2019 ANNUAL REPORT

PLACES FOR SMART BUSINESS

CeGeREAL

CONTENTS

CEGEREAL, A UNIQUE PROPERTY COMPANY

€1,464 million
portfolio value (excluding transfer duties) at December 31, 2019

189,500 sq.m
in the portfolio at December 31, 2019

5 prime properties
in Paris and its Inner Rim

100%
of the portfolio certified compliant with either or both NF HQE™ Exploitation and BREEAM In-Use International standards

Since attentiveness is central to its corporate vision, Cegereal has developed an exceptional real estate portfolio that looks ahead to the expectations and needs of upcoming generations. This portfolio of properties in Greater Paris exclusively comprises large complexes providing superior design, comfort and amenities, as well as meeting the latest environmental standards. They are regularly modernized to ensure they are able to compete with new builds. This means they capture the attention of first-class businesses, whose creditworthiness and loyalty provide Cegereal with higher occupancy rates and revenues than the market average.

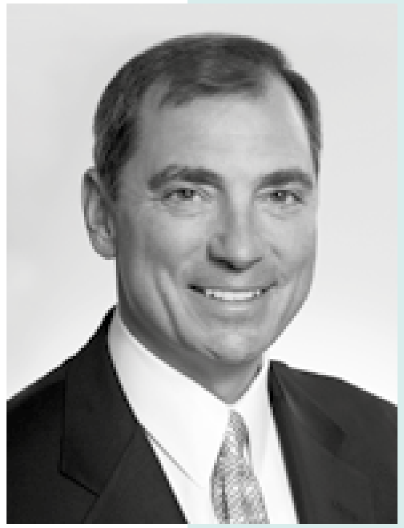
The same criteria underpin Cegereal's acquisition of new assets, which are carefully selected for their client satisfaction potential. Year after year, its strategy of creating value for its shareholders and all of its stakeholders enables it to continue consolidating its position.

Cegereal shares have been traded in compartment B of the Euronext Paris stock exchange since March 2006. The Company has elected for the status of listed real estate investment company (*société d'investissement immobilier cotée* – SIIC).

The value we create cannot be measured by financial indicators alone. We also measure our performance in light of the results obtained in five areas, covering our entire contribution to the smooth running and harmonious development of our society:

- OUR CLIENT EXPERIENCE
- EMPLOYEE WELL-BEING
- OUR CONTRIBUTION TO THE ENVIRONMENT
- OUR SOCIAL IMPACT
- OUR FINANCIAL PERFORMANCE

MESSAGE FROM SENIOR MANAGEMENT



John Kukral,
Chairman of the Board of Directors

Global economic trends for 2019 followed those of 2018 in a similar manner. After a decade of expansion, global growth reached 2.9%, supported by central banks' monetary stimulus. Political risks showed signs of abatement, the United States and China appear to have reached a trade deal, reducing global trade tensions, whilst the Conservative party secured a large majority in the UK elections, bringing stability to Brexit negotiations and the country's future relationship with the European Union.

Against a backdrop of weaker global growth, France's economic performance remained robust, fueled by strong domestic demand, resulting in French GDP growth of 1.3% which exceeded the Eurozone 2019 average.

The increase in monetary stimulus has provided the backdrop for an attractive environment for the real estate industry offering investors attractive returns. In Greater Paris, overall investment in corporate real estate reached a record €26.9 billion in 2019, up 14% on 2018. The growing number of active international investors in the Greater Paris market, attracted by the French economy's solid fundamentals, is another encouraging sign of a deep and strong market. With immediately available space falling to a ten-year low during 2019, prime rents continued to move upwards, especially in central Paris, with Passy Kennedy standing to benefit.

We continue to build on our strategy aimed at repositioning our assets with a focus on amenities, design and floor area densification. Our successful strategy to date is evidenced by the strong track record we have for retaining tenants in our buildings, resulting in low vacancy rates and a stable remaining lease term. Looking forward, owing to our consistent operating performance we have built up significant cash reserves giving us the capacity and confidence required to weather the upcoming period of economic turbulence arising from the Covid-19 epidemic, which is anticipated to dominate most of 2020. In spite of the changing global environment, we are pleased to offer our shareholders a distribution of €0.75 per share, whilst allowing us to maintain healthy cash reserves to respond to economic developments as they unfold.

2019 was an excellent year for Cegereal. Our occupancy rate climbed a further 0.8 points to 96.9%, thanks in particular to the leases signed for 22,000 sq.m in Europlaza tower in La Défense – the only property in our portfolio with available space. The weighted average remaining lease term remained stable, at 5.3 years.

Europlaza perfectly illustrates our value creation strategy and the excellent work carried out by our teams. After three rounds of work in under five years, the last of which is scheduled to be completed in 2020, transforming the property's restaurant facilities, Europlaza's repositioning has enabled it to attract some of the market's most discerning tenants, including the European Banking Authority, who recently relocated from London, alongside KPMG's new law firm. Despite stiff competition, each new lease was signed with market-leading terms. With floors that can be divided up to suit different needs, Europlaza capitalizes on the current boom in demand for small floor areas, while demand for larger space remains below historical averages. Consistent with the market trend for the shared office layout, the redesign appeals to companies leaving Paris in search of more competitive rents.

2019 also saw Cegereal take first place in the GRESB* ranking of listed companies in Europe, recognizing the commitment and hard work undertaken since the company's creation to promote sustainable real estate, now reflected in our "Upgreen Your Business" plan. Going above and beyond regulatory requirements, this commitment has already helped us reduce our energy consumption by 30% since 2013 and enhance employee well-being, which will remain a key agenda for Cegereal.

* Global Real Estate Sustainability Benchmark.

Jérôme Anselme,
Chief Executive Officer

THE GROUP

1 Our activity

HIGHLIGHTS

Key events of 2019

KPMG leases additional space at Europlaza*, bringing its total occupancy to 12,600 sq.m

Cegereal awarded first place among listed companies in Europe in the 2019 **GRESB**** ranking

Two **Gold Awards** presented by the EPRA*** for the quality of Cegereal's financial and non-financial reporting

Europlaza's restaurant facilities **transformed** into informal living areas

Arcs de Seine joins Rives de Bercy, Hanami and Passy Kennedy on the list of **fully let assets**

European Banking Authority and **KPMG's** law firm move into more than 12,000 sq.m of space at Europlaza.

Biodiversity strengthened across the portfolio's 38,500 sq.m of natural space

Passy Kennedy signed up to the Cegereal Group's **CSR** policy

Environmental audits carried out on the whole portfolio

* The extension takes effect in 2020.
** Global Real Estate Sustainability Benchmark.
*** European Public Real Estate Association.

Key indicators

3.9%
increase in portfolio value during the year

96.9%
occupancy rate
following the recent signings, including KPMG extension covering almost 5,200 sq.m

€43.7/share
EPRA NNNAV (excluding transfer duties)

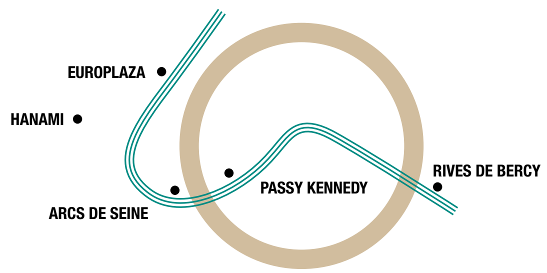
30%
reduction in energy use since 2013

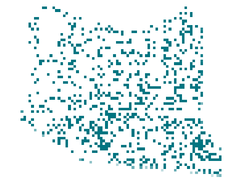
5.3 years
weighted average remaining lease term
following the recent signings

1st
place among listed companies in Europe in the 2019 GRESB ranking

A PERFECTLY POSITIONED PORTFOLIO

High-performing commercial property assets always strike the right balance between a number of qualities. Positioned between the aspirations of their time and the feel of their neighborhood, combining design and specific functional needs, they are firmly rooted in the present while looking ahead to a future full of new possibilities. Selected with the utmost care, the five distinctive complexes that make up Cegereal's portfolio have all these ingredients, making them able to meet the expectations of renowned companies driving the digital, behavioral and environmental revolutions taking place in our society. They all offer generous, flexible spaces capable of delivering both performance, creative stimulation, peace of mind and productivity. They are located in the most dynamic and accessible business districts in Greater Paris – areas that are highly sought after for their quality of life.





PASSY KENNEDY 23,800 SQ.M

Ideally located in an increasingly thriving part of Paris

Located in Paris' wider business district in the southern area of the upscale 16th arrondissement. Overlooking the Eiffel Tower along the banks of the Seine.

Close to major, rapidly growing office hubs, such as the Grenelle area in the 15th arrondissement, Boulogne Billancourt and Issy-les-Moulineaux.

Excellent public transportation links, with the Avenue du Président Kennedy RER C station just outside.

An iconic 1980s building whose architecture echoes the design of the neighboring Maison de la Radio.

Extensively renovated between 2013 and 2016, earning it BREEAM In-Use International "Very Good" certification.

In line with the latest comfort and services standards, featuring vast spaces from 1,300 to 2,000 sq.m suitable for a variety of purposes, a restaurant with a capacity of 600 meals per day and a cafeteria, as well as concierge services.

Main tenants: Radio France, SII, Thai Union

Architect: Bruno Bouchaud, André Remondet

Iconic building on the banks of the Seine in Western Paris – certified BREEAM In-Use International – right next to RER rail station

PORTFOLIO

Certified NF HQE™ Exploitation and BREEAM In-Use International – Premium amenities – 100m from public transportation links

EUROPLAZA 52,100 SQ.M

A prime location in the heart of Europe's leading business district.

The third building in France to earn both NF HQE™ Exploitation and BREEAM In-Use International "Very Good" certification.

Exclusive, private 3,300-sq.m landscaped, tree-covered green space.

Outstanding amenities: a large private onsite parking garage, a gym with a sauna and physical therapist, a cafeteria with a terrace on a tree-shaded patio, and restaurant facilities serving up to 1,200 meals a day.

Two full-time, on-site technicians.

Main tenants: KPMG, European Banking Authority, BforBank, My Money Bank

Architect: B&B Architectes, Pierre Dufau

Certified NF HQE™ Exploitation and BREEAM In-Use International – High-quality amenities – Close to the A86 beltway and direct connections to Paris

HANAMI CAMPUS 34,400 sq.m

A breath of fresh air in the most popular location in the Western Crescent of Grand Paris.

A complex comprising eight office buildings on a 3.3-hectare site, ideally located between the La Défense, Nanterre and Rueil 2000 business districts and the upmarket neighborhoods on the bend of the Seine.

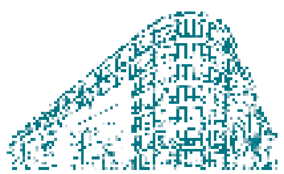
Certified NF HQE™ Exploitation and BREEAM In-Use International "Very Good". High-quality amenities: glass facades, 2.60-meter headroom, raised floors and dropped ceilings, air conditioning, conference room, restaurant areas, 838 underground parking spaces. Direct connections to Paris and optimal accessibility to the entire Greater Paris region via the A86 beltway.

In an exceptional setting featuring 25,000 sq.m of natural space.

Main tenants: Axens, Brandt, Vinci Environnement

Architect: Valode & Pistre

Panoramic terraces – Certified NF HQE™ Exploitation and BREEAM In-Use International – On the banks of the River Seine – State-of-the-art technology services



RIVES DE BERCY 31,900 SQ.M

Custom interiors and amenities for the French leader in real estate financing and services.

An immense complex, ideally located just minutes from central Paris.

The country in the city: 6,000 sq.m of private green space, panoramic terraces, overhead walkways offering unencumbered views of the Seine on one side and a vista overlooking nearly a hectare of landscaped gardens on the other.

Both NF HQE™ Exploitation and BREEAM In-Use International “Very Good” certification.

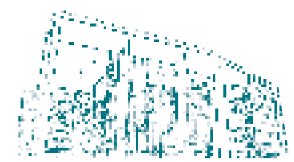
Each floor plate is equipped with state-of-the-art air conditioning, soundproofing and lighting technologies.

Wide range of amenities: meeting rooms, a parking garage, an auditorium, a restaurant and cafeteria opening onto a landscaped garden, club lounges, and gyms.

Sole tenant: Crédit Foncier de France

Architect: 3AM, André Martin, Patrick Corda

Certified NF HQE™ Exploitation and BREEAM In-Use International – Landscaped gardens – Everyday services – 100m from public transportation links



ARCS DE SEINE 47,200 SQ.M

Space, light and views at the crossroads of high tech and sustainability.

Three buildings laid out around a private 3,000 sq.m landscaped park.

Completely modular 1,400- to 2,800-sq.m floor plates.

Shared amenities: reception and meeting rooms, an auditorium, comprehensive food service facilities, a parking garage and corporate concierge services.

Resident building managers ensure that the entire site operates smoothly and efficiently around the clock.

Arcs de Seine is one of the first office complexes in France to earn both HQE Exploitation™ and BREEAM In-Use International "Very Good" certification.

Main tenants: Canal+, Hewlett-Packard, Huawei, Sagem

Architect: SOM – Skidmore, Owings & Merrill

PROPERTY PORTFOLIO

	ARCS DE SEINE 34, quai du Point du Jour (Boulogne-Billancourt)	EUROPLAZA 20, avenue André-Prothin (La Défense)	RIVES DE BERCY 4, quai de Bercy (Charenton-le-Pont)	HANAMI 89, Bd Franklin Roosevelt (Rueil-Malmaison)	PASSY KENNEDY 104, avenue du Président Kennedy (Paris 16th)	PORTFOLIO TOTAL
% holding	100%	100%	100%	100%	100%	100%
2019 value	€458m	€417m	€175m	€174m	€239m	€1,464m
2018 value	€447m	€381m	€189m	€170m	€222m	€1,409m
2019 value/sq.m	€9,709/sq.m	€8,006/sq.m	€5,471/sq.m	€5,075/sq.m	€10,046/sq.m	
Year-on-year change in value	+2.6%	+9.5%	-7.6%	+2.7%	+7.9%	+3.9%
2019 IFRS rental income	€17.9m	€15.3m	€10.4m	€9.9m	€9.9m	€63.4m
2018 IFRS rental income	€17.3m	€14.6m	€10.1m	€10.4m	€0.7m	€53.0m
2019 occupancy rate	100.0%	77.4%[1]	100%	100%	100%	93.9%[1]
2018 occupancy rate	98.4%	73.0%[2]	100%	100%	100%	92.3%[2]
2019 weighted average remaining lease term	4.0	6.3[3]	2.0	5.9	5.5	4.8[3]
2018 weighted average remaining lease term	4.9	6.1	3.0	6.1	6.6	5.3[4]
Total surface area	47,222 sq.m	52,078 sq.m	31,942 sq.m	34,381 sq.m	23,813 sq.m	189,436 sq.m
of which Offices	44,152 sq.m	47,131 sq.m	29,468 sq.m	30,485 sq.m	22,657 sq.m	173,893 sq.m
of which Service areas	2,071 sq.m	2,757 sq.m	2,092 sq.m	1,873 sq.m	1,068 sq.m	9,861 sq.m
of which Archives	999 sq.m	2,190 sq.m	382 sq.m	2,023 sq.m	88 sq.m	5,682 sq.m
Parking spaces	942	722	657	838	276	3,435
Year of acquisition	2006	2006	2006	2016	2018	
Year of construction	2000	1972	2003	1991	1986	
Years of refurbishment	2011	1999	N/A	2010 & 2016	2013 - 2016	
Type of leases	Investor	Investor	Investor	Investor	Investor	
Main tenants	Canal Plus Hewlett Packard Huawei	KPMG European Banking Authority Bforbank My Money Bank	Crédit Foncier de France	Axens, Brandt, Vinci Environnement	Radio France, SII, Thai Union	

(1) The leases recently signed at the Europlaza tower bring the overall portfolio occupancy rate to 96.9% and the Europlaza occupancy rate to 88.6%.
(2) 91.1% like for like. Leases signed at Europlaza in fourth-quarter 2018 with the European Banking Authority and KPMG (extension) bring the overall portfolio occupancy rate to 96.1% and the Europlaza occupancy rate to 87.2%.
(3) The leases recently signed at the Europlaza tower bring the average remaining lease term for 2019 to 5.3 years for the portfolio as a whole and to 8 years for Europlaza.
(4) 5.1 years like for like.

THE PILLARS OF EXCELLENCE

Cegereal's value creation strategy is founded on four pillars: carefully selected assets, a high-quality client experience, rigorous environmental standards and precise operations management. Remarkable in its stability, the strategy is implemented by Cegereal's enthusiastic, expert teams. Cegereal's business model sets the standard in the global marketplace, for investors and corporate tenants alike.

Premium assets with strong potential

Since the very beginning, Cegereal has followed a highly selective acquisition strategy. The assets it targets are all located in the most dynamic business districts in Greater Paris, are aimed at first-class tenants and have strong potential for medium- and long-term value creation. The acquisition of Passy Kennedy in late 2018 is a prime example of this. Ideally located on the banks of the Seine in Paris' wider central business district (CBD), the fully occupied building is set to steadily gain from the continuous rise in rents in central Paris as a result of persistently low vacancy rates.

An exceptional client experience

With a user satisfaction rate of nearly 90%, Cegereal is adept at ensuring client satisfaction, as reflected in their loyalty. Each of its complexes offers tenants a unique experience, which is continuously renewed to anticipate changes in expectations. Cegereal regularly carries out major renovation work on its buildings. Just three years after Europlaza was transformed into a "garden tower", its fitness center, auditorium, foyer and 8,000 sq.m of space on its upper floors were upgraded in 2018. A third and final round of renovations was begun in 2019, with a view in particular to turning Europlaza's vast restaurant area into a bright, open, flexible space conducive to collaborative working outside mealtimes. At Cegereal, ensuring a stellar client experience also means delivering a top-notch service. During the renovations, several food trucks were brought onto the Europlaza forecourt and one of the most innovative food tech startups organized lunch drop-offs – perfect for the millennials in the tower, eager for original experiences, interaction and change.

A rigorous environmental approach, above and beyond current standards

Environmental excellence is no longer just an option for first-class businesses. Nowadays, they are held to account by their investors and clients, who are just as concerned as the companies themselves about the impact of their decisions. Thanks to its "Upgreen Your Business" plan to involve its stakeholders, Cegereal is able to ensure that their environmental performance is far superior to current standards. Among other measures, the implementation of Energy Performance Contracts and an ambitious ISO 14001-certified environmental management system have helped reduce energy consumption across the whole portfolio by 30% since 2013. Central to its value creation model, the CSR approach earned Cegereal first place in the GRESB* ranking of listed companies in Europe.

Operations management tailored to each market

An overall strategy is only as good as its implementation. Each micro-market has its own specific opportunities and risks. The transformation of Europlaza also takes into account the scheduled delivery of very large complexes in La Défense from 2020. By focusing on flexibility, the renovations reposition the tower on the more dynamic market for small surface areas and anticipate the arrival of tech startups forced to leave central Paris due to soaring prices. Conversely, Passy Kennedy, at the edge of the CBD, is well positioned to gain from this phenomenon as its leases expire. Meanwhile, the Arcs de Seine complex has begun to benefit from the overwhelming rise in rental values in the Boulogne-Issy-les-Moulineaux area, which is particularly sought after by communication businesses. Cegereal is now reaping the rewards of its impeccable understanding of Paris' various markets.

* Global Real Estate Sustainability Benchmark.

OUR STRATEGY

Our value creation model

OUR RESOURCES

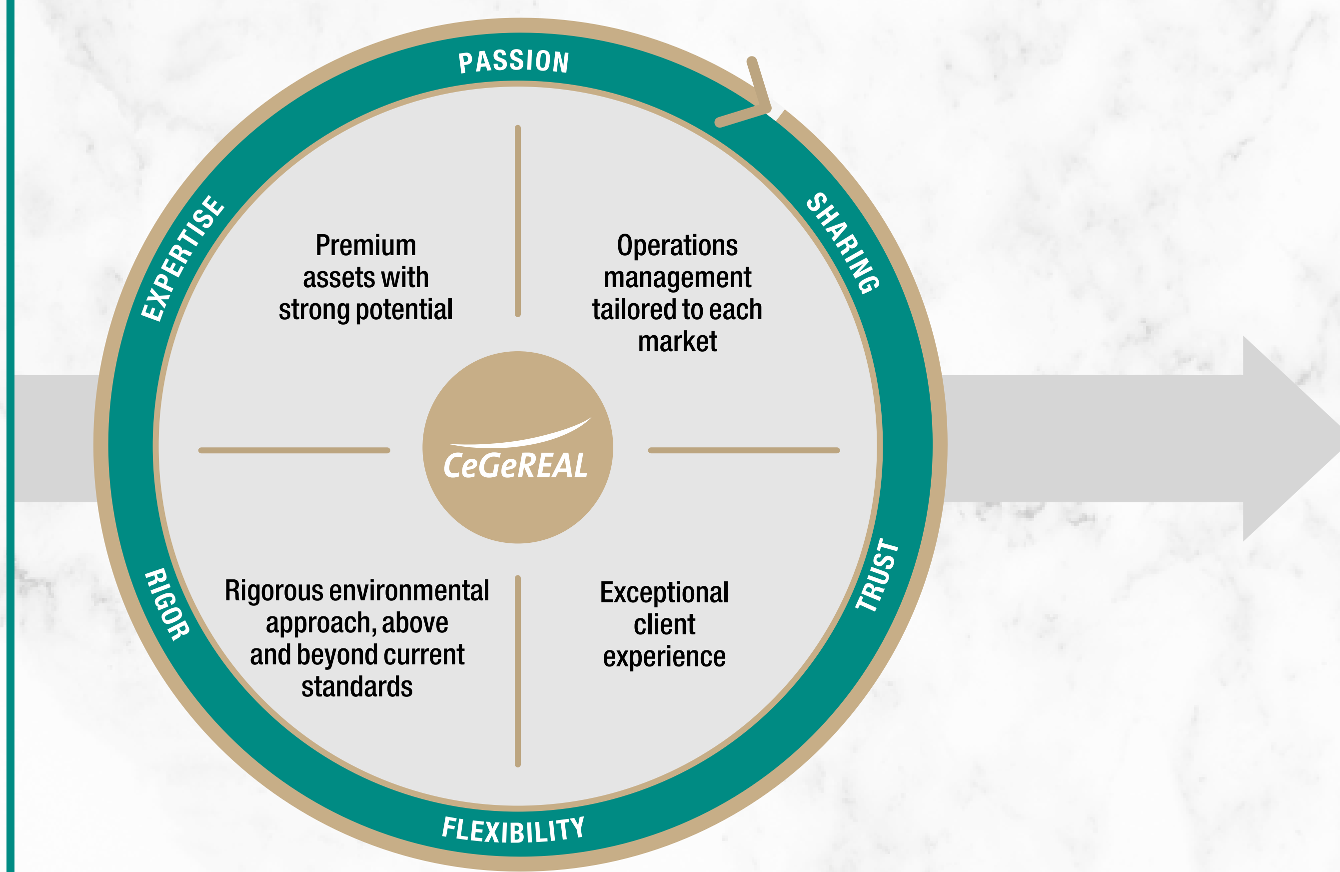
OUR TENANTS
- Carefully selected businesses
- 90% with Dun & Bradstreet 1 or 2 ratings
- Committed to the energy transition and social change

OUR PORTFOLIO
- Five exceptional assets
- Worth €1,464 million (excluding transfer duties)
- 189,500 sq.m in surface area

OUR FINANCIAL SOLIDITY
- Nearly €800 million in lines of credit
- Average debt maturity of 3.5 years
- 52.6% LTV

OUR EMPLOYEES AND PARTNERS
- Strong, diversified and recognized expertise
- Lasting, trust-based relationships
- Passionate about innovation
- Committed to our corporate social responsibility approach

OUR SHAREHOLDERS
- Solid, stable investors
- Major shareholders with world-class expertise



OUR VALUE CREATION

OUR CLIENT EXPERIENCE
- Nearly 90% satisfied users
- 45% new leases or renewals in three years (in sq.m)

OUR FINANCIAL PERFORMANCE
- €63.4 million in IFRS rental income
- €40.0 million in EPRA earnings
- €43.7 in EPRA NNNAV per share, up 6.6%
- Dividend of €0.75 per share recommended at the General Shareholders' Meeting
- EPRA Gold Award for the quality of our financial reporting

OUR CONTRIBUTION TO THE ENVIRONMENT
- First place among listed real estate companies in Europe in the GRESB ranking
- EPRA Gold Award for the quality of our non-financial reporting
- Awarded a "B" score in the CDP questionnaire, higher than the average "C" score of the European finance industry
- Certified ISO 14001 by AFNOR*
- All assets certified compliant with HQE Exploitation or BREEAM In-Use International standards
- 30% reduction in energy use compared with 2013
- Nearly 38,500 sq.m of natural space

OUR SOCIAL IMPACT
- 620 indirect jobs
- All buildings situated less than 200m from low-impact transportation

EMPLOYEE WELL-BEING
- 100% satisfaction rate
- A shared, two-way commitment

* French standardization association.

Market recognition

Cegereal's results have been recognized by various international real estate organizations and bodies:

A certified approach

Cegereal's formal commitment to the environment is reflected in the certification awarded by AFNOR (the French International Organization for Standardization) for its property business's environmental management system (EMS), which complies with international standard ISO 14001:2015.

The Group's strategy for continuous improvement is based on Deming's plan-do-check-act wheel approach.

All properties certified

Two major certifications: BREEAM-In-Use International and NF HQE™ Exploitation.

Cegereal uses these two benchmarks as a basis for and a means of enhancing the continuous improvement initiatives of the CSR Committee.

EPRA

Two Gold Awards for financial and non-financial information published in 2018.

GRESB

Cegereal awarded first place among listed companies in Europe in the 2019 GRESB ranking, with a score of 95/100.

CDP

Known until end-2012 as the Carbon Disclosure Project, CDP is a not-for-profit charity set up to study the impact that the world's biggest listed companies have on climate change.
Cegereal was awarded a "B" score in 2019.

2

Our challenges, our objectives

SUSTAINED MOMENTUM IN GREATER PARIS

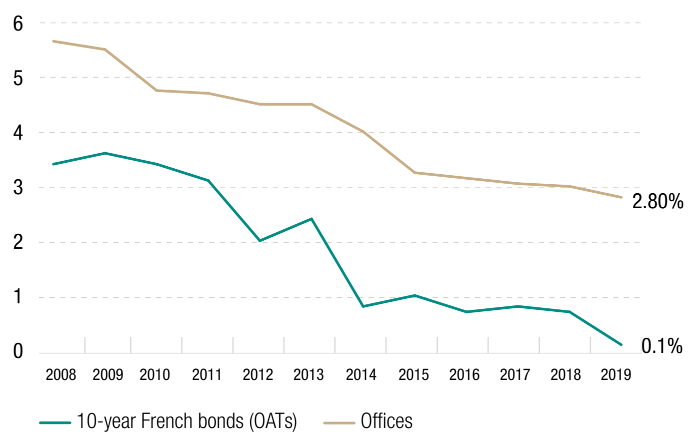
While Cegereal's operating environment may seem uncertain, the opportunities generated by company relocations and the construction of the Grand Paris project provide a reason for optimism in what is still a buoyant real estate market.

French economy performing well

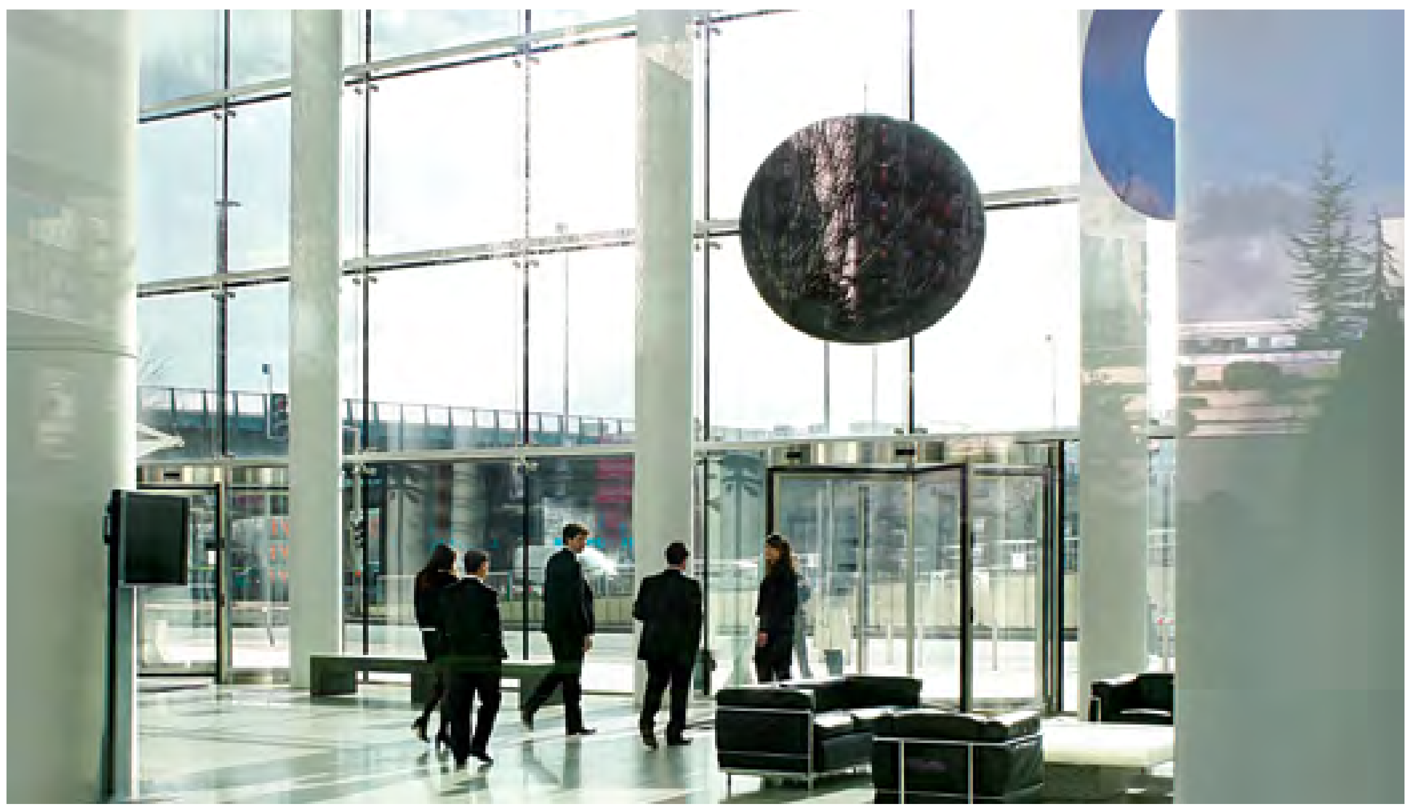
According to the International Monetary Fund's recent outlook, global growth is projected to rise from 2.9% in 2019 to 3.3% in 2020. Most major economies are experiencing a slowdown – mainly traditionally export-oriented countries such as Germany and China, and those with a large manufacturing sector.

Eurozone growth came in at 1.2% in 2019, and is projected to increase to 1.3% in 2020. France should prove to be one of the region's most resilient economies, with growth forecast at 1.3% for 2020 thanks to strong domestic demand. This trend is primarily being led by a continued fall in unemployment, with 260,000 net job creations contributing to a 2.3% rise in purchasing power, and a positive outlook for 2020.

10-YEAR FRENCH FUNGIBLE TREASURY BONDS AND PRIME RATES (IN %)



Source: BNP Paribas Real Estate, ImmoStat



New records for investment

Investment in corporate real estate in France reached a record €41.5 billion in 2019, beating the 2018 record by over 19%.

The proportion of domestic investors remained unchanged at 62% of total investment, but South Korean funds had a notably active presence, investing more than €4.5 billion in French corporate real estate, or more than 11% of total investment. This category of investors mainly targeted large office buildings located in well-established business districts and offering a secure income stream.

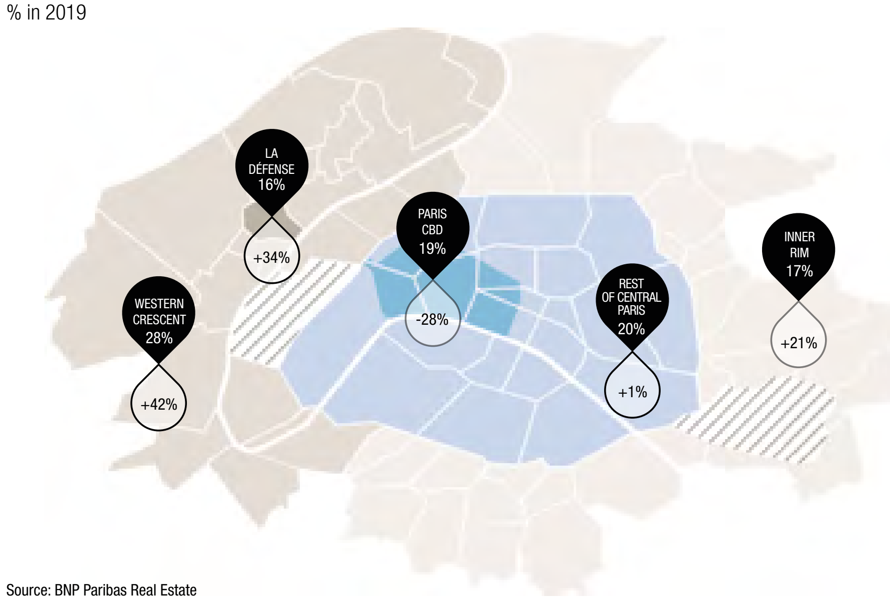
Office property complexes located in well-established areas of Greater Paris remained the most popular asset class, accounting for more than €21.9 billion of investment, up 11% year on year. La Défense, for example, absorbed over €3.3 billion of the total, up more than 34% compared with 2018.

Average transaction volumes increased in 2019. Individual transactions of over €200 million represented a total of more than €16.3 billion, up from €12.4 billion in 2018, and included the acquisition of the Lumière building (Paris 12th) by Primonial and South Korean Samsung SRA Investment Management for €1.2 billion, the purchase of Majunga Tower from Unibail-Rodamco-Westfield by a consortium of investors, led by South Korean Mirae Asset Daewoo and Amundi Real Estate for €850 million, and the acquisition of the Crystal Park campus by Samsung Securities for €691 million.

Prime office yields remain highly attractive compared with bonds, coming in at just under 3% in the Central Business District (CBD) and under 4.5% in La Défense. Certain sectors in the Western Crescent saw transactions with yields of close to 3.5%. In the eyes of investors, Paris and its surrounding region provide the perfect blend of yield and security.

RECORD INVESTMENT VOLUMES IN THE PARIS REGION

% in 2019

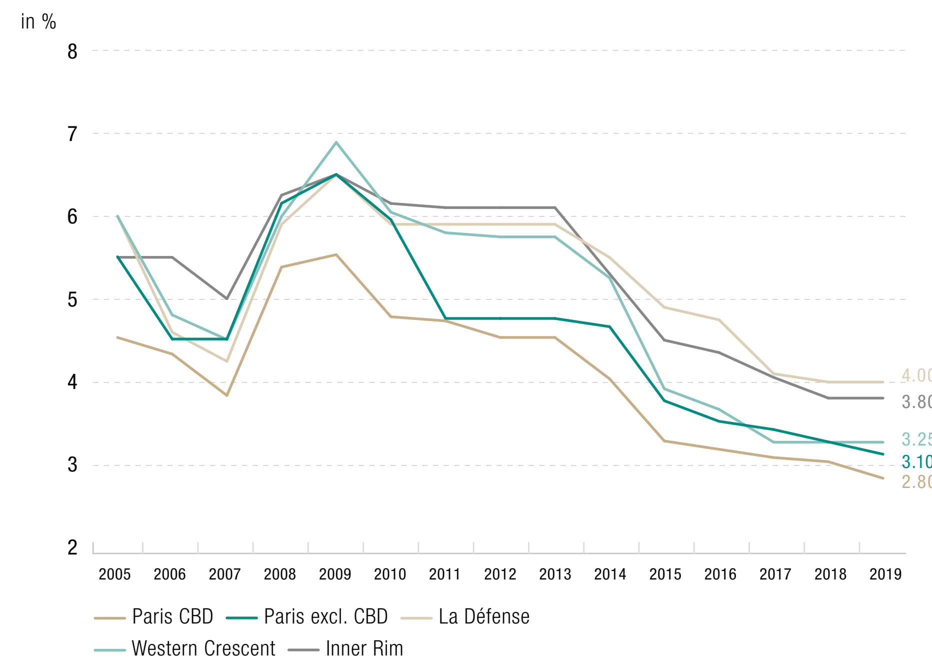


Source: BNP Paribas Real Estate

% of volumes invested in office space in Greater Paris in 2019

Year-on-year change in % of volumes invested

PRIME RATES – OFFICE SPACE



Source: BNP Paribas Real Estate

OUR CHALLENGES

Rental activity in line with ten-year average

With take-up of 2.3 million sq.m, the Greater Paris rental market performed in line with its ten-year average. In a context of scarce supply, both Paris CBD and the rest of central Paris recorded a contraction of more than 15% year on year. Rental activity was particularly brisk in the Southern River Bend, up 48% over the year, mainly driven by Boulogne-Billancourt and Issy-les-Moulineaux. In La Défense, activity expanded by 8% with take-up of 148,000 sq.m. The trend observed in Europe's largest business district over the past three years continued, with the market segment for small and medium space (0 to 5,000 sq.m) up 11%, well ahead of the market segment for larger spaces.

Cegereal alone accounted for 15% of the total, leasing 22,000 sq.m of space at Europlaza.

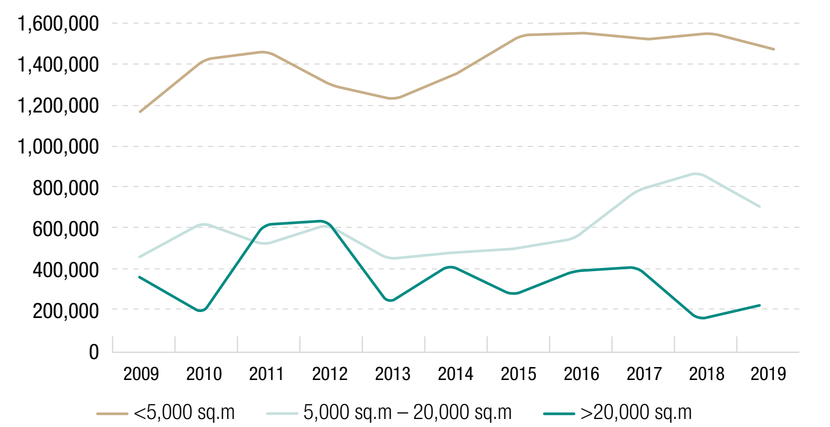
Rents continue to rise

Immediately available space dropped to a ten-year low, at an average of 5% for Greater Paris. The average vacancy rate for La Défense stood at 4.5%, falling to 1.4% in Paris CBD and 2.7% in the rest of central Paris. The area surrounding La Défense was the only sector where vacancy rates rose during the year, remaining well above the average for Greater Paris at 17.6%.

As a result, rental values continued to flirt with record highs, with the CBD's most sought-after properties reaching €890 per sq.m per year. Rents rose to between €530 and €540 in the Issy-les-Moulineaux-Boulogne segment, remaining stable at €540 in La Défense.

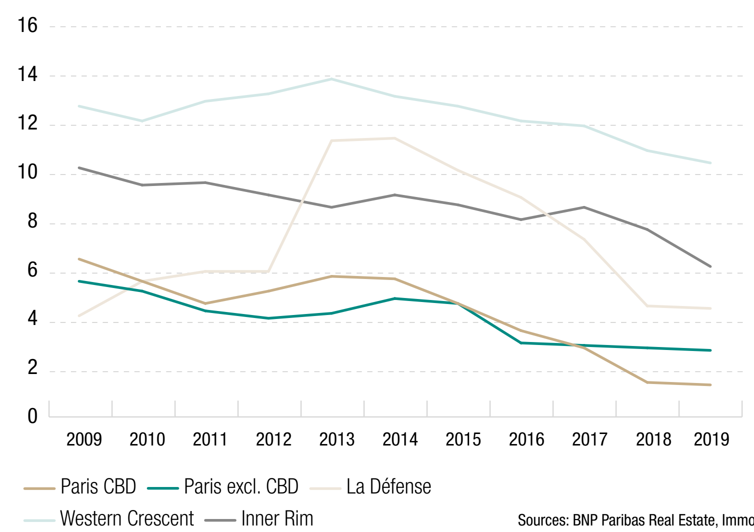
With a renewed offering of prime and/or new space scheduled for delivery in 2020-2021, particularly in La Défense in the Western Crescent, things should even out. In addition, the upcoming expansion of the segment's public transportation network – including the arrival of the RER Éole suburban railway line – as well as its broadening palette of amenities give it a number of powerful assets that will help to attract start-ups and their teams of millennials, until now devotees of central Paris. The profile of Europlaza's new occupants supports Cegereal's analysis and shows that it made an intelligent choice in anticipating the positioning of its service offering, the architectural design and the modularity of some of its properties, which are nearly fully occupied.

TAKE-UP BY SURFACE AREA IN GREATER PARIS (IN SQ.M)



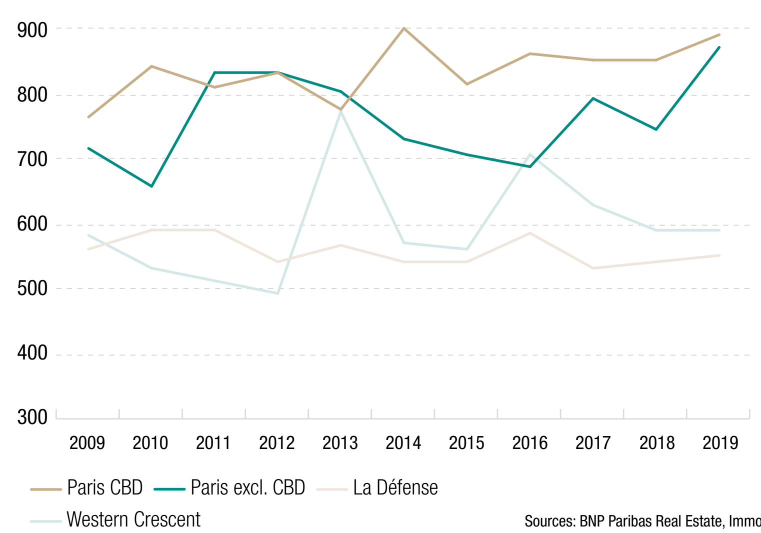
Sources: BNP Paribas Real Estate, ImmoStat

VACANCY RATE IN GREATER PARIS (IN %)



Sources: BNP Paribas Real Estate, ImmoStat

PRIME RENTS IN GREATER PARIS (IN € EXCL. TAX AND EXPENSES/SQ.M PER YEAR)



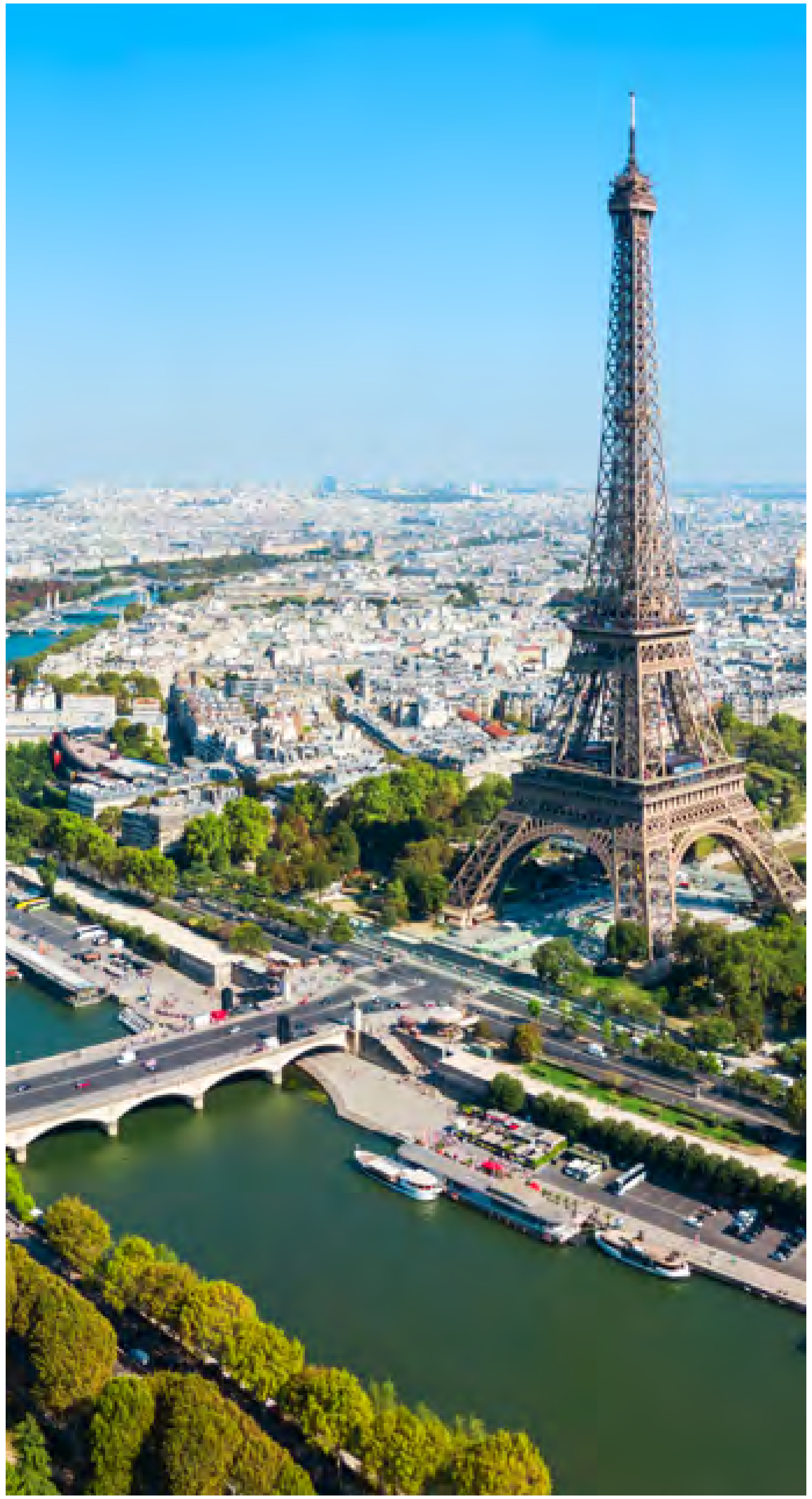
Sources: BNP Paribas Real Estate, ImmoStat

Changing behaviors: a reality and an opportunity

Coworking, coliving, codesigning, the list goes on. The desire for flexibility, sharing and discussion is at the forefront of evolving societal aspirations, presenting concrete opportunities for commercial real estate. To meet this demand, an ever broader range of work environments are being proposed along with pooled services offering greater efficiency and well-being, such as shared kitchens, gyms, relaxation and screening rooms, and private reception areas. A recent study by BNP Paribas Real Estate shows how this momentum is driving the consolidation of a European coworking market. London and Paris, the densest markets, have experienced the largest growth in absolute terms. Another study by JLL offers additional insight into these phenomena by highlighting the direct link between innovative real estate strategies and financial success.

Visionary businesses who have nearly twice the amount of flexible space than the average employer have also seen the greatest earnings growth. The latest SFL/Ifop Paris Workplace Survey on Paris-based employee perceptions and expectations goes some way to explaining this. It shows that, of the factors surveyed, the quality of interaction with fellow colleagues has the biggest impact on their performance. The ability to easily build connections at the office is therefore a key factor for employers when choosing their workspaces. Today's highly sociable employees want to see a host of shared offices and spaces where they can meet, chat and relax in an original setting. And Cegereal has kept one step ahead, for example in modernizing the Europlaza tower.

OUR CHALLENGES



Paris – building the future

On November 4, the French Prime Minister Édouard Philippe officially launched the construction of the Olympic Village. This vast project is a reminder of the leading role the event is set to play in shaping the Greater Paris region and, consequently, in maintaining and developing its appeal for companies and their employees. The 2024 Olympic Games will also give the Grand Paris Express infrastructure initiative a boost. In particular, four new lines will link up with the Olympic Village, improving working and living conditions for the region's inhabitants.

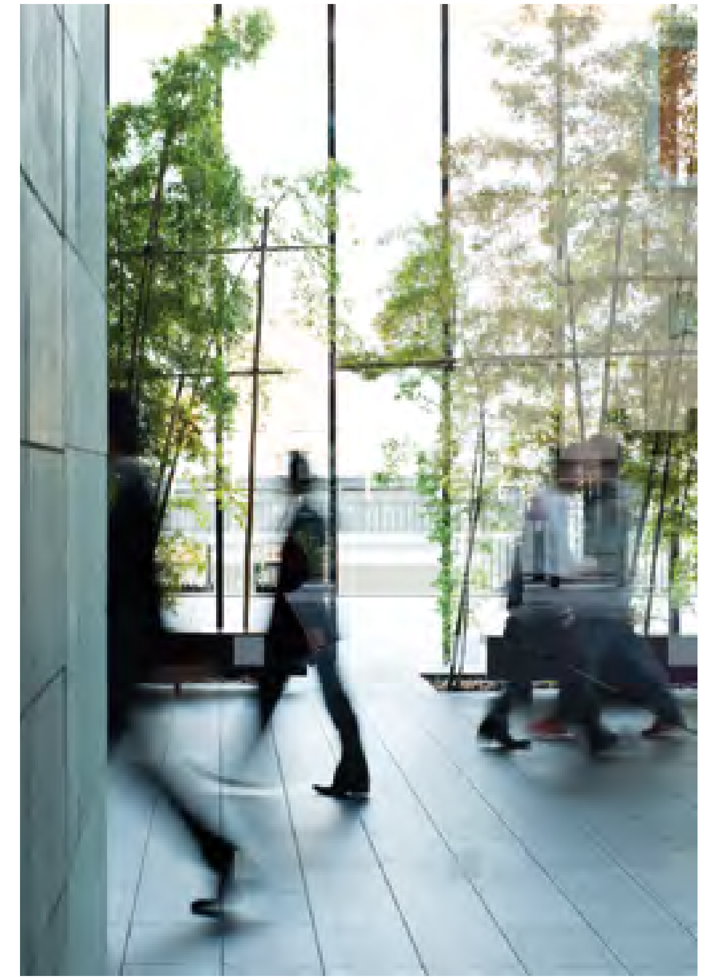
The French capital was ranked the most appealing European city for real estate professionals this year. Jumping from tenth to first place, Paris owes its success to the major building work under way for the Olympic Games and the Grand Paris scheme, as well as its location close to London and at the heart of Europe*.

Commitment to fighting climate change becomes crucial issue

The Paris Agreement's temperature goal is to keep global warming to below 2°C above pre-industrial levels, and time is running out. Called to action by public opinion and major national and international institutions, companies are expected to play an increasing role in the fight to meet climate targets. In France, more than 1,000 companies have already joined the Global Compact, the worldwide network committed to achieving the UN's 17 Sustainable Development Goals (SDGs). Cegereal is one of those companies. On a regional scale, companies are also on the front line, where local stakeholders constantly scrutinize their impact on living, business and growth conditions. In urban areas, for example, businesses have a direct role to play in restoring biodiversity. Cegereal demonstrates its commitment to the subject by planting trees and installing nesting boxes in its portfolio's green spaces. The GRESB recognized the Company's efforts, ranking it as the top listed company in Europe in 2019. Cegereal was also awarded a "B" score by leading climate change NGO the CDP, higher than the average "C" score of the European finance industry.

The impacts of Brexit continue to be felt

In May, the European Banking Authority's 200 employees moved into their new office space at the Europlaza tower in La Défense. This symbolic event is a reminder of the significant movement Brexit has already caused within London-based financial services firms and institutions, often opting for Paris over Frankfurt for its quality of life. Even though, three years after the historic referendum, there is no longer any doubt that Brexit will take place, the trade negotiations now beginning between the United Kingdom and the European Union are a source of significant uncertainty for businesses. Further relocations to the continent should not be ruled out.



A stable competitive environment

At the same time, Cegereal's competitive environment remains stable, and primarily includes management companies, longstanding investors such as insurers and pension funds, and other listed real estate companies that are – like Cegereal – focused on prime commercial properties in Greater Paris. Significantly, foreign investors are increasingly drawn to French corporate real estate, committing €15.8 billion in 2019, up 14% year on year. North Americans alone contributed 28% of this amount. To retain its status as a leading property company, Cegereal closely monitors market trends and anticipates the main social changes that could impact its business, including the ever-growing focus on fighting climate change as well as increasing employee expectations. Cegereal invests significantly in its assets every year to maintain their appeal. It seeks to achieve profitable growth with selective acquisitions and by only targeting premium properties with strong potential for long-term value creation.

* PwC and Urban Land Institute report, December 2019.

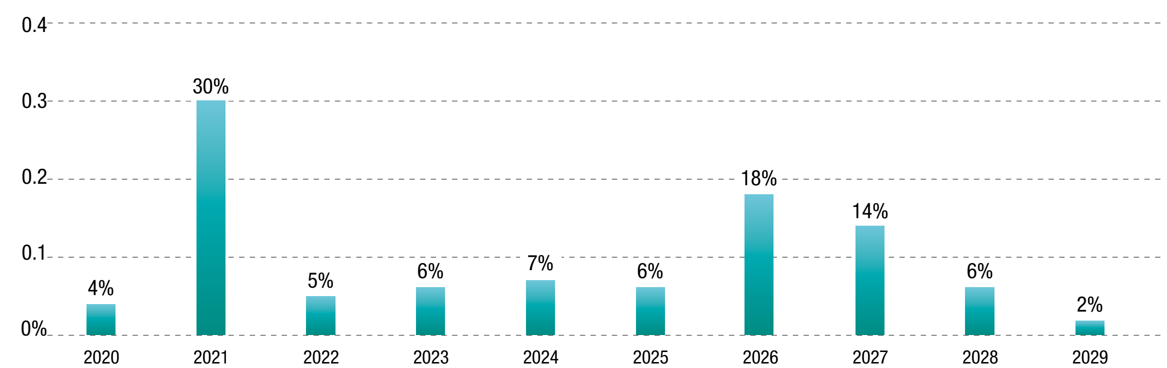
AN ORGANIZATION GEARED TOWARD CLIENT SATISFACTION

Cegereal has opted for a lightweight, decentralized structure that is highly agile and works with renowned partners that are leaders in their respective fields. Alongside Cegereal's employees, these partners are committed to continuously improving their service and their environmental and social performance. They are constantly innovating, guided by the expectations of their tenants, who are among the most exacting on the market.

First-class tenants

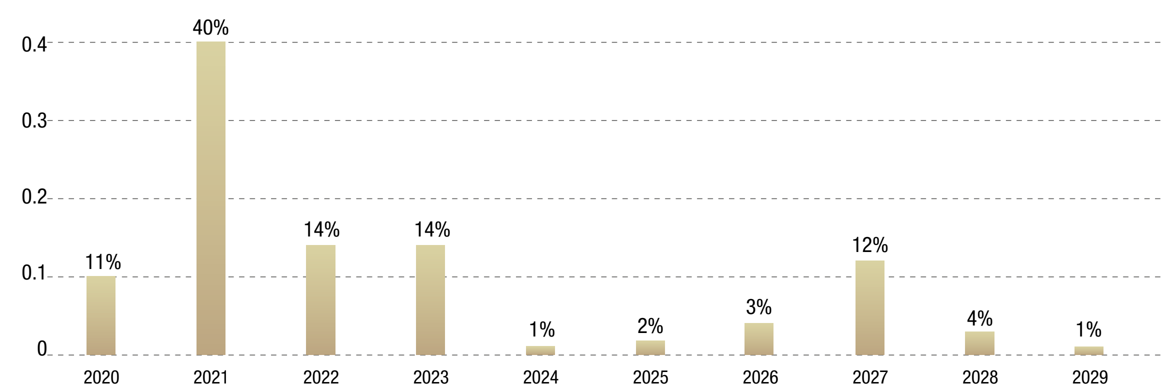
Cegereal's tenants are well-established, nationally or internationally renowned corporations, including the European Banking Authority, KPMG, Radio France, Hewlett Packard, Huawei and Axens. Nearly 90% of them have a Dun & Bradstreet rating of 1 or 2, reflecting their financial reliability. Naturally, they expect their service providers to show commitment and quality meeting the same criteria they apply to themselves. Over the last three years, leases have been renewed or extended on 45% of the portfolio's surface area, demonstrating that the services Cegereal provides its tenants are consistent with the latest standards and are accompanied by ongoing, stimulating dialogue.

LEASE MATURITY (in %)



● Lease maturity (% of total potential rents at Dec. 31, 2019)

YEAR OF BREAK OPTION (in %)



● Year of break option (% of total potential rents at Dec. 31, 2019)

Attentiveness and trust

Just like for their employees and partners, businesses' real estate needs are always changing. Cegereal helps them attract and retain their talent by regularly upgrading its services and buildings.

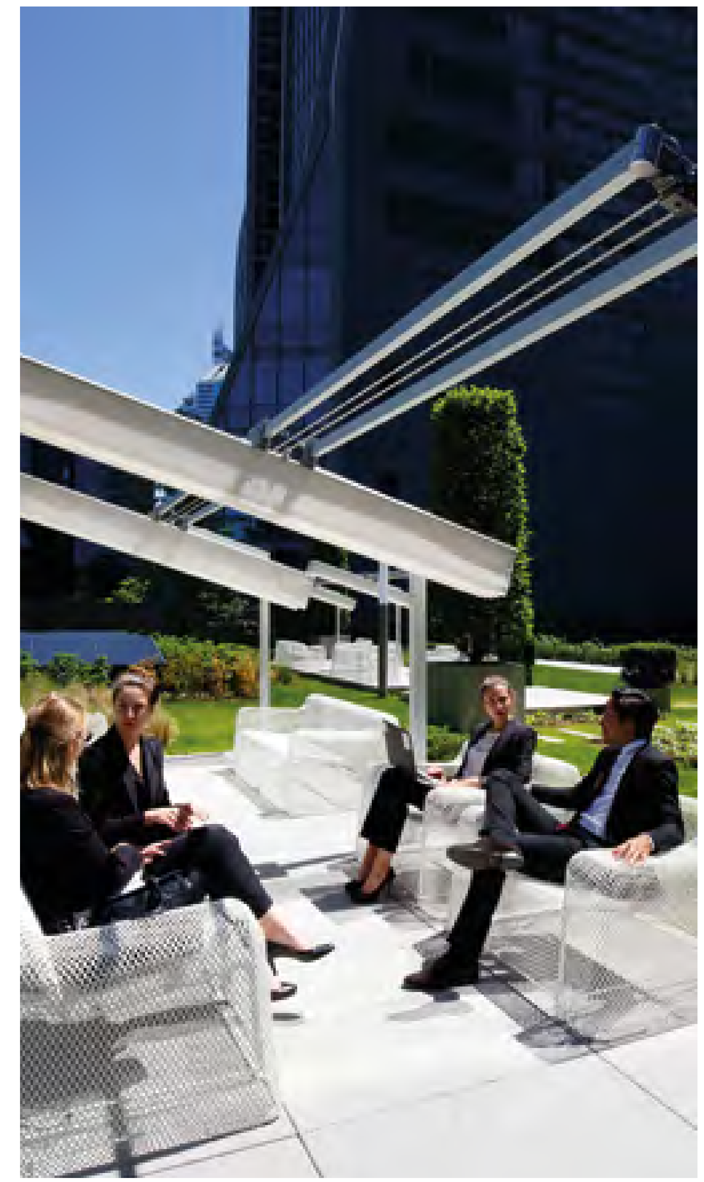
But in order to provide the most personalized service, Cegereal must remain attentive to its tenants, aided on a daily basis by its site managers. In addition, Cegereal's senior management offers regular meetings with all its clients to stay ahead of their short-, medium- and long-term expectations. Its properties have all the features that such businesses now consider non-negotiable, such as parking lots, air conditioning, security, and restaurant, cafeteria and sports facilities, and they are regularly enhanced to ensure they remain attractive. Recent investments include the transformation of the Europlaza tower's restaurants into a flexible space that can be used for coworking, a set-up sought after by younger generations. All of this helps Cegereal to build trust over the long term.

Working together to solve major social challenges

Since its creation in 2006, Cegereal has pursued an ever-expanding CSR policy. Directed by a specialized committee led by the Company's Chief Executive Officer, the CSR policy defines objectives and implements measures to meet them. The "Upgreen Your Business" plan launched in 2015 takes things a step further by involving all stakeholders, not just employees. Under the plan, all environmental, safety, health and well-being at work specifications are analyzed in newly acquired properties. The site managers then contractually undertake to apply Cegereal's environmental policy. In particular, they are required to disclose the ESG data in their remit every quarter. A full 100% of Cegereal's suppliers have signed a responsible purchasing charter and committed to follow its environmental policy. In addition, Cegereal's employees are protected by a code of ethics, and 100% of them are satisfied with their working conditions.

Constant innovation

The rise of coworking is just the tip of the iceberg when it comes to the fundamental shift in working relationships within companies. Cegereal is committed to supporting and encouraging this new dynamic through constant innovation, drawing on the insight gained by remaining attentive to its tenants' needs. With every renovation project, each time a tenant vacates, workspaces are made more flexible so they can be easily adapted for different purposes, changing configuration several times a day. For example, users can transform them from a meeting room into a creative space, quiet area or chillout zone, meaning they are no longer restricted to a single set-up. Agile offices are open both physically and digitally to the surrounding neighborhood, the company's external partners, and even the planet as a whole – just like social networks where our contacts are mapped in concentric circles.



OUR OBJECTIVES

A world-leading asset manager

Northwood Investors is Cegereal's majority shareholder. It is also one of the world's leading asset managers. Its experts are ideally positioned to objectively track trends in Paris and the surrounding region. For Cegereal, they are an invaluable source of recommendations to further its repositioning and valuation strategy. Acting under contract, they regularly provide Cegereal with valuation and advisory services for its real estate investments (acquisitions and renovations) and help it to optimize its operating performance.

