

Press release

Paris, July 12, 2018

2017/2018 consolidated net profit : €25.1 million.

Ongoing disposal of the Think and Imagine buildings.

Consolidated net profit for FY 2017/2018 increased by 18.6% compare to FY 2016/2017 mostly because the value adjustment on buildings increased by €6.9 million, reflecting a better occupation of the buildings.

<i>Million of €</i>	31.03.2018	31.03.2017	Var. (%)
Real estate portfolio valuation (excluding duties)	347.2	306.0	+13.5%
Net rental income	7.3	5.9	+23.7%
Value adjustment on buildings	43.6	36.7	+18,9%
Consolidated net profit	25.1	21.2	+18,6%
Shareholders' equity	52.4	26.5	+97,7%
Consolidated net debts	298.1	278.8	+6,9%
Overall indebtedness ratio ¹	85,9%	91,1%	-5,2%
Liquidation NAV per share (dilué) ¹	€2.20	€1.49	+47,7%

Officiis Properties' Board of Directors met today and approved the annual financial statements currently being audited for the period from April 1, 2017 to March 31, 2018.

New leases signed, vacancy rate reduced significantly

Between April 1, 2017 and March 31, 2018, Officiis Properties (previously Züblin Immobilière France) and its subsidiaries signed new leases covering 10,873 sq.m in the Newtime and Think buildings, representing €5.7 million of additional annualized gross rent.

On July 2, 2018, a new lease was signed in the Newtime building, covering 905 sq.m and representing €0.4 million of gross annual rent.

Following the signing of this lease, the occupation rate of the buildings held by Officiis Properties and its subsidiaries stands at 95%, compared with 72% on March 31, 2017.

However, the main tenant of the Magellan building, the company Faurecia, has notified Officiis Properties on June 30, 2018 of its intention to use its option to terminate its lease, and to leave the premises it occupies before the end of 2018.

¹ Cf Glossaire ci-après

Rental income and portfolio value growth

As of March 31, 2018, on the basis of the independent appraisals carried out by JLL, the overall portfolio's rental market value stands at €18.6 million, with a value including duties of €355.2 million, or a yield of 5.2%. The value excluding duties is estimated at €347.2 million, an increase of €41.2 million since March 31, 2017. This strong progress (+13.5%) primarily reflects the drop in capitalization rates determined by JLL, which are a result of the significant decrease in the portfolio's vacancy rate and the positive dynamics of the real estate investment market.

Gross rental income for the financial year 2017/2018 reached €9.3 million, compared to €8.4 million during the previous financial year.

Disposal of the Think, Imagine, and Salengro buildings

The meeting of the Board of Directors that took place today authorized the signature of the preliminary sales agreements of the Think and Imagine buildings in Neuilly-Sur-Seine. The disposal of the Think building is expected to be completed during the 4th Quarter of 2018, while the disposal of the Imagine building is expected to be completed before September 30, 2018. These operations should generate €142 million in sales proceeds for the company, in line with the appraised values of the assets at March 31, 2018.

As a reminder, the company had disposed of the Salengro building on December 19, 2017, generating sales proceeds of €19 million (€18.6 million after deducting the fees and costs related to the transaction).

Increase in financial expenses

Financial expenses stood at €25 million for the financial year 2017/2018, against €19 million during the previous financial year of 2016/2017. This increase in expenses is a result of the increase in borrowing costs of the outstanding non-bank loans and their interest rates.

Further improvements in the financial position, decrease of the Overall Debt Ratio

On August 7, 2017, the Company's redeemable bonds that were issued in 2007 ("ORA" bonds) matured. As a result, the Company issued 2,656,250 new shares, which were all allocated to the company holding the ORA redeemable bonds, REOF Holding S.à r.l, which is also the Company's majority shareholder. As of March 31, 2018, REOF Holding S.à r.l. held 56.8% of the Company's shares and voting rights.

With this operation, the Company's share capital was increased by €4.1 million. On March 31, 2018, it represented €30,621,698.80, made up of 19,884,220 shares with a par value of €1.54.

