



Paris, July 25, 2019 – 8:00 a.m.
First-half 2019 results – Regulated information

First-half 2019 results: sharp 41% increase in EPRA earnings

- Strong 20% in rental income
- 6.4% value creation over first half
- Brisk rental activity with leases signed on 13,000 sq.m in 6 months
- Reaffirmed commitment to environmental change

Key indicators

<i>In millions of euros</i>	First-half 2019	First-half 2018	Change
IFRS rental income	31.3	26.0	+20%
EPRA earnings	20.6	14.7	+41%
Portfolio value (excluding transfer duties)	1,435	1,174	+22%
LTV ratio	53.7%	53.1%	+0.6 pts
EPRA NAV per share excluding transfer duties (in €)	42.0	40.9	+2.7%
EPRA NNNAV per share excluding transfer duties (in €)	41.3	40.4	+2.4%
Dividend per share (in €)	2.3	2.2	+4.5%

A winning property strategy

Cegereal enjoyed brisk rental activity in first-half 2019, with new leases, renewals or extensions signed on 13,000 sq.m of space (i.e., 7% of the portfolio). At end-June 2019, the average remaining lease term remained high at more than five years.

At June 30, 2019, Cegereal's overall occupancy stood at 94.2%, including recently signed leases and the departure of Capgemini. At December 31, 2018, the occupancy rate stood at 96.1%.

The arrival of the European Banking Authority and KPMG's teams at the Europlaza tower in the first six months of 2019, just weeks after ongoing renovation work was delivered, illustrates the effectiveness of Cegereal's capital expenditure program.

Results in line with Cegereal's growth plan

The acquisition of the Passy Kennedy building had a positive impact on first-half 2019 results.

The transaction helped to drive 20% growth in rental income, which came in at €31.3 million (€26.4 million euros like for like).

The portfolio value (excluding transfer duties) came to €1,435 million, growing by 22% and €1,212 million like for like (+3.2%), benefiting from the asset management policy implemented on the portfolio.

Cegereal's EPRA earnings totaled €20.6 million in first-half 2019, a sharp 41% increase on the prior-year period. As reported, they came to €17.2 million, representing growth of 17% due to an improvement in net rental income and good cost control.

EPRA NNNAV stood at €657.0 million at June 30, 2019, up from €639.6 million at December 31, 2018. The increase mainly reflects growth in consolidated net income (positive €19.6 million impact), the change in fair value of investment property (positive €23.1 million impact), the dividend payout (negative €36.6 million impact), and the capital increase carried out in March 2019¹ (positive €11.2 million impact).

The positive results allowed Cegereal to deliver a Total Shareholder Return of 6.4% over the six months (dividends added back).

A tenant-focused strategy

Particularly attentive to changes in lifestyles and ways of working, Cegereal invests significantly in its properties in order to constantly improve its tenants' user experience. As an example, the restaurant facilities at the Europlaza tower are soon to be transformed into welcoming, connected living spaces.

Cegereal also focuses specifically on managing energy consumption and biodiversity across its portfolio. In total, its properties feature more than 3.7 hectares of green space overall, including a 4,800 sq.m lake at Hanami, a 3,000-sq.m wooded garden at Europlaza and a living roof at Arcs de Seine.

Cegereal will continue to pursue this long-term strategy, which drives it to continually improve the quality and energy performance of its portfolio, and offer environmental advantages and a working environment that meet the expectations of new generations. In return, these tenants will ensure high occupancy rates and stable, quality income streams for Cegereal.

Investor Calendar

- November 15, 2019 Third-quarter 2019 rental income

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¹ Creation of 305,190 new shares at a price of €36.71, representing € 11,203,524.90 (including €1,525,950 in nominal value and € 9,677,574.90 in additional paid-in capital).

About Cegereal

Created in 2006, Cegereal is a commercial property company that invests in prime office properties in Greater Paris. The total value of the portfolio is estimated at €1,435 million at June 30, 2019 (excluding transfer duties).

From an environmental point of view, Cegereal's portfolio is fully certified with NF HQE™ Exploitation and BREEAM In-Use International certification, and benefits from the "Green Star" rating in the international GRESB benchmark.

