

Paris, 23 July 2025

## SFL – First-Half 2025 Results

**EPRA earnings: €64.5m (up 7.4% vs H1 2024)**  
**Portfolio value (excluding transfer costs): €7,650m (up 1.0% vs 31 December 2024)**  
**Economic occupancy rate: 99.3% (99.7% occupancy for offices)**  
**Average office rent: €855/sq.m., up by a strong 5% over the period**  
**EPRA NTA: €85.0 per share, up 3.4% excluding distribution effect**

“In a more mixed rental environment over the first half of the year, SFL continued to deliver excellent operating performances, in terms of both occupancy (99.7% economic occupancy rate for offices) and average nominal rent (€855/sq.m.). The Paris market remained extremely polarised, with leases on prime properties signed or rolled over at record high rents of over €1,000/sq.m. This is proof, if any were needed, that while the supply of available properties is growing, the attention paid to product quality still makes all the difference”, explained Aude Grant, SFL’s Chief Executive Officer.

The consolidated financial statements for the six months ended 30 June 2025 were approved by the Board of Directors of Société Foncière Lyonnaise (“SFL”) on 23 July 2025, at its meeting chaired by Pere Viñolas Serra.

These financial statements show significant growth in EPRA earnings and a modest increase in the value of the asset portfolio. Physical and economic occupancy rates remained exceptionally high, at 99.1% and 99.3% respectively, and properties let during the period commanded increasingly high rents, attesting to the appeal of prime Paris office properties and the relevance of SFL’s business model.

The auditors have completed their review of the financial statements and issued their report on the interim financial information, which does not contain any qualifications or emphasis of matter.

### Consolidated data (€ millions)

	H1 2024	H1 2025	Change
Rental income	121.6	122.6	+0.8%
Adjusted operating profit*	109.8	108.2	-1.5%
Attributable net profit	76.7	100.0	+30.4%
EPRA earnings	60.1	64.5	+7.4%
per share	€1.40	€1.50	+7.2%

\* Before fair value adjustments to property assets

	31/12/2024	30/06/2025	Change
Attributable equity	3,642	3,623	-0.5%
Consolidated portfolio value excluding transfer costs	7,571	7,650	+1.0%
Consolidated portfolio value including transfer costs	8,075	8,191	+1.4%
EPRA NTA	3,779	3,657	-3.2%
per share	€88.0	€85.0	-3.4%
EPRA NDV	3,739	3,701	-1.0%
per share	€87.0	€86.0	-1.1%

## Economic occupancy rate kept at a record high 99.3%

Despite a rise in the Paris region vacancy rate to 10.8% (up 8.0% over six months), SFL has carved a niche for itself with its very high quality portfolio of outstanding assets in prime locations (99% in central Paris) and its policy of investing continuously to deliver first-class services and high levels of customer satisfaction. The physical occupancy rate continued to top 99.0% at 30 June 2025 (99.4% at 31 December 2024). The EPRA vacancy rate was 0.7% (0.5% at 31 December 2024).

SFL signed 13 leases in the first half, on over 10,500 sq.m. including 10,300 sq.m. of office space let mainly to new tenants. In addition, renegotiated leases on around 2,400 sq.m. were signed with existing tenants, in some cases ahead of the lease-break date in response to tenants' needs and to allow SFL to capture the reversionary potential in advance.

This sustained rental activity primarily concerned the following properties:

- Louvre Saint-Honoré, with 1,600 sq.m. let for a non-cancellable period of nine years to La Caisse, a leading Canadian institutional investor;
- Haussman Saint-Augustin, with 2,000 sq.m. let for a non-cancellable period of nine years to an international law firm;
- Washington Plaza, with 1,900 sq.m. let for a non-cancellable period of six years to Citadel;
- Edouard VII, with 1,100 sq.m. let for a non-cancellable period of nine years to AFG;
- office space in the Washington Plaza, Cézanne Saint-Honoré and 103 Grenelle properties; and
- around 230 sq.m. of retail units.

A new record was set for rents on the new office leases, with the average nominal rent hitting €1,002 per sq.m., corresponding to an average effective rent of €860 per sq.m., for an average non-cancellable period of 7.2 years.

## **Modest increase in portfolio appraisal value amid continuing uncertainty**

The appraisal value of the Group's portfolio at 30 June 2025 was €7,650 million excluding transfer costs, up 1.0% from €7,571 million at 31 December 2024 (up 1.4% including transfer costs). No properties were purchased or sold during the first half of 2025.

The increase in appraisal values mainly reflected the application of rent escalation clauses and the rise in rental values in the prime segment of the Paris property market. Discount rates and exit capitalisation rates narrowed slightly, by an average of 12 bps and 3 bps respectively, in an unfavourable macroeconomic environment which reduced the prospect of rent indices increasing in future periods.

The average EPRA topped-up net initial yield (NIY) was 3.8% at 30 June 2025, unchanged from 31 December 2024. The potential rental yield was 4.2% at 30 June 2025 (4.1% at 31 December 2024).