The Company's shareholders' statutory equity became positive again.

Except for the reimbursements related to the above-mentioned disposals, all the financial debt is scheduled to mature on July 31, 2020.

At March 31, 2018, financial debt represented a total of €309.8 million (including accrued and/or capitalized interest), of which €131.7 million is mortgages².

² In the IFRS consolidated accounts, financial debts amount to €298.8 million, with €133.7 million mortgages because of (i) reclassification of the "Equity" component of the convertible bonds (€2.8 million) and (ii) the amortization of financial debts' issuing costs (€0.5 million)

At March 31, 2018 mortgage borrowing (principal and accrued interests), net of cash and cash reserves (€11.7 million), represented 34.6% of the Company's portfolio value excluding duties (€347.2 million), versus 40.3% at March 31, 2017

Total Consolidated Debt (including mortgages, non-bank loans, convertible bonds and related accrued and/or capitalized interests, net of cash and cash reserves)³ is still high, representing 85.9% of the Company's portfolio value (excluding duties) at March 31, 2018 (versus 91.1% at March 31, 2017).

The Company's consolidated shareholders' equity represented €52.4 million at March 31, 2018, compared with €26.5 million at March 31, 2017 (+98%).

The Company's diluted³ net asset value³ per share came to €2.27 (€1.49 at March 31, 2017). On an undiluted basis, it represents €2.50.

Outlook

Following the completion of the disposals of the Think and Imagine buildings, the company expects to deploy the sales proceeds to reimburse the entirety of its existing mortgages (€131.7 million at March 31, 2018).

Within a favorable market context, the company intends to continue to pursue its active management strategy during the financial year 2018/2019, notably by:

- Pursuing the commercialization of its last remaining vacant spaces in the Newtime building, and its disposal;
- Launching the renovation program of the Magellan building when its primary tenant (Faurecia) will have vacated the premises.

On the financial front, the 2018/2019 year will continue to be impacted by the financial vacancy tied to the renovation of the Magellan building, in addition to the rent-free periods granted to the new tenants of the Newtime building.

The company REOF Holdings S.à r.l, majority shareholder of Officiis Properties, has asked to be represented in the Board of Directors and has indicated that in the hypothesis that the disposal of the Newtime Building should take place, it would implement, pursuant to Article 236-6 of the of Autorité des Marchés Financiers ("AMF") General Regulations, a public repurchase offer for the entirety of the shares and, if need be, of all the equity-linked securities or voting rights that it doesn't currently detain, under such conditions and at price levels that would reflect the company's net asset value on the date of submission of the above-mentioned repurchase offer.

Schedule

The financial reports will be made available to the shareholders and investors by July 31, 2018.

The General Assembly of the shareholders will be held on September 14, 2018. The notice of the meeting serving as convocation will be published within the legal time limits.

³ Cf. Definitions here-after

Key figures for FY 2017-2018 (Consolidated IFRS figures)

<i>In € million</i>	31.03.2018	31.03.2017	Var %
Profit and loss statement			
Net rental income	7.3	5.9	+23%
Operating costs	(2.5)	(2.5)	-2%
Income from disposal of investment property	1.6	0.0	N/A
Asset valuation adjustment	43.6	36.7	+19%
Net operating income	50.1	40.1	+25%
Financial income	0.0	0.0	
Net income from financial liabilities at fair value through comprehensive income	0.0	0.0	
Interest expenses	(25.0)	(19.0)	+32%
Consolidated net income	25.1	21.2	+19%
Consolidated net income attributable to shareholders	25.1	21.2	+19%
<i>In € million</i>	31.03.2018	31.03.2017	Var. (%)
Balance sheet			
Investment properties	31.0	288.6	-89%
Properties held for sale	316.2	17.4	X17
Other assets	18.3	13.9	+32%
- <i>Out of which available cash</i>	11.7	9.3	+26%
Total assets	365.5	319.9	+14%
Shareholders' equity	52.4	26.5	+98%
Non-current liabilities	191.2	274.8	-30%
- <i>Out of which financial debts</i>	189.3	272.2	-30%
Current liabilities	121.8	18.6	X6
- <i>Out of which financial debts</i>	117.6	12.3	X9
Total liabilities	365.5	319.9	+14%
Key figures per share	31.03.2018	31.03.2017	Var. (%)
Liquidation NAV (diluted basis) ⁴	2.20 €	1.49 €	+48%
Operating cash-flow (diluted basis) ⁴	(0.57) €	(0.42) €	-36%
Liquidation NAV (undiluted basis) ⁴	2.50 €	(0.34) €	N/A
Operating cash-flow (undiluted basis) ⁴	(1.00) €	(0.82) €	-22%

