets key figures <sup>4</sup>	2020	2021
Number of assets	11	9
Lettable area (in operation)	99,619 sqm	82,363 sqm
Valuation	€184m	€184m

<sup>3</sup> Includes interests in companies consolidated under the equity method, of which 50% in Wep Watford (company which owns the Gaïa office in Nanterre, La Défense) and 27.24% in Vivapierre OPPCI.

<sup>4</sup> Includes interests in companies consolidated under the equity method, of which 50% in Wep Watford (company which owns the Gaïa office in Nanterre, La Défense) and excludes the participation in Vivapierre OPPCI

As a result of the strategy implemented, the assets are now mostly located in or around Paris:

#### Geographical breakdown of assets



The value of real estate assets owned by PAREF (excluding Gaïa office) was €165.4m, **increasing by 6.8% on a like-for-like basis** and remaining stable compared to the end of 2020, due to:

- Disposals of €11.8m (valuation as of December 31, 2020),
- Capitalized expenses of €7.7m in 2021, and
- Increase in the fair value of investment properties for €3.1m.

#### - Proactive leasing management

Despite measures taken to reinforce remote working, leasing activities have been dynamic in 2021 with 8 leases and renewals signed for more than 17,000 sqm, representing **more than 20% of the total assets**, of which notably:

- 4 new leases signed for Gaïa office building with a 6-year firm period, increasing the physical occupancy rate by **20 points** to 84%<sup>5</sup> as at December 31, 2021, compared to 64% one year ago,
- 2 new leases and a renewal for floors in Franklin Tower (La Défense) for more than 4,000 sqm, leading the occupancy rate to 100% starting from January 1, 2022, and
- a lease renewal of about 11,000 sqm for a logistic asset in Aubergenville.

Given these new leases and renewals, financial occupancy rate improved to 92.6% as of December 31, 2021, vs. 81.1% as of December 31, 2020<sup>6</sup>, and the weighted average unexpired lease term of the owned asset portfolio stays at 4.4 years at the end of 2021, compared to 4.9 years as of December 31, 2020.

The owned assets' expiry schedule of rents assets is as follows:

<sup>5</sup> Including 2 new leases with effective date starting early 2022

<sup>6</sup> Including Gaïa office. Excluding Gaïa office, financial occupancy rate stands at 95.3% as at December 31, 2021, vs 83.8% end of 2020. The financial occupancy rate is computed excluding assets undergoing redevelopment (The Go in Levallois-Perret)



- **Net rental income in decrease due to the disposal of two assets in 2021**

The **net rental income** of PAREF reached €8.0m in 2021, a reduction of 5% compared to €8.4m in 2020. This decrease is the result of:

- the disposals signed in 2020 (full-year effect) and in 2021,
- the exceptional impact of the re-invoicing of rental expenses for previous accounting periods,
- partially offset by an indemnity related to a negotiation of existing lease.

Rental income from owned assets (in k€)	2020	2021	Evolution in %
Gross rental income	8,974	8,839	-2%
<i>Rental expenses re-invoiced</i>	3,103	2,586	-17%
<i>Rental expenses</i>	-3,700	-3,454	-7%
Non-recoverable rental expenses	-597	-868	45%
Other income	4	2	-37%
<b>Total net rental income</b>	<b>8,381</b>	<b>7,974</b>	<b>-5%</b>

**On a like-for-like basis, gross rental income** remained **stable** compared to 2020.

The average gross initial yield on these assets was 6.6% vs. 6.2% at the end of 2020<sup>7</sup>.

<sup>7</sup> Excluding the asset under restructuring ("The Go" in Levallois-Perret) and the Gaia asset.

## II – Asset management on behalf of third parties

### - Dynamic activities for portfolios under management

PAREF Gestion collected gross subscriptions of €101m from investors on SCPI funds, lower by 33% compared to 2020 (€151m). This is explained by:

- the decision to suspend the subscriptions of SCPI Novapierre Allemagne 2 during the 1st quarter of 2021,
- a slowdown of SCPI investors for certain asset types linked to the health crisis (retail, office, etc.), impacting the subscription of SCPI Interpierre France,
- SCPI Interpierre Europe Centrale showing strong interests from investors with its subscription tripled compared to 2020 (fund launched in September 2020),
- the enthusiasm of investors for residential translated into strong increase by 82% of the subscription of SCPI Novapierre Résidentiel.

Breakdown of gross subscriptions:

Type	Funds	Gross subscriptions in 2020 (€ m)	Gross subscriptions in 2021 (€ m)	Evolution in %
SCPI	Novapierre Allemagne 2	92	29	-69%
	Interpierre France	30	18	-40%
	Novapierre Résidentiel	18	32	82%
	Interpierre Europe Centrale	5	17	261%
	Novapierre Allemagne	5	5	11%
	Novapierre 1	1	0.4	-64%
	Novapierre Italie	1	n.a	n.a
<b>Total</b>		<b>151</b>	<b>101</b>	<b>-33%</b>

### Investments and disposals

PAREF Gestion has signed investments for more than **€150m** for all the SCPI funds under management, notably:

- €96m for Novapierre Allemagne 2,
- €22m for Interpierre France,
- €20m for Novapierre Résidentiel, and
- €16m for Interpierre Europe Centrale.