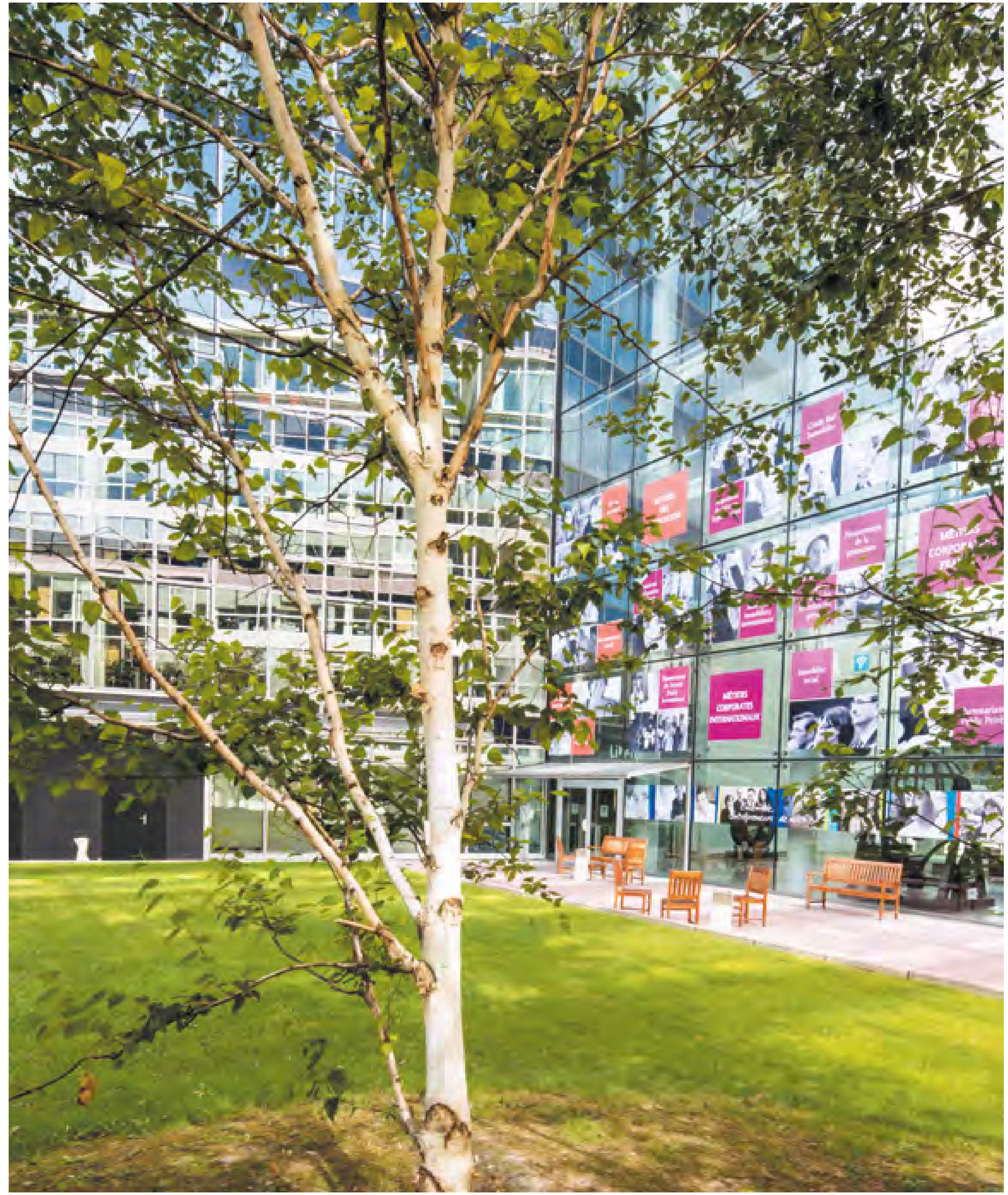
Proactive property managers

Property managers are responsible for the day-to-day management of Cegereal's buildings, covering technical aspects, invoicing and compliance with rental requirements. They therefore play a key role in delivering reliable service and maintaining good client relationships on a day-to-day basis. Cegereal works with recognized providers with which it fosters long-term relationships. Acting under contract, they provide Cegereal with a wide range of performance indicators which form the basis of discussion, with a view to continuous improvement. They are also responsible for putting forward proposals for multi-year work programs.

In three years, leases signed
or renewed on almost

45%

of the portfolio's surface area (sq.m)



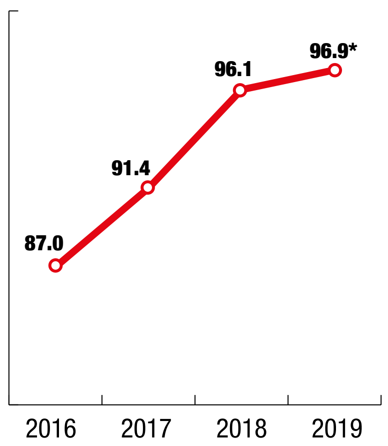
OUR OBJECTIVES

3

Our performance

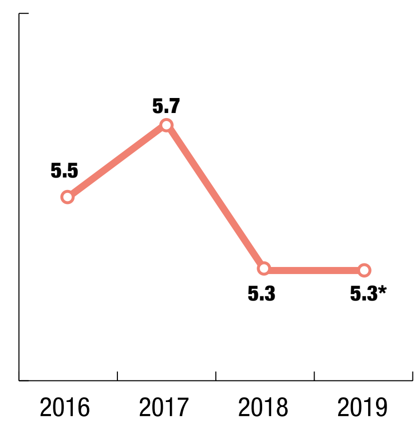
OPERATING PERFORMANCE

OCCUPANCY RATE
(in %)



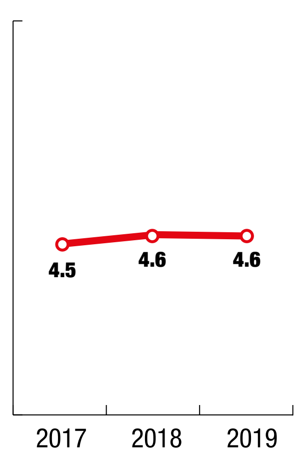
* Including the recent signings at Europlaza.

WEIGHTED AVERAGE
LEASE TERM
(in years)

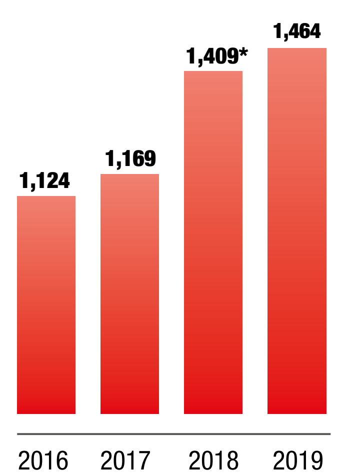


* Including the recent signings at Europlaza.

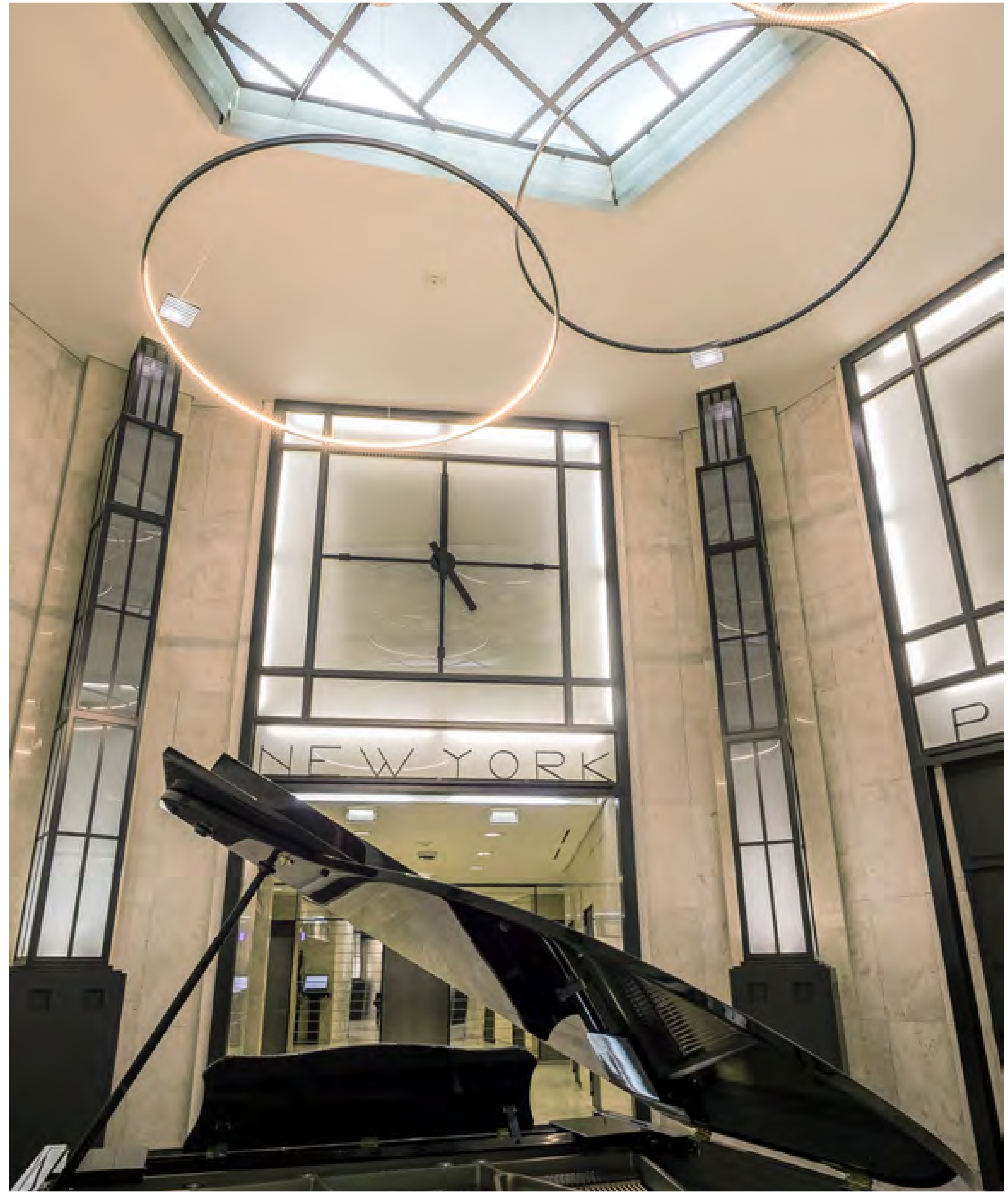
EPRA "TOPPED-UP" NIY
(in %)



PORTFOLIO VALUE
(in m€)



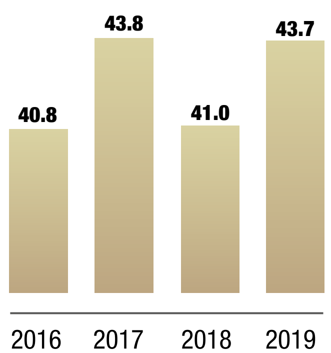
* Impact of the Passy Kennedy acquisition.



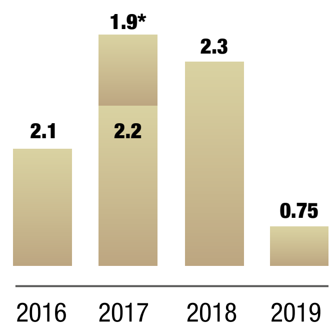
OUR PERFORMANCE

FINANCIAL PERFORMANCE

EPRA NNNAV PER SHARE
(EXCL. TRANSFER DUTIES)
(in €)

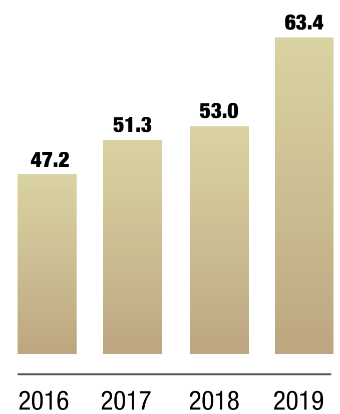


DISTRIBUTION PER SHARE
(in €)

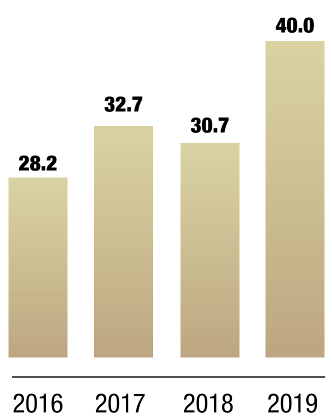


* Including a special distribution of €1.9 per share.

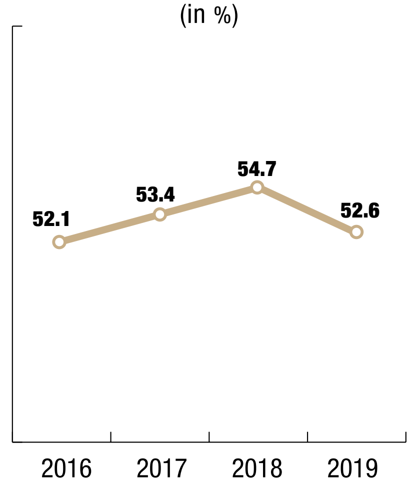
GROSS IFRS RENTAL INCOME
(in m€)



EPRA EARNINGS
(in m€)



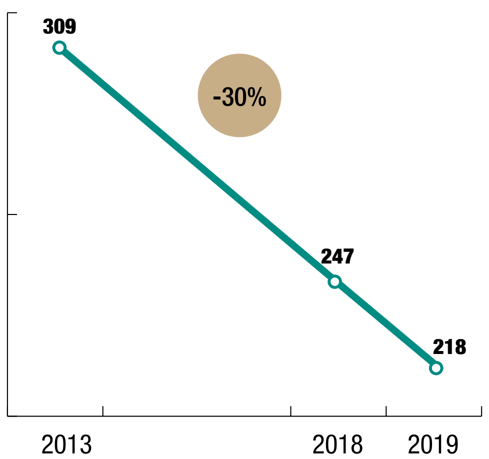
LTV
(in %)



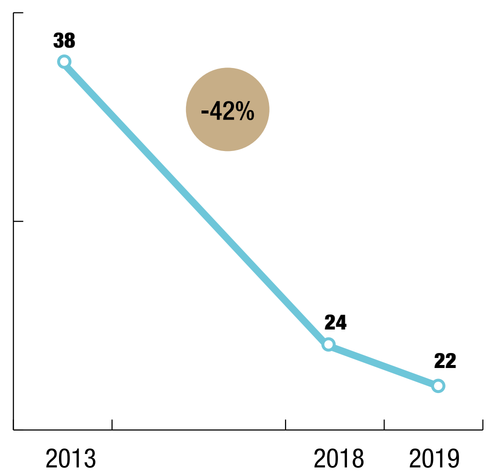
OUR PERFORMANCE

NON-FINANCIAL PERFORMANCE

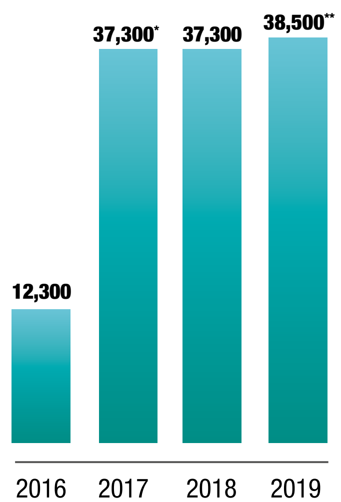
ENERGY CONSUMPTION
(in kWhFE/sq.m)



GREENHOUSE GAS EMISSIONS
(in $kgCO_2eq./sq.m$)

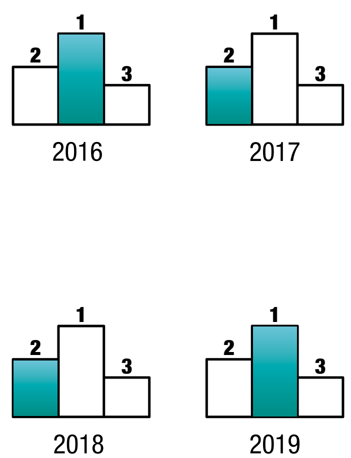


NATURAL SPACE
(in sq.m)



* Impact of the Hanami acquisition.
** Impact of the Passy Kennedy acquisition.

GRESB* RANKING



* Global Real Estate Sustainability Benchmark.

OUR PERFORMANCE

CONDENSED FINANCIAL DATA

IFRS FINANCIAL STATEMENTS (in thousands of euros)	DEC. 31, 2019	DEC. 31, 2018
BALANCE SHEET – ASSETS		
Investment property	1,463,920	1,408,520
Other non-current assets	23,218	20,873
Non-current assets	**1,487,138**	**1,429,393**
Trade accounts receivable	9,720	7,747
Other receivables	11,900	14,842
Cash and cash equivalents(1)	44,880	53,367
Current assets	**66,499**	**75,957**
Total assets	**1,553,637**	**1,505,350**
BALANCE SHEET – EQUITY AND LIABILITIES		
Share capital	79,532	78,006
Additional paid-in capital and retained earnings	569,975	563,777
Net attributable income	80,760	33,106
Shareholders' equity	**730,268**	**674,889**
Non-current liabilities(2)	774,743	773,655
Current borrowings	3,468	3,152
Other current liabilities	45,158	53,653
Liabilities	**823,369**	**830,461**
Total equity and liabilities	**1,553,637**	**1,505,350**
INCOME STATEMENT		
Net rental income(3)	51,793	37,034
Change in fair value of investment property	46,230	11,701
Net operating income(4)	94,289	44,607
Net financial expense	(13,529)	(11,501)
Net income	**80,760**	**33,106**

(1) The statement of cash flows is presented on page 100 of the Annual Report.
(2) The loan-to-value ratio and interest coverage ratio are presented on page 84 of the Annual Report.
(3) Rent + other services - building related costs.
(4) Net rental income + change in fair value of investment property + administrative costs and other operating expenses + other non-recurring income.

4 Our governance

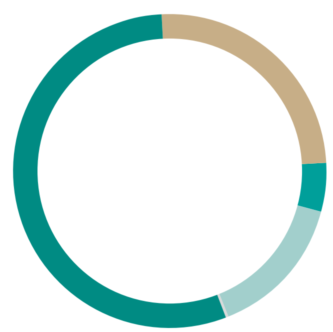
A STABLE OWNERSHIP STRUCTURE COMPRISING COMMITTED SHAREHOLDERS

Cegereal is owned by leading international investors, who ensure the Company's financial robustness, and a panel of private and institutional shareholders.

Northwood Investors manages $8 billion in property assets in the United States and Europe with the objective of creating long-term value.

GIC manages a portion of Singapore's foreign reserves through long-term investments representing over $100 billion. Its portfolio exclusively comprises international assets, around a quarter of which are European.

57.2%	Northwood Investors
24.9%	GIC
5.1%	AXA
12.7%	Free float
0.1%	Treasury shares



Listing details

Name	Cegereal SA
Market	EURONEXT PARIS
ISIN	FR 0010309096
LEI code	969500EQZGVHQZQE212
Symbol	CGR
CFI	ESVUFB
Type	Eurolist
	Compartment B
ICB Classification	Sector 8670, Real Estate Investment Trusts
Indices	CAC All Shares
	IEIF SIIC France
	CAC Financials
	CAC RE Inv. Trusts
	Next 150
Eligibility	SRD
Registrar	BNPP Securities Services

Financial transparency

Cegereal is deeply committed to maintaining close, transparent relations with shareholders, so as to provide them with the applications and information they need to manage their investment. Shareholders are kept regularly informed through a variety of media, including press releases, financial notices, and annual and interim financial reports.

Investor calendar

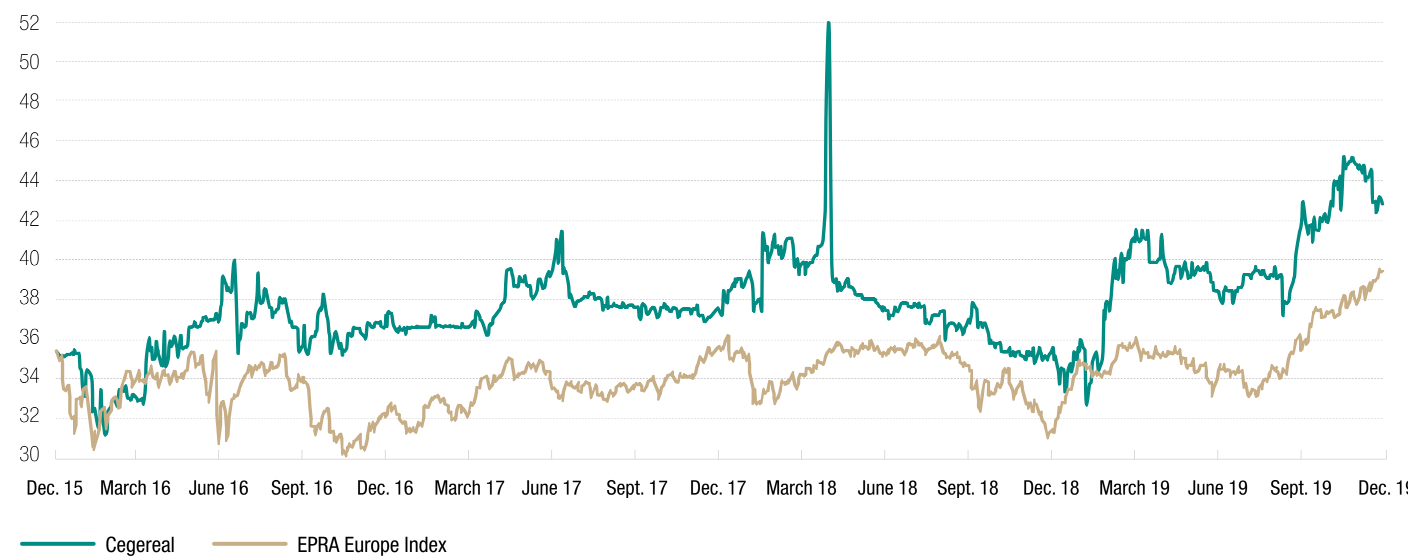
February 28, 2020
2019 results

May 15, 2020
First-quarter 2020 revenue

June 16, 2020
Annual Shareholders' Meeting

July 29, 2020
First-half 2020 results

Share performance
(in €)



For more information

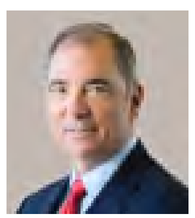
www.cegereal.com
Cegereal – Investor Relations
42, rue de Bassano, 75008 Paris, France
Tel.: + 33(0)1 42 25 76 42

GOVERNANCE

Cegereal's governance rules are based on the principles of transparency and independence in compliance with the recommendations issued by AFEP-MEDEF. Governance is supported by a diligent risk management process and a three-tier organization, with a Board of Directors, three active Board Committees and an Executive Management team that works closely with our shareholders. This organization complies with the governance rules issued by the French financial markets authority (Autorité des marchés financiers – AMF). Cegereal's bylaws may be viewed at www.cegereal.com

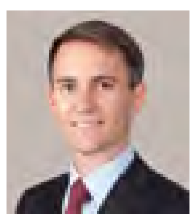
COMPOSITION OF THE BOARD OF DIRECTORS

John Kukral



Chairman of the Board of Directors. President and Chief Executive Officer of Northwood Investors

Jérôme Anselme

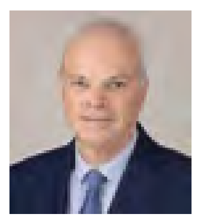


Director. Senior Managing Director at Northwood Investors, in charge of investments and asset management activities in Europe

Marie-Flore Bachelier

Independent Director. General Secretary and Head of Capital Markets at Carmila

Jean-Marc Besson



Independent Director. Chairman of Smart-IM and non-executive director at Terrell Group France

Erin Cannata

Director. Managing Director at Northwood Investors in Europe

Sophie Kramer

Director. Senior Vice President at Northwood Investors in Europe

Florian Schaefer

Director. Senior Managing Director at Northwood Investors, in charge of investments and asset management activities in Europe

EFPL – GIC

Director. Company represented by Sébastien Abascal, in charge of strategy, investment and asset management activities in France, Germany, Spain and Italy for GIC Real Estate

EFPL – GIC

Director. Company represented by Madeleine Cosgrave, Regional Head of Europe at GIC Real Estate, in charge of strategy, investment and asset management activities

Europroperty Consulting

Independent director. Company represented by Alec Emmott, its manager. Managing Director of Société Foncière Lyonnaise from 1997 to 2007

EXECUTIVE MANAGEMENT

The Executive Management team is led by Jérôme Anselme, a widely recognized real estate expert.

Jérôme Anselme, Chief Executive Officer
Senior Managing Director at Northwood Investors. Since joining in 2012, Mr. Anselme has been involved in all of the firm's European investment and asset management activities. He previously worked at Citigroup and J.P. Morgan, then at Bank of America Merrill Lynch in London. Mr. Anselme holds a Master in Management from EDHEC Business School and a Master in Finance from Sciences Po, in France.

COMPOSITION OF THE BOARD'S COMMITTEES

Investment Committee

4 Members

- Jean-Marc Besson (Chairman)
- Sébastien Abascal
- Alec Emmott
- Florian Schaefer

Audit Committee

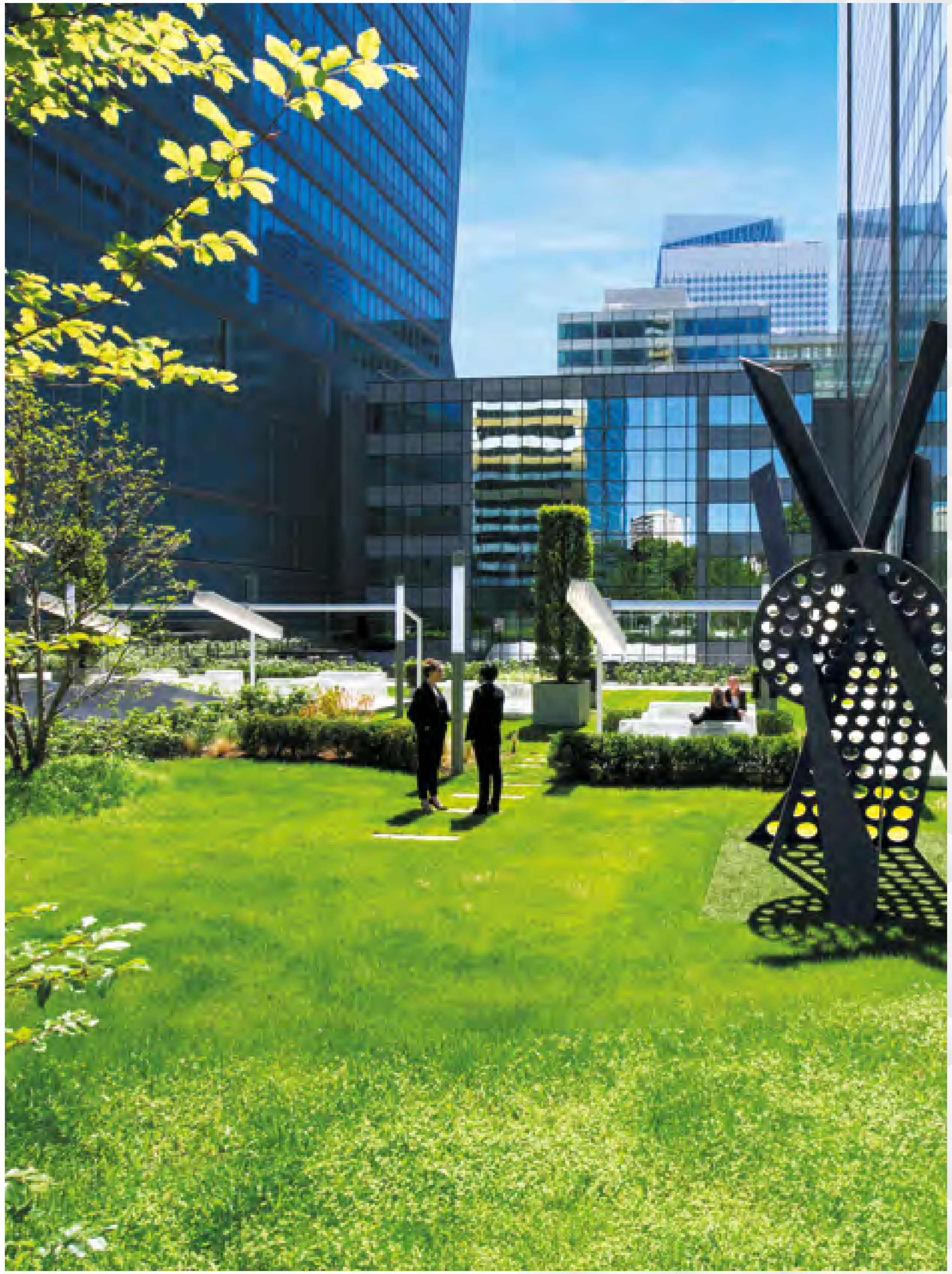
3 Members

- Marie-Flore Bachelier (Chair)
- Sébastien Abascal
- Jean-Marc Besson

Appointments and Compensation Committee

3 Members

- Alec Emmott (Chairman)
- Marie-Flore Bachelier
- Florian Schaefer

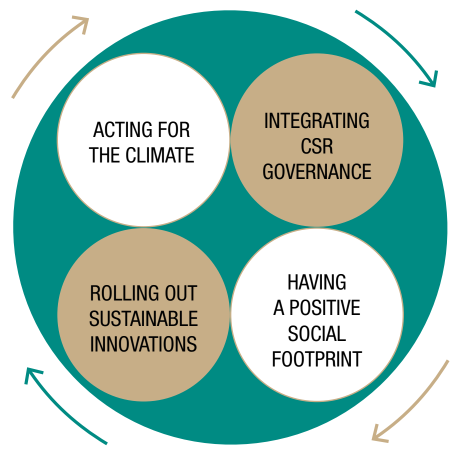


02
Non-Financial
INFORMATION STATEMENT

OUR "UPGREEN YOUR BUSINESS" PLAN – DOING BUSINESS RESPONSIBLY

Cegereal is a committed and proactive advocate of lasting environmental and social change. For the second year running, the voluntary publication of our Non-Financial Information Statement stems from an ambition to lead by example and ensure transparency. Careful analysis of our corporate social responsibility (CSR) issues and challenges has led to the definition of new targets in line with France's National Low-Carbon Strategy, the "2°C pathway" set by the Paris Agreement as well as France's multi-year energy program based on the French law on energy transition for green growth.

Cegereal's "Upgreen Your Business" plan is an integral part of the Company's CSR strategy and is built on four flagship priorities:



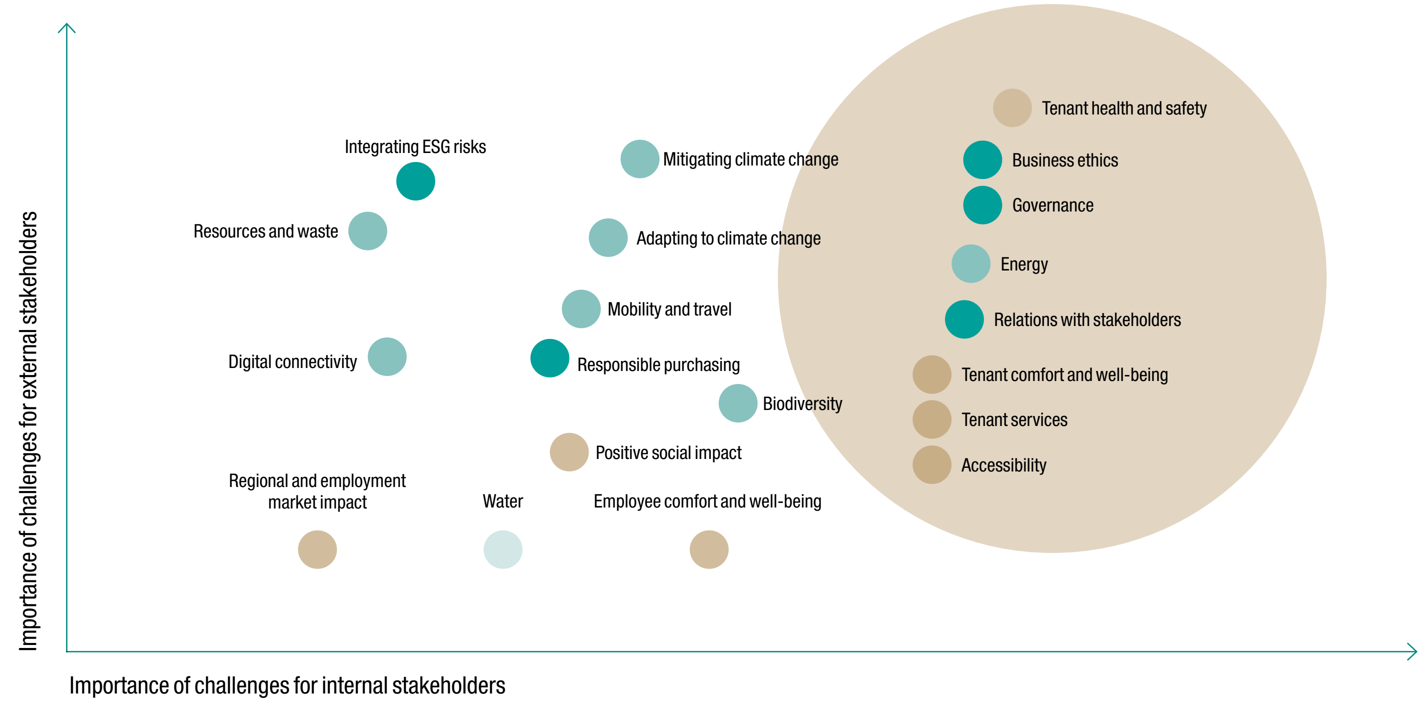
The Group set these priorities by measuring the materiality of its environmental, social and corporate governance (ESG) challenges and mapping the associated risks.

Cegereal was once again recognized for its CSR commitment during the year, achieving first place among listed companies in Europe in the 2019 GRESB ranking. It was also awarded a "B" score by leading climate change NGO the CDP, higher than the average "C" score of the European finance industry.

MEASURING OUR ESG CHALLENGES

Cegereal's ESG challenges are carefully identified and prioritized by its CSR Committee. In 2019, 20 challenges were identified and analyzed with key internal and external stakeholders.
They are defined based on benchmark references that include (i) EPRA sBPR guidelines, (ii) the 2019 responsible real estate report put together by the French organization for the promotion of sustainable real estate, (iii) the subjects covered in non-financial questionnaires (GRESB, CDP, etc.) and (iv) 2019 MEDEF recommendations.

MATERIALITY MATRIX PLOTTING CEGEREAL'S ESG CHALLENGES (2019)



Defining priority challenges has allowed Cegereal to identify risks and opportunities and develop a multi-year action plan. This process is performed annually in accordance with the ISO 14001 certification, which Cegereal has obtained.

ESG RISKS

Each year, Cegereal reviews the specific risks that could have a material adverse effect on its business, financial position or results. The review covers ESG(1) risks. This process enables the Group to seize market opportunities, innovate and take containment measures.

In addition, driven by growing investor expectations in terms of ESG, the review takes into account the recommendations from the most recent report published by the Task Force on Climate-related Financial Disclosures (TCFD), chaired by Michael R. Bloomberg.

The review led to the definition of five priority ESG risks, which were identified after being weighted based on their probability of occurrence, impact and existing risk management measures:
• reputation risks linked to tenant health, comfort and well-being;
• regulatory and reputation risks linked to energy;
• regulatory and reputation risks linked to greenhouse gas (GHG) emissions;
• physical risks related to climate change;
• reputation risks linked to biodiversity.
The "Upgreen Your Business" action plan includes measures to limit these risks.

(1) The risk review is performed and validated by the CSR Steering Committee, chaired by Jérôme Anselme (see page 54 for a description of the Committee).

NON-FINANCIAL INFORMATION STATEMENT

"UPGREEN YOUR BUSINESS" ESG PERFORMANCE PLAN

In 2019, we strengthened the social and biodiversity aspects of our "Upgreen Your Business" plan.

This involved implementing a people policy for tenants and employees, particularly regarding comfort and well-being, thereby strengthening management's commitment to the issue.

We also paid particular attention to biodiversity. To achieve this, we identified:

- the different species found across the portfolio, through ecology audits,
- the different types of spaces, through a review of the proportion of green landscaping across the portfolio, and sought to improve biodiversity by increasing planting and installing nesting boxes.

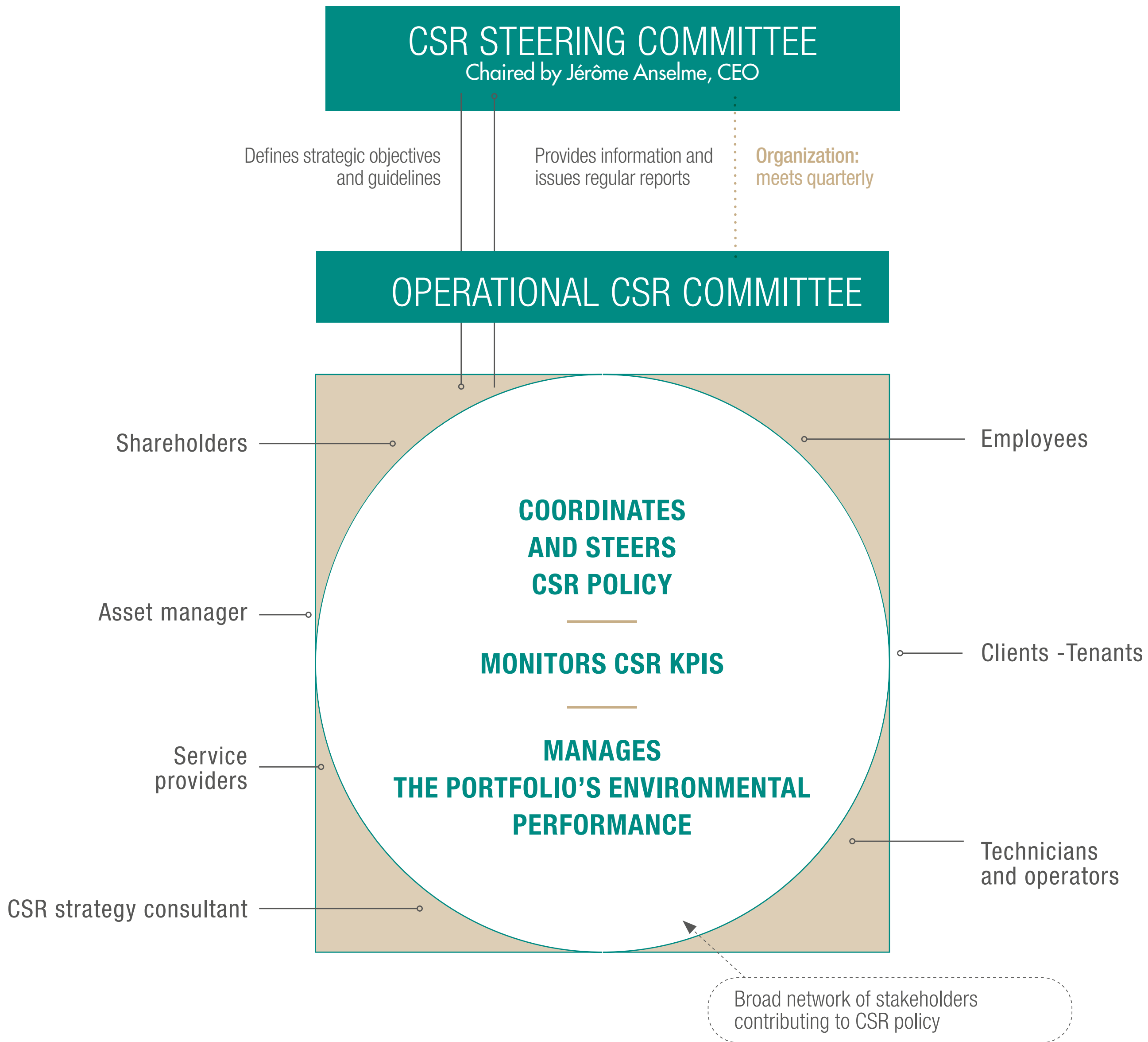
STRATEGIC FOCUS	ESG-CLIMATE CHALLENGES	COMMITMENTS	OBJECTIVES	TIME FRAME	INDICATORS	% ACHIEVEMENT IN 2018	% ACHIEVEMENT IN 2019
Acting for the climate	Carbon/GHG	Auditing the carbon footprint of the entire property portfolio	100% of the portfolio	Continuous	% of properties that have undergone a carbon footprint audit	100%	100%
Acting for the climate	Energy	Reducing final energy consumption by 40% versus 2013	-40%	2030	Average energy consumption per sq.m	73%	74%
Acting for the climate	Energy	Supplying property common areas with renewable energies	32%	2022	% renewable energy consumption across the portfolio	52%	39%(1)
Acting for the climate	Energy	Ensuring that the entire portfolio has Energy Performance Contracts (EPC)	100% of the portfolio	2022	% with Energy Performance Contracts	50%	40%(1)
Acting for the climate	Energy, carbon/GHG, resources and waste, water, biodiversity	Controlling the environmental impact of buildings and implementing a clean building site charter at all sites Applying the principles of the circular economy	100% of the portfolio	Continuous	% of service providers that have signed the clean site charter	100%	100%
Acting for the climate	Carbon/GHG	Reducing GHG emissions by 54% versus 2013 by 2030	-54%	2030	Average GHG emissions per sq.m	54%	78%
Acting for the climate	Resilience to climate change	Integrating adaptation to climate change in property management during acquisitions and over the portfolio's life cycle	100%	2022	Implementation of business processes to manage the physical risks of climate change	50%	100%
Acting for the climate	Energy, carbon/GHG, resources and waste, water, biodiversity	Ensuring that 100% of assets receive NF HQE™ Exploitation certification	100% of the portfolio	Continuous	% surface area of assets with NF HQE™ Exploitation certification	100%	100%
Acting for the climate	Energy, carbon/GHG, resources and waste, water, biodiversity	Ensuring that 100% of assets receive BREEAM In-Use International certification	100% of the portfolio	Continuous	% surface area of assets with BREEAM In-Use certification	100%	100%
Acting for the climate	Energy, carbon/GHG, resources and waste, water, biodiversity	Obtaining ISO 14001 certification	100% of real estate activities	Continuous	ISO 14001 certification	100%	100%
Acting for the climate	Energy, carbon/GHG, resources and waste, water, biodiversity	Ensuring that all leases contain an environmental appendix	100% of leases	Continuous	% of leased surface area covered by an environmental appendix	89%	100%
Acting for the climate	Resources and waste	Implementing and monitoring our policy in favor of a circular economy	100% of the portfolio	2022	Preparation of a circular economy roadmap	-	-
Acting for the climate	Water	Reducing building water consumption by 20% by 2030	-20%	2030	Average water consumption in cu.m/sq.m/year	74%	81%
Integrating CSR governance	Internal governance	Consulting 100% of service providers on their sustainable development policy and assessing their progress	100% of purchase volume	Continuous	% responses to the annual responsible purchasing questionnaire as a % of the Company's purchasing volume	91%	98%
Integrating CSR governance	Internal governance	Having 100% of service providers sign up to the responsible purchasing charter	100% of purchase volume	Continuous	% service providers that have signed the responsible purchasing charter	89%	93%
Integrating CSR governance	Employee comfort and well-being	Implementing a comfort and well-being policy for employees	Headquarters	Continuous	% satisfaction regarding comfort and well-being criteria	100%	90%
Integrating CSR governance	Biodiversity	Assessing the current level of biodiversity at our sites	100% of the portfolio	Continuous	Calculating the proportion of green space in the portfolio	-	100%
Having a positive social footprint	Mobility and travel	Facilitating the use of public and low-impact transportation, such as guides, information screens and digital tools	100% of the portfolio	Continuous	% of assets (by value) located less than 200m from a public transportation hub and with low-impact transportation facilities	100%	100%
Having a positive social footprint	Resources and waste	Rolling out selective waste sorting for 100% of portfolio assets	100% of the portfolio	Continuous	% of surface area where waste sorting takes place	100%	80%
Having a positive social footprint	Regional and employment market impact	Assessing our contribution to the economy and the distribution of our added value	100% of the portfolio	Continuous	% of local service providers indirectly generating jobs	100%	100%
Rolling out sustainable innovations	Energy, carbon/GHG, resources and waste, water, biodiversity	Contribute to the Sustainable Innovation fund through a carbon tax	100% of real estate activities	Continuous	Carbon tax	100%	100%

(1) Includes Passy Kennedy as of 2019.

PRIORITY 1 – INTEGRATING CSR GOVERNANCE

Cegereal firmly believes in the importance of actively contributing to environmental and social change. Since 2013, a CSR Steering Committee made up of members of the CSR department and Cegereal's Executive Management has been in charge of incorporating the Group's ESG challenges into its overall strategy and implementing its ESG performance plan.

The Operational CSR Committee oversees the implementation of the "Upgreen Your Business" plan and reports to the CSR Steering Committee.



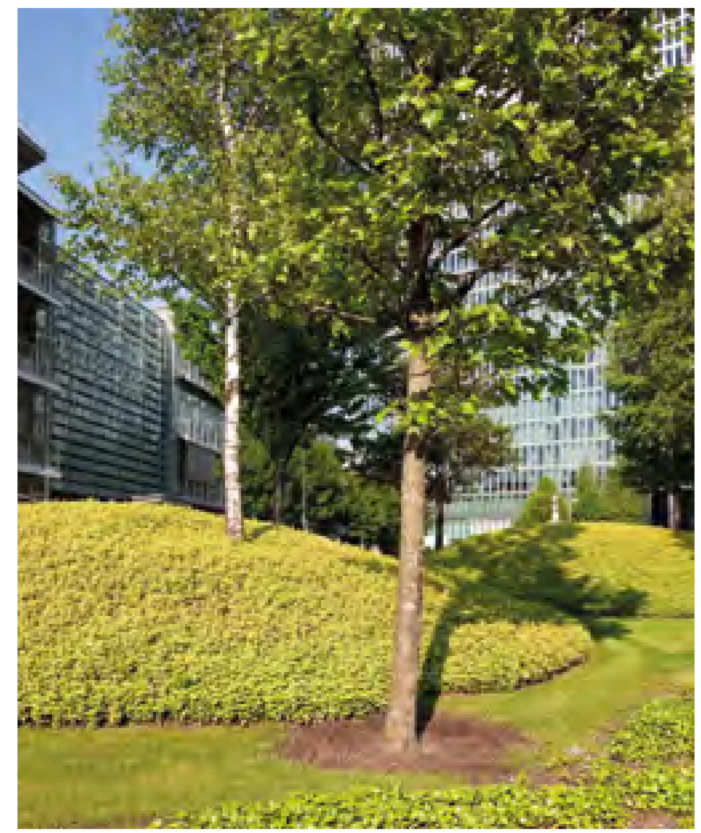
Cegereal sustains internal and external stakeholder engagement by continuously improving its environmental and social policy.
In order to bring on board its key stakeholders, Cegereal has put in place a number of ad-hoc procedures and tools:

- environmental due diligence applied during every acquisition;
- management mandates requiring property managers to comply with Cegereal's approach;
- quarterly reporting on ESG data collection;
- a responsible purchasing questionnaire and charter to involve service providers in Cegereal's environmental approach;
- an internal code of ethics enabling Cegereal to meet its employees' expectations;
- an annual questionnaire to assess the ESG expectations of all of Cegereal's stakeholders, the results of which are reflected in the materiality matrix.

NON-FINANCIAL INFORMATION STATEMENT

PRIORITY 2 – ACTING FOR THE CLIMATE

CLIMATE CHANGE – MITIGATION AND ADAPTATION



Objective

Reduce portfolio greenhouse gas emissions by 54% between 2013 and 2030

Achievements:

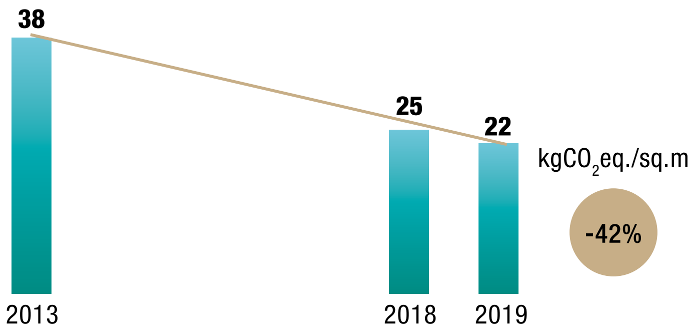
- Introducing an annual carbon accounting system following a review of its carbon footprint (scopes 1, 2 and 3) both across its portfolio and at its headquarters.
- Incorporating climate risk assessments into the environmental due diligence process for acquisitions.
- Achieving ISO 14001 certification for the environmental management system.

One of the core priorities of the "Upgreen Your Business" plan is to mitigate and adapt to climate change. Cegereal has conducted a detailed analysis of its greenhouse gas emissions since 2013, enabling it to identify the measures required and align its emissions reduction targets with France's National Low-Carbon Strategy (i.e., 54% by 2030), which sets more demanding targets for the French real estate sector than the Science Based Targets initiative. Cegereal's climate plan is based on four pillars:

- Pillar 1 – Control and reduce portfolio greenhouse gas emissions by 54% between 2013 and 2030.
- Pillar 2 – Achieve carbon neutrality for the Group's direct scope.
- Pillar 3 – Get key stakeholder buy-in on a climate change risk management policy.
- Pillar 4 – Make our properties resilient to climate change.

2019 results:
In 2019, GHG emissions linked to energy consumption at Cegereal's properties amounted to 22 kgCO_2eq./sq.m, i.e., 3,799 tCO_2. Accordingly, Cegereal's energy consumption has fallen by 42% since 2013(1).

Change since 2013 across the portfolio:

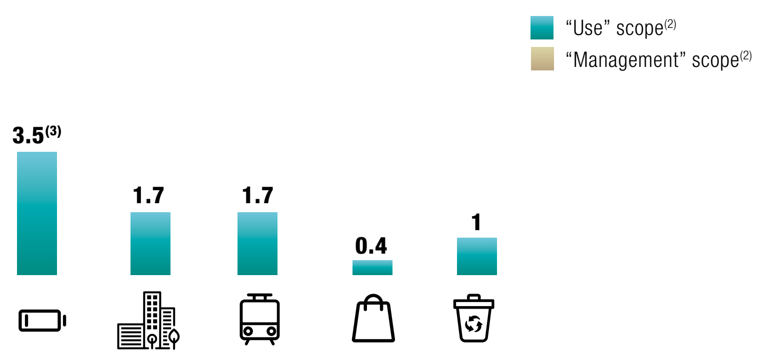


Cegereal reduces its greenhouse gas emissions by continuously improving the intrinsic environmental performance of its buildings, through:
- multi-year improvement programs for renovation work;
- minor upgrade plans to improve energy performance;
- action plans relating to BREEAM In-Use International and NF HQE Exploitation™ certification.

Since Cegereal's buildings are located in inner suburbs, they may be exposed to risks of floods, heatwaves and urban heat islands. To protect against this, Cegereal has introduced a series of measures, including:
- defining plans on how property managers should handle emergency situations and what measures they should take;
- installing basic equipment such as drip detectors and door sweeps;
- acquiring buildings that already have green spaces to reduce the heat island phenomenon typical in urban environments.

The carbon footprint of Cegereal's headquarters by source of emissions is as follows:

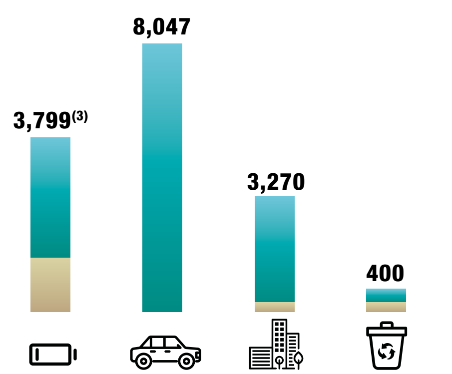
CORPORATE CARBON FOOTPRINT
8.3 tCO_2eq. in 2019



GHG emissions from energy usage
GHG emissions from corporate assets (headquarters)
GHG emissions from employee commuting
GHG emissions from purchasing
GHG emissions from waste

The carbon footprint of Cegereal's portfolio by source of emissions is as follows:

PORTFOLIO CARBON FOOTPRINT
15,515 tCO_2eq. in 2019



GHG emissions from energy usage
GHG emissions from employee commuting
GHG emissions from property assets
GHG emissions from waste

(1) The data presented are absolute values and have been adjusted for climate change. See section 2 "Methods used for calculations and estimates" on page 74.
(2) Defined in the appendix to the non-financial information statement.
(3) Further details are provided in the EPRA indicators in the appendix to the non-financial information statement.

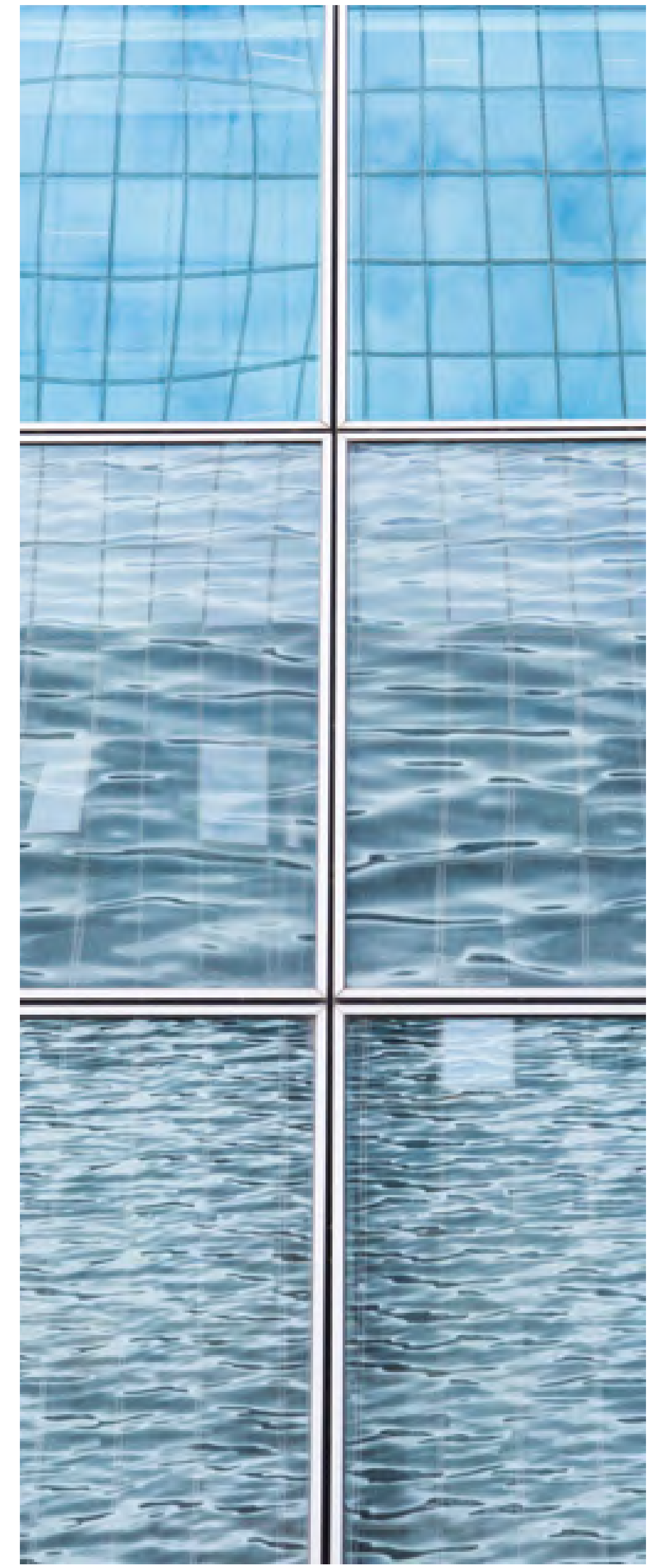
Cegereal is in the process of defining an offsetting program for residual direct greenhouse gas emissions from its portfolio. It also supports the initiatives led by the GoodPlanet Foundation as part of a voluntary program set up in 2016 to offset emissions produced by its headquarters.

Since emissions from Cegereal's indirect scope represent the highest proportion of total emissions linked to its operations, buy-in from Cegereal's stakeholders is key to reducing its greenhouse gas emissions. The indirect scope notably includes all emissions linked to tenant travel and the use of computer equipment.

Cegereal stakeholder commitment:
- **Employees**
  - Business travel is kept to a minimum depending on the importance of meetings.
  - The Company's headquarters are easy to reach by public transportation.
- **Users**
  - Proximity to public transportation is a key criterion.
  - Asset managers and property managers are required to contribute to the Company's "Upgreen Your Business" plan.
  - Restrictions on energy consumption (tenants in 100% of the real estate portfolio are required to sign environmental appendices undertaking to carefully manage energy consumption).
- **Service providers and suppliers**
  - 100% of the largest service providers have a formal risk analysis policy.
  - 66% of service providers have an environmental management system (EMS) or equivalent.

GOODPLANET FOUNDATION

GoodPlanet Foundation methods are directly inspired by the principles of the Clean Development Mechanism (CDM) of the United Nations Framework Convention on Climate Change. The foundation's voluntary GHG emission offsetting program has two main objectives:
- help vulnerable families in southern hemisphere countries obtain access to free, efficient and renewable energy;
- improve waste management in major cities in Africa.



ENERGY EFFICIENCY & RENEWABLE ENERGY

Objectives

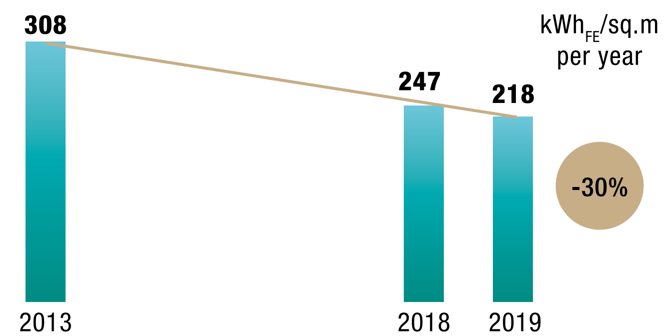
- Reduce final energy consumption by 40% between 2013 and 2030
- Meet 32% of energy requirements for common areas in its properties using renewable energy
- Set up an automated process to collect 100% of energy data for common and private areas

Achievements:

- Energy Performance Contracts introduced, committing energy suppliers to reduce energy consumption. Energy Performance Contracts were introduced at Hanami and Europlaza in 2019.
- Automation data collection process set up at Hanami and Passy Kennedy.
- Responsible renovation work carried out each time a tenant vacates.
- All lights replaced with LEDs during every renovation project.
- Speed cameras installed in parking lots.
- Portfolio awarded NF HQE™ Exploitation and BREEAM In-Use International certifications.

The initial targets to reduce energy consumption by 15% between 2013 and 2020 were met in 2017. The targets have been increased to 40% and now include a renewable energy component(1).

Change in energy consumption since 2013 across the portfolio is as follows:



2019 results

In 2018, 73% of the energy reduction target was met. In 2019, the Company achieved a 31% reduction in energy consumption at its properties compared with 2013, meeting 74% of the target. These results were achieved through targeted initiatives:

- Involvement of property managers in applying the "Upgreen Your Business" plan with the inclusion of an environmental clause in all contracts. Property managers are present at each of the sites on a daily basis.
- Automation of energy data collection at Hanami and Passy Kennedy.
- Use of urban heating and cooling networks to avoid using fossil fuels and promote access to 47% renewable energy on average. Said renewable energy is generated from biomass (household waste, Boulogne) and geothermal (Courbevoie, CPCU network which includes Charenton) sources. The objective of using 32% renewable energy to meet energy requirements in common areas was achieved at 39%.
- Renovation work to help reduce energy consumption: upgrading heating networks, ventilation and air conditioning systems, adding thermal insulation at Arcs de Seine and conducting modernization work at the Europlaza intercompany restaurant and on its goods elevator.
- BREEAM In-Use International certification and an NF HQE™ Exploitation feasibility study for Passy Kennedy.

(1) The data presented have been adjusted for climate change. See section 2 "Methods used for calculations and estimates" on page 74.

RESOURCES AND WASTE, COMMITTING TO THE CIRCULAR ECONOMY

Through its supply chain, Cegereal has chosen to engage in broader reflection across the real estate life cycle.

Objective

Commit Cegereal to the circular economy across the life cycle of its portfolio

Achievements:

- Selective waste sorting at 80% of properties.
- 100% of waste data collected since 2017, placing Cegereal among the most advanced in its field according to the figures published by the OID, which puts this indicator at 13%.
- Signing of the clean building site charter, which requires service providers to ensure site waste is recycled by all stakeholders involved.

2019 results

- 10% reduction in waste produced in connection with operating buildings compared with 2018.
- Use of a wood and glass recycling system during renovation work.
- Renovation and maintenance work on certain facilities (elevators, HVAC, etc.) to increase their lifespan.
- Replacement of plastic packaging and cutlery with renewable, recyclable and/or compostable materials such as bamboo or cardboard in intercompany restaurants.
- Proposal to provide reusable burlap bags to reduce waste.
- Proposal to intercompany restaurant users to bring their own food storage containers and bags for takeaway meals.
- Delivery of local and organic products to intercompany restaurants each week.

REDUCING WATER CONSUMPTION

Objective

Reduce building water consumption by 20% by 2030

2019 results

- 16% reduction in water consumption between 2018 and 2019.
- Installation of automatic shut-off faucets.

NON-FINANCIAL INFORMATION STATEMENT

BIODIVERSITY, PUTTING LOCAL SPECIES FIRST

Objectives

- Apply a biodiversity action plan across 100% of our portfolio
- Ensure that 100% of our buildings are planted with local species when replacing vegetation

Achievements:
- Ecological studies of flora and fauna conducted at each of its sites, the last of which was at Passy in 2019.
- Proportion of green space reviewed at all sites and practice incorporated into Cegereal's acquisition policy.

2019 results
- Systematic integration of biodiversity issues across the entire portfolio through ecological studies since 2014.
- Maintenance of 38,500 sq.m of green spaces across the portfolio, including trees, shrubs and herbaceous plants.
- Calculation of proportion of green space in the portfolio, with the five buildings achieving 40%.

ABOUT:

The Paris Agreement resulting from the COP 21 Climate Conference aims to protect biodiversity against land take and preserve the Earth's natural resources.
This aspect of the agreement was strengthened by the International Platform on Biodiversity and Ecosystem Services (IPBES) plenary, which took place in Paris in May 2019. The event concluded with the approval of the second Global Assessment Report on Biodiversity and Ecosystem services after the first one in 2005.
In keeping with these texts, Cegereal intends to enhance the existing green landscape at its properties and acquire spaces that are mindful of nature.

MOBILITY, ENCOURAGING LOW-IMPACT MOBILITY ACROSS OUR PORTFOLIO

Objective

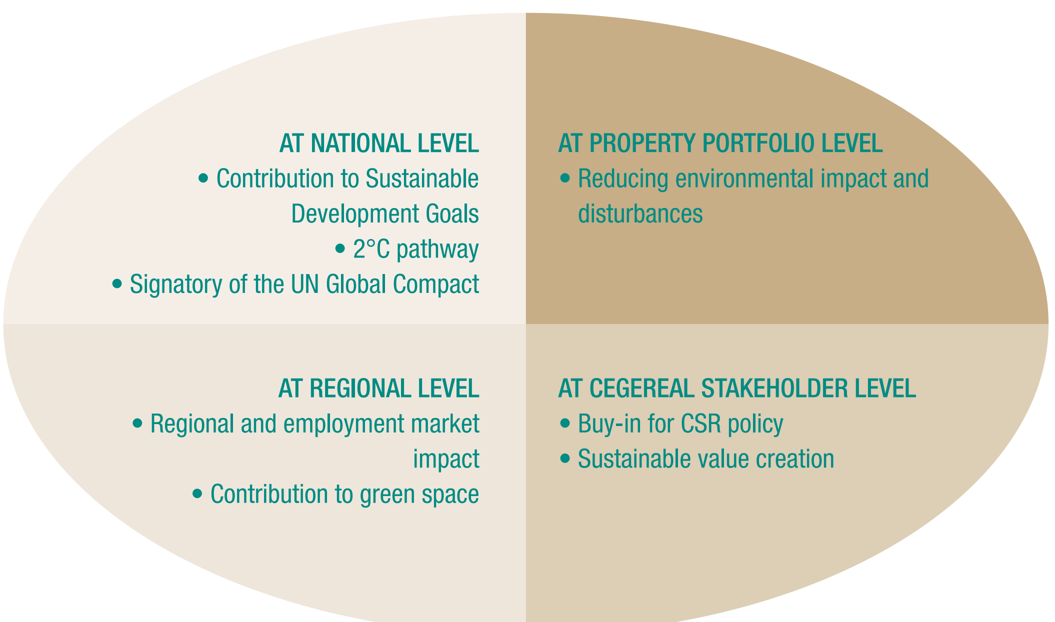
Encourage low-impact transportation and provide facilities for electric vehicles

Achievements:
- Cegereal is committed to facilitating the use of public and low-impact transportation for its employees and tenants by providing resources such as guides, information screens and digital tools. The environmental policy signed by all employees helps encourage the use of public transportation, bicycles and other non-motorized means. Cegereal also holds the majority of its meetings via videoconference.
- Cegereal's portfolio has 150 bicycle docking stations, providing tenants with transportation alternatives.

2019 results
- All buildings are located as close as possible to public transportation, with low-impact modes of transportation an average of less than 200 meters away.
- 100% of Cegereal employees use public transportation to get to work.
- Awareness-raising campaign for tenants through bicycle workshops provided by MMS CUP at portfolio buildings.
- Electric vehicle charging stations installed, for example at the Hanami campus.

