

Annual results 2022

- Recurring net income for 2022 up +6% to €119m
 - Dividend 2022* up +15% to €3.0 per share
- Expected rental income in 2023 up +10% to €182m

Key figures of 2022:

Consolidated income statement	2022	2021	Changes
Rental income	€166m	€157m	↗ +6%
Net Recurring Income – group share	€119m	€112m	↗ +6%
Net Recurring Income per share – group share	€5.2**	€5.0	↗ +5%

Valuation indicators	Exercice 2022	Exercice 2021	Variation
Value of the portfolio (excl. duties)	€3.94 Bn	€3.75 Bn	↗ +5%
NAV EPRA NTA per share	€93 ***	€92	↗ +1%
NAV EPRA NRV per share	€105 ***	€103	↗ +2%

Debt indicators	Exercice 2022	Exercice 2021	Variation
LTV EPRA (excl. duties)	45%	43%	↗ +200 bps
LTV (incl. duties)	43%	41%	↗ +200 bps
Cost of debt	1.5%	1.5%	Stable

2023 objectives illustrating the group's confidence:

Given the return to a 100% occupancy rate and a rental market that is under-supplied (3.8% vacancy rate in France), Argan anticipates the following objectives:

Indicators	Target 2023	Exercice 2022	Variation vs 2022
Rental income	€182m	€166m	↗ +10%
Recurring net income	€124m	€119m	↗ +4%
Dividend per share	More or equal to €3.0*	€3.0*	↗

Argan expect an integration in the EPRA index in 2023.

* Subject to approval during the Shareholders Annual Meeting of 23 March 2023

** Calculated on the weighted average number of shares of 22 827 845

*** Calculated on the number of shares at the end 2022 of 22 951 290

On January 16, 2023, Argan's Management Board approved the 2022 consolidated financial statements. The audit procedures of our statutory auditors on these consolidated financial statements have been carried out. The certification report will be issued after the specific checks have been carried out.

Rising indicators

Recurring net income up +6% to €119 m

Recurring net income (group share) is up 6% to €118.9 million at December 31, 2022, representing 72% of rental income.

Net income attributable to the Group amounted to €95.1 million, including a negative change in the fair value of the portfolio of €32 million over the year 2022.

Premium assets valued at €4 billion, up +5% over 12 months

The delivered portfolio (excluding properties under development) amounted to 3,500,000 sq.m at December 31, 2022. Its valuation amounts to €3.94 billion excluding transfer duties (€4.17 billion including transfer duties), up +5% compared to December 31, 2021.

The valuation of the assets delivered at €3.94 billion shows a capitalization rate of 4.45% excluding transfer duties (4.2% including transfer duties), up slightly from 4.3% excluding transfer duties at December 31, 2021.

The average residual lease term remains stable at 5.5 years compared to 5.9 years at December 31, 2021. The weighted average age is 10 years.

A return to 100% occupancy by 2023

The average occupancy rate of the portfolio is 99%, stable compared to the end of December 2021.

However, the marketing of the Ferrières site (77) to Disney will enable the Group to return to a level of 100% by the beginning of 2023.

€135m investment in 2023

Argan plans to deliver 5 logistics sites in 2023 for a total amount of €135 million, representing 100,000 sq.m.

Net debt to equity ratio of 45% and a cost of debt of 1.5%

Gross financial debt stood at €1.98 billion and the net debt stood at €1.8 bn. After taking into account residual cash, net LTV (net financial debt/appraised value excluding duties) was slightly up at 45% at December 31, 2022.

The debt is composed of 32% fixed-rate bonds, 27% fixed-rate amortizing loans, 33% hedged variable-rate amortizing loans and 8% variable-rate amortizing loans. The average interest rate on the debt at December 31, 2022 is stable over one year at 1.5% and its maturity is 6.0 years.

NAV EPRA of continuation (NTA) slightly increasing to €93 per share

The NRV (reconstitution NAV) is €104.8 per share at December 31, 2022 (+2% over one year).

The NTA (continuation NAV) is € 92.9 per share at December 31, 2022 (+1% over one year).

The NAV (liquidation NAV) was €94.2 per share at December 31, 2022 (+3% over one year).

This €1.10 increase in EPRA NTA NAV per share compared to December 31, 2021 comes from net earnings per share (+€5.0), the change in the value of the assets (-€1.5), and the payment of the dividend in cash (-€0.9) and in shares (-€1.5)

A new strategic plan in the face of the changing economic cycle

Faced with the change in the economic cycle in 2022, which has led to a sharp increase in interest rates, **Argan is presenting a new strategic plan that will enable the group to continue to create value.** This plan is characterized by 2 major elements:

Strong deleveraging:

- **No more debt issuance.** In an economic cycle where the debt is very expensive, Argan has decided to focus on a policy of self-financing, which will enable the group to operate without debt. **We are targeting a net debt to EBITDA ratio of 7x in the medium term (2030-time frame).**
- **We will finance new developments by selling older warehouses.** This virtuous policy will create value because it will allow us to sell assets at a low rate of return. These assets will be replaced by new assets, developed at higher rates of return. **In addition, this policy will significantly rejuvenate the portfolio and reduce the portfolio's CO2 emissions and energy consumption.**
- **We are repaying amortizable loans, for an amount of €100 million per year.** This policy will allow Argan to reduce its debt organically. **The absence of new borrowings coupled with the repayments allow us to forecast a medium-term (2030-time frame) LTV target of between 25% and 35%, at a capitalization rate of 4.5% and 6% respectively.**

Moderate growth, following strong rental growth of 10% in 2023:

- **Rental income growth will be strong in 2023, with an increase of +10% to €182 million.** This growth is the result of indexation (+4% on average on our leases), the full-year effect of investments made in 2022 and 2023, and the return to a 100% occupancy rate.
- **Rental income growth will be moderate thereafter.** This is due to the fact that the developments will be financed with the disposal of mature assets. **However, we anticipate annual rental income growth of +2%, due to indexation and the higher return on developments compared to disposals.**

Carbon neutrality in 2030, in terms of lighting and heating:

- **Our new developments are made with the AUTONOM[®] warehouse that produces its own green energy. This warehouse is already carbon neutral in terms of lighting and heating.**
- The CSR quality of our portfolio will improve considerably thanks to the sale of old assets which will be replaced by AUTONOM[®] assets built to the best environmental standards.
- **Banning of gas and installation of electric heat pumps in the entire fleet by 2030.** These heat pumps will enable Argan to become carbon neutral by 2030 for the use of the building.