In the meantime, PAREF Gestion has also closed disposals for more than €21m, of which mainly €14m for Novapierre Résidentiel and €7m for Novapierre 1.

**Returns of all funds improved in 2021**, in line with targets, and even above for some funds such as SCPI Novapierre Résidentiel.

### Breakdown of assets under PAREF Gestion management as of December 31, 2021:

PAREF Gestion manages assets on behalf of third parties for €1,845m, an increase of 5% compared to €1,764m as of December 31, 2020.

Type	Funds	Strategy	Assets under Management	Assets under Management	Evolution in %
			(€ m)	(€ m)	
			Dec 31, 2020	Dec 31, 2021	
SCPI	Novapierre Allemagne <sup>8</sup>	Retail	616	672	9%
	Novapierre Résidentiel <sup>8</sup>	Residential	329	351	7%
	Novapierre 1 <sup>8</sup>	Retail	252	247	-1%
	Interpierre France <sup>8</sup>	Office/Logis	184	208	13%
	Novapierre Allemagne 2 <sup>8</sup>	Retail	158	185	17%
	Atlantique Pierre 1 <sup>9/10</sup>	Diversified	57	-	-100%
	Cifocoma 2 <sup>9</sup>	Retail	25	25	1%
	Cifocoma 1 <sup>9</sup>	Retail	24	26	7%
	Interpierre Europe Centrale <sup>8</sup>	Office/Logis	4	16	289%
	Novapierre Italie <sup>8/11</sup>	Tourism	4	-	-100%
<b>Sub-total SCPI</b>			<b>1,652</b>	<b>1,732</b>	<b>5%</b>
OPPCI	Vivapierre	Hotel	86	87	1%
<b>Sub-total</b>			<b>86</b>	<b>87</b>	<b>1%</b>
Other AIF			25	26	3%
<b>Total</b>			<b>1,764</b>	<b>1,845</b>	<b>5%</b>

### - PAREF Investment Management

PAREF Investment Management operates in France, Italy, Switzerland, and Germany. The company aims at providing institutional investors with the expertise already at the service of PAREF and PAREF Gestion, in terms of investment, asset management, project management, property management, legal and financial services.

PAREF Investment Management has signed two management mandates representing asset value of €165m, of which one for a redevelopment project of "Trade" asset, owned by Fosun Group, located in Frankfurt in Germany, and the other one for an office building in city center of Budapest on behalf of the Portuguese insurance company Fidelidade. The new mandates show the confidence of PAREF's major shareholder in its capacity of restructuring and development for large complex assets.

The redevelopment project of "The Medelan", located in the historic city center of Milan, managed by the Italian subsidiary of PAREF Investment Management, had significant progress in leasing during 2021: after the very first lease signed with the Michelin star restaurant Horto on the rooftop, 62% of office space and 13% of retail spaces have been let or are under a firm offer. This mixed-use asset develops ca. 55,000 sqm and will offer the best market standards, particularly from an environmental point of view, with an expected Leed Platinum certificate. The delivery of the project is expected in Q1 2022.

<sup>8</sup> Open-ended fund

<sup>9</sup> Close-ended fund

<sup>10</sup> The mandate terminated on December 31, 2021, following the decision of the shareholders' general meeting in June 2021

<sup>11</sup> The Extraordinary General Shareholder Meeting of Novapierre Italie on March 5, 2021 voted for the early dissolution and the liquidation of the SCPI

- **The increase in asset management fees has not totally offset the decline in gross subscription fees leading to a 12% decrease overall**

**Management fees increased by 17%** compared to 2020 to achieve €11.9m. The increase is mainly explained by the following:

- +€0.8m linked to increasing assets under management thanks to investments completed in 2020 and 2021,
- +€0.2m from fees on disposals,
- +€0.6m of additional revenue thanks to the 2 new management mandates signed by PAREF Investment Management.

**Subscription fees** reached €9.4m in 2021, falling by 33% compared to 2020, in line with the decrease in gross subscription in 2021.

Fees (in €k)	2020	2021	Evolution in %
Management fees	10,117	11,884	17%
Subscription fees	14,174	9,435	-33%
<b>Total fees</b>	<b>24,291</b>	<b>21,320</b>	<b>-12%</b>

- **Reinforced human resources with an experienced team**

PAREF Group has also succeeded in attracting new talents and experienced managers in 2021, of which notably:

- Andrea Duma as the Head of the Italian subsidiary since March,
- Jean-Christophe Caron-Telders as Investment Director since July,
- Olivier Eglem as Senior Fund & Investment Manager since September,
- Azzdine Guechi as Asset Management Director since October, and
- Öykü Kurtoglu as Group Head of Sustainability & ESG, since December.

