

Rental income growth of +7% at €82m in the 1st half-year of 2022

Rental income (IFRS) at June 30, 2022 (unaudited figures)

€m	Financial year 2022	Financial year 2021	Change
1 st quarter (Jan.- March)	40.7	38.2	+ 7%
2 nd quarter (April - June)	41.0	38.0	+ 8%
Half-year total	81.7	76.2	+ 7%

Rental income up +7% in the first half-year of 2022

In the first half of 2022, ARGAN, the French real estate company specialising in the development and rental of PREMIUM warehouses, recorded **rental income of €81.7m, up +7%** compared with the same period last year. This strong growth is mainly due to the full-year effect of rents generated by 2021 developments and the rents coming from the 2022 developments.

Significant events of the first half-year of 2022

Since the beginning of this year, ARGAN maintained its growth path with the delivery of **three new developments projects, for a total area of 27,000 sq.m with an average yield on cost exceeding 6.5%:**

- **Delivery in January, of the first Aut0nom[®], the warehouse producing its own green energy for self-consumption.** This warehouse of 14,000 sq.m located in Marne-la-Vallée, in Serris, facing A4 highway, leased to two international tenants, each one occupying a unit for a firm period of respectively three and nine years.

Aut0nom[®] is the new standard of ARGAN's warehouse. It hosts a **photovoltaic power plant** on the roof, coupled with a set of **storage batteries**, the production of which is intended for self-consumption by tenants. It replaces gas heating with electric air/air heat pumps and generalizes smart LED lighting. **Aut0nom[®] produces more green energy than it consumes for its heating-cooling and lighting.** During the month of June, **Aut0nom[®] has covered c.90% of the warehouse electricity consumption.**
- In February, **the delivery of a 7,000 sq.m extension of our warehouse in Marne-la-Vallée, in Chanteloup-en-Brie,** for its current tenant Arvato Services Healthcare, which extend the total area of the logistics platform to 28,000 sq.m, with a new lease of 6-year firm period

This extension is equipped with LED lighting including motion sensor and a photovoltaic power plant which produces 440 MWh annually, intended for self-consumption.
- In March, **the delivery of a 6,000 sq.m extension of our 12,000 sq.m warehouse in Marne-la-Vallée, in Croissy-Beaubourg** leased since 2000 to L'Oréal. This extension is leased to Intersurgical, with a lease of 9-year firm period.

This extension is equipped with LED lighting including motion sensor and a photovoltaic power plant which produces 120 MWh annually, intended for self-consumption.

These three developments are certified BREEAM "very good". **For the second half-year of 2022, ARGAN is expecting the delivery of 3 assets for a total of 50,000 sq.m.**

ARGAN sold a 9,000 sq.m asset in Tours for around €14 million. This transaction is part of the group's arbitration policy to dispose mature assets. Its proceeds will contribute to future developments enhancing value creation.

ARGAN has also proactively re-let a 22,000 sq.m warehouse in Gonesse. This transaction comes within the framework of an end of lease given by the tenant in place. This space currently occupied until October 14 will be re-let to GL events from October 15, 2022, **demonstrating the attractiveness of the group's warehouses and its ability to anticipate its rental challenges.**

Finally, within the framework of its joint-venture with Carrefour (Cargan-Log, 60% owned by ARGAN), **ARGAN has let two warehouses located in Marseille and Lens**, for a total area of 50,000 sq.m. The renovations will be completed respectively in July and December 2022.

As of June 30, 2022, the rental portfolio of the Argan stood at 3.3 million sq.m and the occupancy rate remained at 99% due to the current vacancy in Ferrières, in Paris Region.

ARGAN is currently in advanced talks to let the warehouse in the second half of the year, with a starting date during the first quarter of 2023.

Exceeding the 2022 annual target

Considering the good execution of deliveries and faster-than-expected re-lettings, **ARGAN is raising its target from “€163 million in rental income” to “more than €163 million in rental income”.**

Financial calendar 2022 *(Publication of the press release after closing of the stock exchange)*

- 20 July: Half-year results 2022
- 3 October: 3rd quarter sales 2022

About Argan

ARGAN is the only French real estate company specialising in the DEVELOPMENT & RENTAL OF PREMIUM WAREHOUSES listed on EURONEXT.

As at 31 December 2021, ARGAN's portfolio amounted to 3.3 million sq.m, comprising approximately 100 warehouses located exclusively in France, valued at €3.75 billion and generating an annualised rental income of €162 million. ARGAN is listed on Compartment A of Euronext Paris (ISIN FR0010481960 - ARG) and is included in the CAC All-Share and IEIF SIIC France indices. The company opted for the listed real estate investment companies (SIICs) tax regime on 01 July 2007. <http://www.argan.fr/en>

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