



# SELECTIRENTE

THE LISTED PROPERTY COMPANY SPECIALISED IN CITY-CENTER RETAIL STORES

## PRESENTATION

HY 2023

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# 1

## SELECTIRENTE IN A NUTSHELL



# EVOLUTION OF THE COMPANY

## STRONG GROWTH AND SIGNIFICANT DEVELOPMENT SINCE 2019

- **€217m capital increase** in December 2019
- Investment ~ **€325m** in 2020 / 2021 / 2022
- **SELECTIRENTE's operational and financial performance is constantly improving** with the aim of becoming a major player in its market
- **€240m bank refinancing** in February 2022 to finance growth

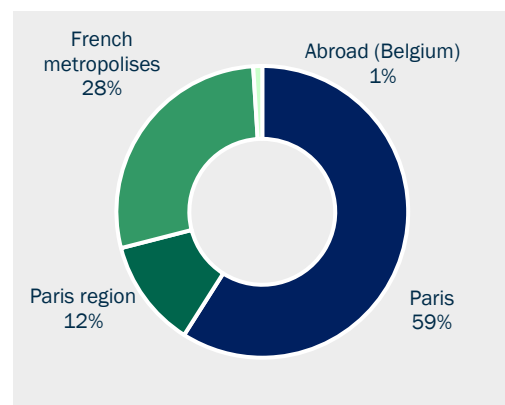




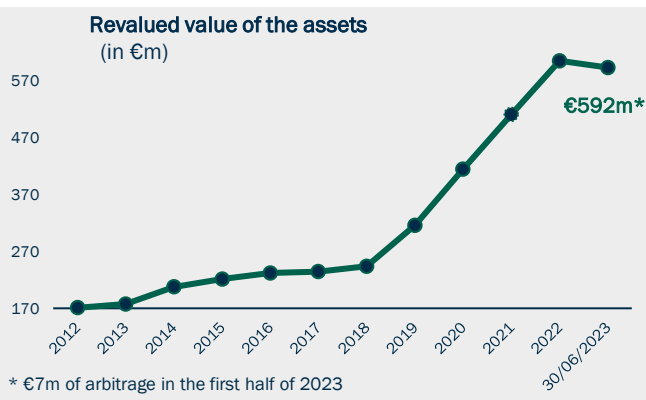
# SELECTIRENTE IN A NUTSHELL ( 1 / 2 )

- Created in 1997 on the initiative of SOFIDY and property professionals, SELECTIRENTE is a listed property company specialising in the purchase of local retail premises in city centres
- A **buoyant sector** with renewed **momentum** due to urban residents' desire to promote local trade
- SELECTIRENTE aims to **generate secure rental income** and to **optimise the value and yield of the assets held**, with a view to long-term ownership
- SELECTIRENTE is pursuing a **dual growth strategy**, with a first axis focused on city centre shops and a second, more opportunistic, axis based on the phenomenon of metropolisation
- Leading institutional shareholders base** including Sofidy, Tikehau Capital, Primonial, Sogecap and Amundi

## MOSTLY LOCATED IN THE PARIS REGION ...



## WITH STRONG GROWTH



As at 30/06/2023

**€592m**

Overall portfolio value

**442** assets

**~ 110,000 sqm**  
of leased area

SELECTIRENTE –  
EURONEXT Paris Comp.B  
TICKER – SELER  
ISIN – FR0004175842

MARKET CAPITALISATION:  
**~ €405m**

**€90.59** per share  
EPRA NAV NDV  
(vs €93.11 as at 31/12/2022)

**€15.3m** in rents

**96.2%** average  
occupancy rate over the  
last 12 months

**~ 40%** Net LTV as at  
30/06/2023  
(vs 39% as of 31/12/22)

## PREMIUM AND DIVERSIFIED TENANTS



**SELECTIRENTE**

# SELECTIRENTE IN A NUTSHELL ( 2 / 2 )

## EXPERT IN PROPERTY MANAGEMENT AND INVESTMENT



**Jérôme DESCAMPS** has been Chairman of SELECTIRENTE Gestion since March 2021. He has more than 20 years of experience in financial management in the asset management industry, including 15 years as a financial director, member of the executive committee and board of directors of listed real estate investment companies: Société de la Tour Eiffel in France and Cofinimmo in Belgium.



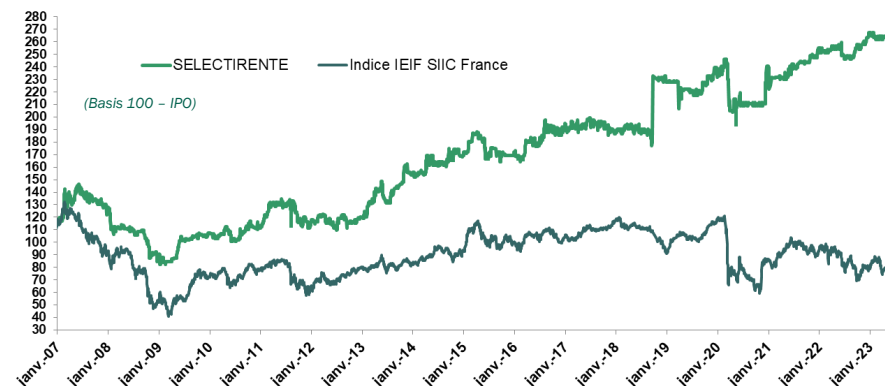
**Dany ABI AZAR**, Administrative and Financial Director of SELECTIRENTE Gestion, has held various positions in the financial departments of French and international companies. He is now responsible for financing policy, accounting, management control and risk monitoring at SELECTIRENTE.



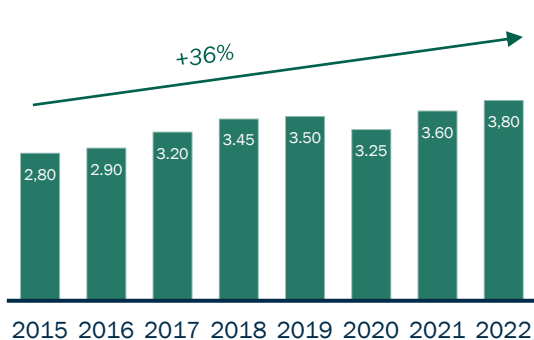
**Elisabeth DHONDT**, Director of Real Estate and Operations of SELECTIRENTE Gestion, worked at SOFIDY for 15 years as a retail asset manager. She is now responsible for analysing investment opportunities and valuing and managing the assets at SELECTIRENTE.

## A PROPERTY COMPANY THAT CREATES VALUE FOR ITS SHAREHOLDERS

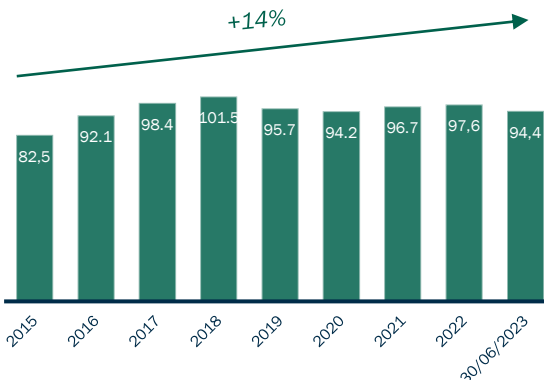
### Outperformance of the stock compared to its benchmark



### Change in Dividends (in € / share)



### Change in EPRA NRV (In € / share)



## STRONG AMBITIONS FOR MAINTAINING GROWTH MOMENTUM AND COTINUING TO CREATE VALUE

- Strengthening position in the top 10 French cities and developing investments in Europe
- Continuing sectoral and commercial diversification of tenants
- Continuing asset sharing
- Maintaining a dynamic, disciplined and rigorous property management approach

# A UNIQUE AND OPPORTUNISTIC INVESTMENT IN REAL ESTATE

A **niche** and **resilient asset class** with strong **growth opportunities**

A high **quality, well-diversified** portfolio, mainly located in Paris and in the city centers of major French metropolises, generating **stable and predictable cash flow** over the **long term**

A **value creating** business model generating **high** and **sustainable returns on investment**

