



**2016 ANNUAL RESULTS**  
**February 17, 2017**



# DISCLAIMER

Cegereal SA, a Société Anonyme incorporated under French law, is a listed closed end property investment company.

Cegereal is registered with the French Financial Markets Authority (AMF). The value of your investment may fluctuate. Past performance is no guarantee for the future. The information in this presentation has been included in good faith but is for general informational purposes only. All reasonable care has been taken to ensure that the information contained herein is not untrue or misleading. It should not be relied on for any specific purpose and no representation or warranty is given as regards its accuracy or completeness.

Certain of the statements contained in this release are statements of future expectations and other forward-looking statements. These expectations are based on management's current views and assumptions and involve known and unknown risks and uncertainties. The outlook is based on the current property portfolio and disregards the potential effects of acquisitions and divestments, or significant changes in exchange and interest rates. Actual results, performance or events may differ materially from those in such statements due to, among other things, (i) general economic conditions, in particular economic conditions in Cegereal's core markets, (ii) performance of financial markets, (iii) interest rate levels, (iv) currency exchange rates, (v) changes in laws and regulations, and (vi) changes in the policies of governments and/or regulatory authorities. Cegereal assumes no obligation to update any forward-looking information contained in this document. Any opinions expressed in this presentation are subject to change without notice.

The presentation should not be regarded by recipients as a substitute for the exercise of their own judgment. Investors should seek financial advice regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in this presentation and should understand that statements regarding future prospects may not be realised.

Neither Cegereal nor any affiliates nor their or their affiliates' officers or employees shall be liable for any loss, damage or expense arising out of any access to or use of this presentation, including, without limitation, any loss of profit, indirect, incidental or consequential loss.

No reproduction of any part of the presentation may be sold or distributed for commercial gain nor shall it be modified, whether in hard copy or electronic format.

## OVERVIEW

---

KEY FACTS 2016

*Slide 4*

MARKET REVIEW

*Slide 12*

OUR PORTFOLIO

*Slide 16*

FINANCE

*Slide 20*

APPENDICES

*Slide 25*

---

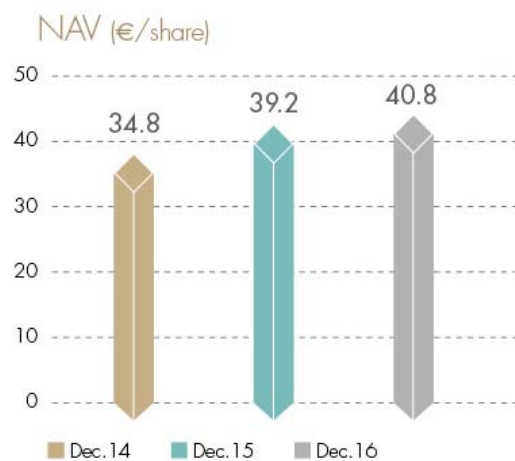
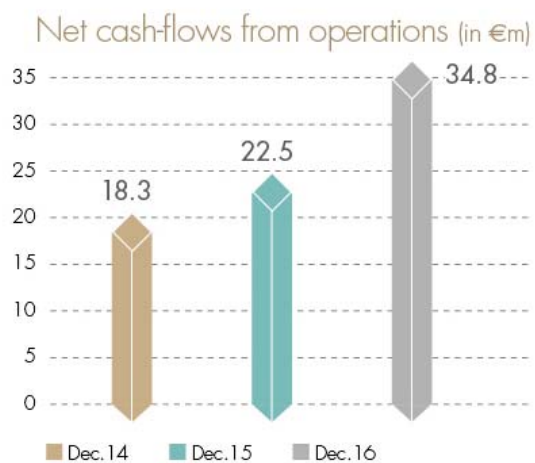


PARTIE 1

# KEY FACTS 2016

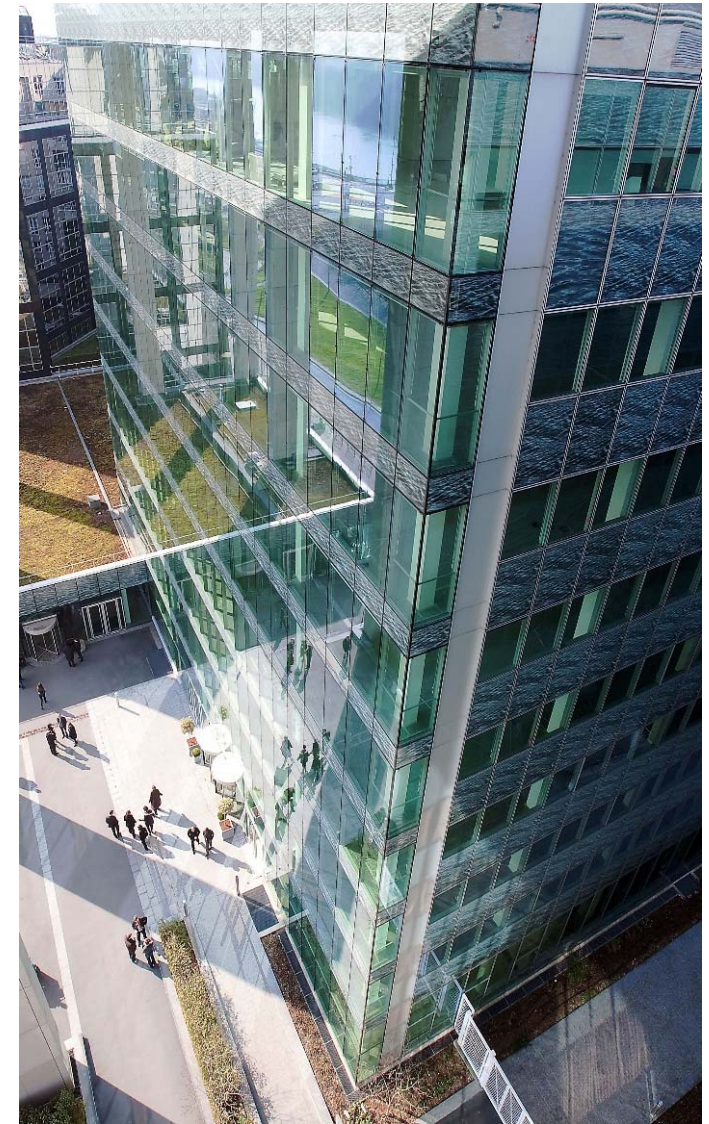
## 2016, A PROMISING « FIRST » YEAR

- A successfully redesigned shareholder base
- Total €625M financings for an optimized balance sheet structure
- Hanami, an exceptional campus in the Western Crescent, as first growth transaction
- A modern organisation rank #1 in Europe both in Financial Reporting and in CSR
- Total Shareholder Return of 9.2%
- Dividend of € 2.1 per share (to be approved at the next Annual Shareholders' Meeting)



