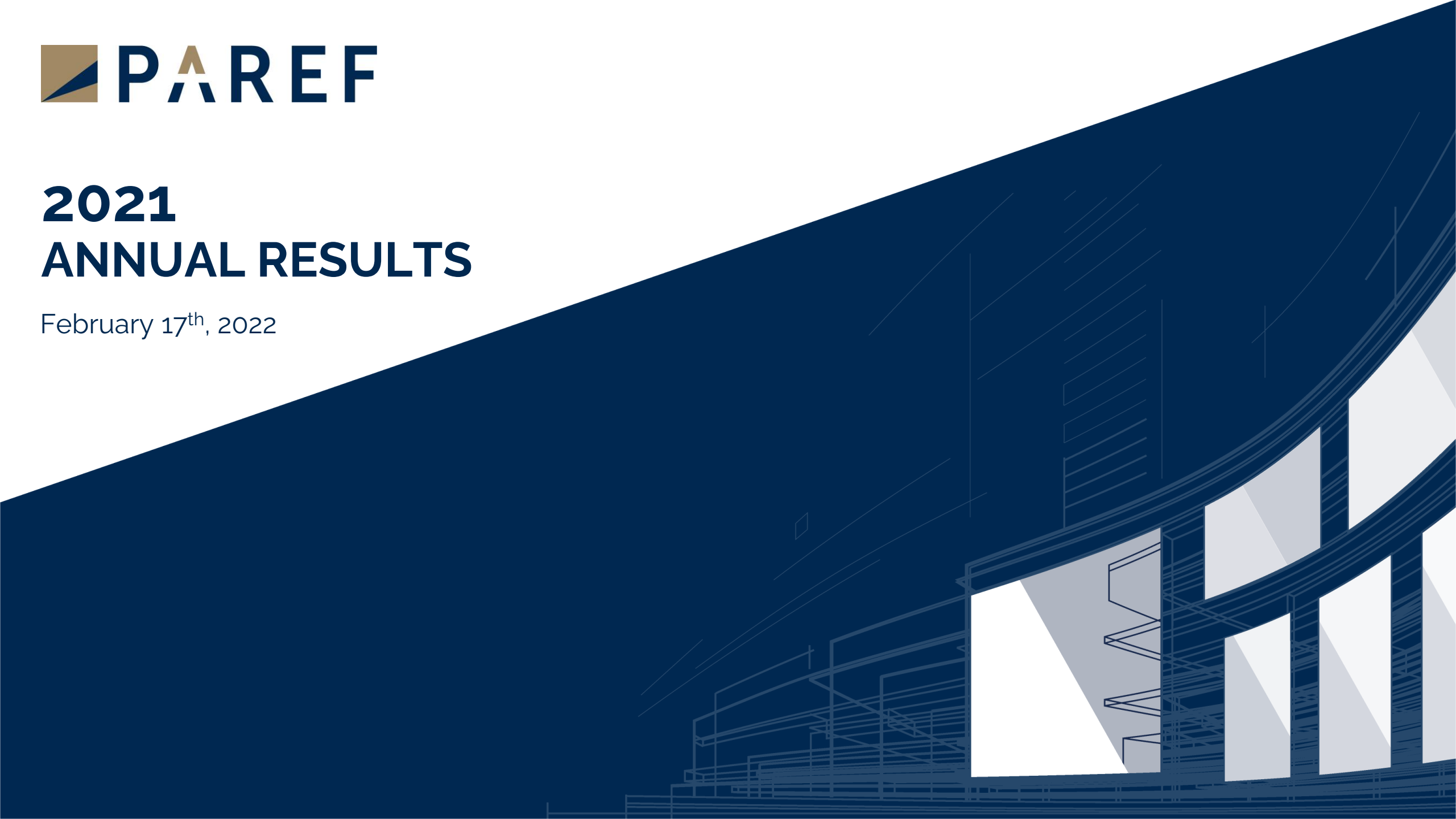
PAREF

2021
ANNUAL RESULTS

February 17th, 2022



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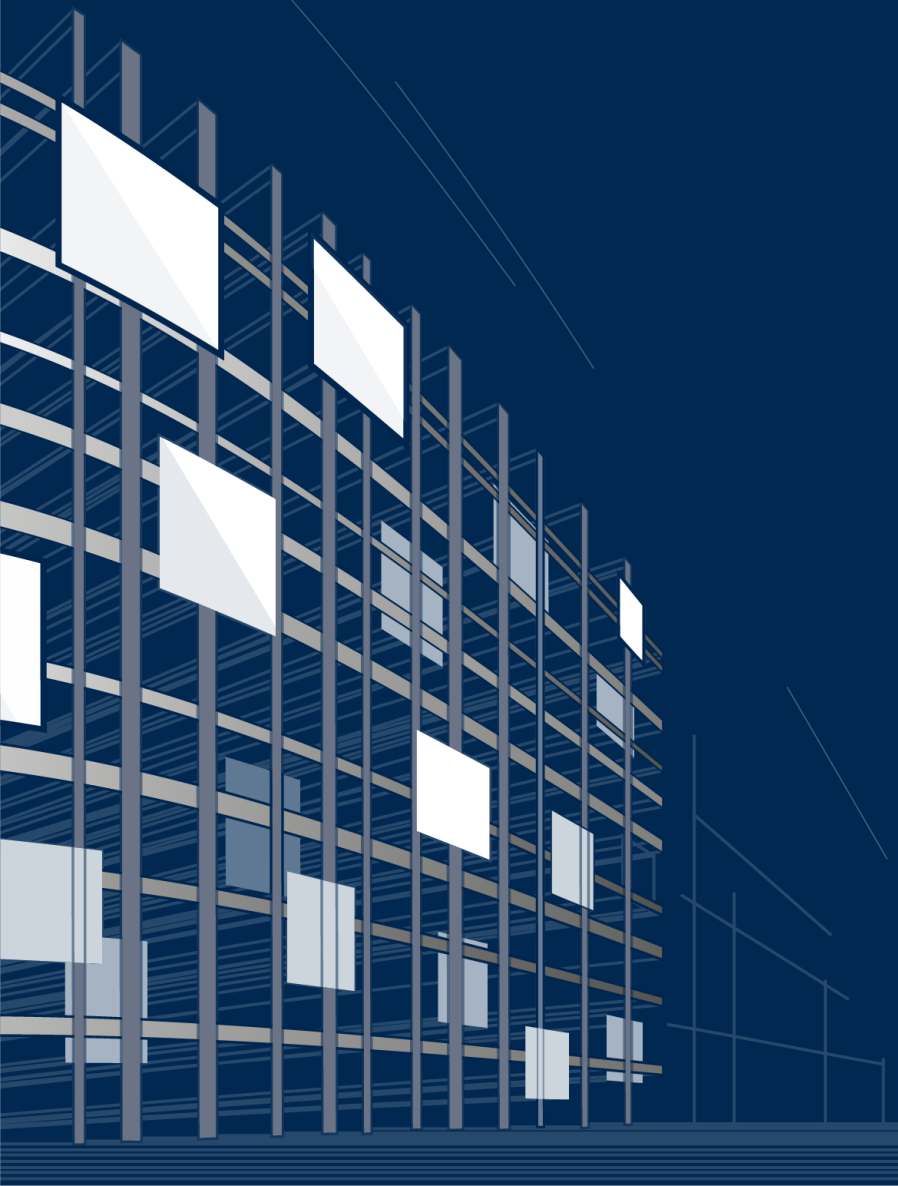


