

Half-year 2024:

ARGAN ACHIEVED A DOUBLE WIN BY COMBINING GROWTH & DEBT REDUCTION

- **Sustained growth in main financial indicators**
 - Rental income: +8% at €98 million
 - Recurring net income – group share: +7% at €67 million
 - Consolidated net income – group share: €91 million
- **Strong debt reduction**
 - EPRA LTV at 46%: down 4 points vs. end of 2023
 - Full success of a capital increase in an amount of €150 million
 - Cost of debt maintained at 2.3%
- **A continuously strengthened Prime portfolio**
 - €180 million investments in 2024
 - Portfolio valuation (excluding duties): €3.8 billion, with 100% occupancy
 - Stable NAV EPRA NTA: €79
- **Annual targets for 2024 confirmed**
 - Rental income: €197 million (+7% vs. 2023)
 - Recurring net income – group share: €135 million¹ (+7% vs. 2023)
 - Dividend per share: €3.30² (+5% vs. 2023)

Ronan Le Lan, Chairman of ARGAN's Executive Board:

« On a **backdrop that remains uncertain** and that can still weigh on future trends in rates, Argan delivered a **solid financial performance in the first six months of the year**. **More particularly, we recorded a strong growth in our rental income (+8%) and recurring net income (+7%),** as well as a **significant and proactive reduction in our debt with an EPRA LTV down 4 points over 6 months to 46%**.

In 2024, we have decided to further **accelerate our debt reduction and growth paths** with a capital increase in April, that successfully led to raising **€150 million**. We are thus now aiming for **an average annual increase in our rental income of +7% over the 2024-2026 period** (vs. +5% previously) and **EPRA LTV of 44% by the end of 2024** (vs. 48% previously), and **around 38% by the end of 2026**.

Building on a **strong balance sheet**, Argan is now, more than ever, on track **to fully benefit from the favourable trends linked to the development of the logistics real estate in France**. »

¹ Confirmed target for the recurring net income previously raised on the occasion of the capital increase finalized on April 23, 2024. For more information, please consult press releases dated April 23 and 24, 2024.

² Subject to approval during the Shareholders Annual Meeting of March 20, 2025.

2024 targets confirmed:

Indicators	Updated 2024 targets	Initial 2024 targets	Full year 2023	Trends vs. 2023
Rental income	€197m	€197m	€184m	↗ +7%
Recurring net income – Group share	€135m*	€133m	€126m	↗ +7%
Dividend per share	€3.30 ¹	€3.30 ¹	€3.15	↗ +5%

* The 2024 target for the recurring net income was raised as part of the capital increase that took place on April 23, 2024. For more information, please refer to press releases dated April 23 and April 24, 2024.

FINANCIAL PERFORMANCE AS AT JUNE 30, 2024

Financial key figures as at June 30, 2024:

Consolidated income statement	June 30, 2024	June 30, 2023	Trends
Rental income	€98.1 million	€90.9 million	↗ +8%
Net income – Group share	€90.9 million	-€267.0 million	↗ n.a
Net income per share – Groupe share	€3.8 ²	-€11.6	↗ n.a
Net recurring income – Group share	€67.0 million	€62.8 million	↗ +7%
Recurring net income per share – Group share	€2.8 ²	€2.7	↗ +3%

Valuation indicators	June 30, 2024	Dec. 31, 2023	Variation
Portfolio valuation excluding duties	€3.76 billion	3.68 billion	↗ + 2%
NAV EPRA NTA per share	€78.9 ³	€79.1	↘ 0 %
NAV EPRA NRV per share	€89.7 ³	€90.6	↘ - 1 %
NAV EPRA NDV per share	€82.8 ³	€83.6	↘ -1 %

Debt indicators	June 30, 2024	Dec. 31, 2023	Variation
LTV EPRA	45.9%	49.7%	↘ -380 bps
LTV EPRA (incl. duties)	43.4%	47.1%	↘ -370 bps
Cost of debt	2.3%	2.3%	= 0 bps
Net debt / EBITDA ⁴	9.5x	11.0x	↘ -1.5 pts

2024 Half-year consolidated accounts were agreed by ARGAN's Executive Board on July 18, 2024, and approved by the Supervisory Board on July 23, 2024. The procedures related to the limited review of our statutory auditors on these consolidated financial statements have been finalized, and their limited review report was issued.