# SHARE PERFORMANCE IN 2016

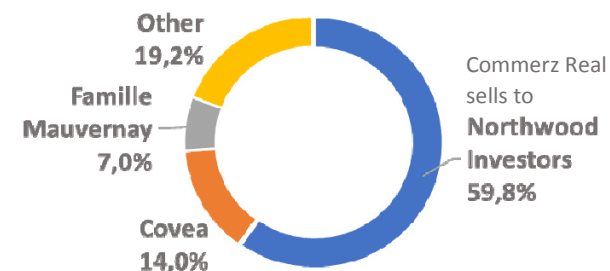
SHARE PERFORMANCE COMPARED WITH THE MAIN INDICES



# A TENDER OFFER & A SHAREHOLDER BASE SUCCESSFULLY REDESIGNED

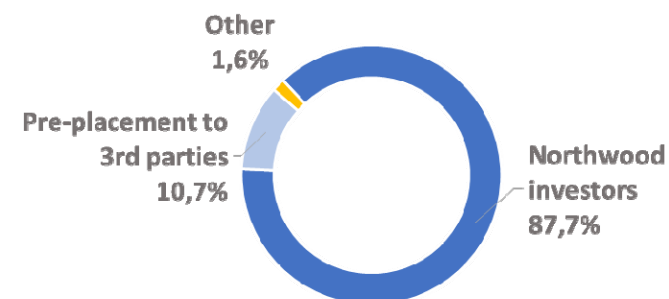
## NOVEMBER 2015

- Northwood Investors acquires 59.78% of Cegereal from Commerz Real



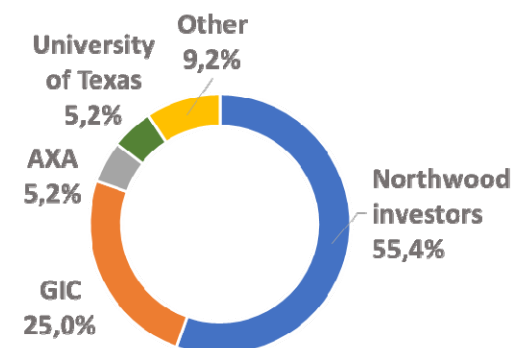
## DECEMBER 2015- JANUARY 2016

- Northwood pre-sells 10.7% to 4 institutional investors
- NWI files tender offer with AMF and response from company
- Offer opens at €35.41 per share (-0.3% to NNNNAV as at June 30, 2016/+28.2% on the 1-month average share price)
- Offer closes after 10 open days. Northwood Investors holds a 98.4% interest in the company
- Shares delivered to investors



## FEBRUARY- APRIL 2016

- Placement of blocks of shares totaling 32.2%, in particular with GIC (25%)

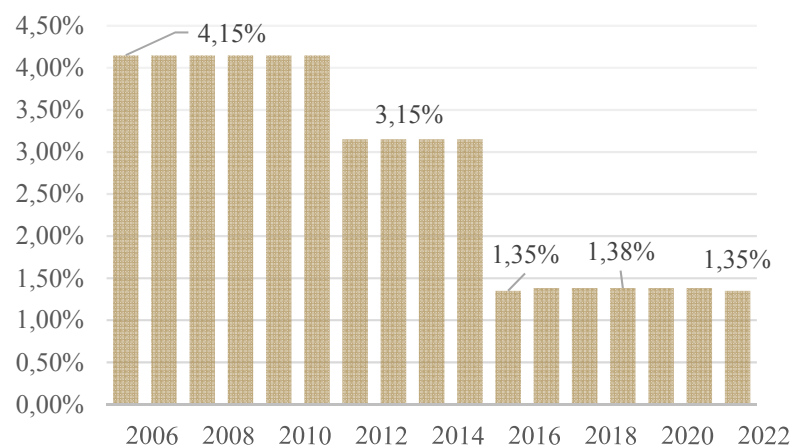


# AN OPTIMIZED FINANCING STRUCTURE

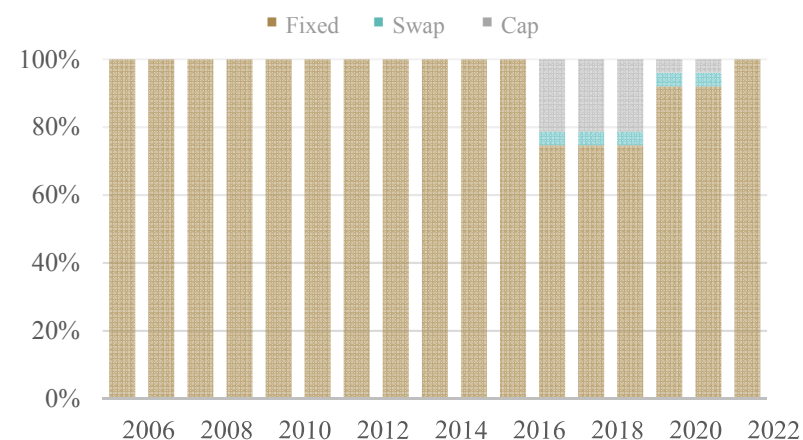
- Main objectives:
  - 1- optimizing the balance sheet structure while taking advantage of the historical low interest rates
  - 2- best equilibrium between attractive fixed rates (with embedded negative ST interest rates) and duration
- Total €625M of mortgage financings, providing a €120M reserve for future investment
- An average cost of 1.38%, implying an immediate saving of 45% in financial interests
 

- Mortgage financing of €525M  
 Cost: 1.35%  
 Arrangers: Natixis & Aareal
  - Mortgage financing of €100M  
 Cost: 1.50%  
 Arrangers: SGCIB & La Banque Postale
- Refinancing of €405M of an existing facility
- Reserve of €120M for future investments
- Refinancing of €100M of an existing facility

Exceptional financing conditions



A hedging policy with a focus on safety



# HANAMI, A FIRST GROWTH TRANSACTION



- A real estate complex of 32,000 sqm office spaces developed over a 3.3-hectare land plot by the architect Valode & Pistre in 1991
- An exceptional and strategic location in Rueil-Malmaison
- 91% let to good credit tenants: Axens (15,700 sqm), Brandt France (5,500 sqm) and Vinci (6,100 sqm)
- Fully renovated headquarters building by 2017 with a future BREEAM "In Use" label targeted

