



H1 2022 business and results: Increased results, intensive business and portfolio value exceeding €600m

Significant improvement in earnings

- Operating cash flow of €10.2m (vs €8.2m in H1 2021, +25%)
- IFRS net income up sharply at €9.1m (vs €7.0m in H1 2021, +30%)
- EPRA earnings of €9.1m (vs €8.4m in H1 2021, +8.5%)

Investments and disposals

- Acquisitions: €104.9m in direct real estate (vs €106.7m in 2021)
- Disposals: €2.1m, generating a distributable capital gain of €0.8m

Operating performances

- Rent up 25% year-on-year
- Average financial occupancy rate of 95.8 % over the year
- H1 2022 rent collection rate of 91.3% at 30 June 2022 (vs 82% at 30 June 2021)

Portfolio and valuation

- Portfolio value: €616m at the end of June 2022 (vs €510m at the end of 2021)
- 58% of assets located in Paris and 12% in the Parisian suburbs
- Appraisal values at 30 June 2022: up 2% on a like-for-like basis since 31 December 2021
- EPRA NAV NDV : €89.11/share (vs €88.71/share at 31 December 2021)

Financial structure

- Debt ratios: net LTV ratio of 40.2%, gross LTV ratio of 41.8%
- Cash: €10m at end-June 2022
- Undrawn bank financing: €45m
- Average cost of debt: 1.88%

Post-closing events and dividend

- Continued investment with €1.2m in commitments since 1 July 2022
- During the General Meeting held on the 3rd of June 2022, shareholders approved the proposed dividend of €3.60/share (up 11 % from the dividend paid in 2021), which was paid on 14 June 2022.



SELECTIRENTE's Supervisory Board met on 27 July 2022 under the chairmanship of Pierre Vaquier and reviewed the French GAAP and IFRS financial statements for the first semester ended 30th June 2022. Audit procedures are in progress.

H1 2022 business review

During a first half hit by significant macroeconomic and geopolitical uncertainty, and despite inflationary pressure and a strong increase in interest rates weighing on growth, the French retail investment market managed to persevere, posting its best ever start to the year (€2.4 billion in H1 2022, almost four times higher than H1 2021 at €650 million and twice the long-term average). The volumes invested in retail stores in France rebounded sharply, representing 20% of the total H1 2022 real estate investments (compared to 13% in 2021), bolstered by the lifting of health restrictions and the progressive recovery of international tourism.

SELECTIRENTE remains convinced of the resilience of local shops in city centres, thanks to consumer support, favourable changes in consumer habits and the development of soft mobility, which tends to make these shops more accessible. The Company continued its dynamic, rigorous investment strategy by selecting secure and value-creating business opportunities. The Company thus boosted its presence in the Paris and several other major French cities.

As SELECTIRENTE is particularly aware of its ESG policy, it extensively analyses the ESG scores of each of its acquisitions and ensures their long-term monitoring, thus helping to continuously improve its practices. On 30 June 2022, 29 assets entered the scope of the tertiary decree regarding the reduction of energy consumption and the strengthened communication of this issue to tenants.

With its financial structure strengthened by the early February 2022 refinancing, SELECTIRENTE still boasts robust long-term fundamentals:

- **quality locations** (nearly 58% of assets located in Paris, 12% in the Paris region and 16% in France's six largest regional cities);
- **reasonable rents** compared to market rental values;
- **strong portfolio granularity** (over 600 rental units) and extensive pooling of rental risk;
- **limited debt** (net LTV ratio of 40.2% and gross LTV ratio of 41.8% at the end of June 2022), available cash of €10 million and an undrawn line of credit worth €45 million;
- **disciplined and responsive management by a recognised and experienced team.**

SELECTIRENTE invested €104.9 million in H1 2022, representing an almost 21% increase of **its portfolio, thus exceeding €600 million**. Meanwhile, the Company demonstrated its resilience, with average financial occupancy rate of 95.8% over the year. H1 2022 rent collection rate stood at 91.3% at 30 June 2022, compared to 82% at 30 June 2021. The collection rate has firmed to nearly 92.1 % at 22 July 2022.