Reinforced by these experienced profiles in the real estate industry to support all our activities, the Group will be able to accelerate the deployment of its strategy.

### III – 2021 Results and EPRA earnings

#### Consolidated P&L

Detailed consolidated P&L (in €k)	2020	2021	Evolution in %
Gross rental income	8,974	8,839	-2%
Reinvoiced rental expenses, taxes and insurance	3,103	2,586	-17%
Rental expenses, taxes and insurance	-3,700	-3,454	-7%
Non-recoverable rental expenses	-597	-868	45%
Other income	4	2	-37%
<b>Net rental income</b>	<b>8,381</b>	<b>7,974</b>	<b>-5%</b>
Fees	24,291	21,320	-12%
-of which management fees	10,117	11,884	17%
-of which subscription fees	14,174	9,435	-33%
<b>Gross fee income</b>	<b>24,291</b>	<b>21,320</b>	<b>-12%</b>
<b>Total Turnover</b>	<b>32,672</b>	<b>29,293</b>	<b>-10%</b>
Retro-commissions	-11,288	-9,960	-12%
General expenses	-11,548	-14,474	25%
Depreciation and amortization	-571	-1,051	84%
<b>Current operating result</b>	<b>9,264</b>	<b>3,807</b>	<b>-59%</b>
Variation of fair value on investment properties	567	3,134	453%
Result on disposals of investment properties	-18	2,910	n.a.
<b>Operating result</b>	<b>9,814</b>	<b>9,852</b>	<b>0%</b>
Financial products	31	-	-100%
Financial expenses	-1,408	-1,086	-23%
<b>Net financial expenses</b>	<b>-1,377</b>	<b>-1,086</b>	<b>-21%</b>
Other expenses and incomes on financial assets	211	307	46%
Fair-value adjustments of financial instruments	-	-	n.a.
Results of companies consolidated under the equity-method <sup>12</sup>	342	2,078	508%
<b>Result before tax</b>	<b>8,990</b>	<b>11,151</b>	<b>24%</b>
Income tax	-840	-117	-86%
<b>Net result</b>	<b>8,150</b>	<b>11,034</b>	<b>35%</b>
Non-controlling interests	-	-	n.a.
<b>Net result (owners of the parent)</b>	<b>8,150</b>	<b>11,034</b>	<b>35%</b>
Average number of shares (non-diluted)	1,480,927	1,508,131	
<b>Net result / share (owners of the parent)</b>	<b>5.50</b>	<b>7.32</b>	<b>33%</b>
Average number of shares (diluted)	1,483,407	1,511,418	
<b>Net result / share (owners of the parent diluted)</b>	<b>5.49</b>	<b>7.30</b>	<b>33%</b>

PAREF Group generated **net results** of €11.0m, **increasing by 35%**. This performance is mainly explained by the following:

Significant positive effects:

- €3.1m increase in the fair value of investment properties thanks to redevelopment projects,

<sup>12</sup> Including the participations in the companies consolidated under equity method, of which mainly 50% of Wep Watford (asset the le Gaïa in Nanterre, La Défense) and 27,24% of Vivapierre OPPCI

- Net financial expenses at €1.1m in 2021, down by 21% vs. €1.4m in 2020, due to the full-year effect of the refinancing of the asset located in Dax during 2020,
- Net income from companies consolidated under the equity method amount of €2.1m vs. €0.3m in 2020, increasing by €1.7m compared to 2020. This increase is mainly due to the positive variation in fair value of the asset Le Gaïa and refinancing costs of Vivapierre assets.

Some contrarian elements:

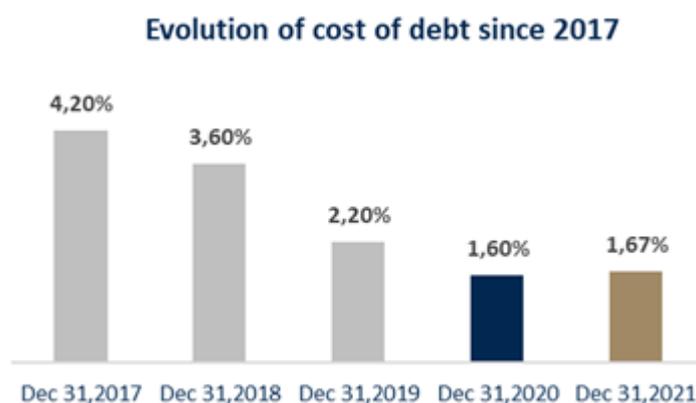
- Net rental income reduced by 5% to €8.0m, mainly due to the disposals in 2020 and 2021,
- Gross fees of €21.3m, decreasing by 12% mainly because of the decline in subscription fees, partially compensated by the increase in asset management fees on the back of growing assets under management,
- Retro-commission paid to partners reached €10.0m, decreasing by 12% compared to 2020, resulting from the lower volume of retro-commission of subscription fees. In contrast, the retro-commission of management and investment fees increased, which mainly reflects the continuous rise of asset under management in Germany and the numerous acquisitions realized in 2021,
- General expenses at €14.5m, with the reinforcement of teams in 2020 and 2021 in order to offer better quality of service,
- Amortization and depreciation increasing to €1.1m, mainly due to investments made to upgrade IT systems and tools.