¹ Subject to approval during the Shareholders Annual Meeting of March 20, 2025.

² Calculated on the weighted average number of shares of 23,919,304.

³ Calculated on the number of shares at the end of June 2024 of 25,402,673.

⁴ Net debt on a proforma EBITDA (half-year EBITDA on a yearly basis).

Strong growth in main financial indicators

ARGAN recorded strong increases in its main financial indicators in the first six months of 2024. Rental income and Group share recurring net income grew at a sustained and similar pace, recording respectively +8% and +7%. These results are a demonstration of our Group's ability to turn its very good business momentum into created value and lasting cash flows.

Sustained growth in rental income: +8%

Rental income grew +8% in the first half of 2024, to €98 million. This sustained increase mainly came from the rents' indexation (+4.6%) that took place on January 1, 2024, complemented by the full-year impact of 2023 deliveries and 2024 deliveries.

Building on a high-quality PRIME portfolio, in demanded locations, the occupancy rate remained at 100% for the 6th consecutive quarter in a rental market with a vacancy rate that is still low (vacancy at 4.3% in France at the end of June 2024 according to CBRE). Our EPRA vacancy rate was thus 0% at the end of June 2024.

Increase in the Group share recurring net income: +7%, in line with rental income

Group share recurring net income was up +7%, at €67 million at the end of June 2024, representing a margin on rental income that was maintained at a high level of 68%. This testifies to the soundness of Argan's hedging policy, thus limiting the impact on Group's cost of debt coming from rates increases that took place when comparing the first half of 2023 to the first half of 2024.

Thanks to a fair value variation of our portfolio that is once again turning positive, for +€17.0 million over 6 months, the consolidated Group share net income was €90.9 million at the end of June 2024.

Back to an increasing portfolio value

A premium portfolio appraised (excl. duties) at €3.76 billion

The portfolio delivered (excluding properties under development) represented 3,615,000 sq.m as at June 30, 2024. Excluding duties, the valuation was €3.76 billion (€3.98 billion including duties), i.e., an increase of +2% from December 31, 2023.

The capitalisation rate excluding duties was thus 5.30%, a slight increase from 5.10%, which was the rate excluding duties recorded on December 31, 2023. Including duties, the capitalisation rate (EPRA Net Initial Yield) was 5.00%, reflecting the PREMIUM quality of our assets.

The average residual lease term was 5.5 years as at June 30, 2024 and the weighted average age was 11.5 years.

A record development pipeline for 2024: €180 million¹

In total, ARGAN has thus commitments for close to €180 million in developments representing 170,000 sq.m in 2024, generating an average yield approaching 7%. The high profitability of projects to be delivered in 2024 reflects ARGAN's ability to pursue its profitable growth momentum, driven by a portfolio of AUTONOM[®] - labelled warehouses on strategic locations, as part of an approach of pre-let projects and long-term partnerships with reliable and blue-chip clients.

¹ For more information regarding development projects and deliveries of 2024, please consult the press release date July 1, 2024.

Stable NAV EPRA of continuation (NTA): €79 per share

The NRV (reconstitution NAV) was €89.7 per share as at June 30, 2024 (-1% over 6 months).

The NTA (continuation NAV) was €78.9 per share as at June 30, 2024 (almost stable over 6 months).

The NDV (liquidation NAV) was €82.8 per share as at June 30, 2024 (-1% over 6 months).

More particularly, the trend in the NTA (continuation NAV) over the half-year represents, in value, a limited decrease of **-€0.2** compared with December 31, 2023. This came from the net result per share (+€2.7), the change in the value of the assets (+€0.7), the dilutive impact of the new shares created as part of the capital increase that took place in H1 2024 (-€0.5), the payment of the dividend in cash (-€2.1) and in shares (-€1.0).

A sound balance sheet: Significant decrease in debt ratios

A cost of debt that remains under control

Gross financial debt was **€1.8 billion** as at June 30, 2024. Including available cash and cash equivalent at the end of June 2024 for €63 million, net debt was also close to **€1.8 billion**.