Cegereal is a REIT listed on Euronext Paris since 2006, in compartment B (ISIN: FR0010309096). The Company had a market capitalization of €614 million at July 24, 2019.

www.cegereal.com

APPENDICES

IFRS Income Statement (consolidated)

In thousands of euros, except per share data

	June 30, 2019	Dec. 31, 2018	June 30, 2018
	6 months	12 months	6 months
Rental income	31,290	53,026	26,036
Income from other services	15,030	15,010	10,746
Building-related costs	(17,818)	(31,002)	(16,074)
Net rental income	28,502	37,034	20,707
Administrative costs	(1,983)	(4,039)	(2,377)
Net additions to provisions & depreciation and amortization	0	0	(5)
Other operating expenses	(7)	(89)	(133)
Other operating income	220	0	0
Increase in fair value of investment property	36,137	12,501	4,291
Decrease in fair value of investment property	(13,010)	(800)	(5,688)
Total change in fair value of investment property	23,127	11,701	(1,397)
Net operating income	49,860	44,607	16,795
Financial income	0	6	6
Financial expenses	(7,120)	(11,508)	(5,643)
Net financial expense	(7,121)	(11,502)	(5,637)
Corporate income tax	0	0	0
CONSOLIDATED NET INCOME	42,739	33,106	11,158
<i>of which attributable to owners of the Company</i>	<i>42,739</i>	<i>33,106</i>	<i>11,158</i>
<i>of which attributable to non-controlling interests</i>	<i>0</i>	<i>0</i>	<i>0</i>
Other comprehensive income			
TOTAL COMPREHENSIVE INCOME	42,739	33,106	11,158
<i>of which attributable to owners of the Company</i>	<i>42,739</i>	<i>33,106</i>	<i>11,158</i>
<i>of which attributable to non-controlling interests</i>	<i>0</i>	<i>0</i>	<i>0</i>
Basic earnings per share (in euros)	2.71	2.40	0.84
Diluted earnings per share (in euros)	2.60	2.27	0.79

IFRS Balance Sheet (consolidated)

In thousands of euros

	June 30, 2019	Dec. 31, 2018	June. 30, 2018
<u>Non-current assets</u>			
Property, plant and equipment	44	47	53
Investment property	1,435,240	1,408,520	1,174,400
Non-current loans and receivables	22,298	20,230	21,289
Financial instruments	57	597	10
Total non-current assets	1,457,639	1,429,393	1,195,752
<u>Current assets</u>			
Trade accounts receivable	13,130	7,747	13,902
Other operating receivables	9,938	14,726	11,866
Prepaid expenses	131	116	196
Total receivables	23,199	22,589	25,964
Cash and cash equivalents	29,187	53,367	18,879
Total cash and cash equivalents	29,187	53,367	18,879
Total current assets	52,386	75,957	44,843
TOTAL ASSETS	1,510,025	1,505,350	1,240,595
<u>Shareholders' equity</u>			
Share capital	79,532	78,006	66,863
Legal reserve and additional paid-in capital	66,462	93,277	25,314
Consolidated reserves and retained earnings	503,481	470,500	470,363
Net attributable income	42,739	33,106	11,158
Total shareholders' equity	692,214	674,889	573,697
<u>Non-current liabilities</u>			
Non-current borrowings	763,664	763,321	616,418
Other non-current borrowings and debt	9,381	9,543	6,505
Non-current corporate income tax liability	0	0	0
Financial instruments	741	791	780
Total non-current liabilities	773,786	773,655	623,704
<u>Current liabilities</u>			
Current borrowings	3,378	3,152	2,970
Trade accounts payable	5,866	24,996	14,698
Corporate income tax liability	0	0	0
Other operating liabilities	13,953	9,698	11,363
Prepaid revenue	20,828	18,960	14,163
Total current liabilities	44,025	56,806	43,194
Total liabilities	817,811	830,461	666,898
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,510,025	1,505,350	1,240,595

IFRS Statement of Cash Flows (consolidated)