## IV - Financial resources

The **gross debt** of PAREF Group remained at €60m as of December 31, 2021 (-6% compared to €64m as of December 31, 2020).

The average **cost of drawn debt** of the Group remains stable at **1.67 %** as of December 31, 2021, versus 1.60% at end 2020.

The evolution of the cost of drawn debt, starting from 2017, is as follows:



The **average debt maturity** is **2.1** years as of December 31, 2021 (vs. 3.1 years at the end of 2020).

The drawn debt is **fully hedged**, limiting its sensitivity to interest rate fluctuations.

**Financial ratios are solid:**

	Dec 31, 2020	Dec 31, 2021	Covenant
LTV <sup>13</sup>	25%	22%	<50%
ICR <sup>14</sup>	6.8x	4.6x	>2.5x
DSF <sup>15</sup>	13%	13%	<30%
Consolidated asset value <sup>16</sup>	€230m	€232m	>€125m

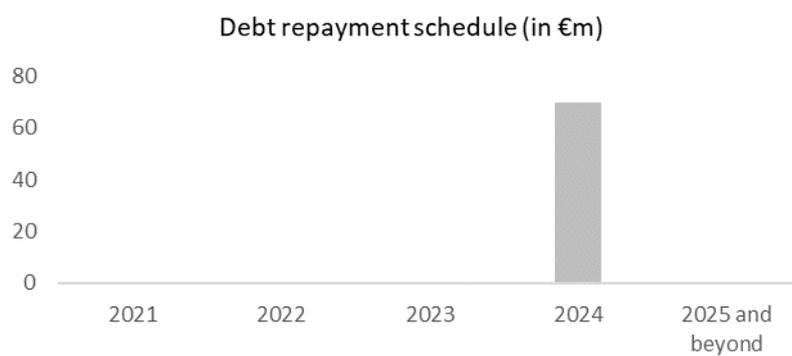
<sup>13</sup> Loan-to-value: consolidated net debt divided by the consolidated asset value excluding transfer taxes.

<sup>14</sup> ICR : EBITDA divided by consolidated financial expenses excluding penalties on debt early repayment.

<sup>15</sup> DSF : secured financial debt divided by the consolidated asset value (including the value of PAREF Gestion's shares).

<sup>16</sup> Including the value of PAREF Gestion

**Debt repayment schedule:**



The Group has **liquidity of €49m** as of December 31, 2021, of which cash and cash equivalent of €9m, in accordance with the regulatory requirement of a minimum amount to be held by PAREF Gestion, and €40m available via an undrawn committed credit line.

## V - Assets under Management

The value of the Assets under the Management of PAREF Investment Management and PAREF Gestion increased by +13% and reached almost €2.7bn.

In K€	Dec 31, 2020	Dec 31, 2021	Evolution in %
<b>1 – Management for owned assets</b>			
PAREF owned assets	166,550	165,420	-1%
PAREF participations <sup>17</sup>	29,728	30,850	4%
<b>Total Asset of PAREF</b>	<b>196,278</b>	<b>196,270</b>	<b>0%</b>
<b>2 – Management for retail and institutional third parties</b>			
Novapierre Allemagne	616,247	672,424	9%
Novapierre Résidentiel	329,021	351,465	7%
Novapierre 1	251,653	247,903	-1%
Interpierre France	184,132	208,252	13%
Novapierre Allemagne 2	157,546	185,114	17%
Atlantique Pierre 1 <sup>18</sup>	56,644	-	-100%
Cifocoma 2	25,007	25,179	1%
Cifocoma 1	24,329	25,933	7%
Interpierre Europe Centrale	4,153	16,166	289%
Novapierre Italie <sup>19</sup>	3,504	-	-100%
Vivapierre	86,400	87,050	1%
Other assets managed on behalf of third parties <sup>20</sup>	448,360	681,684	52%
<b>Total Assets under Management for third parties</b>	<b>2,186,996</b>	<b>2,501,169</b>	<b>14%</b>
Adjustments <sup>21</sup>	-10,942	-11,660	7%
<b>3 – TOTAL Asset under Management</b>	<b>2,372,332</b>	<b>2,685,779</b>	<b>13%</b>

<sup>17</sup> Including shares in companies consolidated under the equity method (50% in Wep Watford owning the Gaïa building in Nanterre, La Défense), and 27.24% in Vivapierre OPPCI. Excludes PAREF Gestion shares

<sup>18</sup> The mandate terminated on December 31, 2021, following the decision of the shareholders' general meeting in June 2021

<sup>19</sup> The Extraordinary General Shareholder Meeting of Novapierre Italie on March 5, 2021 voted for the early dissolution and the liquidation of the SCPI

<sup>20</sup> Including Foncière Sélection Régions under the management of PAREF Gestion, The Medelan in Italy, The Trade in Germany and an office asset in Hungary asset under the management of PAREF Investment Management

<sup>21</sup> Part of PAREF portfolio is managed through OPPCI (Vivapierre) by PAREF Gestion

## VI – EPRA Net Asset Value

**EPRA Net Reinstatement Value (NRV) increased by 4%** to reach €130.0 per share as of December 31, 2021, compared to €125.1 per share as of December 31, 2020.