H1 2022 operating activity

Nearly €105 million of investments during H1 2022 amount to the total of the investment programmes from each of the last two years

SELECTIRENTE has continued its development by undertaking a major investment programme since the beginning of the 2022 financial year. Without compromising on its strict selectivity criteria, the Company ended the first half with **€104.9 million in direct real estate investments** in quality assets offering reasonable rents compared to market rental values. Acquisitions covered a total of 36 well-located ground-floor retail units or shops (including individual units and two portfolios), along with a commercial complex, mainly in Paris, the Paris region and Bordeaux (33):

- a 2,926m² commercial complex in Bordeaux, at Place des Grands Hommes, an iconic asset in city-centre hypermarkets, spread across two floors, and currently entirely let out to 13 tenants, including 12 shops and an office premises of 1,752m², for a cost price of over a €24 million;
- 22 shops and an office premises in the centre of Paris, across two sections of Rue Rambuteau in the 1st and 3rd arrondissements, in immediate proximity to the Forum des Halles and the Georges Pompidou centre, for a cost price of nearly €72 million;
- a portfolio of 6 shops and retail units in Paris (in the 15th, 4th and 3rd arrondissements), Versailles (78) and Romainville (93), for a cost price of over €4.6 million;
- 8 individual shops in Paris (in the 1st, 10th, 11th, 14th and 18th arrondissements) and the Paris region, for an overall cost price of nearly €4.4 million.

Since the 1st of July 2022, the Company has committed to the acquisition of two Parisian assets (in the 10th and 4th arrondissements) for a total cost price of €1.2 million.

Strategic and refocusing disinvestment

Over H1 2022, SELECTIRENTE carried out disinvestments reflecting the “strategic refocus” aim for the portfolio: disposal of 6 retail units in Cholet (49), Bourg-en-Bresse (01), Beauvais (60), Arpajon (91) and Aillant-sur-Tholon (89), for a total net sale price of €2.1 million, generating a distributable capital gain of nearly €0.8 million.

At 30 June 2022, the Company was committed to selling five assets located in Douai (59), Corbeil Essonnes (91), Puygouzon (81), Paris (18th arrondissement) and Lyon (1st arrondissement) for a net sale price of €1.4 million.

Since the 1st of July, SELECTIRENTE has continued its strategic disinvestment operations with the disposal of an asset in Lyon (69), for a net sale price of €0.2 million. The Company is also committed to the disposal of two more retail units in Orléans (45) and Namur (Belgium) for a net sale price of €3.9 million.

Rental activity: rental income up 25%

SELECTIRENTE’s rental income was €13 million in H1 2022, up 25% year-on-year. **Rental income alone rose nearly 3.2% on a like-for-like basis.**

<i>(thousands €)</i>	H1 2022	H1 2021	% change
Net rent	12 905	10 365	25%
Related income	143	102	41%
Rental income	13 049	10 467	25%



Over H1 2022, rental management operations concerned 18 commercial premises, resulting in an €71,000 net increase (+8.8%) in the annual rents of the premises concerned.

In addition, SELECTIRENTE received €20,000 in *despecialisation* compensation on the transfer of two leases with a change in business.

Increase in average financial occupancy rate over the year to 95.8%

The financial occupancy rate continues to grow, standing at 95.8% on average over the year, up more than 150 basis points compared to the first half of 2021 (94.3%) and even reaching 96.1% in the second quarter of 2022 alone.

H1 2022 financial performance

Sharp increase in net income and operating cash flow, up 30% and 25% respectively year-on-year

<i>Income statement - IFRS</i>		
<i>(thousands €)</i>	H1 2022	H1 2021
Net rent	12 905	10 365
Rental income	13 049	10 467
Non-recoverable property charges and taxes	- 491	- 401
Management fees and other overheads	- 2 072	- 1 435
Change in value of investment properties	2 178	1 866
Gains/losses on disposal of investment properties	- 51	-
Other	- 102	- 445
Operating income	12 512	6 319
Dividends	1 168	1 484
Net financial expense	- 2 782	- 1 225
Gains/losses on disposal and change in financial value	- 1 890	577
Net financial income/(expense)	- 3 504	835
Earnings before tax	9 008	7 155
Tax	85	- 182
Net income	9 093	6 972
Operating cash flow	10 242	8 162

IFRS net income also increased strongly, mainly driven by the increase in rental income and the change in value of investment properties, and despite H1 2022 investments mainly carried out during the last two days of the period, thus including all the acquisitions costs from these investments in the income for the half year, but very little rental income.