PRIORITY 3 – HAVING A POSITIVE SOCIAL FOOTPRINT

Cegereal's social footprint essentially comprises four different levels



BUILDINGS TAILORED TO THEIR TENANTS

Health, safety, comfort and well-being for tenants across our portfolio

Objectives

- Achieve a 100% satisfaction rate among tenants for health, safety, comfort and well-being criteria
- Maximize well-being and comfort by developing more green spaces
- Implement a people policy focused on comfort and well-being for tenants across 100% of our portfolio

Achievements:

• Indoor air quality tests performed across 100% of our portfolio.

2019 results

• Indoor air quality tests across 100% of our portfolio (satisfactory results in 100% of cases).
• Delivery of local and organic products to restaurants at Europlaza and Passy Kennedy each week.
• Monitoring of tenant satisfaction across the entire portfolio through the organization of quarterly information meetings for all tenants.
• Tracking of tenant satisfaction via an annual survey on various issues including comfort, well-being and amenities.
• Greater well-being and comfort by developing more green spaces (improved thermal and acoustic comfort levels).
• Signing of the clean building site charter, which commits Cegereal's partners to comply with certain health and safety criteria during renovation work.
• Implementation of new processes as part of property managers' ISO 9001 and 14001 certifications in order to control and prevent impacts that could affect tenants.

Tenant services & building connectivity

Objectives

- Offer users premium tailored services
- Monitor user needs through yearly surveys

Achievements:

Cegereal ensures that all of its buildings have adequate phone and internet connectivity. Renovation work and replacement of utility installations are used as an opportunity to upgrade the portfolio's connectivity.

2019 results

• Improved concierge services (tickets for cultural events, parcel management solutions, etc.).
• Additional bicycle docking facilities across all properties.
• Themed monthly events and entertainment (casino nights, competitions, photo shoots, Christmas concerts, MMS CUP sports event, etc.).
• Intercompany jogging sessions organized at Arcs de Seine.
• Games rooms (snooker, table football, video games, etc.).
• Book-share library.
• Sports classes.
• Internet connection available in the gardens.

Portfolio accessibility

Objective

Make 100% of our portfolio accessible to everyone

2019 results

• 100% of buildings have an accessibility plan.
• Inclusion of an accessibility analysis in all plans for renovation work and acquisitions. This approach is part of Cegereal's proactive policy to ensure its properties are adapted to disability requirements.

STAKEHOLDER ENGAGEMENT

Cegereal uses a variety of tools to gauge stakeholder expectations and bring them on board with the Group's CSR approach.

Its CSR strategy is based on the materiality matrix that covers all key internal and external stakeholders. The annual review of the continuous improvement plan for Cegereal's properties also draws on the support of experts including asset managers, property managers and, for CSR advisory, WILD.

A people-centered company

Objective

Educate and train employees in the principles of sustainable development

Achievements:

- People policy, including comfort and well-being ensured for employees.
- Employees brought on board through our internal code of ethics.
- Internal code of ethics signed by all employees.

Cegereal is a people-centered company that places the utmost importance on equal opportunity. Its employment policy respects human rights, labor law and the International Labour Organization (ILO) conventions.
All employees are encouraged to play an active part in the Company's CSR strategy through its environmental and people policy.
Its continuous improvement process includes all key CSR criteria:

- Employee expectations and concerns about working conditions.
- Quality of life in terms of comfort and well-being.
- The Company's commitment to sustainable development.

2019 results

- Signatory of the United Nations Global Compact since 2015.
- Employee satisfaction survey: 100% of employees are satisfied with working conditions.
- Questionnaire about ESG challenges completed by 100% of employees.

By accepting our internal code of ethics, which was introduced in 2015, Cegereal's employees confirm their adherence to the Company's principles and values. The code includes the principles of non-discrimination and respect for human rights and labor law, the rights of stakeholders (employees, shareholders, subcontractors, suppliers, and the communities impacted by the Group's properties), and the Company's commitments to sustainable development.

Respect for gender and career diversity is one of the principles of its human resources policy. Cegereal currently employs three members of staff and its commitment to diversity is reflected in its governance bodies.

Regional and employment market impact

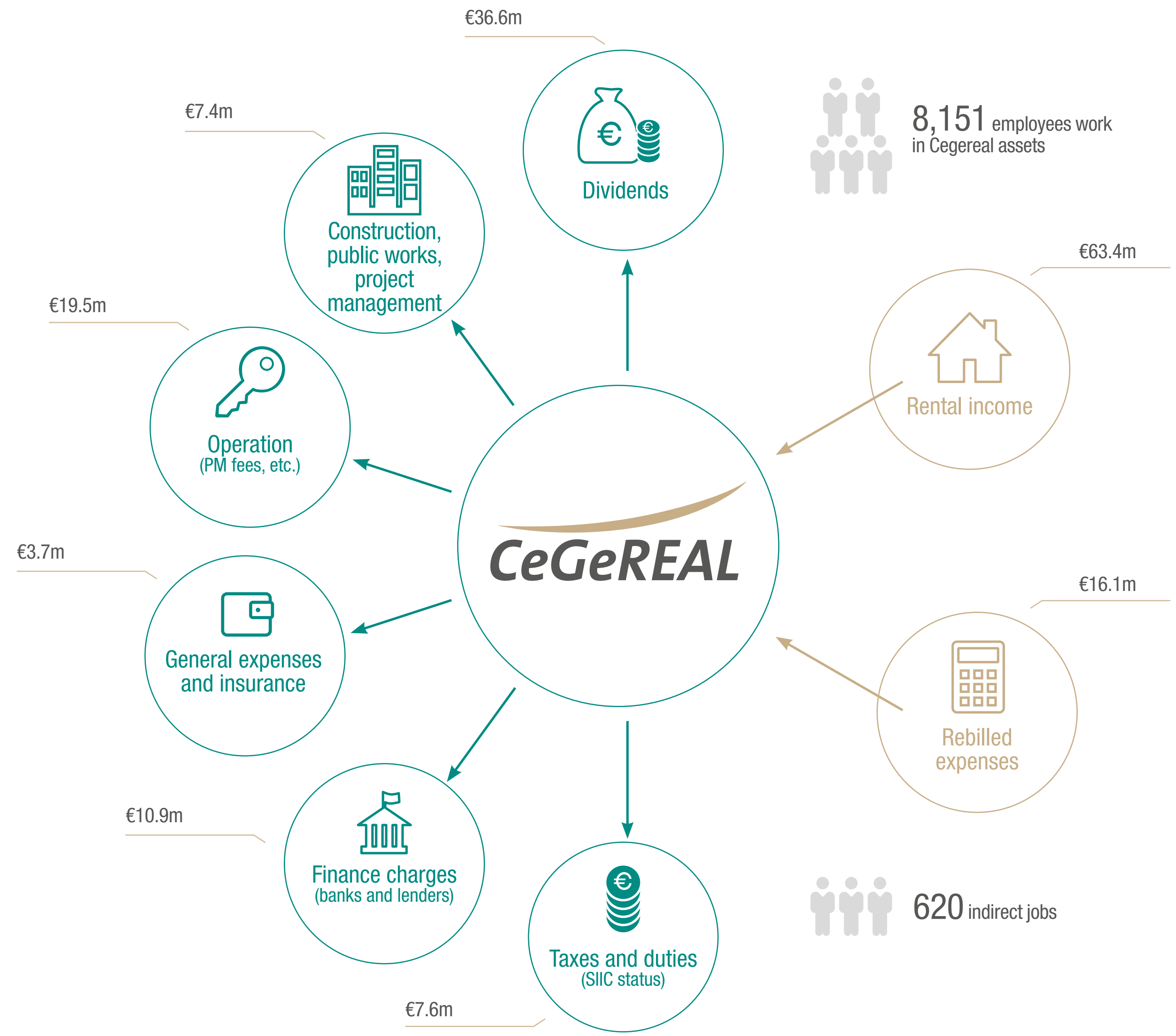
Objective

Assess our contribution to the economy and the distribution of our added value

2019 results

Cegereal has actively sought to manage and improve the social footprint of its real estate asset management operations since it was created. Its concierge and local leisure services mean it is able to make a concrete contribution to society at both a national and community level. All local service providers indirectly generate jobs, with an estimated 620 jobs created in 2019.

Regional impact is an essential link in the real estate value chain, which is why Cegereal has a key stakeholder engagement policy.



Responsible purchasing policies

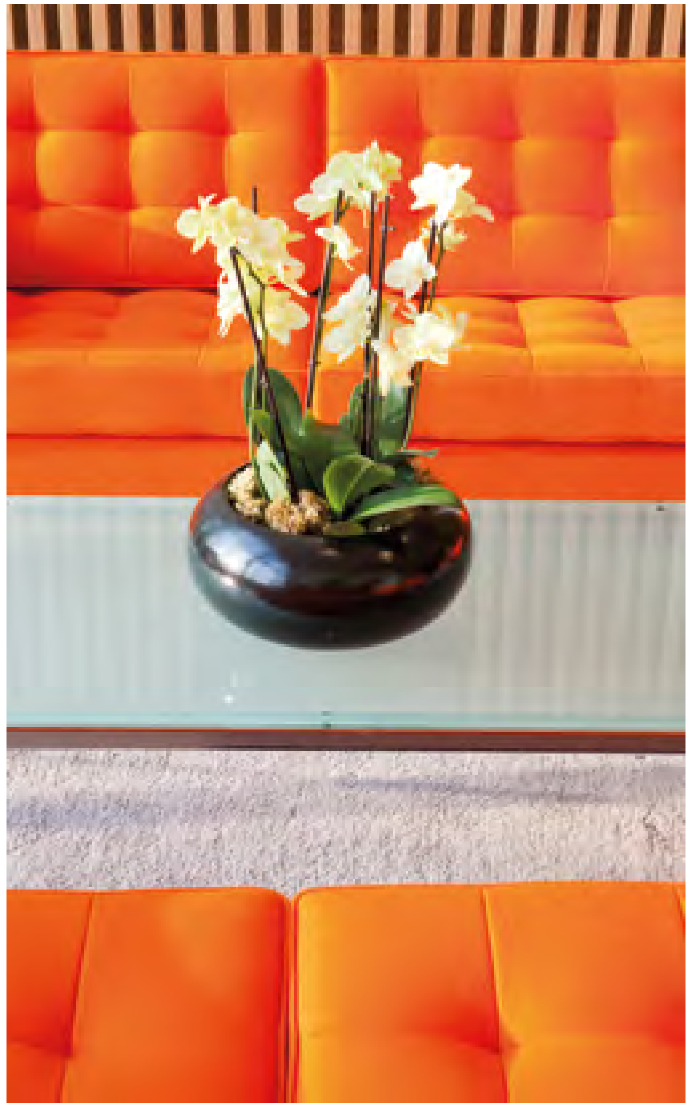
Objectives

- Achieve a 100% response rate to the responsible purchasing survey
- Have 100% of service providers sign up to the responsible purchasing charter

2019 results

Since Cegereal outsources its functions, its CSR strategy is focused to a great extent on ensuring the commitment of its suppliers and partners.

- 100% of service providers undertook to comply with Cegereal's CSR policy in 2019 by signing its responsible purchasing charter.
- 92% of service providers (by purchase volume) responded to the yearly questionnaire they were sent.
- 100% of asset managers and property managers have signed environmental clauses in their management mandates.



Partnerships and corporate sponsorship

Cegereal is actively involved in industry organizations. Through the sharing of best practices and joint participation at real estate industry events, Cegereal has been able to constantly improve its operations while staying closely attuned to market concerns.

The European Public Real Estate Association (EPRA) is made up of Europe's leading listed real estate companies. One of its aims is to standardize reporting practices across the industry. Cegereal has been an active member and sponsor of the annual EPRA conference for the last six years. Its financial and non-financial reports have been prepared in accordance with EPRA's Best Practices Recommendations (BPRs).

Institut de l'Épargne Immobilière et Foncière is an independent research center that acts as a forum for discussion and exchange among real estate and investment professionals. Cegereal has been a member since 2010 and is listed on the Euronext IEIF "SIIC France" index.

GRESB – The Global Real Estate Sustainable Benchmark is an investor-driven organization committed to assessing the ESG performance of the real estate industry. More than 200 members, of which more than 58 pension funds and their subsidiaries, use the data collected by GRESB in their investment processes. Cegereal has been a member of GRESB since December 2014.

To underscore its commitments, Cegereal is also a member of **Global Compact France** and respects and supports the organization's Ten Principles. The Ten Principles are incorporated into Cegereal's strategy and operations through the 21 criteria needed to obtain the **GC Advanced status it holds**. Companies that achieve Global Compact Advanced status must be GC Active and report on 21 advanced criteria and best practices linked to strategy, governance, stakeholder commitment, contribution to the United Nations' objectives, implementation of the principles along the value chain, and transparency.

Cegereal is also a member of the **Urban Land Institute** (ULI). The ULI is a non-profit organization that boasts more than 33,000 members across the globe from all private and public sectors relating to urban planning and real estate development.

PRIORITY 4 – ROLLING OUT SUSTAINABLE INNOVATIONS

In 2018, Cegereal set up a sustainable innovation fund, strengthening its drive to continuously improve its ESG performance. Managed by the CSR Committee, the fund is supplemented by an internal carbon tax of €20 per metric ton of CO_2.

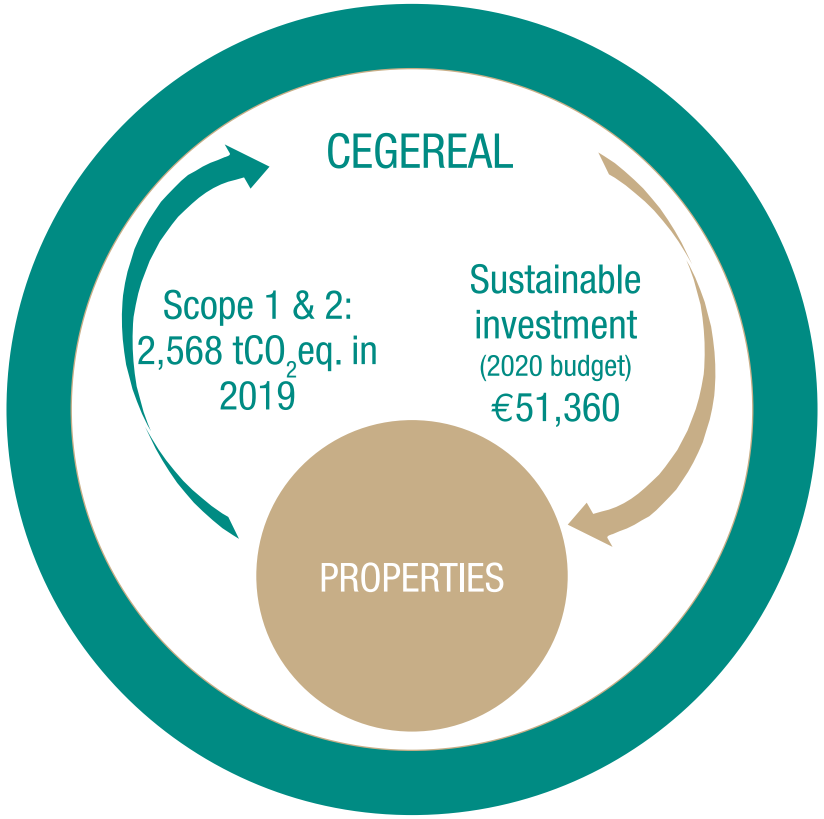
The tax applies to the scope 1 and 2 emissions from Cegereal's portfolio, described in Appendix 1.

In 2019, the carbon tax enabled Cegereal to invest €48,880 in building work and installations to improve the environmental performance of its properties.

The initiatives financed include installing bike shelters and electric vehicle charging stations, as well as running themed events about comfort and well-being, and charity-based and cultural activities.

In 2020, the budget amounts to €51,360, corresponding to 2,568 $tCO_2eq.$ in scope 1 and 2 emissions across Cegereal's portfolio.

Scope 1, 2 and 3 emissions for the "Corporate" scope are offset with the GoodPlanet Foundation.



APPENDIX
REPORTING INDICATORS AND METHODOLOGY IN LINE WITH EPRA/GRI RECOMMENDATIONS

ESG indicators are published annually in line with the latest EPRA Sustainability Best Practices Recommendations (sBPR).

The environmental indicators published by Cegereal are aligned with the recommendations of the European Public Real Estate Association (EPRA), of which Cegereal is a member.

EPRA's role is to promote, develop and represent the publicly listed real estate sector. Its "Sustainable Best Practices Recommendations" (sBPR) are designed to make the ESG information published in the annual reports of public property companies clearer and more comparable.

This report takes into account the latest amended version of the EPRA recommendations published in 2019.

The concordance table on page 181 indicates where the information recommended in the EPRA guidelines can be found in the 2019 Annual Report.

Reporting scope
Cegereal applies EPRA recommendations to its organizational scope (its "Corporate" scope) and to the "Management" and "Use" scopes for its real estate assets. These scopes are defined below:

The 2019 reporting scope corresponds to the five property complexes owned at January 1, 2019: Arcs de Seine (three buildings), Europlaza, Rives de Bercy, Hanami and Passy Kennedy.

The reported data cover the period from January 1, 2019 to December 31, 2019 and have been reviewed by an independent third party. Their report can be found on page 76.

In 2019, the coverage rates continued to improve:
- 100% for the "Corporate" scope.
- 100% for the "Management" scope.
- 100% for the "Use" scope.

A breakdown of the reporting methodology used is provided below and is also available on the Cegereal website.

	"CORPORATE" SCOPE	"MANAGEMENT" SCOPE	"USE" SCOPE
Activities	Cegereal employee activity	Property management by Cegereal's asset manager and property managers	Use of buildings by tenants
Indicator scope	"Corporate" indicators	"Property portfolio" indicators	
Physical scope	Headquarters	Lessor scope	Tenant scope

EPRA ENVIRONMENTAL PERFORMANCE INDICATORS

A. CORPORATE INDICATORS

"CORPORATE" SCOPE	EPRA CODE	GRI STANDARD AND CRESD CODE	MEASUREMENT UNIT	2018 WITH CLIMATE ADJUSTMENT*	2019 WITH CLIMATE ADJUSTMENT	2018/2019 CHANGE	2019 WITHOUT CLIMATE ADJUSTMENT
ENERGY							
Volume							
Total energy consumption			MWh_{FE}	27.1	24.5	-10%	22.8
o/w fossil fuels	Fuels-Abs	302-1	MWh_{FE}	-	-		-
o/w electricity	Elec-Abs	302-1	MWh_{FE}	7.6	7.8	3%	7.8
o/w urban network	DH&C-Abs	302-1	MWh_{FE}	19.5	16.7	-14%	15.0
Ratios							
Per square meter	Energy-Int	CRE1	kWh_{FE}/sq.m	201	181	-10%	169.1
Per FTE	Energy-Int	CRE1	kWh_{FE}/FTE	7,127	6,444	-10%	7.6
GREENHOUSE GAS EMISSIONS							
Volume							
Total energy-related emissions			tCO_2eq.	3.3	3.5	6%	3.3
o/w direct[(1)]	GHG-Dir-Abs	305-1	tCO_2eq.	-	-		-
o/w indirect[(2)]	GHG-Indirect-Abs	305-2	tCO_2eq.	3.3	3.5	6%	3.3
Ratios							
Total energy-related emissions per sq.m	GHG-Int	CRE3	$kgCO_2$eq/sq.m	24	25.9	6%	24.1
Total energy-related emissions per FTE	GHG-Int	CRE3	$kgCO_2$eq/FTE	866	921.1	6%	1.1
WATER							
Volume							
Total consumption	Water-Abs	303-1	cu.m	19.7	21.5	9%	
Ratios							
Per FTE	Water-Int	CRE2	cu.m/FTE	5	7	38%	
Per square meter	Water-Int	CRE2	cu.m/sq.m	0.15	0.16	9%	
WASTE							
Volume							
Total volume	Waste-Abs	306-2	kg	2,700	2,700	0%	
% recycled	Waste-Abs	306-2	%	100%	100%	0%	
Ratios							
Per FTE	-		kg/FTE	711	711	0%	

Basis of calculation for 2019: 175 sq.m, o/w 40 sq.m sublet, and 3 FTEs/2018: 175 sq.m, o/w 40 sq.m sublet, and 3.8 FTEs.
* The 2018 data were updated using the latest information received.

(1) Emissions related to fossil fuels.
(2) Emissions related to non-fossil fuels.

NON-FINANCIAL INFORMATION STATEMENT

B. PROPERTY PORTFOLIO ENERGY INDICATORS

"MANAGEMENT" & "USE" SCOPES	EPRA CODE	GRI STANDARD AND CRESD CODE	MEASUREMENT UNIT	2018 WITH CLIMATE ADJUSTMENT*	2019 WITH CLIMATE ADJUSTMENT	2019 WITH CLIMATE ADJUSTMENT	2018/2019 CHANGE	2019 WITHOUT CLIMATE ADJUSTMENT
				Like-for-like values	*Like-for-like values*	*Absolute values (i.e., including Passy Kennedy)*	*Like-for-like values*	*Like for-like values*
"Management" scope - Lessors								
Volume								
Total energy consumption			MWh_{FE}	22,943	21,037	24,793	-8%	23,495
			MWh_{PE}	40,112	37,353	43,861	-7%	42,533
o/w fossil fuels	Fuels-Abs & Fuels-LfL	302-1	MWh_{FE}	3,320	3,035	3,035	-9%	2,730
o/w electricity	Elec-Abs & Elec-LfL	302-1	MWh_{FE}	10,657	10,135	11,877	-5%	11,877
o/w urban network	DH&C-Abs & DH&C-LfL	302-1	MWh_{FE}	8,966	7,868	9,882	-12%	8,889
Ratios								
Per square meter	Energy-Int	CRE1	kWh_{FE}/sq.m	139	127	111	-8%	124
Per FTE	Energy-Int	CRE1	kWh_{FE}/FTE	3,771	2,976	2,581	-21%	2,882
Per square meter	Energy-Int	CRE1	kWh_{PE}/sq.m	242	197	232	-18%	225
"Use" scope - Users								
Volume								
Total energy consumption			MWh_{FE}	17,970	15,015	15,015	-16%	17,800
			MWh_{PE}	46,363	38,738	38,738	-16%	45,924
o/w fossil fuels	Fuels-Abs & Fuels-LfL	302-1	MWh_{FE}	-	-	-	-	-
o/w electricity	Elec-Abs & Elec-LfL	302-1	MWh_{FE}	17,970	15,015	17,800	-16%	17,800
o/w urban network	DH&C-Abs & DH&C-LfL	302-1	MWh_{FE}	-	-	-	-	-
Ratios								
Per square meter	Energy-Int	CRE1	kWh_{FE}/sq.m	95	79	79	-16%	108
Per FTE	Energy-Int	CRE1	kWh_{FE}/FTE	2,954	2,124	1,842	-28%	2,184
Per square meter	Energy-Int	CRE1	kWh_{PE}/sq.m	334	273	235	-18%	279
"Management" and "Use" scopes:								
Volume								
Total energy consumption			MWh_{FE}	40,913	36,052	36,052	-12%	41,295
			MWh_{PE}	86,475	76,091	76,091	-12%	88,457
Ratios								
Per square meter	Energy-Int	CRE1	kWh_{FE}/sq.m	247	218	191	-12%	218
Per square meter	Energy-Int	CRE1	kWh_{PE}/sq.m	522	459	402	-12%	467
Per FTE				5,886	5,100	4,423	-13%	5,066

C. PROPERTY PORTFOLIO GHG EMISSIONS INDICATORS

"MANAGEMENT" & "USE" SCOPES	EPRA PERFORMANCE MEASUREMENT CODE	REF: GLOBAL REPORTING INITIATIVE (GRI) G4 EPRA CONSTRUCTION & REAL ESTATE	MEASUREMENT UNIT	2018 WITH CLIMATE ADJUSTMENT*	2019 WITH CLIMATE ADJUSTMENT	2019 WITH CLIMATE ADJUSTMENT	2018/2019 CHANGE	2019 WITHOUT CLIMATE ADJUSTMENT
				Like-for-like values	*Like-for-like values*	*Absolute values (i.e., including Passy Kennedy)*	*Like-for-like values*	*Like-for-like values*
"Management" scope - Lessors								
Volume								
Total energy-related emissions			tCO_2eq.	2,420	2,221	2,568	-8%	3,131
o/w direct(1)	GHG-Dir-Abs	305-1	tCO_2eq.	764	698	698	-9%	628
o/w indirect(2)	GHG-Indirect-Abs	305-2	tCO_2eq.	1,657	1,523	1,870	-8%	2,503
Ratios								
Total energy-related emissions per sq.m	GHG-Int	CRE3	$kgCO_2$eq/sq.m	14	12	13	-8%	206
Total energy-related emissions per FTE	GHG-Int	CRE3	$kgCO_2$eq/FTE	348	314	314	-10%	384
"Use" scope - Users								
Volume								
Total energy-related emissions			tCO_2eq.	1,474	1,460	1,231	-1%	1,460
o/w direct(1)	GHG-Dir-Abs	305-1	tCO_2eq.	-	-		-	-
o/w indirect(2)	GHG-Indirect-Abs	305-2	tCO_2eq.	1,474	1,460	1,231	-1%	1,460
Ratios								
Total energy-related emissions per sq.m	GHG-Int	CRE3	$kgCO_2$eq/sq.m	11	10	9	-3%	9
Total energy-related emissions per FTE	GHG-Int	CRE3	$kgCO_2$eq/FTE	212	206	158	-3%	179
"Management" and "Use" scopes:								
Volume								
Total property portfolio emissions			tCO_2eq.	3,894	3,681	3,799	-5%	4,590
Ratios								
Total energy-related emissions per sq.m	GHG-Int	CRE3	$kgCO_2$eq/sq.m	25	22	22	-5%	24
Total energy-related emissions per FTE	GHG-Int	CRE3	$kgCO_2$eq/FTE	560	521	402	-7%	563

The scope changed between 2018 and 2019 as Passy Kennedy was acquired at end-December 2018. The like-for-like scope follows the methodology used by EPRA and therefore excludes Passy Kennedy, whereas it is included in the absolute scope.
Basis of calculation for FTEs for 2019: 8,151 FTEs/2018: 6,951 FTEs.
Basis of calculation for the surface areas of the "Management and Use" scopes for 2019: 189,238 sq.m and 2018: 165,623 sq.m.

* The 2018 data were updated using the latest information received.

(1) Emissions related to fossil fuels.
(2) Emissions related to non-fossil fuels.

NON-FINANCIAL INFORMATION STATEMENT

D. PROPERTY PORTFOLIO WATER AND WASTE INDICATORS

"MANAGEMENT" & "USE" SCOPES	EPRA CODE	GRI STANDARD AND CRESD INDICATOR CODE	MEASUREMENT UNIT	2018*	2019	2019	2018/2019 CHANGE
				Like-for-like values	*Like-for-like values*	*Absolute values (i.e., including Passy Kennedy)*	*Like-for-like values*
WATER							
Volume							
Total consumption	Water-Abs & Water-LfL	303-1	cu.m	70,997	59,522	67,176	-16%
Ratios							
Per FTE	Water-Int		cu.m/FTE	10	8	7	-18%
Per square meter	Water-Int	CRE2	cu.m/sq.m	0.4	0.3	0.4	-69%
WASTE							
Volume							
Total volume	Waste-Abs & Waste-LfL	306-2	kg	328,459	294,683	375,743	-10%
% recycled			%	114,172	110,732	110,732	-3%
Ratios							
Per FTE			kg/FTE	47	42	36	-12%

The scope changed between 2018 and 2019 as Passy Kennedy was acquired at end-December 2018. The like-for-like scope follows the methodology used by EPRA and therefore excludes Passy Kennedy, whereas it is included in the absolute scope.
Basis of calculation for FTEs for 2019: 8,151 FTEs/2018: 6,951 FTEs.
Basis of calculation for the surface areas of the "Management and Use" scopes for 2019: 189,238 sq.m and 2018: 165,623 sq.m.
Basis of calculation for the "Management and Use" scopes for 2019: 3 FTEs and 2018: 3.8 FTEs.

* The 2018 data were updated using the latest information received.

EPRA SOCIAL PERFORMANCE INDICATORS

"Corporate" scope: (GRI reference: 405-1, 405-2, 404-1, 404-3, 401-1 and 403-2)

Cegereal has published social performance indicators for the "Corporate" scope in the HR section of its Annual Report over the last five years. The page numbers are given in the EPRA sBPR concordance table on page 181 and the methodology used to calculate each indicator is provided in the section entitled "Reporting Methodology/4. Social data" on page 75.

Cegereal is committed to gender equality.

"Management" and "Use" scopes: (GRI reference: 416-1, 416-2 and 413-1)

The indicator used to assess health and safety across Cegereal's properties (GRI reference: 416-1) is applied to 100% of its real estate assets , which must meet minimum requirements in terms of:

- Indoor air quality.
- Compliance with mandatory safety and security measures in France (fire drills, etc.).

Compulsory checks are outsourced through specific clauses in property management mandates.

The local stakeholder engagement indicator is applied and an analysis of its social impacts is completed each year by Cegereal (GRI reference: 411-1) across 100% of its real estate assets. In terms of sub-categories, Cegereal:

- Calculates the impacts on employment (data presented on page 65).
- Imposes a clean building site charter for all building work.
- Measures the different levels of pollution at these sites through various reports and by maintaining the environmental certifications in effect for operations at all of its sites.
- Has a biodiversity policy for all of its sites.

EPRA GOVERNANCE INDICATORS

EPRA governance indicators (GRI references: 102-22, 102-24 and 102-25) are presented in the Legal Information section of the 2019 Annual Report. The page numbers are given in the EPRA sBPR concordance table on page 181.

OTHER INDICATORS

Labeling and certification

Cegereal's objective is to have all of its assets certified in accordance with two benchmark standards: NF HQE® Exploitation and BREEAM In-Use International.

- 100% of Cegereal's buildings are certified in accordance with the NF HQE® Exploitation standard for commercial buildings in operation or the BREEAM In-Use International standard.

Other indicators:

Cegereal also publishes a qualitative or quantitative performance indicator for each ESG criteria categorized as material in the 2019 materiality matrix, notably mobility and its socio-economic impact. This information can be found in the "Upgreen Your Business" performance plan on page 52.

REPORTING METHODOLOGY

a. Reporting methodology

1. Measurement methods used

• Surface area:

The surface area used for the "Management" and "Use" scope indicators are those used for financial reporting:

	Reference surface area (sq.m)	Private surface area (sq.m)	Common surface area (sq.m)	FTE
ARCS DE SEINE	47,222	43,428	3,792	2,511
RIVES DE BERCY	31,942	31,942	-	1,300
EUROPLAZA	52,078	37,439	5,311	2,097
HANAMI	34,381	29,215	5,166	1,161
PASSY KENNEDY	23,615	22,657	958	1,082
TOTAL	189,238	164,681	15,227	8,151

The 135 sq.m surface area used for the "Corporate" scope corresponds to the surface area of Cegereal's leased premises at 42 rue de Bassano, 75008 Paris, France, not including the sublet surfaces (the total amounts to 175 sq.m).

• FTE:

- The FTE indicator for the "Management" and "Use" scopes corresponds to the number of full-time employees across the sites at October 1, 2019, as reported by each property manager.
- The FTE indicator for the "Corporate" scope corresponds to the number of Cegereal employees reported in the section on HR data.

2. Methods used for calculations and estimates

Environmental indicators are calculated or extrapolated using the following methods:

<u>Change in scope of consolidation taken into account in EPRA indicator calculations:</u>
In the event of changes in the scope of consolidation (acquisition or disposal of an asset), absolute consumption and emissions data values are given for the new scope, while like-for-like values are given for comparisons between Y-1 and Y.

<u>Extrapolations in the event that some or all of the data are missing:</u>
If a data item is missing, it is estimated successively using two methods:

Method 1: reconstruction based on previous data:

1.1 If data are unavailable for month M of year Y, data for month M of year Y-1 are used.

1.2 If data are unavailable for month M of year Y and month M of year Y-1, an extrapolation on a monthly pro rata basis is performed using data from the remaining months in year Y if data for six consecutive months are available.

1.3 If data are unavailable for the whole year Y, data for the years Y-1, Y-2 or Y-3 are used.

Method 2: estimates based on similar building data:

If data are missing for a vacant unit in the building, they are extrapolated based on a surface area ratio using data available for another unit in the building or complex that is rented. For example: 2019 energy consumption for the first floor of building B rented by X = 2019 energy consumption for the second floor of building B rented by Y.

Estimates were made for corporate and portfolio energy consumption in the last three months of the year (October, November and December 2019) based on the figures for year Y-1.

In order to obtain the portion of the data estimated for the "Use" scope, a calculation is performed on a pro-rata basis, based on the total surface area for which data are available for the whole surface area occupied by all tenants, or on an annual pro-rata basis when monthly data are unavailable.

<u>Adjustment for an incorrect value in the available data for year Y-1 or Y-2:</u>
If the value for year Y-1 or Y-2 is incorrect, it is adjusted using the values provided for year Y so as to use the adjusted value for calculations.

• Energy consumption:

- For the "Corporate" scope: data are retrieved directly from Cegereal.
- For the "Management" scope: data are retrieved from the property manager.
- For the "Use" scope: the property manager collects energy-related data and/or supporting invoices from the tenants and technicians of the various buildings.

The percentage of data not extrapolated across the portfolio ("Management" and "Use" scopes) for energy consumption data is 83.5%.
The percentage of "Management" scope data extrapolated is 5.1%.
The percentage of "Use" scope data extrapolated is 11.4%.

• Greenhouse gas emissions:

- Greenhouse gas emissions are calculated according to the conventions used in the GHG Protocol, which in turn complies with the latest version of ISO 14064.
- The greenhouse gas emissions factors relating to energy consumption are taken from Appendix 4 "*Facteurs de conversion des kilowattheures finaux en émissions de gaz à effet de serre*" (kWh/greenhouse gas emission equivalencies) of the French government decree of February 8, 2012 on Energy Performance Diagnostics (DPE).
- Other emissions factors (building materials, transportation, etc.) are taken from the ADEME database (http://www.bilans-ges.ademe.fr/).
- For example, greenhouse gas emissions linked to buildings' energy consumption are calculated by weighting the data relating to each type of energy consumption against the corresponding greenhouse gas emissions factors.
- Direct and indirect greenhouse gas emissions not linked to energy consumption are obtained via an annual carbon assessment ("Corporate" scope) and regular carbon assessments for buildings ("Management" and "Use" scopes).

The coverage rate across the portfolio ("Management" and "Use" scopes) for greenhouse gas emissions data is 100%.

• Waste:

The waste reported in this table comes from non-hazardous streams, i.e., paper, waste similar to household waste (mainly including waste from staff cafeterias), and construction site waste (if applicable). Hazardous waste streams are not yet covered. Sorted waste refers to waste that has been placed in bins by category.
The percentage of portfolio data not extrapolated ("Management" and "Use" scopes) for waste data is 79.3%.
The percentage of "Management" scope data extrapolated is 13.8%.
The percentage of "Use" scope data extrapolated is 6.9%.
The coverage rate across the portfolio ("Management" and "Use" scopes) for waste data is 100%.

• Water:

Water consumption data is taken from supplier invoices.
The percentage of data not extrapolated across the portfolio ("Management" and "Use" scopes) is 84%.
The percentage of "Management" scope data not extrapolated is 8%. The percentage of data not extrapolated is 100%.
The percentage of "Use" scope data extrapolated is 7%.
The coverage rate across the portfolio ("Management" and "Use" scopes) for water data is 100%.

3. Adjustments for climate change

Adjustments for climate change are performed using the following method:

• Identifying energy consumption impacted by climate extremes

For each building, energy consumption relating to heating and other uses is analyzed. The breakdown of energy consumption for each building results in the use of allocation keys (Heating ($P_{Heating}$)/Other (P_{Other})), which are expressed as a percentage of total final energy consumption for each type of energy.

• Adjustments for climate extremes

Climate extremes are measured using degree-days[1] for each weather station, with HDD (heating degree days) used to measure extreme temperatures in winter. An average of annual HDD is calculated over ten years, from 2008 to 2019 for each station (HDD_{Avg}). Weather conditions at each station can therefore be compared to an average year by comparing HDD to HDD_{Avg}.

• Adjusting final energy consumption figures for climate extremes

Using the actual reported final energy consumption figures, consumption is adjusted for extremes based on the following formula:

$C_{Adjusted} = C_{Actual} \times (P_{Heating} \times HDD_{Avg}/HDD + P_{Other})$

Where:

$C_{Adjusted}$: adjusted annual final energy consumption (kWhFE).
C_{Actual}: actual annual final energy consumption (kWhFE).
$P_{Heating}$: portion of consumption relating to heating (%).
P_{Other}: portion of consumption relating to other uses (%).
HDD_{Avg}: benchmark average annual heating degree day (°C).
HDD: heating degree day for the current year (°C).

The corresponding conversion into primary energy and GHG emissions calculations are performed in accordance with the methodology described above. For each property, this method models the annual consumption level that would have been recorded in an average, constant climate. It is therefore possible to analyze the change in consumption levels and greenhouse gas emissions for a constant reporting structure based on identical weather conditions.

Social data

Calculations of the main social and governance indicators presented in the report are performed in accordance with the following methods:

- **Absenteeism rate:** (GRI reference: 403-2) the absenteeism rate corresponds to the annual number of absences (excluding paid leave and "RTT" days off) compared to the theoretical annual number of hours worked.
- **Responsible Purchasing:** service providers' and suppliers' participation in the responsible purchasing policy is calculated based on the response rate to the responsible purchasing questionnaire and the number of companies that have signed the responsible purchasing charter.
- **Social footprint:** the number of indirect jobs created by Cegereal's business is calculated based on the Company's overall purchasing volumes and the average annual cost of an FTE in the construction sector and the services sector[1].
- **Percentage of leases including environmental appendices:** the percentage of leases that include environmental appendices is calculated by taking the ratio of the surface area of leases covered by an appendix to the total surface area leased.
- **Green capex:** the "Green capex" or "energy and environmental renovations" were calculated by adding together renovation costs excluding standard maintenance costs and regulation compliance work that had an impact on the buildings' use and energy consumption (e.g., lighting, air conditioning, heating, etc.).

4. Calculation of the carbon tax

The 2019 carbon tax is calculated based on the greenhouse gas emissions linked to energy consumption at the five real estate assets. The assumption used for the cost of the carbon tax is €20/tCO_2eq.

(1) Source: http://www.insee.fr/fr/ffc/ipweb/ip1393/ip1393.pdf

NON-FINANCIAL INFORMATION STATEMENT

REPORT BY THE INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON-FINANCIAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2019

This is a free English translation of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Cegereal S.A.

Registered office:
42 rue de Bassano, 75008 Paris

To the General Shareholders' Meeting,
In our capacity as the independent third party of your company (hereinafter the "entity"), and accredited by the French Accreditation Committee (*Comité Français d'Accréditation* or COFRAC) under number 3-1049[1] and, as a member firm of the KPMG International network, like one of your statutory auditors, we hereby report to you on the consolidated non-financial statement for the year ended December 31, 2019 (hereinafter the "Statement"), included voluntarily in the Management Report pursuant to the requirements of Articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code (*Code de commerce*).

Responsibility of the entity

The Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement and available upon request at the entity's headquarters.

Independence and quality control

Our independence is defined by the requirements of Article L.822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical and French professional guidance.

Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:
- the compliance of the Statement with the requirements of Article R.225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with Article R.225-105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, including those relating to combating corruption and tax evasion, nor on the compliance of products and services with the applicable regulations.

Nature and scope of our work

The work described below was performed in accordance with the provisions of Article A.225-1 et seq. of the French Commercial Code (*Code de commerce*), as well as with the professional guidance of the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes* or CNCC) applicable to such engagements and with ISAE 3000 (international standard on assurance engagements other than audits or reviews of historical financial information):
- We obtained an understanding of all the consolidated entities' activities, and the description of the principal risks;
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- We verified that the Statement includes each category of social and environmental information set out in Article L.225-102-1 III as well as information regarding compliance with human rights and anti-corruption and tax avoidance legislation;
- We verified that the Statement provides the information required under article R.225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L.225-102-1 III, paragraph 2 of the French Commercial Code;
- We verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with its business relationships, its products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in the appendix. Our work was carried out on the consolidating entity, for the other risks, our work was carried out on the consolidating entity;
- We verified that the Statement covered the consolidated scope, i.e., all entities included in the scope of consolidation in accordance with Article L.233-16;
- We obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- For the key performance indicators and other quantitative outcomes that we considered to be the most important presented in the appendix, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile data with the supporting documents. The work was carried out at the entity's registered office[2] and covers between 20% and 100% of the consolidated data selected for these tests;
- We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.
- We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work was carried out by a team of four people between September 2019 and February 2020 and took a total of two weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted approximately ten interviews with the people responsible for preparing the Statement.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Paris-La Défense, on February 28, 2020
KPMG S.A.

Fanny Houlliot	**Régis Chemouny**
Partner	Partner
Sustainability Services	

(1) Accreditation scope available at www.cofrac.fr
(2) Cegereal SA, Europlaza, Arcs de Seine, Passy-Kennedy.

Appendix

Qualitative information (actions and results) considered to be the most important

Measures taken to promote the comfort and well-being of tenants

Environmental policy and measures taken to improve energy efficiency and the use of renewable energy

Measures of adaptation and mitigation of the consequences of climate change

Sites ecological assessment mechanisms

Signature of the code of ethics by all employees

Key performance indicators and other quantitative results considered to be the most important

Energy consumption of assets without climate adjustment (fossil fuels, electricity, urban network)

CO_2 emissions related to property portfolio energy consumption without climate adjustment

Biotope coefficient

Percentage of assets located less than 200m from public transport hubs

Percentage of responses to the "responsible purchasing" questionnaire as a percentage of the company's purchasing volume

Amount funded from the sustainable innovation fund

Percentage of portfolio surface area for which an environmental appendix has been signed

Percentage of acquisitions with an environmental risk assessment

NON-FINANCIAL INFORMATION STATEMENT

03

REVIEW OF THE 2019 Fiscal Year

REVIEW OF THE 2019 FISCAL YEAR

This report presents the financial position of our Company and our Group.
The following presentation and analysis should be read in conjunction with this Universal Registration Document in its entirety and in particular with the consolidated financial statements presented in section V.1.

For the purposes of comparison, the financial information presented in the IFRS consolidated financial statements for the year ended December 31, 2019 includes the IFRS financial statements of Cegereal for the year ended December 31, 2018.

Cegereal's consolidated financial statements for the year ended December 31, 2019 were prepared using the same presentation and accounting methods as in the previous fiscal year.

The consolidated financial statements were adopted by the Board of Directors on February 27, 2020 and will be submitted to the Annual General Shareholders' Meeting for approval.

1. PRESENTATION OF THE GROUP

The Group, whose activity is described in this report, is composed of the following entities:

(i) Cegereal, a French *société anonyme* (joint-stock corporation) with share capital of EUR 79,532,200, whose registered office is located at 42 rue de Bassano, 75008 Paris, France, registered with the Paris Trade and Companies Registry under no. 422 800 029 (**"Cegereal"**), which directly or indirectly holds 100% of the capital and voting rights of the companies listed below.

(ii) Prothin, a French *société par actions simplifiée* (joint-stock corporation) with share capital of EUR 69,860,361, whose registered office is located at 42 rue de Bassano, 75008 Paris, France, registered with the Paris Trade and Companies Registry under no. 533 212 445 (**"Prothin"**), of which Cegereal directly holds 100% of the capital and voting rights.
- Prothin was incorporated in June 2011. On December 22, 2011, the General Shareholders' Meeting authorized Cegereal to transfer its holding and management activity for owned buildings, i.e., Europlaza, Arcs de Seine and Rives de Bercy, to Prothin.

(iii) K Rueil, a company investing predominantly in real estate with a variable share capital (SPPICAV), incorporated in the form of a French *société par actions simplifiée* (simplified joint-stock corporation), whose registered office is located at 39 avenue George V, 75008 Paris, France, registered with the Paris Trade and Companies Registry under number 814 319 513 and accredited by the French financial markets authority under number SPI20150043 (**"K Rueil"** or the **"OPCI"**), of which Cegereal directly holds 100% of the capital and voting rights;
- Cegereal acquired the entire share capital of K Rueil on December 15, 2016;
- K Rueil holds 99.5% of the capital and voting rights of Hanami Rueil SCI.

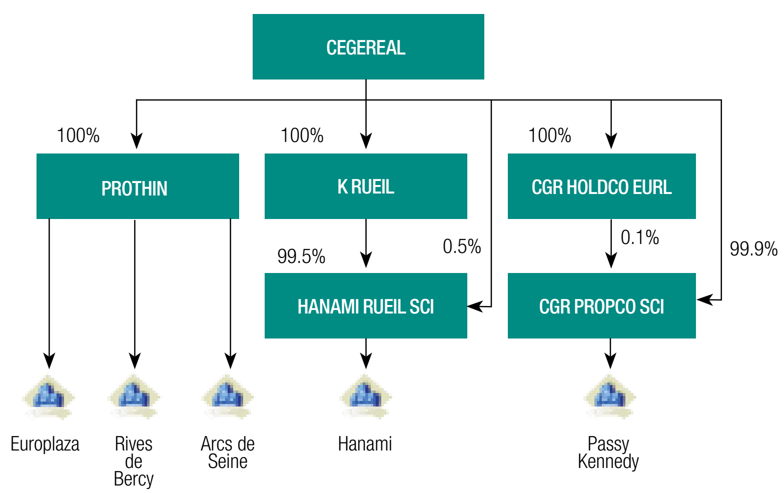
(iv) Hanami Rueil SCI, a non-trading real estate company with a share capital of EUR 184, whose registered office is located at 42 rue de Bassano, 75008 Paris, France, registered with the Paris Trade and Companies Registry under number 814 254 512 (**"Hanami Rueil SCI"**), of which Cegereal indirectly holds 100% of the capital and voting rights through K Rueil.
- Hanami Rueil SCI was acquired on December 15, 2016 and owns the Hanami campus.

(v) CGR Holdco EURL, a French *société à responsabilité limitée unipersonnelle* (single-shareholder limited liability company) with a share capital of EUR 1,000, whose registered office is located at 42 rue de Bassano, 75008 Paris, France, registered with the Paris Trade and Companies Registry under number 833 876 568 (**"CGR Holdco EURL"**), of which Cegereal directly holds 100% of the capital and voting rights.
- CGR Holdco EURL was incorporated in December 2017.
- As of the date of this Universal Registration Document, CGR Holdco EURL does not hold any real estate assets or rights.

(vi) CGR Propco SCI, a non-trading real estate company with a share capital of EUR 1,000, whose registered office is located at 42 rue de Bassano, 75008 Paris, France, registered with the Paris Trade and Companies Registry under number 834 144 701 (**"CGR Propco SCI"**), of which Cegereal directly holds 99.9% and CGR Holdco EURL 0.1% of the capital and voting rights.
- CGR Propco SCI was incorporated in December 2017.
- It owns the Passy Kennedy building.

Subsequent references to the "Group" therefore include Cegereal, Prothin, K Rueil, Hanami Rueil SCI, CGR Holdco EURL and CGR Propco SCI.

The organizational chart below shows the Group's legal structure:



2. GROUP BUSINESS REVIEW

The Group owns, manages and develops a real estate portfolio valued at EUR 1,464m at December 31, 2019. The portfolio comprises five large office properties in the Paris region.

(i) Europlaza at Paris-La Défense has a surface area of approximately 52,100 sq.m and generated IFRS rental income of EUR 15.3m in 2019 compared with EUR 14.6m in 2018.

(ii) Arcs de Seine at Boulogne-Billancourt comprises three buildings with a surface area of around 47,200 sq.m and generated IFRS rental income of EUR 17.9m in 2019 compared with EUR 17.3m in 2018.

(iii) Rives de Bercy at Charenton-le-Pont has a surface area of approximately 31,900 sq.m and generated IFRS rental income of EUR 10.4m in 2019 compared with EUR 10.1m in 2018. It is the headquarters of Crédit Foncier de France.

(iv) Hanami at Rueil Malmaison comprises eight office buildings totaling approximately 34,400 sq.m and generated IFRS rental income of EUR 9.9m in 2019 compared with EUR 10.4m in 2018.

(v) Passy Kennedy is an office building with a surface area of approximately 23,800 sq.m, is part of a complex located in the 16th *arrondissement* of Paris. It generated IFRS rental income of EUR 9.9m in 2019 compared with EUR 0.7m in 2018, and was acquired by CGR Propco SCI on December 5, 2018.

The Group's consolidated financial statements report revenue of EUR 63,369k, up 20% year on year, and net income of EUR 80,760k compared with EUR 33,106k in 2018.

The consolidated and annual financial statements will be submitted for approval at the General Shareholders' Meeting to be held on June 16, 2020.

2.1. Strategy and highlights

Rental activity

Cegereal continued its proactive asset management work during 2019.

Over 22,000 sq.m of office space was renovated in the Europlaza tower. The work was carried out ahead of the arrival of the European Banking Authority, which moved into nearly 5,300 sq.m on the building's upper floors in April for a non-cancelable period of nine years, as well as KPMG, which extended its lease, bringing its total occupancy in the building to 12,600 sq.m for a non-cancelable term up to 2031.

7,400 sq.m of these leases will come into effect in 2020.

In August, Salto, the French VOD platform that comprises TF1, M6 and France Télévisions, moved into Arcs de Seine, bringing the building's occupancy rate to 100%.

The portfolio's overall occupancy rate stood at 96.9%. Excluding the new leases coming into effect in 2020, the overall occupancy rate was 93.9% at December 31, 2019, compared with 92.3% one year earlier.

CSR Commitments

Since its creation, Cegereal has demonstrated a relentless commitment to environmental, social and governance (ESG) matters.

Its efforts were quickly acknowledged by the GRESB, the international ESG benchmark, which has ranked Cegereal among the top three performers in the "listed office real estate companies in Europe" category since the Company first participated in the assessment.

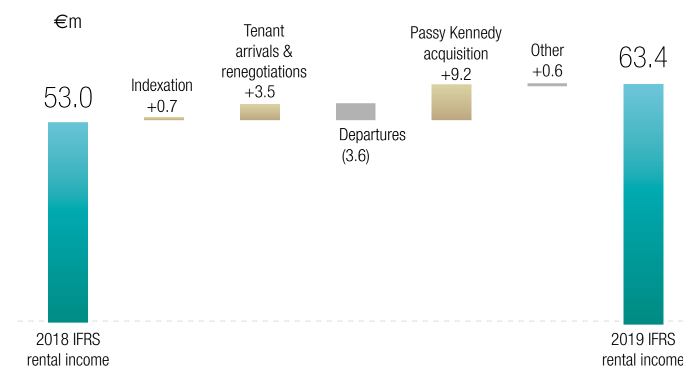
In 2019, Cegereal reached a new milestone, ranking as the number one listed company in Europe, as well as number three worldwide, all sectors combined. The Company has been recognized for the quality of its management strategy and its governance system, scoring full marks in both areas.

Cegereal also received a Gold Award from the European Public Real Estate Association (EPRA) for the quality of its non-financial reporting, cementing its status as a responsible property company.

2.2. Rental income

Change in rental income (2018-2019)

Lease incentives are fully amortized over the non-cancelable term of the lease.



The 20% year-on-year increase in rental income is mainly attributable to the full-year impact of rental income generated by the Passy Kennedy building acquired in December 2018 (positive EUR 9.2m impact).

IFRS rental income (2015-2019)

In thousands of euros

	2019	2018	2017	2016	2015
Europlaza	15,259	14,589	16,635	19,183	18,077
Arcs de Seine	17,914	17,279	15,256	17,747	16,384
Rives de Bercy	10,366	10,084	9,907	9,847	9,849
Hanami campus	9,938	10,359	9,460	419	-
Passy Kennedy	9,892	716	-	-	-
Rental income	**63,369**	**53,026**	**51,259**	**47,196**	**44,310**
Rental expenses rebilled to lessees (A)	10,999	8,500	8,382	6,323	6,868
Real estate taxes rebilled to lessees (B)	6,931	5,790	5,604	4,599	4,363
Other amounts rebilled to lessees	2,076	564	1,587	2,606	-
Miscellaneous income	39	156	593	463	118
Income from other services	**20,045**	**15,010**	**16,166**	**13,991**	**11,349**
Building-related costs (C)	(31,621)	(31,002)	(29,416)	(17,221)	(17,156)
Net rental income	**51,793**	**37,034**	**38,008**	**43,965**	**38,503**

Expenses incurred by the lessor (2015-2019)

In thousands of euros

	2019	2018	2017	2016	2015
Building maintenance	(113)	(159)	(161)	(136)	(498)
Expenses on vacant premises	(1,200)	(1,147)	(2,161)	(1,471)	(1,299)
Asset management fees	(11,195)	(13,471)	(11,676)	(4,062)	(3,143)
Other building-related costs – Lessor	(1,183)	(1,936)	(1,476)	(629)	(985)
Building-related costs – lessor (C) – (A) – (B)*	**(13,691)**	**(16,713)**	**(15,474)**	**(6,299)**	**(5,925)**
Wages and salaries	(516)	(815)	(1,240)	(1,127)	(957)
Other overhead costs	(3,379)	(3,424)	(4,177)	(2,329)	(3,812)
Total expenses incurred by the lessor	**(17,587)**	**(20,952)**	**(20,890)**	**(9,754)**	**(10,695)**

* Reference to previous table (Expenses incurred by the lessor (2015-2019))

2.3. Property occupancy rate

The portfolio's overall occupancy rate was 96.9%. This includes the leases signed in the fourth quarter of 2019, which will come into effect in 2020.

Excluding the new leases, the occupancy rate was 93.9% at December 31, 2019, compared with 92.3% one year earlier.

The occupancy rates for each property are as follows:

Dec. 31, 2019	Europlaza	Arcs de Seine	Rives de Bercy	Hanami campus	Passy Kennedy	Total
Occupancy rate	77.4%	100.0%	100.0%	100.0%	100.0%	93.9%

2.4. Net income by key indicator for the period

In thousands of euros

Statement of comprehensive income caption	2019	2018	Change	Breakdown
Net rental income	51,793	37,034	14,759	In 2019, net rental income corresponds to rental income for the period (€63.4m) and rental expenses rebilled to lessees (€20.0m), less building-related costs (€31.6m). The year-on-year change in net rental income mainly reflects: - an increase in like-for-like gross rental income (positive €1.1m impact); - rental income generated in 2019 by the Passy Kennedy building acquired in December 2018 (positive €9.2m impact); - the significant amount of termination indemnities received in 2019 (positive €1.5m impact); - a lower incentive fee in 2019 than in 2018 (positive €3.7m impact).
Administrative costs	(3,885)	(4,039)	154	Administrative costs chiefly comprise fees, insurance premiums and personnel costs. There were no significant changes in this item during the year.
Other operating expenses	(13)	(89)	76	There were no significant changes in other operating expenses during the year.
Other operating income	165		165	Other operating income corresponds to the change in fair value of share subscription warrants.
Change in fair value of investment property	46,230	11,701	34,529	At €46.23m, this indicator corresponds to an increase in fair value of investment property (thanks to an improved rental situation, the impact of renovation work carried out and a net reduction in outstanding rent-free periods), less expenses for renovation work. The year-on-year change was mainly a result of a rise in the fair value of investment property.
Net operating income	**94,289**	**44,607**	**49,682**	
Net financial expense	(13,529)	(11,501)	(2,028)	The increase was mainly driven by the full-year impact of interest expenses incurred on acquiring the Passy Kennedy building in 2018.
Net income	**80,760**	**33,106**	**47,490**	

2.5. Competitive environment

Given its strategy of investing in prime office properties in Greater Paris, Cegereal operates in a competitive sector mainly comprising management companies (OPCI/SCPI), historic investors such as insurers and pension funds and other listed real estate companies that specialize in prime commercial property. With a market capitalization of EUR 601m at April 22, 2020, Cegereal ranks 13th in the Euronext IEIF "SIIC France" Index, which tracks the performance of the 24 leading listed real estate companies in France.

The Company strives to provide transparent and consistent published data, and complies with the guidelines for listed companies published by the relevant financial reporting bodies.

2.6. Real estate investments

In 2019, the Group carried out real estate investments of EUR 9.2m to improve the quality of the portfolio and ensure a robust rental income stream.

In thousands of euros

	2019	2018
Acquisitions [1]		218,919
Like-for-like portfolio investments	9,170	8,500
Real estate investments	**9,170**	**227,419**

(1) Including transfer duties and costs.

3. FINANCIAL RESOURCES

3.1. Structure of net debt at December 31, 2019

Net debt stood at EUR 723m at December 31, 2019, compared with EUR 713m at December 31, 2018. There are no plans to put in place other investment financing with respect to which the management bodies have made commitments.

PROTHIN

On July 26, 2016, Prothin entered into a credit agreement (the **"Prothin Credit Agreement"**) with Aareal Bank AG, Natixis and Natixis Pfandbriefbank AG for a principal amount of EUR 525m, which enabled it, in particular, to pay back its initial loan and finance certain works and expenditures. The initial due date is July 26, 2021.

The Prothin Credit Agreement provides for mandatory early repayment in the event of a change in control of Prothin and/or Cegereal.

Under the Prothin Credit Agreement, should Prothin make any voluntary early repayments of all or part of the outstanding loan, or in certain cases, mandatory early repayments of all or part of the outstanding loan, Prothin will have to pay, in addition to breakage costs, an early repayment indemnity equal to 0.50% of the amount repaid for all repayments made between the second and third anniversaries of the date of signature. No early repayment indemnity is due for early repayments made after the third anniversary of the date of signature.

HANAMI RUEIL SCI

In parallel with Cegereal's acquisition of K Rueil, on December 15, 2016, Hanami Rueil SCI entered into a credit agreement (the **"Hanami Rueil Credit Agreement"**) with Banque Postale Crédit Entreprises and Société Générale for a principal amount of EUR 100m. The due date is December 15, 2021.

The Hanami Rueil Credit Agreement provides for mandatory early repayment in the event of a change in control of Cegereal.

Under the Hanami Rueil Credit Agreement, should Hanami Rueil SCI make any voluntary or mandatory early repayments of all or part of the outstanding loan, Hanami Rueil SCI will not have to pay any early repayment indemnities.

CGR PROPCO SCI

In parallel to the Passy Kennedy acquisition, on December 5, 2018 (the Date of Signature), CGR Propco SCI entered into a loan agreement with Société Générale (the "CGR Propco SCI Credit Agreement") for a principal amount of EUR 148.5m to finance part of the Passy Kennedy acquisition price and to cover transaction costs and expenses related to the Passy Kennedy building. The initial due date is December 5, 2022 but may be extended at the company's option for a further year.

The CGR Propco SCI Credit Agreement provides for mandatory early repayment in the event of a change in control of CGR Propco SCI and/or Cegereal.

Under the CGR Propco SCI Loan Agreement, should CGR Propco SCI make any voluntary early repayments of all or part of the outstanding loan, or in certain cases, mandatory early repayments of all or part of the outstanding loan, CGR Propco SCI will have to pay, in addition to breakage costs, an early repayment indemnity equal to:

- 1% of the amount repaid for all repayments made between the Date of Signature (exclusive) and the first anniversary of the Date of Signature (inclusive);

- 0.75% of the amount repaid for all repayments made between the first anniversary of the Date of Signature (exclusive) and the second anniversary of the Date of Signature (inclusive);

- no repayment indemnity is due after the second anniversary of the Date of Signature (exclusive).

3.2. Main guarantees given

The gross nominal amount of loans guaranteed by real security interests (contractual mortgages, lender's liens, mortgage undertakings) amounted to EUR 771m at end-2019, unchanged compared to 2018.

At December 31, 2019, the total amount of secured loans represented 52.6% of the total value of the portfolio, versus 54.7% at December 31, 2018, compared with a maximum authorized limit ranging from 70% to 75% in the various loan agreements.

The main guarantees given in the credit agreements are as follows:

– *Real security interests:*
  Over the buildings, lender's liens and/or first-ranking mortgages.

– *Assignment of receivables:*
  Assignments of receivables to banks under the Dailly Law mechanism.

– *Pledge of shares:*
  Pledge of the Prothin shares held by Cegereal.
  Pledge of the Hanami Rueil SCI shares held by Cegereal and K Rueil.
  Pledge of the CGR Propco SCI shares held by Cegereal and CGR Holdco EURL.

– *Pledge of bank accounts:*
  Exclusive senior pledges of the credit balance on French bank accounts, in favor of the banks.

– *Assignments of insurance indemnities:*
  Assignment of any insurance indemnity whose payment has been opposed, as provided for in Article L.121-13 of the French Insurance Code (*Code des assurances*).

– *Pledge of receivables – Hedge contract:*
  Pledge of any receivable that might become due to the borrower by the hedging bank under a hedge contract.

– *Pledge of receivables – Recovery claims:*
  Pledge of any recovery claims the borrower might come to have against the debtors in respect of any recovery claims related to the pledge of hedge contract receivables.

– *Pledge of subordinated loan receivables:*
  Pledge of subordinated loan receivables (i.e., any intragroup loan due to Cegereal from its subsidiaries as borrower).

– *Letters of intent within the meaning of Article 2322 of the French Civil Code.*

3.3. Main financial ratios

Cegereal's financial position at December 31, 2019 satisfies the various limits that could affect the conditions set out in the different credit agreements entered into by Group entities relating to interest and early repayment clauses.

The table below presents the main financial ratios set out in the credit agreements.

	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017
Gearing ratio			
Non-current borrowings(1)/adjusted net assets(2)	52.6%	54.7%	53.4%
Interest coverage ratio			
Rental income for the reference period(3)/interest expenses(4)	485%	475%	471%

(1) Non-current borrowings are presented in Note 5.11 in section 1.5.5 of the consolidated financial statements, on page 111 of this document.
(2) Adjusted net assets are presented in Note 5.1 in section 1.5.5 of the consolidated financial statements, on page 108 of this document.
(3) Rental income for the reference period refers to total projected net rental income on leases signed for the following 12 months (for the Prothin and Passy Kennedy loan) or for the previous six months to the following six months (for the Hanami loan), excluding taxes, less rental income where the risk of non-recovery has been established (notice given, unpaid rent) and operating expenses rebillable to lessees and operating expenses not rebillable to lessees.
(4) Interest expenses comprise expenses (including recoverable expenses) including tax incurred in operating, upkeeping, maintaining, running, managing and administering the buildings (in particular, compensation paid under the asset management agreement and the property management agreement) and administrative expenses incurred by the borrower.

3.4. Interest rate risk hedging

Cegereal's policy is to hedge its interest rate risk.

4. BUSINESS REVIEW BY GROUP COMPANY

4.1. Cegereal

Financial position/statutory financial statements

Cegereal's main business is the direct or indirect ownership and management of shareholdings in property companies, such as Prothin, Hanami Rueil SCI and CGR Propco SCI, which lease the buildings they own.

The following presentation and analysis should be read in conjunction with this Universal Registration Document in its entirety and in particular with the statutory financial statements presented in section V.2 – Consolidated Financial Statements.

Cegereal generated net revenue of EUR 248,750, down 0.16%, and net income of EUR 557,927, compared with a loss of EUR 44,456 in 2018.

The annual financial statements will be submitted for approval at the General Shareholders' Meeting to be held on June 16, 2020.

At December 31, 2019, shareholders' equity stood at EUR 299,724k compared with opening shareholders' equity of EUR 324,520k.

At December 31, 2019, cash and cash equivalents stood at EUR 2,237k, a EUR 12,525k decrease compared with December 31, 2018.