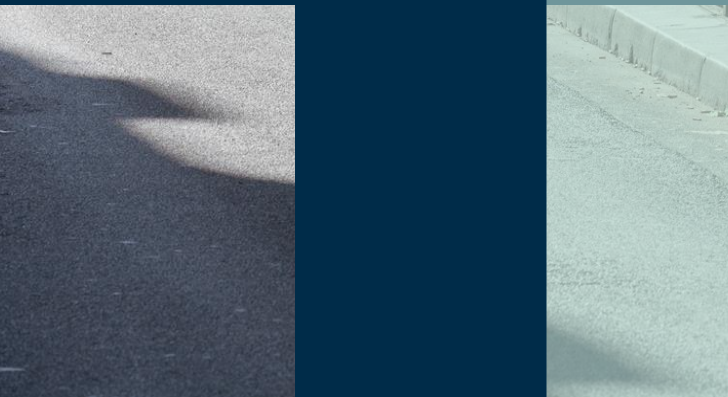
**Supported** by its **shareholders**, its **manager SELECTIRENTE GESTION** as well as the **track record** of its main partner, **Sofidy**, and unique capacity (35 years) to **source** and **manage** this **resilient asset class**





# 2

## COMMERCIAL PROPERTY: A RESILIENT MARKET





# RESILIENT ECONOMIES AND RISING FORECASTS, DESPITE A STILL DETERIORATING ECONOMIC CLIMATE

The first half of 2023 was a time of **optimism**. Despite a macroeconomic environment that is still uncertain, prompting caution and **hesitant growth**, a cycle of disinflation seems to be beginning, and forecasts have been revised upwards for 2023-2024. In **France**, the **economic growth** remained **slightly positive** in the 1st half of the year :

**+0,7%**

Estimated GDP  
2023

**+5,0%**

Estimated Inflation  
2023

**-0.2%**

Estimated French  
household consumption  
2023

- France's **GDP** should remain **positive** in the **2nd half of the year**, with estimated annual growth of 0.7%.
- Inflation** has started to **come down** - the consumer price index is expected to rise more moderately, confirming that **the price peak has been passed**. However, prices in retail stores are still up by 16.2% year-on-year.
- Household consumption** is expected to decline in 2023 and continued to be **penalised** by **rising prices** and relatively weak economic growth. **Consumer confidence** remains **affected** by geopolitical, economic and social **uncertainties**.

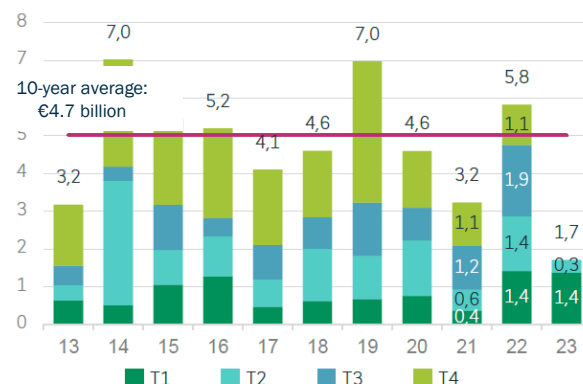
## THE RETAIL MARKET IN FRANCE

Despite a **very good 1st quarter** - €1.4bn committed - **retail investment** slowed in the 2nd quarter.

- €1.7bn invested** in **retail** - down 41% vs H1 2022.
- City centre retail** stores accounted for **30%** of investment in the first half of the year
- Growth in e-commerce** - +20.6% in Q1 2023 - driven by the development of **omnichannel** and **home office**, which has **accelerated the transformation of consumption patterns**

## Retail investment by quarter

(in billion euros)



## E-commerce turnover

(Growth rate in value in Q1 2023)



# RESILIENT ECONOMIES AND RISING FORECASTS, DESPITE A STILL DETERIORATING ECONOMIC CLIMATE

## ZOOM ON PARIS – Paris, the driving force behind retail activity in the 1st half-year

- An increase in footfall and a revival of the main shopping streets, with a marked return of air traffic to the Paris Region.
- **Tourism** remains on a **positive trajectory**, with attractive exchange rates - Paris remains a favoured destination and will benefit from opportunities linked to the Rugby World Cup in autumn 2023 and then the 2024 Olympic Games.
- **Changes in Parisian retailing**: a proliferation of pop-up stores, communication shops and ephemeral shops, and a hybridisation of retail formats.

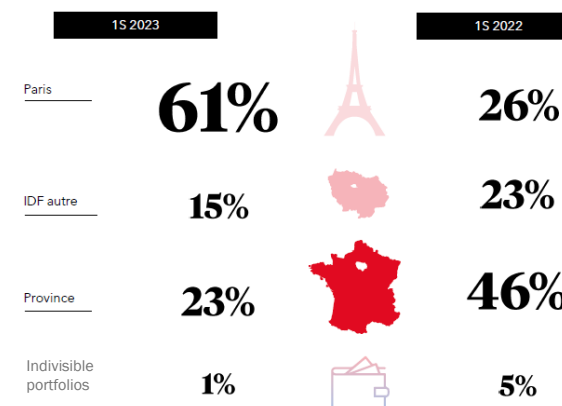
### INVESTMENT MOMENTUM

- **Paris** and the **Île-de-France** region accounted for **76%** of investment volumes in France in H1 2023.
- The **vacancy rate** remains very **low** and is **falling** - to **5.8%** at the end of June 2023.
- **Prime rents** in Paris remain **stable**.
- The **Golden Triangle** remains as **attractive** as ever for retailers - particularly in the **luxury sector**. **Competition for the best locations** in Paris continues to intensify.

With **59%** of its portfolio located in Paris, SELECTIRENTE is fully in line with this **recovery** and intends to **strengthen its presence in the capital**

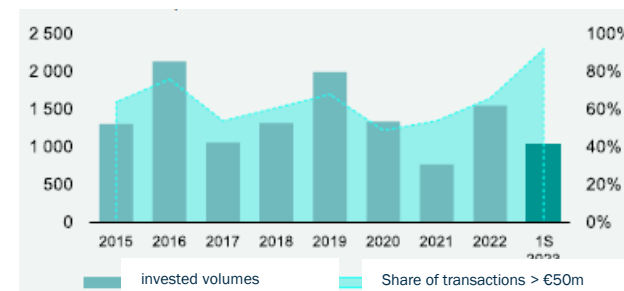
### Geographical breakdown of retail investment volumes

(in France, in % of total volume)



### Volume invested in retail

(in M€, in Paris)



# DYNAMIC RECOVERY IN INVESTMENT DESPITE THE UNCERTAIN ENVIRONMENT



Household  
consumption:  
**-0.2%**  
estimated in 2023\*



Retail investment:  
**€1.7bn**  
in H1 2023



**75%**

of French people try to shop in physical stores rather than on the internet \*\*



**64%**

of consumers believe that physical shops are an important contact point, even if they buy online from the same retailer\*\*.

## Support for local shops:

- **Retail properties** accounted for **30%** of investment **volumes** in France in H1 2023
- Renewed interest in **short supply chains** and “consuming **locally**”
- The concept of the “quarter-hour city”: **flows** are at the heart of the activity of city centres. With the development of soft mobility, there are less cars in cities and mall retailers are rolling out their “city” concept (IKEA, Décathlon, Leroy Merlin, Castorama, Boulanger, etc.)
- Return of **foreign brands** and proliferation of **new brands** meeting the demand of **generations Y and Z** and the **silver generation**
- Gradual **return** of tourism: tourist visits continue to increase

\*INSEE, Banque de France forecast

\*\*Opinionway/Quantaflow Septembre 2022, Ayden

Sources : BNP Paribas RE, Insee, Xerfi, Knight Frank, Odoxa

# TRADE AS A FRENCH NATIONAL ISSUE



As the **largest economic sector** in France, accounting for more than 3.5 million jobs, including more than 2.1 million in the retail sector alone, trade has seen an **accelerated changes** since the beginning of the **pandemic**

- New consumption patterns
- Need for **digital transformation**

Given their role as key factors in the **dynamism** of **territories** and **employment**, working to **strengthen** these **omnichannel players** in **trade** is even more important and urgent, in the deteriorating economic situation

Launched on 1st December 2021, the **Assises du commerce** will lead to the implementation of a **Plan Commerce 2030**. SELECTIRENTE was solicited on this occasion.

Government initiative: this event highlighted the **ecological transition** and the **growth of e-commerce** as current concerns



On 20 October 2022, Olivia Grégoire, French Minister for SMEs and Trade, announced the creation of a **National Retail Council**, with the ambition of working on the **evolution of the sector**.

A budget of €24 million is allocated in 2023 to **stimulate and accelerate the transformation of stores** with "test" local authorities

At the same time, a new section of the "**Action cœur de ville**" programme has started for the period 2023-2026 with the aim of revitalising medium-sized towns.