The evolution is mainly explained by the **2021 net results** contribution.

EPRA NAV indicators are based on the IFRS-consolidated value of equity (fair value accounting) and the mark-to-market value of debt and financial instruments, as per EPRA's Best Practices Recommendations.

<b>EPRA Net Reinstatement Value (NRV) - in k€</b>	<b>Dec 31,2020</b>	<b>Dec 31, 2021</b>	<b>Evolution in %</b>
IFRS Equity attributable to shareholders	137,805	146,082	6%
<i>Including / Excluding :</i>			
Hybrid instruments	-	-	-
<b>Diluted NAV</b>	<b>137,805</b>	<b>146,082</b>	<b>6%</b>
<i>Including :</i>			
Revaluation of investment properties (if IAS 40 cost option is used)	-	-	-
Revaluation of investment property under construction (IPUC) (if IAS 40 cost option is used)	-	-	-
Revaluation of other non-current investments (PAREF Gestion) <sup>22</sup>	37,105	37,105	0%
Revaluation of tenant leases held as finance leases	-	-	-
Revaluation of trading properties	-	-	-
<b>Diluted NAV at Fair Value</b>	<b>174,910</b>	<b>183,187</b>	<b>5%</b>
<i>Excluding :</i>			
Differed tax in relation to fair value gains of IP	-	-	-
Fair value of financial instruments	944	477	-49%
Goodwill as a result of deferred tax	-	-	-
Goodwill as per the IFRS balance sheet	n.a.	n.a.	-
Intangibles as per the IFRS balance sheet	n.a.	n.a.	-
<i>Including :</i>			
Fair value of debt	n.a.	n.a.	-
Revaluation of intangible to fair value	-	-	-
Real estate transfer tax	12,736	12,354	-3%
<b>NAV</b>	<b>188,590</b>	<b>196,018</b>	<b>4%</b>
Fully diluted number of shares	1,507,460	1,508,356	
<b>NAV per share</b>	<b>125.1</b>	<b>130.0</b>	<b>4%</b>

<sup>22</sup> PAREF Gestion valuation was performed by a qualified external expert on Dec 31, 2020.

## VII - Post-closing events

Pre-sale agreement of Gaia office was signed on January 21, 2022.

## VIII – Outlook

Paref has deployed capital towards Real Estate for the last 31 years, and the Group is ready to deploy further and seeks to continue the cooperation with retail and institutional clients.

The objective is to continue growing as a **Pan-European Investment Manager with strong operating capabilities**, i.e. local expertise and presence in key markets supported by strong balance sheet for **co-investments** with private clients and institutional investors in order to achieve balanced investors types and **all risk profiles** from Core to Value Add focusing on France, Italy and Germany.

To support growth, PAREF strives to maximize value created for the clients, shareholders and society by incorporating **sustainability and ESG** factors into business and group activities. **Transparency** and **trust** are key themes on climate change and ESG, reflecting the initial priorities set out by the Group in 2018 and continuing on the basis of the extensive work over the years on corporate governance, collective responsibility, culture and purpose.

To summarize, the priorities and objectives from 2022 to 2024 are mainly demonstrated as below:

- **Property investment:**
  - Optimize performance of REIT property portfolio: Maximize net operating income and minimize vacancy in core portfolio driving growth in dividends
  - Finalize value creation initiatives on owned assets
  - Dispose non-core assets to increase available liquidity
- **Fund & Asset Management:**
  - Grow Retail funds under management: Continue with marketing of funds post offering optimization and identify new products to launch
  - Grow Institutional Asset under Management: Continue to secure new asset and project management mandates
  - Increase investment management capabilities and scale in Europe: Pursue first close on new funds as well as institutional mandates and support “One Stop Shop” growth ambitions
- **Commitment to ESG:**
  - Environment - Decarbonization and Net zero: Operations and portfolios to be net zero by 2030, full alignment with Paris Agreement (max 2°C by 2050)
  - Social - Employer of Choice: Being an employer of choice
  - Governance – Membership: Becoming signatory of the UN PRI, participating in the GRESB and recognition by EPRA Sustainability Best Practices
  - Governance - ESG Governance: Implementing an ESG committee composed of experts and advisors on ESG, sustainable finance and real estate
  - Social – Community Investments: Community and impact investments, volunteering partnerships with Non-governmental organizations

The executive team continues to focus on this clear set of priorities, in confidence that PAREF's business model is robust and resilient and that the strategy is appropriate to deliver returns for shareholders.