On a backdrop of interest rates that were still at a high level in the first half of 2024, the average cost of debt as at June 30, 2024 was stable at 2.3 %, for a maturity of 5.5 years. Our Group is now expecting a cost of debt stabilising at 2.3% for 2024 based on a 3-month Euribor forecast of close to 4% on the full-year.

The cost of debt over the half-year thus remained contained with the following breakdown:

- **58 % fixed-rate debt;**
- **39 % of hedged variable debt;**
- **Only 3% variable rate debt that is not hedged.**

Significant decrease in debt ratios

Our net debt level as at June 30, 2024, led to a net EPRA LTV (*net financial debt/appraised value excluding duties*) that recorded a significant 4-point decrease at **45.9%**, well below our bond's covenant (**65%**), and the net debt / EBITDA¹ ratio decreased to **9.5x** from **11.0x** at the end of December 2023.

Successful capital increase in an amount of €150 million

On top of reflecting a maintained solid portfolio valuation at a Prime level for Argan, the decrease in net EPRA LTV ratio in the first half also testifies to the positive impact of the capital increase² made in April in an amount of **€150 million** through an ABB process (at a price per share of €74).

With this capital increase, and building on a strategy that aims at not subscribing any additional debt until 2026, Argan has set the following main targets:

- **A strong decrease in its net EPRA LTV ratio from 50% at the end of 2023 to around 44% at the end of 2024; and**
- **Bringing down its net debt/EBITDA ratio to around 9.5x at the end of 2024, from 11x at the end of 2023.**

¹ Net debt on a proforma EBITDA (half-year EBITDA on a yearly basis).

² For more information on mentioned capital increase, please refer to press releases dated April 23 and 24, 2024.

Argan also **plans to leverage this equity increase to continue its development**, targeting a **CAGR of its rental income of +7% over the 2024-2026 period**, and to **increase the liquidity of its share on the stock market**, with the **free float having increased from 44% to 48% of the company's capital**.

€78 million in targeted assets sales for 2024

Additionally, and **in support of its debt reduction policy**, Argan is deploying an **assets sales program in an amount of about €180 million for the 2024-2026 period** and **plans to achieve around €78 million in 2024**, with:

- **€18 million already finalized** with the **disposal – in the second quarter – of a logistics platform in Caen (14) of 18,000 sq.m**; and
- **The remaining amount of about €60 million planned over the second half of 2024**.

2024 financial calendar (*Publication of the press release after closing of the stock exchange*)

- October 1: Net sales of 3rd quarter 2024

2025 financial calendar (*Publication of the press release after closing of the stock exchange*)

- January 3: Net sales of 4th quarter 2024
- January 16: Annual results 2024
- March 20: General Assembly 2025

About ARGAN

ARGAN is the only French real estate company specializing in the **DEVELOPMENT & RENTAL OF PREMIUM WAREHOUSES** listed on Euronext and is the leading player of its market. Building on a unique client-tenant-centric approach, ARGAN builds pre-let PREMIUM warehouses for blue-chip clients and supports them throughout all project phases from the development milestones to the rental management.

Profitability, tight control over our debt and sustainability are at the heart of **ARGAN's** DNA. Its strongly proactive ESG policy has very concrete results with our **AUTONOM[®]** concept, the “in-use” Net Zero warehouse. As at June 30, 2024, our portfolio represented 3.6 million sq.m, across about a hundred warehouses, exclusively located in the continental part of France, and this portfolio was valued €3.8 billion for a yearly rental income of about €200 million.

ARGAN is a listed real estate investment company (French SIIC), on Compartment A of Euronext Paris (ISIN FRO010481960 - ARG) and is included in the Euronext SBF 120, CAC All-Share, EPRA Europe and IEIF SIIC France indices.