The main changes during the year ended December 31, 2019 contributing to this decrease were as follows:

In thousands of euros

SOURCES	
Funds from operations	561
Increase in miscellaneous debt	157
Decrease in other receivables	5,000
Capital increase	11,204
Increase in fixed assets	7,031
Net working capital	79
Total sources of funds	24,032
USES	
Dividends paid	36,557
Total uses of funds	36,557
Net change in cash and cash equivalents	(12,525)

Net income by key indicator for the period

Net income by key indicator for the period is as follows:

In thousands of euros

	2019 12 months	2018 12 months
Net revenue	249	249
Other operating revenue	23	237
Total operating revenue	**271**	**487**
Other purchases and external charges	(1,901)	(2,565)
Taxes, duties and other levies	(40)	(80)
Wages and salaries	(516)	(1,015)
Fixed assets: depreciation and amortization	(4)	-
Other operating expenses	(196)	(192)
Total operating expenses	**(2,657)**	**(3,854)**
Operating loss	**(2,385)**	**(3,367)**
Total financial income	3,022	3,360
Total financial expenses	(105)	(85)
Net financial income	**2,917**	**3,274**
Net non-recurring income	**26**	**48**
Corporate income tax	-	-
Net income (loss)	558	(45)

Appropriation of net income

Cegereal's net income will be appropriated in compliance with the law and our bylaws.

It is proposed to appropriate net income for the year, which amounted to EUR 557,927, as follows:

Source:
- 2019 net income: EUR 557,927
- Prior retained earnings: EUR 27,867

Appropriation:
- Legal reserve: EUR 152,595, increasing the "Legal Reserve" from EUR 7,800,625 to EUR 7,953,220;
- Dividend: EUR 433,199.

Distribution of additional paid-in capital

While the impacts of the health crisis currently appear limited given the Company's business and the type of office buildings it owns (see Chapter 4, "Risk Factors" in this document), we are currently unable to estimate the financial impact on our 2020 results and net recurring cash flow. As a precautionary measure, at its meeting on April 22, 2020, the Company's Board of Directors decided to reduce the 2019 dividend that will be proposed at the General Shareholders' Meeting to be held on June 16, 2020.

It is proposed to distribute additional paid-in capital in an amount of EUR 11,496,631, to be deducted from "Additional paid-in capital", thereby reducing this item from EUR 59,463,926 to EUR 47,967,295.

Taking into consideration the proposed dividend distribution in connection with the appropriation of net income for the year, the total amount to be distributed would be EUR 11,929,830 (EUR 433,199 + EUR 11,496,631), representing a distribution of EUR 0.75 per share (15,906,440 shares x EUR 0.75).

Shareholders will therefore be asked to approve a total dividend of EUR 0.75, compared with the EUR 2.30 per share that was initially proposed (a 67.3% reduction). The amount of dividend not paid, totaling EUR 24,654,982, will strengthen the Company's cash flow and enable it to continue its growth once it has emerged from the crisis.

The ex-distribution date is June 22, 2020.

The payment will take place on June 23, 2020.

Should the Company hold any treasury shares on the ex-distribution date, the sums corresponding to the distributions not paid in respect of those shares will be allocated to "Retained earnings".

This distribution constitutes a repayment of capital contributions within the meaning of Article 112-1 of the French Tax Code (*Code général des impôts*).

Prior distributions of dividends (Article 243 *bis* of the French Tax Code)

Pursuant to the disclosure requirements set out in Article 243 *bis* of the French Tax Code, the dividends paid over the past three years are shown below:

In euros

Fiscal year ended	Eligible for tax rebate		Ineligible for tax rebate	Distribution treated as the repayment of a contribution
	Dividends	Other income distributed		
Dec. 31, 2016		-	-	€28,082,250 i.e., €2.10 per share
Dec. 31, 2017	-	-	-	€54,827,250 i.e., €4.10 per share
Dec. 31, 2018	-	-	-	€36,854,812 i.e., €2.36 per share

* Including the amount corresponding to dividends on treasury shares.

REVIEW OF THE 2019 FISCAL YEAR

Non tax-deductible expenses (Article 39-4 of the French Tax Code)

No expenses or charges referred to in Article 39-4 of the French Tax Code, nor the related tax (excess tax depreciation of rented passenger vehicles), were incurred in 2019.

Information on payment periods for Cegereal's suppliers

	Article D.441 I. - 1° of the French Commercial Code: Past due invoices received at the year end						Article D.441 I. - 2° of the French Commercial Code: Past due invoices issued at the year end					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91+ days	Total (1+ days)	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91+ days	Total (1+ days)
(A) Late payment by period												
Number of invoices concerned												
Total amount of invoices concerned (excl./incl. tax)												
% of total amount of purchases over the period (excl. or incl. tax)												
% of total revenue over the period (excl. or incl. tax)												
(B) Invoices excluded from (A) relating to contested or unrecognized payables or receivables												
Number of invoices excluded												
Total amount of invoices excluded (excl./incl. tax)												
(C) Standard payment terms used (contractual or statutory – Article L.441-6 or Article L.443-1 of the French Commercial Code)												
Payment terms used to calculate late payments	❒ Contractual: (specify) ❒ Statutory (specify)						❒ Contractual: (specify) ❒ Statutory (specify)					

4.2. Subsidiaries

Prothin

Prothin's main business is the ownership and operation of the Europlaza, Arcs de Seine and Rives de Bercy buildings, which together were valued at EUR 1,050m at December 31, 2019.

The subsidiary recorded rental income of EUR 52m in 2019, up from EUR 51m in 2018.

Its net income amounted to EUR 7.2m in 2019, compared with EUR 1.9m in 2018. The Company's share capital was reduced by an amount of EUR 3,037,407 by means of a cash repayment of part of the par value of the ordinary shares. The amount of additional paid-in capital distributed in 2019 totaled EUR 4m.

The office space in the Rives de Bercy building was fully occupied, while Europlaza and Arcs de Seine had an occupancy rate of 77.4% and 100%, respectively.

K Rueil

K Rueil's main business is the ownership and management of a 99.5% interest in Hanami Rueil SCI. It reported net income of EUR 3.7m for 2019.

Hanami Rueil SCI

Hanami Rueil SCI's main business is the ownership and operation of the Hanami campus, which was valued at EUR 174.5m in 2019. The subsidiary recorded rental income of EUR 10.6m and net income of EUR 1.5m at December 31, 2019.

The Hanami campus was fully occupied at December 31, 2019.

CGR Holdco EURL

CGR Holdco EURL owns 0.1% of the shares of CGR Propco SCI. It reported a net loss of EUR 3,518 for 2019.

It had no business activity during the year.

CGR Propco SCI

CGR Propco SCI's main business is the ownership and operation of Passy Kennedy, which was valued at EUR 239.2m at December 31, 2019. The subsidiary recorded rental income of EUR 10.6m and net income of EUR 1.1m.

Passy Kennedy was fully occupied at December 31, 2019.

4.3. Related party transactions

Transactions between the Group and its shareholders

No significant transactions took place between Cegereal and its main shareholders in 2019 other than those described in Note 5.27 to the consolidated financial statements and in section VI.3.

Transactions between Group companies

The Group has a highly centralized organizational structure.

Cegereal sets up financing for the needs of the entire Group.

A cash pooling agreement between Cegereal and Prothin and related current account agreements are used to optimize cash flows through the management of cash surpluses and shortfalls across the different subsidiaries. For example, Cegereal and CGR Propco SCI entered into a current account agreement to finance the acquisition of the Passy Kennedy building, in the amount of EUR 68m.

Administrative services agreements are also in place between (i) Cegereal and Prothin, (ii) Cegereal and Hanami Rueil SCI, and (iii) Cegereal and CGR Propco SCI. The related amounts are not material.

5. EPRA FINANCIAL INDICATORS

The indicators published by Cegereal are aligned with the recommendations of the European Public Real Estate Association (EPRA), of which Cegereal is a member. EPRA's role is to promote, develop and represent the publicly listed real estate sector. EPRA notably publishes its "Best Practice Recommendations" (BPR) whose purpose is to enhance transparency, uniformity and comparability of financial reporting by real estate companies.

PERFORMANCE SUMMARY (in thousands of euros)	2019	2018
Cegereal recurring cash flow	42,908	35,177
EPRA earnings	40,046	30,674
EPRA NAV	702,905	648,611
EPRA NNNAV	695,057	639,649
EPRA vacancy rate	7.2%	8.6%
EPRA NIY	4.0%	4.1%
EPRA "topped-up" NIY	4.6%	4.6%
EPRA cost ratio (including vacancy costs)	19.5%	22.0%
EPRA cost ratio (excluding vacancy costs)	16.7%	18.6%
EPRA property-related capex[1]	9,170	227,419

(1) EPRA property-related capex is shown on page 81 of the Annual Report.

EPRA NET INITIAL YIELD & EPRA "TOPPED-UP" NET INITIAL YIELD (in thousands of euros)	2019	2018
Net value of investment property	1,463,920	1,408,520
Expenses and transfer duties	109,788	105,748
Gross up completed property portfolio evaluation (B)	**1,573,708**	**1,514,268**
Annualized net rents (A)	**62,667**	**61,637**
Add: notional rent expiration of rent-free periods or other lease incentives	9,574	7,322
Topped-up net annualized rents (C)	**72,240**	**68,959**
EPRA NIY (A)/(B)	4.0%	4.1%
EPRA "topped-up" NIY" (C)/(B)	4.6%	4.6%

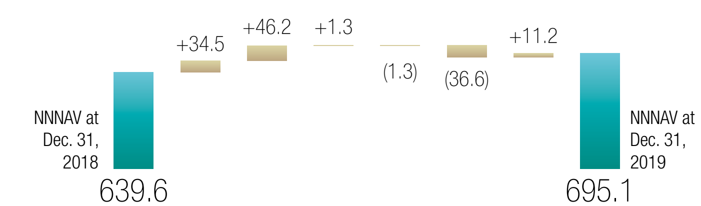
EPRA VACANCY RATE (in thousands of euros)	2019	2018
Estimated rental value of the whole portfolio	78,958	78,058
Estimated rental value of vacant space	5,682	6,720
EPRA vacancy rate	**7.2%**	**8.6%**

The EPRA vacancy rate was calculated based on data from C&W and CBRE valuation reports.
The EPRA vacancy rate does not include the leases signed in 2019 and coming into effect in 2020.
The EPRA vacancy rate including leases coming into effect in 2020 is 2.7%.
The occupancy rates by building are shown on page 80 of the Annual Report.

EPRA COST RATIOS (in thousands of euros)	2019	2018
Net property expenses	(3,410)	(3,234)
Overheads	(8,932)	(8,394)
Depreciation, amortization and impairment, net	(13)	(11)
EPRA costs (including vacancy costs) (A)	**(12,355)**	**(11,640)**
Vacancy costs	1,759	1,794
EPRA costs (excluding vacancy costs) (B)	**(10,595)**	**(9,846)**
Gross rental income less ground rent costs	63,369	53,026
Gross rental income (C)	**63,369**	**53,026**
EPRA cost ratio (including vacancy costs) (A)/(C)	19.5%	22.0%
EPRA cost ratio (excluding vacancy costs) (B)/(C)	16.7%	18.6%

EPRA NAV & EPRA NNNAV (in thousands of euros, except per share data)	DEC. 31, 2019	DEC. 31, 2018
Shareholders' equity under IFRS	730,268	674,889
Portion of rent-free periods	(28,614)	(27,315)
Elimination of fair value of interest rate caps	569	246
Elimination of fair value of interest rate swaps	229	172
Elimination of fair value of share subscription warrants	453	618
EPRA NAV	**702,905**	**648,611**
EPRA NAV per share	*44.2*	*41.6*
Market value of the loan	(771,837)	(772,432)
Carrying amount of the loan	765,240	764,507
Inclusion of fair value of interest rate caps	(569)	(246)
Inclusion of fair value of interest rate swaps	(229)	(172)
Inclusion of fair value of share subscription warrants	(453)	(618)
EPRA NNNAV	**695,057**	**639,649**
EPRA NNNAV per share	*43.7*	*41.0*
Number of shares (excl. treasury shares)	**15,893,793**	**15,589,311**

EPRA NNNAV
€m



34.5: 2019 recurring income (IFRS)
46.2: Change in fair value of real estate assets (of which €9.2m in investment property)
1.3: Change in fair value of bank debt
(1.3): Change in rent-free periods and other lease incentives
(36.6): Dividends paid in 2019
11.2: Capital increase

EPRA EARNINGS (in thousands of euros, except per share data)	DEC. 31, 2019	DEC. 31, 2018
Net income under IFRS	80,760	33,106
Exclusion of changes in fair value of investment property	(46,230)	(11,701)
Other exclusions of changes in fair value	454	475
Exclusion of other fees	5,061	8,794
EPRA earnings	**40,046**	**30,674**
EPRA earnings per share	*2.5*	*2.0*
Restatement of rent-free periods	602	2,256
Restatement of deferred finance costs	2,260	2,247
Cegereal recurring cash flow	**42,908**	**35,177**

6. CHANGES, OUTLOOK AND TRENDS

Cegereal will monitor any opportunities to develop its portfolio in the Greater Paris office property market while continuing to market vacant surface area in the properties it owns through its subsidiaries.

7. SUBSEQUENT EVENTS

To Cegereal's knowledge, there has been no significant change in the Group's financial or commercial position since December 31, 2019.

Coronavirus – Covid-19

(This information is not included in the management report approved by the Board of Directors on February 27, 2020)

However, since the end of the year, the Company has been faced with the rapidly evolving Coronavirus (Covid-19) epidemic. The crisis has an impact on the risk factors to which the Company is exposed, as outlined in Chapter 4, "Risk Factors" of this Universal Registration Document, particularly the risk of a decline in its tenants' financial solidity. In addition, restrictions on travel and gatherings introduced by the public authorities to address the current health crisis may lead to delays in delivering ongoing work taking place at the Group's buildings.

8. INSURANCE

The Group's insurance strategy aims to protect its assets and cover any potential liability.

It aims to ensure the Group's continuity in the event of various risks arising, reduce costs relating to the occurrence of said risks, constantly improve guarantees and the management of compensation payments, and deliver a quality service to tenants.

The main risks for which the Group has taken out insurance coverage are damage to its property and the resulting loss of rent, and civil liability as a property owner or as a member of the real estate profession.

The insurance program includes:
- insurance of real estate constructions, including civil liability insurance for property owners;
- civil liability relating to the real estate sector (in general and towards the environment).

In general, the Group considers its insurance coverage to be adequate in light of the value of the assets insured and the level of risk incurred.

Due to their strategic importance for the Group in terms of risk management, coverage against damage to property and/or operating losses and civil liability insurance for property owners account for the majority of the insurance budget.

These risks are insured as part of a program covering Cegereal and all of its subsidiaries, taken out with leading insurance company Aviva Insurance Limited via the Group's insurance broker, Arthur J. Gallagher.

With respect to commercial leases, the Group encourages mutual waivers of legal action in order to aid the claims handling process.

Coverage against damages and liabilities relating to property

The properties held by the Group are all located in different parts of the Greater Paris region. Consequently, a total loss affecting one of its buildings would have a limited impact on its financial position. Moreover, the coverage has been calculated to amply cover a major incident affecting the Group's largest property.

These policies cover the buildings for an amount at least equal to their restatement value or replacement value (including the cost of replacing damaged machinery and equipment in line with the value of the building in question and the capital disclosed).

This policy:

(a) includes valuer and architect fees;

(b) provides for an "additional loss and costs" clause covering in particular the costs of demolition, clearing and caretaking of the site following a claim;

(c) covers all the risks typically insurable against loss and damage (including natural disasters, fire, lightning, explosions, floods, storms, hail and snow, aircraft accidents, riots, sabotage, acts of terrorism, theft, damage to electrical appliances and broken glass);

(d) includes a "loss of rent" guarantee covering at least 24 months of rent.

Specialized firms regularly appraise the assets.

All premiums for insurance against damage to property and loss of rent are cross-charged to lessees in building operating charges.

General and professional civil liability

The bodily, material and immaterial consequences of civil liability incurred due to the actions or misconduct of employees are covered by a Group contract.

The personal civil liability of the corporate officers and de jure and de facto managers of Group companies is covered to levels appropriate to the related risks.

Claims

As of the date of this Universal Registration Document, there is no significant outstanding claim that would be liable to change future coverage conditions or the total amount of insurance premiums or deductibles.

9. LAWSUITS

Neither Cegereal nor any company belonging to the Group are aware of any government, legal or arbitration proceedings, including any proceedings that have been suspended or that are imminent, which could have – or, in the last 12 months have had – significant impacts on the financial position or profitability of the Company and/or the Group.

No material provisions were booked in respect of lawsuits in the Group's financial statements at December 31, 2019.

REVIEW OF THE 2019 FISCAL YEAR

04

RISK Factors

RISK FACTORS

Cegereal has carried out a review of the specific risks that could have a material adverse effect on the Company's business, portfolio, financial position, results or ability to meet its objectives. The Company incorporates risk management into its operational and decision-making processes.

The table below presents the main specific and important risks and is therefore not exhaustive.

1. SUMMARY TABLE OF THE MAIN RISKS

Risks	Nature	Impacts
I. Strategic risks		
Risks linked to the economic environment	National and international economic conditions (growth, interest rates, unemployment, change in indices, etc.) could have a material adverse impact on the Group's business and financial results, particularly due to the concentration of the portfolio in a single geographic region and a single asset type.	- Liquidity of the real estate assets in the event of a forced sale: difficulty to dispose rapidly of part of its real estate assets under satisfactory conditions if such action were to prove necessary. - Fall in rental income and decline in the Group's financial position and results. - Decrease in the market value of the Group's real estate portfolio. - Difficulty to implement its rental, investment and diversification strategy.
Reputation risks linked to tenant health, comfort and well-being	The comfort and well-being of tenants has become a crucial issue over the past few years. Physical comfort (light, temperature, etc.), organization of working space, and areas for eating, rest, relaxation and sports are now decisive criteria in a tenant's choice. According to the 2019 responsible real estate report put together by the French organization for the promotion of sustainable real estate – the Observatoire de l'Immobilier – this issue is relatively well addressed by all real estate companies.	- Obsolescence of Cegereal's buildings compared with new tenant expectations in terms of comfort, wellbeing and health could lead to vacant space and a decline in the appeal of its buildings. - Cegereal's buildings could be exposed to problems related to public health, safety or environmental protection.
Risk of a decline in tenants' financial position	The Group is exposed to the risk of a decline in its tenants' financial solidity, which could result in insolvency. The risk is a decline in the rent collection rate due to financial difficulties suffered by tenants. (See Note 4.5 in section 1.5.4 of the consolidated financial statements.)	- Late or missed payments, tighter Group cash flow and poorer financial results. - Decline in the Group's cash flow and results.
Risks linked to the majority shareholder	The Northwood Concert (as defined in section IV.5.2.2 of the "Legal information" section of this report) is the majority shareholder of the Company's capital and voting rights and holds 57.2% of the Group. Moreover, the Northwood Concert manages other real estate assets in France. Consequently, it may find that it has a conflict of interest with regard to certain transactions (e.g., lease negotiations or disposal of a building), which could have an adverse impact on the Company, and in turn on the Group's assets, financial position, results or strategy.	- Significant influence over the Company and the running of the Group's business.
Risk of dependence on certain lessees and a decline in the occupancy rate	The Group made a strategic decision to develop rental partnerships with key accounts and large companies. Exposure to these companies could have an impact on the Group's revenue. (See Note 4.5 in section 1.5.4 of the consolidated financial statements.)	- Decline in the Group's financial position and results in the event that lessees request more favorable lease terms upon renewal or decide to terminate their lease (fall in rental income and extra operating expenses). - Decrease in the market value of the Group's real estate portfolio.
II. Regulatory risks		
Risks linked to the obligations applicable to the Company as a result of its "SIIC" tax status	The Company is exposed to risks linked to the obligations applicable to the Company as a result of its "SIIC" tax status, possible changes to the conditions of said status or the loss thereof. The Company has elected for the preferential tax treatment granted to SIICs in accordance with Article 208 C of the French Tax Code ("SIIC status"). As a SIIC, the Company is exempt from corporate income tax on the portion of its income resulting from (i) the lease of buildings, (ii) capital gains generated on the sale of buildings, or shares in partnerships having the same purpose as that of the SIIC or subsidiaries having elected for the SIIC regime, and (iii) under certain conditions, dividends received from subsidiaries having elected for SIIC or SPPICAV status. This exemption is subject to compliance with a number of conditions, including the obligation to distribute a significant portion of its earnings to shareholders. Failure to meet this obligation could result in the Company losing its SIIC status. Moreover, one or more shareholders acting in concert within the meaning of Article L.233-10 of the French Commercial Code (with the exception of SIICs) must not directly or indirectly hold 60% or more of the share capital of a SIIC. In addition, the Company may be required to pay a 20% withholding tax on dividends (i) distributed from tax-exempt income to shareholders (other than individuals) directly or indirectly owning at least 10% of dividend rights in the Company at the time of payment, and (ii) on which the shareholder is not subject to corporate income tax (or equivalent tax). The Company's bylaws expressly stipulate that the shareholder concerned shall be responsible for paying the withholding tax. However, the Company may experience difficulties in collecting said tax, particularly in the event that said shareholder is insolvent, if the tax cannot be withheld, or shareholder insolvency if the dividend withholding tax cannot be allocated to the shareholder.	- Material adverse impact on the Group's financial position, results and outlook.
Regulatory and reputation risks linked to energy	Rolling out an energy strategy gives Cegereal a strong competitive advantage with regard to all of its stakeholders. Under the "tertiary" decree, issued within the framework of France's ELAN law, from 2021, all owners of commercial property of over 1,000 sq.m will have to upload their energy meter readings onto a digital platform run by the ADEME: OPERAT. This platform will be used to provide information on building energy consumption (common and private areas), as well as the action plans with quantitative objectives to reach the law's targets, i.e., 40% reduction by 2030, 50% by 2040 and 60% by 2050. The year with the oldest available data will be the reference year – 2013 for Cegereal.	- Decrease in buildings' marketability. - Increase in compliance costs, liability, limits, restrictions on the use of carbon intensive assets, investments in new technology, etc. - Increase in the cost of operating real estate assets due to higher energy prices. - Damage to the Group's image and reputation.
III. Financial risks		
Risk of error in estimating asset value, or failure of assumptions used to materialize	The Group records its investment property at fair value pursuant to the model provided for in IAS 40. It is therefore exposed to the risk of changes in asset values estimated by independent experts, following adjustments to the main assumptions used (yield, rental value and occupancy rate). This could impact the Group's net asset value. See Note 4.2 in section 1.5.4 of the consolidated financial statements.	- Fall in the Group's consolidated earnings under IFRS. - Risk of an increase in the cost of debt. - Risk of non-compliance with financial ratios. - Decline in the Group's borrowing capacity.
Liquidity risk	Prudent liquidity risk management involves maintaining sufficient liquidity and short-term investment securities, being able to raise funds based on suitably adapted lines of credit and the ability to unwind market positions. The Group's loans were taken out with bank pools. Note 4.7 in section 1.5.4 and Note 5.26 in section 1.5.5 of the consolidated financial statements contain a description of the different credit facilities and the early repayment clauses contained in the credit agreements. The Group complied with its covenants at the most recent due date.	- Option available to lenders of declaring all outstanding amounts, accrued interest and charges thereon to be immediately payable, and of enforcing all or part of the collateral and guarantees granted in the event of a default. - Refinancing for smaller amounts or under less favorable terms. - Decrease in Cegereal's credit score, affecting the Group's ability to raise funds.
Financial counterparty risk	The Group takes out lines of credit and interest rate hedges with financial institutions. Such contracts could expose the Group to the risk of default of the counterparties involved. See Note 4.1 in section 1.5.4 of the consolidated financial statements.	- Decline in the Group's cash flow and results.

2. RISK MANAGEMENT AND INTERNAL CONTROL PROCEDURES

A summary of the main risks is provided in the table presented above.

In addition, a risk map is prepared by Executive Management and reviewed by the Audit Committee.

Material specific risks are calculated by measuring three main factors: impact, likelihood of occurrence and effectiveness of the risk management system.

The impact and effectiveness of the risk management system are ranked on a scale of 1 to 5 for each risk, 1 being very low and 5 being very high. The same scale is applied for likelihood of occurrence, 1 being unlikely and 5 being highly likely.

The risk management systems cover all measures implemented by the Company to help reduce the risk's impact or likelihood of occurrence.

The level of risk remaining after the risk management system has been implemented, i.e., residual risk, is taken into account in the risk mapping process.

The Company is required to provide details of its risk management internal control procedures. The objectives of such procedures are described below:

Objectives of the Company's internal control procedures

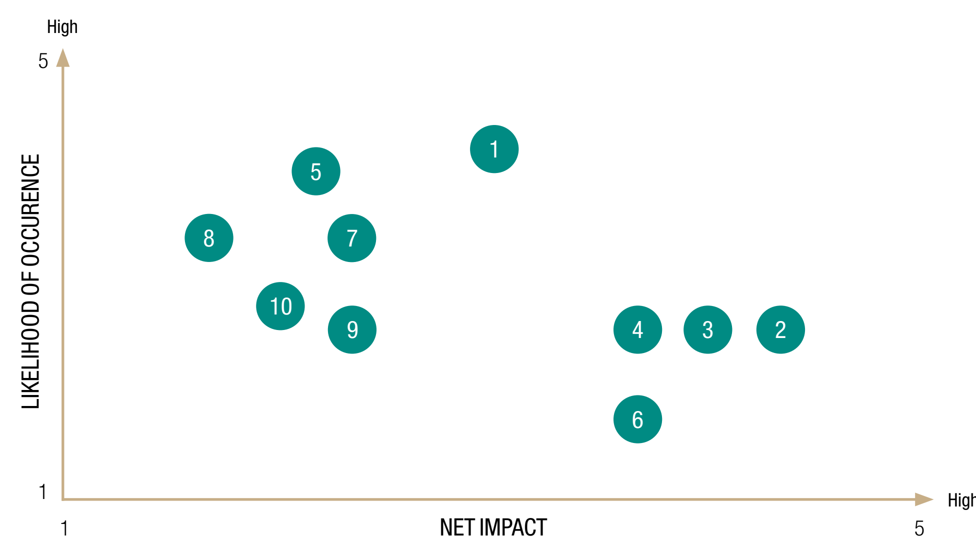
The Group's risk management system is designed to:

- create and preserve the Company's value, assets and reputation;
- optimize processes and decision-making within the Company to further the achievement of objectives;
- ensure that actions carried out are in keeping with the Company's values;
- encourage the Company's employees and partners to adopt a common vision of the main risks.

Among the various objectives of internal control, one is to prevent and control risks resulting from the Company's activity, in particular any risks of accounting or financial errors or fraud. However, as with any control system, there is no absolute guarantee that all risks will be fully eliminated.

The internal control system is also designed to ensure that management decisions, the way in which the Company undertakes various operations and personnel activity, are duly in line with the strategic business orientations defined by Executive Management.

Lastly, internal control procedures are also used to verify that the accounting, financial and management information communicated to the Company's management bodies fairly reflects the Company's activity and situation.



1. Risk of error in estimating asset value, or failure of assumptions used to materialize
2. Risks linked to the obligations applicable to the Company as a result of its "SIIC" tax status
3. Liquidity risks
4. Reputation risks linked to tenant health, comfort and well-being
5. Risks linked to the economic environment
6. Regulatory and reputation risks linked to energy
7. Tenant insolvency risk
8. Risks linked to the majority shareholder
9. Financial counterparty risk
10. Risk of dependence on certain lessees and a decline in the occupancy rate

The various internal control procedures implemented by the Company are described below:

General organization of internal control in the Company

a) Persons or structures in charge of internal control

The Audit Committee, the Appointments and Compensation Committee and the Investment Committee were set up for this purpose. The role and responsibilities of each committee are described in section 1.2 of the Board of Directors' report on corporate governance (see section IV.1.4).

b) Internal or external aids used to prepare control procedures

The Company implements a policy of transparency and public disclosure to best satisfy the shareholders' and potential investors' interests. The Chief Executive Officer is in charge of the Company's financial communication.

The Company decided to include similar provisions in its Internal Rules and Regulations, inspired by the Reference Code. These Internal Rules and Regulations are available on the Company's website: http://www.cegereal.com

In addition, the Internal Rules and Regulations establish a Directors' Charter, which provides an ethical framework within which the directors exercise their duties. In particular, the Directors' Charter provides that:

- each director, however he/she is appointed, shall represent the interests of all of the shareholders;
- each director shall ensure that he/she continually improves his/her knowledge of the Company and its business sector;
- each director shall ensure that he/she maintains his/her independence of analysis, judgment, decision and action in all circumstances;
- each director undertakes not to seek or accept any benefits that could impair his/her independence;
- each director, before accepting his/her duties, shall familiarize himself/herself with the general or special obligations attached to his/her position and, in particular, the applicable legal or regulatory texts, bylaws, Internal Rules and Regulations and this Charter, as well as any additional information that the Board of Directors deems necessary to provide to him/her;
- each director shall refrain from carrying out transactions on corporate securities in which (and insofar as) he/she has, owing to his/her position, information that has not yet been publicly disclosed;
- each director shall inform the Board of Directors of any conflict of interest, even potential, in which he/she could be directly or indirectly involved. They shall refrain from participating in any debates and decision-making relating to the subjects in question;
- each director must be attentive to the division and exercise of the respective powers and responsibilities of the Company's governing bodies and must ensure that no one can exercise uncontrolled discretionary power over the Company.

The Directors' Charter also states, as required, the stock market regulations applicable in cases of market abuse (insider trading, unlawful disclosure of inside information), black-out periods and transparency (disclosure of securities transactions).

Summary of the internal control procedures set up by the Company

a) Procedures for processing financial and accounting information

The procedures for processing accounting and financial information are currently organized as follows:

(i) Building operation cycle

Northwood Investors France Asset Management has been the Group's asset manager since November 5, 2015. The ERPs used by the building managers are Altaix, Yardi and Cassiopae. They issue the bills and receipts for rental charges and collect payments.

The building managers' accounting department records the bills and the asset manager checks them.

The expenses budget relating to each building is prepared by the building managers and validated by the asset manager.

The building managers use software to receive and record day-to-day expenses related to the building. The building managers also make payments and approve invoices.

(ii) Consolidated financial statements

Procedures relating to the preparation and processing of financial information are the responsibility of Executive Management. The accounts closing procedures comprise:

- a closing schedule, which is submitted to the Audit Committee;
- the submission of detailed reports by all Group entities including an income statement, summary balance sheet, and various detailed schedules. The consolidated financial statements are prepared based on the consolidation packages of the Group's various entities;
- information relating to the fair value of real estate assets and financial instruments, and specifically required for the preparation of consolidated financial statements, is obtained from independent valuers, in order to guarantee the reliability and objectivity of the data;
- the use of a central information system.

Lastly, Executive Management's role is to supervise the various contributors in the preparation of the consolidated financial statements and the resulting financial information.

As part of their audit of the consolidated financial statements, the Statutory Auditors review the consolidation packages and consolidation adjustments within the scope set out for their work.

(iii) Corporate accounting

The books are kept by accounting firms. The Company's tax lawyers are consulted depending on the nature of the transactions carried out by the Company.

The information necessary for keeping the books is obtained from the building manager, the asset manager and banks.

The Company's Executive Management approves invoices and authorizes payments.

Executive Management supervises the accounting department and any external accounting service providers.

(iv) Periodical financial information

Each quarter, an interim statement of account is prepared by the certified public accountant and sent to the Executive Management to be checked and approved.

(v) Preparation of financial statements

Financial statements are prepared by the certified public accountant in conjunction with the Company's Executive Management and its advisors.

The Audit Committee reviews the relevance of the main assumptions and principles adopted therein.

The financial statements are audited by the Statutory Auditors.

b) Disclosure and reporting procedures

With a view to ensuring the efficient processing of financial information, the Company has set up disclosure and reporting procedures under which the Chief Executive Officer must, within thirty days of the end of the first half-year, submit to the Board of Directors for control: an unaudited balance sheet (prepared at the date of the last day of the half-year in question), an income statement and a statement of cash flows (for the half-year), a comparison of the balance sheet, income statement and the budget, as well as a comparison between such statements and the budget and the revised income forecasts for the year in progress.

c) Other procedures

The Company has appointed various external service providers to ensure the management of the Company and its assets. Accordingly, its assets are managed by Northwood Investors France Asset Management, the duties of property manager are entrusted to Yxime, CBR and Humakey, and those of accountant to PwC and Cairn Corporate Services. Executive Management oversees the work of these external parties through weekly exchanges and contacts with each of them. Meetings are also organized whenever necessary.

The above mechanisms provide reasonable assurance that the internal control objectives for the previous year were met. Given the Company's size and current activity, it will endeavor to maintain its internal controls with the permanent objective of mitigating risks in order to protect its assets.

d) Corruption prevention ("Sapin II Law")

Since June 1, 2017, Chairmen and Chief Executive Officers of certain companies have been required to take steps to prevent and detect corruption and influence peddling in France and abroad:

(i) companies with at least 500 employees, or belonging to a group whose parent company has its registered office in France and which hires at least 500 employees; and

(ii) companies with revenue of more than €100 million (individual or consolidated).

These rules do not apply to Cegereal. However, it intends to implement the following measures:

1) a code of conduct describing the different types of behavior to be prohibited as they may indicate corruption or influence peddling, and providing measures to help combat money laundering;

2) an internal whistleblowing system designed to collect alerts from employees regarding conduct or situations that are contrary to the Company's code of conduct.

3. MANAGEMENT OF ESG (ENVIRONMENTAL, SOCIAL AND GOVERNANCE) AND CLIMATE CHANGE RISKS

As ESG-climate risks are a core pillar of its strategy, the Group monitors the achievement of its objectives very closely, as described in the NFIS (Non-Financial Information Statement) on page 48.

Procedure for analyzing ESG-climate risks

An ESG-climate risk analysis was conducted on Cegereal's 21 key issues as described in the non-financial information statement. For each key issue, physical and transition risks, including technological, reputation, market and regulatory risks, are analyzed in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, the guide to Article 173 for real estate managers published by the Observatoire de l'immobilier durable (OID) and PwC in December 2017, and the MEDEF's conclusions on NFIS reports, published in 2019.

Each risk is ranked on a scale of 0 to 5 based on its criticality.

Five critical risks have been identified as a priority: reputation risk linked to tenant health, comfort and well-being; regulatory and reputation risk linked to energy; regulatory and reputation risk linked to greenhouse gas emissions; physical risks linked to climate change and reputation risk linked to biodiversity.

These five risks are included in the Company's "Upgreen Your Business" ESG action plan.

Risks linked to regulatory changes and market practices

a) Reputation risk linked to tenant health, comfort and well-being

This risk is described in the main risks summary table in section 1. Summary table of the main risks of this chapter.

b) Regulatory and reputation risks linked to energy

This risk is described in the main risks summary table in section 1. Summary table of the main risks of this chapter.

c) Regulatory and reputation risks linked to greenhouse gas emissions

France's National Low-Carbon Strategy (SNBC) sets a roadmap for an ecological and inclusive transition to carbon neutrality by 2050, in line with the objectives set out in the Paris Agreement.

The French law on energy transition for green growth sets an obligation to reduce greenhouse gas emissions in the construction sector by 54% by 2030 compared to 2013.

The real estate sector is beginning to create pathways that are compatible with the Paris Agreement (SBTi and ACT).

d) Physical risks linked to climate change

Highlighted in Articles 7 and 8 of the Paris Agreement, resilience to climate change in the real estate sector means strengthening and adapting buildings to make them more resistant to climate change. Given the location of its assets, the physical risks related to Cegereal's business are: floods, heatwaves, urban heat islands and storms.

e) Reputation risk linked to biodiversity

This risk concerns biodiversity both on site and off site (used at source, such as raw materials). Biophilic design is key in buildings in operation, as it enhances the comfort, well-being and productivity of users.

Financial risks linked to climate change

The French law on energy transition for green growth and the tertiary decree of the ELAN law generate compliance costs, liability, restrictions on the use of carbon intensive assets and investments in new technology.

A carbon tax has already been introduced and energy prices have risen over the past few years.

The financial impact of a potential increase in the carbon tax and a rise in energy prices is marginal relative to Cegereal's other financial expense items.

Cegereal proactively monitors regulatory changes and sets itself ambitious objectives to reduce its portfolio's energy consumption and greenhouse gas emissions.

4. SPECIFIC RISK: CORONAVIRUS – COVID-19

(This information is not included in the management report approved by the Board of Directors on February 27, 2020)

Since the end of the year, the Company has been faced with the rapidly evolving Coronavirus (Covid-19) epidemic. The Company is therefore exposed to the risk of a decline in its tenants' financial solidity, which could result in insolvency. The risk is a decline in the rent collection rate due to financial difficulties suffered by tenants in light of the restrictions on travel and gatherings introduced by the public authorities to address the current health crisis.

In response to this risk, the Company has implemented a process to regularly assess the impacts of the crisis. While it is too early to accurately estimate the short- and mid-term operational and financial impacts of the crisis, they currently appear limited given the Company's business and the type of office buildings it owns, almost all of which are currently occupied. At the date of this document, there have been no late or missed payments that could lead to a significant decline in the Company's cash flow and results.

However, the Company has adopted a number of measures to address the epidemic and guarantee the health and safety of its teams, tenants, customers and service providers, including:

- reduction of services (waste removal, postal services etc.) while maintaining the activities required to keep buildings open (caretaking, security, etc.);
- shutdown of other services not required to keep buildings open (reception services, etc.);
- continuous monitoring of the situation, with a select committee, comprising members of general management and the asset management teams, meeting every 48 hours;
- regular dialog with tenants;
- roll-out of digital tools and related procedures enabling employees to work remotely, and strict application of provisions taken by the government.


Liberté

5. FINANCIAL INFORMATION

1. Consolidated financial statements

The IFRS consolidated financial statements for the year ended December 31, 2018 and the related Statutory Auditors' report presented on pages 92 to 110 and page 111, respectively, of the 2018 Registration Document filed with the AMF on March 22, 2019 under no. D. 19-0187, are incorporated by reference into this document.

The IFRS consolidated financial statements for the year ended December 31, 2017 and the related Statutory Auditors' report presented on pages 94 to 112 and page 113, respectively, of the 2017 Registration Document filed with the AMF on March 27, 2018 under no. D. 18-0188, are incorporated by reference into this document.

1.1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2019

In thousands of euros, except per share data

	Notes	Dec. 31, 2019	Dec. 31, 2018
		12 months	12 months
Rental income	5.18	63,369	53,026
Income from other services	5.19	20,045	15,010
Building-related costs	5.20	(31,621)	(31,002)
Net rental income		**51,793**	**37,034**
Sale of building		-	-
Administrative costs	5.21	(3,885)	(4,039)
Other operating expenses	5.22	(13)	(89)
Other operating income		165	-
Increase in fair value of investment property		60,710	12,501
Decrease in fair value of investment property		(14,480)	(800)
Total change in fair value of investment property	5.1	46,230	11,701
Net operating income		94,289	44,607
Financial income		-	6
Financial expenses		(13,529)	(11,508)
Net financial expense	**5.23**	**(13,529)**	**(11,502)**
Corporate income tax	**5.24**	**-**	**-**
CONSOLIDATED NET INCOME		80,760	33,106
of which attributable to owners of the Company		***80,760***	***33,106***
of which attributable to non-controlling interests		**-**	**-**
Other comprehensive income			
TOTAL COMPREHENSIVE INCOME		80,760	33,106
of which attributable to owners of the Company		***80,760***	***33,106***
of which attributable to non-controlling interests		**-**	**-**
Basic earnings per share (in euros)	5.25	5.10	2.40
Diluted earnings per share (in euros)	5.25	4.92	2.27

1.2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2019

In thousands of euros

	Notes	Dec. 31, 2019	Dec. 31, 2018
Non-current assets			
Property, plant and equipment		38	47
Investment property	5.1	1,463,920	1,408,520
Non-current loans and receivables	5.2	23,146	20,230
Financial instruments	5.12	34	597
Total non-current assets		**1,487,138**	**1,429,393**
Current assets			
Trade accounts receivable	5.3	9,720	7,747
Other operating receivables	5.4	11,607	14,726
Prepaid expenses		292	116
Total receivables		**21,620**	**22,589**
Cash and cash equivalents	5.5	44,880	53,367
Total cash and cash equivalents		**44,880**	**53,367**
Total current assets		**66,499**	**75,957**
TOTAL ASSETS		1,553,637	1,505,350
Shareholders' equity			
Share capital		79,532	78,006
Legal reserve and additional paid-in capital		66,462	93,277
Consolidated reserves and retained earnings		503,513	470,500
Net attributable income		80,760	33,106
Total shareholders' equity	**5.10**	**730,268**	**674,889**
Non-current liabilities			
Non-current borrowings	5.11	763,974	763,321
Other non-current borrowings and debt	5.14	10,087	9,543
Non-current corporate income tax liability		-	-
Financial instruments	5.12	682	791
Total non-current liabilities		**774,743**	**773,655**
Current liabilities			
Current borrowings	5.11	3,468	3,152
Trade accounts payable	5.16	12,349	24,996
Corporate income tax liability		-	-
Other operating liabilities	5.15	10,437	9,698
Prepaid revenue	5.17	22,373	18,960
Total current liabilities		**48,626**	**56,806**
Total liabilities		**823,369**	**830,461**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,553,637	1,505,350

1.3. CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2019

In thousands of euros

	Dec. 31, 2019	Dec. 31, 2018
OPERATING ACTIVITIES		
Consolidated net income	80,760	33,106
Elimination of items related to the valuation of buildings:		
Fair value adjustments to investment property	(46,230)	(11,701)
Elimination of other income/expense items with no cash impact:		
Depreciation of property, plant and equipment (excluding investment property)	9	11
Free share grants not vested at the reporting date	-	-
Fair value of financial instruments (share subscription warrants, interest rate caps and swaps)	427	473
Adjustments for loans at amortized cost	2,362	2,247
Contingency and loss provisions	-	-
Corporate income tax	-	-
Penalty interest	-	-
Cash flows from operations before tax and changes in working capital requirements	**37,329**	**24,136**
Other changes in working capital requirements	(8,277)	19,621
Working capital adjustments to reflect changes in the scope of consolidation		
Change in working capital requirements	**(8,277)**	**19,621**
Net cash flows from operating activities	**29,052**	**43,757**
INVESTING ACTIVITIES		
Acquisition of fixed assets	(9,170)	(227,422)
Net increase in amounts due to fixed asset suppliers	(1,745)	2,620
Net cash flows from (used in) investing activities	**(10,915)**	**(224,802)**
FINANCING ACTIVITIES		
Capital increase	11,204	79,901
Capital increase transaction costs	-	(794)
Change in bank debt	(1,500)	147,000
Issue of financial instruments (share subscription warrants)	-	-
Refinancing/financing transaction costs	(102)	(1,930)
Net increase in liability in respect of refinancing	(420)	420
Purchases of hedging instruments	-	(796)
Net increase in current borrowings	236	134
Net decrease in current borrowings	-	-
Net increase in non-current borrowings and debt	544	3,615
Net decrease in non-current borrowings and debt	-	-
Purchases and sales of treasury shares	(28)	(42)
Dividends paid	(36,557)	(54,813)
Net cash flows from (used in) financing activities	**(26,625)**	**172,694**
Change in cash and cash equivalents	**(8,488)**	**(8,351)**
Cash and cash equivalents at beginning of period[1]	53,367	61,718
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**44,880**	**53,367**

(1) There were no cash liabilities for any of the periods presented above.

1.4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2019

In thousands of euros

	Share capital	Legal reserve and additional paid-in capital	Treasury shares	Consolidated reserves and retained earnings	Shareholders' equity attributable to owners of the Company	Non-controlling interests	Total shareholders' equity
Shareholders' equity at Dec. 31, 2017	**66,863**	**77,600**	**(129)**	**473,199**	**617,532**	**-**	**617,532**
Comprehensive income	**-**	**(794)**	**-**	**33,106**	**32,312**	**-**	**32,312**
- Net income for the period				*33,106*	*33,106*		*33,106*
- Other changes[1]		*(794)*			*(794)*		*(794)*
- Other comprehensive income							
Capital transactions with owners	**11,144**	**16,470**	**(42)**	**(2,527)**	**25,045**	**-**	**25,045**
- Dividends paid (€4.1 per share)		*(52,286)*		*(2,527)*	*(54,813)*		*(54,813)*
- Capital increase by increasing par value	*11,144*	*68,757*			*79,901*		*79,901*
- Change in treasury shares held			*(42)*		*(42)*		*(42)*
Shareholders' equity at Dec. 31, 2018	**78,006**	**93,277**	**(172)**	**503,778**	**674,889**	**-**	**674,889**
Comprehensive income	**-**	**-**	**-**	**80,760**	**80,760**	**-**	**80,760**
- Net income for the period				*80,760*	*80,760*		*80,760*
- Other changes							
- Other comprehensive income							
Capital transactions with owners	**1,526**	**(26,815)**	**(28)**	**(65)**	**(25,382)**	**-**	**(25,382)**
- Dividends paid (€2.3 per share)		*(36,492)*		*(65)*	*(36,557)*		*(36,557)*
- Capital increase by increasing par value	*1,526*	*9,678*			*11,204*		*11,204*
- Change in treasury shares held			*(28)*		*(28)*		*(28)*
Shareholders' equity at Dec. 31, 2019	**79,532**	**66,462**	**(200)**	**584,474**	**730,268**	**-**	**730,268**

(1) Other changes correspond to capital increase transaction costs.

1.5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Notes to the 2019 consolidated financial statements

These notes provide additional information in respect of the consolidated statement of financial position at December 31, 2019 and the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended.

1.5.1. BACKGROUND AND MAIN ASSUMPTIONS USED TO PREPARE THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1.1 Key events of 2019

None

Note 1.2 Presentation of comparative financial information

For purposes of comparison, the financial information presented in the IFRS consolidated financial statements for the year ended December 31, 2019 includes the financial statements for the year ended December 31, 2018.

Note 1.3 Regulatory context

The Group's consolidated financial statements for the year ended December 31, 2019 were prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) applicable to reporting periods ended December 31, 2019, as adopted by the European Union (hereafter referred to as "IFRS").

Dividend payments are decided by the General Shareholders' Meeting on the basis of Cegereal SA's financial statements prepared in accordance with French GAAP and not on the basis of the IFRS financial statements.

In addition, Cegereal is required to comply with certain dividend payment obligations in accordance with its election for tax treatment as a SIIC (see Note 2.8).

The consolidated financial statements were adopted by the Board of Directors on February 27, 2020.

1.5.2. SIGNIFICANT ACCOUNTING POLICIES USED TO PREPARE THE 2019 CONSOLIDATED FINANCIAL STATEMENTS

Note 2.1 Presentation of the consolidated financial statements

ACCOUNTING STANDARDS

The Group's consolidated financial statements for the year ended December 31, 2019 have been prepared in accordance with international accounting standards (IAS/IFRS) and with the interpretations of the *Standing Interpretations Committee* (SIC) and the *International Financial Reporting Interpretations Committee* (IFRIC) as adopted by the European Union at December 31, 2019 and applicable at that date. For the purposes of comparison, the financial statements for the year ended December 31, 2018 were also prepared according to the same standards.

For the fiscal years presented, the standards and interpretations adopted in the European Union and applicable to the Group are similar to the standards and interpretations effective for these periods as published by the *International Accounting Standards Board* (IASB). The Group's financial statements are therefore prepared in accordance with IFRS standards and IFRIC interpretations, as published by the IASB.

The consolidated financial statements have been prepared using the historical cost convention, except in the case of investment property, financial instruments and assets held for sale, which are carried at fair value in accordance with IAS 40, IAS 32, IFRS 5 and IFRS 9.

Standards, amendments to standards and interpretations adopted by the European Union effective for reporting periods beginning on or after January 1, 2019

The standards below, effective for reporting periods beginning on or after January 1, 2019, do not have a material impact on the Group's financial statements:

- IFRIC 23 – Uncertainty over Income Tax Treatments.
- Amendments to IAS 28 – Long-term Interests in Associates and Joint Ventures.
- IFRS 16 – Leases. It contains new principles for recognizing leases, primarily for lessees, which are required to recognize assets and liabilities for the majority of leases, as is already the case for finance leases.
- Amendments to IAS 19 – Plan Amendment, Curtailment or Settlement.
- Amendments to IFRS 9 – Prepayment Features with Negative Compensation.
- Annual Improvements to IFRSs 2015-2017 Cycle:
  - IAS 12 – Income Tax Consequences of Payments on Financial Instruments Classified as Equity.
  - IAS 23 – Borrowing Costs Eligible for Capitalization.
  - IFRS 3 and IFRS 11 – Previously Held Interest in a Joint Operation.

Published standards and interpretations that are not yet effective, adopted by the European Union at the end of the reporting period

The IASB has published the following standards, amendments to standards and interpretations that are applicable to the Group. Although not yet adopted, companies may decide to early adopt them:

- Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (09/14).
- Amendments to IAS 1 and IAS 8 – Definition of Material.

These interpretations and amendments were not early adopted by the Group and should not have a material impact on its consolidated financial statements.

BASIS OF CONSOLIDATION

The consolidated financial statements include all entities controlled or jointly controlled by the Group, or over which it exercises significant influence. In determining its ownership interest, the Group considers any potential voting rights giving access to additional voting rights, provided that these rights are currently exercisable or convertible.

Full consolidation

All entities controlled by the Group are fully consolidated. Control is presumed to exist when the Group has the power to manage the relevant activities, is exposed to or is entitled to the variable returns generated by such activities, and has the power to influence such returns.

At December 31, 2019, no entities were jointly controlled or significantly influenced by the Group.

Scope of consolidation

At December 31, 2019, the scope of consolidation included the following entities:

	Siren no.	% control	% interest	Basis of consolidation	Period taken into account
Cegereal SA	422 800 029	100%	100%	Full consolidation	January 1 to December 31, 2019
Prothin SAS	533 212 445	100%	100%	Full consolidation	January 1 to December 31, 2019
K Rueil OPPCI	814 319 513	100%	100%	Full consolidation	January 1 to December 31, 2019
Hanami Rueil SCI	814 254 512	100%	100%	Full consolidation	January 1 to December 31, 2019
CGR Holdco EURL	833 876 568	100%	100%	Full consolidation	January 1 to December 31, 2019
CGR Propco SCI	834 144 701	100%	100%	Full consolidation	January 1 to December 31, 2019

All entities included in the scope of consolidation closed their accounts on December 31, 2019.

Consolidation adjustments and eliminations

Business combinations are accounted for in accordance with IFRS 3. A business combination is where the acquirer acquires a controlling interest in one or several businesses. IFRS 3 defines a business as a combination of the three following elements:

- economic resources that create, or have the ability to create outputs;
- any process that, when applied to the resources, creates or has the ability to create outputs;
- the outputs resulting from the processes applied to the resources that provide or have the ability to provide the expected return.

In accordance with IFRS 3, the cost of a business combination reflects the acquisition-date fair value of the assets acquired, liabilities assumed or incurred and equity instruments issued in exchange for the acquiree.

On the first-time consolidation of a company, the impact of consolidation, representing the difference between the acquisition cost of the shares and their share in the fair value of the assets and liabilities transferred, is recorded as:

- a fair value adjustment relating to certain identifiable assets and liabilities, amortized using the same rules as the assets and liabilities to which it relates;
- goodwill (where appropriate), recorded within assets in the consolidated statement of financial position in the case of a positive balance and tested for impairment each year, or recorded within the statement of comprehensive income in the case of a negative balance.

No fair value adjustments or goodwill were recognized on the first-time consolidation of Prothin SAS as the company was incorporated by Cegereal SA on June 22, 2011. This was also the case for CGR Holdco EURL and CGR Propco SCI, which were incorporated in December 2017.

K Rueil and Hanami Rueil SCI entered the scope of consolidation with effect from December 15, 2016. The acquisition did not meet the definition of a business combination within the meaning of IFRS 3 and was therefore treated as the acquisition of a group of assets. The acquisition cost relating to the group of assets was therefore allocated to the identifiable assets acquired and liabilities assumed in proportion to their respective fair value at the acquisition date. No goodwill was recognized.

Note 2.2 Segment reporting

Within the framework of IFRS 8, the Group has not identified different operating segments insofar as its assets solely comprise commercial real estate located in the Paris area.

IFRS 8 states that operating segments may be aggregated if they are similar in each of the following respects:

- the nature of the products and services;
- the nature of the production processes;
- the type or class of customer for their products and services;
- the methods used to distribute their products or provide their services;
- if applicable, the nature of the regulatory environment, for example, banking, insurance or public utilities.

Consequently, the Group did not have significant additional disclosure requirements as a result of applying IFRS 8.

Note 2.3 Investment property

Property held under long-term operating leases to earn rental income or for capital appreciation or both, and not occupied by the Group, is classified as investment property. Investment property includes owned land and buildings.

On acquisition, investment property is measured at the acquisition price including transaction costs (legal fees, transfer duties, etc.) in accordance with IAS 40.

After initial recognition, investment property is remeasured at fair value. As a result, no depreciation or impairment is recognized on investment property. Fair value is measured net of registration tax by an external real estate valuer at the end of each reporting period. The methodology used by the external real estate valuer is described in Note 2.4 below.

Subsequent expenditure may only be allocated to the assets' carrying amount when it is probable that the future economic benefits associated with the property will flow to the Group, and the cost of the property can be measured reliably. All other repair and maintenance costs are recognized in the statement of comprehensive income during the period in which they are incurred. Changes in the fair value of investment property are recognized in the statement of comprehensive income.

Note 2.4 Measuring the fair value of investment property

ESTIMATES AND ASSUMPTIONS

The fair value of property is measured by an external real estate valuer twice a year in accordance with the benchmark treatment in IAS 40.

In accordance with the recommendations of the Committee of European Securities Regulators (CESR) of July 2009, the Group changes real estate valuer every three years (four years for the Hanami asset) in order to obtain a new analysis of its assets' qualities and market value. Following a rotation in 2019, the Company's external real estate valuers are Cushman & Wakefield Valuation for Europlaza, Rives de Bercy and Arcs de Seine, and CBRE Valuation for Passy Kennedy and Hanami.

When preparing the financial statements, management and the external real estate valuer are required to use certain estimates and assumptions that are likely to affect the amounts of assets, liabilities, income and expenses reported in the financial statements and in the accompanying notes. The Group and its real estate valuer are required to review these estimates and appraisals on an ongoing basis in light of past experience and other factors deemed of material importance with regard to economic conditions. The amounts reported in future financial statements may differ from these estimates as a result of changes in assumptions or circumstances.

The values of investment property measured by the real estate valuers represent the best estimates at December 31, 2019, based on recent market observations and valuation methods commonly used within the profession. These estimates are not intended to anticipate any market changes.

FINANCIAL INFORMATION

VALUATION METHODS

The valuers calculated the fair value of the real estate assets in accordance with the professional standards set out in the French Real Estate Valuation Charter.

The market value of the property is measured using its estimated rental value and the discounted cash flow (DCF) and capitalization methods.

Estimated rental value

The rental value is determined by comparing the rental value per square meter of the most recent transactions involving properties of similar type and location, in order to determine a market value per square meter for the different types of premises (offices, staff cafeterias, car parks, etc.). This rental value is subject to a reversion rate to take account of the specific features of the real estate assets.

Market value

To estimate market value, independent experts use the following methods:

- Cushman & Wakefield Valuation: DCF method and capitalization method;
- CBRE Valuation: capitalization method.

DCF method

This method consists of discounting the annual cash flows generated by the asset, including the assumed resale at the end of a defined ownership period. Cash flows are defined as the total amount of all of the asset's revenues, net of expenses not rebillable to lessees.

Capitalization approach

This method consists of capitalizing the annual income generated by an asset with a capitalization rate defined by reference to the market. The rate used reflects the quality of the financial covenants as well as the long-term risks related to the property.

A discount is applied to the gross value to take account of transfer duties and registration costs, which are estimated at the rate of 7.50%.

Fair value hierarchy under IFRS 13

Cegereal applies IFRS 13, which defines fair value as the price that would be received in an orderly transaction to sell an asset or paid in an orderly transaction to transfer the liability at the measurement date under current market conditions.

IFRS 13 uses a three-level fair value hierarchy to classify the inputs used as a basis to measure the assets and liabilities concerned.

The three levels are as follows:

Level 1: fair value corresponds to the unadjusted quoted prices in active markets for identical assets and liabilities;

Level 2: fair value is determined, either directly or indirectly, using observable inputs;

Level 3: fair value is determined directly using unobservable inputs.

The categorization of the Group's investment property in accordance with IFRS 13 is presented in Note 5.1.

Note 2.5 Financial instruments – classification and measurement of financial assets and liabilities

Financial assets and liabilities are recognized and measured in accordance with IFRS 9.

LOANS AND RECEIVABLES

Loans and receivables include the non-current portion of the economic benefits of the lease, rent-free periods, rent discounts, the portion of fitting-out costs incurred by the lessee and borne by the lessor, and the lease premiums paid to lessees in accordance with IAS 17 and interpretation SIC 15.

TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable consist of accrued amounts receivable from lessees. They are initially recognized at fair value and subsequently at amortized cost using the effective interest method, less any provisions for impairment.

As rent is usually billed in advance, trade accounts receivable consist of rents billed in respect of the following period.

The timing difference between the billing date and the end of the reporting period is eliminated by recognizing rent billed for future periods and not yet due under "Prepaid revenue" (see Note 5.17).

IFRS 9 introduces a new model for recognizing impairment of financial assets based on expected credit losses.

However, it also sets forward a simplified approach for trade and lease receivables, which are often held by companies that do not have sophisticated credit risk tracking or management systems. This approach removes the need to calculate 12-month expected credit losses and track the increase in credit risk. This means that:

- for trade receivables that do not contain a significant financing component, impairment is equal to lifetime expected credit losses; The Company may use a provision matrix based on days past due to measure expected credit losses;
- for trade receivables that contain a significant financing component and for lease receivables, a choice must be made between the simplified approach (as for trade receivables that do not contain a significant financing component) and the general approach (which requires tracking changes in credit risk over the lifetime of the trade receivable).

The Group has elected to apply the simplified approach.

NON-DERIVATIVE FINANCIAL LIABILITIES

After initial recognition, non-derivative financial liabilities are measured at amortized cost using the effective interest method.

DERIVATIVE FINANCIAL INSTRUMENTS

Cegereal has not opted for hedge accounting. Derivative financial instruments are therefore measured at fair value at the end of each reporting period with any gains or losses recognized in income.

Cegereal applies IFRS 13, which defines fair value as the price that would be received in an orderly transaction to sell an asset or paid in an orderly transaction to transfer the liability at the measurement date under current market conditions (see Note 2.4).

The categorization of the Group's derivative financial instruments in accordance with IFRS 13 is presented in Note 5.13.

HYBRID FINANCIAL INSTRUMENTS

A hybrid financial instrument is a non-derivative financial contract (host contract) containing one (or more) derivative instrument(s) (embedded derivative(s)).

When the embedded derivative is not closely related to the host contract, it is accounted for separately. Otherwise, it is accounted for as part of the host contract.

Hybrid instruments are measured:

- under the fair value option when measured as a whole; or
- when the fair value option is not chosen, the host contract is measured at amortized cost.

The Group has not chosen to use the fair value option to measure hybrid financial instruments.

Note 2.6 Share capital

Ordinary shares are classified in shareholders' equity. Incremental costs directly attributable to new share issues are shown in shareholders' equity as a deduction from additional paid-in capital.

Note 2.7 Treasury shares

On August 29, 2006, Cegereal SA entered into a liquidity agreement with Exane BNP Paribas. This agreement complies with the standard-type contract of the French Association of Investment Firms (*Association française des entreprises d'investissement* – AFEI) and the AFEI code of ethics of March 14, 2005 which was approved by the French financial markets authority (*Autorité des marchés financiers* – AMF) on March 22, 2005. Cegereal SA entered into a second agreement with Exane BNP Paribas on November 27, 2017.

Under the terms of these agreements, Exane BNP Paribas may buy and sell Cegereal SA shares on behalf of Cegereal SA within the limits imposed by law and the authorizations granted by the Board of Directors within the scope of its share buyback program.

Within the scope of these liquidity agreements, the Group owned 12,647 treasury shares (representing 0.08% of its total issued shares) for a total amount of EUR 519k at December 31, 2019.

In accordance with IAS 32, these treasury shares are shown as a deduction from consolidated equity based on their acquisition cost (net of directly attributable transaction costs) or their initial carrying amount in the consolidated statement of financial position. Any capital gains or losses arising on the disposal of these shares are eliminated in the statement of comprehensive income and recognized against consolidated equity.

Cash allocated to the liquidity agreement and not invested in Cegereal SA shares at the end of the reporting period is stated in "Other operating receivables".

Note 2.8 Election for tax treatment as a SIIC

Cegereal SA has elected for the preferential tax treatment granted to listed real estate investment companies (SIICs) in accordance with Article 208 C of the French Tax Code. This election took effect on April 1, 2006.

Owing to this tax treatment, no corporate income tax is payable directly or indirectly through income from subsidiaries in respect of the real estate leasing business and no deferred taxes were recognized at December 31, 2019.

Similarly, no tax was payable on capital gains arising on disposals of real estate or equity interests in subsidiaries eligible for the same tax treatment.

Prothin, Cegereal's subsidiary, also benefits from this preferential tax treatment.

In addition, K Rueil is a SPPICAV (company investing predominantly in real estate with a variable share capital) that is exempt from paying corporate income tax.

Hanami Rueil SCI and CGR Propco SCI, subsidiaries of, respectively, K Rueil and Cegereal SA, are transparent for tax purposes, within the meaning of Article 8 of the French Tax Code.

CGR Holdco EURL has not elected for preferential treatment as a SIIC.

Terms and conditions and impact of tax treatment as a SIIC

a) When a company elects for SIIC status, the ensuing change in tax treatment has a similar impact to that of a discontinuance of business (taxation of unrealized capital gains, income which is subject to tax deferral and as yet untaxed operating income).

b) SIICs that have elected for preferential tax treatment are exempt from paying corporate income tax on the portion of their income resulting from:

- the lease of buildings, provided that 95% of this income is distributed before the end of the fiscal year following the year in which the income is generated;
- capital gains generated on the sale of buildings, shareholdings in partnerships falling within the scope of Article 8 of the French Tax Code and having the same purpose as that of the SIIC, or shareholdings in subsidiaries having elected for SIIC tax treatment, provided that 70% of these capital gains are distributed by the end of the second fiscal year following the year in which they were generated;
- dividends received from subsidiaries having elected for SIIC tax treatment and resulting from exempt income or from capital gains and dividends received from SPPICAVs whose share capital and voting rights have been at least 5%-owned for a minimum of two years, provided that they are redistributed in full during the fiscal year following the year in which they were received.

  In addition, income generated by operations carried out by partnerships falling within the scope of Article 8 of the French Tax Code are deemed to be carried out directly by SIICs or their subsidiaries in proportion to their rights and are therefore exempt under the SIIC rules. Accordingly, this income must be distributed pursuant to the above-mentioned time limits and proportions, based on whether it results from the lease or sale of buildings or from dividends.

  In the event that they choose to leave the SIIC tax regime at any time, the SIICs and their subsidiaries must add back to their taxable earnings for the period the portion of their income available for distribution at the end of said period which results from previously tax-exempt amounts.

c) In accordance with Article 208 C paragraph 2 of the French Tax Code, the SIIC's capital or voting rights must not be directly or indirectly held at 60% or more by one or several persons acting in concert within the meaning of Article L.233-10 of the French Commercial Code;

d) Article 208 C II *ter* of the French Tax Code also introduces a 20% withholding tax to be paid by SIICs on dividends distributed from tax-exempt income to shareholders, other than natural persons, that hold at least 10% of dividend entitlements in said SIICs and that are not liable for corporate income tax or another equivalent tax on the dividends received. However, the withholding tax is not due when the beneficiary of the dividends is a company required to distribute the full amount of the dividends it receives and whose shareholders that directly or indirectly hold at least 10% of the dividend rights are liable for corporate income tax or another equivalent tax on the dividends received.

Note 2.9 Employee benefits

IAS 19 requires entities to recognize as expenses all current or future benefits or compensation granted by an entity to its employees or to third parties over the period during which the rights to such benefits or compensation vest.

The Group only has three employees and therefore considers that its employee benefit commitments in respect of defined benefit plans are not material. Consequently, the amount of its employee benefit commitments was not assessed at December 31, 2019.