## **IX - Financial agenda**

April 28, 2022: Financial information as of March 31, 2022

May 19, 2022: Annual General Meeting of shareholder

### **About PAREF Group**

PAREF operates in two major complementary areas: (i) investments owned by SIIC PAREF primarily in commercial real estate in the Paris region (€0.2 bn asset as of December 31, 2021) and (ii) Management on behalf of third parties via PAREF Gestion (€1.8 bn funds under management as of December 31, 2021), an AMF-certified management company, and via PAREF Investment Management (€0.7 bn as of December 31, 2021).

PAREF is a company listed on Euronext Paris, Compartment C, under ISIN FR00110263202 – Ticker PAR.

More information on [www.paref.com](http://www.paref.com)

#### **Press Contact**

##### **Groupe PAREF**

Samira Kadhi

[samira.kadhi@paref.com](mailto:samira.kadhi@paref.com)

Tél. : +33 (0)7 60 00 59 52

#### **Citigate Dewe Rogerson**

Tom Ruvira

[Paref@citigatedewerogerson.com](mailto:Paref@citigatedewerogerson.com)

Tel : +33 (0) 7 60 90 89 18

## APPENDIX

### EPRA Earnings per share as of Dec 31,2021

In k€	2020	2021	Evolution in %
Earnings per IFRS income statement	8,150	11,034	35%
Adjustments			
(i) Change in fair-value of investment properties	-567	-3,134	453%
(ii) Profits or losses on disposal of investment properties and other interests	18	-2,910	n.a.
(iii) Profits or losses on disposal of financial assets available for sale	-	-	
(iv) Tax on profits or losses on disposals	-	-	
(v) Negative goodwill / goodwill impairment	-	-	
(vi) Changes in fair value of financial instruments and associated close-out costs	-	-	
(vii) Acquisition costs on share deals and non-controlling joint-venture	-	-	
(viii) Deferred tax in respect of the adjustments above	-	-	
(ix) Adjustments (i) to (viii) above in respect of companies consolidated under equity method	399	-859	n.a.
(x) Non-controlling interests in respect of the above	-	-	
<b>EPRA Earnings</b>	<b>7,999</b>	<b>4,131</b>	<b>-48%</b>
Average number of shares (diluted)	1,480,927	1,508,131	
<b>EPRA Earnings per share (diluted)</b>	<b>5.40€</b>	<b>2.74€</b>	<b>-49%</b>

## EPRA Net Tangible Assets (NTA) as of Dec 31, 2021

EPRA Net Tangible Assets (NTA) - in k€	Dec 31,2020	Dec 31, 2021	Evolution in %
IFRS Equity attributable to shareholders	137,805	146,082	6%
<i>Including / Excluding :</i>			
Hybrid instruments	-	-	-
<b>Diluted NAV</b>	<b>137,805</b>	<b>146,082</b>	<b>6%</b>
<i>Including :</i>			
Revaluation of investment properties (if IAS 40 cost option is used)	-	-	-
Revaluation of investment property under construction (IPUC) (if IAS 40 cost option is used)	-	-	-
Revaluation of other non-current investments (PAREF Gestion) <sup>23</sup>	37,105	37,105	0%
Revaluation of tenant leases held as finance leases	-	-	-
Revaluation of trading properties	-	-	-
<b>Diluted NAV at Fair Value</b>	<b>174,910</b>	<b>183,187</b>	<b>5%</b>
<i>Excluding :</i>			
Differed tax in relation to fair value gains of IP	-	-	-
Fair value of financial instruments	944	477	-50%
Goodwill as a result of deferred tax	-	-	-
Goodwill as per the IFRS balance sheet	-	-	-
Intangibles as per the IFRS balance sheet	-716	-882	23%
<i>Including :</i>			
Fair value of debt	n.a.	n.a.	n.a
Revaluation of intangible to fair value	-	-	-
Real estate transfer tax	12,736	12,354	-3%
<b>NAV</b>	<b>187,874</b>	<b>195,135</b>	<b>+4%</b>
Fully diluted number of shares	1,507,460	1,508,356	
<b>NAV per share</b>	<b>124.6</b>	<b>129.4</b>	<b>4%</b>

<sup>23</sup> PAREF Gestion valuation was performed by a qualified external expert for the first time on June 30, 2020.