2017-2021

HIGHLIGHTS

2017-2021 Highlights
European expansion supported by track record over past 31 years

PAREF

Attractive Products across All Asset and Risk Classes
Our Pan-European Investment Strategies are Designed to Best Serve Our Client Needs

31
Years of Real Estate Experience

€2.7bn
Assets under Management

Excellent Financial Governance Achieved

4 countries
Local Presence Serving Our Clients

+13%
AuM Average Growth 2017-2021

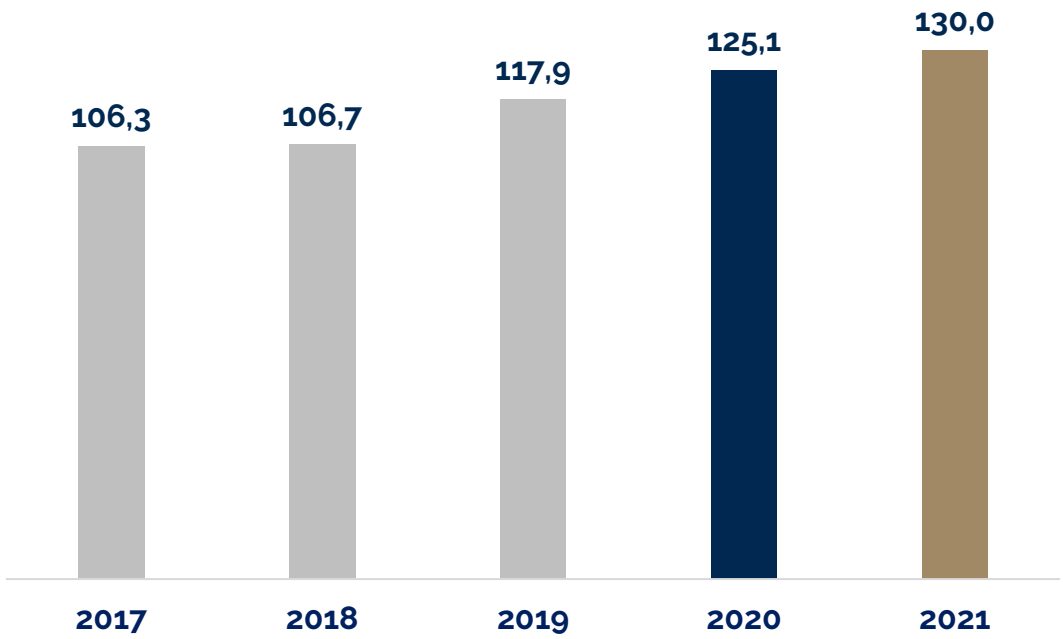
c.€50m
Available Liquidity for Co-investments

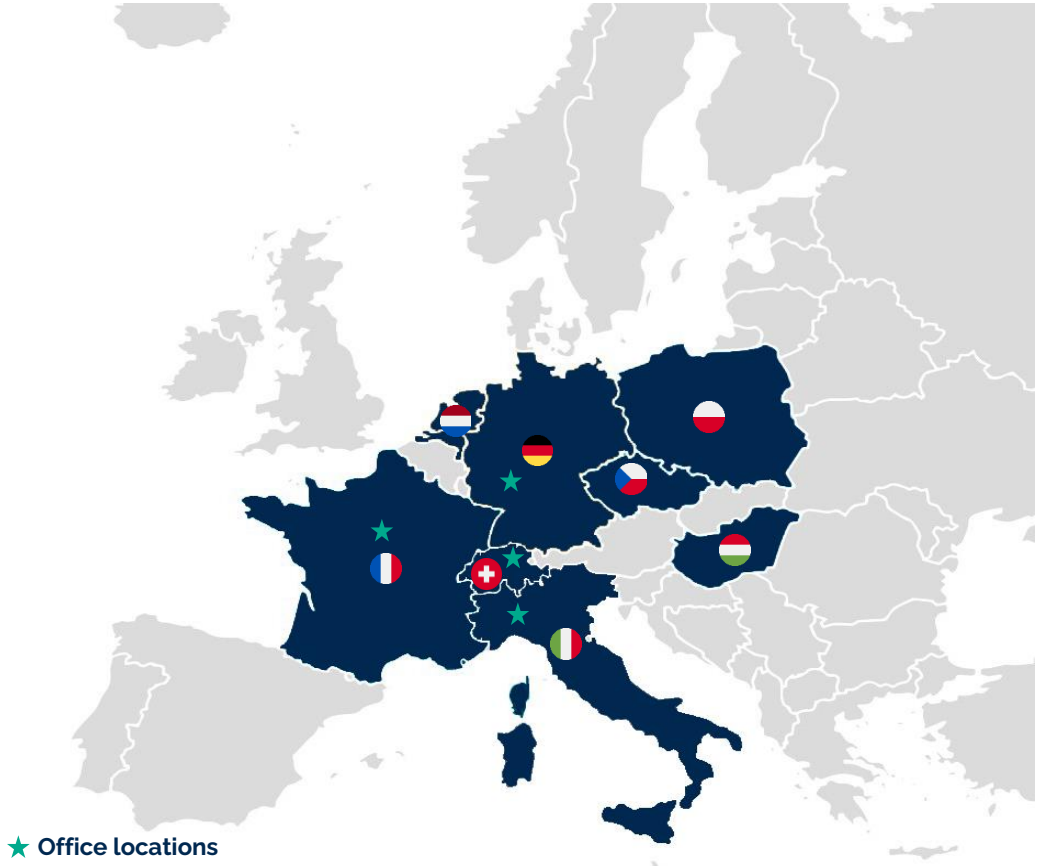
2017-2021 Highlights
Value creation alongside institutionalization and internationalization

Over the last 4 years, we focused on fixing the portfolio as well as on institutionalization and internationalization of the Group, yielding results in conquest and shareholder value

Value creation for shareholders
5% CAGR ('17-21)

NRV / share[1]





Assets under Management are distributed geographically with **44%** in France (84% in 2017), **35%** in Germany (16% in 2017), **18%** in Italy, 2% in the Netherlands and 2% in Central Europe

[1] Communication of EPRA Net Asset Value new metrics was effective from 2020.