Note 2.10 Bank borrowings

On initial recognition, bank borrowings are measured at the fair value of the consideration received, less directly attributable transaction costs.

They are subsequently measured at amortized cost using the effective interest method. The long-term portion (due more than 12 months after the end of the reporting period) is classified in non-current borrowings and debt, while the short-term portion (due in less than 12 months) is classified in current borrowings and debt.

When the agreement contains derivative instruments, it is accounted for as described in the section on "Hybrid financial instruments" in Note 2.5.

Note 2.11 Rental income

The Group leases out its real estate assets under operating leases. Assets leased under operating leases are recognized in the consolidated statement of financial position within investment property.

Rental income is recognized over the lease term.

In accordance with IAS 17 and interpretation SIC 15, the financial impact of all of the provisions in the lease agreement is recognized on a straight-line basis over the shorter of the lease term or the period up to the date on which the lessee may terminate the lease without incurring any material financial consequences (usually after six years). Therefore, in order to accurately reflect the economic benefits of the lease, rent-free periods, rent discounts, the portion of fitting-out costs incurred by the lessee and borne by the lessor, and lease premiums paid to lessees are recognized over the firm term of the lease.

Termination and restoration indemnities received from former lessees are recognized under "Miscellaneous services" in operating income.

Note 2.12 Rental expenses and rebilling of expenses to lessees

Rental expenses incurred by the lessor on behalf of lessees and expenses chargeable to the lessees under the terms of the lease are recorded in the statement of comprehensive income under "Building-related costs".

The rebilling of rental expenses and expenses chargeable to lessees under the terms of the lease are recorded in the statement of comprehensive income under "Income from other services".

This approach is consistent with IFRS 15, insofar as the Group acts as principal: its "performance obligation" is to provide the underlying goods and services to its tenants. The Group is:

- responsible for satisfying the promise;

- exposed to the inventory risk;

- in charge of setting the price.

The portion of rental expenses concerning vacant premises is recorded directly in the statement of comprehensive income.

Rental expenses include building-related taxes (property tax, tax on office premises and tax on parking areas).

Note 2.13 Discounting of deferred payments

Long-term payables and receivables are discounted when they are considered to have a material impact.

- Security deposits received from lessees are not discounted because they are indexed annually based on an index used for annual rent reviews.
- There are no provisions for material liabilities, as defined in IAS 37.

Note 2.14 Earnings per share

Earnings per share is a key indicator used by the Group, and is calculated by dividing net attributable income by the weighted average number of shares outstanding during the period. Treasury shares are not considered as outstanding and are therefore not included in the calculation of earnings per share.

Diluted earnings per share is calculated based on income attributable to holders of ordinary shares and the weighted average number of shares existing during the year, adjusted to reflect the impact of potentially dilutive ordinary shares.

Note 2.15 Presentation of the financial statements

Assets and liabilities maturing within 12 months of the reporting date are classified as current assets and liabilities in the consolidated statement of financial position. All other assets and liabilities are treated as non-current.

Expenses in the statement of comprehensive income are shown according to their nature.

In the statement of cash flows, net operating cash flows are calculated using the indirect method, whereby the net amount is based on net income adjusted for non-cash transactions, items of income or expense associated with investing or financing cash flows, and changes in working capital requirements.

1.5.3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

To prepare the consolidated financial statements, the Group uses estimates and judgments which are updated on a regular basis and are based on past information and other factors, in particular assumptions of future events deemed reasonable in view of the circumstances.

Estimates that could lead to a significant adjustment in the carrying amount of assets and liabilities in the subsequent period mainly concern the determination of the fair value of the Group's real estate assets and financial instruments. The fair value of the Group's real estate assets is measured on the basis of valuations carried out by an external real estate valuer using the methodology described in Note 2.4.

As these valuations are only estimates, there may be a significant difference between the amount obtained upon the sale of certain real estate assets and their estimated value, even when they are sold in the months following the end of the reporting period.

In this context, valuations of the Group's real estate assets by the external real estate valuers could vary significantly according to changes in the yield, based on observations of the rates prevailing in the real estate market.

In millions of euros

			Changes in potential yield								
Building	Market rental value	Potential yield	0.500%	0.375%	0.250%	0.125%	0.000%	-0.125%	-0.250%	-0.375%	-0.500%
Europlaza	23.72	5.39%	389.2	395.6	402.3	409.4	417.0	424.7	433.0	441.8	451.2
Arcs de Seine	22.20	4.57%	425.0	432.7	440.8	449.4	458.5	468.2	478.5	489.5	501.2
Rives de Bercy	10.94	6.55%	165.1	167.3	169.7	172.2	174.7	177.4	180.3	183.2	186.4
Hanami campus	10.77	5.25%	158.9	162.5	166.3	170.3	174.5	178.9	183.5	188.4	193.5
Passy Kennedy	11.34	4.15%	212.7	218.8	225.2	232.0	239.2	246.9	255.0	263.7	273.0
Total	78.96	5.18%	1,350.9	1,376.9	1,404.3	1,433.2	1,463.9	1,496.1	1,530.3	1,566.6	1,605.2
Impact on portfolio value			(7.72)%	(5.94)%	(4.07)%	(2.10)%	0.00%	2.20%	4.53%	7.01%	9.65%

Source: Cushman & Wakefield Valuation and CBRE Valuation.

These data are linked to the market and could therefore change significantly in the current climate. This could have a significant positive or negative impact on the fair value of the Group's real estate assets.

Regarding hedging instruments, which are analyzed in Note 4.7, a change in interest rates would result in the following values:

In thousands of euros

Hedging instrument	Nominal amount	Hedged amount	Fixed rate	-1%	-0.5%	Value at Dec. 31, 2019	+0.5%	+1%
Cap	15,000	3-month Euribor	2.00%	-	-	0	0	2
Swap	25,000	3-month Euribor	0.10%	(750)	(501)	(257)	(15)	222
Cap	148,500	3-month Euribor	0.60%	0	2	34	235	972
Total				(750)	(499)	(223)	220	1,197

1.5.4. MANAGEMENT OF FINANCIAL RISKS

Note 4.1 Risk related to financing

On July 26, 2016, Cegereal renegotiated the EUR 405m loan and entered into a new credit agreement authorizing the Group to borrow EUR 525m. The five-year loan consists of two tranches of (i) EUR 445m and (ii) EUR 80m, Repayable at maturity on July 26, 2021. The agreement also provides for an optional two-year extension.

Following the acquisition of Hanami Rueil SCI, the Cegereal Group entered into a credit agreement for EUR 100m on December 15, 2016. The agreement provides for a five-year loan, 0.375% of the principal amount of which is repayable at each due date, and the remainder on maturity at December 15, 2021.

As part of the acquisition of Passy Kennedy, the Cegereal Group entered into a credit agreement for EUR 148.5m on December 5, 2018. The agreement provides for a four-year loan with an optional one-year extension, of which 1% of the principal amount is repayable in the third year, 2.5% in the fourth year (and the fifth year if the agreement is extended), and the remainder at maturity.

Note 4.2 Risk related to the valuation of real estate assets

The Group's real estate portfolio is valued by external real estate valuers. The value of the portfolio depends on the ratio of supply to demand in the property market, a large number of substantially varying factors, and changes in the economic environment.

All of the Group's real estate assets are office buildings with a surface area of between 23,800 and 52,100 sq.m, located in Paris' inner suburbs. A fall in demand for this type of building could adversely affect the Group's earnings, business activities and financial position.

The current economic climate has sparked volatility in real estate prices and values. Consequently, the price obtained if the assets are disposed of in the short term may not be in line with the valuation.

Note 4.3 Risk related to changes in market rent levels for office premises

Market rent levels for office premises and the value of office buildings are strongly influenced by the ratio of supply to demand in the property market. A situation where supply outweighs demand is likely to adversely affect the Group's earnings, business activities, assets and liabilities, and financial position.

Note 4.4 Risk related to the regulatory framework applicable to leases

Certain legal provisions applicable to commercial leases, such as public policy regulations governing lease terms and the indexing of rent, can restrict the capacity of property owners to increase rents. In the event of a change in the regulatory framework or the index used, the Group may be exposed to such risks.

Note 4.5 Counterparty risk

Group procedures ensure that lease agreements are only entered into with lessees of suitable credit standing.

At December 31, 2019, the Group was dependent on four lessees who collectively represented 40.7% of the total rental income collected during the year and individually more than 6%. Although the Group's real estate assets could be – and are – leased to many different lessees, financial difficulties experienced by one of these lessees, a request for more favorable lease terms upon renewal, or a decision to terminate their lease, could adversely impact the Group's financial position, earnings and future performance.

Note 4.6 Liquidity risk

Prudent liquidity risk management involves maintaining sufficient liquidity and short-term investment securities, being able to raise funds based on suitably adapted lines of credit and the ability to unwind market positions.

The Group's loans were taken out with bank pools.

Notes 4.7 and 5.26 contain a description of the different credit facilities and the early repayment clauses contained in the credit agreements. The Group complied with its covenants at the most recent due date.

Note 4.7 Interest rate risk

On July 26, 2016, Cegereal refinanced its debt following repayment of the loan taken out on July 26, 2012. The new loan agreement authorized the Group to borrow EUR 525m in two tranches of (i) EUR 445m (tranche A) and (ii) EUR 80m (tranche B).

94% of tranche A is subject to a fixed rate of 1.35% if the occupancy rate is greater than 75%, and 1.50% if it is not. The remaining balance of tranche A (i.e., 6%) is subject to a variable interest rate (6-month Euribor with a floor of 0%) plus a margin of 1.35% if the occupancy rate is greater than 75%, and 1.50% if it is not. The Euribor rate was below 0% between January 1, 2019 and December 31, 2019.

Tranche B is subject to the same conditions as the portion of tranche A that is subject to a variable rate.

Following the acquisition of Hanami Rueil SCI, the Cegereal Group entered into a credit agreement for EUR 100m on December 15, 2016. The loan comprises three tranches: one in an amount of EUR 50m at a fixed rate of 1.52%, including a 1.45% margin, one in an amount of EUR 25m at a variable 3-month Euribor rate with a floor of 0%, and one in an amount of EUR 25m at a variable 3-month Euribor rate with a floor of -0.4%. The two variable-rate tranches also have a 1.45% margin.

As part of the acquisition of Passy Kennedy, the Cegereal Group entered into a credit agreement for EUR 148.5m on December 5, 2018. The agreement provides for a four-year loan with an optional one-year extension, of which 1% of the principal amount is repayable in the third year, 2.5% in the fourth year (and the fifth year if the agreement is extended), and the remainder at maturity. The loan carries interest at 3-month Euribor plus a spread of 1.20%. Euribor is considered to be zero if the published rate is negative.

At December 31, 2019, the Group held three hedges:

Financial institution	Société Générale	Société Générale	Société Générale
Type of hedge	Cap	Swap	Cap
Nominal amount (in thousands of euros)	15,000	25,000	148,500
Fixed rate	2.00%	0.10%	0.60%
Hedged amount	3-month Euribor	3-month Euribor	3-month Euribor
Start date	October 15, 2019	December 15, 2016	December 5, 2018
Maturity	December 15, 2021	December 15, 2021	December 5, 2022

1.5.5. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2019 AND TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR THEN ENDED

Note 5.1 Investment property

CARRYING AMOUNT OF INVESTMENT PROPERTY

Changes in the carrying amount of investment property can be broken down by building as follows:

In thousands of euros

	Rives de Bercy	Europlaza	Arcs de Seine	Hanami campus	Passy Kennedy	Total
December 31, 2017	190,000	370,000	441,000	168,400	-	1,169,400
Acquisitions	-	7,086	2,760	529	218,919	229,294
Indemnity received	-	-	-	-	-	-
Subsequent expenditure	-	(406)	(1,647)	178	-	(1,875)
Disposals	-	-	-	-	-	-
Change in fair value	(800)	4,120	4,886	793	2,701	11,701
December 31, 2018	190,000	380,800	447,000	169,900	221,620	1,408,520
Acquisitions	-	2,876	5,330	841	218	9,265
Indemnity received	-	-	-	-	-	-
Subsequent expenditure	-	4,870	(4,980)	16	-	(95)
Disposals	-	-	-	-	-	-
Change in fair value	(14,480)	28,434	11,150	3,743	17,382	46,230
December 31, 2019	174,720	416,980	458,500	174,500	239,220	1,463,920

MAIN FAIR VALUE ASSUMPTIONS

The real estate valuers' estimation of the fair value of the buildings at December 31, 2019 is indicated below, along with the information used in the calculation:

Building	Estimated value at Dec. 31, 2019 (net of taxes)		Gross leasable area(1) at Dec. 31, 2019		Annual rent (net of taxes)(2)	
	in millions of euros	%	sq.m.	%	In thousands of euros	%
Europlaza (1999(3))	417	28.48%	52,078	27.49%	23,484	29.42%
Arcs de Seine (2000(3))	459	31.32%	47,222	24.93%	22,466	28.14%
Rives de Bercy (2003(3))	175	11.94%	31,942	16.86%	12,295	15.40%
Hanami campus (2011/2016(3))	175	11.92%	34,381	18.15%	10,855	13.60%
Passy Kennedy	239	16.34%	23,813	12.57%	10,729	13.44%
Total	1,464	100%	189,436	100%	79,829	100%

(1) The gross leasable area includes the surface area of the offices, storage areas and a share of common areas.

(2) Annual rent includes rent detailed on the rental statement for space occupied at December 31, 2019 and market rent, as estimated by valuers for vacant premises.

(3) Year of construction or restoration.

In light of the nature of the French real estate market and the relative lack of publicly available data, real estate assets have been categorized within Level 3 of the IFRS 13 fair value hierarchy.

Note 5.2 Non-current loans and receivables

This item can be broken down as follows:

In thousands of euros

	Dec. 31, 2019	Dec. 31, 2018
Security deposits paid	33	33
Lease incentives (non-current portion)	23,113	20,197
Non-current loans and receivables	23,146	20,230

Lease incentives correspond to rent-free periods, rent discounts and lease premiums paid to lessees recognized over the non-cancelable term of the lease in accordance with the accounting policies stated in Note 2.11.

Note 5.3 Trade accounts receivable

This item can be broken down as follows:

In thousands of euros

	Dec. 31, 2019	Dec. 31, 2018
Trade accounts receivable	9,720	7,747
Impairment of trade accounts receivable	-	-
Trade accounts receivable, net	9,720	7,747

The increase in trade accounts receivable primarily reflects rent billed for first-quarter 2020 at the Hanami campus.

Note 5.4 Other operating receivables

This item can be broken down as follows:

In thousands of euros

	Dec. 31, 2019	Dec. 31, 2018
Lease incentives (current portion)	5,502	7,118
VAT	4,171	4,825
Supplier accounts in debit and other receivables	1,687	826
Liquidity account/treasury shares	247	341
Notary fees	-	1,616
Other operating receivables	11,607	14,726

Note 5.5 Cash and cash equivalents

"Cash and cash equivalents" comprises either bank account balances or risk-free bank deposits that may be considered as cash equivalents.

Current bank account balances recorded in this caption represent EUR 44,880k.

Note 5.6 Aging analysis of receivables

The aging analysis of receivables at December 31, 2019 is as follows:

In thousands of euros

	Receivables (net of impairment) Dec. 31, 2019	Receivables not yet due (net of impairment)	Receivables past due (net of impairment)	o/w receivables less than 6 months past due	o/w receivables more than 6 months and less than 1 year past due	o/w receivables more than 1 year past due
Non-current receivables						
Non-current loans and receivables	23,146	23,146	-	-	-	-
Total non-current receivables	**23,146**	**23,146**	**-**	**-**	**-**	**-**
Current receivables						
Trade accounts receivable*	9,720	8,265	1,454	*1,522*	*60*	*(128)*
Other operating receivables	11,607	11,607	-	-	-	-
Prepaid expenses	292	292	-	-	-	-
Total current receivables	**21,620**	**20,165**	**1,454**	***1,522***	***60***	***(128)***
Total receivables	44,766	43,311	1,454	1,522	60	(128)

*The amount of trade accounts receivable pledged as collateral for loans and borrowings amounts to EUR 9,720k at December 31, 2019 and is detailed in Note 5.26.

The aging analysis of receivables at December 31, 2018 is as follows:

In thousands of euros

	Receivables (net of impairment) Dec. 31, 2018	Receivables not yet due (net of impairment)	Receivables past due (net of impairment)	o/w receivables less than 6 months past due	o/w receivables more than 6 months and less than 1 year past due	o/w receivables more than 1 year past due
Non-current receivables						
Non-current loans and receivables	20,230	20,230	-	-	-	-
Total non-current receivables	**20,230**	**20,230**	**-**	**-**	**-**	**-**
Current receivables						
Trade accounts receivable(1)	7,747	6,772	976	*1,201*	*146*	*(371)*
Other operating receivables	14,726	14,726	-	-	-	-
Prepaid expenses	116	116	-	-	-	-
Total current receivables	**22,589**	**21,614**	**976**	***1,201***	***146***	***(371)***
Total receivables	42,819	41,843	976	1,201	146	(371)

(1) The amount of trade accounts receivable pledged as collateral for loans and borrowings amounts to EUR 7,747k at December 31, 2018 and is detailed in Note 5.25.

Note 5.7 Fair value of financial assets

The fair value of financial assets at December 31, 2019 can be analyzed as follows:

In thousands of euros

	Dec. 31, 2019		Dec. 31, 2018		Fair value hierarchy(2)
	Carrying amount	Fair value	Carrying amount	Fair value	
Interest rate cap(1)	34	34	597	597	Level 2
Total non-current assets	34	34	597	597	

(1) Derivative financial instruments.

(2) Classification under IFRS 13 (see Note 2.4).

The characteristics of non-current assets are described in Note 4.7 and Note 5.12.

The fair value of other financial assets, which primarily comprise receivables, corresponds to their carrying amount.

Note 5.8 Financial assets and liabilities

The table below presents a summary of financial assets and liabilities:

In thousands of euros

Summary of financial assets and liabilities	Dec. 31, 2019	Dec. 31, 2018
Financial assets at fair value through profit or loss	34	597
Held-to-maturity investments	-	-
Loans and receivables		
Non-current loans and receivables	23,146	20,230
Current receivables	21,327	22,473
Available-for-sale financial assets	-	-
Cash and cash equivalents	44,880	53,367
Total financial assets	89,387	96,667
Financial liabilities at fair value through profit or loss	682	791
Financial liabilities measured at amortized cost		
Non-current liabilities	774,061	772,865
Current liabilities	26,253	37,846
Total financial liabilities	800,996	811,501

Note 5.9 Changes in impairment of financial assets

No impairment was recognized against financial assets in the period.

Note 5.10 Consolidated equity

Composition of and changes in shareholders' equity

In thousands of euros

	Number of shares	Par value of shares in euros	Shares In thousands of euros	Legal reserve and additional paid-in capital In thousands of euros	Consolidated reserves and retained earnings In thousands of euros	Total In thousands of euros
Shareholders' equity at Dec. 31, 2018	15,601,250	5	78,006	93,277	503,607	674,890
Dividends paid				(36,492)	(65)	(36,557)
Other changes						-
Other comprehensive income						-
Interim dividend						-
Net income for the period					80,760	80,760
Capital increase by increasing par value	305,190		1,526	9,678		11,204
Capital reduction by reducing par value						-
Change in treasury shares held					(28)	
Shareholders' equity at Dec. 31, 2019	15,906,440	5	79,532	66,462	584,274	730,268

Following the exercise of 303,672 share subscription warrants in March 2019, the Company increased its capital by creating 305,190 new shares representing a total amount of EUR 11,203,524.90, including additional paid-in capital (nominal amount of EUR 1,525,950 and additional paid-in capital of EUR 9,677,574.90).

Dividends paid

In euros

	Recommended dividend for 2019	Paid in 2019 for 2018 (excl. treasury shares)
Total dividend paid	36,584,812	36,557,413
Net dividend per share in euros	2.30	2.30

Subject to approval by the General Shareholders' Meeting, the Board of Directors proposes to distribute additional paid-in capital in an amount of EUR 2.30 per share, to be deducted from "Retained earnings" and "Additional paid-in capital".

Should the Company hold any treasury shares on the ex-distribution date, the sums corresponding to the distributions not paid in respect of those shares will be allocated to "Retained earnings".

Treasury shares

In euros (except number of shares)

	Amount at Dec. 31, 2019	Amount at Dec. 31, 2018	Change
Acquisition cost	519,765	460,532	59,233
Number of treasury shares at reporting date	12,647	11,939	708

Note 5.11 Non-current borrowings

The maturity schedule of loans taken out by the Group, valued at amortized cost less transaction costs, is as follows:

In thousands of euros

	Bank loan	Due in 1 year or less	Due in 1 to 2 years	Due in 2 to 5 years	Due in more than 5 years
Bank borrowings					
- Fixed rate	464,453	750	463,703	-	-
- Variable rate	304,922	750	155,672	148,500	-
Accrued interest not yet due	2,175	2,175	-	-	-
Bank fees deferred at effective interest rate	(4,108)	(207)	(2,478)	(1,423)	-
Total at Dec. 31, 2019	767,442	3,468	616,897	147,077	-

At December 31, 2019, the Group was compliant with its bank covenants. The loan-to-value ratio stood at 52.6%, and the interest coverage ratio (DSCR) at 485%.

The loan characteristics are described in Notes 4.1 and 4.7.

Note 5.12 Financial instruments

The table below presents a summary of financial instruments:

In thousands of euros

	Dec. 31, 2019	Dec. 31, 2018
Interest rate cap	34	597
Assets	34	597
Share subscription warrants	453	618
Interest rate swap	229	172
Liabilities	682	791

The characteristics of the cap and swap agreements are described in Note 4.7.

FINANCIAL INFORMATION

The share subscription warrants and the swap are considered to be derivative financial instruments and are measured at fair value at the end of each reporting period with any gains or losses recognized in income (see Note 2.5).

On April 14, 2016, Cegereal issued 865,000 share subscription warrants (BSA) to Northwood Investors France Asset Management SAS at a unit price of EUR 0.01. These warrants were subscribed in a total amount of EUR 8,650 at April 22, 2016. A total of 303,672 warrants were exercised in March 2019. The remaining warrants must be exercised no later than June 30, 2022. The holder may not subscribe to new shares by exercising share subscription warrants if doing so would result in a shareholder, acting alone or in concert, holding directly or indirectly 60% or more of the Company's share capital or voting rights.

Each share subscription warrant entitles the holder to subscribe for 1.005 new shares of the Company. The subscription price for one share will be calculated based on the volume-calculated average share price during the 20 trading days prior to the exercise date.

Note 5.13 Fair value of financial liabilities

The fair value of financial liabilities at December 31, 2019 can be analyzed as follows:

In thousands of euros

	Dec. 31, 2019		Dec. 31, 2018		Fair value hierarchy[2]
	Carrying amount	Fair value	Carrying amount	Fair value	
Bank loan	765,267	771,837	764,507	772,432	Level 2
Interest rate swap[1]	229	229	172	172	Level 2
Share subscription warrants[1]	453	453	618	618	Level 1
Total non-current liabilities	765,949	772,519	765,298	773,223	

(1) Derivative financial instruments.

(2) Classification under IFRS 13 (see Note 2.4).

The characteristics of non-current liabilities are described in Note 4.7 and Note 5.12.

There was no difference between the carrying amounts and fair values of financial liabilities other than those mentioned above.

Note 5.14 Other non-current borrowings and debt

This caption mainly consists of security deposits paid by lessees, which are recorded as non-current borrowings and debt based on the assumption that lessees will seek to renew their leases if they expire within the next 12 months.

Note 5.15 Other operating liabilities

These can be broken down as follows:

In thousands of euros

	Dec. 31, 2019	Dec. 31, 2018
Personnel	110	93
Directors' fees	-	-
Accrued VAT, other taxes and social security charges	4,819	3,450
Accrued rental expenses rebilled to lessees	1,608	1,404
Advance payments by lessees	2,010	2,119
Miscellaneous	198	615
Other operating liabilities	8,745	7,681
Amounts due to fixed asset suppliers	1,691	2,017
Amounts due to fixed asset suppliers	1,691	2,017
Other liabilities	10,437	9,698

"Accrued rental expenses rebilled to lessees" corresponds to the balance of lessees' contributions to the financing of large items of shared equipment.

Note 5.16 Maturity schedule for liabilities with undiscounted contractual values

The maturity schedule for liabilities with undiscounted contractual values is as follows:

In thousands of euros

	Carrying amount at Dec. 31, 19	Undiscounted contractual value	Undiscounted contractual value		Due in more than 5 years
			Due in 1 year or less	Due in more than 1 year but less than 5 years	
Non-current liabilities					
Non-current borrowings	763,974	767,875		767,875	-
Other non-current borrowings and debt	10,087	10,087		-	10,087
Other financial liabilities	682	682		-	-
Total non-current liabilities	774,743	778,644	-	767,875	10,087
Current liabilities					
Current borrowings	3,468	3,675	3,675	-	-
Other current borrowings and debt	-	-	-	-	-
Trade accounts payable	12,349	12,349	12,349	-	-
Other operating liabilities	10,437	10,437	10,437	-	-
Total current liabilities	26,253	26,460	26,460	-	-

Other non-current borrowings and debt correspond to security deposits paid by lessees. Their maturity date is more than five years because it is the Group's policy to extend leases when they expire.

Other financial liabilities correspond to share subscription warrants, which must be exercised no later than June 30, 2022, and the swap described in Note 4.7 and Note 5.12.

Note 5.17 Prepaid revenue

Prepaid revenue consists of rents billed in advance for the first quarter of 2020.

Note 5.18 Rental income

Including the impact of lease incentives, rental income can be broken down by building as follows:

In thousands of euros

	Dec. 31, 2019 12 months	Dec. 31, 2018 12 months
Europlaza	15,259	14,589
Arcs de Seine	17,914	17,279
Rives de Bercy	10,366	10,084
Hanami campus	9,938	10,359
Passy Kennedy	9,892	716
	63,369	53,026

Invoiced rent amounted to EUR 63,369k, corresponding to IFRS rental income (EUR 72,520k) less lease incentives (EUR 9,151k).

Note 5.19 Income from other services

Income from other services can be analyzed as follows:

In thousands of euros

	Dec. 31, 2019 12 months	Dec. 31, 2018 12 months
Rental expenses and maintenance rebilled to lessees	10,999	8,500
Real estate taxes rebilled to lessees	6,931	5,790
Other amounts rebilled to lessees and miscellaneous income	134	132
Indemnities	1,942	432
Miscellaneous income	39	156
Income from other services	20,045	15,010

Expenses and taxes rebilled to lessees amounted to EUR 18,064k in 2019.

Note 5.20 Building-related costs

These can be broken down as follows:

In thousands of euros

	Dec. 31, 2019 12 months	Dec. 31, 2018 12 months
Rental expenses	11,038	9,476
Taxes	7,062	5,847
Fees	11,688	13,471
Maintenance costs	113	159
Rental expenses and tax on vacant premises	1,752	1,811
Other expenses	(32)	239
Building-related costs	31,621	31,002

Fees mainly comprise asset management fees with Northwood Investors Asset Management SAS, which amounted to EUR 10,107k at December 31, 2019 compared with EUR 13,143k at December 31, 2018. These fees are calculated based on the Group's net asset value.

The fees break down as follows:

- EUR 5,047k attributable to the advisory fee under the asset management agreement;
- EUR 5,061k attributable to the incentive fee under the asset management agreement.

Note 5.21 Administrative costs

Administrative costs mainly comprise professional fees for EUR 2,073k and payroll expenses for EUR 477k.

Note 5.22 Other operating income and expenses

Other operating income corresponds to changes in the fair value of share subscription warrants as described in Note 5.12.

Note 5.23 Financial income and expenses

Financial income and expenses can be broken down as follows:

In thousands of euros

	Dec. 31, 2019 12 months	Dec. 31, 2018 12 months
Financial income	-	6
Financial expenses	(13,529)	(11,508)
Net financial expense	(13,529)	(11,501)

Financial expenses primarily comprise interest expense and charges on bank borrowings in an amount of EUR 12,831k, and negative fair value adjustments on caps in an amount of EUR 619k.

Note 5.24 Corporate income tax and tax proof

All consolidated entities contributing to consolidated income fall under the SIIC tax regime for listed real estate investment companies or the SPPICAV tax regime for companies investing predominantly in real estate with a variable share capital, and are not liable for corporate income tax in respect of their property rental activities.

Note 5.25 Earnings per share

Earnings per share is calculated by dividing consolidated net income attributable to owners of Cegereal SA by the number of ordinary shares net of treasury shares at December 31, 2019, i.e., EUR 5.10.

Pursuant to IAS 33, the potential shares (warrants) were considered to be dilutive at December 31, 2019. Diluted earnings per share came out at EUR 4.92.

In thousands of euros

	Dec. 31, 2019 12 months	Dec. 31, 2018 12 months
Net attributable income (in thousands of euros)	80,760	33,106
Weighted average number of shares before dilution	15,829,593	13,776,592
Earnings per share (in euros)	5.10	2.40
Net attributable income, including impact of dilutive shares (in thousands of euros)	80,595	33,183
Weighted average number of shares after dilution	16,393,728	14,641,592
Diluted earnings per share (in euros)	4.92	2.27

Note 5.26 Off-balance sheet commitments and security provided

All material commitments are listed below. The Group had not entered into any complex commitments at the end of the reporting period.

COMMITMENTS GIVEN

In thousands of euros

	Expiration	Dec. 31, 2019 12 months	Dec. 31, 2018 12 months
Commitments linked to the consolidated group			
Equity interest purchase commitments			
Commitments given within the scope of specific transactions			
Off-balance sheet commitments linked to Company borrowings			
Financial guarantees (of which mortgages and lender's lien)*	From 2020 to 2023	771,550	772,841
Off-balance sheet commitments linked to the issuer's operating activities			
Other contractual commitments received in relation to the Company's activities			
Assets received as collateral, mortgages or pledges, and security deposits received			

* Balance of loans and drawn on credit lines guaranteed by mortgages.

Advisory Services Agreements

Under the Advisory Services Agreement entered into by Northwood Investors France Asset Management SAS (the "Advisor") and Prothin, effective January 1, 2016 for an initial term of six years and amended on December 23, 2016 (the "Prothin ASA"), an incentive fee is paid to encourage the Advisor to create value for the shareholders ("Value Growth").

Value Growth is determined on the basis of growth in the Group's EPRA NNNAV over a period of three years adjusted upwards for dividend distributions and downwards for capital increases made over that period (the calculation only includes the proportion of net asset value that Prothin represents relative to that of Cegereal and its subsidiaries or affiliates). The incentive fee is equal to a maximum of 10% of Value Growth, provided that an annualized IRR of at least 6% is achieved (the "Initial Hurdle"). A catch-up clause divides the proportion of Value Growth in excess of the Initial Hurdle equally between the Advisor and Prothin until the point that the incentive fee reaches 10% of Value Growth. Beyond that hurdle, the total incentive fee is 10% of Value Growth.

On December 23, 2016, Northwood Investors France Asset Management SAS (the "**Advisor**") and Hanami Rueil SCI entered into an advisory services agreement, effective December 23, 2016 for an initial term of six years (the "**Hanami Rueil SCI ASA**") along the same lines as the Prothin ASA.

On December 5, 2018, Northwood Investors France Asset Management SAS (the "Advisor") and CGR Propco SCI entered into an advisory services agreement, effective December 5, 2018 for an initial term of six years (the "**CGR Propco SCI ASA**") along the same lines as the Prothin ASA.

COMMITMENTS RECEIVED

In thousands of euros

	Expiration	Dec. 31, 2019 12 months	Dec. 31, 2018 12 months
Commitments linked to the consolidated group			
Equity interest purchase commitments			
Commitments given within the scope of specific transactions			
Off-balance sheet commitments linked to Company borrowings			
Financial guarantees received			
Off-balance sheet commitments linked to the issuer's operating activities			
Other contractual commitments received in relation to the Company's activities			
Assets received as collateral, mortgages or pledges, and security deposits received		18,595	18,743

Minimum guaranteed rental income from current operating leases

At December 31, 2019, the minimum annual rental income (excluding VAT, rebilling of taxes and expenses, and rent decreases agreed after the end of the reporting period) due to the Group until the earliest possible termination dates of the different operating leases was as follows:

In thousands of euros

	Future minimum annual rental income	
	Dec. 31, 2019	Dec. 31, 2018
2020	61,649	52,674
2021	52,816	43,795
2022	32,028	25,909
2023	21,901	21,235
2024	15,721	20,295
2025	15,077	20,197
2026	13,597	6,852
2027	9,474	5,869
2028	1,300	936
2029	210	-

These rents represent amounts to be invoiced, excluding the impact of staggering lease incentives with respect to earlier periods.

Note 5.27 Transactions with related parties

TRANSACTIONS WITH RELATED COMPANIES

Transactions with related parties mainly comprise the asset management agreements entered into with Northwood Investors France Asset Management SAS.

On April 14, 2016, Cegereal issued 865,000 share subscription warrants (BSA) to Northwood Investors France Asset Management SAS at a unit price of EUR 0.01. These warrants were subscribed in a total amount of EUR 8,650 at April 22, 2016. A total of 303,672 warrants were exercised in March 2019. The remaining warrants must be exercised no later than June 30, 2022. The holder may not subscribe to new shares by exercising share subscription warrants if doing so would result in a shareholder, acting alone or in concert, holding directly or indirectly 60% or more of the Company's share capital or voting rights.

Each share subscription warrant entitles the holder to subscribe for 1.005 new shares of the Company. The subscription price for one share will be calculated based on the volume-calculated average share price during the 20 trading days prior to the exercise date.

In thousands of euros

	Dec. 31, 2019 12 months	Dec. 31, 2018 12 months
Impact on operating income		
Building-related costs: Asset management and advisory fees	5,047	4,349
Building-related costs: Incentive fee	5,061	8,794
Administrative costs: Fees	-	-
Impact on net financial expense		
Financial expenses	-	-
Total impact on income statement	10,108	13,143
Impact on assets		
Prepaid expenses	-	-
Other operating receivables	-	-
Total impact on assets	-	-
Impact on liabilities		
Non-current borrowings	-	-
Trade accounts payable	6,073	19,485
Total impact on liabilities	6,073	19,485

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

- Compensation of the Chairman of the Board of Directors:
  The Chairman of the Board of Directors does not receive any compensation.
- Compensation of the Chief Executive Officer:
  The Chief Executive Officer does not receive any compensation.
- Other commitments:
  The Company has not entered into any other agreement to pay severance indemnities to senior executives or employees in the event of their resignation or dismissal without just cause, or in the event of a public offer for the Company's shares.
- Directors' fees:
  Directors' fees of EUR 191k were paid for 2018.

  Directors' fees of EUR 195k were paid for 2019.
- Loans and securities granted to or on behalf of executives:
  None
- Transactions entered into with executives:
  None
- Entities having key management personnel in common with the Group:
  The Group has key management personnel in common with Northwood Investors, namely certain directors.

Note 5.28 Personnel

At December 31, 2019, the Group had three employees, unchanged from December 31, 2018.

Note 5.29 Statutory Auditors

The Statutory Auditors are:

KPMG Audit FS I
Tour Eqho
2 avenue Gambetta
92066 Paris-La Défense Cedex
Tenure renewed at the Ordinary and Extraordinary Shareholders' Meeting of April 20, 2017.

Denjean & Associés
35 avenue Victor Hugo
75016 Paris
Tenure renewed at the Ordinary and Extraordinary Shareholders' Meeting of April 20, 2017.

Fees paid to the Statutory Auditors for the year ended December 31, 2019:

In thousands of euros	KPMG				Denjean				Deloitte				Total			
	Amount (excl. tax)		%		Amount (excl. tax)		%		Amount (excl. tax)		%		Amount (excl. tax)		%	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Statutory audit of the financial statements	226	202	89	81	48	59	100	100	19	13	100	100	292	274	91	86
- Holding company	*96*	*95*	*38*	*38*	*48*	*59*	*100*	*100*	-		-	-	*144*	*154*	*45*	*48*
- Subsidiaries	*129*	*107*	*51*	*43*	-	-	-	-	*19*	*13*	*100*	*100*	*148*	*120*	*46*	*37*
Advisory services and non-audit services	28	46	11	19	-	-	-	-	-	-	-	-	28	46	9	14
- Holding company	*28*	*46*	*11*	*19*	-	-	-	-	-	-	-	-	*28*	*46*	*9*	*14*
- Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	254	248	100		48	59	100	100	19	13	100	100	320	320	100	100

(1) Fees linked to non-audit services, provided at the request of the entity and required by law and regulations, relate to:
- voluntary review of the non-financial performance statement (NFIS);
- integrated reporting review services.

Note 5.30 Subsequent events

None

FINANCIAL INFORMATION

1.6. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

Cegereal S.A.

Registered office: 42, rue de Bassano - 75008 Paris, France

Share capital: EUR 79,532,200

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by the General Shareholders' Meeting, we have audited the accompanying consolidated financial statements of Cegereal SA for the year ended December 31, 2019.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at December 31, 2019 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us for the period from January 1, 2019 to the date of our report and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014 or the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of the fair value of investment property

Description of risk

At December 31, 2019, the value of the investment property held by the Group stood at EUR 1,464 million.

As described in Note 2.3 to the consolidated financial statements, investment property is recognized at fair value in accordance with IAS 40 and changes in fair value are recorded in the income statement for the period. Fair value is measured excluding transfer duties by external real estate valuers at the end of each reporting period.

Measuring the fair value of investment property requires management and the external real estate valuers to exercise significant judgment and make significant estimates. In particular, the external real estate valuers take into account specific information for each property, such as location, rental income, yield, capital expenditure and recent comparable market transactions.

We deemed the measurement of investment property to be a key audit matter for the following reasons:

- the materiality of the fair value (excluding transfer duties) recognized with respect to investment property in the consolidated financial statements;
- the fact that the external real estate valuers use unobservable level 3 inputs as defined by IFRS 13 – Fair Value Measurement to determine said fair value, which is therefore based on estimates;
- the sensitivity of said fair value to the assumptions used by the external real estate valuers, which is used to verify that there are no indications of impairment of investment property.

How our audit addressed this risk

As part of our audit of the consolidated financial statements, we performed the following procedures:

- assessing the competency, independence and integrity of the external real estate valuers appointed by the Company;
- analyzing any material changes in the fair value of each investment property;
- conducting an interview with the external real estate valuers in order to gain an understanding of and assess the relevance of the estimates, assumptions and valuation method applied;
- reconciling the data used by the external real estate valuers with the data presented in the documentary evidence provided to us by the Company, such as tenancy schedules and investment budgets for each property;
- verifying the consistency of the main valuation assumptions used by the external real estate valuers, in particular yield and market rental values in view of available market data;
- verifying the consistency of the values used by management, as determined based on independent valuations, with the fair values recognized;
- assessing the appropriateness of the disclosures provided in Notes 2.3 and 2.4 to the consolidated financial statements.

Specific verifications

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also verified the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the information pertaining to the Group presented in the management report includes the consolidated non-financial information statement required under Article L.225-102-1 of the French Commercial Code. However, in accordance with Article L.823-10 of the French Commercial Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information given in that statement, which will be the subject of a report by an independent third party.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Cegereal SA by the Ordinary and Extraordinary Shareholders' Meetings held on December 31, 2005 for KPMG and December 22, 2011 for Denjean & Associés.

At December 31, 2019, KPMG and Denjean & Associés were in the fifteenth and ninth consecutive year of their engagement since the securities of the Company were admitted to trading on a regulated market, respectively.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit. They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

FINANCIAL INFORMATION

Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

The Statutory Auditors

Paris La Défense, February 28, 2020	Paris, February 28, 2020
KPMG Audit FS I	**Denjean & Associés**
Régis Chemouny	Céline Kien
Partner	Partner

FINANCIAL INFORMATION

2. Annual financial statements prepared in accordance with French GAAP

The annual financial statements prepared in accordance with French GAAP for the year ended December 31, 2018 and the related Statutory Auditors' report presented on pages 116 to 125 and page 125, respectively, of the 2018 Registration Document filed with the AMF on March 22, 2019 under no. D. 19-0187, are incorporated by reference into this document.

The annual financial statements prepared in accordance with French GAAP for the year ended December 31, 2017 and the related Statutory Auditors' report presented on pages 116 to 124 and page 124, respectively, of the 2017 Registration Document filed with the AMF on March 27, 2018 under no. D. 18-0188, are incorporated by reference into this document.

2.1. BALANCE SHEET AND INCOME STATEMENT PREPARED IN ACCORDANCE WITH FRENCH GAAP

2.1.1. BALANCE SHEET – FRENCH GAAP

In euros

ASSETS	Notes	Gross amount	Depr., amort. & prov.	Dec. 31, 2019	Dec. 31, 2018
Property, plant and equipment					
Other property, plant and equipment		10,776	(5,705)	5,071	4,753
Financial fixed assets	**5.1**				
Receivables from controlled entities		235,004,686		235,004,686	242,004,686
Loans		-		-	-
Other financial fixed assets		791,653		791,653	801,745
FIXED ASSETS		235,807,115	(5,705)	235,801,410	242,811,184
Receivables					
Trade accounts receivable		233,134		233,134	241,992
Other receivables	5.3	68,291,960		68,291,960	73,376,973
Cash and cash equivalents	**5.2**	**2,236,722**		**2,236,722**	**14,762,019**
CURRENT ASSETS		70,761,815		70,761,815	88,380,984
Prepaid expenses	**5.6**	**-**		**-**	**11,206**
TOTAL ASSETS		306,568,930	(5,705)	306,563,225	331,203,374

In euros

EQUITY AND LIABILITIES	Notes	Dec. 31, 2019	Dec. 31, 2018
Capital			
Share capital (including paid-up capital: 79,532,200)	5.7	79,532,200	78,006,250
Additional paid-in capital		59,463,926	86,278,764
Revaluation reserve	5.9	152,341,864	152,341,864
Reserves			
Legal reserve		7,800,625	7,800,625
Other reserves		-	122,849
Retained earnings			
Retained earnings		27,867	14,006
Net income for the year		557,927	(44,456)
SHAREHOLDERS' EQUITY	5.8	299,724,408	324,519,901
OTHER EQUITY		-	-
Loss provisions		-	-
CONTINGENCY AND LOSS PROVISIONS	5.10	-	-
Loans			
Miscellaneous borrowings and debt	5.3	5,793,854	5,630,705
Trade accounts payable and other current liabilities			
Trade accounts payable	5.3	721,770	758,313
Tax and social liabilities	5.3	323,194	294,455
Amounts owed to fixed asset suppliers		-	-
LIABILITIES		6,838,817	6,683,473
TOTAL EQUITY AND LIABILITIES		306,563,225	331,203,374

FINANCIAL INFORMATION

2.1.2. INCOME STATEMENT – FRENCH GAAP

In euros

	Notes	Dec. 31, 2019 12 months Total	Dec. 31, 2018 12 months Total
Sales of services	5.11	248,750	249,160
NET REVENUE		248,750	249,160
Reversal of depreciation and amortization charges, impairment and expense transfers	5.10	-	235,610
Other revenue		22,559	1,886
Total operating revenue		271,309	486,656
Purchases of raw materials and other supplies		-	-
Other purchases and external charges	5.12	1,901,020	2,564,773
Taxes, duties and other levies		39,809	80,181
Wages and salaries		340,980	714,151
Social security charges		175,048	300,884
Fixed assets: depreciation and amortization		3,561	1,955
Contingency and loss provisions		-	-
Other expenses		196,229	191,927
Total operating expenses		2,656,646	3,853,871
OPERATING INCOME (LOSS)		(2,385,337)	(3,367,215)
Financial income from controlled entities		3,022,000	3,353,425
Other interest income		-	6,347
Foreign exchange gains		-	-
Total financial income	5.13	3,022,000	3,359,772
Interest and charges on bank borrowings		104,731	85,396
Foreign exchange losses		-	-
Total financial expenses		104,731	85,396
NET FINANCIAL INCOME		2,917,269	3,274,376
RECURRING LOSS BEFORE TAX		531,932	(92,839)
Non-recurring income on capital transactions		42,347	68,222
Reversal of provisions for impairment, provisions and non-recurring expense transfers		-	194,056
Total non-recurring income		42,347	262,278
Non-recurring expenses on management transactions		5,000	-
Non-recurring expenses on capital transactions		11,352	213,895
Total non-recurring expenses		16,352	213,895
NET NON-RECURRING INCOME	5.14	25,995	48,383
Corporate income tax	5.15	-	-
TOTAL INCOME		3,335,656	4,108,706
TOTAL EXPENSES		2,777,729	4,153,162
NET INCOME		557,927	(44,456)

2.2. NOTES TO THE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH FRENCH GAAP FOR THE YEAR ENDED DECEMBER 31, 2019

2.2.1. BACKGROUND

Note 1.1 Stock market listing

The Company's shares have been traded on the Euronext Paris regulated market since March 29, 2006.

Name: Cegereal SA

ISIN: FR 0010309096

Ticker symbol: CGR

Eurolist Compartment: B

ICB classification: 8670 (Real Estate Investment Trusts)

Note 1.2 Fiscal year

The fiscal year covers a 12-month period from January 1 to December 31, 2019.

Note 1.3 Presentation of comparative financial information

The information presented in the annual financial statements for the year ended December 31, 2019 includes comparative data in relation to the year ended December 31, 2018.

Note 1.4 Key events of 2019

On April 30, 2019, Cegereal, the sole shareholder, decided to reduce Prothin's share capital by EUR 3,037,407 from EUR 72,897,768 to EUR 69,860,361, by reducing the par value of each ordinary share and reimbursing the sole shareholder in cash. The par value was reduced from EUR 4.8 to EUR 4.6.

At the same date, Cegereal, the sole shareholder, decided to make a special distribution of additional paid-in capital from Prothin's "Additional paid-in capital" account, in the total amount of EUR 3,962,593.

2.2.2. SIGNIFICANT ACCOUNTING POLICIES

The annual financial statements for the year ended December 31, 2019 were prepared in accordance with the rules and accounting methods set out in the legal and regulatory requirements applicable in France. They comply in particular with the provisions of Standard 2016-07 issued by the French accounting standard-setter (ANC) on November 4, 2016, amending Standard 2014-03 relating to the French general chart of accounts, which was approved by the government order of December 26, 2016.

Accounting policies were applied in accordance with the principle of prudence and the following basic assumptions:

- going concern basis;
- consistency principle;
- accrual basis principle.

The basic method used for valuing items recorded in the accounts is the historical cost method.

The main accounting principles applied for the financial statements for the year ended December 31, 2019 are described below.

Note 2.1 Long-term investments

Classification of long-term investments:

Long-term investments correspond to shareholdings that it is deemed useful to hold over the long term, particularly insofar as they enable the Company to exercise influence or control over the issuer.

Capitalized costs of investments:

Investments are recognized in the balance sheet at their acquisition cost or contribution value.

Share purchase fees are not included in their acquisition cost but recorded in expenses for the period.

Impairment of investments:

At the end of the year, the Company compares the realizable value of shareholdings with their acquisition cost. The realizable value of shareholdings corresponds to their value in use, representing the price the Company would be willing to pay should it wish to acquire this shareholding.

In order to measure shareholdings, the Company uses a method based on the valuation of the subsidiaries' assets.

The Company calculates the net asset value of each subsidiary. This method takes into account the valuation of the real estate assets held by the subsidiary at the end of the reporting period.

Unrealized gains and losses are calculated by comparing the value in use with the carrying amount. Impairment losses are recognized in respect of unrealized losses and are not offset against unrealized gains.

However, the Company takes into account the outlook for (temporarily or structurally loss making) subsidiaries in order to ensure that the write-downs are justified.

Note 2.2 Treasury shares

Treasury shares held within the scope of the liquidity agreement are stated at cost in assets under "Other long-term investments".

Cash amounts allocated to the liquidity agreement are stated in "Other long-term investments" as they are no longer available for the immediate needs of the Company.

Movements in the treasury share portfolio are recorded on a first in, first out basis.

A provision for impairment is set aside when the acquisition value of the shares is more than the average stock market price in the month preceding the end of the reporting period.

Gains and losses realized on the sale of treasury shares and interest on the cash amounts allocated to the liquidity agreement are recognized in "Net non-recurring income".

Note 2.3 Receivables

Receivables are measured at nominal value. A provision for impairment is set aside when the realizable value falls below the carrying amount.

Note 2.4 Transaction costs related to capital increases

Transaction costs related to capital increases are recognized in expenses for the year.

FINANCIAL INFORMATION

2.2.3. MANAGEMENT OF FINANCIAL RISKS

At December 31, 2019, risks for Cegereal related to the shareholdings held in its subsidiaries, Prothin SAS, K Rueil OPCI, Hanami Rueil SCI, CGR Holdco EURL and CGR Propco SCI.

2.2.4. CHANGE IN ACCOUNTING POLICIES

There was no change in accounting policies in 2019 compared to 2018.

2.2.5. NOTES TO THE BALANCE SHEET AND THE INCOME STATEMENT AND OTHER INFORMATION

Note 5.1 Statement of financial fixed assets

Changes in the gross value of financial fixed assets can be broken down as follows:

In euros

	Gross value at Jan. 1, 2019	Increases	Decreases	Gross value at Dec. 31, 2019
Equity investments	241,972,686	-	7,000,000	234,972,686
Receivables on equity investments	32,000	-	-	32,000
Treasury shares	460,532	664,093	604,860	519,765
Cash used in the liquidity agreement	341,215	463,251	557,051	247,415
Deposits and guarantees	-	24,473	-	24,473
Total financial fixed assets	242,806,433	1,151,817	8,161,911	235,796,340

The change in equity investments corresponds to a decrease in the value of Prothin shares by EUR 3,037,407 following the capital reduction for reasons other than losses decided by the sole shareholder on April 30, 2019 (par value reduced from EUR 4.8 to EUR 4.6 per share) and reimbursement of additional paid-in capital in the total amount of EUR 3,962,593.

At December 31, 2019, Cegereal held 12,647 of its own shares out of a total of 15,906,440 shares, representing an amount of EUR 519,765. During the year, 16,435 shares were purchased and 15,727 were sold.

Note 5.2 Cash and cash equivalents

Cash and cash equivalents can be analyzed as follows:

In euros

Cash and cash equivalents	Dec. 31, 2019	Dec. 31, 2018
Bank accounts	2,236,722	14,762,019
Time deposits	-	-
Accrued interest receivable	-	-
Total	2,236,722	14,762,019

Note 5.3 Statement of receivables and payables by maturity

Receivables and payables at December 31, 2019 can be analyzed as follows by maturity:

In euros

Receivables	Gross amount	Due in 1 year or less	Due in more than 1 year
Receivables related to fixed assets			
Receivables related to equity investments	32,000	32,000	-
Receivables related to current assets			
Trade accounts receivable	233,134	233,134	-
French State - Other receivables	157,948	157,948	-
Other receivables*	68,134,012	68,134,012	-
Total receivables	68,557,093	68,557,093	-

* Other receivables include the EUR 68 million current account advance granted to CGR Propco SCI.

In euros

Payables	Gross amount	Due in 1 year or less	Maturity: Due in more than 1 year but less than 5 years	Maturity: Due in more than 5 years
Bank borrowings	-	-	-	-
Miscellaneous borrowings and debt	5,793,854	5,793,854	-	-
Trade accounts payable	721,770	721,770	-	-
Tax and social liabilities	323,194	323,194	-	-
Amounts due to fixed asset suppliers	-	-	-	-
Other liabilities	-	-	-	-
Total payables	6,838,817	6,838,817	-	-

Note 5.4 Accrued income and expenses

At December 31, 2019, accrued income and expenses can be analyzed as follows:

In euros

Accrued income	Dec. 31, 2019	Dec. 31, 2018
Other receivables	-	-
Total	-	-

Accrued expenses	Dec. 31, 2019	Dec. 31, 2018
Trade accounts payable	664,108	672,623
Tax and social liabilities	323,194	195,192
Miscellaneous borrowings and debt	95,166	76,000
Total	1,082,468	943,815

Note 5.5 Transactions with related parties

Material transactions carried out by the Company with related parties are described below:

TRANSACTIONS WITH RELATED COMPANIES

Transactions with related parties relate to:

- a cash pooling agreement between Cegereal and Prothin to fund dividend payments as well as the payment of a premium by Prothin to Cegereal;
- a current account agreement between Cegereal and CGR Propco SCI to finance the acquisition of the Passy Kennedy building in 2018. At December 31, 2019, the remaining balance stood at EUR 68m, versus EUR 73m at December 31, 2018.

During 2018, Cegereal SA entered into service agreements with Prothin SAS, Hanami Rueil SCI and CGR Propco SCI. The purpose of the agreements is to rebill expenses incurred by Cegereal in the administrative management of its subsidiaries. A total of EUR 249k was recognized during the year.

On April 14, 2016, Cegereal issued 865,000 share subscription warrants (BSA) to Northwood Investors France Asset Management SAS at a unit price of EUR 0.01. These warrants were subscribed in a total amount of EUR 8,650 at April 22, 2016. A total of 303,672 warrants were exercised in March 2019. The remaining 561,328 share subscription warrants must be exercised no later than June 30, 2022. The holder may not subscribe to new shares by exercising share subscription warrants if doing so would result in a shareholder, acting alone or in concert, holding directly or indirectly 60% or more of the Company's share capital or voting rights.

Each share subscription warrant entitles the holder to subscribe for 1.005 new shares of the Company, amounting to a total of 564,135 shares. The subscription price for one share will be calculated based on the volume-calculated average share price during the 20 trading days prior to the exercise date.

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

- Compensation of the Chairman of the Board of Directors:

  The Chairman of the Board of Directors does not receive any compensation.

- Compensation of the Chief Executive Officer:

  The Chief Executive Officer does not receive any compensation.

- Other commitments:

  The Company has not entered into any other agreement to pay severance indemnities to senior executives or employees in the event of their resignation or dismissal without just cause, or in the event of a public offer for the Company's shares.

  At the General Shareholders' Meeting of April 30, 2019, the shareholders set the maximum total annual directors' fees for all Board members at EUR 240,000. In December 2019, directors' fees of EUR 195,000 were paid for the year ended December 31, 2019.

  All material transactions with related parties were carried out at arm's length conditions.

Note 5.6 Prepaid expenses and revenue

There were no prepaid expenses or revenue at December 31, 2019.

Note 5.7 Composition of share capital

The share capital is fixed at EUR 79,532,200 and is divided into 15,906,440 fully paid-up shares of EUR 5 each.

In euros

Statement of changes in the number of shares	
Number of shares at Jan. 1, 2019	15,601,250
Number of shares issued during the year	305,190
Number of shares at Dec. 31, 2019	15,906,440

FINANCIAL INFORMATION

Note 5.8 Statement of changes in equity

Changes in shareholders' equity over the period were as follows:

In euros

Statement of changes in equity	Share capital	Additional paid-in capital	Reserves (including revaluation reserve)	Retained earnings	Shareholders' equity before appropriation of net income
January 1, 2019	78,006,250	86,278,764	160,279,343	(44,456)	324,519,901
Appropriation of net loss for the previous year	-	-	(44,456)	44,456	-
Net income for the period	-	-	-	557,927	557,927
Dividends paid		(36,492,413)	(64,532)	-	(36,556,945)
Capital increase by increasing par value	1,525,950	9,677,575	-	-	11,203,525
Capital reduction by reducing par value	-	-	-	-	-
Share subscription warrants	-	-	-	-	-
Dec. 31, 2019	79,532,200	59,463,926	160,170,355	557,927	299,724,408

Following the exercise of 303,672 share subscription warrants in March 2019, the Company increased its capital by creating 305,190 new shares representing a total amount of EUR 11,203,524.90, including additional paid-in capital (nominal amount of EUR 1,525,950 and additional paid-in capital of EUR 9,677,574.90).

Note 5.9 Revaluation reserve

At December 31, 2019, the revaluation reserve can be analyzed as follows:

In euros

Items	Increase in gross value	Allocation of exit tax liability	Reversal of provision for taxes	Portion transferred to reserves	Revaluation reserve	o/w portion transferable to distributable reserves
Real estate assets held until June 30, 2011	246,423,770	(89,967,360)	25,459,816	(29,574,363)	152,341,863	3,036,576
Total	246,423,770	(89,967,360)	25,459,816	(29,574,363)	152,341,863	3,036,576

The revaluation reserve includes real estate assets owned by Cegereal until June 30, 2011 and transferred to Prothin within the scope of a partial asset transfer.

Note 5.10 Contingency and loss provisions

There were no contingency and loss provisions at December 31, 2019.

Note 5.11 Breakdown of revenue

Cegereal's main business is the direct or indirect ownership of shareholdings in property companies that lease the buildings they own. Its only revenue is derived from charging management fees to its subsidiaries.

Note 5.12 Breakdown of other purchases and external charges

At December 31, 2019, other purchases and external charges can be analyzed as follows:

In euros

	Dec. 31, 2019 12 months	Dec. 31, 2018 12 months
Rental expenses	120,893	117,118
Building maintenance and repairs	-	-
Expenses on vacant premises	-	-
Fees	967,023	1,704,061
Publications	276,530	297,255
Sundry expenses	536,573	446,339
	1,901,020	2,564,773

2018 fees include fees related to the capital increase in a total amount of EUR 793,896.

Note 5.13 Financial income and expenses

At December 31, 2019, financial income and expenses can be analyzed as follows:

In thousands of euros

	Dec. 31, 2019 12 months	Dec. 31, 2018 12 months
Financial income	3,022,000	3,359,772
Financial income from controlled entities	*3,022,000*	*3,353,425*
Penalty interest	*-*	*6,347*
Financial expenses	(104,731)	(85,396)
Interest and charges on bank borrowings	*(104,731)*	*(85,396)*
Net financial income	2,917,269	3,274,376

Financial income from controlled entities corresponds to the dividends paid by K Rueil totaling EUR 3,000,000 and by Hanami totaling EUR 22,000.

Note 5.14 Non-recurring items

Non-recurring items for the year ended December 31, 2019 correspond to capital gains and losses on the sale of treasury shares.

Note 5.15 Taxable income

Election for tax treatment as a SIIC

Cegereal SA has elected for the preferential tax treatment granted to listed real estate investment companies (SIICs) in accordance with Article 208 C of the French Tax Code.

Owing to this tax treatment, no corporate income tax is payable directly or indirectly through income from subsidiaries in respect of the real estate leasing business. Similarly, no tax was payable on capital gains arising on disposals of real estate or equity interests in subsidiaries eligible for the same tax treatment.

No income tax expense was recognized in 2019.

Terms and conditions and impact of tax treatment as a SIIC

When a company elects for SIIC status, the ensuing change in tax treatment has a similar impact to that of a discontinuance of business (taxation of unrealized capital gains, income which is subject to tax deferral and as yet untaxed operating income).

SIICs that have elected for preferential tax treatment are exempt from paying corporate income tax on the portion of their income resulting from:

- the lease of buildings, provided that 95% of this income is distributed before the end of the fiscal year following the year in which the income is generated;
- capital gains generated on the sale of buildings, shareholdings in partnerships falling within the scope of Article 8 of the French Tax Code and having the same purpose as that of the SIIC, or shareholdings in subsidiaries having elected for SIIC tax treatment, provided that 70% of these capital gains are distributed by the end of the second fiscal year following the year in which they were generated;
- dividends received from subsidiaries having elected for SIIC tax treatment and resulting from exempt income or from capital gains and dividends received from SPPICAVs whose share capital and voting rights have been at least 5%-owned for a minimum of two years, provided that they are redistributed in full during the fiscal year following the year in which they were received

- In accordance with Article 208 C paragraph 2 of the French Tax Code, the SIIC's capital or voting rights must not be directly or indirectly held at 60% or more by one or several persons acting in concert within the meaning of Article L.233-10 of the French Commercial Code.
- In addition, exempt income corresponding to the share of income generated by partnerships falling within the scope of Article 8 of the French Tax Code is deemed to have come from operations carried out directly by SIICs or their subsidiaries that have elected for the SIIC rules. Accordingly, this income must be distributed pursuant to the abovementioned time limits and proportions, based on whether it results from the lease or sale of buildings or from dividends.

In the event that they choose to leave the SIIC tax regime at any time, the SIICs and their subsidiaries must add back to their taxable earnings for the period the portion of their income available for distribution at the end of said period which results from previously tax-exempt amounts.

Article 208 C II *ter* of the French Tax Code also introduces a 20% withholding tax to be paid by SIICs on dividends distributed from tax-exempt income to shareholders, other than natural persons, that hold at least 10% of dividend entitlements in said SIICs and that are not liable for corporate income tax or another equivalent tax on the dividends received. However, the withholding tax is not due when the beneficiary of the dividends is a company required to distribute the full amount of the dividends it receives and whose shareholders that directly or indirectly hold at least 10% of the dividend rights are liable for corporate income tax or another equivalent tax on the dividends received.

Note 5.16 Statement of subsidiaries and investments

In euros

	Share capital	Shareholders' equity other than share capital	% interest held	Carrying amount of shareholdings	Outstanding loans and advances granted by the Company	Amount of guarantees and endorsements given by the company	2019 revenue (net of taxes)	2019 net income (loss)	Dividends received by the company in 2019
Subsidiaries (more than 50%-owned)									
- Prothin SAS	69,860,361	17,180,927	100	180,902,879	-	-	56,598,583	7,151,801	-
- K Rueil OPPCI	174,944	77,861,260	100	53,782,365	-	-	-	3,734,544	3,000,000
- CGR Holdco EURL	1,000	(3,922)	100	1,000	-	-	-	(3,518)	-
- CGR Propco SCI	1,000	(3,213,892)	99	999	68,100,000	-	13,137,260	1,053,786	-
Investments (between 0- and 10%-owned)									
- Hanami SCI	184	13,427,428	1	285,443	-	-	13,236,695	1,538,402	22,000
Total	70,037,489	105,251,801		234,972,686	68,100,000	-	82,972,538	13,475,015	3,022,000

Note 5.17 Off-balance sheet commitments and security provided

Under the loan agreement entered into by Prothin, Cegereal has made the following commitments:

- Pledge of the Prothin shares held by Cegereal;
- Pledge of any intragroup loans due to Cegereal by Prothin as borrower.

Under the loan agreement entered into by Hanami Rueil SCI, Cegereal has made the following commitments:

- Pledge of the Hanami Rueil SCI shares held by Cegereal and K Rueil.

Under the loan agreement entered into by CGR Propco SCI, Cegereal has made the following commitments:

- Pledge of the CGR Propco SCI shares held by Cegereal and CGR Holdco EURL;
- Pledge of any intragroup loans due to Cegereal by CGR Propco SCI as borrower;
- Letters of intent within the meaning of Article 2322 of the French Civil Code (*Code civil*).

FINANCIAL INFORMATION

Note 5.18 Proposed appropriation of net income

The Board of Directors is proposing to appropriate net income as follows:

Source:

- 2019 net income: EUR 557,927
- Prior retained earnings: EUR 27,867

Appropriation:

- Legal reserve: EUR 152,595, increasing the "Legal Reserve" from EUR 7,800,625 to EUR 7,953,220;
- Dividend: EUR 433,199.

In addition, subject to approval by the General Shareholders' Meeting, the Board also proposes to distribute an amount of EUR 36,151,613 paid entirely out of "Additional paid-in capital", thereby reducing this item from EUR 59,463,926 to EUR 23,312,313. Taking into account the proposed dividend distribution in connection with the appropriation of net income for the year, the total amount to be distributed would be EUR 36,584,812 (EUR 433,199 + EUR 36,151,613) i.e., EUR 2.3 per share (15,906,440 shares x EUR 2.3).

Note 5.19 Headcount

The Company had three employees at December 31, 2019.

The Group only has three employees and therefore considers that its employee benefit commitments in respect of defined benefit plans are not material. Consequently, the amount of its employee benefit commitments was not assessed at December 31, 2019.

Note 5.20 Statutory Auditors

The Statutory Auditors are:

KPMG Audit FS I
Tour Eqho
2 avenue Gambetta
92066 Paris-La Défense Cedex
Tenure renewed at the Ordinary and Extraordinary Shareholders' Meeting of April 20, 2017.