## Key figures:

Acquisition price: €152M

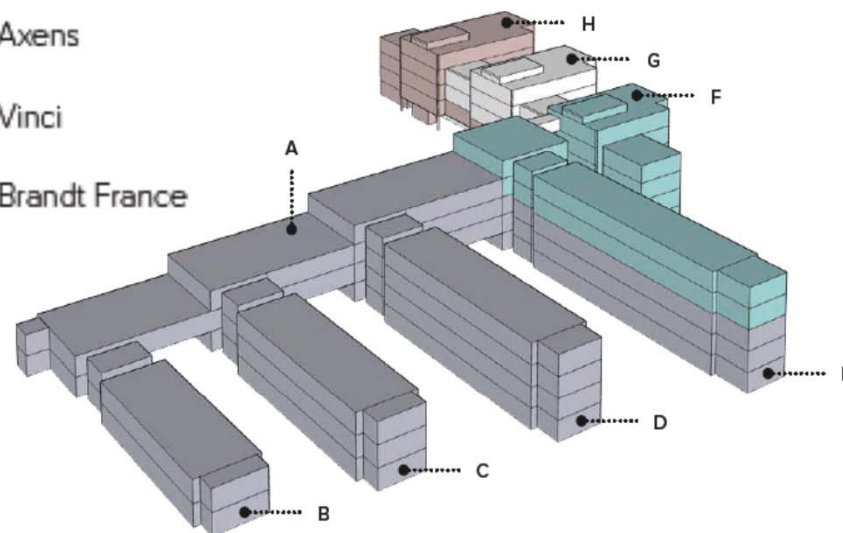
In-place yield: 6.0% / Stabilized yield : 6.6%

WALT: 7.5 yrs

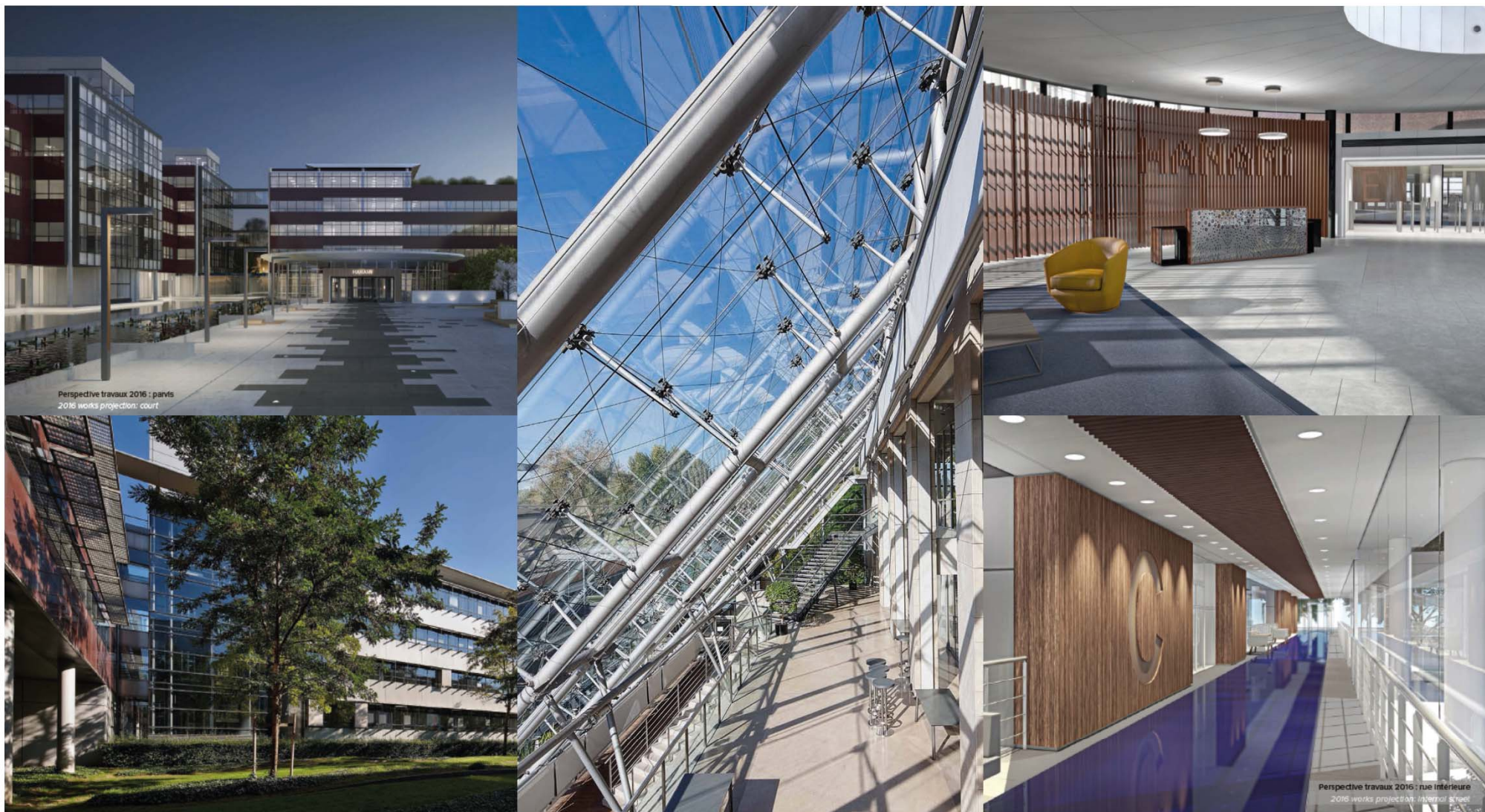
● Axens

● Vinci

● Brandt France



# HANAMI, A FIRST GROWTH TRANSACTION



## A MODERN & RECOGNIZED ORGANISATION

#1 in Financial reporting



“Silver Award” last year, Cegereal won the “Most Improved Award” for its 2015 annual report and joined the companies who received a “Gold Award” in 2016.

The EPRA aims at promoting, developing and representing all listed real estate companies at the European level. Its purpose is to promote coherent reporting in the real estate sector, both on financial and extra-financial information, by the adoption of a set of KPIs. It also rewards reporting best practices (Gold, Silver and Bronze).

#1 in Corporate Social Responsibility



Cegereal is named “Sector Leader” and has achieved the top position in the 2016 Global Real Estate Sustainability Benchmark (GRESB) ranking in the “listed office property companies in Europe” category.

GRESB is a recognized index that analyzes the environmental, social and governance (ESG) practices and policies of real estate companies. With a total of 759 companies analyzed in 2016 (covering 66,000 buildings with a total value of \$2.8 billion), GRESB has established itself as an international reference in ESG performance assessment for the real estate industry.

#1 in Operational excellence



Cegereal has been certified ISO 14001 by AFNOR for its environmental management system implemented to manage and control significant impacts on the environment.