Summary of EPRA performance indicators

EPRA KPIs	30/06/2022		31/12/2021		30/06/2021	
	€m	€/share	€m	€/share	€m	€/share
EPRA earnings	9,1	2,19	16,8	4,04	8,4	2,01
EPRA NRV	403,4	96,76	403,0	96,69	N/A	N/A
EPRA NTA	360,0	86,33	367,4	88,15	N/A	N/A
EPRA NDV	371,5	89,11	369,8	88,71	357,9	85,86
Net initial yield	-0,1%		4,8%		4,7%	
Net initial yield excluding rent relief	-0,1%		4,9%		4,7%	
Vacancy rate	2,3%		2,8%		4,2%	
Cost ratio (including vacancy costs)	20,3%		19,6%		17,5%	
Cost ratio (excluding vacancy costs)	19,7%		19,1%		16,8%	

In accordance with the recommendations of the European Public Real Estate Association (EPRA), of which SELECTIRENTE is a member, the Company publishes the main performance indicators designed to promote transparency and comparability in the financial results of listed real estate companies in Europe.

Net asset value per share, or Net Disposal Value under EPRA standards, was €89.11 at 30 June 2022, compared to €88.71 at the end of 2021, representing growth of 0.4% year-on-year and 3.8% versus the first half of 2021.

Portfolio's valuation

2.0% increase in appraisal valuations on a like-for-like basis at 30 June 2022

SELECTIRENTE's net asset value has broken the **€600 million barrier** and stood at €616 million¹ excluding transfer duties at 30 June 2022, up 21% from €510 million at 31 December 2021.

Thanks to the quality of its locations and despite the increased economic uncertainty and inflationary pressure, the Company achieved good growth in the value of its direct real estate assets in the half year ended 30 June 2022. Appraisal values posted **an overall growth of 2.0% on a like-for-like basis over the past six months.**

In detail, the value of city centre stores, which represent 82% of the overall portfolio, recorded 2.1% growth on a like-for-like basis, as did offices, up 0.6%. The increase was more pronounced for out-of-town stores (+5.1%). Geographically, appraisal values were up in Paris (+2.5%) and the Paris region (+0.8%), which together account for nearly 70% of the total portfolio. Lastly, regional assets also recorded growth (+1.9%), while Belgian assets posted a decline (-2.6%).

At the end of June 2022, the average yield resulting from these appraisals (including transfer duties) was 4.8% on the entire portfolio, stable overall compared to the end of 2021. Rental yields stand at 4.7% for city-centre retail premises (including an average of 4.2% for Parisian premises estimated at

¹ The revalued portfolio at 30 June 2022 (€616.3 million) comprised directly held real estate assets valued at €590.9 million (appraisal values excluding transfer duties) and indirect property investments consisting of shares in SCPI and OPCI real estate investment companies valued at €10.7 million, SCPI share usufructs valued at €0.4 million and shares in the listed property company Vastned Retail NV valued at €14.3 million.

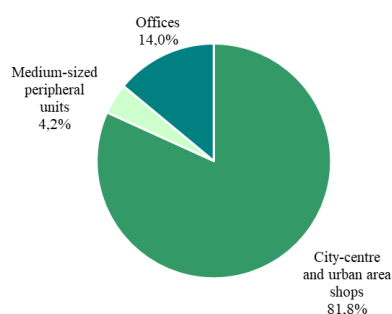


between 3.2% and 6.2%, and 5.3% in the Paris region) and 7.1% for out-of-town retail premises (which represent 4.2% of the overall portfolio value).

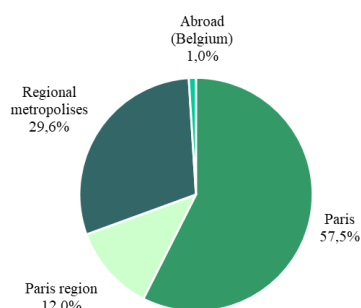
82% of the property portfolio is directly owned and located in city centres, including 58% in Paris

The value of SELECTIRENTE's direct real estate portfolio, comprising 589 retail premises, single-storey office space in Paris, a shopping arcade (12 shops and an office space) in Bordeaux (33) and two mixed-use developments (retail and office) in Bordeaux and Toulouse (31), amounted to €590.9 million (excluding transfer duties) at the end of June 2022. This portfolio, mainly consisting of city-centre retail premises in Paris and the Paris region, breaks down as follows:

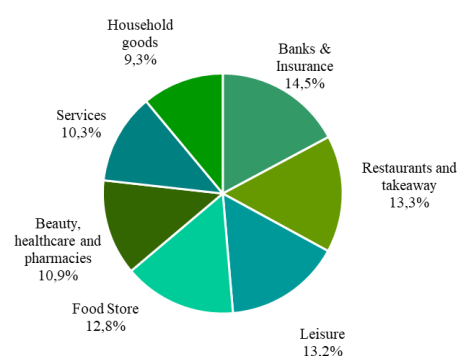
Distribution of the direct real estate portfolio by asset type (% in value as at 30 juin 2022)



Geographic distribution of direct real estate portfolio (% in value as at 30 juin 2022)



Sector distribution of direct real estate portfolio (% of theoretical annual rental income)



Financial structure: refinancing through corporate debt

As a reminder, on the 4th of February 2022, SELECTIRENTE completed a €100 million transaction with BECM, HSBC, Crédit du Nord and Société Générale, the Company's long-standing bank partners, to refinance its mortgage debt by means of a five-year corporate loan enabling it to repay over €80 million in existing mortgage debt. The Company has also signed a €140 million three-year revolving credit facility (RCF) to boost its investment capacity.

This defining transaction will enable the Company to support its growth policy by pursuing its rigorous strategy of acquiring assets in Paris, the major French cities, and dynamic communities with areas of high commercial density.

At 30th of June 2022, SELECTIRENTE's bank financing amounted to €257.8 million and was characterised by:

- 24% mortgage debt and 76% corporate debt;
- a net LTV ratio of 40.2% and a gross LTV ratio of 41.8%;
- average cost of debt at 1.88%
- 24% fixed-rate debt and 76% floating-rate debt.
- 73% fixed-rate and hedged debt following the hedging of part of the floating-rate debt.

SELECTIRENTE has signed a swap contract to cover the entirety of its €100 million corporate credit, along with two €50 million swap contracts to cover 70% of its revolving credit facility by deferred tranches of €25 million at 1 April 2022, 1 July 2022, 1 October 2022 and 1 January 2023.

Thus, at the 1st of July 2022, the fixed-rate and/or hedged debts stood at over 83% and will amount to 100% at the end of 2022 if no new debts are incurred.



General Meeting: 3rd of June 2022

All resolutions submitted to the General Meeting on June the 3rd 2022 were approved by the shareholders and the dividend of €3.60 per share for 2021 was paid on the 14th of June 2022.

Outlook

While the macroeconomic and geopolitical uncertainties will likely continue to affect economic activity and concerns about the financial market, SELECTIRENTE intends to keep up its positive investment trend, (1) by continuing its strategy of identifying value-creating projects through a thorough, disciplined and cautious selection process, and (2) preparing to seize the opportunities that may arise in the current economic environment.

The Company, with the intention of creating long-term value, will continue to maintain dynamic and sustainable lease management all while strengthening its presence in major French cities, Paris and the Paris region.

2022 financial calendar:

28/09/2022: H1 2022 financial report

02/11/2022: Q3 2022 business and revenue

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About SELECTIRENTE

Founded in 1997 at the initiative of SOFIDY and real estate professionals, SELECTIRENTE was listed in 2006 and opted for the SIIC (French REIT) regime on 1 January 2007. SELECTIRENTE is one of the few real estate companies specialising in local retail premises.

SELECTIRENTE is managed by SELECTIRENTE GESTION, the new manager and general partner since 3 February 2021, which in turn relies on the know-how and skills of service provider SOFIDY (part of the Tikehau Capital group's real estate business) in the fields of asset management, property management and the execution of investment, disinvestment and financing programmes.

With a property portfolio valued at over €600 million, almost 58% of which is located in Paris, the Company's strategic objective is to develop and increase the value of its city-centre retail assets in the most dynamic French and European cities.