In thousands of euros

	June 30, 2019	Dec. 31, 2018	June 30, 2018
OPERATING ACTIVITIES			
Consolidated net income	42,739	33,106	11,158
<i>Elimination of items related to the valuation of buildings:</i>			
Fair value adjustments to investment property	(23,127)	(11 701)	1,397
<i>Elimination of other income/expense items with no cash impact:</i>			
Depreciation of property, plant and equipment (excluding investment property)	7	11	5
Free share grants not vested at the reporting date	0	0	0
Fair value of financial instruments (share subscription warrants, interest rate caps and swaps)	469	473	253
Adjustments for loans at amortized cost and fair value of embedded derivatives	1,177	2,247	1,208
Contingency and loss provisions	0	0	0
Corporate income tax	0	0	0
Penalty interest	0	0	0
Cash flows from operations before tax and changes in working capital requirements	21,264	24,136	14,021
Other changes in working capital requirements	(13,314)	19,621	3,965
Working capital adjustments to reflect changes in the scope of consolidation			
Change in working capital requirements	(13,314)	19,621	3,965
Net cash flows from operating activities	7,950	43,757	17,986
INVESTING ACTIVITIES			
Acquisition of fixed assets	(3,595)	(227,422)	(6,399)
Net decrease in amounts due to fixed asset suppliers	(1,950)	2,620	833
Net cash flows used in investing activities	(5,546)	(224,802)	(5,567)
FINANCING ACTIVITIES			
Capital increase	11,204	79,901	0
Capital increase transaction costs	0	(794)	0
Change in bank debt	(750)	147,000	(750)
Issue of financial instruments (share subscription warrants)	0	0	0
Refinancing/financing transaction costs	(40)	(1,930)	(68)
Net increase in liability in respect of refinancing	(420)	420	0
Purchases of hedging instruments	0	(796)	0
Net increase in current borrowings	204	134	0
Net decrease in current borrowings	0	0	(23)
Net increase in other non-current borrowings and debt	0	3,615	577
Net decrease in other non-current borrowings and debt	(163)	0	0
Purchases and sales of treasury shares	(61)	(42)	(180)
Dividends paid	(36,557)	(54,813)	(54,813)
Net cash flows from financing activities	(26,583)	172,694	(55,258)
Change in cash and cash equivalents	(24,179)	(8,351)	(42,839)
Cash and cash equivalents at beginning of period*	53,367	61,718	61,718
CASH AND CASH EQUIVALENTS AT END OF PERIOD	29,188	53,367	18,879

* There were no cash liabilities for any of the periods presented above.

Reconciliation of Alternative Performance Measures (APM)

EPRA earnings APM

<i>In thousands of euros</i>	June 30, 2019	June 30, 2018
Net income under IFRS	42,739	11,158
Restatement of changes in fair value of investment property	(23,127)	1,397
Other restatements of changes in fair value	490	253
Restatement of other fees	534	1 862
EPRA earnings	20,636	14,670

EPRA NNNAV APM

<i>In thousands of euros</i>	June 30, 2019	December 30, 2018
Shareholders' equity under IFRS	692,214	674,889
Portion of rent-free periods	(26,028)	(27,315)
Market value of loans	(774,055)	(772,432)
Carrying amount of loans	764,894	764 507
EPRA NNNAV	657,025	639,649

LTV ratio APM

<i>In millions of euros</i>	June 30, 2019	June 30, 2018
Gross amount of balance sheet loans (statutory financial statements)	770	623
Fair value of investment property	1,435	1,174
LTV ratio (%)	53.7%	53.1%

Occupancy rate APM

The occupancy rate takes into account the space for which the Company receives rent or rental expenses under a lease agreement.

It stood at 94.2% at the end of the first half of 2019, compared with 96.1% at 31 December 2018.

Total Shareholder Return APM

Total Shareholder return corresponds to the growth in EPRA NNNAV since December 2018, after adding back the 2019 dividend payout.

<i>In euros</i>	
EPRA NNNAV per share excluding transfer duties at June 30, 2019	41.3
EPRA NNNAV per share excluding transfer duties at December 31, 2018	41.0
2019 dividend per share	2.3
Value creation (%)	6.4%