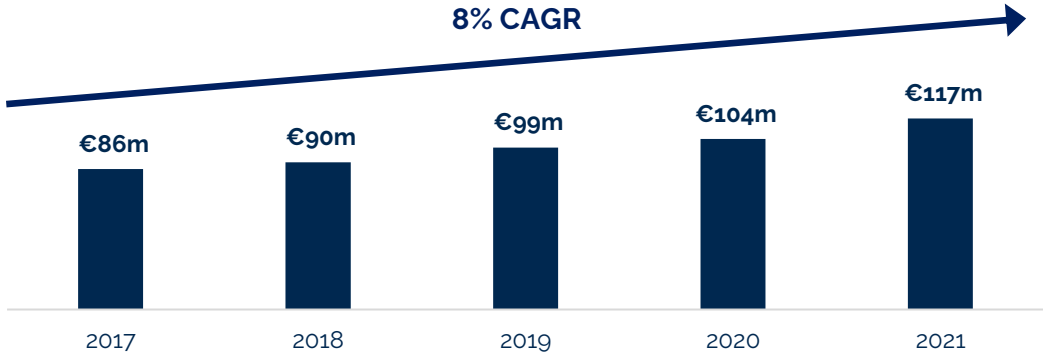
2017-2021 Highlights
REIT Portfolio: Portfolio optimization to create value

Resilient value creation through successful Asset Management initiatives

- On-going transformation of PAREF's asset portfolio since 2017
- Focus on quality and value creation opportunities
- **15 non-core assets out of 24** were disposed of
- Asset mix shift towards quality office and Paris area with share of properties in **Greater Paris Region for 86%** vs. 78% in 2018
- The rental yield improved from **6.2% to 6.6%**[1] during the period, occupancy rate is at **95%** and WALT at **4.4** years

Solid gains from disposals and AM value creation yet to be crystalized

Consistent positive like-for-like growth of REIT AUM since 2017[2]



(1) Excluding Levallois which is under development
(2) Excluding the acquisitions and disposals realized between 2017 and 2021

2017-2021 Highlights
PAREF Gestion: Fund offering optimization

Long term track record of resilient returns in line with investors' expectations

- **Repositioning of the retail funds portfolio**
- **Focus on expansion of French existing open-ended funds** (Novapierre Résidentiel, Interpierre France, and Novapierre 1) as well as newly launched European Funds (Novapierre Allemagne 2 in 2019 and Interpierre Europe Centrale in 2020)

NOVAPIERRE 1

NOVAPIERRE RÉSIDENTIEL

NOVAPIERRE ALLEMAGNE

INTERPIERRE FRANCE

INTERPIERRE EUROPE CENTRALE

NOVAPIERRE ALLEMAGNE 2

Historical dividend yield per annum (%)

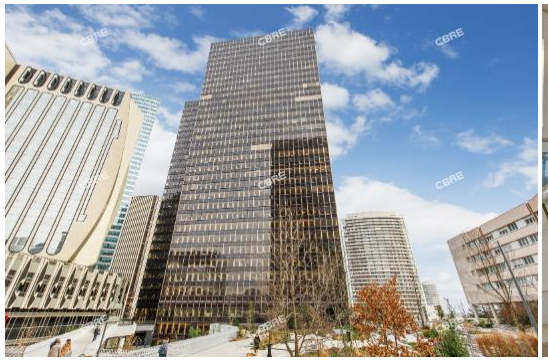
	2018	2019	2020	2021
INTERPIERRE FRANCE	5.3%	5.0%	4.7%	5.2%
NOVAPIERRE 1	4.0%	4.2%	3.7%	4.8%
NOVAPIERRE ALLEMAGNE 1	4.9%	4.5%	4.5%	4.6%
NOVAPIERRE RÉSIDENTIEL	5.6%	6.0%	6.0%	8.0%
NOVAPIERRE ALLEMAGNE 2			1.6%	3.0%
INTERPIERRE EUROPE CENTRALE				4.3%

2017-2021 Highlights
PIM: Asset Management track record – leasing

PAREF

Strong Asset Management performance during difficult market environment generating a track record

FRANKLIN — Office building in La Défense, full letting achieved



Occupancy rate 87->100%

DAX — 2 thermal treatment assets Lease extended and rent up

WALB/T +12 years Rent +30%

GAIA — Improved occupancy rate allowed successful exit

Occupancy rate 31->84%

AUBERGENVILLE — Warehouse asset Lease extended

WALB/T +6 years

Excellent Project and Development Management track record in Greater Paris Region on own assets…

THE GO

Lettable Area

+5.6%

Rental Income (Expected)

+76%

NF HQE BREEAM®

Redevelopment Project

Lettable Area

+40%

Rental Income (Expected)

+230%

NF HQE BREEAM® WIRED CERTIFIED GOLD

2017-2021 Highlights
PIM: Asset Management track record – redevelopments – mandates

PAREF

… combined with successful value generation internationally for institutional investors

THE MEDELAN, Italy

Overview

- **Leasing progressing**
- **ESG:** precertification on Leed Platinum, ESG compliant material alternatives
- **Construction:** under budget, in line with planning

Value creation for investors
2.0x investment multiple expected

ESTRELLA, Germany

Overview

- **Office building redevelopment project**
- **Project team:** Building up with direct local Paref presence in Frankfurt

BC 140, Hungary

Overview

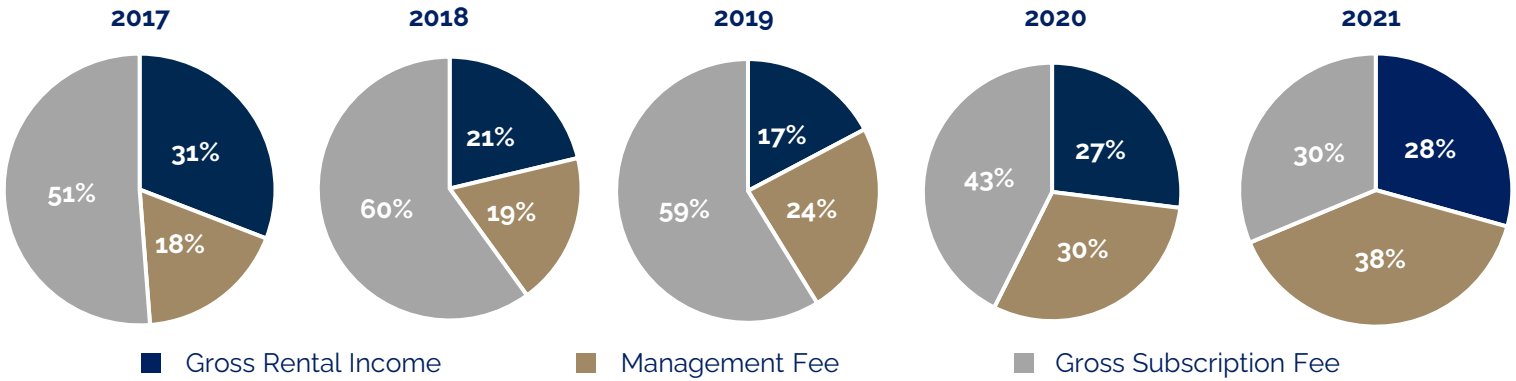
- **Asset management for Office asset**
- **Business Plan:** increase occupancy rate and upgrade the building through Capex program