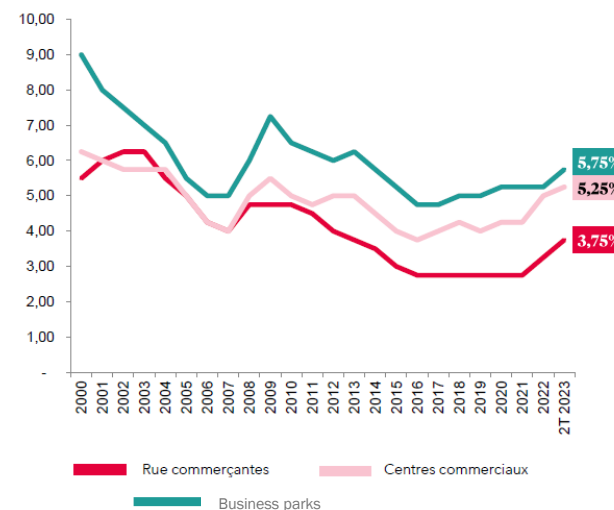
# LOCAL RETAILING, STILL A GOOD INVESTMENT OPPORTUNITY IN FRANCE

Against a still fragile and uncertain macroeconomic backdrop, **town centre retail property** continues to prove its **resilience** and remains **promising**. **Footfall** in town centres continues to **rise**, fuelled by the **French's attachment** to their **local shops** and by **new consumer trends**.

Key indicators for the retail investment market

	1S 2023	1S 2022	Year-on-year change
Volumes invested in retail stores in France	1,7 md €	2,9 mds €	▼
Proportion of retail stores	28 %	23 %	▲
Number of transactions > €100m	5	8	▼
Proportion of volumes invested in the Paris Region	76 %	48 %	▲
Proportion of foreign investors	39 %	18 %	▲
Premium yield Shopping streets	3,75 %	3,00 %	▲
Premium yield Shopping centres	5,25 %	4,25 %	▲
Premium yield Retail parks	5,75 %	5,00 %	▲

Change in prime retail yields  
(in France, in %)



- **Secured property** is proving **highly resilient**, with a risk premium that remains attractive.
- **Prime yields** on retail premises at the foot of buildings are part of a **general downward trend** - at **3.75%** on the best shopping streets.
- The contractual environment linked to indexation is fuelling an **increase in rents** (1953 decree) due to a market with limited supply. The **estimated commercial rent index (ILC)** for the **4th quarter** of 2023 is **+5.0%** year-on-year.
- A property market still attractive to **foreign investors**.

# 2023 OUTLOOK

Since the outbreak of the Covid-19 pandemic, investors who were cautious about **retail** have been convinced of its **resilience**

With **strong pricing power** due to their rare locations and significant flows, **city centre and high-demand real estate assets** represent a **prime diversification opportunity** to be favoured in times of inflation and uncertainty.

**Foreign and domestic investors** alike are expected to **confirm their interest** in the **French retail investment market**, which currently enjoys **higher returns** than most other asset types.

The retail sector is expected to **undergo numerous transformations**: **new household consumption** patterns, the “quarter-hour city”, renewal of proximity, continued development of **e-commerce**, impacts of the **Climate & Resilience Act**, **digitalisation**.

E-commerce will not make physical retail sector disappear but will transform it, as these **two consumption channels are very complementary**.

The recent modification of the **ILC** (Index of Commercial Rents), followed by the Law of 16 August 2022 on **emergency measures to protect purchasing power**, in particular the **capping of the indexation of commercial leases** at 3.5% for **VSEs** and **SMEs** - SELECTIRENTE's preferred targets - is intended to be a **protective measure** for **small shops** and a government aid for the **diversity** of the **economic fabric**.

**Mega-trends favourable** to physical commerce: **metropolisation**, ageing of the population, the return of **proximity**, the need for new places of welcome and **conviviality**, **pedestrianisation** and **soft mobility** in urban areas and reduction in the use of the car which encourage the reduction of long journeys and favour purchases in local shops.





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## SELECTIRENTE: RESILIENCE & VALUE CREATION





# 3

## SELECTIRENTE: RESILIENCE & VALUE CREATION

### A. STRATEGY & FUNDAMENTALS





# DNA OF THE SIIC

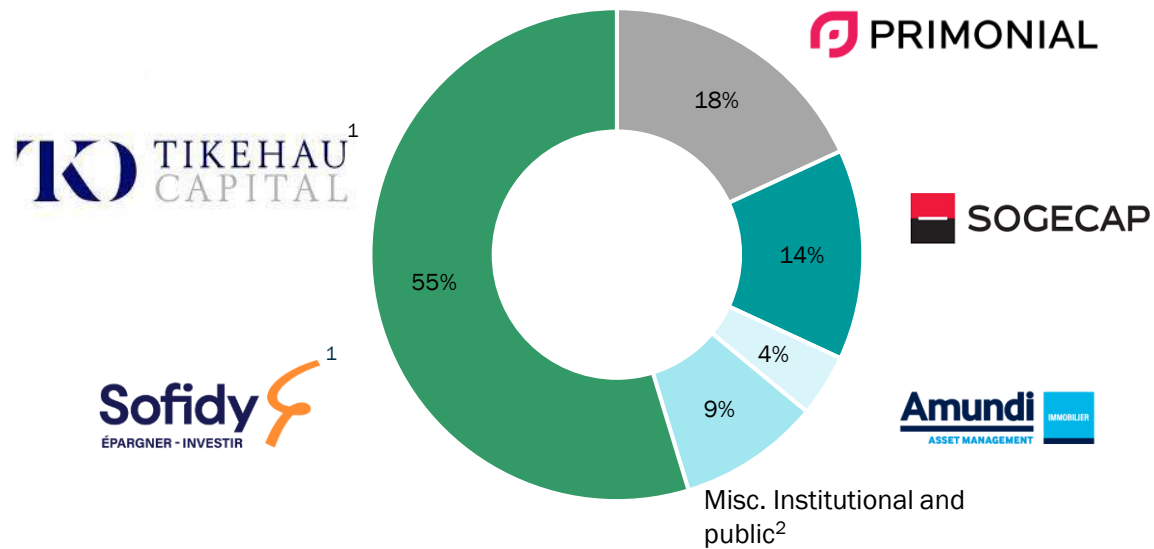
- Managed by SELECTIRENTE GESTION: a subsidiary wholly owned by **SOFIDY**, one of the main players in real estate fund management, belonging to the **TIKEHAU CAPITAL Group** (AUM €41.1bn as at 30/06/2023)
- One of the only **pure player** European listed property companies in **city centre retailing**
- A Dedicated expert management team**
- An entrepreneurial culture, **long-term** and unique vision of the commercial property market
- Asset quality** and **resilience** of the traditional city centre retail sector in major cities
- Robust financial structure**
- Sustainable** and **proactive** distribution policy
- Member of **EPRA**, **IEIF**, **FACT**, **OID** and **FEI** (Ex FSIF)



# HIGH PROFILE SHAREHOLDERS

A specialist property company, supported by financial industry experts and committed shareholders

Breakdown of SELECTIRENTE's share capital at 30/06/23  
(Indicative data to the Company's knowledge)



<sup>1</sup> Sofidy acts in concert with Tikehau Capital, Sofidiane, Makemo Capital, AF&Co, Mr Antoine Flamarion and Mr Christian Flamarion.

<sup>2</sup> including Etoile du Nord Foncière, Clay Asset Management and Sighs Wood Investissements (none of which holds more than 5% of the capital or voting rights)

# A DUAL GROWTH STRATEGY

## ABILITY TO IDENTIFY PROJECTS THAT WILL CREATE VALUE

### 1. The local retail trade mainly...

Retailers and brands in city centers, mainly in Paris and the Île-de-France region, with particular attention paid to the reputation of tenants and sectoral diversification

### 2. ...and an opportunistic and value accretive development

focused on the phenomenon of metropolisation (sectoral and commercial mix, whole buildings, promotion/development of new districts, development of small urban logistics, etc.)

... through strict compliance with prudent acquisition criteria and a track record in investment



## INVESTMENT FUNDAMENTALS

Quality of locations

Reasonable rents in relation to market values

High granularity of assets

Tenant mutualisation and diversity





3

## SELECTIRENTE: RESILIENCE & VALUE CREATION

### B. ESG COMMITMENTS





# ESG COMMITMENTS ( 1/3 )

SELECTIRENTE is the only listed French real estate company to own a large majority of **ground floor retail properties**. At the end of January 2023, SELECTIRENTE published its Sustainable Development Commitments.