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APPENDICES

Consolidated net income (IFRS)

In € millions	June 30, 2023 (6 months)	December 31, 2023 (12 months)	June 30, 2024 (6 months)
Rental income	90.9	183.6	98.1
Rebiling of rental charges and taxes	28.3	33.9	29.9
Rental charges and taxes	-29.0	-35.0	-30.1
Other property income	1.6	3.2	1.8
Other property expenses	-0.1	-0.2	-0.2
Net property income	91.7	185.5	99.4
EBITDA (Current Operating Income)	85.3	172.1	92.6
Of which IFRS 16 impact	1.5	3.0	1.6
Change in fair value of the portfolio	-331.4	-370.8	18.2
Change in fair value IFRS 16	-1.2	-2.4	-1.2
Other operational expenses	-	-	-
Income from disposals	-0.2	-0.2	-
EBITDA, after value adjustments (FV)	-247.5	-201.2	109.7
Income from cash and equivalents	1.4	1.6	0.4
Interest on loans and overdrafts	-20.2	-41.4	-23.3
Interest on IFRS 16 lease liabilities	-0.9	-1.9	-0.9
Borrowing costs	-1.9	-3.7	-1.6
Change in fair value of the derivative instruments	-0.2	-0.2	-0.1
Early repayment penalties	-	-	-
Income before tax and other financial income and expenses	-269.3	-246.8	84.3
Other financial income and expenses	-0.2	-19.7	6.8
Tax	-	-	-
Share of profit of equity-accounted companies	-	-	0.1
Consolidated net income	-269.5	-266.4	91.1
Consolidated net income – group share	-267.0	-263.5	90.9
Consolidated net income per share (€)	-11.6	-11.4	3.8

Net recurring income

In € millions	June 30, 2023 (6 months)	December 31, 2023 (12 months)	June 30, 2024 (6 months)
Consolidated net income	-269.5	-266.4	91.1
Change in fair value of hedging instruments	0.2	0.2	0.1
Change in fair value of the portfolio	331.4	370.8	-18.2
Income from disposals	0.2	0.2	-
Other financial expenses	0.2	19.7	-6.8
Tax	-	-	-
Share of profit of equity-accounted companies	-	-	-0.1
Early repayment penalties	-	-	-
Allocation of free shares	-	0.6	0.5
Other operating expenses non-recurring	-	-	-
Impact of IFRS 16	0.6	1.3	0.5
Net recurring income	63.1	126.2	67.1
Minority interests	0.3	0.6	0.1
Net recurring income – Group share (EPRA)	62.8	125.6	67.0
Recurring net income per share (€)	2.7	5.5	2.8

Simplified consolidated balance sheet

In € millions	June 30, 2023	December 31, 2023	June 30, 2024
Non-current assets	3,909.1	3,935.5	4,023.3
Current assets	270.6	118.1	145.9
Assets held for sale	-	17.5	-
Total Assets	4,179.7	4,071.1	4,169.2
Shareholders' equity	1,888.0	1,887.8	2,075.1
Minorities	35.1	34.6	34.8
Non-current liabilities	1,873.0	1,864.5	1,833.4
Current liabilities	383.6	276.2	225.9
Liabilities classified as held for sale	-	8.0	-
Total Liabilities	4,179.7	4,071.1	4,169.2

NAV EPRA

	December 31, 2023			June 30, 2024		
	NRV	NTA	NDV	NRV	NTA	NDV
Shareholders' equity (in €m)	1,887.8	1,887.8	1,887.8	2,075.1	2,075.1	2,075.1
Shareholders' equity (in €/share)	81.8	81.8	81.8	81.7	81.7	81.7
+ Fair value of financial instruments (in €m)	-5.5	-5.5	-	-14.0	-14.0	-
- Goodwill in the balance sheet (in €m)	-	-55.6	-55.6	-	-55.6	-55.6
+ Fair value of fixed-rate debt (in €m)	-	-	98.2	-	-	85.1
+ Transfer taxes (in €m)	208.4	-	-	217.3	-	-
= NAV (in €m)	2,090.7	1,826.6	1,930.4	2,278.4	2,005.4	2,104.5
= NAV (in €/share)	90.6	79.1	83.6	89.7	78.9	82.8

DISCLAIMER

Some elements or statements included in this press release may contain forward looking data or prospective estimates regarding potential future events, trends, roadmaps or targets. Although ARGAN considers these forward-looking statements rely on reasonable assumptions at the time this document is released, forward looking projections and announced trends are by nature subject to risks, identified or not as of today. These can lead to significant discrepancies between actual results and those indicated or implied in elements or statements contained in this press release.

For more detailed information regarding risks, readers can refer to the latest version of the Universal Registration Document of ARGAN, filed with the Autorité des marchés financiers (AMF) and available in a digital format on the AMF website (www.amf-france.org) as well as ARGAN's (www.argan.fr).

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