⁴ Cf. Definitions here-after

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About Officiis Properties

Officiis Properties (previously Züblin Immobilière France) is a listed property company that has opted for SIIC status and invests in office properties. Its real estate portfolio consists of four office buildings in the Paris region.

Officiis Properties shares are listed on Euronext Paris Compartment C market - ISIN: FR0010298901

Definitions

Liquidation NAV

The company has opted for the accounting of its properties at their fair value excluding rights. The Liquidation Net Asset Value (i.e. the amount that would be returned to shareholders in case of immediate cessation of business and sale of its buildings at their fair value excluding duties), corresponds to its consolidated shareholders' equity (€52,444 thousand) minus the equity component of the convertible bonds issued on July 31, 2017 (€ 2,786 thousand). The liquidation NAV thus amounts to €49,658 thousand at March 31, 2018.

Liquidation NAV per share

The Liquidation NAV per share on an undiluted basis is obtained by dividing the Liquidation NAV by the number of shares outstanding at the date of calculation of the Liquidation NAV, excluding treasury shares, i.e. 19,851,949 shares at March 31, 2018.

The liquidation NAV per share on a diluted basis is obtained by dividing the Liquidation NAV, adjusted by the impact on shareholder's equity of the conversion of the convertible bonds issued by the company on July 31, 2015 (+23.755 K€) by the number of potential shares on the date of calculation of the liquidation NAV, excluding treasury shares, i.e. 33,374,307 potential shares at March 31, 2018. The difference of 13,522,358 shares corresponds to the number of shares that would be created by the conversion of the convertible bonds issued by the company on July 31, 2015.

Operating Cash flow

Operating Cash flow is defined as consolidated net income (€25,085 thousand), restated for changes in the fair value of assets (-€43,644 thousand), impact of disposals of real estate (-€1,600 thousand), loan issuance costs (€614 thousand), the reevaluation of isolated financial instruments (€800 thousand) and discounting of tenant security deposits (-€138 thousand). Capitalized interest (non-bank borrowings, convertible bonds) is not restated for the calculation of the Operating Cash flow because the cash outflow remains due even if deferred. Operating Cash flow was - €18,883 thousand at March 31, 2018.

Operating Cash flow per share

Undiluted Operating Cash flow per share is calculated on the basis of the weighted average number of outstanding shares during the period under review (excluding treasury shares), i.e. 18,921,074 shares for the period from April 1, 2017 to March 31, 2018.

The diluted Operating Cash flow per share is established on the basis of the weighted average number of potential shares (see above definition of the liquidation NAV per share) during the period under review (excluding treasury shares).), or 33,375,208 shares for the period from April 1, 2017 to March 31, 2018.

Overall Indebtedness

The Overall Indebtedness Ratio compares the sum of:

▪ Mortgages (principal)	131,250 K€
▪ Non-bank loans and shareholders' loans (principal)	141,371 K€
▪ Convertible bonds	24,515 K€
▪ Accrued interests and commissions	12,702 K€
▪ Available cash and equivalent	-11,704 K€
<i>Total Consolidated Debts</i>	<i>298,135 K€</i>

To:

▪ Real Estate portfolio value (excluding duties)	347,200 K€
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Ratio : 85,9%