Strong in-house capabilities from investment through Asset Management to exit, give us comfort in expanding our activities

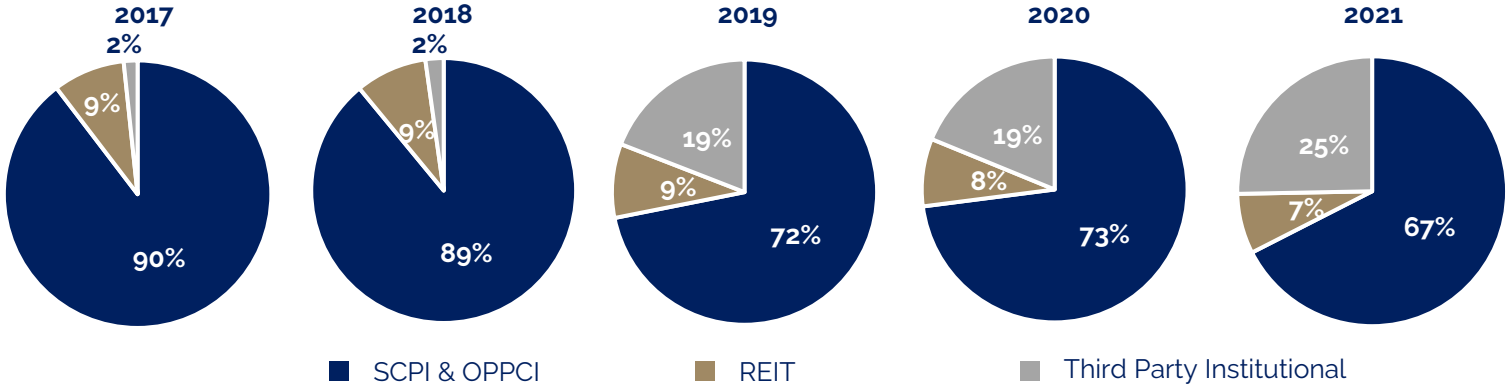
2017-2021 Highlights
Towards predictable revenue streams and diversified client base

Moving towards a Balanced Revenue and AuM Mix with Increasing Share of Resilient Asset Management Fees

Group Gross Income Evolution since 2017



Total AuM Evolution since 2017



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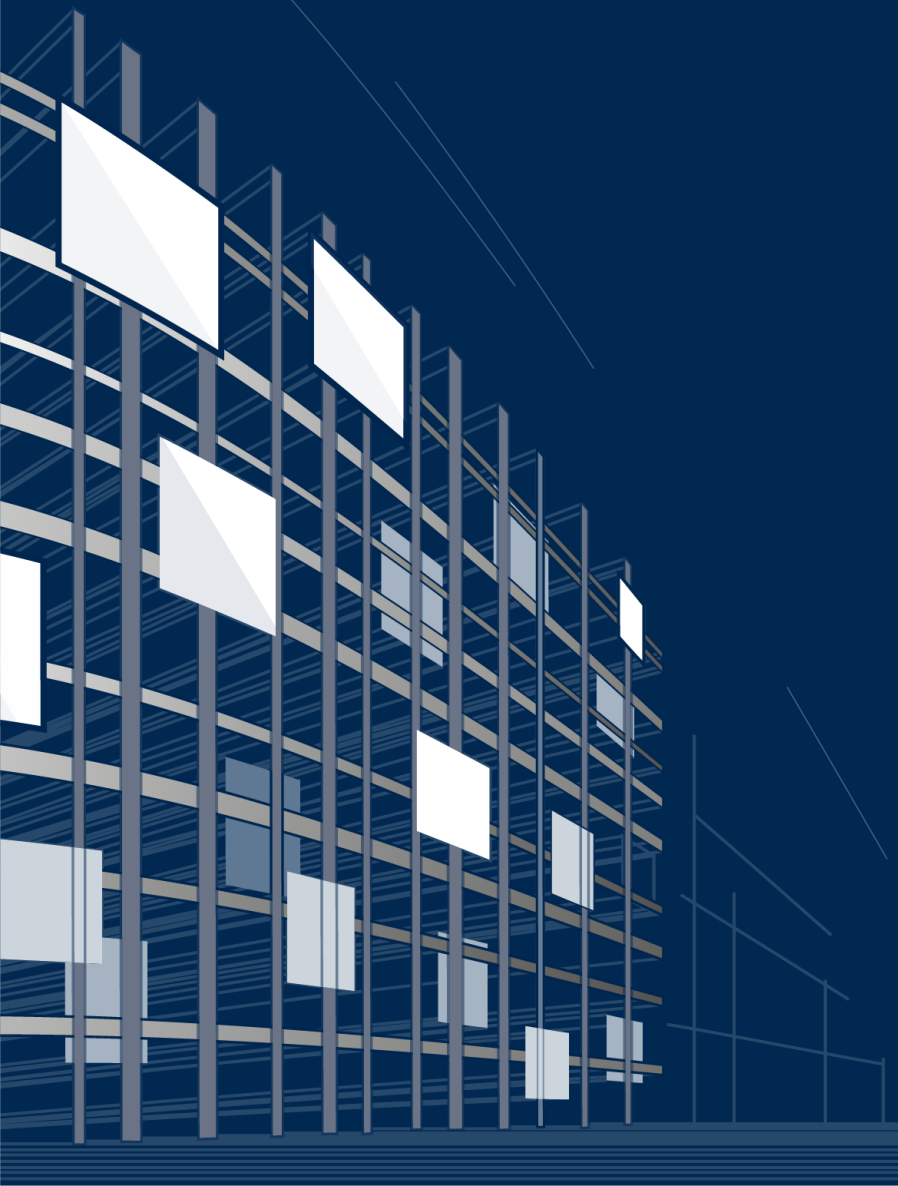


2021
FINANCIAL RESULTS

FINANCIAL RESULTS
Solid KPIs

STRONG
Operating Performance

+35%
2021 Net Result vs 2020

+13%
AuM growth

+17%
Management fees

+4%
EPRA Net Reinstatement Value at €130,0 per share

DISCIPLINED
Operating Profile

6.6% (1)
Yield

95.3% (2)
Financial Occupancy Rate

4.4 Years
Average firm lease length

98.6%
Rent collection for Paref

HEALTHY
Financial structure

22%
LTV

2.1 Years
Average Maturity of Debt

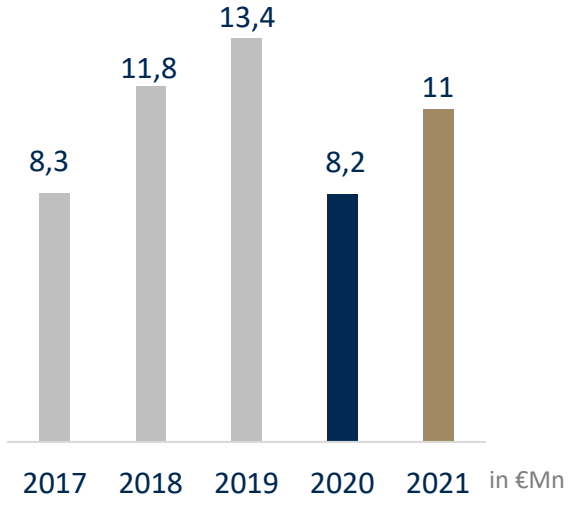
4.6x
ICR

1.67%
Cost of debt

(1) Excluding 50% of le Gaïa office (Nanterre. La Défense area).
(2) Excluding 50% of le Gaïa office (Nanterre. La Défense area). The financial occupancy rate stands at 92.6% including 50% of le Gaïa, compared to 81.1% as at 31/12/2020