Denjean & Associés
35 avenue Victor Hugo
75016 Paris
Tenure renewed at the Ordinary and Extraordinary Shareholders' Meeting of April 20, 2017.

Fees paid to the Statutory Auditors for the year ended December 31, 2019:

In euros

	Amount (excl. tax)		%	
	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2018
Statutory audit of the financial statements	144,376	154,078	83	77
Non-audit services*	28,586	46,488	17	23
Total	172,962	200,566	100	100

* Fees linked to non-audit services, provided at the request of the entity and required by law and regulations, relate to:
- voluntary review of the non-financial performance statement (NFIS);
- integrated reporting review services.

Note 5.21 Subsequent events

None

2.3. OTHER INFORMATION

CHANGES IN SHARE CAPITAL OVER THE PAST FIVE YEARS

In euros

	Dec. 31, 2019 12 months	Dec. 31, 2018 12 months	Dec. 31, 2017 12 months	Dec. 31, 2016 12 months	Dec. 31, 2015 12 months
Capital at year end					
Share capital	79,532,200	78,006,250	66,862,500	66,862,500	160,470,000
of which paid up	79,532,200	78,006,250	66,862,500	66,862,500	160,470,000
Number of ordinary shares	15,906,440	15,601,250	13,372,500	13,372,500	13,372,500
Operations and income/(loss) for the year					
Revenue (excl. tax)	248,750	249,160	85,544	70,000	46,667
Income/(loss) before tax, employee profit-sharing, and depreciation, amortization and provisions	561,488	(236,558)	(1,626,967)	(5,882,528)	(2,807,179)
Income/(loss) after tax, employee profit-sharing, and depreciation, amortization and provisions	557,927	(44,456)	(77,234)	(6,684,893)	(3,463,161)
Income distributed	-		54,827,250	28,082,250	26,745,000
Earnings per share					
Income/(loss) before tax, employee profit-sharing, and depreciation, amortization and provisions	0.04	(0.02)	(0.12)	(0.44)	(0.21)
Income/(loss) after tax, employee profit-sharing, and depreciation, amortization and provisions	0.04	(0.00)	(0.01)	(0.50)	(0.26)
Dividend paid per share	-	0.00	4.10	2.10	2.00
Personnel					
Average headcount during the year	3	4	3	3	3
Payroll costs for the year	340,980	714,151	871,904	792,428	649,380
Social security charges	175,048	300,884	367,612	334,152	266,126

2.4. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Cegereal S.A.

Registered office: 42, rue de Bassano – 75008 Paris, France

Share capital: EUR 79,532,200

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

For the year ended December 31, 2019

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by the General Shareholders' Meeting, we have audited the accompanying financial statements of Cegereal SA for the year ended December 31, 2019.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at December 31, 2019 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

FINANCIAL INFORMATION

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from January 1, 2019 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014 or the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

Measurement of equity investments and related receivables

Description of risk

At December 31, 2019, equity investments and related receivables stood at EUR 235,005 thousand in the balance sheet. They are recognized at acquisition cost or contribution value and impaired based on their value in use, if the latter is lower than the former.

As described in Note 2.1 Long-term investments to the financial statements, the value in use of equity investments is determined based on the net asset value of the entities concerned (as calculated by external real estate valuers) as well as their future prospects and usefulness for the Company.

We deemed the measurement of equity investments and related receivables to be a key audit matter due to its sensitivity to the assumptions used and in light of the material amount represented by equity investments in the financial statements.

How our audit addressed this risk

We performed the following procedures:

- verifying the appropriateness of the valuation method used for equity investments based on the information provided to us;
- comparing the equity value used to determine value in use with the equity value presented in the financial statements of entities that have been audited or subject to analytical procedures;
- reconciling the carrying amount of the properties used with the carrying amount presented in the financial statements of the entities concerned, which have been audited or subject to analytical procedures;
- comparing the fair value of the properties used with the fair value calculated by external real estate valuers, by carrying out the following procedures:
  - assessing the competency, independence and integrity of the external real estate valuers appointed by the Company;
  - analyzing any material changes in the fair value of each property;
  - conducting an interview with the external real estate valuers in order to gain an understanding of and assess the relevance of the estimates, assumptions and valuation method applied;
  - reconciling the data used by the external real estate valuers with the data presented in the documentary evidence provided to us by the Company, such as tenancy schedules and investment budgets;
  - verifying the consistency of the main valuation assumptions used by the external real estate valuers, in particular yield and market rental values in view of available market data.

Our work also consisted in assessing the appropriateness of the disclosures provided in the note to the financial statements.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

Information given in the management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements.

We attest to the fair presentation and the consistency with the financial statements of the information about the payment terms referred to in Article D.441-4 of the French Commercial Code.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-3 and L.225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.225-37-3 of the French Commercial Code relating to compensation and benefits received by corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements, and, where applicable, with the information obtained by the Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

Concerning the information given in accordance with the requirements of Article L.225-37-5 of the French Commercial Code relating to those items the Company has deemed liable to have an impact in the event of a takeover bid or exchange offer, we have verified its consistency with the underlying documents that were disclosed to us. Based on this work, we have no matters to report with regard to this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Cegereal SA by the Ordinary and Extraordinary Shareholders' Meetings held on December 31, 2005 for KPMG and December 22, 2011 for Denjean & Associés.

At December 31, 2019, KPMG and Denjean & Associés were in the fifteenth and ninth consecutive year of their engagement since the securities of the Company were admitted to trading on a regulated market, respectively.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the financial statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit. They also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

The Statutory Auditors

Paris La Défense, February 28, 2020	Paris, February 28, 2020
KPMG Audit FS I	**Denjean & Associés**
Régis Chemouny	Céline Kien
Partner	Partner

2.5. STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

Cegereal S.A.

Registered office: 42, rue de Bassano – 75008 Paris, France

Share capital: EUR 79,532,200

STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

General Shareholders' Meeting for the approval of the financial statements for the year ended December 31, 2019

This is a free translation into English of the Statutory Auditors' special report on related party agreements and commitments issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Cegereal SA, we hereby report to you on related party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of the agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of Article R.225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by Article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the General Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR THE APPROVAL OF THE GENERAL SHAREHOLDERS' MEETING

Agreements and commitments authorized and entered into during the year

We were not informed of any agreement or commitment authorized and entered into during the year to be submitted for approval at the General Meeting pursuant to the provisions of Article L.225-38 of the French Commercial Code.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL SHAREHOLDERS' MEETING

We were not informed of any agreement or commitment already approved by the Annual General Meeting which remained in force during the year.

The Statutory Auditors

Paris La Défense, February 28, 2020	Paris, February 28, 2020
KPMG Audit FS I	**Denjean & Associés**
Régis Chemouny	Céline Kien
Partner	Partner

6. LEGAL INFORMATION

1. Board of Directors' report to the General Shareholders' Meeting

The Board of Directors has convened an Ordinary and Extraordinary Shareholders' Meeting on June 16, 2020 to report on the Company's and Group's activity in the course of the year that began on January 1, 2019 and ended on December 31, 2019, and to submit that year's annual and consolidated financial statements to the shareholders for approval. The shareholders have also been convened in particular to decide on the items of the agenda indicated in section VI.1.2.

1.1. BOARD OF DIRECTORS' REPORT ON THE AGENDA OF THE JUNE 16, 2020 GENERAL SHAREHOLDERS' MEETING

The purpose of Cegereal's General Shareholders' Meeting will be to approve the resolutions whose purpose is specified and commented upon below.

The full texts of the proposed resolutions to be submitted to Cegereal's General Shareholders' Meeting are included in section VI.1.2.

Approval of the financial statements

The first two resolutions submit the previous year's annual and consolidated financial statements, showing net income of EUR 557,927 and net attributable income of EUR 80,760,322 respectively, to the shareholders for approval.

Appropriation of net income for the year

The third resolution proposes to appropriate net income for the year as follows:

Source:

- 2019 net income: EUR 557,927
- Prior retained earnings: EUR 27,867

Appropriation:

- Legal reserve: EUR 152,595, increasing this item from EUR 7,800,625 to EUR 7,953,220
- Dividend: EUR 433,199

"Retained earnings" will therefore be reduced to EUR 0.

If this proposal is adopted, the distribution will take place on June 23, 2020.

Distribution of additional paid-in capital

While the impacts of the health crisis currently appear to be limited given the Company's business and the type of office buildings it owns, we are currently unable to estimate the financial impact on our 2020 results and net recurring cash flow. As a precautionary measure, at its meeting on April 22, 2020 the Board of Directors, decided to revise down the 2019 dividend.

Furthermore, the fourth resolution proposes to distribute additional paid-in capital in an amount of EUR 11,496,631, to be deducted from "Additional paid-in capital", thereby reducing this item from EUR 59,463,926 to EUR 47,967,295.

Taking into consideration the proposed dividend distribution in connection with the appropriation of net income for the year, the total amount to be distributed would be EUR 11,929,830 (EUR 433,199 + EUR 11,496,631), representing a distribution of EUR 0.75 per share (15,906,440 shares x EUR 0.75).

The total dividend therefore amounts to EUR 0.75, versus the EUR 2.3 per share that was initially proposed (a 67.3% reduction).

This distribution constitutes a repayment of capital contributions within the meaning of Article 112-1 of the French Tax Code (*Code général des impôts*).

If this proposal is adopted, the distribution will take place on June 23, 2020.

Related party agreements and commitments

The fifth resolution refers to related party agreements and commitments that were entered into during the last fiscal year and disclosed in the Statutory Auditors' special report, in order to acknowledge that no new agreements were entered into during the year.

Directors' fees

The sixth resolution relates to directors' fees. The shareholders are being asked to set the overall amount of directors' fees allocated to members of the Board of Directors at EUR 240,000.

Said amount shall apply to the current fiscal year and remain unchanged until a further resolution is passed.

Corporate officer compensation (ex ante vote required by Article L.225-37-2 of the French Commercial Code)

The General Shareholders' Meeting must vote on a resolution on the corporate officer compensation policy. This is the objective of the seventh resolution.

The Board of Directors' report on corporate governance details the corporate officer compensation policy in accordance with Article L.225-37-2 of the French Commercial Code.

As required by law, the compensation policy must be proposed in a resolution submitted to the General Shareholders' Meeting for approval every year and whenever any change is made to it.

In the event of a negative vote:

- the compensation policy previously approved by the General Shareholders' Meeting will continue to apply and the Board will submit a revised compensation policy for approval at the next Ordinary Shareholders' Meeting. The text of the corresponding resolution will indicate how the shareholders' vote and any opinions expressed during the previous General Shareholders' Meeting have been taken into account in the revised compensation policy;
- if no compensation policy has previously been approved, compensation is determined in accordance with the compensation awarded for the previous fiscal year; or
- in the absence of any compensation awarded for the previous fiscal year, the compensation is determined in accordance with existing practices within the Company.

Corporate officer compensation (ex post vote required by Article L.225-100-II of the French Commercial Code)

The General Shareholders' Meeting must vote on an umbrella resolution concerning the overall compensation paid or awarded to corporate officers during the year, as well as individual resolutions relating to the compensation paid or awarded to each executive corporate officer for the last fiscal year. This information is presented in the Board of Directors' report on corporate governance. This is the objective of the eighth resolution.

We also invite you to duly note that the Company neither paid nor awarded any individual compensation or benefits of any kind whatsoever to the Chairman of the Board of Directors or the Chief Executive Officer for the year ended December 31, 2019.

Directorships of the members of the Board of Directors

The ninth resolution relates to the ratification of the cooptation of Florian Schaefer as director, as decided by the Board of Directors at its meeting of April 30, 2019, to replace outgoing director Khaled Kudsi for the remainder of his term, i.e., until the close of the General Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2019.

The shareholders are being asked to ratify this cooptation.

The tenth to thirteenth resolutions relate to the reappointment as directors of Florian Schaefer, Euro Fairview Private Limited (represented by Sebastien Abascal), Euro Lily Private Limited (represented by Madeleine Cosgrave) and Europroperty Consulting (represented by Alec Emmott), whose terms expire at the close of the General Shareholders' Meeting to be held in 2020 to approve the financial statements for the year ended December 31, 2019.

The shareholders are invited to reappoint them for a period of four years.

The candidates' profiles are presented hereafter:

- Florian Schaefer (aged 40) is Senior Managing Director at Northwood LLC, in charge of investments in Europe.

  Before joining Northwood Investors, Florian Schaefer served as a Managing Director at the Blackstone Real Estate Group. During his 14-year career at Blackstone, he was based in London and Hong Kong, and was involved in over $10 billion of real estate acquisitions, disposals and financings across all property types in Europe and Asia. He was in charge of the group's international expansion and most recently played a key role in leading Blackstone Real Estate's core plus business in Asia.

  Florian Schaefer holds an MBA from EBS University in Oestrich-Winkel, Germany and an MSc in Real Estate Finance from the University of Reading, United Kingdom.

  At December 31, 2019, Florian Schaefer did not hold any Cegereal shares.

- Euro Fairview Private Limited (a GIC group entity) is a Singaporean company, whose registered office is located at 168 Robinson Road, #37-01, Capital Tower, Singapore (068912), registered with the Singapore Companies Registry under number 199905129R. It is represented by Sebastien Abascal (aged 42), a French national.

  Sebastien Abascal is in charge of strategy, investment and asset management activities in France, Germany, Spain and Italy for GIC Real Estate.

  Sebastien Abascal's other directorships are as follows: AccorInvest Group SA, Euro Ariane SAS, Euro Cervantes SOCIMI SA, Euro Fairview Private Limited, Raffles CM 1 Limited, Raffles French Development Limited, Raffles French Residential Limited, Raffles PB6 A Limited, Raffles PB6 B Limited, Raffles Realty Holdings Limited, Raffles Wohnen Limited, Euro PB6 SCI and Euro Defense 6 OPCI.

  At December 31, 2019, neither Euro Fairview Private Limited nor Sebastien Abascal held any Cegereal shares.

  However, it should be noted that Euro Fairview Private Limited belongs to the GIC group, which is a Cegereal shareholder.

- Euro Lily Private Limited (a GIC group entity) is a Singaporean company, registered with the Singapore Companies Registry under number 200503470M. It is represented by Madeleine Cosgrave (aged 52), a British national.

  Madeleine Cosgrave is Regional Head of Europe at GIC Real Estate, in charge of strategy, investment and asset management activities.

  Madeleine Cosgrave's other directorships and offices are as follows: Bluebutton Developer Company (2012) Limited, Bluebutton Properties UK Ltd, Broadgate REIT Limited, Bwat Retail Property Trust Fund, Euro Dinero SARL, Euro Efes SARL, Euro ExLogix SARL, Euro Gaudi SARL, Euro Gwyneth SARL, Euro Opera SARL, Euro Park SARL, Euro Pyramid SARL, Euro Sphinx SARL, Euro Taurus SARL, Euroalex SARL, Eurolieum SARL, P3 Group SARL, Raffles CM 1 Limited, Raffles French Development Limited, Raffles French Residential Limited, Raffles PB6 A Limited, Raffles PB6 B Limited, Raffles Realty Holdings Limited, Raffles Wohnen Limited, Ronesans Gayrimenkul Yatirim AS and RPSE Lunghezza SARL.

At December 31, 2019, neither Euro Lily Private Limited nor Madeleine Cosgrave held any Cegereal shares.

However, it should be noted that Euro Lily Private Limited belongs to the GIC group, which is a Cegereal shareholder.

- Europroperty Consulting, a French *société par actions simplifiées* (simplified joint stock corporation) with share capital of EUR 10,000, whose registered office is located at 3 rue Jadot, 78100 Saint-Germain-en-Laye, France, registered with the Versailles Trade and Companies Registry under number 499 053 981. It is represented by Alec Emmott (aged 72), a British national.

  Alec Emmott graduated with an MA from Trinity College, Cambridge in 1969 and became a member of the Royal Institution of Chartered Surveyors in 1971. He was Managing Director of Société Foncière Lyonnaise from 1997 until 2007, when he became executive manager of Europroperty Consulting.

  Alec Emmott's other directorships and offices are as follows: Lar Espana Real Estate SOCIMI SA.

  At December 31, 2019, Europroperty Consulting did not hold any Cegereal shares and Alec Emmott personally held 117 Cegereal shares.

Share buyback program

The fourteenth resolution allows the Company to repurchase its own shares within the limits set by the shareholders in compliance with the law. It allows such repurchases to be made within the limit of 10% of the share capital and for a maximum price of EUR 50 per share.

The authorization granted to the Board of Directors for the purpose of repurchasing the Company's own shares, pursuant to the mechanism provided for under Article L.225-209 of the French Commercial Code (*Code de commerce*), is due to expire on October 30, 2020.

LEGAL INFORMATION

We propose the renewal of this authorization and therefore, in compliance with Article L.225-209 of the French Commercial Code, to authorize the Board to purchase, on one or several occasions and at such time as it deems appropriate, Company shares within the limit of 10% of the number of shares composing the share capital, where applicable adjusted to include any increases or decreases in capital that may have been implemented during the buyback program.

This authorization will terminate the authorization granted to the Board of Directors by the April 30, 2019 Ordinary Shareholders' Meeting.

The buybacks may be carried out for any purposes permitted by law, in particular:

- to stabilize the secondary market or ensure the liquidity of the Cegereal share. This may be achieved by entering into a liquidity agreement with an investment services provider in accordance with the practices permitted by the applicable regulations;
- to keep the shares purchased and subsequently tender them in exchange or as consideration for an acquisition. In accordance with Article L.225-209, paragraph 6 of the French Commercial Code, the shares acquired for this purpose may not exceed 5% of the Company's share capital;
- to have shares available for stock purchase option plans and/or free share grants (or similar plans) in favor of the Group's employees and/or corporate officers, as well as all share awards made as part of a company or group savings plan (or a similar plan), in connection with profit-sharing plans and/or any other type of share awards made to the Group's employees and/or corporate officers;
- to have shares available in exchange for securities granting entitlement to the shares in the Company pursuant to current regulations;
- to implement any market practices that may subsequently be permitted by the AMF and, more generally, to carry out any other transactions in compliance with the applicable regulations;
- to cancel, where applicable, any repurchased shares, subject to the authorization to be granted by the General Shareholders' Meeting in its fifteenth resolution (extraordinary).

The shares may be purchased by any means, including by purchases of blocks of shares and at such time as the Board of Directors deems appropriate.

The Company reserves the right to use optional mechanisms or derivative instruments in the framework of the applicable regulations.

The maximum purchase price is set at EUR 50 per share. In the event of a transaction involving the share capital, in particular, a share split or reverse share split or free share grants, the aforementioned amount will be adjusted in the same proportions (by a coefficient equal to the ratio of the number of shares composing the share capital before the transaction and the number of shares after the transaction).

The maximum amount of the program is thus set at EUR 79,532,200.

The fifteenth resolution allows the Company to cancel the shares bought back for this purpose under the share buyback program, within the limit of 10% of the share capital over a 24-month period.

Share capital reduction

The sixteenth resolution proposes to ask shareholders to grant the Board of Directors the authorization to reduce the share capital for reasons other than losses, by reducing the par value of the Company's shares from EUR 5 to EUR 3.8 per share (the **"Share Capital Reduction"**).

In light of the number of shares comprising the Company's share capital at the date of this report, and provided no Company shares are canceled before this authorization is implemented by the Board of Directors, the maximum nominal amount of this Share Capital Reduction would be EUR 19,087,728.

The amount of the Share Capital Reduction would be allocated to "Additional paid-in capital" and may subsequently be reincorporated into the share capital, used to offset losses or distributed.

In this respect, it should be noted that the Company's current scale and business volumes no longer require it to hold such substantial share capital. The Company is extremely robust financially and has surplus cash and stable rental income streams, ensuring that it will be profitably managed in a non-contentious manner going forward, and that it will be able to service its debts at all times. The Company has more than sufficient financial resources to meet its operating requirements. Accordingly, the planned Share Capital Reduction is in the Company's corporate interests and will in no way affect its ability to continue in business.

On account of the above, after having reviewed the report of the Company's Statutory Auditors, shareholders are asked:

(i) to authorize the Share Capital Reduction;

(ii) consequently, to grant the Board of Directors full powers, which may be sub-delegated under the applicable legal and regulatory conditions, to carry out the Share Capital Reduction, which it may choose to defer, and in particular to (i) determine the final amount of the Share Capital Reduction based on the number of shares at the date this resolution is implemented, (ii) undertake or arrange to have undertaken all mandatory public-notice formalities to inform all creditors of their rights, (iii) in the case of creditor opposition, take any appropriate measures, pledge any securities or execute any legal decision ordering that guarantees be set up or creditors repaid, (iv) record the Share Capital Reduction and amend the Company's bylaws accordingly, (v) make any adjustments necessary following the reduction in par value, and more generally (vi) carry out any and all necessary steps, take any and all measures and perform any and all formalities required to carry out the Share Capital Reduction;

(iii) to grant this authorization to the Board of Directors for a period of 12 months from the date of this General Shareholders' Meeting.

Amendment of Article 23 of the bylaws relating to the holding of General Shareholders' Meetings.

The seventeenth resolutions concern an amendment to the Company's bylaws. The shareholders are invited to amend paragraph 9 of Article 23 of the bylaws relating to the procedures for holding General Shareholders' Meetings.

1.2. AGENDA AND TEXTS OF THE RESOLUTIONS PROPOSED BY THE BOARD OF DIRECTORS

AGENDA

Ordinary resolutions:

1. Approval of the annual financial statements for the year ended December 31, 2019 – Approval of non tax-deductible expenses.
2. Approval of the consolidated financial statements for the year ended December 31, 2019.
3. Appropriation of net income for the year.
4. Distribution of additional paid-in capital.
5. Statutory Auditors' special report on related party agreements and commitments and acknowledgment of absence of new agreements.
6. Setting of the fixed annual amount of directors' fees allocated to members of the Board of Directors.
7. Approval of the corporate officer compensation policy in compliance with Article L.225-37-2 of the French Commercial Code.
8. Approval of all compensation paid or awarded to corporate officers for the year ended December 31, 2019 in compliance with Article L.225-100 II of the French Commercial Code.
9. Ratification of the cooptation of Florian Schaefer to replace Khaled Kudsi as director.
10. Reappointment of Florian Schaefer as director.
11. Reappointment of Euro Fairview Private Limited, represented by Sebastien Abascal, as director.
12. Reappointment of Euro Lily Private Limited, represented by Madeleine Cosgrave, as director.
13. Reappointment of Europroperty Consulting, represented by Alec Emmott, as director.
14. Share buyback program: authorization to be granted to the Board of Directors for the purpose of repurchasing the Company's own shares pursuant to the mechanism provided for under Article L.225-209 of the French Commercial Code, term of the authorization, purposes, terms and conditions, ceiling.

Extraordinary resolutions:

15. Authorization to be granted to the Board of Directors for the purpose of canceling the shares bought back by the Company within the scope of the mechanism provided for under Article L.225-209 of the French Commercial Code, term of the authorization, ceiling.
16. Authorization to be granted to the Board of Directors to carry out a share capital reduction for reasons other than losses, by reducing the par value from EUR 5 to EUR 3.8 per share.
17. Amendment to Article 23 of the bylaws relating to the procedures for holding General Shareholders' Meetings.
18. Powers for formalities.

PROPOSED RESOLUTIONS

Ordinary resolutions:

First resolution – Approval of the annual financial statements for the year ended December 31, 2019 – Approval of non tax-deductible expenses

Having reviewed the Board of Directors' report and the Statutory Auditors' reports for the year ended December 31, 2019, the General Shareholders' Meeting approves the financial statements for 2019 as presented, i.e., showing net income of EUR 557,927.

The General Shareholders' Meeting formally notes that no expenses or charges referred to in Article 39 (4) of the French Tax Code were incurred with respect to the last fiscal year.

Second resolution – Approval of the consolidated financial statements for the year ended December 31, 2019

Having reviewed the Board of Directors' report, the Chairman's report and the Statutory Auditors' reports on the year ended December 31, 2019, the General Shareholders' Meeting approves the consolidated financial statements as presented, i.e., showing net attributable income of EUR 80,760,322.

Third resolution – Appropriation of net income for the year

On the recommendation of the Board of Directors, the General Shareholders' Meeting decides to appropriate net income for the year ended December 31, 2019 as follows:

Source:

- 2019 net income: EUR 557,927
- Prior retained earnings: EUR 27,867

Appropriation:

- Legal reserve: EUR 152,595, increasing this item from EUR 7,800,625 to EUR 7,953,220
- Dividend: EUR 433,199

"Retained earnings" will therefore be reduced to EUR 0.

The ex-distribution date is June 22, 2020.

The payment will take place on June 23, 2020.

Note that dividends paid to individual shareholders resident in France for tax purposes are subject to tax at a flat rate of 30% unless the individuals opt for dividend income to be taxed at the progressive income tax rate. In this case, the amount distributed is not eligible for the 40% allowance provided for in Article 158 3-2° of the French Tax Code.

If the Company holds any treasury shares on the dividend distribution date, the sums corresponding to the dividends not paid in respect of those shares will be transferred to retained earnings.

In compliance with the provisions of Article 243 *bis* of the French Tax Code, the General Shareholders' Meeting acknowledges that it has been informed that, in the last three fiscal years, the following dividends were distributed:

In euros

Fiscal year ended	Eligible for tax rebate in accordance with Article 158-3-2° of the French Tax Code		Ineligible for tax rebate in accordance with Article 158-3-2° of the French Tax Code	Dividend treated as the repayment of contribution
	Dividends	Other income distributed		
Dec. 31, 2016	-	-	-	€28,082,250[1] i.e., €2.10/share
Dec. 31, 2017	-	-	-	€54,827,250[1] i.e., €4.10/share
Dec. 31, 2018	-	-	-	€36,584,812[1] i.e., €2.30/share

(1) Including the amount corresponding to dividends on treasury shares.

Fourth resolution – Approval of a distribution of additional paid-in capital

In accordance with Article L.232-11, paragraph 2 of the French Commercial Code and ruling under the quorum and majority requirements for Ordinary Shareholders' Meetings, the General Shareholders' Meeting decides to pay a dividend totaling EUR 11,496,631, to be deducted from "Additional paid-in capital", thereby reducing this item from EUR 59,463,926 to EUR 47,967,295.

The ex-distribution date is June 22, 2020.

The payment will take place on June 23, 2020.

Subject to the approval of the appropriation of net income for the year as proposed in the third resolution, the total amount to be distributed is EUR 11,929,830 (EUR 433,199 + EUR 11,496,631), representing a distribution of EUR 0.75 per share (15,906,440 shares x EUR 0.75).

Should the Company hold any treasury shares on the ex-dividend date, the sums corresponding to the distributions not paid in respect of those shares will be transferred to retained earnings.

The General Shareholders' Meeting clarifies that this distribution constitutes a repayment of contributions within the meaning of Article 112-1 of the French Tax Code.

Fifth resolution – Statutory Auditors' special report on related party agreements and commitments and acknowledgment of absence of new agreements

Having reviewed the Statutory Auditors' special report mentioning the absence of any new agreements of the type referred to in Articles L.225-38 *et seq.* of the French Commercial Code, the General Shareholders' Meeting simply places this fact on record.

Sixth resolution – Setting of the fixed annual amount of directors' fees allocated to members of the Board of Directors

The General Shareholders' Meeting decides to set the fixed annual amount of directors' fees allocated to members of the Board of Directors at EUR 240,000.

Said amount shall apply to the current fiscal year and remain unchanged until a further resolution is passed.

Seventh resolution – Approval of the corporate officer compensation policy in compliance with Article L.225-37-2 of the French Commercial Code

Having reviewed the Board of Directors' report on corporate governance prepared in compliance with Article L.225-37-2 of the French Commercial Code, the General Shareholders' Meeting approves the corporate officer compensation policy, as described in this report and referred to in section VI.1.4.3 of the 2019 Universal Registration Document.

Eighth resolution – Approval of all compensation paid or awarded to corporate officers for the year ended December 31, 2019 in compliance with Article L.225-100 II of the French Commercial Code

Having reviewed the Board of Directors' report on corporate governance, and in compliance with Article L.225-100 II of the French Commercial Code, the General Shareholders' Meeting approves the information contained therein relating to the compensation paid or awarded to corporate officers in 2019, as described in section VI.1.4.3 of the 2019 Universal Registration Document.

The General Shareholders' Meeting duly notes that the Company neither paid nor awarded any individual compensation or benefits of any kind whatsoever to the Chairman of the Board of Directors or the Chief Executive Officer for the year ended December 31, 2019.

Ninth resolution – Ratification of the cooptation of Florian Schaefer as director to replace an outgoing director (Khaled Kudsi)

Having reviewed the Board of Directors' report, the General Shareholders' Meeting ratifies the decision of the Board of Directors, taken at its meeting of April 30, 2019, regarding the cooptation of Florian Schaefer, a German national born on March 21, 1979 in Munich, residing at 90 Long Acre, London WC2 9RA, United Kingdom, to replace outgoing director Khaled Kudsi.

Accordingly, Florian Schaefer will remain in office for the remainder of his predecessor's term, i.e., until the close of this General Shareholders' Meeting.

Tenth resolution – Reappointment of Florian Schaefer as director

The General Shareholders' Meeting decides to reappoint Florian Schaefer, a German national born on March 21, 1979 in Munich, residing at 90 Long Acre, London WC2 9RA, United Kingdom, as director, for four years, expiring at the close of the General Shareholders' Meeting to be held in 2024 to approve the financial statements for the year ending December 31, 2023.

Eleventh resolution – Reappointment of Euro Fairview Private Limited, represented by Sebastien Abascal, as director

The General Shareholders' Meeting decides to reappoint Eurofairview Private Limited, a Singaporean company, whose registered office is located at 168 Robinson Road, #37-01, Capital Tower, Singapore (068912), registered with the Singapore Companies Registry under number 199905129R, represented by Sebastien Abascal, as director, for four years, expiring at the close of the General Shareholders' Meeting to be held in 2024 to approve the financial statements for the year ending December 31, 2023.

Twelfth resolution – Reappointment of Euro Lily Private Limited, represented by Madeleine Cosgrave, as director

The General Shareholders' Meeting decides to reappoint Euro Lily Private Limited, a Singaporean company, whose registered office is located at 168 Robinson Road, #37-01, Capital Tower, Singapore (068912), registered with the Singapore Companies Registry under number 200503470M, represented by Madeleine Cosgrave, as director, for four years, expiring at the close of the General Shareholders' Meeting to be held in 2024 to approve the financial statements for the year ending December 31, 2023.

Thirteenth resolution – Reappointment of Europroperty Consulting, represented by Alec Emmott, as director.

The General Shareholders' Meeting decides to reappoint Europroperty Consulting, a French *société par actions simplifiées* (simplified joint stock corporation), whose registered office is located at 3 rue Jadot, 78100 Saint-Germain-en-Laye, France, registered with the Versailles Trade and Companies Registry under number 499 053 981, represented by Alec Emmott, as director, for four years, expiring at the close of the General Shareholders' Meeting held in 2024 to approve the financial statements for the year ending December 31, 2023.

Fourteenth resolution – Share buyback program: authorization to be granted to the Board of Directors for the purpose of repurchasing the Company's own shares pursuant to the mechanism provided for under Article L.225-209 of the French Commercial Code

Having reviewed the Board of Directors' report, the General Shareholders' Meeting authorizes the Board, for a period of 18 months, in compliance with the provisions of Articles L.225-209 *et seq.* of the French Commercial Code, to purchase, on one or several occasions and at such time as it deems appropriate, Company shares within the limit of 10% of the number of shares composing the share capital, where applicable adjusted to include any increases or decreases in capital that may have been implemented during the duration of the buyback program.

This authorization terminates the authorization granted to the Board of Directors by the April 30, 2019 General Shareholders' Meeting in its eighth resolution (ordinary).

The buybacks may be carried out for any purposes permitted by law, in particular:

- to stabilize the secondary market or ensure the liquidity of the Cegereal share. This may be achieved by entering into a liquidity agreement with an investment services provider in accordance with the practices permitted by the applicable regulations;
- to keep the shares purchased and subsequently tender them in exchange or as consideration for an acquisition. The shares acquired for this purpose may not exceed 5% of the Company's share capital;
- to have shares available for stock purchase option plans and/or free share grants (or similar plans) in favor of the Group's employees and/or corporate officers, as well as all share awards made as part of a company or group savings plan (or a similar plan), in connection with profit-sharing plans and/or any other type of share awards made to the Group's employees and/or corporate officers;
- to have shares available in exchange for securities granting entitlement to the shares in the Company pursuant to current regulations;
- to implement any market practices that may subsequently be permitted by the AMF and, more generally, to carry out any other transactions in compliance with the applicable regulations;
- to cancel, where applicable, any repurchased shares, subject to the authorization to be granted by the General Shareholders' Meeting in its fifteenth resolution (extraordinary).

The shares may be purchased by any means, including by purchases of blocks of shares and at such time as the Board of Directors deems appropriate.

The Company reserves the right to use optional mechanisms or derivative instruments in the framework of the applicable regulations.

The maximum purchase price is set at EUR 50 per share. In the event of a transaction involving the share capital, in particular, a share split or reverse share split or free share grants, the aforementioned amount will be adjusted in the same proportions (by a coefficient equal to the ratio of the number of shares composing the share capital before the transaction and the number of shares after the transaction).

The maximum amount of the program is thus set at EUR 79,532,200.

The General Shareholders' Meeting grants full powers, which may be sub-delegated, to the Board of Directors to carry out such operations, set the terms and conditions, conclude all agreements and perform any and all formalities.

Extraordinary resolutions:

Fifteenth resolution – Authorization to be granted to the Board of Directors for the purpose of canceling the shares repurchased by the Company within the scope of the mechanism provided for under Article L.225-209 of the French Commercial Code

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, the General Shareholders' Meeting:

1) Authorizes the Board of Directors to cancel, at its discretion, on one or several occasions, within the limit of 10% of the share capital calculated on the date of the cancelation decision, after deduction of any shares canceled during the previous 24 months, the shares that the Company holds or may hold following the repurchases made under Article L.225-209 of the French Commercial Code and to reduce the share capital by such amount in accordance with the legal and regulatory provisions in force.

2) Sets the term hereof at 24 months from the date of this General Shareholders' Meeting.

3) Gives full powers, which may be sub-delegated, to the Board of Directors to carry out the operations required for such cancelations and the corresponding reductions in the share capital, to amend the Company's bylaws accordingly and carry out the required formalities.

Sixteenth resolution – Authorization to be granted to the Board of Directors to carry out a share capital reduction for reasons other than losses, by reducing the par value from EUR 5 to EUR 3.8 per share

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, and acting in accordance with the provisions of Articles L.225-204 *et seq.* of the French Commercial Code, the General Shareholders' Meeting:

- authorizes a share capital reduction for reasons other than losses, by reducing the par value of the Company's shares from EUR 5 to EUR 3.8;
- notes that in light of the number of shares comprising the Company's share capital at the date of this report, and provided no Company shares are canceled before this authorization is implemented by the Board of Directors, the maximum nominal amount of this share capital reduction will be EUR 19,087,728;
- decides that the amount of the share capital reduction will be allocated to "Additional paid-in capital" and may subsequently be reincorporated into the share capital, used to offset losses or distributed;
- consequently decides to grant the Board of Directors full powers, which may be sub-delegated under the applicable legal and regulatory conditions, to carry out the share capital reduction, which it may choose to defer, and in particular to (i) determine the final amount of the share capital reduction based on the number of shares at the date this authorization is implemented, (ii) undertake or arrange to have undertaken all mandatory public-notice formalities to inform all creditors of their rights, (iii) in the case of creditor opposition, take any appropriate measures, pledge any securities or execute any legal decision ordering that guarantees be set up or creditors repaid, (iv) record the share capital reduction and amend the Company's bylaws accordingly, (v) make any adjustments necessary following the reduction in par value, and more generally (vi) carry out any and all necessary steps, take any and all measures and perform any and all formalities required to implement the authorization granted under this resolution;
- decides that this authorization is granted to the Board of Directors for a period of 12 months from the date of this General Shareholders' Meeting.

Seventeenth resolution – Amendment to Article 23 of the bylaws relating to the procedures for holding General Shareholders' Meetings

Having reviewed the Board of Directors' report, the General Shareholders' Meeting decides to amend paragraph 9 of Article 23 "Meetings" of Section V "General Shareholders' Meetings" of the bylaws. The current wording is as follows:

"General Shareholders' Meetings shall be chaired by the Chairman of the Board of Directors or, in his/her absence, by a Vice-Chairman or by the director temporarily designated as Chairman. Otherwise, the chairman is elected by the shareholders. "

It will be replaced by the following wording:

"General Shareholders' Meetings shall be chaired by the Chairman of the Board of Directors or, in his/her absence, by a Vice-Chairman or by the director specifically designated for that purpose by the Board of Directors. Otherwise, the chairman is elected by the shareholders. "

The rest of the Article remains unchanged.

Eighteenth resolution – Formalities

The General Shareholders' Meeting grants full powers to the bearer of an original, a copy, or an extract of these minutes for the purposes of performing all the filing and public-notice formalities required by law.

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1.3. STATUTORY AUDITORS' REPORT ON THE SHARE CAPITAL OPERATIONS SPECIFIED IN THE FIFTEENTH AND SIXTEENTH RESOLUTIONS TO BE TABLED AT THE GENERAL SHAREHOLDERS' MEETING TO BE HELD ON JUNE 16, 2020

This is a free English translation of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Cegereal SA and in compliance with the provisions of the French Commercial Code (*Code de commerce*), we hereby report to you on the operations submitted for your approval.

1) Share capital reduction by canceling shares bought back (fifteenth resolution)

In compliance with the provisions of Article L.225-209 of the French Commercial Code applicable in the event of a capital reduction by canceling repurchased shares, we hereby report to you on our assessment of the reasons for and conditions of the planned capital reduction.

The Board of Directors is seeking a 24-month authorization from the date of this General Shareholders' Meeting, to cancel, within the limit of 10% of the share capital calculated on the date of the cancelation decision per 24-month period, the shares bought back by Cegereal SA pursuant to an authorization to buy back its own shares in accordance with the provisions of the aforementioned article.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. Those procedures consisted in ensuring that the reasons for and conditions of the planned share capital reduction, which cannot undermine shareholder equality in any way, comply with the applicable legal provisions.

We have no matters to report on the reasons for and conditions of the planned capital reduction.

2) Share capital reduction in accordance with Article L.225-204 of the French Commercial Code (sixteenth resolution)

In compliance with the provisions of Article L.225-204 of the French Commercial Code applicable in the event of a share capital reduction, we hereby report to you on our assessment of the reasons for and conditions of the planned share capital reduction.

The Board of Directors is seeking a 12-month authorization from the date of this General Shareholders' Meeting to perform this operation.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. Those procedures consisted in ensuring that the reasons for and conditions of the planned share capital reduction comply with the applicable legal provisions. Our work consisted in ensuring that the planned share capital reduction does not bring the share capital amount below the legal minimum, and that it does not undermine shareholder equality.

We have no matters to report on the reasons for and conditions of this operation, which will reduce Cegereal SA's share capital by a maximum amount of EUR 19,087,728.

The Statutory Auditors

Paris-La Défense, April 21, 2020	Paris, April 21, 2020
KPMG Audit FS I	**Denjean & Associés**
Régis Chemouny	Céline Kien
Partner	Partner

1.4. BOARD OF DIRECTORS' REPORT ON CORPORATE GOVERNANCE

"Dear Shareholders,

Pursuant to French law, the Boards of Directors of joint-stock corporations (*sociétés anonymes*) are required to give an account, in a report attached to the management report, of:

- the references made to a corporate governance code;
- the body selected to assume the general management of the company;
- the composition of the Board of Directors and the application of the principle of gender balance;
- a list of the terms of office exercised by the Company's corporate officers;
- the preparation and organization of the Board of Directors' work;
- the special conditions for shareholders' participation in General Shareholders' Meetings;
- any limitations provided for the Chief Executive Officer's powers;
- the principles and rules agreed upon to determine the compensation and benefits of any kind that are granted to the corporate officers and any proposed resolutions prepared for this purpose by the Board of Directors;
- any and all information pertaining to corporate officer compensation;
- any information likely to have an impact in the event of a public offer for the Company's shares;
- agreements between a senior executive or a significant shareholder and a subsidiary;
- any delegations of authority and powers granted by the General Shareholders' Meeting to the Board of Directors.

The procedures that were carried out during the preparation of this report are as follows: monthly meetings between the Chairman of the Board of Directors and the Chief Executive Officer, regular discussions with the other directors and with the Statutory Auditors, particularly at Audit Committee meetings.

This report, which was prepared on the basis of the information provided by the Chief Executive Officer, was approved by the Board of Directors at the meeting held on February 27, 2020 and transmitted to the Statutory Auditors.

1.4.1. Corporate governance

In corporate governance matters and pursuant to the Board of Directors' decision of January 30, 2009, our Company refers to the June 2018 update of the AFEP-MEDEF Corporate Governance Code of Listed Corporations (the "Reference Code") available at www.afep.com/publications/code-afep-medef/, to the extent that it is compatible with the Company's organization and size.

The following provisions of the Reference Code have not, however, been applied:

Recommendation rejected	Justification	Achievement of general objective set under the recommendation
Representation of employees (Section 7 of the AFEP-MEDEF Code)	Due to the Group's low number of employees, no employee representatives are required on the Board.	
Proportion of independent directors on the Board of Directors (Section 8.3 of the AFEP-MEDEF Code)	In controlled companies, independent directors should account for at least a third of the Board members (Article 8.3). At February 27, 2020, three of the ten directors were independent (i.e., 30%). The composition of the Board of Directors is linked to the majority shareholder and the minority shareholders being directly involved in the Board's work. Although Northwood Investors controls the Company, it only recommended the appointment of five of the ten directors, as two directors were appointed on the recommendation of the main minority shareholder. Furthermore, in order to maintain the Board's effectiveness, we do not consider it appropriate to increase the number of its members. As there has been no change in the current ownership structure, the Company does not intend to alter this situation.	
Ethical rules for directors (Section 19 of the AFEP-MEDEF Code)	Directors are not required to hold a minimum number of shares. They do not all personally hold Cegereal shares and do not own a large number of shares in relation to the directors' fees they receive, mainly because certain directors are linked to the majority shareholder and they do not all receive compensation.	
Shareholding requirement for executive corporate officers (Section 22 of the AFEP-MEDEF Code)	The Chairman of the Board of Directors and the Chief Executive Officer are not required to hold a minimum number of shares, mainly because they are linked to the majority shareholder and they do not receive any compensation for their duties.	

1.4.1.1. Board of Directors

Composition of the Board of Directors

Pursuant to the Company's bylaws, directors are appointed for four-year terms.

As of the date of this report, the composition of the Board was as follows:

	Personal information				Experience	Position on the Board					Participation in Board committees		
	Age	Man/ Woman	Nationality	Number of shares	Number of positions held in listed companies	Independent director	First appointed	Term renewed	Term expires	Current length of service	Committee membership	First appointed	Term expires
John Kukral	59	M	American	0	1	No	Nov. 5, 2015	Apr. 20, 2017	General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2020	4.5 years	Chairman of the Board of Directors	Apr. 14, 2016	General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2020
Jérôme Anselme	44	M	French	0	1	No	Nov. 5, 2015	Apr. 20, 2017	General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2020	4.5 years	Chief Executive Officer	Feb. 21, 2019	General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2020
Florian Schaefer(1)	40	M	German	0	0	No	Apr. 30, 2019		General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2019	1 year	Member of the Appointments and Compensation Committee Member of the Investment Committee	Member of the ACC: Nov. 14, 2019 Member of the IC: Nov. 14, 2019	General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2019
Erin Cannata	30	W	American	0	0	No	Nov. 5, 2015	Apr. 20, 2017	General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2020	4.5 years			
Sophie Kramer	42	W	French	-	1	No	Nov. 5, 2015	Apr. 20, 2017	General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2020	4.5 years			
Europroperty Consulting represented by Alec Emmott(1)	72	M	British	117 held personally by Alec Emmott	2 held by Europroperty Consulting, 0 held by Alec Emmott	Yes	Feb. 24, 2011	May 26, 2016	General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2019	9 years	Chairman of the Appointments and Compensation Committee Member of the Investment Committee	Member of the ACC: Feb. 21, 2019 Chairman of the ACC: Feb. 21, 2019 Member of the IC: Feb. 21, 2019	General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2019 General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2019
Jean-Marc Besson	61	M	French	0	0	Yes	Apr. 14, 2016	Apr. 20, 2017	General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2020	4 years	Chairman of the Investment Committee and member of the Audit Committee	Chairman of the IC: Feb. 27, 2020 Member of the AC: Feb. 27, 2020	General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2020 General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2020
Marie-Flore Bachelier	50	W	French	0	0	Yes	Feb. 17, 2016	Apr. 24, 2018	General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2021	4 years	Chair of the Audit Committee and member of the Appointments and Compensation Committee	Chair of the AC: Feb. 27, 2020 Member of the ACC: Feb. 27, 2020	General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2021 General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2021
Euro Fairview Private Limited represented by Sebastien Abascal(1)	42	M	French	0	2 held by Euro Fairview Private Limited, 3 held by Sebastien Abascal	No	Apr. 14, 2016	May 26, 2016	General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2019	4 years	Member of the Investment Committee and member of the Audit Committee	Member of the IC: Feb. 27, 2020 Member of the ACC: Feb. 27, 2020	General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2019 General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2019
Euro Lily Private Limited represented by Madeleine Cosgrave(1)	52	W	British	0	2 held by Euro Lily Private Limited, 3 held by Madeleine Cosgrave	No	May 26, 2016		General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2019	3.5 years			

(1) Director whose reappointment is subject to the approval of the General Shareholders' Meeting of June 16, 2020.

At the date of this report, changes in the composition of the Board of Directors and its committees are as follows:

	Departure	Appointment	Reappointment
Board of Directors	Khaled Kudsi (April 30, 2019)	Florian Schaefer (April 30, 2019)	
Appointments and Compensation Committee	Khaled Kudsi (April 30, 2019)	Florian Schaefer (November 14, 2019)	Europroperty Consulting represented by Alec Emmott (February 21, 2019)
Audit Committee			
Investment Committee		Florian Schaefer (November 14, 2019)	Europroperty Consulting represented by Alec Emmott (February 21, 2019)

No directors are elected by the employees pursuant to Article L.225-27 of the French Commercial Code.

For the purposes of their terms of office, the members of the Board of Directors and Executive Management are domiciled at the Company's registered office.

Independence of the Board members

Three of the Board members, Marie-Flore Bachelier, Jean-Marc Besson and Alec Emmott, in his capacity as permanent representative of Europroperty Consulting, were considered to be independent in accordance with the definition provided in the Reference Code.

According to Article 8.5 of the Reference Code, the criteria used to qualify Board members as independent are the following:

- not being and not having been so in the past five years:
  - an employee or executive corporate officer of the Company,
  - an employee, executive corporate officer or director of a company consolidated by it,
  - an employee, executive corporate officer or director of its parent or a company consolidated by that parent;
- not being an executive corporate officer of a company in which the Company directly or indirectly holds a directorship or in which an employee designated as such or an executive corporate officer of the Company (currently or within the previous five years) holds a directorship;
- not being a significant customer, supplier, investment or corporate banker or advisor of the Company or its group or for which the Company or its group represents a significant part of its business;
- not being closely related to a corporate officer;
- not having been a Statutory Auditor of the Company in the previous five years;
- not having been a member of the Board for more than 12 years. After 12 years, the director will no longer be considered independent;
- not being a non-executive corporate officer that has received variable compensation in cash or in shares or any other kind of compensation related to the performance of the Company or its group;
- not being a director representing a shareholder that exercises control over the Company or its parent. Beyond a 10% holding of the capital or voting rights, the Board is required to review the independence of the Board member with regard to the ownership structure of the Company and the existence of a potential conflict of interest.

The Company has not appointed a lead director.

After reviewing the situation of each independent director, the Board of Directors established that none of them has any business dealings with the Group.

The Board members who are deemed to be independent have undertaken to comply with the Directors' Charter (*charte de l'administrateur*) in order to maintain the conditions required for this independent director status.

As there has been no change in the current ownership structure, the Company does not intend to alter the number of independent directors on the Board.

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Criteria[1]	John Kukral	Khaled Kudsi	Florian Schaefer	Jérôme Anselme	Erin Cannata	Sophie Kramer	Europroperty Consulting represented by Alec Emmott	Jean-Marc Besson	Marie-Flore Bachelier	Euro Fairview Private Limited represented by Sebastien Abascal	Euro Lily Private Limited represented by Madeleine Cosgrave
Criterion 1: Employee/corporate officer within the previous five years	√	√	√	√	√	√	√	√	√	√	√
Criterion 2: Cross-directorships	√	√	√	√	√	√	√	√	√	√	√
Criterion 3: Significant business relationships	√	√	√	√	√	√	√	√	√	√	√
Criterion 4: Family ties	√	√	√	√	√	√	√	√	√	√	√
Criterion 5: Statutory Auditor	√	√	√	√	√	√	√	√	√	√	√
Criterion 6: Position held for more than 12 years	√	√	√	√	√	√	√	√	√	√	√
Criterion 7: Non-executive corporate officer status	X	√	√	X	√	√	√	√	√	√	√
Criterion 8: Major shareholder status	X	X	X	X	X	X	√	√	√	X	X

(1) In this table √ denotes an independence criterion that has been met and X denotes an independence criterion that has not been met.

Criterion 1: Employee/corporate officer within the previous five years
Not being or not having been within the previous five years:
- an employee or executive corporate officer of the Company;
- an employee, executive corporate officer or director of a company consolidated by it;
- an employee, executive corporate officer or director of its parent or a company consolidated by that parent.

Criterion 2: Cross-directorships
Not being an executive corporate officer of a company in which the Company directly or indirectly holds a directorship or in which an employee designated as such or an executive corporate officer of the Company (currently or within the previous five years) holds a directorship.

Criterion 3: Significant business relationships
Not being a significant customer, supplier, investment or corporate banker or advisor:
- of the Company or its Group;
- or for which the Company or its group represents a significant part of its business.

The Board debates on whether or not the relationship with the Company or the Group is significant and the quantitative and qualitative criteria that led to the evaluation (continuity, economic independence, exclusivity, etc.) are explained in the Annual Report.

Criterion 4: Family ties
Not being closely related to a corporate officer.

Criterion 5: Statutory Auditor
Not having been a Statutory Auditor of the Company within the previous five years.

Criterion 6: Position held for more than 12 years
Not having been a Board member for more than 12 years. Independent directorship status is suspended 12 years from the day he/she was appointed to his/her current term.

Criterion 7: Non-executive corporate officer status
A non-executive corporate officer that has received variable compensation in cash or in shares or any other kind of compensation related to the performance of the Company or its group cannot be considered independent.

Criterion 8: Major shareholder status
Directors with significant shareholdings in the Company or the parent company can be deemed independent if they do not exercise control over the Company. Nevertheless, beyond 10% of the capital or voting rights and acting on the report of the Appointments Committee, the Board is required to review the independence of the Board member with regard to the ownership structure of the Company and the existence of a potential conflict of interest.

Gender balance on the Board

The Board of Directors comprises four women and six men. The Company therefore complies with the recommendations of the Reference Code and the provisions of French law no. 2011-103 of January 27, 2011 on gender balance at Board level and gender equality (Article L.225-18-1, paragraph 1 of the French Commercial Code).

Non-voting directors

Article 19 of the bylaws provides for the ability to appoint non-voting directors to the Board. They are tasked with issuing opinions and suggestions to the Company's committees and assisting the Board of Directors in determining corporate strategy. No non-voting directors were appointed during the year ended December 31, 2019.

Role and functioning of the Board of Directors

Pursuant to the law, the Board determines the Company's strategic business orientations and ensures the implementation thereof. Subject to the powers expressly granted to General Shareholders' Meetings and within the limits of the purpose provided for in the bylaws, it deals with any issues affecting the smooth operation of the Company and settles, by its deliberations, all matters concerning the Company's business.

The Board of Directors can also carry out all controls and verifications that it considers appropriate. Even if operational management is entrusted to the Chief Executive Officer and Deputy Chief Executive Officer, if any, the Board of Directors may address any issues relating to the Company's operation.

In accordance with the Board of Directors' Internal Rules and Regulations, the Board votes on all decisions related to the Company's key strategic, business, social and financial orientations and oversees their implementation by the Chief Executive Officer and the Deputy Chief Executive Officers.

As regards corporate social responsibility (CSR), the Board strives to promote value creation over the long-term taking into consideration the social and environmental impacts of the Company. It regularly reviews opportunities and risks, such as financial, legal, operational, social and environmental risks, in light of the strategy it has defined, as well as the resulting measures taken. The Board may propose any change to the bylaws it deems appropriate in this respect.

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As regards diversity and non-discrimination, the Board ensures that the executive corporate officers implement a non-discrimination and diversity policy aimed in particular at achieving a balanced representation of women and men on the Board, its committees and, more broadly, its senior management.

The Sapin II anti-corruption rules are not applicable to Cegereal, as it does not meet the relevant regulatory thresholds. If the headcount and revenue thresholds are met in the future, the Board will ensure that a system is implemented for preventing and detecting corruption and influence peddling by executive corporate officers.

Cegereal is not subject to the risk of tax evasion as both its business and that of its subsidiaries are based entirely in France. Furthermore, in the conduct of its business, the Company complies with the applicable legislation and regulations and its financial statements are audited annually by the Statutory Auditors.

The preparation of the Board of Directors' work

To allow the Board members to properly prepare for Board meetings, the Chairman endeavors to provide them with all the information and documents they require in advance.

For example, the draft financial statements were transmitted to the directors 15 days before the relevant Board meeting.

Whenever a Board member so requests, the Chairman of the Board of Directors provides him/her, insofar as possible, with the additional information and documents that he/she wishes to receive.

Directors can meet with the Chairman of the Board of Directors and the Chief Executive Officer at any time.

The holding of Board meetings

The directors are convened to Board meetings by any means and are provided with all the information required to perform their assignments in the notice of the meeting.

In compliance with the bylaws and legal provisions, certain Board of Directors' meetings may be held by videoconference. Board meetings are generally held at the registered office but can be held at any other location, subject to being duly convened by the Chairman of the Board of Directors.

In 2019, the Board of Directors met four (4) times. Of those meetings, two (2) were held without the Chairman, who was nevertheless represented by another director. Euro Lily Private Limited, represented by Madeleine Cosgrave, did not physically attend any of the Board meetings, but was systematically represented by Euro Fairview Private Limited, represented by Sebastien Abascal or Marie-Flore Bachelier.

	Attendance at Board meetings	Attendance at Audit Committee meetings	Attendance at Appointments and Compensation Committee meetings	Attendance at Investment Committee meetings
John Kukral	50%	N/A	N/A	N/A
Europroperty Consulting Director – Permanent representative: Alec Emmott	100%	N/A	100%	N/A
Erin Cannata	100%	N/A	N/A	N/A
Jérôme Anselme	100%	N/A	N/A	N/A
Sophie Kramer	100%	N/A	N/A	N/A
Florian Schaefer(1)	50%*	N/A	N/A	N/A
Khaled Kudsi(2)	100%*	N/A	100%	N/A
Jean-Marc Besson	100%	100%	N/A	N/A
Marie-Flore Bachelier	100%	100%	100%	N/A
Euro Fairview Private Limited represented by Sebastien Abascal	50%	50%	N/A	N/A
Euro Lily Private Limited represented by Madeleine Cosgrave	0%	N/A	N/A	N/A

N/A: not applicable.
(1) Appointed as director on April 30, 2019 to replace Khaled Kudsi.
(2) Resigned as director as of April 30, 2019.
* Percentage calculated based on the length of his term of office as director.

No meetings were called at the initiative of either the directors or the Chief Executive Officer.

The Statutory Auditors are invited to attend the Board of Directors' meeting that rules on the annual and the interim financial statements.

They attended the February 21, 2019 Board of Directors' meeting that reviewed and approved for issue the financial statements for the year ended December 31, 2018, and the July 24, 2019 meeting that reviewed and approved for issue the interim financial statements for the six months ended June 30, 2019.

They also attended meetings of the Audit Committee.

To guarantee the coordination between Executive Management and the Board of Directors, the members of the Board of Directors and the Chief Executive Officer meet periodically. Jérôme Anselme, Chief Executive Officer and a director of the Company, attended all Board of Directors' meetings.

Subjects discussed at Board meetings and activity report

The main themes addressed in those meetings were the following:

- approval for issue of the annual and interim financial statements, appropriation of net income;
- allocation of directors' fees;
- distribution of reserves and additional paid-in capital;
- quarterly and interim financial information;
- assessment of the Board of Directors;
- review of key events and issues in 2019;
- calculation of the variable compensation payable to Northwood Investors France Asset Management ("NIFAM") under advisory services agreements with the Group's real estate subsidiaries and delegation of authority to the Chief Executive Officer to record the exercise by NIFAM of all or some of its share subscription warrants;
- amendments to the Internal Rules and Regulations;
- amendments to Prothin's bylaws;
- cooptation of a new director;
- reappointment of the Chief Executive Officer;
- reappointment of the members of the Board committees;
- share buyback program;
- delegations of financial authority.

Internal Rules and Regulations

Given the Board's structure, it has Internal Rules and Regulations whose purpose is to stipulate the organization of Board meetings and the Chief Executive Officer's responsibilities and powers vis-à-vis the Board. The Internal Rules and Regulations also set forth the rules of corporate governance and stipulate the operational responsibilities and modus operandi of the Audit Committee, the Investment Committee and the Appointments and Compensation Committee. It also sets out the procedure for assessing related party agreements and assessments. A Directors' Charter adopted at the same time as the Internal Rules and Regulations reiterates the directors' rights and obligations in the exercise of their duties.

The Board's Internal Rules and Regulations are available on the Company's website: www.cegereal.com

The Internal Rules and Regulations are reviewed on a regular basis and adapted in line with changes to regulations and recommendations.

Conflicts of interest

The internal rules for preventing and managing Board members' conflicts of interest are included in the Directors' Charter.

Article 6 of the Directors' Charter provides that: "Directors shall inform the Board of Directors of any conflict of interests, even potential, in which they could be directly or indirectly involved. They shall refrain from participating in any debates and decision-making relating to the subjects in question. More generally, directors shall act with total independence and without pressure of any kind. They should inform the Chairman of any family ties they may have with another director or the Chief Executive Officer. "

To the Company's knowledge and on the date of preparation hereof, there is no conflict of interest between the duties of any members of the Board of Directors or Executive Management with respect to the Company regarding their positions as corporate officers and their private interests or other duties.

To the Company's knowledge and on the date of preparation hereof, over the last five years, no member of the Board of Directors or Executive Management has been:

- convicted for fraud;
- involved in a bankruptcy, receivership or liquidation;
- the subject of an indictment or official public sanction handed down by a statutory or regulatory authority;
- barred by a court order from serving as a director or member of a management or supervisory body or from participating in the management or running of a company's business.

To the Company's knowledge and on the date of preparation hereof:

- no arrangement or agreement exists with the main shareholders, customers or suppliers under which a member of the Board of Directors or Executive Management has been appointed;
- no restrictions exist, other than those mentioned in section 1.4.5 (Items that could have an impact in the event of a public offer), where applicable, which have been accepted by the corporate officers concerning the sale of their interest in the Company's capital;
- no service agreements exist linking the members of the Company's management bodies or those of any of its subsidiaries under which benefits will be granted.

To the Company's knowledge and on the date of preparation hereof, no family ties exist between (i) the members of the Board of Directors, (ii) the Company's corporate officers, and (iii) the persons referred to in (i) and (ii).

Assessment of the Board of Directors

In accordance with the AFEP-MEDEF Code, a formal assessment of the Board of Directors must be conducted at least every three years, where appropriate with the assistance of an external consultant under the direction of the Appointments and Compensation Committee. The Board must also hold a discussion on its functioning once a year.

Accordingly, pursuant to Article 12.3.2 of the Board of Directors' Internal Rules and Regulations, the Appointments and Compensation Committee initiated a formal assessment in January 2018 via an internal questionnaire sent to all directors. A summary of the results of the assessment and the recommendations made are presented in the 2018 Registration Document. A new assessment will be conducted in 2021 with the assistance of an external consultant, with the aim of (i) assessing the modus operandi of the Board, (ii) verifying that critical matters are suitable prepared and (iii) evaluating the contribution of each director to the work of the Board.

At its meeting of February 27, 2020, the Board discussed its functioning in light of the results of a simplified questionnaire sent by the Appointments and Compensation Committee to the directors. They noted an improvement in the quality and accessibility of the information provided to the Board.

The following recommendations were made:

- establish a more formal approach by adopting a business plan model;
- introduce specific training on social and environmental governance for independent directors;
- organize an Audit Committee meeting with real estate valuers once a year;
- make information on potential acquisitions available earlier.

1.4.1.2. Organization and modus operandi of the Board's committees

An Audit Committee, an Appointments and Compensation Committee and an Investment Committee have been set up by the Board of Directors. Their composition was adopted by the Board of Directors at its meeting of April 14, 2016. Their responsibilities and modus operandi are specified in the Internal Rules and Regulations. Some committee members were reappointed by the Board at its meetings of February 21, 2019 and February 27, 2020.

The Audit Committee

The Audit Committee comprises Marie-Flore Bachelier (independent), Jean-Marc Besson (independent) and Sebastien Abascal (permanent representative of Euro Fairview Private Limited).

At its meeting of February 27, 2020, the Board of Directors reappointed each member for the remainder of their term of office as director.

The criteria used to assess the independence of committee members, in particular those of the Audit Committee, are the same as those used for assessing the Board members' independence, as described above.

Marie-Flore Bachelier was appointed Chair of the Audit Committee. She is considered to be independent and proficient in financial matters as well as in internal control and risk management. Her academic training and her knowledge of the Group's activity means that she has the expertise the Board requires.

The term of office of the Audit Committee members is the same length as their term of office as director.

The other Committee members also have relevant financial or accounting knowledge.

The Audit Committee's role is described in the Internal Rules and Regulations.

The Audit Committee met twice in 2019, and performed the following work:

- review of the consolidated financial statements at December 31, 2018 and key figures;
- work in relation to the variable compensation payable to Northwood Investors France Asset Management ("NIFAM") under advisory services agreements with the Group's real estate subsidiaries;
- review of non-financial information;
- review of the main risks to which the Company is exposed and of internal control procedures;
- work in relation to the Statutory Auditors' work on the financial statements at December 31, 2018;
- review of the interim consolidated financial statements at June 30, 2019 and key figures.

The attendance rate was 100%.

The Committee members had ample time to review the financial and accounting documents and were able to meet with the Statutory Auditors.

The Committee reported to the Board on its work and the Board took note of, and followed, all the Committee's recommendations.

The Board is satisfied with the work carried out by the Audit Committee.

The Appointments and Compensation Committee

The Appointments and Compensation Committee comprises Marie-Flore Bachelier, Alec Emmott (in his capacity as permanent representative of Europroperty Consulting) and Florian Schaefer.

At its meeting of February 27, 2020, the Board reappointed Marie-Flore Bachelier as member of the Appointments and Compensation Committee for the remainder of her term of office as director.

At its meeting of February 27, 2020, the Board of Directors amended the term of office of Florian Schaefer as committee member in order to align it with the remainder of his term of office as director.

At its meeting of February 27, 2020, the Board of Directors amended the term of office of Alec Emmott as committee member in his capacity as permanent representative of Europroperty Consulting in order to align it with the remainder of his term of office as director.

The terms of office of Appointments and Compensation Committee members are the same length as their terms of office as directors of the Company.

The Appointments and Compensation Committee's role is described in the Company's Internal Rules and Regulations.

The Appointments and Compensation Committee met twice in 2019, and performed the following work:

- allocation of directors' fees: independent director compensation;
- assessment of the Board of Directors;
- reappointment of the Chief Executive Officer;
- annual review of the independence of Board members.

The attendance rate was 100%.

The Committee reported to the Board on its work and the Board took note of, and followed, all the Committee's recommendations.

The Board is satisfied with the work carried out by the Appointments and Compensation Committee.

The Committee is also responsible for drawing up a succession plan for executive corporate officers but did not address this matter in 2019.