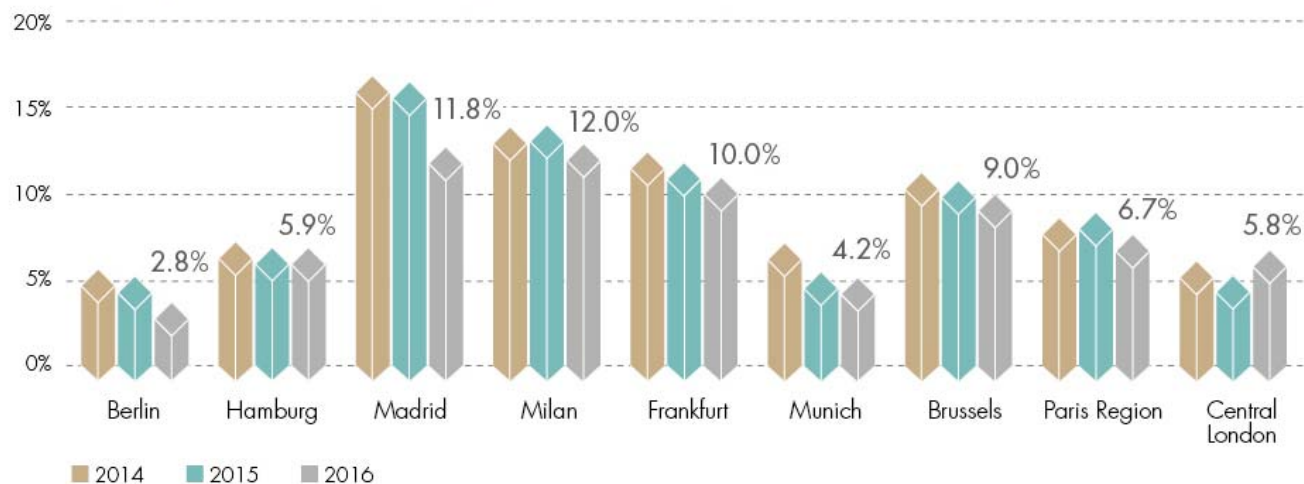
An aerial photograph of a wide city street, likely in Paris, showing a dense line of trees on both sides and a steady flow of traffic. In the background, a city skyline with various skyscrapers is visible under a hazy, golden light. A large, thin white circle is superimposed over the center of the image, framing the text.

PARTIE 2

# MARKET REVIEW

# PARIS REGION OFFICE MARKET: STEADY LETTING PERFORMANCE

Vacancy rates in the main European cities



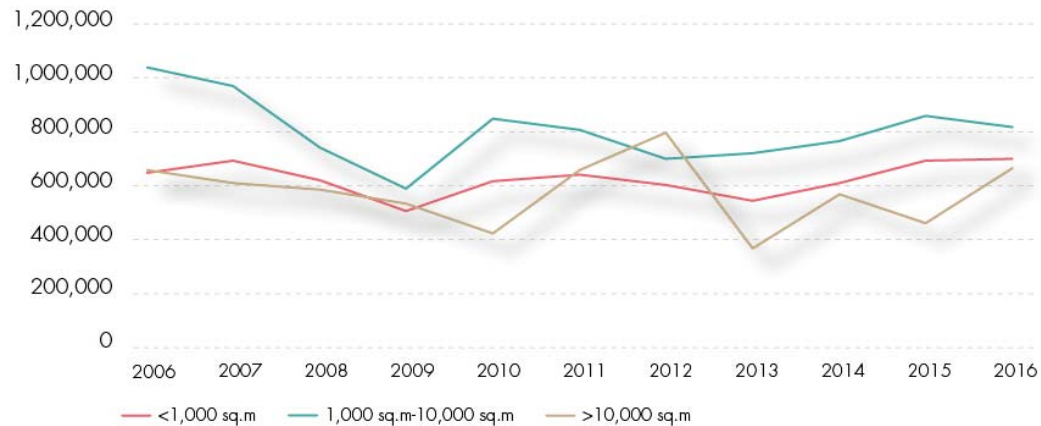
Take-up in the main European cities (million sq.m)



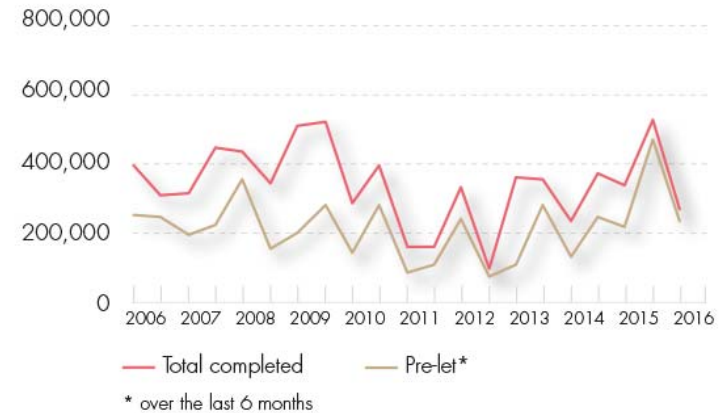
Sources: BNPP RE

# PARIS REGION OFFICE MARKET

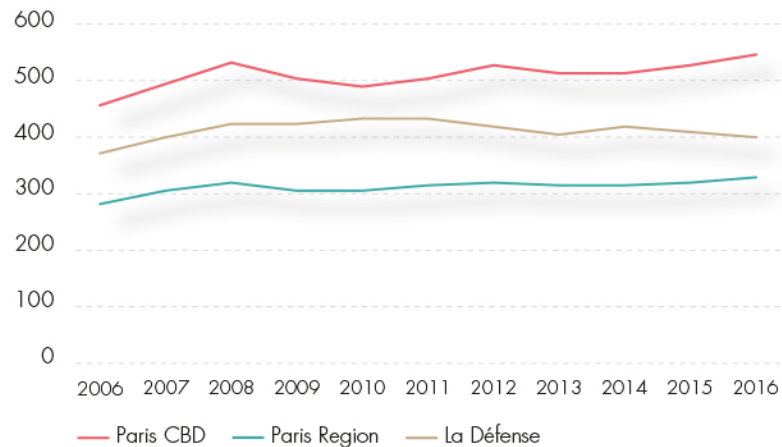
TAKE-UP BY SURFACE AREA IN THE PARIS REGION SINCE 2006



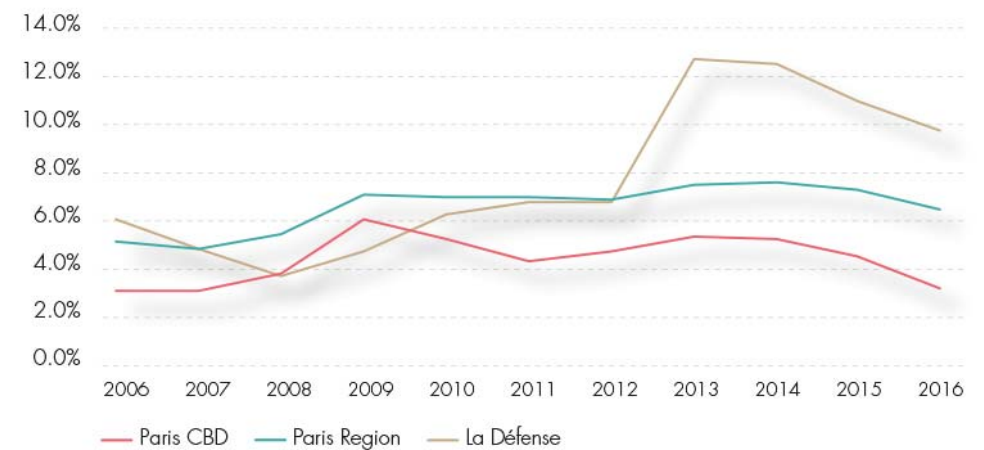
CONSTRUCTION & COMPLETION IN PARIS AND INNER SUBURBS SINCE 2006 (IN SQ.M)