## EPRA Net Disposal Value (NDV) as of Dec 31, 2021

EPRA Net Disposal Value (NDV) - in k€	Dec 31,2020	Dec 31, 2021	Evolution in %
IFRS Equity attributable to shareholders	137,805	146,082	6%
<i>Including / Excluding :</i>			
Hybrid instruments	-	-	-
<b>Diluted NAV</b>	<b>137,805</b>	<b>146,082</b>	<b>6%</b>
<i>Including :</i>			
Revaluation of investment properties (if IAS 40 cost option is used)	-	-	-
Revaluation of investment property under construction (IPUC) (if IAS 40 cost option is used)	-	-	-
Revaluation of other non-current investments (PAREF Gestion)	37,105	37,105	0%
Revaluation of tenant leases held as finance leases	-	-	-
Revaluation of trading properties	-	-	-
<b>Diluted NAV at Fair Value</b>	<b>174,910</b>	<b>183,187</b>	<b>5%</b>
<i>Excluding :</i>			
Differed tax in relation to fair value gains of IP	n.a.	n.a.	n.a.
Fair value of financial instruments	n.a.	n.a.	n.a.
Goodwill as a result of deferred tax	-	-	-
Goodwill as per the IFRS balance sheet	-	-	-
Intangibles as per the IFRS balance sheet	n.a.	n.a.	n.a.
<i>Including :</i>			
Fair value of debt	230	194	-16%
Revaluation of intangible to fair value	n.a.	n.a.	n.a.
Real estate transfer tax	n.a.	n.a.	n.a.
<b>NAV</b>	<b>175,140</b>	<b>183,381</b>	<b>+5%</b>
Fully diluted number of shares	1,507,460	1,508,356	
<b>NAV per share</b>	<b>116.2</b>	<b>121.6</b>	<b>5%</b>

## Other EPRA indicators

### - EPRA Vacancy rate

In k€	Dec 31, 2020	Dec 31, 2021	Evolution in %
Estimated rental value of vacant space	1,974	727	
Estimated rental value of the whole portfolio	10,189	9,819	
<b>EPRA Vacancy Rate<sup>24</sup></b>	<b>19.4%</b>	<b>7.4%</b>	<b>-12.0 pts</b>

### - EPRA Net Initial Yield (NIY) and 'topped-up' NIY

In %	Dec 31, 2020	Dec 31, 2021	Evolution in pts
<b>PAREF Net yield</b>	<b>6.40%</b>	<b>6.84%</b>	<b>+0.44</b>
Impact of estimated duties and costs	-0.5%	-0.46%	-0.01
Impact of changes in scope	-0.04%	-0.12%	-0.08
<b>EPRA Net initial yield<sup>25</sup></b>	<b>5.90%</b>	<b>6.26%</b>	<b>+0.36</b>
Excluding lease incentives	0.30%	0.43%	+0.11
<b>EPRA "Topped-Up" Net initial yield<sup>26</sup></b>	<b>6.22%</b>	<b>6.69%</b>	<b>+0.47</b>

### - Capital expenditure

En K€	Dec 31, 2020	Dec 31, 2021
Acquisition	-	-
Development <sup>27</sup>	3,194	6,658
Portfolio on a like-for-like basis <sup>28</sup>	788	697
Other <sup>29</sup>	1,204	851
<b>Total</b>	<b>5,186</b>	<b>8,206</b>

<sup>24</sup> Including the participation in Gaïa office, excluding shares in OPPCI Vivapierre. Excluding Gaïa, EPRA vacancy rate stands at 4.7% as at December 31, 2020 vs. 16.9% as at December 31, 2020

<sup>25</sup> The EPRA Net Initial Yield rate is defined as the annualized rental income, net of property operation expenses, after deducting rent adjustments, divided by the value of the portfolio, including duties

<sup>26</sup> The EPRA 'topped-up' Net Initial Yield rate is defined as the annualized rental income, net of property operating expenses, excluding lease incentives, divided by the value of the portfolio, including taxes

<sup>27</sup> Including investment related to "The Go" project of the asset located in Levallois-Perret and the redevelopment project in the asset located in Paris Leon Frot

<sup>28</sup> Including mainly investment on the 6 floors in the Franklin Tower

<sup>29</sup> Including eviction indemnities, rent adjustments and capitalized financial costs relating to "The Go" project

- EPRA cost ratios

The ratio below is computed based on PAREF Group owned assets perimeter (including companies consolidated under the equity method).

In k€	Dec 31, 2020	Dec 31, 2021	Evolution in %
Include:			
(i) General expenses	-1,709	-1,811	6%
(ii) Costs related to properties	0	-	-
(iii) Net service charge costs/fees	-3,700	-3,405	-8%
(iv) Management fees less actual/estimated profit element	0	-	-
(v) Other operating income/recharges intended to cover overhead expenses	0	-	-
(vi) Share of general expenses of companies consolidated under equity method	-343	-412	20%
Exclude:			
(vii) Depreciation and amortization		-	-
(viii) Ground rent costs	1,119	1,447	29%
(ix) Service charge costs recovered through rents but not separately invoiced	1,984	1,193	-40%
<b>EPRA Costs (including direct vacancy costs) (A)</b>	<b>-2,649</b>	<b>-2,989</b>	<b>13%</b>
(x) Less: Direct vacancy costs (unrecoverable rent costs)	888	782	-12%
<b>EPRA Costs (excluding direct vacancy costs) (B)</b>	<b>-1,761</b>	<b>-2,206</b>	<b>25%</b>
(xi) Gross Rental Income less ground rent costs	9,996	9,553	-4%
(xii) Less: service charge costs included in Gross Rental Income	-1,619	-1,582	-2%
(xiii) Add: share of Gross Rental Income less ground rent costs of companies consolidated under equity method	2,290	1,957	-15%
<b>Gross Rental Income</b>	<b>10,667</b>	<b>9,928</b>	<b>-7%</b>
<b>EPRA Cost Ratio (including direct vacancy costs) (A/C)</b>	<b>24.8%</b>	<b>30.1%</b>	<b>+0.53pts</b>
<b>EPRA Cost Ratio (excluding direct vacancy costs) (B/C)</b>	<b>16.5%</b>	<b>22.2%</b>	<b>+0.57pts</b>