The Investment Committee

The Investment Committee comprises Jean-Marc Besson (independent), Sebastien Abascal (permanent representative of Euro Fairview Private Limited), Alec Emmott (independent) and Florian Schaefer.

At its meeting of February 27, 2020, the Board reappointed Jean-Marc Besson (independent) as member and Chairman of the Investment Committee for the remainder of his term of office as director.

At its meeting of February 27, 2020, the Board reappointed Sebastien Abascal, in his capacity as permanent representative of Euro Fairview Private Limited, as member of the Investment Committee for the remainder of his term of office as director.

At its meeting of February 27, 2020, the Board of Directors amended the term of office of Alec Emmott (independent) as committee member in his capacity as permanent representative of Europroperty Consulting in order to align it with the remainder of his term of office as director.

At its meeting of February 27, 2020, the Board of Directors amended the term of office of Florian Schaefer as committee member in order to align it with the remainder of his term of office as director.

The terms of office of Investment Committee members are the same length as their terms of office as directors of the Company.

The Appointments and Compensation Committee's role is described in the Company's Internal Rules and Regulations.

The Investment Committee did not hold any meetings in 2019.

1.4.1.3. Chief Executive Officer and Chairman of the Board Methods of exercising general management

On December 31, 2005, the Board decided to separate the functions of Chairman of the Board of Directors and Chief Executive Officer.

Limitations on the powers of the Chief Executive Officer

The Chief Executive Officer shall have the powers and perform his/her assignment under the conditions laid down by Article L.225-56 of the French Commercial Code, by the Internal Rules and Regulations adopted by the Board of Directors and by the Company's bylaws.

Subject to the limits indicated below, the Chief Executive Officer shall:

- assume, under his/her responsibility, the Company's executive management;
- represent the Company in its dealings with third parties;
- be vested with the broadest powers to act in the Company's name in all circumstances as long as the acts carried out fulfill the following conditions: (i) they fall within the corporate purpose and (ii) they are not expressly reserved for General Shareholders' Meetings.

To limit their powers, the Chief Executive Officer and the Deputy Chief Executive Officers may not, in the name and on behalf of the Company, perform a certain number of acts or transactions, or carry out any contractual steps leading to such acts or transactions, in an amount of more than EUR 10 million per year (it being specified that in the event of related or connected acts or transactions, this limit will be assessed on an aggregate basis including all such acts or transactions), without having requested and received the Board of Directors' prior authorization to do so. These limitations on powers are described in the Company's Internal Rules and Regulations.

1.4.2. Terms of office and duties exercised by the corporate officers

Profile, experience and expertise of corporate officers

The table below shows the profile, experience and directorships of the members of the Company's Board of Directors and its senior executives at December 31, 2019, including a summary of directorships and other offices held over the last five fiscal years (Article L.225-37-4, paragraph 1 of the French Commercial Code).

Name of corporate officer	Europroperty Consulting represented by Alec Emmott	Marie-Flore Bachelier	Jean-Marc Besson	John Kukral
Age/nationality	72/British	50/French	61/French	59/American
First appointed	February 24, 2011// Reappointed on May 26, 2016	February 17, 2016// Reappointed on April 24, 2018	April 14, 2016// Reappointed on April 20, 2017	November 5, 2015// Reappointed on April 20, 2017
Term expires	General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2019	General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2021	General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2019	General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2020
Shares held	117 shares held personally by Alec Emmott	None	None	None
Membership of Board committees	Chairman of the Appointments and Compensation Committee Member of the Investment Committee	Chair of the Audit Committee Member of the Appointments and Compensation Committee	Chairman of the Investment Committee Member of the Audit Committee	None
Main areas of expertise and experience	Management of listed real estate investments. European retail real estate.	Real estate. Finance. Corporate governance of listed companies. Mergers and acquisitions. Real estate financing.	Investment. Financing. Development. Project management. Asset management.	Office, retail, hotel and residential real estate. Corporate governance. Real estate financing.
Main business activities outside the Company	Real estate consultant	General Secretary and Head of Capital Markets at Carmila	-	President and Chief Executive Officer of Northwood Investors
Current directorships and other offices				
- Directorships and positions in Group companies	-	-	-	-
- Directorships and positions in non-Group companies	Member of the Board of Directors: Lar Espana Real Estate SOCIMI SA Advisory committee: Weinberg Real Estate Partners WREP# 1&2	Chair: Consilio	Non-executive director: Terrell Group France	Corporate officer: Northwood Securities Europe BV (NL) Northwood Investors International Limited (UK) Northwood International Acquisitions Limited (UK)
Directorships and positions that have expired in the last five years	-	Member of the Supervisory Board: Novaxia Immo Club 3 Immo Club 3 Selection	-	Corporate officer: Northwood Property Management Limited (UK)

Name of corporate officer	Florian Schaefer	Jérôme Anselme	Erin Cannata	Sophie Kramer
Age/nationality	40/German	45/French	30/American	42/French
First appointed	April 30, 2019	November 5, 2015// Reappointed on April 20, 2017	November 5, 2015// Reappointed on April 20, 2017	November 5, 2015// Reappointed on April 20, 2017
Term expires	General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2019	General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2020	General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2020	General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2020
Shares held	None	None	None	None
Membership of Board committees	Member of the Appointments and Compensation Committee Member of the Investment Commitee	None	None	None
Main areas of expertise and experience	European real estate. Corporate governance. Real estate financing.	European real estate. Corporate governance. Real estate financing.	European real estate. Real estate financing.	Real estate asset management. Architecture.
Main business activities outside the Company	Member of the Investment Department at Northwood Investors in Europe	Member of the Investment Department at Northwood Investors in Europe	Member of the Investment Department at Northwood Investors in Europe	Member of the Asset Management Department at Northwood Investors in Europe
Current directorships and other offices				
- Directorships and positions in Group companies	-	Chief Executive Officer: Cegereal Chairman: Prothin SAS Chairman of the Board of Directors: K Rueil SAS Legal manager: Hanami Rueil SCI Chairman: NW Fontenay Sous Bois Legal manager: NW Péripôle Construction, NW PM Holding Sarl (LU), NW Pointe Metro 2 SCI, NW PM 1 Sarl (LU), NW S1 Sarl (LU), Fonciere NW 2 (company removed from trade and companies registry on January 2, 2020) Corporate officer: Glidefern Property Management Ltd (UK), Ever 1855 Limited, UK Land Estates Partnerships (Holdings) Limited, North East Property Partnership Limited, UKLEP (2003) Limited, UK Land Estates (Partnership) Limited, Highcross Strategic Advisers Limited	-	Legal manager: NW Pointe Metro 2 SCI, SCI de la Boucle Chief Executive Officer: Defense Plaza Mezz SAS, NW Fontenay-sous-Bois
- Directorships and positions in non-Group companies	Authorized signatory: Northwood International Acquisition Limited Northwood Investors International Limited	Authorized signatory: Northwood International Acquisition Limited, Northwood Investors France Asset Management SAS, Northwood Investors International Limited, Northwood Project Management SAS	Authorized signatory: Northwood International Acquisition Limited	
Directorships and positions that have expired in the last five years		Corporate officer: NWI IDF SAS, NW Péripôle, NW Gennevilliers, Mariinsky SR3, SAS Scala SR3 SAS, Garnier SR3 SAS Legal manager: NW Pointe Metro 1 SCI, NW PM 2 Sarl, NW Isle d'Abeau SCI, NW Limonest SCI, NW Marseille SCI, NW Vitrolles SCI, Chinon SCI, Les Guignières SCI, Prosdim Joue SCI Chairman of the Board of Directors: Foncière NW SAS, NW Bruges SAS, STAM REI III Rossini Corporate officer: NW One Warrington Limited (IR), Highcross Strategic Advisors Limited (UK)	-	Legal manager: Chinon SCI, Les Guignières SCI, Prosdim Joue SCI, NW Pointe Metro 1 SCI, STAM REI III Rossini, Fonciere NW 2 Chief Executive Officer: Mariinsky SR3 SAS, Scala SR3 SAS, Garnier SR3 SAS

Name of corporate officer	Euro Fairview Private Limited Represented by Sebastien Abascal (Senior Vice President, Real Estate Europe)	Euro Lily Private Limited Represented by Madeleine Cosgrave (Head of GIC Real Estate Europe)
Age/nationality	42/French	52/British
First appointed	April 14, 2016//Reappointed on May 26, 2016	May 26, 2016
Term expires	General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2019	General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2019
Shares held	None	None
Membership of Board committees	Member of the Investment Committee Member of the Audit Committee	None
Main areas of expertise and experience	European real estate	European real estate
Main business activities outside the Company	In charge of strategy, investment and asset management activities in France, Spain, Italy and Germany for GIC Real Estate.	Regional Head of Europe at GIC Real Estate, in charge of strategy, investment and asset management activities.
Current directorships and other offices		
- Directorships and positions in Group companies	-	-
- Directorships and positions in non-Group companies	Corporate officer: AccorInvest Group SA, Euro Ariane SAS, Euro Cervantes SOCIMI S.A., Euro Fairview Private Limited, Raffles CM 1 Limited, Raffles French Development Limited, Raffles French Residential Limited, Raffles PB6 A Limited, Raffles PB6 B Limited, Raffles Realty Holdings Limited, Raffles Wohnen Limited, Euro PB6 SCI, Euro Defense 6 OPCI. Member of the consultative committee: Baumont Real Estate One SCSp, Caleus Capital Partners GmbH & Co. KG. Representative of Euro Fairview Private Limited: GMP Property SOCIMI SA	Corporate officer: Bluebutton Developer Company (2012) Limited, Bluebutton Properties UK Ltd, Broadgate REIT Limited, BWAT Retail Property Trust Fund, Euro Dinero S.a.r.l, Euro Efes S.a.r.l., Euro ExLogix Sarl, Euro Gaudi S.A.R.L, Euro Gwyneth Sarl, Euro Opera S.A.R.L., Euro Park SARL, Euro Pyramid S.A.R.L, Euro Sphinx S.A.R.L, Euro Taurus Sarl, Euroalex S.A.R.L, Eurolieum S.A.R.L, P3 Group S.a.r.l, Raffles CM 1 Limited, Raffles French Development Limited, Raffles French Residential Limited, Raffles PB6 A Limited, Raffles PB6 B Limited, Raffles Realty Holdings Limited, Raffles Wohnen Limited, Ronesans Gayrimenkul Yatirim A.S., RPSE Lunghezza SARL Member of the consultative committee: Caleus Capital Partners GmbH & Co. KG, Exeter/GIC Investment Partnership S.C.S.P., Representative of Euro Lily Private Limited:, GMP Property SOCIMI SA
Directorships and positions that have expired in the last five years	Corporate officer: Development Venture IV SCA, ECE European Prime Shopping Centre II C, SCSP SIF, ECE European Prime Shopping Centre SCS SICAF SIF A, ICAMAP Investors, SLP-SIF, SITQ Les Tours SA, SNC de l'Hotel, Dabicam Paris, Dabicam SAS Representative of Euro Fairview Private Limited: Esentepe Gayrimenkul Yatirim Insaat Turizm Sanyi, Ferikoy Gayrimenkul Yatirim Insaat Turizm Sanyi, Kurtkoy Gayrimenkul Yatirim Insaat Turizm Sanyi, London Student Accomodation Venture (Holdings) Ltd, London Student Accomodation Venture (Trustee) Ltd	Corporate officer: ECE European Prime Shopping Centre II C, SCSP SIF, ECE European Prime Shopping Centre SCS SICAF SIF A, 201 Bishopsgate Limited, 4 Broadgate 2010 Limited, 6 Broadgate 2010 Limited, Barstep Limited, Bluebutton (12702) Limited, Bluebutton (5 Broadgate) UK Limited, Bluebutton Circle Retail PHC 2013 Limited, British Land Broadgate 2005 Limited, Broadgate (Cash Management) Limited, Broadgate (Funding) 2005 Limited, Broadgate (Lending) Limited, Broadgate (PHC 11), Broadgate (PHC 11) 2005 Limited, Broadgate (PHC 14) Limited, Broadgate (PHC 15a) Limited, Broadgate (PHC 15b) Limited, Broadgate (PHC 15c) Limited, Broadgate (PHC 16) 2005 Limited, Broadgate (PHC 2) Limited, Broadgate (PHC 3) Limited, Broadgate (PHC 5) 2005 Limited, Broadgate (PHC 5) Limited, Broadgate (PHC 6) 2005 Limited, Broadgate (PHC 7) Limited, Broadgate (PHC 8) 2008 Limited, Broadgate (PHC 9) Limited, Broadgate PHC 2010 Limited, Broadgate Property Holdings Limited, Broadgate REIT Limited, BWAT Retail Property Trust Fund, Estate Management (Brick) Limited, Exeter/GIC Investment Partnership S.C.S.P., P3 Group Sarl, Metrocentre (GP) Limited, Metrocente Lancaster LLP, New Tower Real Estate B.V., Old Tower Real Estate B.V., CBRE Retail Property Fund France Belgique C.V., CBRE Retail Property Fund Iberica Limited Partners, Manhattan Acquisition Oy, New Tower Real Estate B.V., Old Tower Real Estate B.V. Permanent representative of Euro Lily Private Limited: Euro Les Tours Sarl

1.4.3. Corporate officer compensation

In accordance with Article L.225-37-2 of the French Commercial Code, the corporate officer compensation policy is presented below. The policy must be in line with the Company's corporate interest, contribute to its long-term development and be consistent with its business strategy. It should describe all the items comprising the fixed and variable compensation paid to corporate officers and explain the decision-making process by which the respective amounts are determined, revised and implemented.

1.4.3.1. Non-executive corporate officer compensation policy (directors)

The directors do not receive any compensation other than directors' fees, which are paid for their participation in the Board of Directors or the various committees of the Board. Directors' fees are distributed among the directors based on their effective participation at Board meetings, and depending on their position as a member and/or chairman of a committee.

However, the principle laid down by the Board of Directors is not to compensate corporate officers for their duties when they are a Board member representing a major shareholder.

Accordingly, the directors appointed on the recommendation of Northwood Investors (John Kukral, Erin Cannata, Sophie Kramer and Florian Schaefer) and the directors appointed on the recommendation of GIC (Euro Fairview Private Limited, represented by Sebastien Abascal, and Euro Lily Private Limited, represented by Madeleine Cosgrave) do not receive any compensation for their duties.

The General Shareholders' Meeting of April 30, 2019 set the fixed annual amount of directors' fees at EUR 240,000.

For the year ended December 31, 2019, at its meeting of November 14, 2019, the Board of Directors decided to allocate the aforementioned amount (EUR 240,000) as follows:

- Jean-Marc Besson: EUR 65,000;
- Europroperty Consulting: EUR 65,000;
- Marie-Flore Bachelier: EUR 65,000.

Making a total of EUR 195,000.

In euros

Table summarizing the directors' fees and other compensation paid to each non-executive corporate officer
(Table 3 of AMF recommendation – AFEP-MEDEF Code)

Non-executive corporate officers	Amounts paid during 2018	Amounts paid during 2019
John Kukral		
Directors' fees	-	-
Other compensation	-	-
Khaled Kudsi[(1)]		
Directors' fees	-	-
Other compensation	-	-
Florian Schaefer[(2)]		
Directors' fees	-	-
Other compensation	-	-
Sophie Kramer		
Directors' fees	-	-
Other compensation	-	-
Jérôme Anselme		
Directors' fees	-	-
Other compensation	-	-
Erin Cannata		
Directors' fees	-	-
Other compensation	-	-
Europroperty Consulting		
Directors' fees	65,000	65,000
Other compensation	-	-
Marie-Flore Bachelier		
Directors' fees	65,000	65,000
Other compensation	-	-
Jean-Marc Besson		
Directors' fees	61,000	65,000
Other compensation	-	-
Euro Fairview Private Limited		
Directors' fees	-	-
Other compensation	-	-
Euro Lily Private Limited		
Directors' fees	-	-
Other compensation	-	-
TOTAL	191,000	195,000

In euros (cont'd)

(1) Resigned as director as of April 30, 2019.
(2) Appointed at the Board of Directors' meeting of April 30, 2019.

1.4.3.2. Executive corporate officer compensation policy (Chairman of the Board of Directors and Chief Executive Officer)

a) Principles of the compensation policy

The General Shareholders' Meeting to be held on June 16, 2020 will be asked to vote on the executive corporate officer compensation policy for 2020. A resolution, as reproduced below, is submitted at least annually for approval by the General Shareholders' Meeting as required by law.

In the event of a negative vote on the resolution at the General Shareholders' Meeting of June 16, 2020, compensation will be determined based on the compensation policy previously approved for prior years and the Board will submit a revised compensation policy for approval at the next Ordinary Shareholders' Meeting. The text of the corresponding resolution will indicate how the shareholders' vote and any opinions expressed during the previous General Shareholders' Meeting have been taken into account in the revised compensation policy. If no compensation policy has previously been approved, compensation will be determined on the basis of the compensation awarded for the previous fiscal year or, if no compensation was awarded for the previous fiscal year, on the basis of existing practices in the Company.

It should be noted that the Company may not set, award or pay any item of compensation of any kind whatsoever or make any commitment in relation to items of compensation, indemnities or benefits payable or likely to be payable with respect to the assumption or termination of or a change in duties or at any time thereafter, unless such items are consistent with the approved compensation policy or, where there is no approved compensation policy, on the basis of the previously approved compensation or existing practices in the Company.

The Board is responsible for setting the compensation of executive corporate officers on the recommendation of the Appointments and Compensation Committee.

The first principle laid down by the Board of Directors is not to compensate executive corporate officers for their duties when they are an executive corporate officer of and/or a Board member representing a major shareholder.

Consequently, the Chairman of the Board of Directors (John Kukral) and the Chief Executive Officer (Jérôme Anselme) do not receive any individual compensation or benefits of any kind whatsoever from the Company for their duties.

The other principles governing the determination of the compensation of the Company's executive corporate officers (including newly appointed corporate officers) are established based on the AFEP-MEDEF Code as amended in June 2018, to which the Company refers, i.e.:

(i) Exhaustiveness: all items of compensation must be taken into account in the overall assessment of the compensation.

This policy applies to the entire fixed, variable and exceptional compensation granted by the Company as well as benefits of any kind. It includes all conditional deferred compensation, termination benefits, non-recurring pension benefits and other variable compensation.

(ii) Comparability: the compensation must be assessed in the context of a reference sector or market. If the market is used as a reference, it cannot be the only reference. Compensation is determined not only on the basis of work performed, results obtained, and responsibilities assumed, but also in light of practices observed in comparable companies and the compensation of the Company's other corporate officers. It can also depend on the nature of the assignments entrusted to the person or on special situations.

(iii) Consistency: the executive corporate officer's compensation must be determined consistently with that of the other executives and employees of the Company.

(iv) Intelligibility of the rules: the rules must be simple, stable and transparent. The performance criteria used must correspond to the Company's objectives, be demanding, explicit and, to the extent possible, long-lasting.

(v) Measure: the determination of the items of compensation must strike a fair balance and take into account both the corporate interest of the Company, market practices, the executives' performance levels, and the Company's other stakeholders.

In this regard, executive corporate officers' compensation is closely tied to the Group's performance, particularly by means of annual variable compensation and, where appropriate, performance shares. The quantitative portion of variable compensation is contingent on the achievement of precise, simple and measurable objectives, intended, in particular, to promote the Group's performance and competitiveness over the medium and long term by including one or more criteria related to social and environmental responsibility.

In this regard, the Board of Directors and the Appointments and Compensation Committee ensure that no component of the executive corporate officers' compensation is disproportionate and that their compensation is both competitive, through regularly compensation surveys, and appropriate for the Company's strategy and situation.

b) Items comprising the compensation of the Chairman of the Board of Directors

John Kukral has been Chairman of the Board of Directors since April 14, 2016 and was reappointed on April 20, 2017. He does not receive any compensation in respect of his duties. Accordingly, there is no need to "benchmark" his compensation against the average and median compensation of the Company's employees and to indicate any changes in those ratios.

He does not have an employment contract and is not entitled to any complementary pension scheme within the Group.

He is not entitled to any termination benefits, allowances or compensation.

c) Items comprising the compensation of the Chief Executive Officer

Jérôme Anselme has been Chief Executive Officer since October 25, 2017 and was reappointed on February 21, 2019. He does not receive any compensation from the Company in respect of his duties. Accordingly, there is no need to "benchmark" his compensation against the average and median compensation of the Company's employees and to indicate any changes in those ratios.

He does not have an employment contract and is not entitled to any complementary pension scheme within the Group.

He is not entitled to any termination benefits, allowances or compensation.

There is no employment contract between Jérôme Anselme and Cegereal or any of its subsidiaries or their subsidiaries.

d) Resolutions proposed by the Board of Directors concerning the corporate officer compensation policy

"Seventh resolution – Approval of the corporate officer compensation policy in compliance with Article L.225-37-2 II of the French Commercial Code

Having reviewed the Board of Directors' report on corporate governance prepared in compliance with Article L.225-37-2 of the French Commercial Code, the General Shareholders' Meeting approves the corporate officer compensation policy, as described in the report and referred to in section VI.1.4.3 of the 2019 Universal Registration Document."

In accordance with Article L.225-100 of the French Commercial Code, the General Shareholders' Meeting is required to vote on an umbrella resolution concerning the overall compensation paid or awarded to corporate officers during the year, as well as individual resolutions relating to the compensation paid or awarded to each executive corporate officer for the last fiscal year.

"Eighth resolution – Approval of all compensation paid or awarded to corporate officers for the year ended December 31, 2019 in compliance with Article L.225-100 II of the French Commercial Code

Having reviewed the Board of Directors' report on corporate governance, and in compliance with Article L.225-100 of the French Commercial Code, the General Shareholders' Meeting approves the information contained therein relating to the compensation paid or awarded to corporate officers in 2019, as described in section VI.1.4.3 of the 2019 Universal Registration Document.

The General Shareholders' Meeting duly notes that the Company neither paid nor awarded any individual compensation or benefits of any kind whatsoever to the Chairman of the Board of Directors or the Chief Executive Officer for the year ended December 31, 2019 in respect of their duties."

1.4.3.3. Tables summarizing executive corporate officer compensation

The information disclosed hereafter is presented based on the AFEP-MEDEF Code as amended in June 2018, the Annual Reports of the French High Committee for Corporate Governance (*Haut Comité de Gouvernement d'Entreprise*) and the AMF's 2019 report on corporate governance and executive compensation in listed companies.

In addition, in accordance with Article L.225-37-2 of the French Commercial Code, this section also describes the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid or awarded to the Chairman and the Chief Executive Officer for 2019.

Summary table of compensation, options and shares granted to each executive corporate officer (table 1 of AMF recommendation – AFEP-MEDEF Code)

In euros

Table summarizing the compensation, options and shares granted to each executive corporate officer (Table 1 of AMF recommendation – AFEP-MEDEF Code)	Dec. 31, 2018	Dec. 31, 2019
John Kukral Chairman of the Board of Directors		
Compensation payable for the year (broken down in Table 2 below)	-	-
Valuation of options granted during the year (broken down in Table 4 below)	-	-
Valuation of performance shares granted during the year (broken down in Table 6 below)	-	-
Valuation of other long-term compensation plans	-	-
TOTAL	-	-

Jérôme Anselme Chief Executive Officer[1]	Dec. 31, 2018	Dec. 31, 2019
Compensation payable for the year (broken down in Table 2 below)	-	-
Valuation of options granted during the year (broken down in Table 4 below)	-	-
Valuation of performance shares granted during the year (broken down in Table 6 below)	-	-
Valuation of other long-term compensation plans	-	-
TOTAL	-	-

(1) Jérôme Anselme was reappointed as Chief Executive Officer on February 21, 2019.

Table summarizing the compensation paid to each executive corporate officer (Table 2 of AMF recommendation – AFEP-MEDEF Code)

In euros

Table summarizing the compensation paid to each executive corporate officer (Table 2 of AMF recommendation – AFEP-MEDEF Code)	Dec. 31, 2018		Dec. 31, 2019	
John Kukral Chairman of the Board of Directors	Amounts payable	Amounts paid	Amounts payable	Amounts paid
Fixed compensation	-	-	-	-
Variable compensation	-	-	-	-
Multi-annual variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees	-	-	-	-
Benefits-in-kind	-	-	-	-
TOTAL	-	-	-	-

Jérôme Anselme Chief Executive Officer	Dec. 31, 2018		Dec. 31, 2019	
	Amounts payable	Amounts paid	Amounts payable	Amounts paid
Fixed compensation	-	-	-	-
Variable compensation	-	-	-	-
Multi-annual variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees	-	-	-	-
Benefits-in-kind	-	-	-	-
TOTAL	-	-	-	-

This table only concerns the executive corporate officers defined in the introduction to Table 1 above who received compensation for the year ended December 31, 2019.

Subscription or purchase options awarded during the fiscal year to each executive corporate officer by the issuer and by any company of the Group (Table 4 of AMF recommendation – AFEP-MEDEF Code)

No stock subscription or stock purchase options were awarded to the executive corporate officers in 2019.

Subscription or purchase options exercised during the fiscal year by each executive corporate officer by the issuer and by any company of the Group (Table 5 of AMF recommendation – AFEP-MEDEF Code)

No executive corporate officers exercised stock subscription or stock purchase options in 2019.

Performance shares awarded during the fiscal year to each executive corporate officer by the issuer and by any company of the Group (Table 6 of AMF recommendation – AFEP-MEDEF Code)

No performance shares were awarded to the executive corporate officers in 2019.

No performance shares became available for the executive corporate officers in 2019.

Total amounts set aside as provisions to pay annuities, pensions, or other benefits (Table 11 of AMF recommendation – AFEP-MEDEF Code)

The Company's senior executives do not benefit from any pensions, top-up pensions or other benefits of any kind. Therefore, the Company has not set aside any provisions in this respect.

	Other information (Table 11 of AMF recommendation – AFEP-MEDEF Code)							
Executive corporate officers	Employment contract		Complementary pension scheme		Indemnities or benefits payable or likely to be payable with respect to the termination of or a change of duties		Indemnities pursuant to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
John Kukral Chairman April 14, 2016 Reappointed on May 20, 2017 2021 AGSM		X		X		X		X
Jérôme Anselme Chief Executive Officer October 25, 2017 2019 AGSM Reappointed on Feb 21, 2019 2021 AGSM		X		X		X		X

Information regarding stock subscription and purchase options and performance shares

Past awards of subscription or purchase options – information on the subscription or purchase options (Table 8 of AMF recommendation – AFEP-MEDEF Code)

None

Past awards of performance shares (Table 9 of AMF recommendation – AFEP-MEDEF Code)

None

1.4.4. Shareholders' participation in General Shareholders' Meetings

A General Shareholders' Meeting is open to all shareholders irrespective of the number of shares that they hold.

The right to participate in General Shareholders' Meetings is substantiated by the shares being registered in the shareholder's or the intermediary's name either in (i) the registered share accounts kept by the Company or (ii) the bearer share accounts kept by the authorized intermediary prior to midnight, Paris time, of the second business day before the meeting (Article R.225-85 of the French Commercial Code).

The registration or recording of bearer shares is evidenced by a share ownership certificate issued by the authorized intermediary.

If a shareholder cannot attend the General Shareholders' Meeting personally, he/she may choose from one of the following three options: (i) issue a proxy to his/her spouse/civil partner or another shareholder or any other person of his/her choice, (ii) send a proxy to the Company indicating no name or (iii) vote by correspondence.

Shareholders' requests to include resolutions and/or items on the agenda must be sent to the registered office by registered letter with return receipt requested no later than twenty-five days before the date of the meeting.

Shareholders may submit written questions to the Board of Directors up to the fourth business day before the date of the meeting.

1.4.5. Information likely to have an impact in the event of a public offer for the Company's shares

Pursuant to Article L.225-37-5 of the French Commercial Code, we specify below the points that could have an impact in the event of a public offer. They include agreements entered into by the Company that would be amended or terminated in the event of a change in control of the Company.

These points are as follows:

- The capital structure as well as any known direct or indirect shareholdings in the Company's capital and all related information are described in section VI.5.1.2 below.
- There are no bylaw restrictions to the exercise of voting rights, subject to those relating to disclosure thresholds set out in section VI.5.5.
- There is a shareholders' agreement between Northwood and the GIC group, as indicated below, which was disclosed to the Company in accordance with Article L.233-11 of the French Commercial Code.
- There are no securities conferring special control rights.
- There are no control mechanisms provided for in an employee share ownership arrangement where the control rights are not exercised by said employees.
- The appointment and removal of members of the Board of Directors are governed by legal provisions and the provisions of Article 15 of the bylaws, subject to the agreements between Northwood and GIC regarding the Company's governance and provided for in the shareholders' agreement referred to in section VI.5.3. Therefore, directors are appointed and replaced in compliance with the law. They may be removed at any time by a decision of the Ordinary Shareholders' Meeting. The Chairman is appointed by the Board of Directors and may be removed by the Board at any time.
- With respect to the Board of Directors' powers, current delegations of financial authority are described in section 1.4.9 of this report. In addition, the Board of Directors has the powers and exercises its duties under the conditions set forth in Article L.225-35 of the French Commercial Code and in the Company's bylaws.
- The Company's bylaws are amended in accordance with legal and regulatory provisions. Only an Extraordinary Shareholders' Meeting is empowered to amend the provisions of the bylaws. However, a unanimous decision is required to increase the shareholders' commitments. The meeting may delegate its authority to the Board of Directors for the purpose of amending the bylaws to bring them into line with any new statutory and regulatory provisions, subject to ratification of such amendments at the next Extraordinary Shareholders' Meeting.
- The only agreements entered into by the Group that would be amended or terminated in the event of a change in control of the Company are credit agreements, the advisory services agreement entered into by Prothin, the advisory services agreement entered into by Hanami Rueil SCI, the advisory services agreement entered into by CGR Propco SCI and insurance contracts.
- There are no agreements providing for severance indemnities to be paid to members of the Board of Directors or employees in the event of their resignation or dismissal without just cause or if their employment ends due to a public offer for the Company's shares.

1.4.6. Related party agreements and commitments

No new agreement potentially falling within the scope of Articles L.225-38, L.225-37-2 and L.225-22-1 of the French Commercial Code and representing a related party agreement was entered into during 2019.

Note that under internal rules, the Group's Finance department is to be immediately informed prior to any transaction potentially falling within the scope of Articles L.225-38, L.225-37-2 and L.225-22-1 of the French Commercial Code and representing a related party agreement ("**Related Party Agreement**") for the Company, by any persons with a direct or indirect interest in said agreement, including any persons in the Group aware of a planned agreement that could meet the definition of a Related Party Agreement.

This disclosure is required even when the agreement could represent an agreement entered into in the ordinary course of business and on arm's length terms not subject to the related party agreement procedure. The Group's Finance department, assisted where appropriate by the Board of Directors, is responsible for classifying such agreements. To do this, it reviews the agreement in question in order to determine whether or not it falls within the scope of related party agreements or whether it meets the definition of an agreement entered into in the ordinary course of business and on arm's length terms as described in section 1.4.7 below.

If the Group's Finance department considers the agreement meets the definition of a Related Party Agreement, it informs the Chairman and Chief Executive Officer thereof. Note that in accordance with Article L.225-40 of the French Commercial Code, any persons with a direct or indirect interest in such agreements are required to inform the Board of Directors as soon as they become aware of a related party agreement.

The Chairman then informs the directors of the planned Related Party Agreement to be entered into by the Company and calls a meeting of the Board of Directors, which then decides whether or not to approve the agreement.

The Board must provide grounds for its approval, justifying the utility of the agreement for the Company, notably by detailing the related financial terms and conditions.

Persons with a direct or indirect interest in the agreement do not participate in the Board's deliberations or vote on the approval requested. Furthermore, on submitting the matter to a vote of the General Shareholders' Meeting, those persons' vote is not taken into consideration for the purposes of calculating the majority.

In accordance with AMF recommendation no. 2012-05 of July 2, 2012 (as amended on October 5, 2018), when a Related Party Agreement is likely to have a significant impact on the financial position or earnings of the Company or Group, the Board may decide to appoint an independent expert. In this case, a report will be provided to the shareholders so they may have their say in a General Shareholders' Meeting, subject to any restrictions imposed by trade secrets.

In accordance with Article L.225-40-2 of the French Commercial Code, any Related Party Agreements will be disclosed on the Company's website, at the latest at the date said agreement is signed.

In accordance with AMF recommendation no. 2012-05 of July 2, 2012 (as amended on October 5, 2018), in exceptional cases where the prior approval of the Board was not given, the Board will be asked to ratify the agreements concerned before they are approved by the General Shareholders' Meeting, except in particular cases in which a conflict of interest exists for all directors.

Once the Company has entered into the approved agreement, the Chairman informs the Statutory Auditors and said agreement is submitted for the approval of the General Shareholders' Meeting.

Agreements entered into and approved in previous years that remained in force during the past year are reviewed annually by the Board, even though no further approval is required. The Statutory Auditors are also informed of these agreements.

1.4.7. Procedure for reviewing agreements entered into in the ordinary course of business and on arm's length terms

Regarding the agreements referred to in Article L.225-39 of the French Commercial Code dealing with transactions entered into in the ordinary course of business and on arm's length terms that are not subject to the prior approval of the Board of Directors, the Chairman provides the directors and Statutory Auditors with a list and a description of the purpose of those agreements of which he is aware when this is first requested by said directors or Statutory Auditors, and at the latest at the date of the Board of Directors' meeting held to approve the financial statements.

Once a year, the Board reviews the criteria used to determine on a case-by-case basis that a given agreement represents a transaction entered into in the ordinary course of business and on arm's length terms.

- Transactions entered into in the ordinary course of business are transactions typically carried out by the Company as part of its business activities, notably to further its corporate purpose. Usual practices of companies in similar situations are also considered.

  Although an exhaustive list of all such transactions cannot be provided, they may for example include tax consolidation agreements, cash management and cash pooling arrangements, cash transactions and/or intragroup loans/shareholder advances, shared Group expenses billed by the parent company to its subsidiaries (notably HR, IT, communication, finance, legal, accounting and procurement expenses), and facilities made available by an entity (e.g., property rentals).

  Other criteria are also taken into account in order to determine whether a transaction is entered into in the ordinary course of business, namely the nature of the transaction and its significance and/or its economic or legal ramifications.

- The transaction is entered into on arm's length terms if those terms resemble the terms usually applicable to similar transactions or represent usual practice by the Company in its dealings with third parties. In determining whether transactions are entered into on arm's length terms, price is a key factor to be considered, and especially whether the transaction is carried out at market price or at a price typically applied in the sector concerned. Besides the financial aspects of the agreements, the legal terms will also be reviewed in order to determine whether or not they are reasonable or standard for the type of transaction envisaged.

Transactions must be both entered into in the ordinary course of business and on arm's length terms in order to meet the definition above; if only one criterion is met, the related party agreement procedure applies.

The analysis of whether the agreements meet these criteria is performed on a case-by-case basis by the Group's Finance department, based notably on the study published by the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes* – CNCC) in February 2014 on related party agreements and agreements entered into in the ordinary course of business.

This analysis is revised whenever any agreements classified as transactions entered into in the ordinary course of business and on arm's length terms are modified, renewed, extended or terminated, such that an agreement previously considered outside the scope of the related party agreement procedure may be reconsidered a "related party agreement" and therefore subject to this procedure, and vice versa.

In accordance with Article L.225-39, paragraph 2 of the French Commercial Code, persons with a direct or indirect interest in the agreement may not be involved in reviewing that agreement.

Lastly, it should be noted that agreements entered into by the Company with one of its direct or indirect wholly owned subsidiaries are classified as agreements entered into in the ordinary course of business and on arm's length terms pursuant to Article L.225-39 of the French Commercial Code, even if the two companies have executives in common.

1.4.8. Agreements between a senior executive or a significant shareholder and a subsidiary

No agreements have been directly or indirectly entered into by a subsidiary with one of the corporate officers or one of the shareholders holding more than 10% of the voting rights.

Each of the Company's real estate subsidiaries (Prothin, CGR Propco SCI and Hanami Rueil SCI) has entered into an advisory services agreement (ASA) with Northwood Investors France Asset Management SAS, a Northwood group entity (see section VI 3.1).

1.4.9. Delegations of financial authority

Summary table of valid delegations of financial authority

Shares affected Date of General Shareholders' Meeting (Term of the authorization and expiration)	Authorized amount	Use of authorization
1. Issue with preemptive subscription rights		
Share capital increase by issuing shares and/or securities granting access to the capital and/or by issuing securities granting entitlement to debt securities AGM of April 30, 2019 – 11th resolution (maximum 26 months, expires on June 30, 2021)	**Maximum amount of share capital increase** EUR 300 million (independent cap) **Maximum amount of securities representing debt securities** EUR 300 million (independent cap)	None
Share capital increase by capitalizing reserves, profits or premiums AGM of April 30, 2019 – 10th resolution (maximum 26 months, expires on June 30, 2021)	**Maximum amount of share capital increase** EUR 300 million (independent cap)	None
2. Issue without preemptive subscription rights		
Share capital increase by issuing shares and/or securities granting access to the capital in connection with a public offer (A) AGM of April 30, 2019 – 12th resolution (maximum 26 months, expires on June 30, 2021)	**Maximum amount of share capital increase** EUR 300 million (A) + (B) capped at EUR 300 million **Maximum amount of securities representing debt securities** EUR 300 million (A) + (B) capped at EUR 300 million	None
Share capital increase by issuing shares and/or securities granting access to the capital in connection with a private placement (B) AGM of April 30, 2019 – 13th resolution (maximum 26 months, expires on June 30, 2021)	**Maximum amount of share capital increase** EUR 300 million (A) + (B) capped at EUR 300 million and 20% of the share capital per year **Maximum amount of securities representing debt securities** EUR 300 million (A) + (B) capped at EUR 300 million	None
Share capital increase in consideration of in-kind contributions AGM of April 30, 2019 – 16th resolution (maximum 26 months, expires on June 30, 2021)	**Maximum amount of share capital increase** 10% of adjusted share capital per year	None
Issue of freely priced shares AGM of April 30, 2019 – 14th resolution (maximum 26 months, expires on June 30, 2021)	**Maximum amount of share capital increase** 10% of adjusted share capital per year (A) + (B) capped at EUR 300 million	None
Share capital increase by issuing shares for members of an employee savings plan AGM of April 30, 2019 – 17th resolution (maximum 26 months, expires on June 30, 2021)	**Maximum amount of share capital increase** EUR 780,000	None
Performance shares AGM of April 30, 2019 – 18th resolution (maximum 38 months, expires on June 30, 2022)	**Maximum number of performance shares (existing or to be issued)** 1% of the share capital on the date of the Shareholders' Meeting's decision and 0.5% of the share capital for executive corporate officers Shares granted to employees and/or corporate officers	None
3. Issue with or without preemptive subscription rights		
Increase in the number of shares to be issued in the event of share capital increases AGM of April 30, 2019 – 15th resolution (maximum 26 months, expires on June 30, 2021)	**Maximum amount of share capital increase** 15% of initial issue (Article R.225-118 of the French Commercial Code)	None
4. Share buybacks		
Share buyback program AGM of April 30, 2019 – 8th resolution (maximum 18 months, expires on October 30, 2020)	**Maximum number of shares that can be bought back** 10% of adjusted share capital or 5% in the event of share buybacks in view of external growth transactions Maximum number of shares that can be held by the Company: 10% of the share capital Maximum buyback price: EUR 45 per share Maximum aggregate amount of the share buyback program: EUR 71,578,980	None
Share capital reduction by canceling treasury shares AGM of April 30, 2019 – 9th resolution (maximum 24 months, expires on April 30, 2021)	**Maximum number of shares that can be canceled in any 24-month period** 10% of the shares comprising the adjusted share capital	None

1.4.10. Communication with shareholders and the markets

In order to minimize the number of people representing the Board of Directors, responsibility for shareholder relations with the Board – particularly with respect to corporate governance matters – has been entrusted to Jérôme Anselme, director and Chief Executive Officer.

Jérôme Anselme has experience in corporate communication. He is tasked with explaining the positions adopted by the Board – and previously notified – in its areas of competence (particularly strategy, governance and senior executive compensation). Jérôme Anselme reports to the Board of Directors on his work in this role.

We hope that this report will give you a better idea of the work procedures and methods that are implemented in the Company, as well as of the allocation of powers among the Company's various decision-making bodies.

The Board of Directors"

2. General information regarding the issuer

2.1. CORPORATE NAME

The Company's name is Cegereal SA.

2.2. TRADE AND COMPANIES REGISTRY

The Company is registered with the Paris Trade and Companies Registry under number 422 800 029. Its business identification (SIRET) number is 422 800 029 00031 and its business activity code is 6820B (leasing of other real estate assets).

2.3. COMPANY INCORPORATION AND TERM OF EXISTENCE

The Company was incorporated on April 22, 1999 for a term of 99 years in the form of a French limited liability company (*société à responsabilité limitée*). It was converted into a French *société anonyme* (joint-stock corporation) on December 31, 2005.

2.4. REGISTERED OFFICE, LEGAL FORM AND APPLICABLE LEGISLATION

The Company's registered office is located at: 42 rue de Bassano, 75008 Paris, France.

The Company is a French *société anonyme* (joint-stock corporation) with a Board of Directors that is governed by the provisions of the French Commercial Code.

The telephone number for the registered office is: +33 (0)1 42 25 76 36

2.5. SIIC STATUS

SIIC TAX TREATMENT

On June 1, 2006, the Company elected for the preferential tax treatment granted to listed real estate investment companies (SIICs) in accordance with Article 208 C of the French Tax Code.

The Company's eligibility for SIIC tax treatment was confirmed by the French tax authorities on January 3, 2006 subject to compliance with the conditions laid down by the law.

Article 208 C of the French Tax Code stipulates that a company may elect for SIIC tax treatment provided that it meets all of the following conditions at all times:

- it is listed on a regulated market;
- it has a minimum share capital of EUR 15 million;
- its main corporate purpose is the acquisition or construction of buildings intended for lease or the direct or indirect ownership of shareholdings in entities having the same corporate purpose and liable to the tax treatment applicable to partnerships or liable to corporate income tax;
- its capital or voting rights may not be held at 60% or more by one or several persons acting in concert within the meaning of Article L.233-10 of the French Commercial Code.

If during a fiscal year, the Company fails to comply with this threshold, in principle it shall no longer be eligible for the preferential tax treatment.

However, the 60% condition does not apply if the breach is due to certain specific transactions and is temporary in nature.

More specifically, if during a fiscal year, 60% or more of the Company's capital or voting rights comes to be held by one or several persons acting in concert pursuant to a public offer within the meaning of Article L.433-1 of the French Monetary and Financial Code (*Code monétaire et financier*), the condition is deemed to have been met if the percentage holding is reduced to less than 60% before the final date for filing the financial statements for the fiscal year in which the threshold was breached (for companies with a December 31 year end, the final date is the second business day after May 1);

- its capital and voting rights must be at least 15% held by persons each holding less than 2% of the capital and voting rights on the first day of the financial period in which the Company applies the SIIC tax treatment.

OBLIGATION TO DISTRIBUTE INCOME

SIICs that have elected for the preferential tax treatment granted to listed real estate investment companies (SIICs) in accordance with Article 208 C of the French Tax Code are exempted from paying corporate income tax on the portion of their income resulting from:

- the lease of buildings, provided that 95% of this income is distributed before the end of the fiscal year following the year in which the income was generated;
- capital gains generated on the sale of buildings, shareholdings in partnerships falling within the scope of Article 8 of the French Tax Code and having the same purpose as that of the SIIC, or shareholdings in subsidiaries having elected for SIIC tax treatment, provided that 70% of these capital gains are distributed by the end of the second fiscal year following the year in which they were generated. Capital gains generated on the sale of shares in a SPPICAV do not qualify for the tax exemption;
- dividends received from subsidiaries having elected for preferential tax treatment and resulting from exempt income or from capital gains, and dividends received from SPPICAVs that have been at least 5%-owned for a minimum of two years, provided that they are redistributed in full during the fiscal year following the year in which they were received;
- in addition, income generated by operations carried out by partnerships falling within the scope of Article 8 of the French Tax Code, which are deemed to be carried out directly by SIICs or their subsidiaries in proportion to their rights. Accordingly, this income must be distributed pursuant to the above-mentioned time limits and proportions, based on whether it results from the lease or sale of buildings or from dividends.

Cegereal's exemption from corporate income tax could be fully or partially contested if it fails to meet these conditions.

TAX TREATMENT OF DIVIDENDS DISTRIBUTED BY SIICS

The following information in based on the tax laws and regulations applicable in France as of the date of this Universal Registration Document.

It may be affected by legal or regulatory amendments (which may be applied retroactively) or by any changes in the interpretation of said laws and regulations by the French tax authorities.

The information is not an exhaustive description of all the tax implications for shareholders. Shareholders are invited to seek advice from their tax advisor on the tax treatment applicable to their specific situation in connection with the dividends distributed by Cegereal.

2.5.1. Dividends paid to legal entities

Legal entities that are French tax residents

Dividends distributed from tax-exempt income to legal entities that are French tax residents are not eligible for the parent-subsidiary tax regime provided for in Articles 145 and 216 of the French Tax Code. Accordingly, these dividends are subject to corporate income tax at the standard rate.

In contrast, dividends distributed from taxable income are eligible for the said parent-subsidiary tax regime, provided that the relevant conditions of application are met.

Legal entities that are non-French tax residents

Notwithstanding any applicable international tax treaties, dividends distributed by the Company are subject to withholding tax, which is levied by the paying establishment. From January 1, 2020 to December 31, 2020, the standard withholding tax rate is 28%. It will subsequently be decreased to 26.5% between January 1, 2021 and December 31, 2021 and then to 25% as of January 1, 2022. The withholding tax rate is 15% in the case of non-profit organizations or collective investment undertakings considered by the French tax authorities to be comparable to French non-profit organizations or collective investment undertakings, respectively. The withholding tax rate is 75% when the dividends are paid outside France in a non-cooperative state or territory (*Etat ou territoire non coopératif* – **ETNC**) as defined in Article 238-0 A of the French Tax Code.

The French Tax Code provides for exemption from withholding tax in several cases. In particular, withholding tax is not payable on dividends distributed from taxable income when the conditions provided for in Article 119 *ter* of the French Tax Code are met (EU parent-subsidiary regime).

20% withholding tax

SIICs are subject to a 20% withholding tax on dividends distributed from tax-exempt income to shareholders (other than individuals) directly or indirectly owning at least 10% of dividend entitlements in the Company when said shareholders are not liable for corporate income tax (or an equivalent tax) on the dividends received (the dividends are not subject to an equivalent tax if they are exempt or liable to a tax whose amount is more than two-thirds lower than the corporate income tax that would have been payable in France at the standard rate).

However, the withholding tax is not due when the beneficiary of the dividend is required to distribute the full amount of the dividends received and its shareholders that directly or indirectly hold at least 10% of its share capital are liable for corporate income tax or another equivalent tax on the dividends received.

The Company's bylaws stipulate that if the withholding tax applies, it will be paid by the shareholder generating this withholding tax.

2.5.2. Dividends paid to individuals

Individual shareholders who are French tax residents and trade in the stock market in a personal capacity

On payment, dividends are subject to (i) social security contributions at a rate of 17.2% and (ii) a mandatory withholding tax (*prélèvement forfaitaire obligatoire non libératoire* – **PFNL**) at a rate of 12.8%. The PFNL is deducted from the income tax due for the year in which it was levied. If it exceeds the income tax due, the surplus is refunded. Individuals who are part of a tax household whose reference taxable income for the prior fiscal year is less than EUR 50,000 (single, divorced or widowed taxpayers) or EUR 75,000 (taxpayers submitting a joint tax return) may request exemption from the PFNL.

On final taxation, dividends are subject to income tax (after deduction of the PFNL) at a flat rate of 12.8% (*prélèvement forfaitaire unique* – PFU) or at the progressive rate, where the taxpayer opts for the irrevocable application of the progressive rate to all of his/her income falling within the scope of the PFU.

If the taxpayer opts for the progressive rate, dividends distributed from the SIIC's taxable income are eligible for the 40% allowance. Dividends distributed from the SIIC's non-taxable income are not. In addition, if the taxpayer opts for the progressive rate, the CSG social security contribution may be deducted from taxable income at a rate of 6.8%.

Lastly, dividends are included in the basis for calculating the exceptional contribution for high earners.

Individual shareholders who are non-French tax residents

Notwithstanding any applicable international tax treaties, a 12.8% withholding tax is levied by the paying establishment on the dividends distributed by the Company.

LEGAL INFORMATION

TAX TREATMENT OF THE DIVIDEND DISTRIBUTION SCHEDULED FOR 2020

The dividends distributed in 2020 will be paid out of (i) net income available for distribution and (ii) the Company's "Additional paid-in capital", comprised solely of capital contributions.

(i) Distribution paid out of net income available for distribution

The tax treatment of the dividend distribution paid out of tax-exempt income is described in sections 2.5.1 *et seq.* above. In particular, note that dividends paid to individual shareholders who are resident in France for tax purposes are subject to tax at a flat rate of 30%, unless the individuals opt for dividend income to be taxed at the progressive income tax rate. In this case, the amount distributed will not be eligible for the 40% allowance provided for in Article 158 3-2° of the French Tax Code, since the distribution is deducted from tax-exempt income.

(ii) Distribution paid out of "Additional paid-in capital"

In the absence of net income or reserves other than the legal reserve, the distribution paid out of "Additional paid-in capital" shall be treated entirely as a redemption of capital contributions within the meaning of Article 112-1 of the French Tax Code. Accordingly, it will not be subject to withholding tax and will not fall within the scope of the 20% withholding tax.

Shareholders are invited to seek advice from their tax advisor on the tax treatment applicable to the dividend.

2.6. ARTICLES OF INCORPORATION AND BYLAWS

The following paragraphs present the main provisions of the bylaws of Cegereal and of the Internal Rules and Regulations for its Board of Directors on the date of this Universal Registration Document.

CORPORATE PURPOSE (ARTICLE 2 OF THE BYLAWS)

The Company's purpose, directly or indirectly, both in France and abroad, is to:

1. acquire, by any means whatsoever, and in particular through purchases, exchanges or contributions in kind, any land, property rights or buildings, whether built or to be built, as well as any assets and rights accessory to or associated with such real estate assets;
2. construct buildings and carry out any operations directly or indirectly linked to the construction of such buildings;
3. operate and develop these buildings, primarily through the leasing thereof;
4. sell and dispose of any real estate assets;

It may carry out all such activities, either directly or indirectly, and either alone or through a partnership, joint venture, group or company or with any other person(s) or companies;

5. hold interests in the entities referred to in Article 8 and sections 1, 2 and 3 of Article 206 of the French Tax Code, whose main purpose is operating real estate assets for leasing;
6. acquire interests in any companies whose main purpose is operating real estate assets for leasing;
7. assist and provide any administrative, technical, legal, accounting, financial or management services to any of the Company's subsidiaries and any companies in which the Company holds an interest.

And more generally, all financial, commercial or industrial transactions, whether in real or movable property, of any kind whatsoever, directly or indirectly related to the Company's corporate purpose as described above, or to any similar or connected purpose likely to facilitate or promote the Company's expansion or development, in any way whatsoever.

BYLAW PROVISIONS RELATING TO THE MANAGEMENT AND EXECUTIVE STRUCTURES – BOARD OF DIRECTORS' INTERNAL RULES AND REGULATIONS

Board of Directors (excerpts from Articles 15 and 16 of the bylaws)

The Company shall be managed by a Board of Directors composed of at least three members and a maximum of eighteen members, except as otherwise provided by law in the case of a merger. The term of office for directors is four years. Directors may be removed from office at any time by the Ordinary Shareholders' Meeting (Article 15 of the bylaws).

The Board of Directors shall elect a Chairman from among its members, who must be an individual, whose compensation shall be determined by the Board where applicable. The Chairman of the Board of Directors shall be appointed for a term that cannot exceed that of his/her term of office as director.

The Chairman can be re-elected. The Board of Directors can remove the Chairman from office at any time, any provision to the contrary shall be deemed null and void. The Chairman of the Board shall have and exercise powers under the conditions laid down by Article L.225-51 of the French Commercial Code. If the Chairman of the Board of Directors is not the Chief Executive Officer, the Chief Executive Officer and/or the Deputy Chief Executive Officer(s) shall assist the Chairman in order to obtain information that is useful for the performance of his/her duties.

If it deems it useful, the Board may appoint one or more Vice-Chairmen, whose sole duty is to chair Board meetings and General Shareholders' Meetings in the absence of the Chairman.

The Board of Directors shall have the powers and perform its assignment under the conditions laid down by Article L.225-35 of the French Commercial Code, by the Internal Rules and Regulations adopted by the Board of Directors and by the Company's bylaws.

Each Board member shall receive directors' fees according to the allocation defined by the Board of Directors of the overall amount set by the Ordinary Shareholders' Meeting. Each Board member may also receive exceptional compensation in respect of his/her involvement in a committee or a specific assignment (Article 6 of the Internal Rules and Regulations).

Board meetings shall be convened by all means, including orally, by the Chairman of the Board. When the Board has not met for more than two months, at least one-third of the Board members can ask the Chairman of the Board of Directors to convene the Board to meet on a specific agenda. If the Chief Executive Officer does not perform the duties of Chairman of the Board, he/she can also ask the Chairman of the Board to convene the Board to meet on a specific agenda. The Chairman of the Board shall be bound by requests made to him/her in this way.

Board meetings shall be held at the registered office or at any other place specified in the convening notice.

These meetings may be held via videoconference or by any other means of telecommunication that allows for the identification of the directors, guarantees their effective participation in the meeting of the Board and allows for uninterrupted broadcasting of the discussions and decisions, within the scope of the applicable provisions of the law and regulations, it being specified that discussions relating to the adoption of the decisions referred to in paragraph 3 of Article L.225-37 of the French Commercial Code cannot be held via videoconference.

Decisions shall be made under the quorum and majority conditions laid down by law and the Internal Rules and Regulations.

Non-voting directors (Article 19 of the bylaws)

The Ordinary Shareholders' Meeting may appoint one or more persons, who may or may not be chosen from among the shareholders, to act as non-voting directors (Article 19 of the bylaws). The assignment of the non-voting directors is to issue opinions and suggestions to the Company's committees and to assist the Board of Directors in determining corporate strategy. The non-voting directors may be chosen from among the committee members.

The non-voting directors shall be appointed for a term of three years. Their term of office shall expire at the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the third fiscal year that follows the year during which they were appointed. Non-voting directors can be reelected. Each non-voting director can be removed from office at any time by the Ordinary Shareholders' Meeting.

The non-voting directors shall have access to the same information as that made available to the members of the Board of Directors. The non-voting directors may be invited to attend any meeting of the Board of Directors. They are not allowed to vote at Board meetings, however.

Method of general management (excerpt from Article 17 of the bylaws)

The general management of the Company shall be placed under the responsibility of either the Chairman of the Board of Directors, or another individual appointed by the Board of Directors who shall have the title of Chief Executive Officer.

The choice between these two methods of exercising general management shall be made by the Board of Directors, which must inform the shareholders and third parties thereof under the regulatory conditions.

The Board's decision as to how the general management will be exercised shall be taken by the majority of the directors who are present or represented. The Board shall determine the duration of the option; in any event, the Board's decision on this point shall remain valid until a decision to the contrary is taken.

When the Board of Directors chooses to separate the duties of the Chairman of the Board of Directors from those of the Chief Executive Officer, it shall appoint the Chief Executive Officer, who need not be a director, set his/her term of office, determine his/her compensation and, where applicable, the limits on his/her powers. The Chief Executive Officer shall have the powers and perform his/her assignment under the conditions laid down by Article L.225-56 of the French Commercial Code, by the Internal Rules and Regulations adopted by the Board of Directors and by the Company's bylaws. The Board of Directors can remove the Chief Executive Officer from office at any time. If the removal from office is decided without due grounds, it may give rise to damages, unless the Chief Executive Officer is also Chairman of the Board of Directors.

On the recommendation of the Chief Executive Officer, the Board of Directors can appoint one or more individuals who are responsible for assisting the Chief Executive Officer and who shall have the title of Deputy Chief Executive Officer. The Board of Directors shall determine the compensation of the Deputy Chief Executive Officer(s) and, in agreement with the Chief Executive Officer, the scope and duration of the powers of the Deputy Chief Executive Officer(s). With regard to third parties, the Deputy Chief Executive Officer(s) shall have the same powers and be subject to the same obligations as the Chief Executive Officer. When the Chief Executive Officer ceases or is unable to perform his/her duties, the Deputy Chief Executive Officer(s), unless decided otherwise by the Board of Directors, shall continue to exercise their duties and responsibilities until a new Chief Executive Officer is appointed.

Deputy Chief Executive Officers may be removed from office at any time by the Board of Directors, on the recommendation of the Chief Executive Officer. If the removal from office is decided without due grounds, it can give rise to the payment of damages.

Board of Directors' Internal Rules and Regulations

The Company's Board of Directors adopted Internal Rules and Regulations which supplement and clarify the terms and conditions of its operation, as provided by law and the Company's bylaws. These Internal Rules and Regulations specify, in particular, how the Board is organized and operates, as well as its powers and responsibilities and those of its committees and the limitations to the powers of Executive Management.

A Directors' Charter, which is attached to these Internal Rules and Regulations, specifies the conditions under which all Company directors are required to perform their duties, particularly with regard to Regulation (EU) no. 596/2014 of April 16, 2014 on market abuse (the "MAR regulation").

RIGHTS, PRIVILEGES AND RESTRICTIONS ATTACHED TO SHARES

Each ordinary share entitles holders, under the conditions provided for by law and regulations, to exercise and enjoy monetary and non-monetary rights. Shareholders only bear losses up to the amounts paid in.

The voting right attached to shares is proportional to the portion of the capital the shares represent and each share grants the right to one vote.

Limits on voting rights

None

Double voting rights (excerpt from Article 11 of the bylaws)

None

Bylaw provisions relating to the allocation of profits, the payment of dividends and interim dividends (excerpt from Article 27 of the bylaws)

The profit for the fiscal year, less prior losses carried forward and amounts allocated to the legal reserve, plus prior profits carried forward, constitutes the distributable profit. In addition to the distributable profit, under the conditions defined by law, the Ordinary Shareholders' Meeting can decide to distribute amounts drawn from the reserves to which the shareholders are entitled.

After approval of the annual financial statements and verification of the existence of distributable amounts, the Ordinary Shareholders' Meeting decides the portion allocated to shareholders in the form of dividends.

Insofar as the Company has elected for the tax treatment referred to in Article 208 C of the French Tax Code, the amount of the distributable profit shall be determined in accordance with the provisions of the second, third and fourth paragraphs of Article 208 C II of said Code, in order to allow the Company to benefit from the provisions of Article 208 C II.

The General Shareholders' Meeting has the option of offering shareholders the choice between payment in cash or in shares, for all or part of the securities that grant the right to the payment of dividends, within the scope of the relevant provisions of the law and regulations.

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Interim dividends can also be distributed before the approval of the financial statements for the fiscal year, under the conditions laid down by law.

For all or part of the interim dividends paid, shareholders can be offered the option of payment in cash or in shares.

Lastly, all shareholders, other than individuals:

(i) that directly or indirectly hold at least 10% of the Company's dividend rights, at the time of any payment of dividends, reserves, premiums or income deemed distributed within the meaning of the French Tax Code, and

(ii) whose specific situation or that of its partners who directly or indirectly hold 10% or more of the Company's dividend rights, in respect of all payments of dividends, reserves, premiums or income deemed distributed within the meaning of the French Tax Code, render the Company liable for the 20% withholding tax referred to in Article 208 C II *ter* of the French Tax Code (the "**withholding tax**") (such shareholders are referred to as "**shareholders subject to withholding tax**");

shall owe the Company, when any dividends, reserves, premiums or income deemed distributed within the meaning of the French Tax Code are paid, an amount that shall be set in such a way as to neutralize completely the withholding tax owed by the Company in respect of said payment.

If there is more than one shareholder subject to withholding tax, each of them shall owe the Company the portion of the withholding tax triggered by its direct or indirect shareholding. The status of shareholder subject to withholding tax shall be assessed on the date the payment is distributed.

Subject to the information provided in accordance with Article 10 of the bylaws, all shareholders, other than individuals, that directly or indirectly hold at least 10% of the Company's dividend rights shall be presumed to be shareholders subject to withholding tax.

The amount of any debt owed by a shareholder subject to withholding tax shall be calculated in such a way that, after the debt is paid and in light of any tax treatment applicable to it, the Company is placed in the same position as though the withholding tax had not been triggered.

The payment of any distribution to a shareholder subject to withholding tax shall be made by an entry in said shareholder's individual current account (which shall not bear interest). The current account balance shall be repaid within five business days as from said entry, after offsetting against the monies owed by the shareholder subject to withholding tax pursuant to the provisions set out above.

The General Shareholders' Meeting can grant each shareholder, for all or part of the dividend or interim dividend payment, an option between payment in cash or in shares. If a shareholder subject to withholding tax opts for the payment of its dividend in shares, said shareholder shall receive part of the payment in shares (without creating fractional shares), and the other part in cash (this portion shall take the form of an individual current account entry), so that the offsetting mechanism described above can apply to the portion of the dividend payment made by an entry in the individual current account.

In the event of a distribution at the time of a public exchange offer, the Company shall only deliver the shares owed to the shareholder subject to withholding tax in respect of its involvement in the exchange after full payment in cash of the monies owed by the shareholder subject to withholding tax to the Company pursuant to the provisions set out above.

In the event that:

(i) subsequent to a payment by the Company of dividends, reserves, premiums or income deemed distributed within the meaning of the French Tax Code, a shareholder is found to be a shareholder subject to withholding tax on the date of payment of said monies; and

(ii) the Company should have paid the withholding tax in respect of the monies thus paid to said shareholder, without said monies having been reduced as required, said shareholder subject to withholding tax shall be required to pay the Company not only the amount it owed to the Company pursuant to the provisions of this article, but also an amount equal to the penalties and default interest, where applicable, owed by the Company as a result of the late payment of the withholding tax.

Where applicable, the Company may set off its receivable in this regard pro tanto against all monies that may subsequently be owed to said shareholder subject to withholding tax.

CHANGES TO THE CAPITAL AND THE RIGHTS ATTACHED TO SHARES (ARTICLE 8 OF THE BYLAWS)

The share capital can be increased by any method and in any way authorized by law. The Extraordinary Shareholders' Meeting has the sole power to decide on any immediate or deferred increases in capital. The meeting can delegate this power to the Board of Directors under the conditions laid down by law.

The Extraordinary Shareholders' Meeting can also, under the terms and conditions laid down by law, authorize a capital reduction or decide to reduce the capital for any reason and in any way whatsoever. However, capital reductions cannot undermine shareholder equality in any way.

The provisions of the bylaws that govern changes in the Company's share capital are no stricter than those imposed by law.

GENERAL SHAREHOLDERS' MEETINGS (ARTICLE 23 OF THE BYLAWS)

General Shareholders' Meetings shall be convened and deliberate under the quorum and majority conditions laid down by law.

They shall be held at the registered office or at any other place specified in the convening notice.

All shareholders are entitled to attend General Shareholders' Meetings and to take part in the vote in person or via proxy, upon presentation of proof of their identity and title to their securities, provided that:

- for holders of registered shares, the securities are recorded in the accounts of registered shares kept by the Company, in the name of the shareholder;
- for holders of bearer shares, the securities are recorded in the accounts of bearer shares kept by the accredited financial intermediary, and evidenced by a share ownership certificate.

These formalities must be carried out at the latest on the second business day prior to the meeting at midnight, Paris time (Article R.225-85 amended of the French Commercial Code).

The Board of Directors may reduce this timeframe via a general measure that benefits all the shareholders.

All shareholders can vote prior to the meeting by post or electronically, in accordance with legal and regulatory terms and conditions.

The shareholders can, under the conditions laid down by the laws and regulations, send their proxy form or postal vote form for any General Shareholders' Meeting on paper or electronically pursuant to a decision by the Board of Directors stated in the convening notice, in accordance with the regulations in force. Shareholders shall be deemed to be present for the calculation of the quorum and majority if they attend the meeting by videoconference or by other means of telecommunication that make it possible to identify them, in accordance with legal and regulatory conditions.