## SOCIAL

In order to promote the **economic development of city centers**, the Company is committed to:

### Working towards the development of dynamic urban centers

- By maintaining the number of local shops in its assets at 80% of its overall portfolio
- 95% of assets under management at the end of 2022 are local shops



### Participating in the diversification of local shops for activities that contribute to society

- By reaching 50% of the number of assets whose activity is contributing or particularly contributing to the society
- In 2022, **56%** of the leases signed involved retail tenants specialized in activities that contribute to society
- **335** stores carrying out a contributing activity to the society at the end of January 2023

### Continuing to invest in assets close to environmentally friendly mobility solutions

- By maintaining the proportion of assets within 500 meters of public transport AND/OR access to soft mobility AND/OR electric vehicle charging stations at over 95% of its overall portfolio
- In 2022, **99%** of stores meet these criteria





## ENVIRONMENT

SELECTIRENTE is aware of the ecological issues at stake and has taken numerous measures to ensure that its **activities are environmentally friendly**. The Company is therefore committed to :



### Monitoring and reducing the GHG emissions and energy consumption of its assets

- Carrying out an annual carbon assessment (20 kg CO2 equivalent/sqm in 2022) and defining a plan to reduce its emissions
  - By monitoring the energy consumption of 100% of its assets
  - In partnership with **deepki** and **CBRE GREEN SOLUCE**
- **1 carbon footprint audit** in 2022 on 100% of assets, covering the 3 scopes

### Working to improve the quality of waste sorting and sustainable water management

→ In 2022, an **eco-guide** was attached to **100%** of new leases and lease renewals signed



### Analyzing the climate risks of assets to improve their resilience

→ Climate risks analyzed on **100%** of assets, at acquisition AND annually on existing assets



# ESG COMMITMENTS ( 3/3 )



## GOVERNANCE

SELECTIRENTE aims to make ESG issues an intrinsic feature of its governance policy. To achieve this objective, the Company is committed to :



### Integrating ESG issues into investment and tenant selection

- **Exclusion policy** implemented in 2022 for 100% of tenants during the selection phase
- **ESG analysis** on **100%** of assets during preinvestment phase (46 criteria)

### Integrating stakeholders into its ESG approach

- **ESG Risks cartography** conducted in 2023 and to be updated from 2024



### Integrating ESG issues into HR processes

- In 2022, **100%** of its employees were trained on ESG issues
- **100%** of employees with a part of variable remuneration indexed to ESG criteria



### Maintaining a policy of taking ESG risks into account

- In 2022, **100%** **environmental appendix** of new leases and signed lease renewals



3

## SELECTIRENTE: RESILIENCE & VALUE CREATION

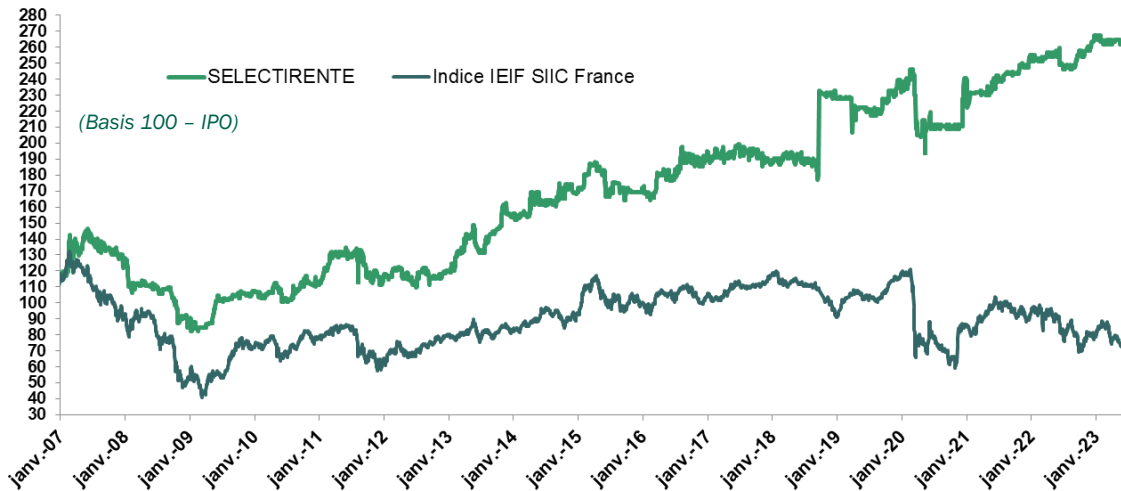
C. RIGOUROUS AND DYNAMIC  
PORTFOLIO MANAGEMENT





# CREATION OF VALUE FOR SHAREHOLDERS

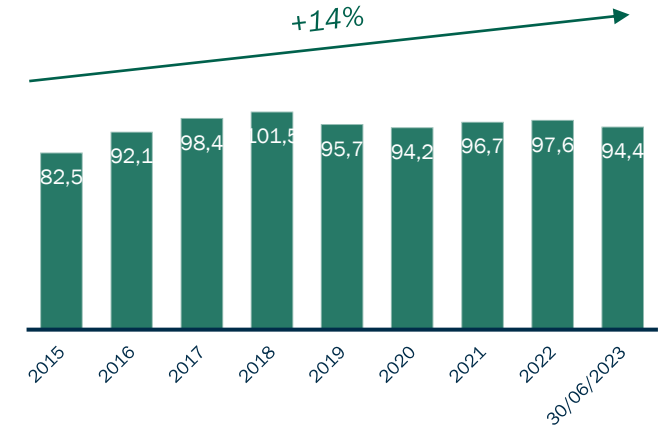
## Outperformance of the stock compared to its benchmark



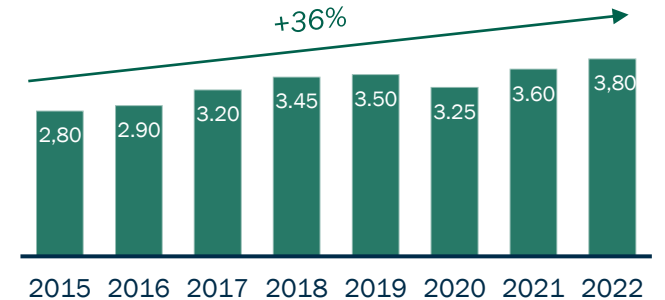
**MARKET CAPITALISATION ~ €405m**

**SELECTIRENTE - Euronext Paris Compartment B**  
 TICKER – SELER  
 ISIN – FR0004175842

## CHANGE IN EPRA NRV (IN € / SHARE)



## CHANGE IN DIVIDENDS (IN € / SHARE)

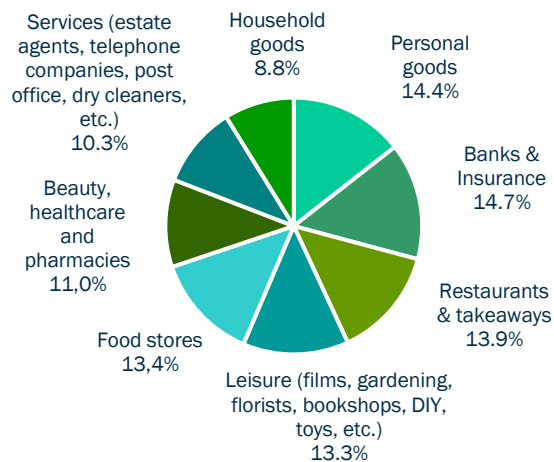


[Past performance is not a reliable indicator of future performance]

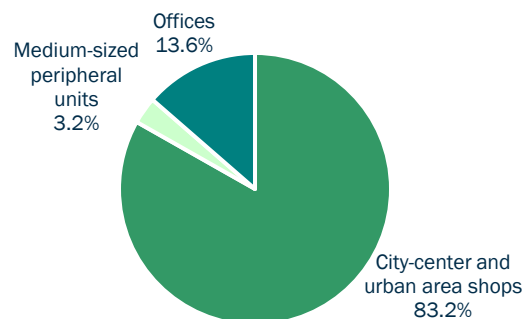
# DIVERSIFICATION OF THE PORTFOLIO AT THE END OF JUNE 2023

A diversified portfolio of high quality, directly owned properties, with 83% of the portfolio consisting of city-centre retail properties, 59% of which are located in Paris proper