## Consolidated balance sheet

Balance Sheet - Assets (in €k)	Dec 31, 2020	Dec 31, 2021
<b>Non-current assets</b>		
Investment properties	167,754	165,420
Intangible assets	716	882
Other property, plant and equipment	2,052	1,524
Financial assets	12,387	13,886
Shares and investments in companies under the equity method	13,836	16,183
Financial assets held for sale	1,299	1,126
Differed tax assets	6	-
<b>Total non-current assets</b>	<b>198,050</b>	<b>199,020</b>
<b>Current assets</b>		
Stocks	-	-
Trade receivables and related	16,270	12,093
Other receivables	189	909
Financial instruments	-	-
Cash and cash equivalents	7,325	8,845
<b>Total current assets</b>	<b>23,783</b>	<b>21,847</b>
Properties and shares held for sale	-	-
<b>TOTAL ASSET</b>	<b>221,833</b>	<b>220,867</b>

Balance Sheet - Liabilities (in €k)	Dec 31, 2020	Dec 31, 2021
<b>Equity</b>		
Share capital	37,755	37,755
Additional paid-in capital	42,193	42,193
Fair-value through equity	70	31
Fair-value evolution of financial instruments	-944	-477
Consolidated reserved	50,581	55,546
Consolidated net result	8,150	11,034
<b>Shareholder equity</b>	<b>137,805</b>	<b>146,082</b>
Minority interest	-	-
<b>Total Equity</b>	<b>137,805</b>	<b>146,082</b>
<b>Liability</b>		
<b>Non-current liabilities</b>		
Non-current financial debt	65,803	60,507
Non-current financial instruments	-	477
Non-current taxes due & other employee-related liabilities	-	10
Non-current provisions	269	283
<b>Total non-current liabilities</b>	<b>66,072</b>	<b>61,277</b>
<b>Current liabilities</b>		
Current financial debt	435	559
Current financial instruments	944	-
Trade payables and related	4,684	4,218
Current taxes due & other employee-related liabilities	7,196	5,734
Other current liabilities	4,697	2,997
<b>Total current liabilities</b>	<b>17,956</b>	<b>13,509</b>
<b>TOTAL LIABILITIES</b>	<b>221,833</b>	<b>220,867</b>

## Cash flow statement

<b>CASH-FLOW STATEMENT (in €k)</b>	<b>Dec 31, 2020</b>	<b>Dec 31, 2021</b>
<b>Operating cash-flow</b>		
Net result	8,150	11,034
Depreciation and amortization	571	1,048
Valuation movements on assets	-567	-3,134
Valuation movements on financial instruments	-	-
Valuation on financial assets held for sale	-	-
Tax	840	117
Result on disposals	18	-2,910
Results of companies consolidated under the equity method	-342	-2,078
<b>Cash-flow from operating activities after net financial items and taxes</b>	<b>8,669</b>	<b>4,077</b>
Net financial expenses	1,377	1,086
Tax paid	-1,010	-116
<b>Cash-flow from operating activities before net financial items and taxes</b>	<b>9,036</b>	<b>5,046</b>
Other variations in working capital	653	-476
<b>Net cash-flow from operating activities</b>	<b>9,689</b>	<b>4,571</b>
<b>Investment cash-flow</b>		
Acquisition of tangible assets	-4,937	-6,447
Acquisition of other assets	-537	-436
Assets disposal	5,432	14,965
Acquisition of financial assets	-1,910	-1,426
Financial assets disposal	-	-
Financial products received	31	-
Change in perimeter	-	-
<b>Cash-flow from investments</b>	<b>-1,920</b>	<b>6,657</b>
<b>Financing cash-flow</b>		
Self-detention shares	-148	-
Variation in capital	-62	55
Variation in bank loans	-	24,000
Variation in other financial debt	-	-
Repayment of financial lease	-8,810	-530
Repayment of bank loan	-5,000	-29,000
Costs of loan issuance	-	15
Variation on bank overdraft	-	-778
Financial expenses paid	-926	-
Dividend paid to shareholders and minorities	-1,855	-3,468
<b>Cash-flow from financial activities</b>	<b>-16,801</b>	<b>-9,706</b>
<b>Increase/ Decrease in cash</b>	<b>-9,032</b>	<b>1,521</b>
<b>Cash &amp; cash equivalent at opening</b>	<b>16,357</b>	<b>7,325</b>
<b>Cash &amp; cash equivalent at closing</b>	<b>7,325</b>	<b>8,845</b>