PARIS REGION - AVERAGE OFFICE RENTS (€/Year)



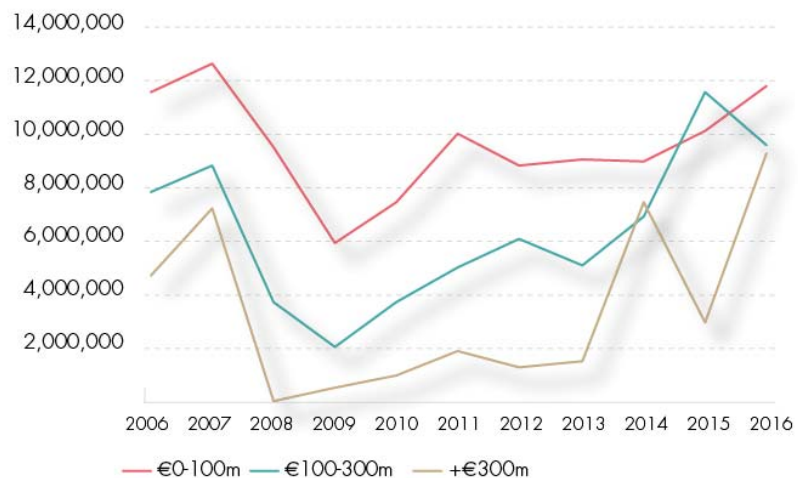
PARIS REGION - AVERAGE VACANCY RATE



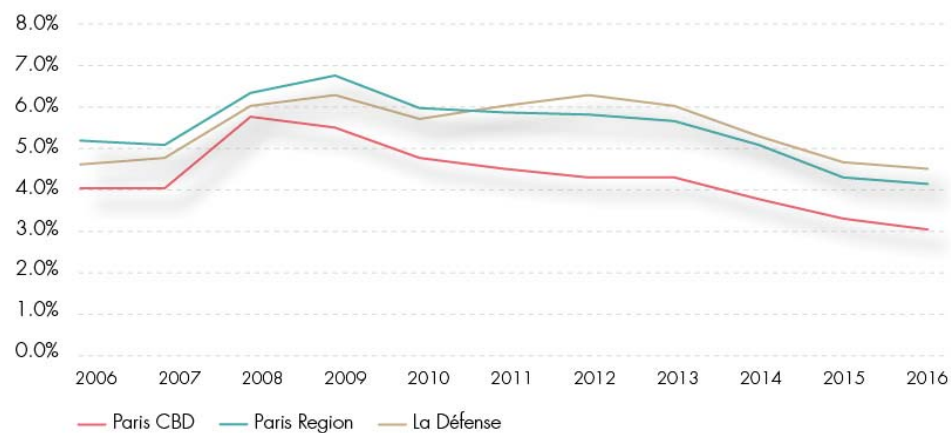
Sources: Etude Grand Paris Office Crane Survey (Deloitte Analysis), Cushman & Wakefield, IEIF, Immostat