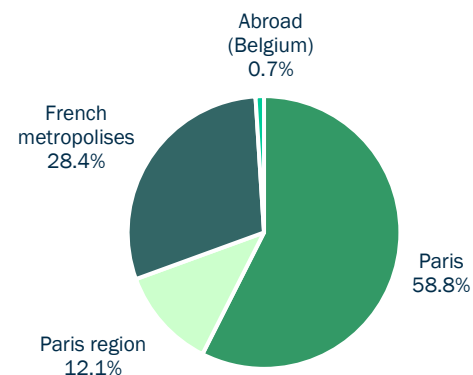
**Sector distribution of direct real estate portfolio**  
(% of theoretical annual rental income)



**Distribution of the direct real estate portfolio by asset type**  
(% in value as at 30 June 2023)



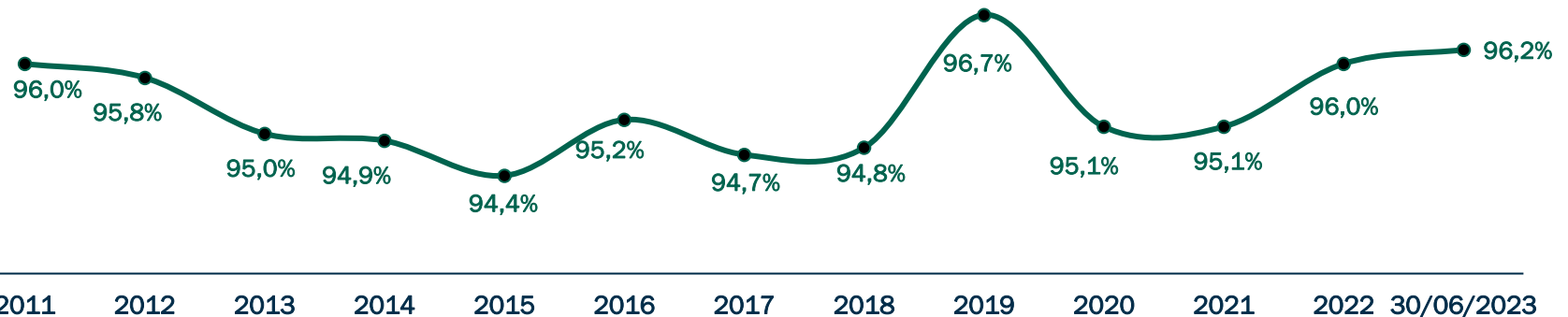
**Geographic distribution of direct real estate portfolio**  
(% in value as at 30 June 2023)



# DYNAMIC RENTAL MANAGEMENT – EVOLUTION & RESILIENCE

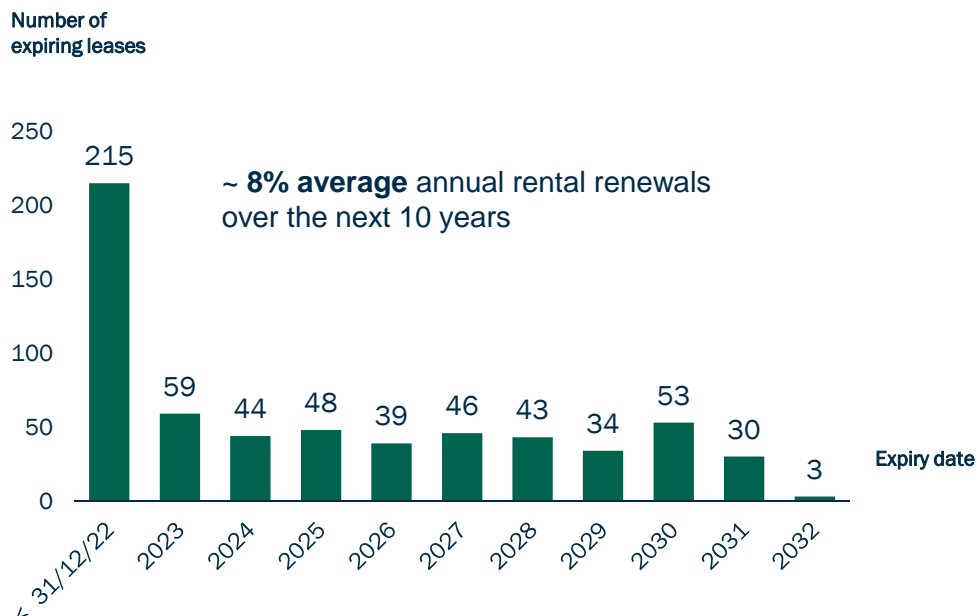
- SELECTIRENTE: excellent **track record** in the retail sector, recognized in the property industry
- Manager SELECTIRENTE Gestion : in-depth knowledge of the rental market based on **unique and proven expertise**
- Property management entrusted to **SOFIDY**, a leading historical player in the management of “retail properties”
- Closeness to tenants and retailers
- **Arbitrage** policy: strategic, active and continuous, creating value and performance

HIGH AND STABLE FINANCIAL OCCUPANCY RATE OVER TIME  
(AVERAGE 95%) GENERATING SUSTAINABLE INCOME



# LONG-TERM CASH FLOW VISIBILITY AND RECURRING VALUE CREATION

## Lease schedule at 31/12/2022



## Dynamic historic rental management

Annual rental management*	Number	Area (m²)	Previous annual rents (€k)	Annual rents obtained (€k)	Variation	Allowances for despecialisation or entry fees (€k)
2012	28	4 435	733	757	3,30%	102
2013	45	12 756	1 621	1 745	7,70%	122
2014	28	12 660	1 709	1 656	-3,10%	50
2015	23	5 870	981	989	0,90%	16
2016	32	4 175	1 159	1 094	-5,70%	92
2017	35	3 988	994	1 046	5,30%	50
2018	39	7 317	1 572	1 492	-5,10%	133
2019	31	4 144	1 286	1 339	4,20%	70
2020	22	3 148	800	1 135	41,80%	35
2021	47	11 449	2 321	2 376	2,40%	74
2022	30	3 520	1 237	1 342	8,50%	49
<b>S1 2023</b>	<b>29</b>	<b>7 228</b>	<b>1 297</b>	<b>1 361</b>	<b>5%</b>	<b>29</b>

\* Renewal, assignment of leases with despecialisation and/or relocation

- Lease renewals give SELECTIRENTE the opportunity to renegotiate **rents upwards**, thereby creating value for the assets concerned

- In line with SELECTIRENTE's investment strategy, many leases have a **potential for reversion** in the event of a change of tenants

Lease terms are generally renewed every 9 years; thus evenly distributed renewals provide SELECTIRENTE **long-term visibility** on its cash flows, as well as frequent **opportunities for reversion**

# A STRATEGY OF RECURRENT ARBITRAGE BY SELECTIRENTE

Since its creation, SELECTIRENTE has demonstrated its great resilience and ability to create value by selling non-strategic or mature assets at attractive prices to optimise its portfolio

## CREATING VALUE

**Results** through **capital gains** from the sale of mature assets:

- **Value creation** already achieved and **market value** at the top
- **Proven market liquidity** to optimise asset sale price

## REFOCUSING THE ASSETS

- **Selling assets** that no longer correspond to SELECTIRENTE's investment target
- Protecting against **future vacancies**
- Assets requiring future **capital expenditure**
- Preferably **sold** to a user or a developer

FOCUS 2021,  
2022 & 2023

**2021** **arbitrage programme of a portfolio** of 10 shops located in Paris and the Paris region, mainly focused on the "Creating value" criterion, generating a **€13.7m** distributable value

**2022** **arbitrage programme to strategically refocus** SELECTIRENTE's portfolio (assets no longer corresponding to its investment target): 16 assets sold, mainly in the regions, for a net sale price of €11m, generating a **€5.1m** distributable value

Continued successful execution of **the strategic refocusing arbitrage programme in the first half of 2023**, with sales commitments of €7m at the end of July 2023 and commitments to sell of €6.9m as at July 26, 2023

**SELECTIRENTE**

THE LISTED PROPERTY COMPANY SPECIALISED IN CITY-CENTER RETAIL STORES



# EXAMPLES OF SUCCESSFUL ASSET MANAGEMENT

## Value accretion through Leasing

2023



**COMMERCIAL PREMISES**  
Rue Rambuteau - Paris 3<sup>ème</sup>

Acquisition date : 2022  
Purchase price : 67 M€

2 vacant cells at acquisition  
Duration of vacancy : 6 months

New annual rent : 180 K€

*3% increase in market value following the re-letting of these 2 retail units to international retailers at a rent higher than the market value (€140k)*