Appendices to the H1 2022 business and results press release

- IFRS financial statements for H1 2022 (under audit)

o Balance sheet (simplified)

<i>Assets (thousands €)</i>	30/06/2022	31/12/2021	30/06/2021
Investment properties	589 486	481 580	435 175
Portfolio securities	24 612	26 372	26 349
Other non-current financial assets	1 478	1 513	1 430
Deferred tax assets	197	25	113
Non-current assets	615 773	509 490	463 067
Trade receivables and related accounts	5 283	4 333	4 769
Tax and other receivables	5 041	4 913	1 859
Cash and cash equivalents	10 061	23 364	47 019
Fair value of interest rate hedging instruments - share at less	6 830		
Non-current assets held for sale	1 407	1 025	100
Current assets	28 622	33 634	53 747
TOTAL ASSETS	644 395	543 124	516 815
<i>Liabilities (thousands €)</i>	30/06/2022	31/12/2021	30/06/2021
Share capital	66 767	66 767	66 767
Premiums	202 620	202 620	202 620
Reserves	81 585	80 967	80 855
Other items in the overall income	6 746		
Net income	9 093	17 062	6 972
Equity	366 811	367 416	357 214
Borrowings	250 363	131 837	147 965
Security deposits	6 354	5 879	5 279
Provisions	110	70	70
Non-current liabilities	256 827	137 786	153 314
Borrowings	4 705	27 466	
Trade and other payables	14 184	8 422	5 248
Current tax and social security payables	1 867	2 034	1 039
Current liabilities	20 756	37 923	6 287
Total liabilities	277 584	175 709	159 600
TOTAL EQUITY AND LIABILITIES	644 395	543 124	516 815



○ IFRS income statement (simplified)

<i>(thousands €)</i>	30/06/2022	30/06/2021
Gross rental income	12 905	10 365
Related income	143	102
Rebilled rental expenses	2 256	1 628
Rental charges and property taxes	- 2 746	- 2 029
Net rental income	12 558	10 065
Management fees and other overheads	- 2 072	- 1 435
Change in value of investment properties	2 178	- 1 866
Gains/losses on disposal of investment properties	- 51	
Impairment losses on trade receivables	- 68	- 444
Other non-recurring income and expenses	- 33	- 1
Operating income	12 512	6 319
Dividends	1 168	1 484
Financial income	-	92
Financial expenses	- 2 782	- 1 317
Change in value of financial assets/financial instruments and gains/losses on disposal of financial assets	- 1 890	577
Net financial income/(expense)	- 3 504	835
Earnings before tax	9 008	7 155
Corporate tax	85	- 182
Net income	9 093	6 972

- Glossary

Loan-to-value

The gross loan-to-value ratio corresponds to the ratio of bank borrowings (€258 million at 30 June 2022) to the reassessed value (excl. transfer duties) of the Company's portfolio (€616 million at 30 June 2022).

The net loan-to-value ratio corresponds to the ratio of bank borrowings (€248 million at 30 June 2022) to the reassessed value (excl. transfer duties) of the Company's portfolio (€616 million at 30 June 2022).

Reassessed value of the portfolio

The reassessed value (excl. transfer duties) of the Company's portfolio is based on the following:

- the direct real estate portfolio is recognised at its appraisal value at 30 June 2022 or its acquisition cost excluding transfer duties and fees for acquisitions after 9 June 2022;

- indirect real estate investments, consisting of:

- fully-owned SCPI shares recorded at their withdrawal value or market value as at 30 June 2022,
- OPCI shares recorded at their most recent net asset value as at 30 June 2022,
- Rose shares recorded at their most recent net asset value, and
- Vastned Retail N.V. shares recorded at their stock market price at 30 June 2022.



Operating cash flow

Operating cash flow corresponds to IFRS net income for the financial year restated for changes in the fair value of investment properties, gains/losses on disposal of investment properties, changes in the fair value of income statement items, and current and deferred tax charges.

Rents on a like-for-like basis

The change in rents on a like-for-like basis (in € thousands) is determined as follows:

<i>H1 2021 rent</i>	<i>10,434</i>
<i>- H1 2021 rent neutralised of H1 2021 acquisitions</i>	<i>-659</i>
<i>+ H1 2021 rent semestrialisation of H1 2021 acquisitions</i>	<i>1,156</i>
<i>- H1 2021 rent neutralised of 2021 disposals</i>	<i>-287</i>
<i>- H1 2021 rent neutralised of H1 2022 disposals</i>	<i>-82</i>
<i>Restated H1 2021 rent</i>	<i>10,562</i>
<i>H1 2022 rent</i>	<i>12,968</i>
<i>- H1 2022 rent neutralised of H1 2022 disposals</i>	<i>-56</i>
<i>- H1 2022 rent neutralised of H1 2022 acquisitions</i>	<i>-2,014</i>
<i>Restated H1 2022 rent</i>	<i>10,898</i>
<i>Change as %</i>	<i>3.2%</i>