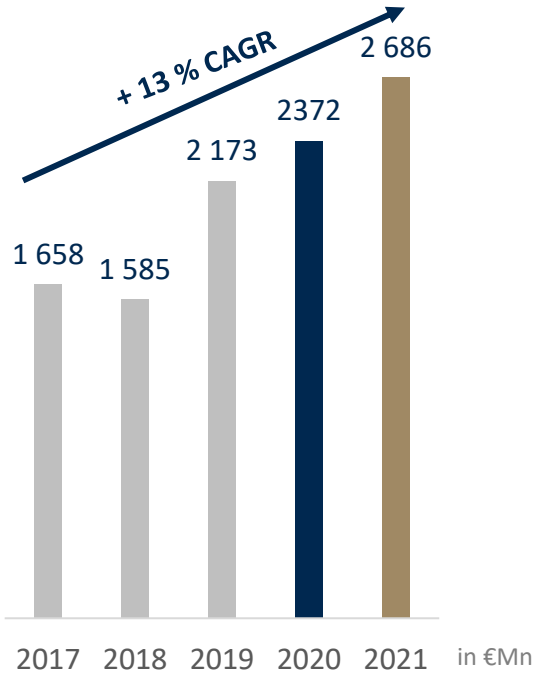
FINANCIAL RESULTS
Trends

Net Result



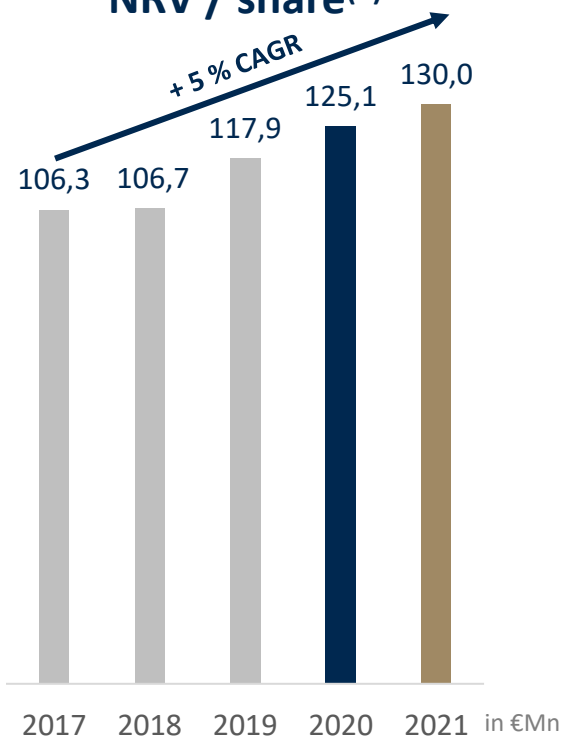
+35% vs 2020

AuM



+13% vs 2020

NRV / share(1)



+4% vs 2020

(1) Communication of EPRA Net Asset Value new metrics was effective from 2020

Strong financial flexibility to support development

2.1-year Average maturity of debt	LTV(1) 22%	ICR(2) 4.6x	Cost of debt 1.7%

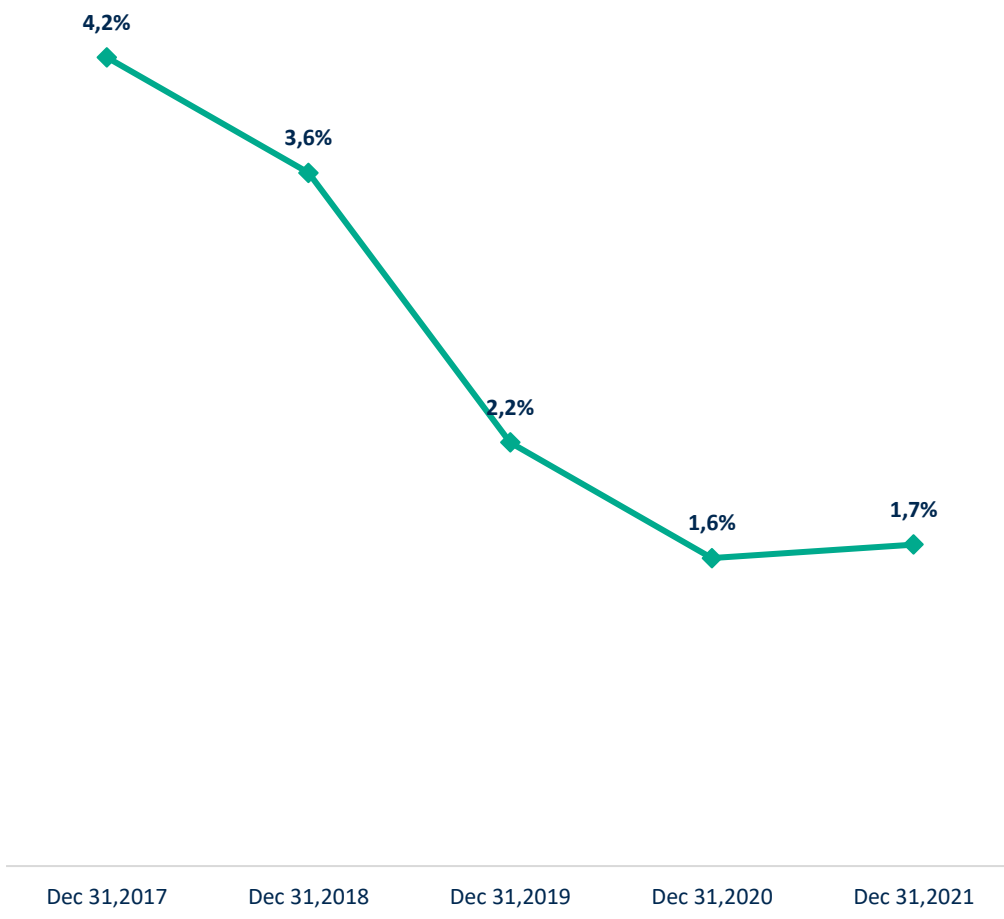
Robust debt management

- PAREF gross debt at €60Mn as at December 31st 2021, of which €30Mn mortgaged
- Interest rates 100% covered through interest rates instruments (swaps)
- Covenants on PAREF debt respected: LTV < 50% and ICR > 2.5x