# PARIS REGION OFFICE INVESTMENT MARKET

INVESTMENTS VOLUMES IN THE PARIS REGION,  
BY ASSET SIZE



PRIME YIELD IN THE PARIS REGION



Sources: BNPP RE, Immostat





PARTIE 3

# OUR PORTFOLIO

# CEGEREAL: UNIQUE POSITION IN THE PARIS REGION MARKET

## EUROPLAZA

52.000 sqm in La Défense

Occupancy rate : 82%

Valuation as at Dec. 31, 2016: € 362 M

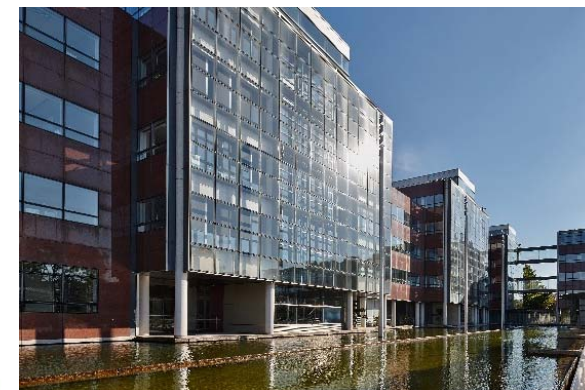


## HANAMI

32.000 sqm in Rueil Malmaison

Occupancy rate : 92%

Valuation as at Dec. 31, 2016: €152 M

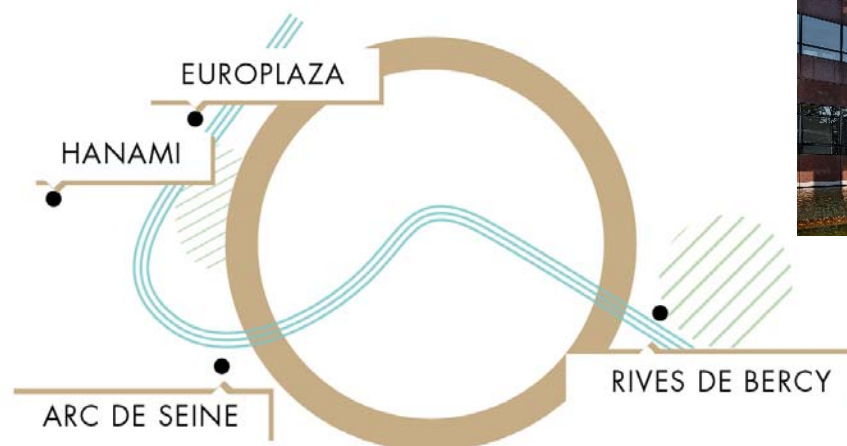


## ARCS DE SEINE

47.000 sqm in Boulogne

Occupancy rate : 80%

Valuation as at Dec. 31, 2016: € 415 M



## RIVES DE BERCY

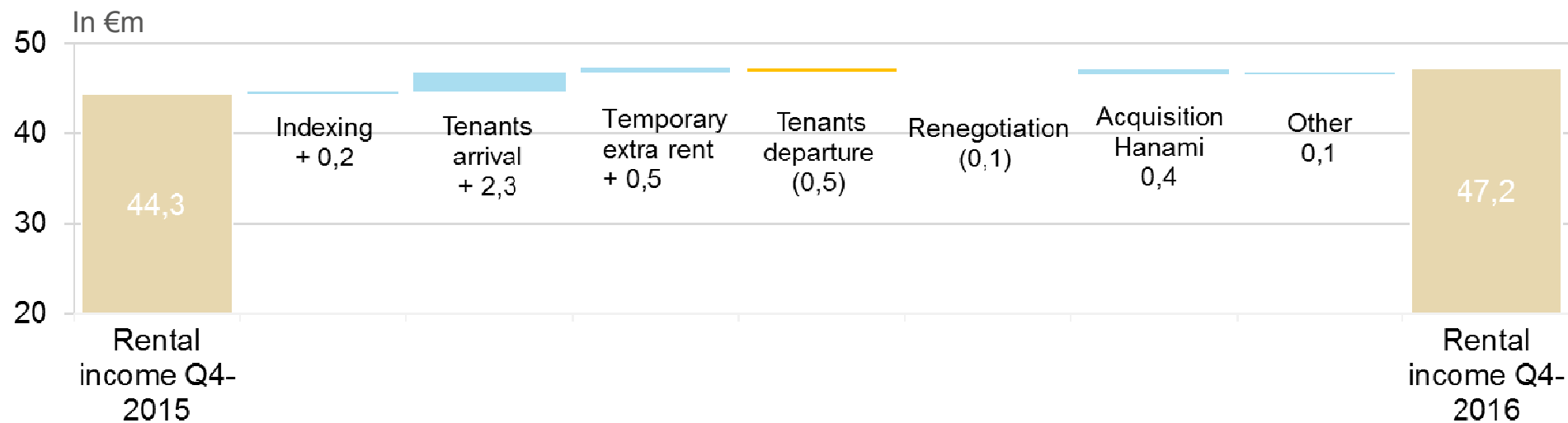
31.900 sqm in Charenton

Occupancy rate : 100%

Valuation as at Dec. 31, 2016: € 195 M

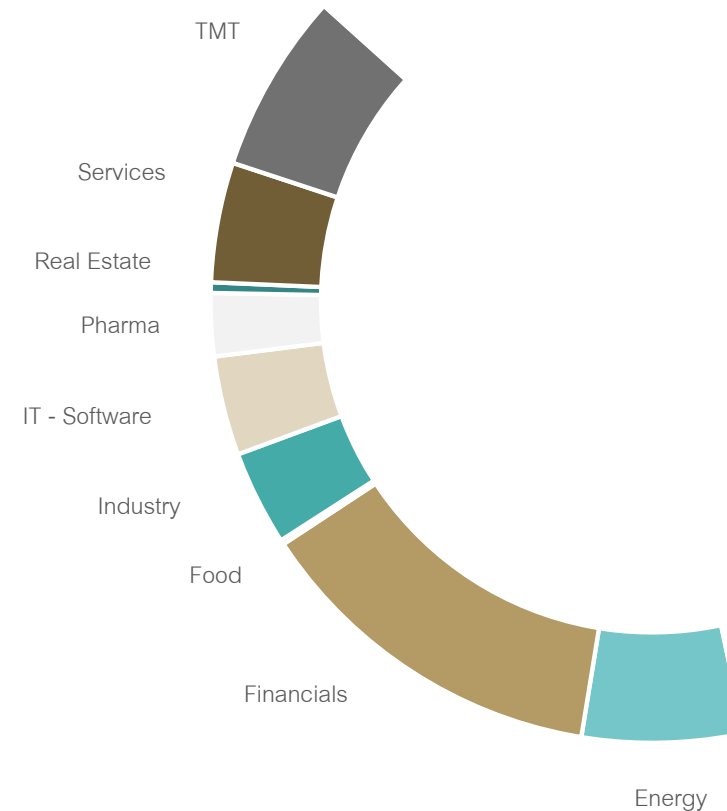
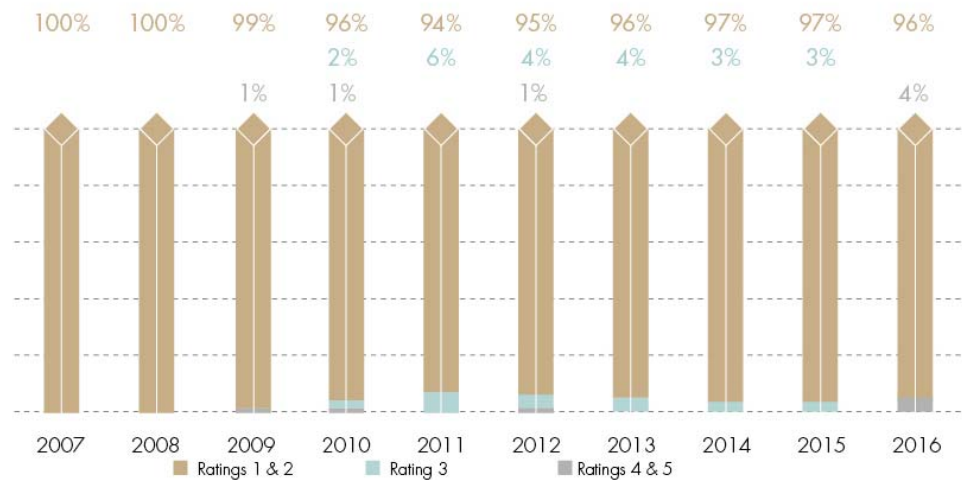


## RENTAL INCOME UP BY 6.5%

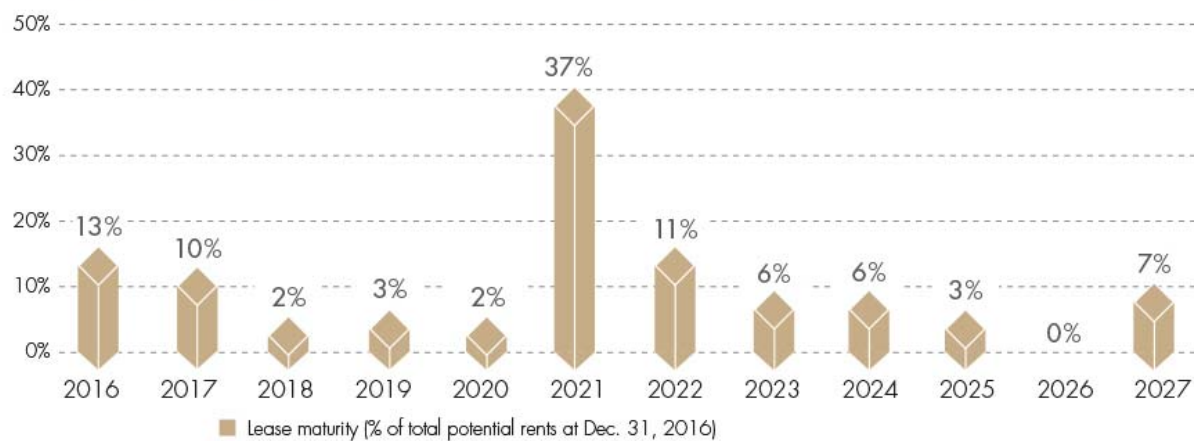


# FIRST-CLASS TENANTS

D&B Rating



Lease maturity (%)