**Appraisal value : 69 M€**  
(at 30 June 2023)

## Value accretion by Transferring the leasehold rights

2022



**COMMERCIAL PREMISES**  
Rue Lecourbe, rue Cambronne - Paris 15<sup>ème</sup>

Acquisition date : 2001  
Purchase price : 156 K€

Annual rent 2021 : 5 K€  
Annual rent 2022 : 13 K€

*28% increase in market value following the sale of the leasehold rights and the signing of a new lease at a rent much higher than the last rent paid*

**Appraisal value : 880 K€**  
(at 30 June 2023 Vs 685 K€ at 31 December 2021)

## Value accretion through Renewal

2023



**COMMERCIAL PREMISES**  
Avenue Victor Hugo - Paris 16<sup>ème</sup>

Acquisition date : 1998  
Purchase price : 107 K€

Annual rent 2022 : 19 K€  
Annual rent 2023 after renewal: 47 K€, **+144 %**

*65% increase in market value in S1 2023 following renewal of commercial lease*

**Appraisal value : 825 K€**  
(at 30 June 2023 vs 500 K€ at 31 December 2022)

# ASSETS – DIVERSIFICATION AND VALUE CREATION





# PORTFOLIO - DIVERSIFICATION & VALUE CREATION

Some examples of our flagship assets...



**Avenue Achille Peretti  
Neuilly sur Seine (92)**

- Acquired in 2011
- Purchase price ex. taxes: **€9m**
- Total surface area: **1,564 sqm**
- Value at 30/06/23: **€12,6m**
- Multi-tenant including BNP Paribas, Pharmacie Peretti, Jardin de Neuilly...



**Avenue des Ternes  
Paris (17<sup>th</sup>)**

- Acquired in 2021
- Purchase price ex. taxes: **€3.0m**
- Useable area: **328.70 sqm**
- Formerly managed by the DUCASSE Group (RECH)
- New tenant: **Cheffe Stéphanie LE QUELLEC**
- Value at 30/06/23: **€3.3m**



**Rue d'Algérie  
Lyon (69)**

- Acquired in 2020
- Purchase price ex. taxes: **€5.5m**
- Total surface area: **1,735 sqm**
- Value at 30/06/23: **€5.9m**
- Multi-tenant including Carrefour, Terme optique, Piu Bella, TW Terreaux, Cavalcante ...

# PORTFOLIO - DIVERSIFICATION & VALUE CREATION

Some examples of our flagship assets...



Rue du Gros Horloge  
Rouen (76)

- Acquired in 2014
- Purchase price ex. taxes: **€1.6m**
- Total surface area: **122 sqm**
- Value at 30/06/23: **€1.5m**
- Tenant: Calzedonia



Rue de Rivoli  
Paris (1<sup>st</sup>)

- Acquired in 2020
- Purchase price ex. taxes: **€1,5m**
- Total surface area: **108 sqm**
- Value at 30/06/23: **€2,9m**
- Tenant: Subdued



Rue du Faubourg du Temple  
Paris (10<sup>th</sup>)

- Acquired in 2020
- Purchase price ex. taxes: **€4.2m**
- Total surface area: **197 sqm**
- Value at 30/06/23: **€4.4m**
- Tenant: Bienfait Santé Invest

# PORTFOLIO - DIVERSIFICATION & VALUE CREATION

Some examples of our flagship assets...



**Cours de l'Intendance  
Bordeaux (33)**

- Acquired in 2019
- Purchase price ex. taxes: **€24.4m**
- Total surface area: **3, 232 sqm**
- Value at 30/06/23: **€24.4m**
- Tenant: Société Générale



**Avenue de Suffren  
Paris (15<sup>th</sup>)**

- Acquired in 2020
- Purchase price ex. taxes: **€41m**
- Total surface area: **4, 564 sqm**
- Value at 30/06/23: **€45.9m**
- Tenants: Illumination Mac Guff (Groupe NBC Universal) and Sixt



**Rue de Metz  
Toulouse (31)**

- Acquired in 2021
- Purchase price ex. taxes: **€5m**
- Total surface area: **3, 722 sqm**
- Value at 30/06/23: **€15m**
- Multi-tenant including Société Générale, Free Mobile, Institut Supérieure Vidal, Editions Privat, Talents RH...



### The Grands Hommes shopping mall Bordeaux (33)



- Acquired in 2022
- Purchase price ex. taxes: €22,5m
- Shopping mall consisting of 12 shops and a coworking space, for a total surface area of 3,000 m<sup>2</sup>
- Golden Triangle of Bordeaux

An emblematic asset in a historically affluent district of the city, a location still sought after by luxury and affordable luxury brands, 166 locations listed, 57% retailers (Baccarat, Boss, Lancel, Louis Vuitton, Nespresso, Zapa, Cartier, Dinh Van, Montblanc, etc.)

# PORTFOLIO - LATEST ACQUISITIONS - 2022

## UNITY portfolio (Rue Rambuteau) signed at the end of June 2022 (Acquisition price = €71.8m All-in Cost)

Acquisition enabling SELECTIRENTE to open up its investment spectrum from local shops to **more institutional real estate assets**, and as a perfect extension of the acquisition of the Grands Hommes shopping center in Bordeaux



**11 commercial premises :**  
Bizzbee – Hema – Orange –  
Du bruit dans la Maison –  
Léon de Bruxelles –  
Timberland – Saint James –  
Valege – Sagone – Pirouette  
– Gong Cha

**11 commercial premises and 1 office space:**  
Exki – Le Cercle de la Forme –  
Pazzi – Mami Sushi – We  
Change – Sunny Thé –  
Beaubourg Optique – Subway –  
Cash Express – Grindz of Hawaii  
– Association Intermusée - Gomu





# 4

## STRONG OPERATIONAL AND FINANCIAL PERFORMANCE







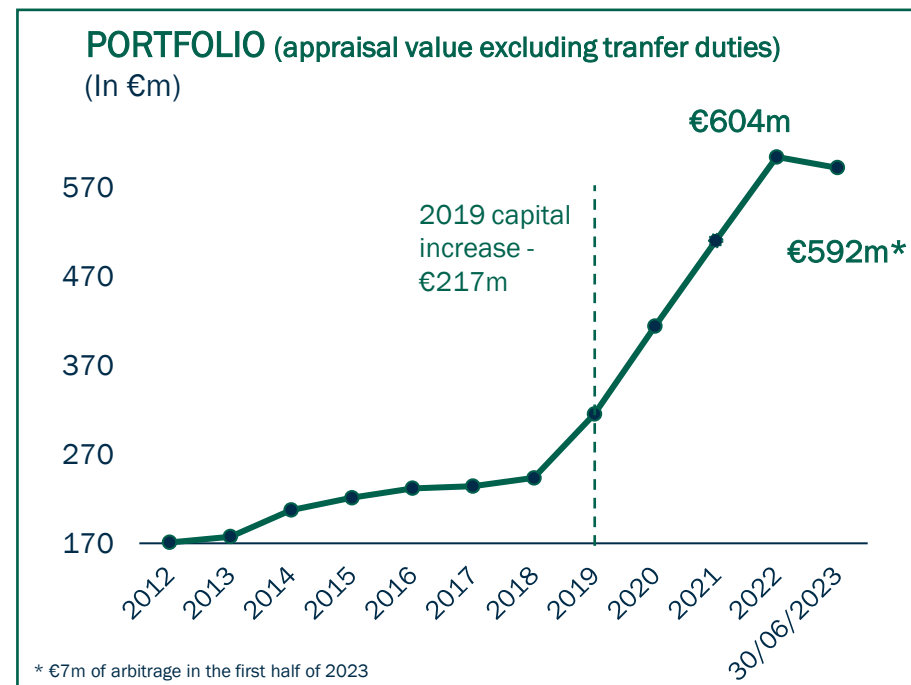
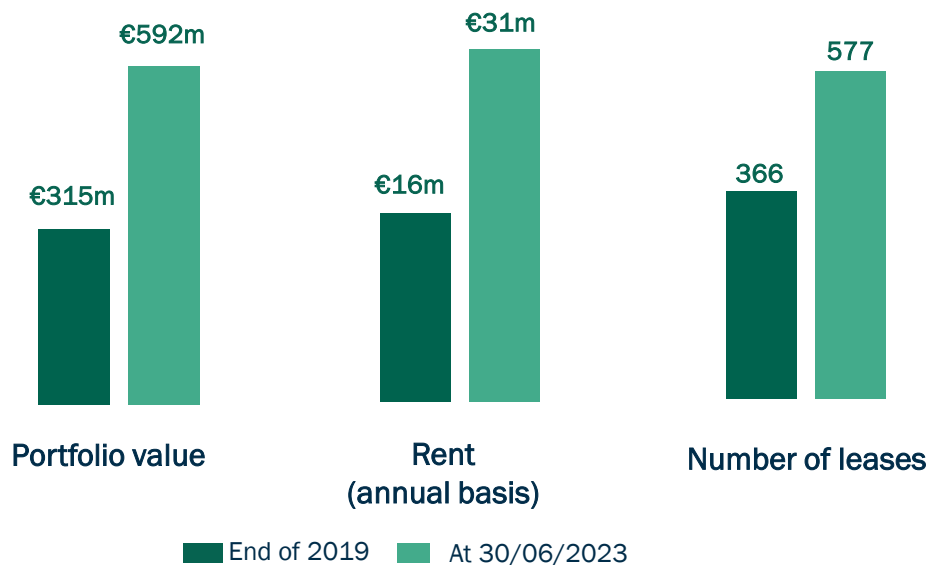
# 4