Strong liquidity at €49Mn

- Cash and cash equivalent as at December 31st 2021 : €9Mn
- Undrawn committed credit line: €40Mn

Evolution of cost of debt since 2017



(1) LTV: consolidated net debt divided by market value (excluding transfer taxes). The LTV including participation in Gaïa office is at 22%
(2) ICR: financial expenses (including interest on swaps and undrawn credit lines but excluding penalty on fixed debt repayment) divided by EBITDA
(3) LTV: consolidated net debt divided by market value (excluding transfer taxes)
(4) Exceptionally low LTV as at 31 Dec, 2018 is explained by the early repayment of debt in anticipation of the refinancing in Feb 2019 and additional cash coming from capital increase in Apr 2018 and asset disposals

FINANCIAL RESULTS
Solid growth reflected in the EPRA NRV: +4%

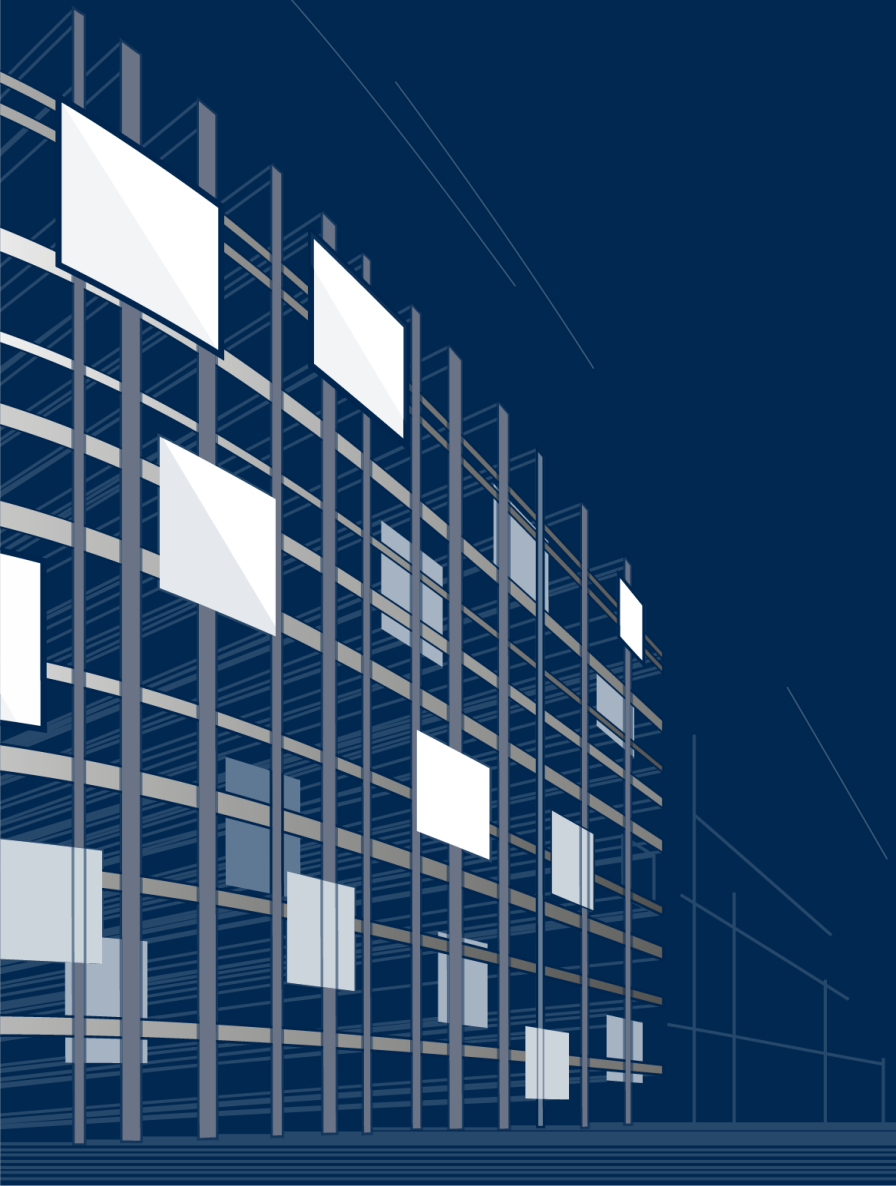
EPRA NRV evolution

Proposed distribution of €4.7 per share

- For 2021 fiscal year to be paid in cash in 2022 for a total amount of €7.0Mn
- Distribution rate: 64% of the net result (€7.3 per share)
- Dividend doubled compared to last year (€2.30 per share for a total amount of €3.5Mn)
- Highest dividend ever
- Dividend yield at 9.6%(1)
- Dividend proposed is the minimum amount to respect SIIC distribution obligations