PARTIE 4

# FINANCE

## FINANCIAL HIGHLIGHTS

|                              | FY-2016 | FY-2015 | Growth | LFL Growth |
|------------------------------|---------|---------|--------|------------|
| Net Rental Income            | 43.9    | 38.5    | 14.0%  | 13.0%      |
| EPRA Earnings                | 28.2    | 18.2    | 54.9%  | 53.1%      |
| EPRA Earnings per share (1)  | 2.0     | 1.4     | 45.5%  | 43.8%      |
| Portfolio Value              | 1124    | 942     | 19.3%  | 3.2%       |
| LTV                          | 52.1%   | 43.0%   |        |            |
| Average cost of debt         | 2.4%    | 3.4%    |        |            |
| Going Concern NAV (2)        | 47.1    | 44.0    | 7.1%   |            |
| EPRA NNNAV (3)               | 40.8    | 39.2    | 4.1%   |            |
| Dividend per share (4)       | 2.1     | 2.0     | 5.0%   |            |
| Return on NNNAV              | 5.1%    | 5.1%    |        |            |
| Total Shareholder Return (5) | 9.2%    | 17.3%   |        |            |

(1) Total number of shares in 2016: 14,224,055 / in 2015: 13,358,962

(2) The Going Concern NAV corresponds to the amount of equity needed to replicate the Group's portfolio with its current financial structure

(3) The EPRA NNNAV (triple net asset value) per share corresponds to the Going Concern NAV per share less the estimated transfer taxes and deferred capital gain taxes – on the basis of the same fully diluted number of shares

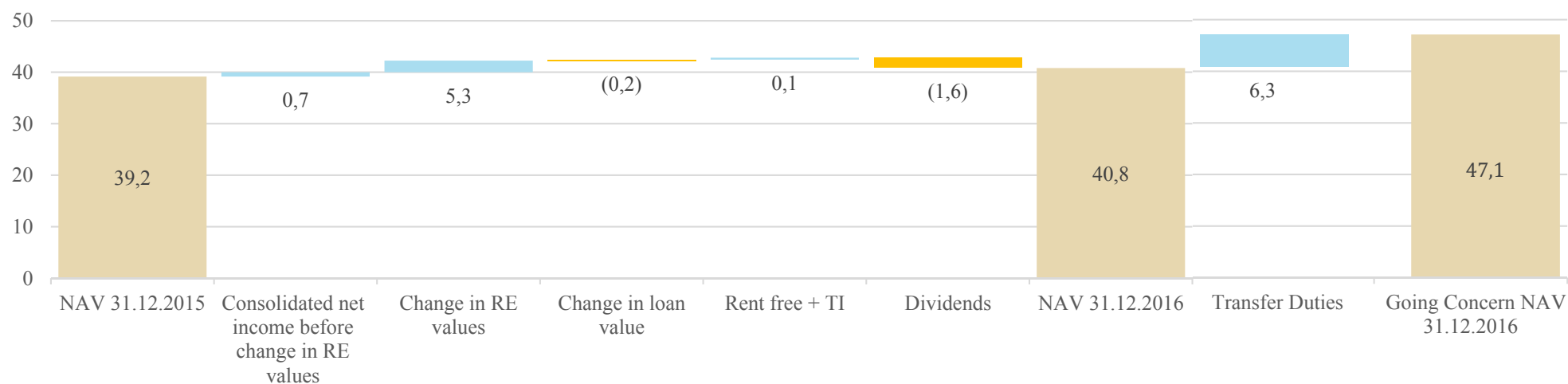
(4) €2.0€ ps distributed in 2016; €2.1€ ps to be approved at the next Annual Shareholders' Meeting

(5) TSR (9.2%) equals to Growth in EPRA NNNAV (4.1%) plus the Cash Return on EPRA NNNAV (5.1%)

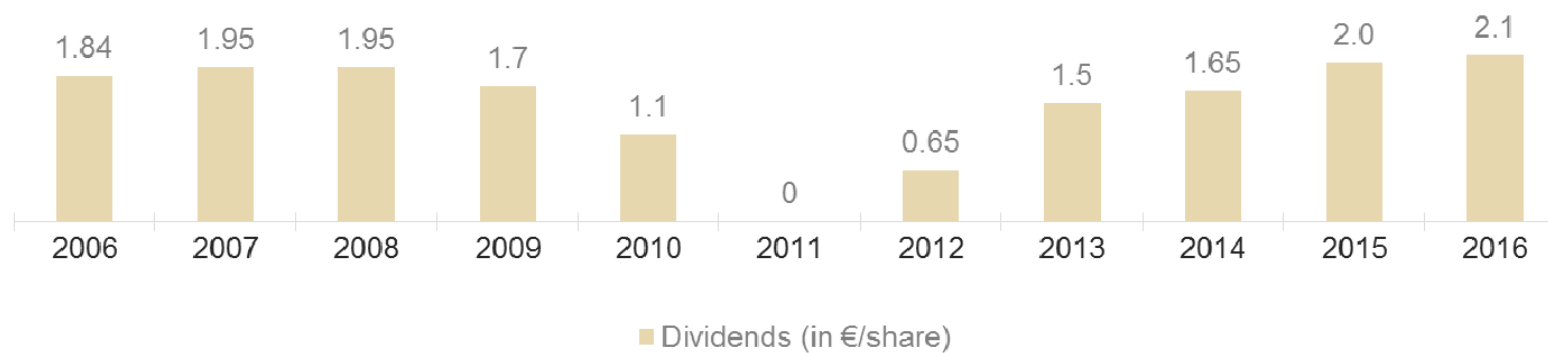
## EPRA EARNINGS & NET CASH-FLOWS FROM OPERATIONS

| <i>In thousands euros</i>             | <b>2016</b>   | <b>2015</b>   | <b>Growth</b> |
|---------------------------------------|---------------|---------------|---------------|
| IFRS rents                            | 47 196        | 44 310        |               |
| Recovered real estate expenses        | 11 385        | 11 349        |               |
| Termination indemnities received      | 2 606         | -             |               |
| Real estate expenses                  | (13 247)      | (14 012)      |               |
| <b>Net rents</b>                      | <b>47 940</b> | <b>41 647</b> | <b>15.1%</b>  |
| Asset management fees                 | (3 975)       | (3 143)       |               |
| Other management fees                 | (3 562)       | (4 855)       |               |
| Other operating income and expenses   | 9             | 65            |               |
| <b>Operating income</b>               | <b>40 412</b> | <b>33 714</b> | <b>19.9%</b>  |
| Net financial expenses                | (10 106)      | (13 930)      |               |
| Taxes                                 | (811)         | (788)         |               |
| <b>Net income from operations</b>     | <b>29 495</b> | <b>18 996</b> | <b>55.3%</b>  |
| Financial costs spread over           | (1 290)       | (776)         |               |
| <b>EPRA earnings</b>                  | <b>28 204</b> | <b>18 220</b> | <b>54.8%</b>  |
| IFRS adjustments (free-rents, ....)   | 5 314         | 3 478         |               |
| Financial costs spread over           | 1 290         | 776           |               |
| <b>Net cash-flows from operations</b> | <b>34 809</b> | <b>22 474</b> | <b>54.9%</b>  |