## STRONG OPERATIONAL AND FINANCIAL PERFORMANCE

### A. EVOLUTION SINCE 2019



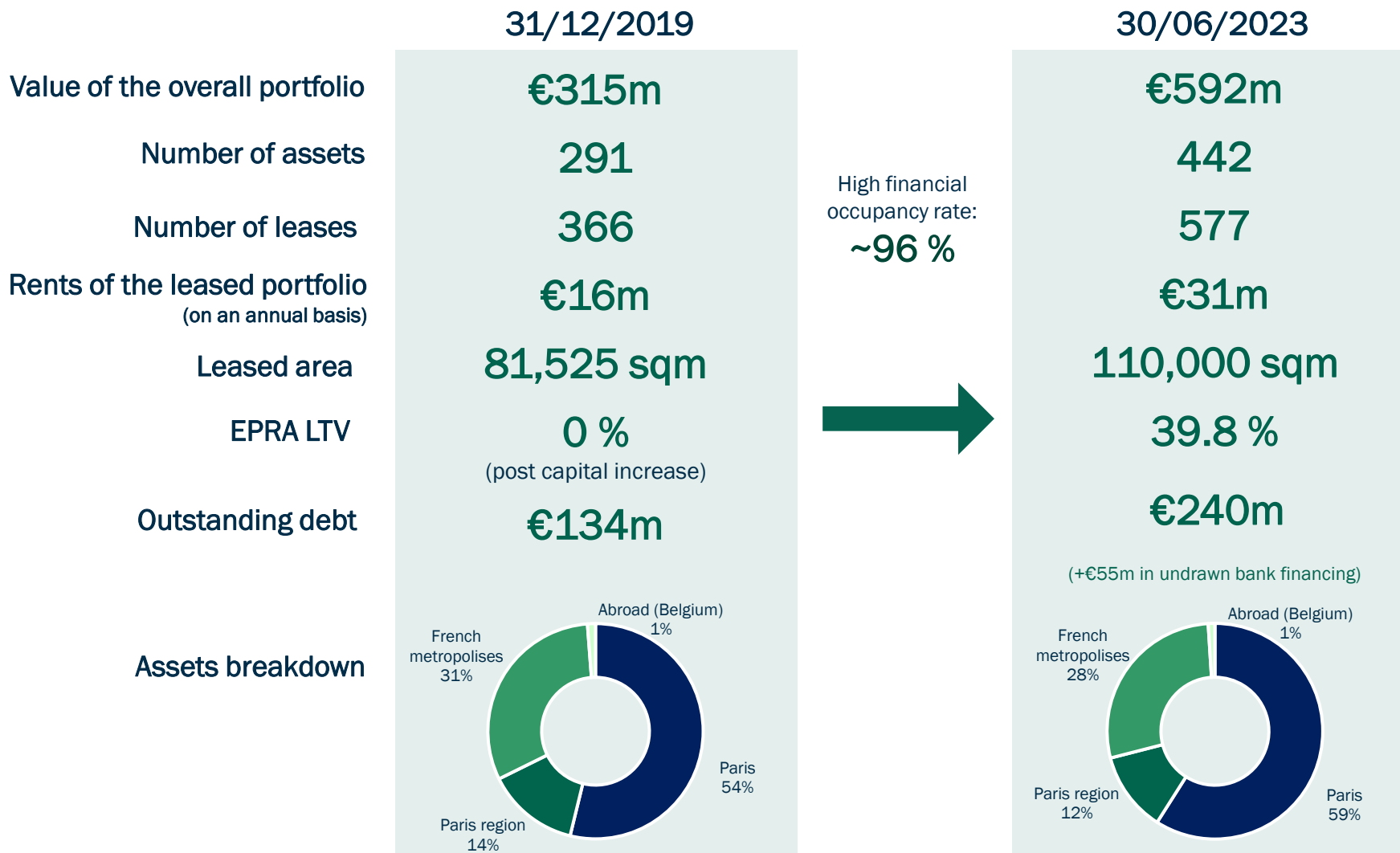
## SUSTAINED GROWTH SINCE THE LAST CAPITAL INCREASE (DEC 2019)



- Appraisal values almost stable at **-0.4%** at 30 June 2023 (on a like-for-like basis since 31/12/2022)
- A stronger position in Paris and in the major French metropolises (Lyon, Bordeaux, Toulouse, Nantes):  
**109** new shops in France in 2021 and **50** in 2022 (+ 2 offices)



# KEY FIGURES SINCE DECEMBER 2019



# INVESTMENTS SINCE DECEMBER 2019

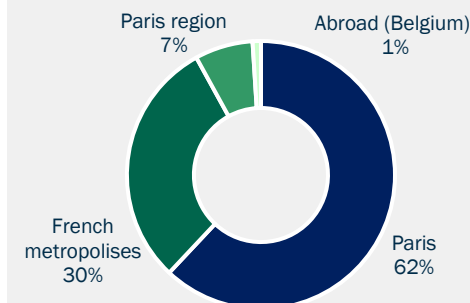
In December 2019, SELECTIRENTE completed a **€217m capital increase**, welcoming new shareholders (Sogecap, Capimmo, Amundi, Ceptentrion, Clay AM...), and reimbursed a **€25m corporate loan** for the acquisition of the Lutèce 2 portfolio (33 shops in Paris) as well as the regional headquarters of SG located in Cours de l'Intendance in Bordeaux (33), a transaction with a cumulative value of nearly **€70m**

The Company also invested over €325m (post Paris-Rambuteau deal):

- invested nearly **€311m** in **direct real estate** with an initial yield of **4.7%** at the time of acquisition:
  - ✓ 2020: **€98.3m** (76 assets and the flagship Paris Suffren asset)
  - ✓ 2021: **€106.7m** (116 assets and a mixed-use building in Toulouse)
  - ✓ 2022: **€106,1m** (15 assets, the Grands Hommes shopping centre in Bordeaux and the Paris-Rambuteau portfolio)
- invested nearly **€12.6m** in **indirect real estate**:
  - ✓ 2020: **€10.2m** (617,728 shares in the Dutch REIT Vastned)
  - ✓ 2021: **€2.4m** (33,822 shares in the Dutch REIT Vastned and 5,602 shares in the SCPI Immorente 2 managed by Sofidy)

Following its **€240m** refinancing operation completed on February 4, 2022, SELECTIRENTE still has investment capacity of around **€55m**

**GEOGRAPHIC BREAKDOWN OF DIRECT REAL ESTATE PORTFOLIO**  
since the December 2019 capital increase  
(% of acquisition values)\*



\*: Distribution not taking into account the repayment of the €25m corporate loan used in the context of the acquisition of the Lutèce 2 portfolio and the mixed-use building located on Cours de l'Intendance in Bordeaux (33)

# RECENT HIGHLIGHTS

## 2021

- Transformation into a **joint stock company**
- Creation of a dedicated and experienced management team, SELECTIRENTE Gestion, chaired by Jérôme DESCAMPS
- Strong growth in **operational and financial performance**
- **Assets under management exceeded €500m**, sustained growth by taking advantage of adverse events (Covid 19, Gilets jaunes, war in Ukraine, end of government aid, changes in interest rates, etc.)



