

Growth in rental income to €166 million up +6% in 2022

Rental income (IFRS) as of December 31, 2022 (unaudited figures)

€m	Year 2022	Year 2021	changes
Sum of the 3 quarters (Jan. - Sept.)	122.9	117.0	↗ + 5%
4th quarter (Oct. – Dec.)	43.2	39.8	↗ + 9%
Total 2022 (Jan. – Dec.)	166.1	156.8	↗ +6%

Rental income of €166 million in 2022

In 2022, ARGAN, the French real estate company specializing in the development and leasing of PREMIUM warehouses, has recorded **rental income of €166.1 million, up +6% compared to 2021**. This strong growth is mainly the result of the full-year effect of the 2021 deliveries and the rental income generated by the six new developments delivered since the beginning of the year, and by the acquisition of a 153,000 sq.m. warehouse from Renault Group in October 2022.

€220m invested in 2022

During the year, ARGAN **invested nearly €220 million**, representing more than 245,000 sq.m of warehouse space and generating **€13 million in rental income, representing a yield of 5.7%**:

- 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 rented 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.

- In September, **delivery of a 18,000 sq.m warehouse in Caen (14), fully leased to Legallais**, the French leader in the distribution of tooling and hardware products for professionals. This warehouse is leased for a fixed period of 12 years and is equipped with photovoltaic panels and batteries and is **the second Autonom® of ARGAN**.
- In September, the company took delivery of a **new 15,000 sq.m warehouse in Compans (77)**, entirely leased to Colis-privé for a firm 12-year term. This warehouse, developed by Virtuo, received the grand prize in the logistics category awarded by the SIMI (Salon de l'Immobilier d'Entreprise), illustrating the "zero net emission approach of the warehouse".
- In September, **a 14,000 sq.m logistics platform located in Saint-Jean-de-la-Neuville (76) was leased to DIDACTIC**, a group specializing in protective equipment, perfusion and hygiene solutions, for a firm 12-year term-lease.
- In December, **delivery of an 18,000 sq.m extension located in Albon (26), leased to two groups**. The logistics platform represents now 31,000 sq.m. The major part of the extension will be leased to Bert group, specialized in logistics and transport solutions, for a fixed term of 6 years. The rest of the extension is leased to Nutrition et Santé, already tenant of the existing 13,000 sq.m of the building, for a firm 9-year term.
- **The finalization of the rehabilitation of two warehouses in Rognac (13) and Lens (62) for a total surface of 45,000 sq.m**. These two warehouses are fully leased and belong to the joint-venture "CARGAN-LOG", owned 60% by ARGAN and 40% by the CARREFOUR group.

All these developments are Bream Very Good certified.

- In addition to these developments, **ARGAN has purchased a warehouse in Sens (89), 110 km from Paris, from the Renault Group**. This warehouse represents a surface area of 153,000 sq.m, and is fully leased to Renault SAS for a fixed period of 12 years.
- At the same time, in February 2022, ARGAN sold a 9,000 sq.m logistics platform in Tours (37).

A premium portfolio of 3.5 million sq.m. appraised at €4 billion excluding transfer duties at the end of December 2022 and growing by +5%.

- As of December 31, 2022, the portfolio of buildings represented 3,500,000 sq.m. **Its value increased by +5%, going from €3.75 billion to €3.94 billion excluding duties** (€4.17 billion including duties), resulting in a capitalization rate of 4.45% excluding transfer duties (4.2% including duties), slightly increasing from 4.3% excluding duties at December 31, 2021. **It should be noted that the effects of the increase in the capitalization rate on the value of the built assets were more than offset by the deliveries that took place during the year.**
- The weighted average residual lease term remained at 5.5 years.
- **The occupancy rate of the portfolio is 99% and will return to 100% along the first quarter of 2023** thanks to the re-leasing of the Ferrières site. The weighted average age is 10.4 years (vs. 9.6 years at December 31, 2021).

Financial strength confirmed

- During the fourth quarter, **Standard & Poor's reiterated its "BBB-" investment grade rating, with a "stable outlook"**. This confirmation shows that the group is solidly positioned to face an uncertain macro-economic environment.

Financial calendar 2023 *(Publication of the press release after closing of the stock exchange)*

- 19th January 2023: 2022 Results presentation

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 2022, ARGAN's portfolio amounted to 3.5 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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