(1) Stock closing price as of 31/12/2021 €48.8

PAREF



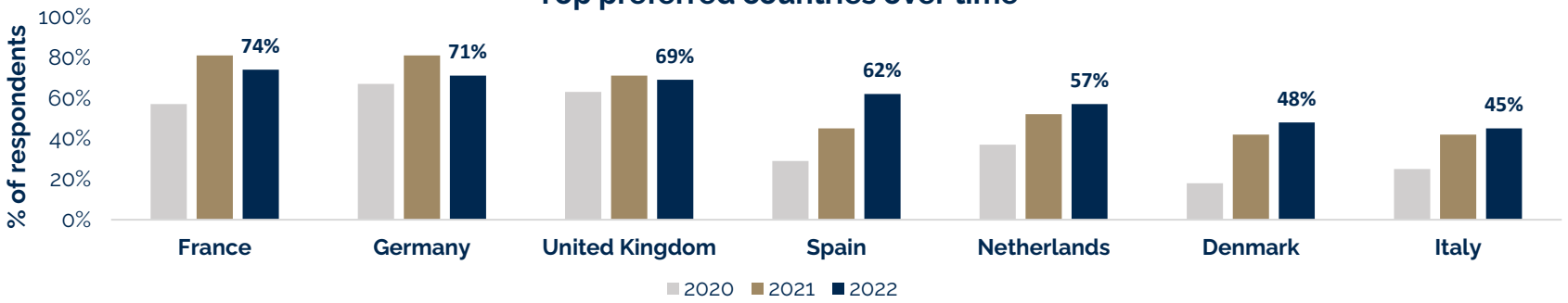
2022-2024
OUTLOOK

2022-2024 Outlook
Institutional investor appetite

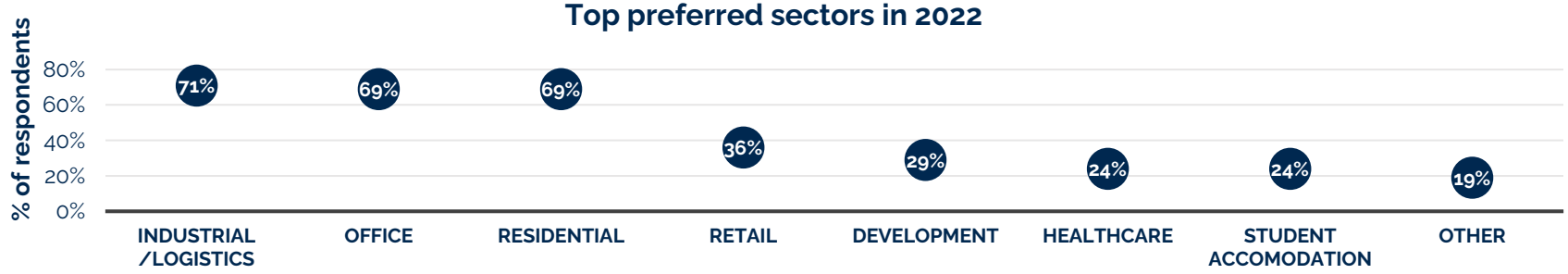
France and Value-add on top of investors' agenda, and office high in focus

- Non-European investors have preference for France, Germany and UK. European investors, open to consider a wider variety of European markets
- **Non-listed funds** are among the most desired structures, with 49% of the investors expected to increase their allocation to such

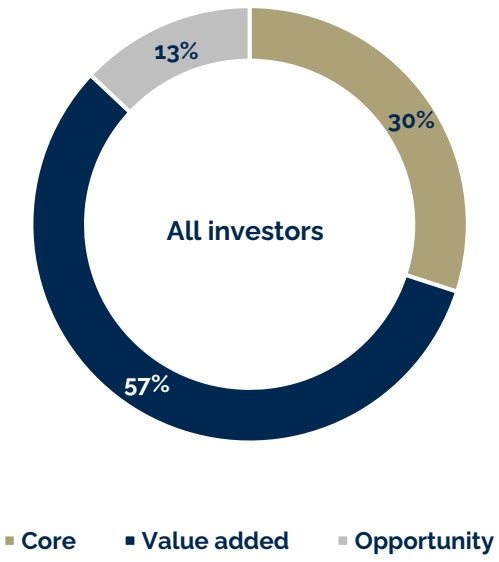
Top preferred countries over time



Top preferred sectors in 2022



Preferred investment styles, 2022



Source: INREV

2022-2024 Outlook
Vision: Owner and IM with local operating capabilities in key markets

Continue the growth of IM business through attractive product offering from PG and PIM…

… supported by the REIT to seed funds and mandates, …

… while adding value to owned assets and realizing SOTP value through asset rotation

1 **Positioning:** Owner and Investment Manager with local expertise in key markets (France, Italy, Germany) supported by strong balance sheet for co-investments

2 **Clients:** Private and institutional (mostly European, pension funds, savings banks, insurance companies, private banks, SWFs)

3 **Target strategy:** Leverage on existing track record and capabilities, offering all risk profiles from Core to Value-Add across major asset classes (office, retail, residential, hospitality) focused on France, Italy, and Germany

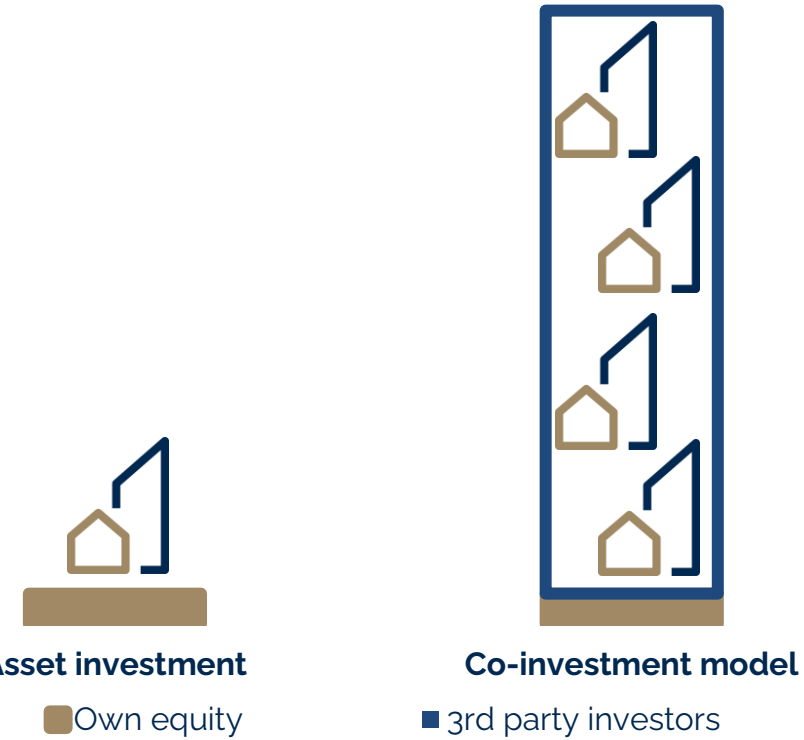
Leverage on strong Balance Sheet to secure incremental Assets under Management with long-term fee streams

2022-2024 Outlook
Financial Angle: Industrial operations driven performance multiplier

Continue fund management operations development,

achieving performance multiplier growth through combination of co-investments…

Industrial Multiplier

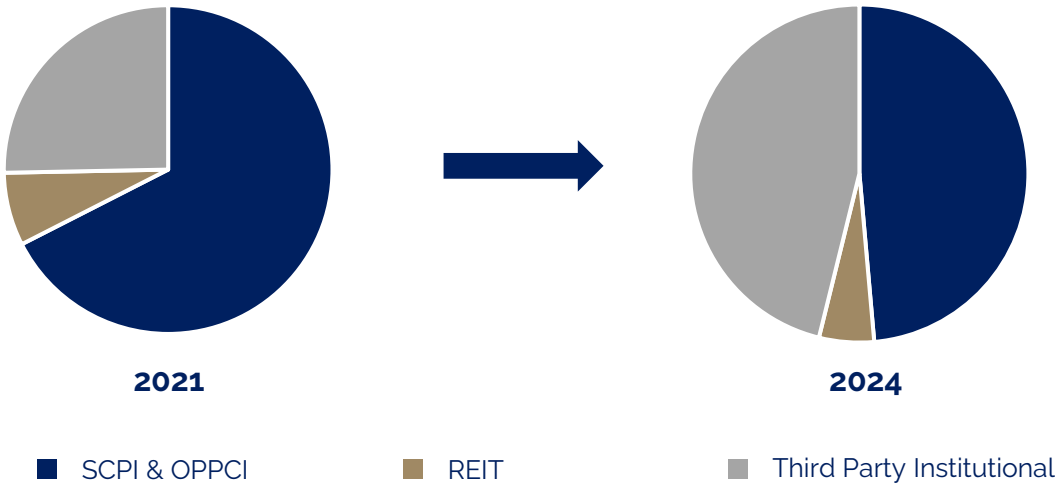


Assets under Management Outlook

2022-2024 Outlook
Financial Angle: Industrial operations driven performance multiplier