## 2022

- Successful **refinancing operation: €240m** in corporate loan and RCF
- Acquisition for **€24.1m** of the iconic Grands Hommes shopping centre in Bordeaux
- Acquisition of the Rue Rambuteau portfolio (two sections in Paris 1<sup>st</sup> and 3<sup>rd</sup>) for **€72m** in June

## 2023 – First semester

- **Continued successful execution** of the **strategic arbitrage refocusing programme**, with sales commitments of €7m as of the end of July 2023 and commitments to sell of €6.9m as at July 26, 2023



## STRUCTURING OPERATION TO ACCELERATE THE COMPANY'S GROWTH

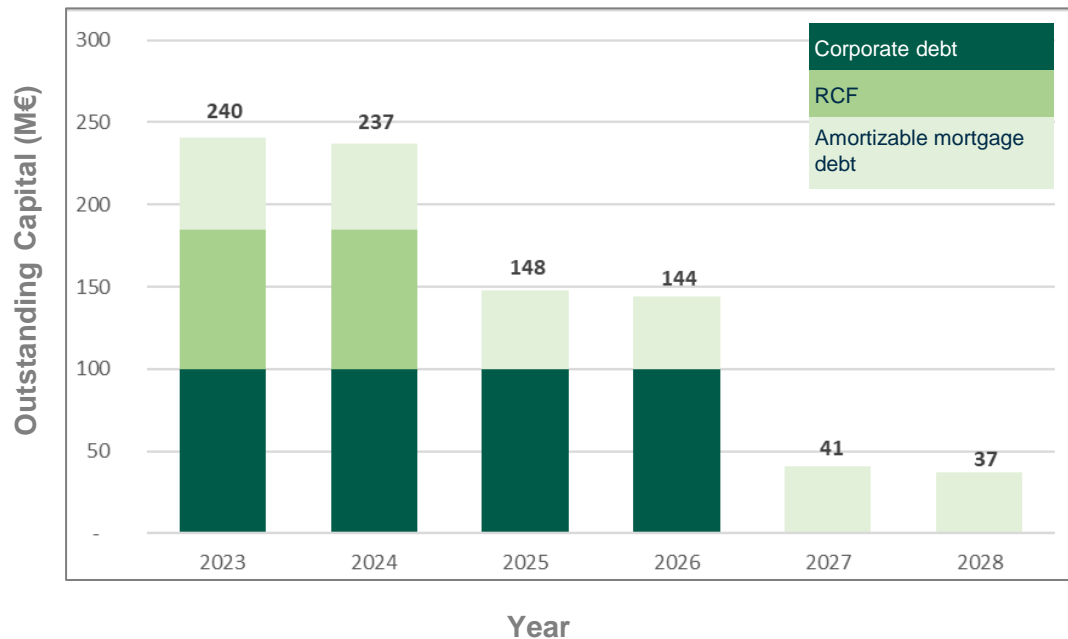
concluded on 04/02/2022 with BECM, HSBC, Crédit du Nord and Société Générale

- **Corporate loan of €100m** - mainly to repay portions of the pre-existing mortgage debt (€84m)
  - **RCF of €140m** over 3 years - giving the Company increased investment capacity
- 
- Better **flexibility** and **controlled financing costs**
  - Continuation of the **strategy of acquiring assets** in Paris and the main French metropolises
  - **Financial structure adapted** to sustained investment needs in a fast-changing market

# OVERALL DEBT: OUTSTANDING CAPITAL PER YEAR

## NO SIGNIFICANT REPAYMENT BEFORE 2025

Evolution of the outstanding capital by year and by type of debt



### As at 30/06/2023:

- Outstanding bank debt: €240m
- Cash and cash equivalents: €9.9m
- Undrawn bank financing: €55m
- LTV EPRA: 39.8 %
- Average residual maturity of 4.1 years and duration of almost 3.5 years
- Share of debt at fixed rate: 24% and at floating rate: 76 %
- Proportion of fixed rate and/or hedged debt: 100%
- Average cost of debt: 2.0 %

- SELECTIRENTE ensures that its debt is well controlled and rigorously monitored, while maintaining a net LTV target around 40%.
- The next significant repayment date is in 2025: repayment of the RCF drawn at 61% (€85m)





# 4

## STRONG OPERATIONAL AND FINANCIAL PERFORMANCE

### B. PERFORMANCE AS AT 30/06/2023



# EPRA KPI (European Public Real Estate Association)

Selectirente has been a member of EPRA since the beginning of 2021.

During their ReThink Conference 2022 and 2023, EPRA awarded SELECTIRENTE a Gold Award, among other leading European listed companies. SELECTIRENTE, member of the EPRA since 2021, was thus distinguished for the second year in a row with this award.

This BPR Gold award, the **highest level of distinction established by the EPRA**, recognizes the excellence of the Company's **financial reporting practices**.

It also recognizes the quality of its communication with investors and shareholders, meeting the highest standards of **financial transparency**.



EPRA KPIs	30/06/2023		30/06/2022	
	€m	€/share	€m	€/share
EPRA earnings	10,9	2,61	9,1	2,19
EPRA NRV	393,6	94,39	403,4	96,76
EPRA NTA	351,8	84,37	360,0	86,33
EPRA NDV	377,8	90,59	371,5	89,11
Net initial yield	5,1%		4,8%	
Net initial yield excluding rent relief	5,1%		4,8%	
Vacancy rate	2,8%		2,3%	
Cost ratio (including vacancy costs)	17,0%		20,3%	
Cost ratio (excluding vacancy costs)	16,3%		19,7%	
EPRA LTV	39,8%		41,0%	

- EPRA earnings, equivalent to recurring net income, up thanks to the growth in rental income from the various investments
- Net asset value per share Net Disposal Value under EPRA standards was €90.59 per share at 30 June 2023, compared with €93.11 at the end of 2022, representing a decline of -2.7% over the first half of 2023 and an increase of +1.7% compared with the first half of 2022.



## PERFORMANCE PRAISED BY MEDIA

**B SMART**

"The local retail sector continues to show good resilience... and SELECTIRENTE is succeeding in holding its own in this complex environment".

**Les Echos investir**

Selectirente, la foncière des petits commerces

**radio-immo.fr**

**COMMENT LE COMMERCE DE PROXIMITÉ A RÉSISTÉ À LA CRISE**

#Actualités

A côté des grands centres commerciaux et des retails parks, comment les commerces en cœur de ville résistent à la crise ? réponses avec l'expert Jérôme Descamps, Président de Selectirent

**BUSINESS IMMO**

Selectirente affiche un chiffre d'affaires en hausse de 14,1 % au T1 2023

**Boursorama**

SELECTIRENTE finalise avec succès le refinancement de sa dette

**LE FIGARO**

Selectirente acquiert deux nouveaux portefeuilles de commerces de centre-ville

**Les Echos investir**

Selectirente fait l'acquisition de 22 commerces dans le centre de Paris

**BUSINESS IMMO**

Selectirente franchit la barre des 500 M€ d'actifs sous gestion

**IMMO WEEK**

NEWS & CONNEXIONS IMMOBILIERES

Pour Selectirente, le commerce de proximité vit un « retour en grâce »

**BUSINESS IMMO**

Selectirente acquiert une galerie commerciale dans le Triangle d'or bordelais

**CFNEWS IMMO**

Selectirente s'empare de 71 commerces de proximité, à plus de 5 %

**SELECTIRENTE**

THE LISTED PROPERTY COMPANY SPECIALISED IN CITY-CENTER RETAIL STORES



# 4

## STRONG OPERATIONAL AND FINANCIAL PERFORMANCE

### C. OUTLOOK





# OUTLOOK ( 1 / 2 )

## Pursuing the wise and selective growth dynamic...

- By capitalising on:
  - its **resilient asset base**, with strong cash flow generation and positive valuation trends
  - its solid **investment fundamentals**
  - its **strengthened financial structure**
  - its goal to reach **critical size**
- Broadening the shareholder base and **liquidity of the stock**
- By maintaining a **proactive distribution**
- By intensifying **ESG practices**

...to establish itself as **THE** listed property company for local shops



## OUTLOOK ( 2 / 2 )

....and keeping the **value creation** strategy

- through **disciplined and rigorous property management** based on the expertise and track record of the operational teams (property and asset management)
- by using the **dynamics of increasing densification** of large metropolises and the **attractiveness** of some central cities in their region or particularly touristy ones
- by strengthening SELECTIRENTE's position in Paris and the **top 10 French metropolises** and then developing investments in **Europe**
- through **regular asset rotation** to maximise return to shareholders
- providing the financial resources to **seize investment opportunities** and **pursue growth**





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