## **Development pipeline offering a €79.0 million annual reversionary potential**

At 30 June 2025, the portfolio's total reversionary potential (vacant space, pipeline properties, lease renegotiations) was estimated at around €79.0 million per year. The sharp €13 million increase compared with 31 December 2024 was mainly due to the departure of GRDF from the Condorcet building and McKinsey from 90 Champs-Élysées. By efficiently anticipating these departures, SFL was able to begin redeveloping the two properties as soon as the tenants handed back the keys.

Pipeline properties mainly comprise 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 quality of the service areas and the organisation of the office floors. The first new tenant is preparing to move in on 1 October 2025.
- Redevelopment of the Scope office building on Quai de la Râpée in Paris (around 22,700 sq.m.). Preparatory work for the redevelopment project was launched in September 2022 and redevelopment work began in August 2024, with delivery scheduled for summer 2026.
- Redevelopment of the Condorcet building (around 25,000 sq.m.). GRDF moved out of its former headquarters building at the end of January 2025, allowing work to begin on the restructuring of the building for delivery in 2027.

Capitalised work carried out in the first half of 2025 totalled €61.1 million, including the above three projects for a combined amount of €42.6 million and refurbishment of complete floors and common areas, mainly in the Cézanne Saint-Honoré, 103 Grenelle, Louvre Saint-Honoré and Edouard VII buildings.

## **A stronger financial structure**

SFL continued to adapt its financial structure in preparation for the planned merger with Colonial, taking advantage of the liquidity offered by its shareholder:

- In February 2025, undrawn confirmed credit lines for a total nominal amount of €485 million were cancelled (leaving undrawn confirmed credit lines of €1,085 million at 30 June 2025);
- In May 2025, the €500 million bond issue that matured during the same month was refinanced by drawing down a long-term intra-group loan for the same amount;
- In June 2025, interest rate hedges on a notional amount of €300 million were unwound in advance, after which, 81% of the Group's debt was at fixed rates or converted to fixed rate using hedging instruments, compared with 80% at 31 December 2024.

During the period, the average maturity of debt was extended from 3.3 years at 31 December 2024 to 3.8 years at 30 June 2025.

Net debt at 30 June 2025 amounted to €2,808 million compared to €2,660 million at 31 December 2024, representing a loan-to-value ratio of 34.3% including transfer costs. At the same date, the average cost of debt after hedging was 2.2% and the interest coverage ratio (ICR) was 3.7x.

## **Strong revenue growth in a still uncertain environment**

### Rental income up 6.3% like-for-like

First-half 2025 consolidated rental income totalled €122.6 million, up €1.0 million or 0.8% from the €121.6 million reported for the same period of 2024. The very limited change, which was expected, was due to the combined effect of:

- The €7.0 million year-on-year net decline in revenues, with major pipeline projects at the Haussmann Saint-Augustin and Condorcet buildings leading to €7.6 million in "lost" rental income.
- The recognition in first-half 2025 of penalties received from tenants for breaking their leases, partly offset by the cancellation of the related rent accruals in the IFRS financial statements, which added a net €1.0 million to rental income for the period versus first-half 2024.
- Rent increases (excluding all changes in the portfolio affecting period-on-period comparisons), which boosted rental income by €7.0 million or 6.3%, reflecting: (i) the €3.3 million positive impact of applying rent escalation clauses; (ii) pre-marketing of offices vacated before the end of the original lease, which were taken up by other tenants that needed more space (mainly in Washington Plaza and Edouard VII), a proactive asset management initiative that enabled SFL to capture the offices' reversionary potential earlier than expected (€2.7 million positive impact) and; (iii) the positive contribution from property management contracts related to the Edouard VII and #cloud.paris properties (approximately €1.0 million).



Adjusted operating profit (i.e., operating profit before disposal gains and losses and fair value adjustments to investment property) down 1.5% to €108.2 million in first-half 2025, from €109.8 million in the year-earlier period.

#### Higher net profit despite the increase in finance costs

Positive fair value adjustments to investment property amounted to €7.2 million in first-half 2025 compared with positive adjustments of €27.4 million in the year-earlier period.

Net finance costs stood at €30.9 million in first-half 2025, vs €28.3 million in the same period of 2024, representing an increase of €2.6 million. Excluding non-recurring items, mainly the cost of unwinding hedging instruments and unused confirmed credit lines, recurring financial expenses fell by €2.1 million.

The Group recorded a net tax benefit of €30.3 million in the first half of 2025, compared with a benefit of €23.6 million in the year-earlier period. These non-recurring items relate to the election for SIIC status by the last three entities holding property assets, which were previously still subject to corporation tax (elections by SAS Pargal in 2024 and SAS Parhaus and SAS Parchamps in 2025).

After taking account of these key items, EPRA earnings came in at €64.5 million in first-half 2025 (€60.1 million in first-half 2024), representing €1.50 per share, up 7.2% on the prior-year period.

The Group recorded attributable net profit of €100.0 million during the period (€76.7 million in first-half 2024).