General Shareholders' Meetings shall be chaired by the Chairman of the Board of Directors, or in his/her absence, by the director who has been on the Board the longest. An attendance sheet shall be drawn up under the conditions laid down by law.

Decisions at General Shareholders' Meetings shall be taken under the quorum and majority conditions laid down by law.

CROSSING OF THRESHOLDS SET IN THE BYLAWS (ARTICLE 10 OF THE BYLAWS)

In addition to the thresholds provided for by the applicable laws and regulations, any individual or legal entity, acting alone or in concert, that acquires or disposes of, directly or indirectly through one or more companies over which it has majority control, 3% or more of the share capital and/or voting rights, shall inform the Company of each additional fraction of 2% of the capital and/or voting rights held, up to 33%, within five trading days from the crossing of said threshold(s), by registered letter with return receipt requested sent to the Company's registered office, specifying the total number of shares or securities that grant access to the capital, as well as the number of voting rights it holds, alone, indirectly or together with other shareholders, on the basis of the most recent number of voting rights published by the Company.

In the event of failure to comply with this disclosure obligation, one or more shareholders that hold at least 5% of the capital or voting rights can request that the shares exceeding the fraction that should have been disclosed be stripped of voting rights for all Shareholders' Meetings that are held, until the expiration of a two-year period following the date on which the disclosure obligation is complied with. The request shall be recorded in the minutes of the General Shareholders' Meeting. Under the same conditions, the voting rights attached to these shares and that were not duly disclosed cannot be delegated by the defaulting shareholder.

The disclosure obligation described above must be complied with in addition to legal disclosure threshold obligations, in particular those referred to in Article L.233-7 of the French Commercial Code.

Lastly, all shareholders, other than individuals, that hold and/or acquire 10% of the Company's dividend rights, directly or through entities they control, within the meaning of Article L.233-3 of the French Commercial Code, must state in their disclosure threshold notice or subsequent thereto, whether or not the entity is a shareholder subject to withholding tax as defined in Article 27 of the bylaws. If the shareholder declares that it is not a shareholder subject to withholding tax, it must comply with any request by the Company to provide proof thereof and/or a legal opinion issued by an internationally renowned tax firm at the latest ten (10) business days before payment of the distributions.

All shareholders, other than individuals, that report that they have exceeded the threshold of 10% of the dividend rights, directly or indirectly, must notify the Company in a timely manner, and in any event at the latest ten (10) business days before the distributions are made, of any change in their tax status that would cause them to acquire or lose the status of shareholder subject to withholding tax.

If they are not declared under the conditions provided for in the previous paragraph of this article, the shares that exceed the disclosure threshold shall be stripped of voting rights in Shareholders' Meetings if, during a meeting, the failure to declare is recorded and if one or more shareholders that together hold at least 2% of the capital make a request to this effect during such meeting. The removal of voting rights shall also apply to all Shareholders' Meetings that are held until the expiration of a two-year period following the date on which the disclosure obligation is complied with.

The shares of all shareholders subject to withholding tax shall be issuer-registered.

3. Related party transactions

3.1. ASSET MANAGEMENT AGREEMENT

3.1.1. ASSET MANAGEMENT AGREEMENT BETWEEN PROTHIN AND NORTHWOOD INVESTORS FRANCE ASSET MANAGEMENT

On December 16, 2015, Northwood Investors France Asset Management SAS (the "**Advisor**") and Prothin entered into an advisory services agreement amended on December 23, 2016, effective January 1, 2016 for an initial term of six years (the "**Prothin ASA**"), the key terms of which are summarized below.

Services provided under the Prothin ASA

Under the terms of the ASA, the Advisor is responsible for advising Prothin on and assisting it in identifying investment opportunities, handling due diligence procedures and feasibility studies, and structuring and negotiating transactions and the related legal documentation, in liaison with general management and under the control of Prothin and any representatives it may appoint.

The Advisor also provides Prothin with advice on and assistance in (i) preparing and executing the annual business plan, (ii) determining and monitoring the implementation of Prothin's letting strategy, (iii) planning and supervising the key investment activities and (iv) Prothin's relations and interactions with existing and future investors.

The agreement also gives Prothin a right of first refusal over investment opportunities identified by Northwood Investors that are in keeping with the Group's strategy. Should Prothin decline such an investment opportunity due to a negative vote by one or several of the Company directors appointed by Northwood Investors, Northwood Investors may not complete the investment directly if all the other directors of the Company approved the transaction.

Fees and alignment of the Advisor's interests with those of the Group

The Advisor will receive the following fees:

Advisory fee

An advisory fee equal to 0.75% of the Group's EPRA NNNAV is payable quarterly in advance (the calculation only includes the proportion of net asset value that Prothin represents relative to that of Cegereal and its subsidiaries or affiliates).

Variable compensation (or "incentive fee")

An incentive fee will also be paid to encourage the Advisor to create value for the shareholders ("**Value Growth**").

Value Growth is determined on the basis of growth in the Group's EPRA NNNAV over a period of three years adjusted upwards for dividend distributions and downwards for capital increases made over that period (the calculation only includes the proportion of net asset value that Prothin represents relative to that of Cegereal and its subsidiaries or affiliates). The incentive fee is equal to a maximum of 10% of Value Growth, provided that an annualized IRR of at least 6% is achieved (the "Initial Hurdle"). A catch-up clause divides the proportion of Value Growth in excess of the Initial Hurdle equally between the Advisor and Prothin until the point that the incentive fee reaches 10% of Value Growth. Beyond that hurdle, the total incentive fee is 10% of Value Growth.

No specific fees are due in the event of the sale or acquisition of real estate assets, as the incentive fee is structured in such a way as to encourage long-term value creation.

Furthermore, to better align the interests of the Advisor with those of the Group and therefore encourage the Advisor to maximize Prothin's long-term performance, the Prothin ASA requires the Advisor to invest the net amount of incentive fees received (i.e., net of VAT and after taxes) in shares of the Company via the exercise of share subscription warrants. The shares obtained will be subject to a lock-up period of (i) 12 months for 100% of the shares, (ii) 24 months for 66.66% of the shares and (iii) 36 months for 33.33% of the shares. Beyond that, no restrictions will apply. Furthermore, the Board may not subscribe to new shares by exercising share subscription warrants if doing so would result in a shareholder, acting alone or in concert, holding directly or indirectly 60% or more of the Company's share capital or voting rights.

At the end of the first three-year period (January 1, 2016 to January 1, 2019), NIFAM received an incentive fee in the amount of EUR 13,011,000 under the Prothin ASA, which it used to subscribe to new shares of the Company by exercising share subscription warrants (see section VI.1.5 below).

The next potential incentive fee due date is January 1, 2022.

3.1.2. ASSET MANAGEMENT AGREEMENT BETWEEN HANAMI RUEIL SCI AND NORTHWOOD INVESTORS FRANCE ASSET MANAGEMENT

On December 23, 2016, Northwood Investors France Asset Management SAS (the "**Advisor**") and Hanami Rueil SCI entered into an advisory services agreement, effective December 23, 2016 for an initial term of six years (the "**Hanami Rueil SCI ASA**") along the same lines as the Prothin ASA.

At the end of the first three-year period (January 1, 2016 to January 1, 2019), NIFAM received an incentive fee in the amount of EUR 3,227,000 under the Hanami Rueil SCI ASA, which it used to subscribe to new shares of the Company by exercising share subscription warrants (see section VI.1.5 below).

The next potential incentive fee due date is January 1, 2022.

3.1.3. ASSET MANAGEMENT AGREEMENT BETWEEN CGR PROPCO SCI AND NORTHWOOD INVESTORS FRANCE ASSET MANAGEMENT

On December 5, 2018, Northwood Investors France Asset Management SAS (the "**Advisor**") and CGR Propco SCI entered into an advisory services agreement, effective December 5, 2018 for an initial term of six years (the "**CGR Propco SCI ASA**") along the same lines as the Prothin ASA.

At January 1, 2019, NIFAM did not receive any incentive fees under the CGR Propco SCI ASA.

The next potential incentive fee due date is January 1, 2022.

4. Employees

Employees

The small number of employees within the Group can be explained by the fact that the Group outsources all administrative, financial, accounting, legal, tax, IT and property management services to external service providers.

In this respect, some ten people are responsible for the day-to-day management of the Group's real estate assets, mainly management of rents and service charges, facility management, reception and security.

The Company is governed by the French National Collective Bargaining Agreement for the Real Estate sector (*Convention collective nationale étendue de l'immobilier*) – Property Managers – Real Estate companies and Estate Agents.

The Group has not encountered any specific difficulties in hiring personnel. There were no dismissals within the Group during the year ended December 31, 2019.

The Group does not use any external manpower.

No layoff plans have been implemented.

Due to the Company's structure, it has no employee representatives.

Employee share ownership and stock options

At December 31, 2019, there was no employee share ownership as defined in Article L.225-102 of the French Commercial Code.

The Group's employees have not been granted any stock subscription options.

Mandatory and optional employee profit-sharing

The Company does not have any employee incentive plans.

Information on the Group's CSR policy – employment issues

In application of Article L.225-102-1 of the French Commercial Code, information on Cegereal's employment policy is presented below.

Cegereal's HR values are as follows:

- equal treatment of employees;
- training employees and ensuring that they develop their skills;
- involving our employees in the development of our strategy.

The employment indicators for 2019 were as follows:

- 100% of employees are women (Jérôme Anselme, Chief Executive Officer, is not an employee of the Company or any of its subsidiaries);
- the gender pay gap is not an issue for the Group as 100% of the employees are women;
- 100% of employees are on permanent contracts;
- 100% of employees on permanent contracts attended in-house and external training in 2019, mainly English language courses. Three external training hours were completed in total.

Training

Three hours of external training were completed by Group employees in 2019.

A detailed evaluation of each employee's training needs is carried out at the start of each year during the annual reviews. This ensures that all employees have equal access to training.

Each employee undergoes annual reviews to assess whether they have met their targets. These annual reviews are also an opportunity to further expectations and ensure that employees' needs are met.

Industrial relations

Due to Cegereal's limited number of employees, the Company does not have a staff representative body.

Diversity and equality

All of the Company's employees are treated fairly and have equal access to professional training opportunities, regardless of their origin. They all receive an annual performance review.

Cegereal ensures that there is no discrimination towards its employees or partners.

Health and safety, and compliance with the fundamental conventions of the International Labour Organization

The Group is governed by French law and undertakes to comply with the French Labor Code (*Code du travail*) in its entirety, particularly the provisions concerning employee health and safety. It also complies with the fundamental conventions of the International Labour Organization, particularly those relating to child labor, forced labor and the employment of people with disabilities.

The nature of the Group's property business, which consists of managing office buildings, does not pose any significant risks in relation to the working conditions of its employees.

Food waste

As Cegereal's business includes property management, it is not directly affected by risks related to food waste. However, when selecting its food service providers for each of its assets, Cegereal pays close attention to the measures they take with regard to food waste. Property managers ensure that contracted service providers enable tenants to enjoy responsible, balanced and sustainable food at the intercompany restaurants.

The fight against food insecurity is not an issue for Cegereal.

Employment data

Headcount	**at Dec. 31, 2019**	**at Dec. 31, 2018**
Total headcount	3	3.8
of which men	*0*	*0*
of which women	*3*	*3.8*
Average age of employees	32	32
Employee turnover		
External recruitment	0	0
Departures	0	1
of which dismissals	*0*	*0*
Compensation		
Total payroll (in thousands of euros)	511	815
Change (%)	*-37%*	*- 26 %*
Training		
Total number of hours' training	3	60
% of employees trained	*33%*	*100%*
A detailed evaluation of each employee's training needs is carried out at the start of each year during the annual reviews. This ensures that all employees have equal access to training.		
Working time – absenteeism		
Theoretical number of hours worked	5,559	7,159
Absenteeism rate (%)	0.86%	3.92%
of which work accidents	0%	0%
of which occupational diseases	0%	0%
of which sick leave	100%	100%

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5. Share capital

5.1. INFORMATION ON THE SHARE CAPITAL

5.1.1. AMOUNT OF THE CAPITAL

As of the date of this Universal Registration Document, the share capital is set at EUR 79,532,200.

It is divided into 15,906,440 ordinary shares with a par value of EUR 5 per share.

The Company's shares have all been subscribed and fully paid up and are all of the same class.

5.1.2. ALLOCATION OF CAPITAL AND VOTING RIGHTS

At December 31, 2019, the total number of shares in issue was 15,906,440.

On March 13, 2019, Northwood Investors France Asset Management SAS ("**NIFAM**") exercised 303,672 share subscription warrants (see section 5.1.4 below), granting the right to subscribe to 305,190 new ordinary shares of the Company at a price of EUR 36.71 per share.

As of the date of this Universal Registration Document, no shareholder holds specific voting rights. There are no shares with double voting rights. However, the number of voting rights must be adjusted to take into account treasury shares, which do not carry voting rights.

The tables below show the allocation of capital and voting rights at the date of this Universal Registration Document, to the best of the Company's knowledge.

Ownership structure at April 23, 2020	Shares		Theoretical voting rights		Voting rights exercisable at the General Shareholders' Meeting	
	Number	%	Number	%	Number	%
Northwood[1]	9,091,869	57.16%	9,091,869	57.16%	9,091,869	57.20%
GIC[2]	3,966,646	24.94%	3,966,646	24.94%	3,966,646	24.96%
AXA	818,219	5.14%	818,219	5.14%	818,219	5.15%
Free float	2,017,011	12.68%	2,017,011	12.68%	2,017,011	12.69%
Treasury shares	12,695	0.08%	12,695	0.08%	-	0.00%
Total	15,906,440	100%	15,906,440	100%	15,893,745	100%

Ownership structure at December 31, 2019	Shares		Theoretical voting rights		Voting rights exercisable at the General Shareholders' Meeting	
	Number	%	Number	%	Number	%
Northwood[1]	9,091,869	57.16%	9,091,869	57.16%	9,091,869	57.20%
GIC[2]	3,966,646	24.94%	3,966,646	24.94%	3,966,646	24.96%
AXA	818,219	5.14%	818,219	5.14%	818,219	5.15%
Free float	2,017,059	12.68%	2,017,059	12.68%	2,017,059	12.69%
Treasury shares	12,647	0.08%	12,647	0.08%	-	0.00%
Total	15,906,440	100%	15,906,440	100%	15,893,793	100%

(1) Refers to NW CGR 1 SARL, NW CGR 2 SARL and NW CGR 3 SARL, all members of the Northwood Concert, as well as to all Northwood affiliates.
(2) Refers to Euro Bernini Private Limited.

To the Company's knowledge, no other shareholder, acting alone or in concert, directly or indirectly holds more than 3% of the capital or voting rights.

As of the date of this Universal Registration Document, with the presence of representatives of Northwood and GIC on its Board of Directors, the percentages of the capital and voting rights held by all the members of the management and executive bodies were 82.1% and 82.1%, respectively.

Northwood therefore has an indirect controlling interest in Cegereal. However, the presence of independent directors on the Board and committees means that there is no risk that this control will be exercised in an abusive manner. Accordingly, the Board of Directors' Internal Rules and Regulations contain a Directors' Charter, which requires each director to be attentive to the division and exercise of the respective powers and responsibilities of the Company's governing bodies and to ensure that no one can exercise uncontrolled discretionary power over the Company. Lastly, the practices and procedures of the Board of Directors were assessed in January 2018 through internal questionnaires with a view to their improvement.

At December 31, 2019, there was no employee share ownership as defined in Article L.225-102 of the French Commercial Code.

To the Company's knowledge, there are no significant pledges of issuer-registered Cegereal shares.

The Company has not pledged its treasury shares.

5.1.3. CHANGES IN OWNERSHIP STRUCTURE OVER THE PAST THREE YEARS

Changes in the allocation of share capital and voting rights over the past three years were as follows:

Ownership structure at December 31, 2019	Share capital		Theoretical voting rights		Voting rights exercisable at the General Shareholders' Meeting	
	Number	%	Number	%	Number	%
Northwood[1]	9,091,869	57.16%	9,091,869	57.16%	9,091,869	57.20%
GIC[2]	3,966,646	24.94%	3,966,646	24.94%	3,966,646	24.96%
AXA	818,219	5.14%	818,219	5.14%	818,219	5.15%
Free float	2,017,059	12.68%	2,017,059	12.68%	2,017,059	12.69%
Treasury shares	12,647	0.08%	12,647	0.08%	-	0.00%
Total	15,906,440	100.00%	15,906,440	100%	15,893,793	100%

Ownership structure at December 31, 2018	Share capital		Theoretical voting rights		Voting rights exercisable at the General Shareholders' Meeting	
	Number	%	Number	%	Number	%
Northwood[1]	9,091,869	57.16%	8,786,679	57.16%	8,786,679	57.20%
GIC[2]	3,966,646	25.43%	3,966,646	25.43%	3,966,646	25.43%
AXA	818,219	5.24%	818,219	5.24%	818,219	5.24%
Free float	2,017,059	12.68%	2,017,059	12.68%	2,017,059	12.69%
Treasury shares	11,939	0.08%	11,939	0.08%	11,939	0.08%
Total	15,601,250	100.00%	15,601,250	100%	15,601,250	100%

Ownership structure at December 31, 2017	Share capital		Theoretical voting rights		Voting rights exercisable at the General Shareholders' Meeting	
	Number	%	Number	%	Number	%
Northwood[1]	7,405,494	55.38%	7,405,494	55.38%	7,405,494	55.42%
GIC[2]	3,343,125	25.00%	3,343,125	25.00%	3,343,125	25.02%
AXA	701,332	5.24%	701,332	5.24%	701,332	5.25%
Free float	1,912,940	14.31%	1,912,940	14.31%	1,912,940	14.32%
Treasury shares	9,609	0.07%	9,609	0.07%	-	0.00%
Total	13,372,500	100%	13,372,500	100%	13,362,891	100%

(1) Refers to NW CGR 1 SARL, NW CGR 2 SARL and NW CGR 3 SARL, all members of the Northwood Concert, as well as to all Northwood affiliates.
(2) Refers to Euro Bernini Private Limited.

5.1.4. OTHER SECURITIES THAT GRANT ACCESS TO CAPITAL

In accordance with the delegation of authority granted by the Extraordinary Shareholders' Meeting of February 18, 2016, on April 14, 2016 the Board of Directors decided to issue 865,000 share subscription warrants (the "Share Subscription Warrants" ["**BSA**"]) at a unit price of EUR 0.01, each granting the right to subscribe to one new ordinary share of the Company. The Share Subscription Warrants must be exercised no later than June 30, 2022.

Northwood Investors France Asset Management SAS (the "**Share Subscription Warrant Holder**") subscribed to all 865,000 of the Share Subscription Warrants, granting the right to initially subscribe to 865,000 new ordinary shares of the Company in accordance with the terms of the issue agreement (the "**Issue Agreement**").

The subscription price for one ordinary share of the Company through the exercise of one Share Subscription Warrant is equal to the volume-weighted average share price during the 20 trading days prior to the exercise date.

Northwood Investors France Asset Management SAS may only subscribe to new shares of the Company by exercising Share Subscription Warrants if it is owed an incentive fee pursuant to the terms and conditions of the Prothin ASA. In the event that Northwood Investors France Asset Management SAS is unable to subscribe to new shares by exercising Share Subscription Warrants, it will receive said incentive fee in cash.

Under the terms of the Issue Agreement, should the Company carry out financial operations that could result in the dilution of the Share Subscription Warrant Holder's rights or a decrease in the Company's share price, the Company must protect the rights of the Share Subscription Warrant Holder.

The distribution of reserves and additional paid-in capital in an amount of EUR 2.3 per share, as decided by the General Shareholders' Meeting of April 30, 2019, falls into the abovementioned category of operations. However, insofar as the subscription price for one ordinary share of the Company through the exercise of one Share Subscription Warrant is equal to the volume-weighted average share price during the 20 trading days prior to the exercise date, the necessary adjustment will automatically be included in the exercise price. There is therefore no need to adjust the rights of the Share Subscription Warrant Holder.

In the event of a capital increase with preemptive subscription rights for existing shareholders, the Issue Agreement sets out a protection mechanism whereby an adjustment will be made to the number of shares to which the Share Subscription Warrant Holder is entitled, in accordance with the provisions of Articles L.228-99, paragraph 3 and R.228-91, paragraph 1 b) of the French Commercial Code.

Consequently, following the completion on October 25, 2018 of the capital increase with preemptive subscription rights for existing shareholders pursuant to the sub-delegation granted to him by the Board of Directors on September 6, 2018, the Chief Executive Officer decided to adjust the number of shares to which the Share Subscription Warrant Holder is entitled. Accordingly, as of October 25, 2018, the exercise ratio is now 1.005 new shares of the Company for one Share Subscription Warrant. The 865,000 Share Subscription Warrants will therefore entitle the Share Subscription Warrant Holder to subscribe to 869,325 new shares of the Company.

The holder may not subscribe to new shares by exercising Share Subscription Warrants if doing so would result in a shareholder, acting alone or in concert, holding directly or indirectly 60% or more of the Company's share capital or voting rights.

On March 19, 2019, NIFAM exercised 303,672 Share Subscription Warrants and subscribed to 305,190 new shares at a price of EUR 36.71 per share. On October 14, 2019, NIFAM transferred to Northwood Investors International Limited, an affiliate of Northwood, the 305,190 shares it held in the Company. On November 28, 2019, Northwood International Limited transferred the 305,190 shares it held in the Company to Northwood CGR Holdings LP, an affiliate of Northwood (see section VI.5.4 of this Universal Registration Document). Northwood CGR Holdings LP now holds 305,190 shares in the Company, representing 1.92% of the share capital and voting rights.

5.1.5. AMOUNT OF THE SHARE CAPITAL AUTHORIZED, BUT NOT ISSUED

The Ordinary and Extraordinary Shareholders' Meeting of April 30, 2019 delegated authority to the Board of Directors to issue, on one or several occasions and in proportions and at such time as it deems appropriate, in euros, foreign currencies or any other unit of account established based on a currency basket, ordinary shares and/or ordinary shares granting access to other ordinary shares or debt securities, and/or securities granting access to ordinary shares to be issued by the Company, based on the Company's needs and in light of the market characteristics at the relevant time.

The aggregate nominal amount of shares that may be granted with preemptive subscription rights shall not exceed EUR 300,000,000.

The aggregate nominal amount of shares that may be granted without preemptive subscription rights by public offering or private placement shall not exceed EUR 300,000,000. In the event of a private placement, this amount shall also be capped at 20% of the share capital per year.

These amounts do not include the nominal value of ordinary shares that may be issued to maintain the rights of holders of securities granting access to the share capital, in accordance with legal provisions and, where applicable, contractual provisions providing for other adjustments.

On the same date, the Ordinary and Extraordinary Shareholders' Meeting also delegated authority to the Board of Directors to:

- in the event of the cancelation of preemptive subscription rights, set the issue price, within the annual limit of 10% of the share capital and according to the conditions determined by the General Shareholders' Meeting;
- increase the amount of shares issued in the event of over-subscription;
- issue ordinary shares and/or securities granting access to the share capital, within the limit of 10% of the share capital, in consideration of contributions of shares or securities granting access to the Company's share capital;
- capitalize all or part of reserves, profits and additional paid-in capital by raising the par value or granting ordinary free shares;
- grant free shares to employees and/or certain corporate officers.

To date, none of these delegations have been used.

5.1.6. SECURITIES THAT DO NOT REPRESENT CAPITAL

None

5.2. TRANSACTIONS IN THE COMPANY'S OWN SHARES

The Ordinary and Extraordinary Shareholders' Meeting of April 30, 2019 renewed the delegation of authority granted to the Board of Directors, for a period of 18 months, giving it the powers to purchase, on one or several occasions and at such time as it deems appropriate, Company shares within the limit of 10% of the number of shares composing the share capital (5% in the event of share buybacks in view of external growth transactions), at any time, where applicable adjusted to include any increases or decreases in capital that may have been implemented during the duration of the buyback program.

Within the scope of this share buyback program, the Company carried out the following sale and purchase transactions involving its own shares between the opening and closing dates of the last fiscal year:

- number of shares purchased: 16,435;
- average purchase price: EUR 39.38 (gross);
- number of shares sold: 15,727;
- average sale price: EUR 40.09 (gross);
- reasons for the acquisitions: market stimulation (100%).

At December 31, 2019, the Company held 12,647 treasury shares with a market value of EUR 42.8 each (closing value).

DESCRIPTION OF THE SHARE BUYBACK PROGRAM

Pursuant to Article 241-2 of the AMF's General Regulations, Regulation (EU) no. 596/2014 of April 16, 2014 and Delegated Regulation (EU) no. 2016/1052, the aim of this description is to state the purposes and terms and conditions of the Company's share buyback program.

New share buyback program

Authorization of the program: General Shareholders' Meeting of June 16, 2020

Shares affected: ordinary shares

10% of capital (equivalent to 1,590,644 shares as of the date of this Universal Registration Document). This limit is calculated at the buyback date in order to take account of any capital increases or decreases during the share buyback program. The number of shares included in the calculation of this limit corresponds to the number of shares purchased, less the number resold within the scope of the liquidity agreement, over the term of the program.

Given that the Company may hold a maximum of 10% of its share capital and that it already holds 12,647 shares (i.e., 0.08% of the share capital), the maximum number of shares that can be purchased is 1,577,997 shares (i.e., 9.9% of the share capital), unless the Company decides to sell (or cancel) some or all of the treasury shares it already holds.

Maximum purchase price: EUR 50

Maximum amount of the program: EUR 79,532,200

Repurchase conditions: purchases, sales and transfers may be carried out by any means, either on the market or over the counter, including via transactions of blocks of shares. The resolution to be put to the shareholders for a vote does not limit the portion of the program that can be carried out by blocks of shares.

Objectives (in decreasing order of priority):

- to stabilize the secondary market or ensure the liquidity of the Cegereal share. This may be achieved by entering into a liquidity agreement with an investment services provider compliant with the AMAFI ethics charter endorsed by the AMF;
- to keep the shares purchased and subsequently tender them in exchange or as consideration for an acquisition. The shares acquired for this purpose may not exceed 5% of the Company's share capital;
- to have shares available for stock purchase option plans and/or free share grants (or similar plans) in favor of the Group's employees and/or corporate officers, as well as all share awards made as part of a company or group savings plan (or a similar plan), in connection with profit-sharing plans and/or any other type of share awards made to the Group's employees and/or corporate officers;
- to have shares available in exchange for securities granting entitlement to the shares in the Company pursuant to current regulations;
- to implement any market practices that may subsequently be permitted by the AMF and, more generally, to carry out any other transactions in compliance with the applicable regulations;
- to cancel, where applicable, any repurchased shares, subject to the authorization to be granted by the General Shareholders' Meeting of June 16, 2020 in its fifteenth resolution (extraordinary).

Term of the program: 18 months as of the General Shareholders' Meeting of June 16, 2020.

This Universal Registration Document is available on the Company's website (www.cegereal.com).

5.3. SHAREHOLDERS' AGREEMENT

By letter dated April 11, 2016, the AMF received a shareholders' agreement entered into on April 6, 2016 (effective from April 7, 2016) between NW CGR 1 SARL, NW CGR 2 SARL and NW CGR 3 SARL (entities of the Northwood Concert) and Euro Bernini Private Limited (a GIC group entity), not acting in concert. The main provisions of the agreement were published by the AMF on April 12, 2016 in accordance with Article L.233-11 of the French Commercial Code.

The main clauses of the agreement are as follows:

No concerted action: Pursuant to the shareholders' agreement, Northwood and GIC represent that they are not acting in concert with regard to Cegereal within the meaning of Articles L.233-10 *et seq.* of the French Commercial Code.

Governance

Representation on the Board of Directors and on the Board's committees

Under the shareholders' agreement, Northwood and GIC may appoint directors to represent their interests on the Board of Directors. Accordingly, the Board will comprise:

- five members appointed on the recommendation of Northwood (including the Chairman of the Board, who will hold a casting vote);
- two members appointed on the recommendation of GIC, provided that GIC holds more than 20% of Cegereal's share capital (one member provided that GIC holds more than 10% but less than 20% of Cegereal's share capital); and
- three independent members (within the meaning of the AFEP-MEDEF Code).

Each of the Board of Directors' committees will comprise three members, including two independent directors. GIC will be entitled to appoint one member to serve on the Audit Committee and one member to serve on the Investment Committee, and Northwood will be entitled to appoint one member to the Appointments and Compensation Committee.

Each director will be free to vote as he/she chooses on all decisions submitted to the Board of Directors.

Amendments to the Internal Rules and Regulations

The shareholders' agreement provides for an amendment to the Internal Rules and Regulations such that the most significant decisions (in their first deliberation only, for some decisions) concerning Cegereal will require a majority of two-thirds of the Board's members in order to be approved.

Accordingly, GIC may not veto any Board decisions.

Protection of minority shareholders

While GIC's interest in Cegereal's share capital and voting rights is greater than 20%, it has the right to veto any decisions likely to impact its investment, namely:

- any amendments to the corporate purpose, corporate form, corporate term or financial securities of Cegereal;
- any decisions to issue or authorizing the issuance of Cegereal shares and/or financial securities;
- any decisions relating to the merger, demerger, liquidation or dissolution of Cegereal; and
- any decisions relating to the creation of a new category of Cegereal shares and/or financial securities or any rights associated with these shares or financial securities.

The shareholders' agreement provides exceptions for certain decisions that have previously been approved by a majority of two-thirds of the Board of Directors' members, in particular for decisions relating to capital increases with preemptive subscription rights for existing shareholders.

Right of first offer:

Under the shareholders' agreement, shareholders that own more than 10% of Cegereal's share capital and voting rights have the right of first offer in the event of the sale of Cegereal shares by another shareholder, subject to certain exceptions.

Duration and termination of the agreement:

The shareholders' agreement will expire on December 31, 2025.

As of the date hereof, to the knowledge of the Company, there are no agreements, which, if implemented, could lead to a change in its control.

LEGAL INFORMATION

5.4. TRANSACTIONS IN THE COMPANY'S SHARES BY SENIOR EXECUTIVES, SENIOR MANAGERS AND PERSONS WITH WHOM THEY HAVE CLOSE TIES DURING THE PREVIOUS FISCAL YEAR

Transactions by the persons mentioned in Article L.621-18-2 of the French Monetary and Financial Code in the Company's shares					
Date of declaration	Date of transaction	Declared by	Type of transaction	Unit price	Amount of transaction
March 21, 2019	March 19, 2019	Northwood Investors France Asset Management	Subscription	€36.71	€11,203,524.90
April 20, 2020	October 14, 2019	Northwood Investors France Asset Management	Disposal	€34.41	€10,501,587.90
April 20, 2020	October 14, 2019	Northwood Investors International Limited	Acquisition	€34.41	€10,501,587.90
April 20, 2020	November 28, 2019	Northwood Investors International Limited	Disposal	€43.80	€13,367,322.00
April 20, 2020	November 28, 2019	Northwood CGR Holdings LP	Acquisition	€43.80	€13,367,322.00

5.5. DISCLOSURE THRESHOLD NOTICES AND STATEMENTS OF INTENT

5.5.1. CROSSING OF THRESHOLDS

Summary table of disclosure thresholds crossed in 2019:

Crossing of legal thresholds						
Declaration no.	Date of declaration	Date of crossing of threshold	Shareholder concerned	Share capital threshold crossed	Voting rights threshold crossed	Above/below
219C0649	Apr. 14, 2019	Apr. 9, 2019	GIC Private Limited	25%	25%	Below

No crossings of thresholds set out in the bylaws were disclosed to the Company in 2019.

No crossings of thresholds set out in the applicable legal provisions and/or the bylaws have been disclosed to the Company since January 1, 2020.

5.5.2. CONCERT PARTY

a) Northwood Concert

Northwood Investors declared that it was acting in concert with other entities.

The Northwood Concert comprises the following entities: (i) **NW CGR 1 SARL**, (ii) **NW CGR 2 SARL**, (iii) **NW CGR 3 SARL**, (iv) **NW CGR SCS.**, managed by its general partner, **NW CGR GP SARL**, (v) **NW CGR Holding SARL**, (vi) **NW Europe Holdings SARL**, (vii) **NW Europe (No. 1) Limited Partnership**, (viii) **NW Europe (No. 2) Limited Partnership**, (ix) **NW Europe Co-Invest (No. 1) Limited Partnership**, (x) **NW Europe Co-Invest (No. 2) Limited Partnership**, (xi) **NW Europe Employees Co-Invest Limited Partnership**, the latter five companies all being managed by their general partner, Northwood Canada AIV GP Limited Partnership (Alberta), (xii) **Northwood Employees Limited Partnership**, managed by its general partner, **Northwood GP LLC**, and (xiii) Northwood Real Estate Partners Europe Limited Partnership, managed by its general partner, Northwood Canada AIV GP II Limited Partnership (hereinafter referred to collectively as "**Northwood**" or the "**Northwood Concert**").

These declarations were published in AMF notice no. 215C1387 of October 8, 2015 and no. 215C1640 of November 9, 2015.

As stated above, as of the date of this Universal Registration Document, Northwood CGR Holdings LP, an affiliate of Northwood, became a shareholder of the Company, with 1.92% of the share capital and voting rights. As none of the disclosure thresholds set out in the applicable legal provisions and/or the bylaws were crossed, Northwood and Northwood CGR Holdings LP were not require to declare that they were acting in concert. However, Northwood and Northwood CGR Holdings LP, which together own 57.16% of the Company's share capital and voting rights as of the date of this Universal Registration Document, will in practice act in concert.

Northwood therefore has an indirect controlling interest in Cegereal. However, the presence of independent directors on the Board and committees means that there is no risk that this control will be exercised in an abusive manner.

b) Other concert parties

The following concert parties have also been disclosed to the Company:

i. the concert party comprising 50113 Investment Holdings LLC, 30314 Investment Holdings LLC and Silas Holdings I LLC, all governed by the laws of the state of Delaware, which declared on March 1, 2016 that they had acted in concert for the acquisition of Cegereal shares. At December 31, 2019, to the best of the Company's knowledge, the concert party owned 4.18% of the Company's voting rights and share capital; and

ii. the concert party comprising Gothic Corporation, Gothic HSP Corporation, Gothic ERD LLC and Gothic JBD LLC. At December 31, 2019, to the best of the Company's knowledge, the concert party owned 3.15% of the Company's share capital and voting rights.

5.6. OPTIONS AND PERFORMANCE SHARES

5.6.1. STOCK OPTIONS

The Company did not set up any stock option plans during the year.

SPECIAL REPORT ON STOCK OPTIONS GRANTED TO CORPORATE OFFICERS AND EMPLOYEES

To the Shareholders,

Pursuant to Article L.225-184 of the French Commercial Code, we hereby report to you on the stock options granted in 2019 to corporate officers and/or employees of the Company under the conditions set out in Articles L.225-177 to L.225-186 of the French Commercial Code.

None

5.6.2. PERFORMANCE SHARES

The Board of Directors did not use the delegation of authority granted by the General Shareholders' Meeting of April 30, 2019 and therefore did not set up any free share plans during the year.

SPECIAL REPORT ON FREE SHARE AWARDS TO CORPORATE OFFICERS AND EMPLOYEES

To the Shareholders,

Pursuant to Article L.225-197-4 of the French Commercial Code, we hereby report to you on the free shares granted in 2019 to employees of the Company or the companies directly or indirectly related to it within the meaning of Article L.225-197-2 of the French Commercial Code, and/or corporate officers who meet the criteria set out in Article L.225-197-1 of the French Commercial Code.

Performance shares granted to corporate officers of the Company in 2019

None

Performance shares granted to the ten employees (non-corporate officers) of the Company who received the largest number of shares in 2019

None

LEGAL INFORMATION

7. ADDITIONAL INFORMATION

1. Information provided by third parties, expert valuation reports

The Company applies the principle of rotating its independent experts once every three years.
Cushman & Wakefield Valuation was appointed as valuation expert for a three-year term as of the June 30, 2019 valuation for Europlaza, Arcs de Seine and Rives de Bercy.

CBRE Valuation was appointed as valuation expert for a three-year term as of the December 31, 2018 valuation for Passy Kennedy and for a four-year term as of the December 31, 2019 valuation for Hanami.

The experts did not perform any work other than in connection with the valuation.

General context of the valuation

General framework

We have been appointed by Cegereal, under the terms of a real estate valuation agreement, to estimate the fair value of its real estate assets. This assignment falls within the scope of the Group's six-monthly valuation of its properties.

We carry out our assignments in total independence.

The real estate valuation firms Cushman & Wakefield Valuation and CBRE Valuation have no ownership links with Cegereal.

The real estate valuation firms Cushman & Wakefield Valuation and CBRE Valuation confirm that the valuations were performed by and under the responsibility of qualified valuers.

The annual fees billed to Cegereal are determined on a flat-fee basis before the valuations began and represent less than 10% of each firm's revenue.

The rotation of its independent valuers is organized by Cegereal.

No conflicts of interest have been identified in relation to this assignment.

The assignment was performed in compliance with the AMF's recommendation dated February 8, 2010 on the presentation of assessment items and real estate assets of listed companies.

Current assignment

Our valuation focused on the fair-value of five real estate assets in France. We were appointed by Cegereal to carry out initial valuations, updates based on document reviews or property visits in the event that initial valuations had been performed during the four previous years, or file-based valuation opinions.

Our assignment focused on the estimation of fair value at December 31, 2019.

In accordance with IFRS 13, the real estate assets were measured at their "highest and best use value".

The properties valued are all offices or parking garages located in France. They are investment assets wholly or jointly-owned or held under leases by Cegereal's subsidiaries.

The different real estate assets are leased to a variety of lessees under commercial leases, some of which with fixed three, six, nine or twelve-year terms, or short-term leases.

It should be noted that when the principal is the lessee under the terms of a leasing agreement, the valuer only assesses the assets underlying the agreement and not the leasing agreement itself. Similarly, where a real estate asset is owned by a special purpose vehicle, the real estate asset's value is measured based on the estimated price of the underlying asset rather than that of the vehicle.

Valuation process

Scope

The assignment was performed on the basis of the documents and information provided to us. These were assumed to be accurate and to correspond to all of the documents and information in the possession of the principal or of which the principal was aware, that were likely to have an impact on the real estate portfolio's fair value. Therefore, we do not refer to title deeds or building permits.

References

The valuation and estimates were performed in accordance with:

- the recommendations set out in the Barthès de Ruyter report on the valuation of the real estate assets of listed companies, published in February 2000;
- the French Real Estate Valuation Charter; and
- the principles set out in the SIIC Code of Ethics.

Methods used

As the assets comprising the different portfolios are investment properties, the valuations were mainly performed by applying the return on investment method or the discounted cash flow method.

Total fair value

The total fair value corresponds to the sum of the fair values of each real estate asset and is calculated (i) net of taxes (after deducting expenses and transfer duties), and (ii) with all taxes included (market value before deducting expenses and transfer duties).

Real estate valuer	Number of assets valued	Asset type	Fair value (net of taxes) at Dec. 31, 2019 (in millions of euros)	Fair value (taxes included) at Dec. 31, 2019 (in millions of euros)
Cushman & Wakefield Valuation	3	Offices	1,050	1,129
CBRE Valuation	2	Offices	414	445
Total	5		1,464	1,574

General comments

These estimates are based on the assumptions of market stability and absence of significant modifications to the buildings between the valuation date and the value date.

This condensed report is inseparable from all the work performed by each of the real estate valuers as part of their valuation assignment.

Each valuer confirms the values of the properties for which it has performed a valuation or updated an existing valuation, without assuming responsibility for valuations performed by other valuers.

Cushman & Wakefield Valuation

Philippe Guillerm
Deputy Managing Director

CBRE Valuation

Franck Truong
Director

2. Documents on display

Copies of this Universal Registration Document are available free of charge from Cegereal, 42 rue Bassano, 75008 Paris, France, as well as on the Cegereal (http://www.cegereal.com) and AMF (http://www.amf-france.org) websites.
The regulatory information provided for in Article 221-3 of the AMF's General Regulations is available on the Cegereal website (http://www.cegereal.com).

In accordance with the applicable legislation, the following documents can be consulted at the Company's registered office:

- the articles of incorporation, bylaws, minutes of General Shareholders' Meetings, reports and other Company documents;
- historical financial information and any valuation or declaration by an expert at the request of the Company that should be made available to the public and of which any part is included or referred to in this Universal Registration Document;
- historical financial information related to the Company and its subsidiaries for each of the two fiscal years preceding the publication of this Registration Document.

Person responsible for the information: Jérôme Anselme

3. Universal Registration Document contents

This Universal Registration Document includes:

- the 2019 annual financial report;
- the Board of Directors' report on corporate governance;
- the reports of the Statutory Auditors;
- a description of the share buyback program;
- the Board of Directors' report to the General Shareholders' Meeting of June 16, 2020;
- the report by the independent third party on the non-financial information statement.

The information on the websites mentioned in the hyperlinks www.cegereal.com on pages 44 and 45 of this Universal Registration Document does not form part of this Universal Registration Document and, as such, has not been scrutinized or approved by the AMF.

4. Person responsible for the Universal Registration Document

Person responsible for the Universal Registration Document

Jérôme Anselme, Chief Executive Officer of the Company

Statement by the person responsible for the Universal Registration Document

"I hereby certify, having taken all reasonable measures to this end, that the information contained in this Universal Registration Document, to my knowledge, corresponds to reality and does not contain any omissions that are liable to alter the purport thereof.

I certify that to my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and all companies included in the consolidation scope, and that the Management Report, for which a concordance table is presented on page 179 gives a true and fair view of the business, results and financial position of the Company and all companies included in the consolidation scope, as well as a description of the main risks and uncertainties to which they are exposed."

Paris, April 29, 2020

Jérôme Anselme, Chief Executive Officer

ADDITIONAL INFORMATION

5. Historical financial information

The IFRS consolidated financial statements for the year ended December 31, 2019 and the related Statutory Auditors' report are presented on pages 98 to 115 and page 116, respectively, of the 2019 Universal Registration Document. The annual financial statements prepared in accordance with French GAAP for the year ended December 31, 2019 and the related Statutory Auditors' report are presented on pages 120 to 129 and page 129, respectively, of the 2019 Universal Registration Document.

The IFRS consolidated financial statements for the year ended December 31, 2018 and the related Statutory Auditors' report presented on pages 92 to 110 and page 111, respectively, of the 2018 Registration Document filed with the AMF on March 22, 2019 under no. D. 19-0187, are incorporated by reference into this Universal Registration Document.

The IFRS consolidated financial statements for the year ended December 31, 2017 and the related Statutory Auditors' report presented on pages 94 to 112 and page 113, respectively, of the 2017 Registration Document filed with the AMF on March 27, 2018 under no. D. 18-0188, are incorporated by reference into this document.

Verified historical annual information

The Company declares that the historical financial information was verified and described in the Statutory Auditors' general and special reports.

Other information verified by the Statutory Auditors

None

Financial information not taken from the Company's financial statements

None

Dates of the financial information

The Company's most recent, audited financial statements are those that were prepared in accordance with French GAAP for the year ended December 31, 2019. Its most recent consolidated financial statements are those prepared in accordance with IFRS for the year ended December 31, 2019.

6. Statutory Auditors

Principal Statutory Auditors

KPMG Audit FS I, member of the Versailles Institute of Auditors, Tour Eqho, 2 avenue Gambetta, 92066 Paris La Défense Cedex

Appointed by decision of the Ordinary and Extraordinary Shareholders' Meeting of April 20, 2017 for six years, until the Ordinary Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2022.

Denjean & Associés, member of the Paris Institute of Auditors, 35 avenue Victor Hugo, 75016 Paris

Appointed by decision of the Ordinary and Extraordinary Shareholders' Meeting of April 20, 2017 for six years, until the Ordinary Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2022.

Since their appointment, the Statutory Auditors have not been removed from office and have not resigned.

7. Concordance tables

7.1 CONCORDANCE TABLE OF THE UNIVERSAL REGISTRATION DOCUMENT

Items of Annex 1 of European Regulation no. 2019/980	Location in the Universal Registration Document Section	Page
1. Persons responsible/Third party information, experts' reports and competent authority approval		
1.1 Names and functions of the persons responsible for the Universal Information Document	VII.4	175
1.2 Declaration by the persons responsible for the Universal Registration Document	VII.4	175
1.3 Experts' statements or reports	VII.1	174
1.4 Information sourced from third parties	N/A	
1.5 Statement by the issuer		191
2. Statutory Auditors		
2.1 Names and addresses of the auditors	VII.6	176
2.2 Change in the auditors, where applicable	N/A	
3. Risk factors	IV, V.1.5.4, V.2.2.3 and V.2.2.5 Note 5.10	90, 107, 124 and 126
4. Information about the issuer		
4.1 Legal and commercial name of the issuer	I.4 and VI.2	44 and 160
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Group information	I.2 and III.6	20 and 89
Company information	I.2 and III.6	20 and 89
Results of the Company and the subsidiaries		
Group information	III.2 and V.1	81 and 98
Company information	III.4 and V.2	84 and 120
Objective and exhaustive analysis of the business developments, results, financial position of the Company and all the consolidated companies, in particular its indebtedness situation with respect to business volume and complexity including, where applicable, the key performance indicators, whether financial or not, relating to the Company's and the consolidated companies' specific activities, notably in relation to environmental and personnel issues		
Group information	I.3, III.2 and V.1	32, 81 and 98
Company information	I.1, I.2, III.4 and V.2	4, 20, 84 and 120
Environmental and employment information – Social commitments to sustainable development		
Group information	II and VI.4	48 and 166
Company information	II and VI.4	48 and 166
Information on financial risks relating to the impact of climate change and presentation of the measures taken by the Company to mitigate these risks by pursuing a low-carbon strategy in all areas of its business		
Group information	II and IV.3	48 and 95
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Research and development activities		
Group information	N/A	
Company information	N/A	
Progress made/Difficulties encountered		
Group information	I.1, I.2, I.3 and III	4,20, 32 and 78
Company information	I.1, I.2, I.3 and III	4,20, 32 and 78
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Information on interest rate risk, foreign exchange risk and risks on equities and other financial instruments		
Group information	IV and V.1.5.4	90 and 107
Company information	IV and V.2.2.3	90 and 124
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Activity per line of business		
Group information	V.1 and V.2	98 and 120
Purchases of 5%, 10%, 20%, 33.33%, 50%, 66.66% of share capital or voting rights, or takeovers		
Company information	III.1	80
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Company information	III.1 and V.2.2.4	80 and 124
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Company information	III.4.1	86
Information on supplier and customer payment terms		
Company information	III.4.1	86
Information on branches		
Company information	N/A	
Amount of loans granted by the Company for less than two years, as a secondary activity to its main business, to micro-companies, SMEs or medium-sized companies to which it has economic links justifying the loans		
Company information	N/A	
Where applicable, injunctions or financial sanctions imposed by the French competition council *(Conseil de la concurrence)* for antitrust practices		
Company information	N/A	

Information required in the Board of Directors' report to the General Shareholders' Meeting	Location in the Universal Registration Document Section	Page
2. Information relating to the Company's share capital		
Identity of parties directly or indirectly holding more than 5%, 10%, 15%, 20%, 25%, 33.33%, 50%, 66.66%, 90% or 95% of share capital or voting rights. Changes in this list during the year	I.4 and VI.5.1	44 and 168
Statement of employee share ownership and proportion of the share capital represented by collectively-managed shares held by employees, as well as the registered shares held directly by employees following a free share grant	VI.4	166
Shareholders' agreements relating to the Company's share capital (indications of any Dutreil Act retention undertakings)	VI.5.3	171
Controlled companies holding Company shares and portion of the capital held	N/A	
Notice of holding more than 10% of another joint-stock company's shares. Transfer of cross-shareholdings	VI.5.5	172
Number of shares purchased and sold during the year within the framework of Article L.225-209 of the French Commercial Code *(Code de commerce)* indicating the average quotations of such purchases and sales, the amounts of trading charges, the number of shares registered in the Company's name at year-end, their value measured at the purchase price, their nominal value and the reasons for the purchases and the portion of capital that they represent	VI.5.2	170
Information on the calculation and impact of the adjustment of the exercise basis of securities granting access to share capital in the event of a transaction with pre-emptive subscription rights, a free share grant, the distribution of reserves or premiums or a change in the allocation of profits or redemption of capital	VI.5.1.4	169
Information on the calculation and impact of the adjustment of the exercise basis of stock subscription and purchase options in the event that the Company purchases its own shares at a rate higher than the market rate	N/A	
Information on the calculation and impact of the adjustment of the exercise basis of securities granting access to share capital in the event that the Company purchases its own shares at a rate higher than the market rate	N/A	
Restrictions imposed by the Board of Directors on the exercise of options granted or the sale of free shares granted to senior executives	N/A	
Statement summarizing transactions in the Company's shares by senior executives, senior managers and persons with whom they have close ties	VI.5.4	172
Attached documents		
Report on corporate governance	VI.1.4	142
Five-year financial summary	V.2.3	129
Special report on free share awards	VI.5.6.2	173
Special report on awards of stock subscription options and stock purchase options	IV.5.6.1	173

7.3. CONCORDANCE TABLE OF THE ANNUAL FINANCIAL REPORT

Concordance table of the Annual Financial Report	Location in the Universal Registration Document Section	Page
1. Annual financial statements	V.2	120
2. Consolidated financial statements	V.1	98
3. "Management report" in accordance with Article 222-3-3° of the General Regulations of the AMF		
3.1 Objective and exhaustive analysis of developments in the business, results and financial position of the Company, as well as those of the entities included in the scope of consolidation; description of the main risks and uncertainties; information on financial risks relating to the impact of climate change and presentation of the measures taken by the Company to mitigate these risks by pursuing a low-carbon strategy in all areas of its business; main features of the internal control and risk management procedures implemented by the Company relating to the preparation and processing of financial and accounting information; information on the Company's objectives and its policy concerning the hedging of each main category of forecast transactions for which hedge accounting is used, and on its exposure to price risk, credit risk, liquidity risk and treasury risk. This information includes the Company's use of financial instruments	I.1, I.2, I.3, III, V.1 and V.2	4, 20, 32,78, 98 and 120
3.2 Information regarding the share buy-back program during the fiscal year		
4. Declaration by the persons responsible for the Annual Financial Report	VII.4	175
5. Statutory Auditors' reports on the annual and consolidated financial statements	V.16 and V.2.4	116 and 129
6. Report on corporate governance in accordance with Article L.225-37 of the French Commercial Code	VI.1.4	142

Other documents presented or submitted to the General Shareholders' Meeting	Location in the Universal Registration Document Section	Page
1. Annual financial statements for the year ended December 31, 2019	V.2	120
2. Statutory Auditors' report on the annual financial statements	V.2.4	129
3. Consolidated financial statements for the year ended December 31, 2019	V.1	98
4. Statutory Auditors' report on the consolidated financial statements	V.1.6	116
5. Statutory Auditors' special report on related party agreements and commitments	V.2.5	132
6. Five-year financial summary	V.2.3	129
7. Statutory Auditors' report on the extraordinary resolutions	VI.1.3	140
8. Statutory Auditors' report on the Board of Directors' report on corporate governance	V.2.4	129
9. Report by an independent third party on the Non-Financial Information Statement	II	76

7.4. NFIS CONCORDANCE TABLE

Main focuses of the NFIS	Information required in the NFIS	Corresponding pages
Environment	Consequences of the Company's activity and the use of the goods and services it produces on climate change	p. 52-53; 55-58; 67; 92-95
Environment	Circular economy	p. 59; 66
Environment	Consequences of the use of the goods and services it produces	p. 58
Environment	Respect for animal welfare	N/A
Environment	Responsible, fair and sustainable food	p. 167
Environment	Fight against food insecurity	p. 167
Environment	General environmental policy	p. 3; p. 16-19; 50-77
Environment	Biodiversity	p. 6; 60
Social	Social commitments to sustainable development	p. 3; 6; 16-19; 50-77
Social	Collective agreements in the Company and their impact on the Company's economic performance	p. 64; 166-167
Social	Working conditions of employees	p. 64; 166-167
Social	Actions to combat discrimination and promote diversity and measures in favor of people with disabilities	p. 64; 67; 166-167
Social	Workforce	p. 166-167
Social	Working schedules	p. 166-167
Social	Labor relations	p. 28-30; 62-66
Social	Health and safety	p. 28-30; 62-63
Social	Training	p. 167
Social	Equal treatment	p. 64; 166-167
Corruption	Corruption	p. 44-47; 76; 95; 146
Tax evasion	Tax evasion	p. 44-47; 76; 95; 146
Human rights	Human rights	p. 64; p. 166-167

Tools requested	Corresponding pages
Overview of the business model	
- its business environment and its stakeholders;	p. 1; 3; 6; 44-47; 150-159
- its activities, organization and structure;	p. 8-14; 150-176
- the markets in which it operates;	p. 2; 3; 22-27
- its vision and objectives and strategies for creating value;	p. 2; 3 p. 16-19
- the main trends and factors that could influence its future development.	p. 1; 2; 6; 22-27
Analysis of the main CSR risks identified: for each risk: - a presentation of the policies and procedures implemented to respond to them; - the results; - performance indicators.	
1: Tenant comfort and well-being – reputation risk	p. 28-30; 52-53; 92-95
2: Energy – reputation risk	p. 38; 52-53; 55-58; 92-95
3: Resilience to climate change – physical risk	p. 51-53; 55-58; 92-95
4: Greenhouse gas emissions – reputation risk	p. 38; 52-53; 55-58; 92-95
5: Biodiversity – reputation risk	p. 6; 52-53; 60; 92-95

7.5. EPRA CONCORDANCE TABLE

EPRA sustainability performance measures	EPRA performance measure code	GRI indicators	Corresponding pages	Cross-reference to chapters	Cross-reference to main focuses of the NFIS	Scope
Environmental performance measures						
Total electricity consumption	Elec-Abs	302-1	p. 69-70	Appendices – "EPRA environmental performance indicators"	Environment	Asset-level
Like-for-like total electricity consumption	Elec-LfL	302-1	p. 69-70	Appendices – "EPRA environmental performance indicators"	Environment	Asset-level
Total district heating & cooling consumption	DH&C-Abs	302-1	p. 69-70	Appendices – "EPRA environmental performance indicators"	Environment	Asset-level
Like-for-like total district heating & cooling consumption	DH&C-LfL	302-1	p. 69-70	Appendices – "EPRA environmental performance indicators"	Environment	Asset-level
Total fuel consumption	Fuels-Abs	302-1	p. 69-70	Appendices – "EPRA environmental performance indicators"	Environment	Asset-level
Like-for-like total fuel consumption	Fuels-LfL	302-1	p. 69-70	Appendices – "EPRA environmental performance indicators"	Environment	Asset-level
Building energy intensity	Energy-Int	CRE1	p. 70	Appendices – "EPRA environmental performance indicators"	Environment	Asset-level
Total direct greenhouse gas (GHG) emissions	GHG-Dir-Abs	305-1	p. 69; 71	Appendices – "EPRA environmental performance indicators"	Environment	Asset-level
Total indirect greenhouse gas (GHG) emissions	GHG-Indirect-Abs	305-2	p. 69; 71	Appendices – "EPRA environmental performance indicators"	Environment	Asset-level
Greenhouse gas (GHG) emissions intensity from building energy consumption	GHG-Int	CRE3	p. 69; 71	Appendices – "EPRA environmental performance indicators"	Environment	Asset-level
Total water consumption	Water-Abs	303-1	p. 69; 72	Appendices – "EPRA environmental performance indicators"	Environment	Asset-level
Like-for-like total water consumption	Water-LfL	303-1	p. 69; 72	Appendices – "EPRA environmental performance indicators"	Environment	Asset-level
Building water intensity	Water-Int	CRE2	p. 72	Appendices – "EPRA environmental performance indicators"	Environment	Asset-level
Total weight of waste	Waste-Abs	306-2	p. 69; 72	Appendices – "EPRA environmental performance indicators"	Environment	Asset-level
Like-for-like total weight of waste	Waste-LfL	306-2	p. 72	Appendices – "EPRA environmental performance indicators"	Environment	Asset-level
Type and number of sustainably certified assets	Cert-Tot	CRE8	p. 73	Appendices – "EPRA environmental performance indicators"	Environment	Asset-level

EPRA sustainability performance measures	EPRA performance measure code	GRI indicators	Corresponding pages	Cross-reference to chapters	Cross-reference to main focuses of the NFIS	Scope
Social performance measures						
Employee gender diversity	Diversity-Emp	405-1	p. 166-167	"Employment data"	Respect for human rights	Corporate-level
Gender pay ratio	Diversity-Pay	405-2	p. 166-167	"Employment data"	Respect for human rights	Corporate-level
Training and development	Emp-Training	404-1	p. 166-167	"Employment data"	Social	Corporate-level
Employee performance appraisals	Emp-Dev	404-3	p. 166-167	"Employment data"	Social	Corporate-level
Employee turnover and retention	Emp-Turnover	401-1	p. 166-167	"Employment data"	Social	Corporate-level
Employee health and safety	H&S-Emp	403-2	p. 166-167	"Employment data"	Respect for human rights	Corporate-level
Asset health and safety assessments	H&S-Asset	416-1	p. 166-167	NFIS: – "Buildings tailored to their tenants" – "Health, safety, comfort and well-being for tenants across our portfolio" – "Tenant services & building connectivity"	Social	Asset-level
Asset health and safety compliance	H&S-Comp	416-2	p. 64; 65; 166-167	NFIS: – "A people-centered company" – "Employment data"	Social	Asset-level
Community engagement, impact assessments and development programs	Comty-Eng	413-1	p. 65; 106	NFIS: – "A people-centered company" NFIS: – "Regional and employment market impact" Note 2.9 "Employee benefits"	Social	Asset-level
Governance performance measures						
Composition of the highest governance body	"Employment data"	102-22	p. 46-47; 143	4. "Our Governance" – "Composition of the Board of Directors" – 1.4.1.1 "Board of Directors"	Social	Corporate-level
Process for nominating and selecting the highest governance body members	Gov-Selec	102-24	p. 94; 142-145	– 1.4 "Board of Directors' report on corporate governance"	Social	Corporate-level
Managing conflicts of interest	Gov-Col	102-25	p. 144	– 1.4 "Board of Directors' report on corporate governance" – "Independence of the Board members"	Anti-corruption	Corporate-level

ADDITIONAL INFORMATION

8. Glossary

BREEAM IN-USE

Breeam In-Use is a British certification scheme based on three independent certificates that each address a different aspect of the building (Asset Performance, Building Management and Occupier Management). It covers nine categories and offers a snapshot of the environmental performance of a site.

CAPITALIZATION RATE

The capitalization rate is the market rate used to calculate the fair value of an asset based on the asset's market rent (prior to the impact of the rental situation).

EPRA EARNINGS

EPRA earnings are a measure of operating performance that does not include fair value changes, the impact of asset sales and other items not considered to be part of the Company's recurring business activity.

The EPRA performance indicator shown above is calculated based on EPRA Best Practices Recommendations (BPR). The figures are not prepared in accordance with IFRS. The main assumptions and criteria used to calculate the indicators may vary from company to company. These metrics should not be taken in isolation or considered as a substitute for operating income or any other performance indicator.

EPRA NAV

Net asset value: this is calculated on the basis of consolidated equity, which notably includes unrealized gains and losses on real estate assets. The Group's real estate portfolio was measured at market value at December 31, 2019 by external real estate valuers, BNPPRE, C&W, CBRE and Catella. Treasury shares held at December 31, 2019 were not taken into account in calculating NAV per share.

EPRA NET INITIAL YIELD (NIY)

EPRA NIY (unlike rental income recognized under IFRS), is the annual rental income calculated on the basis of the net monthly rent applicable at the end of the reporting period, less non-recoverable property operating expenses, divided by the gross estimated value of the property.

EPRA NNNAV

EPRA Triple Net Asset Value incorporates the market value of the fixed-rate bank loan debt. Treasury shares held at December 31, 2019 were not taken into account in calculating EPRA NNNAV per share.

EPRA "TOPPED-UP" (NIY)

EPRA "topped-up" NIY corresponds to the EPRA NIY adjusted for rent-free periods or other incentives due to expire.

EPRA VACANCY RATE

The EPRA vacancy rate corresponds to the market rent of vacant premises relative to the market rent of the entire real estate portfolio at December 31.

GREEN RATING

Designed by and for real-estate professionals, Green Rating is a tool for the evaluation and comparative analysis of the intrinsic and real environmental performance of existing buildings. It is based on six environmental criteria – energy, carbon, water, transport, waste and well-being – and four levels of performance, and offers tangible results that allow performance to be tracked and improved over time.

HQE EXPLOITATION

HQE Exploitation *(Haute Qualité Environnementale en Exploitation or High Environmental Quality in use)* is a building certification that establishes the environmental performance of a site based on four metrics – energy, environment, health and convenience. Its main objective is to ensure control of the building's energy and environmental quality by drawing on the resources installed during its construction or renovation.

IFRS

International Financial Reporting Standards: since January 1, 2005, all listed EU companies have been required to prepare their consolidated financial statements in accordance with accounting standards known as IFRS. These accounting standards make it easier for investors to make comparisons between companies.

IFRS RENTAL INCOME

See Note 2.11 to the consolidated financial statements, page 106.

INTEREST COVERAGE RATIO

The interest coverage ratio is used to measure a company's ability to meet interest payments on its outstanding debt. It is equal to revenue for the period divided by interest expense for the period. It is also known as the Interest Service Coverage ratio (ISC) or the Debt Service Coverage ratio (DSC).

ILAT

Officialized in 2011, the ILAT is frequently used as the reference system for reviewing rents of tertiary premises. The ILAT is the weighted sum of three indexes: the consumer price index (50%), the cost of construction index (25%) and the level of gross domestic product (25%).

LTV

Loan-to-value ratio: this ratio corresponds to outstanding bank borrowings/market value of real estate assets net of taxes.

MARKET RENTAL VALUE

The market rental value corresponds to the amount for which an asset could be reasonably leased at the time of the valuation. This is analyzed as the annual financial consideration for the use of a real estate asset under a lease agreement.

MINIMUM FUTURE LEASE PAYMENTS

Minimum future lease payments correspond to the rental income due to the Group through to the earliest possible termination dates of the different operating leases (excluding VAT and rebilling of taxes and expenses).

OCCUPANCY RATE

The occupancy rate is the ratio of space for which the Company receives rent under a lease agreement to the total amount of available space.

POTENTIAL YIELD

An asset's potential yield corresponds to the sum of the market rental values divided by the estimated value of the property.

REFERENCE SURFACE AREA

The reference surface area is the surface area as determined by surveyors. It includes the surface area of the private areas, common areas and service areas (i.e., the intercompany restaurant, the auditorium and the archives).

REIT

Real Estate Investment Trusts (REIT) are companies which are exempt from corporate taxation on profits from property rental income and capital gains on the sale of investment properties.

SIIC

Listed real estate investment companies (sociétés d'investissement immobilières cotées): this is the tax status created by Article 11 of French Finance Act no. 2002-1575 of December 30, 2002.

THEORETICAL EFFECTIVE YIELD

An asset's theoretical effective yield corresponds to the sum of the rental income from leased premises and the market rate of vacant premises divided by the estimated value of the property is analyzed as the annual financial consideration for the use of a real estate asset under a lease agreement.

ADDITIONAL INFORMATION

ADDITIONAL INFORMATION

ADDITIONAL INFORMATION

CEGEREAL

Shareholders and Investor Relations
42, rue de Bassano - 75008 Paris
Tel.: +33 (0)1 42 25 76 42
info@cegereal.com

www.cegereal.com

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The French language version of this Universal Registration Document was filed on April 29, 2020 with the French financial markets authority (*Autorité des marchés financiers* – AMF) in its capacity as competent authority within the meaning of Regulation (EU) No. 2017/1129, without prior approval, in accordance with Article 9 of said regulation.

The Universal Registration Document may be used for the offer to the public or the admission to trading of securities on a regulated market, provided it is accompanied by securities note and, if applicable, a summary of all amendments applied to the Universal Registration Document. All of these items are approved by the AMF in accordance with the abovementioned regulation.

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