Controlled impact of rising interest rates, thanks to a controlled level of indebtedness

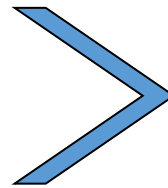
Debt protected against rising interest rates

Interest rates have risen sharply in 2022. However, this will not have a significant impact because our debt is made up of:

- 59% fixed-rate debt
- 33% of our debt is at a variable rate, hedged by instruments that are activated as soon as the Euribor reaches 1.5%.
- Only 8% variable rate debt

The cost of debt at 2.2% in 2023 if the Euribor reaches 3%.

Euribor \	2023	2024	2025	2026
2.0%	2.0%	2.0%	1.9%	2.6%
3.0%	2.2%	2.2%	2.2%	3.1%
4.0%	2.5%	2.5%	2.4%	3.6%
5.0%	2.8%	2.7%	2.7%	4.1%



Assuming a refinancing in 2026 of the bond at a rate of Euribor + 1%.

No need to refinance by 2026

Our mortgage debt (68% of our debt at the end of 2022) has the advantage of being amortized each year and does not require refinancing on the markets.

Only our bonded debt issued in 2021 will have to be refinanced in 2026, it being specified that the repayment in July 2023 of our €130 million bonded debt issued in 2017 is already provisioned without refinancing.

Debt far from our covenants

Cap rate \	2023	2024	2025	2026
4.5%	45%	42%	39%	36%
5.0%	50%	47%	43%	40%
5.5%	55%	52%	48%	44%
6.0%	60%	56%	52%	48%

Assuming a capitalization rate of 5.5% in 2026, our LTV ratio would be 44%, far from our covenant (bonds) of 65% and consequently without consequence on our cash flow, and below the objective of 40% LTV at MT (2030 time-frame).

About Argan

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

As at 30 June 2022, ARGAN's portfolio amounted to 3.3 million sq.m, comprising approximately 100 warehouses located exclusively in France, valued at €4.0 billion. 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.

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Consolidated net income (IFRS)

In millions of €	2021	2022
Rental income	156.8	166,1
Rebiling of rental charges and taxes	25.7	28,6
Rental charges and taxes	-27.7	-30,4
Other property income (IFRS 16)	3.1	3,2
Other property expenses	-0.3	-0,4
Net property income	157.7	167,1
EBITDA (excl. acquisition costs for the « Cargo » portfolio)	147.1	150,5
Of which IFRS 16 impact	3,1	2,8
Change in fair value of the portfolio	544.6	-31.8
Change in fair value IFRS 16	-2.1	-1,2
Other operational expenses	-	-0.5
Income from disposals	18.5	-0.2
EBITDA, after value adjustments (FV)	708.2	116.8
Income from cash and equivalents	0.2	0.6
Interest on loans and overdrafts	-29.5	-28.4
Interest on IFRS 16 lease liabilities	-1.6	-1.7
Borrowing costs	-2.8	-4.1
Change in fair value of the derivative instruments	-1.7	-0.9
Change in fair value of interest rate hedge	-	-6.5
Income before tax	672.7	75.8
Other financial expenses	3.6	19.2
Tax	-	-
Share of profit of equity-accounted companies	-	-
Consolidated net income	676.3	94.9
Consolidated net income – group share	668.1	95.1
Diluted Consolidated net income per share (€)	29.7	4.2

Recurring net income

In millions of €	2021	2022
Consolidated net income	676.3	94.9
Change in fair value of hedging instruments	1.7	0.9
Change in fair value of the portfolio	- 544.6	31.8
Income from disposals	- 18.5	0.2
Other financial expenses	- 3.6	- 19.2
Tax	-	-
Share of profit of equity-accounted companies	-	-
Early repayment penalties	-	6.5
Allocation of free shares	-	3.8
Other operating expenses non-recurring	-	0.5
Impact of IFRS 16	0.6	0.1
Recurring net Income	111.9	119.5
Recurring net Income - group share	111.7	119.2
Recurring net income per share (€)	5.0	5.2

NAV EPRA

	Dec 31, 2021			Dec 31, 2022		
	NRV	NTA	NDV	NRV	NTA	NDV
Shareholders' equity (in €m)	2,125.6	2,125.6	2,125.6	2,217.5	2,217.5	2,217.5
Shareholders' equity (in €/share)	94.1	94.1	94.1	96.6	96.6	96.6
+ Fair value of financial instruments (in €m)	3.2	3.2	-	-30.8	-30.8	-
- Goodwill in the balance sheet (in €m)	-	- 55.6	- 55.6	-	- 55.6	- 55.6
+ Transfer taxes (in €m)	186.9	-	-	219.7	-	-
= NAV (in €m)	2,315.7	2,073.1	2,070.0	2,406.4	2,131.1	2,161.9
= NAV (in €/share)	102.5	91.8	91.6	104.8	92.9	94.2