… with AuM growth to translate into recurring revenue streams

AuM Split Evolution Outlook



Management Fee Evolution Outlook

2022-2024 Strategy
ESG – "Create MORE"

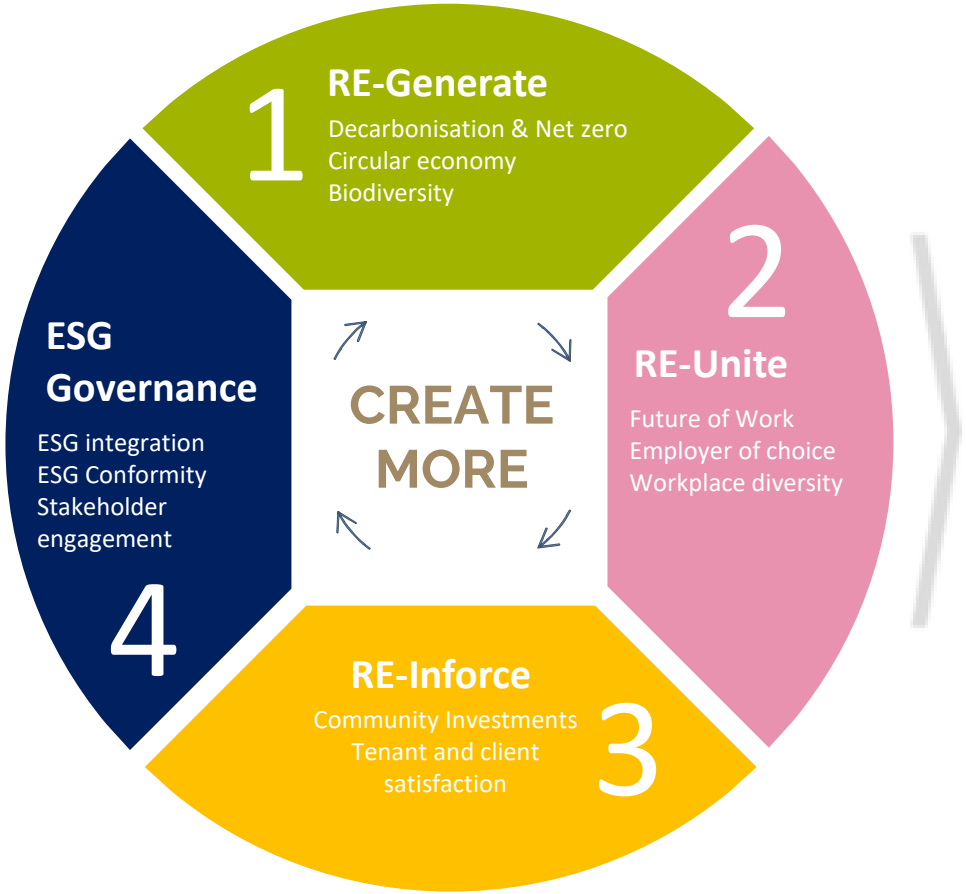
Clearly defined ESG strategy to support our growth story for a sustainable future

Activities

Environment
- GHG emissions calculation and reduction
- Energy efficiency investments (LED and solar panels)
- Green Building Certifications (Breeam, HQE etc.)
- Biodiversity – Beehives , Green leases

Social
- Wellbeing of employees and tenants
- Diverse workforce and inclusive workplace
- ESG related trainings and KPIs
- Responsible sourcing practices

Governance
- ESG committee and dedicated ESG responsible
- Membership to UN GC, PRI (in process), TCFD
- Participation in national ESG round tables



Expected Outcome & Impact

Environment
- Resilient portfolio and operations to climate risk
- Saving in energy results, lower operating cost in midterm

Social
- Engaged workforce, lower turnover rate, attracting best talents
- Higher tenant and client satisfaction

Governance
- Increase in image, reputation and visibility
- Solid extra financial performance

Real Estate as a Driving Force of a Net Zero Carbon Economy and Happier Lives

	REgenerate Nature	**REunite People**	**REinforce Community**
Pillars	○ Decarbonize our own operations and align with Paris agreement ○ Become carbon neutral by 2030* ○ Contribute to circular economy and biodiversity	○ Invest in our talents' competencies to get ready for the future of work ○ Promote healthy and inclusive workplace ○ Become recognized as an employer of choice (Happy at work)	○ Increase satisfaction and wellbeing of our tenants ○ PAREF for Good: Contribute to local communities and NGOs ○ Buy responsibly- Local First

Enablers				
Advanced level of corporate governance	Active player in real estate ecosystem	High-quality, diversified products	Innovation, Technology Digitalisation	International certifications (Label ISR, Breeam, LEED, WELL, BiodiverCity, B Corp etc)

Foundation		
ESG Governance, Ethics & Compliance		
Integrate ESG criteria into all decision-making processes	Align with EU taxonomy and other regulations such as SFDR, LEC, CSRD	

SUSTAINABLE DEVELOPMENT GOALS

* Scopes 1 and 2

Q&A

Q&A
Management Team

Antoine CASTRO
Group CEO

- 23 years of experience in real estate management and management within international companies, such as: Fosun Hive Holding, Quantum Global Real Estate, Morgan Stanley Real Estate and Archon Group (Goldman Sachs subsidiary).
- He joined PAREF Group in 2017 as Chief Executive Officer to inject new dynamism and develop the Group in Europe.
- Antoine Castro holds a degree in Finance from the University of Paris I Panthéon-Sorbonne and in Corporate Finance from the University of Evry Val d'Essonne.

Magali VOLET
Group CFO

- More than 20 years' experience in real estate management of international teams and projects, covering Finance, Accounting, Controlling, Legal, IT, and HR, previously as General Secretary and CFO within SNCF, as well as Head of Separate Accounts & Club Deal Operations, Financial Development Director and Fund Financial Manager at AEW Europe.
- She joined PAREF Group in August 2020 as Group CFO.
- Magali Volet holds a master degree from EDHEC, an MSc in Real Estate Economics and Finance from the London School of Economics and is both RICS and AMF qualified.

Anne SCHWARTZ
PAREF Gestion CEO

- 24 years of experience in Real Estate, including real estate development and fund management. Former Head of separate account CEME at AXA IM, Deputy General Manager of AXA REIM SGP, member of the executive committee of 'AXA IM Real Assets and responsible for managing various portfolios on behalf of third parties.
- She joined PAREF in June 2019 as CEO of PAREF Gestion to lead the Regulated Funds business.
- Anne Schwartz is a graduate of ESLSCA and holds a master in real estate, construction economics and real estate activities from the University of Paris-Est Créteil.

PAREF

MORE THAN REAL ESTATE

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