#### **EPRA Net Asset Value stable overall, taking into account a dividend payout of €2.85/share**

At 30 June 2025, EPRA Net Tangible Assets (NTA) stood at €85.0 per share (€3,657 million in total, down 3.2% vs 31 December 2024) and EPRA Net Disposal Value (NDV) was €86.0 per share (€3,701 million, down 1.0% vs 31 December 2024), after payment of a dividend of €2.85 per share in April 2025.

Lastly, the election of SAS Parhaus and SAS Parchamps for SIIC status during the first half of the year, with retroactive effect from 1 January 2025, reduced EPRA NTA by €66.8 million and increased EPRA NDV by €30.5 million.

#### **Ownership structure**

The following stages in the planned merger with Inmobiliaria Colonial were completed during the first half of 2025:

- The merger agreement was signed and approved by the Colonial and SFL Boards of Directors;
- The proposed merger was approved by SFL and Colonial shareholders at the General Meetings held in April and May 2025 respectively.

The French regulatory formalities were completed. Subject to successful completion of the Spanish formalities in September 2025, the merger is expected to be completed in October 2025.

## EPRA indicators

	H1 2024	H1 2025
<b>EPRA Earnings (€m)</b>	60.1	64.5
<i>/share</i>	€1.40	€1.50
EPRA Cost Ratio (including vacancy costs)	12.0%	14.0%
EPRA Cost Ratio (excluding vacancy costs)	11.5%	12.7%

	31/12/2024	30/06/2025
<b>EPRA NRV (€m)</b>	4,218	4,128
<i>/share</i>	€98.2	€96.0
<b>EPRA NTA (€m)</b>	3,779	3,657
<i>/share</i>	€88.0	€85.0
<b>EPRA NDV (€m)</b>	3,739	3,701
<i>/share</i>	€87.0	€86.0
EPRA Net Initial Yield (NIY)	2.9%	3.0%
EPRA topped-up NIY	3.8%	3.8%
EPRA Vacancy Rate	0.5%	0.7%

	31/12/2024	30/06/2025
<b>LTV</b>	32.9%	34.3%
<i>100%, including transfer costs</i>		
<b>EPRA LTV (including transfer costs)</b>		
100%	35.3%	36.5%
Attributable to SFL	40.7%	41.8%
<b>EPRA LTV (excluding transfer costs)</b>		
100%	37.6%	39.1%
Attributable to SFL	43.3%	44.7%

## Alternative Performance Indicators (APIs)

### EPRA Earnings API

€ millions	H1 2024	H1 2025
<b>Attributable net profit</b>	<b>76.7</b>	<b>100.0</b>
Less:		
Fair value adjustments to investment property	(27.4)	(7.2)
Profit on asset disposals	0	0
Fair value adjustments to financial instruments, discounting adjustments to debt and related costs	(1.8)	2.8
Expenses related to asset contributions	0	1.9
Tax on the above items	(4.8)	0
Tax impact of the SIIC regime election	(21.1)	(30.5)
Non-controlling interests in the above items	38.5	(2.5)
<b>EPRA earnings</b>	<b>60.1</b>	<b>64.5</b>
<i>Average number of shares (thousands)</i>	<i>42,879</i>	<i>42,970</i>
<b>EPRA earnings per share</b>	<b>€1.40</b>	<b>€1.50</b>

### EPRA NRV/NTA/NDV APIs

€ millions	31/12/2024	30/06/2025
<b>Attributable equity</b>	<b>3,642</b>	<b>3,623</b>
Treasury shares	0	0
Fair value adjustments to owner-occupied property	35	33
Unrealised capital gains on intangible assets	4	4
Elimination of financial instruments at fair value	9	5
Elimination of deferred taxes	97	0
Transfer costs	431	463
<b>EPRA NRV (Net Reinstatement Value)</b>	<b>4,218</b>	<b>4,128</b>
Elimination of intangible assets	(4)	(4)
Elimination of unrealised gains on intangible assets	(4)	(4)
Elimination of transfer costs*	(431)	(463)
<b>EPRA NTA (Net Tangible Assets)</b>	<b>3,779</b>	<b>3,657</b>
Intangible assets	4	4
Financial instruments at fair value	(9)	(5)
Fixed-rate debt at fair value	62	45
Deferred taxes	(97)	0
<b>EPRA NDV (Net Disposal Value)</b>	<b>3,739</b>	<b>3,701</b>

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

## Net debt API

€ millions

	31/12/2024	30/06/2025
Long-term borrowings and derivative instruments	1,492	2,346
Short-term borrowings and other interest-bearing debt	1,253	542
<b>Debt in the consolidated statement of financial position</b>	<b>2,745</b>	<b>2,889</b>
Less:		
Accrued interest and deferred recognition of debt arranging fees	7	4
Cash and cash equivalents	(85)	(85)
<b>Net debt</b>	<b>2,667</b>	<b>2,808</b>

More information [is available at www.fonciere-lyonnaise.com/en/publications/results](http://www.fonciere-lyonnaise.com/en/publications/results)

## About SFL

A benchmark player 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 €7.7 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. 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. With its sights firmly set on the future, SFL is committed to sustainable real estate with the aim of building the city of tomorrow and helping to reduce carbon emissions in its sector.

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

S&P rating: BBB+ stable outlook