## EPRA NNNAV UP 4.1%



## DIVIDEND HISTORY

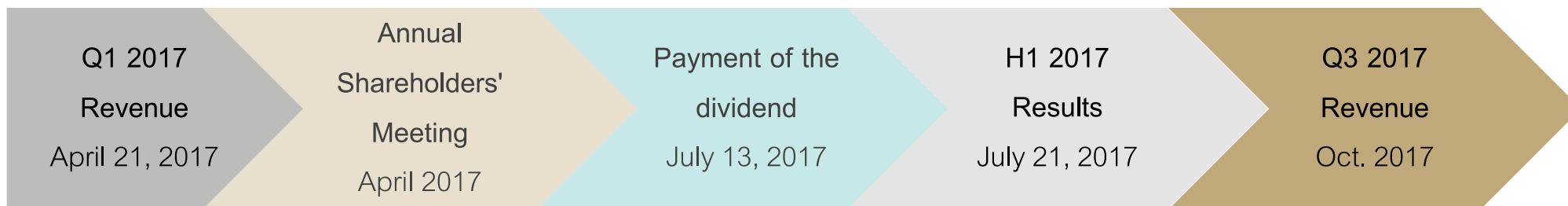




PARTIE 5

# APPENDICES

## INVESTOR CALENDAR



## SHARE DETAILS

|                |                                    |
|----------------|------------------------------------|
| Name           | Cegereal SA                        |
| Listing market | Euronext Paris                     |
| ISIN           | FR0010309096                       |
| Symbol         | CGR                                |
| CFI            | ESVUFB                             |
| Type           | REIT                               |
| Section        | Eurolist compartment B             |
| Indices        | CAC All Shares<br>IEIF SIIC France |
| Registrar      | BNPP Securities Services           |

### Investor Relations

42, rue de Bassano

75008 Paris

Tel: +33 (0)1 42 25 76 36

### Registrar

BNPP Securities Services

Grands Moulins de Pantin

9 rue du Débarcadère

93 761 Pantin Cedex

Tel : +33 (0)1 42 98 10 00

# IFRS INCOME STATEMENT (CONSOLIDATED)

*In thousands of euros, except per share data*

|   | 2016            | 2015            |
|---|-----------------|-----------------|
|   | 12 months       | 12 months       |
| Rental income   | 47 196          | 44 310          |
| Income from other services                                | 13 991          | 11 349          |
| Building-related costs                                    | (17 221)        | (17 156)        |
| <b>Net rental income</b>                                  | <b>43 965</b>   | <b>38 504</b>   |
| Sale of building  |                 |                 |
| Administrative costs                                      | (3 663)         | (4 976)         |
| Other operating expenses                                  | (716)           | (5)             |
| Other operating income                                    | 9               | 65              |
| Increase in fair value of investment property             | 34 292          | 62 736          |
| Decrease in fair value of investment property             | (13 900)        |                 |
| <i>Total change in fair value of investment property</i>  | <i>20 392</i>   | <i>62 736</i>   |
| <b>Net operating income</b>                               | <b>59 987</b>   | <b>96 323</b>   |
| Financial income  | 53              | 15              |
| Financial expenses  | (17 972)        | (14 719)        |
| <b>Net financial expense</b>                              | <b>(17 919)</b> | <b>(14 705)</b> |
| Corporate income tax                                      | (802)           | (662)           |
| <b>CONSOLIDATED NET INCOME</b>                            | <b>41 265</b>   | <b>80 957</b>   |
| <i>of which attributable to owners of the Company</i>     | <i>41 265</i>   | <i>80 957</i>   |
| <i>of which attributable to non-controlling interests</i> | <i>0</i>        | <i>0</i>        |
| Other comprehensive income                                |                 |                 |
| <b>TOTAL COMPREHENSIVE INCOME</b>                         | <b>41 265</b>   | <b>80 957</b>   |
| <i>of which attributable to owners of the Company</i>     | <i>41 265</i>   | <i>80 957</i>   |
| <i>of which attributable to non-controlling interests</i> | <i>0</i>        | <i>0</i>        |
| <b>Basic earnings per share (in euros)</b>                | <b>3,09</b>     | <b>6,06</b>     |
| <b>Diluted earnings per share (in euros)</b>              | <b>2,95</b>     | <b>6,06</b>     |

# IFRS BALANCE SHEET (CONSOLIDATED)

*In thousands of euros*

|  | Dec. 31, 2016    | Dec. 31, 2015  |
|--|------------------|----------------|
| <b><u>Non-current assets</u></b>       |                  |                |
| Property, plant and equipment          | 61               | 61             |
| Investment property                    | 1 124 100        | 942 000        |
| Non-current loans and receivables      | 22 949           | 28 928         |
| Financial instruments                  | 184              |                |
| <b>Total non-current assets</b>        | <b>1 147 294</b> | <b>970 989</b> |
| <b><u>Current assets</u></b>           |                  |                |
| Trade accounts receivable              | 16 539           | 13 132         |
| Other operating receivables            | 12 709           | 6 899          |
| Prepaid expenses                       | 354              | 96             |
| <b>Total receivables</b>               | <b>29 602</b>    | <b>20 127</b>  |
| Cash and cash equivalents              | 18 634           | 8 723          |
| <b>Total cash and cash equivalents</b> | <b>18 634</b>    | <b>8 723</b>   |
| <b>Total current assets</b>            | <b>48 236</b>    | <b>28 850</b>  |
| <b>TOTAL ASSETS</b>                    | <b>1 195 530</b> | <b>999 839</b> |

*In thousands of euros*

|   | Dec. 31, 2016    | Dec. 31, 2015  |
|---|------------------|----------------|
| <b><u>Shareholders' equity</u></b>                |                  |                |
| Share capital                                     | 66 863           | 160 470        |
| Legal reserve and additional paid-in capital      | 115 043          | 21 436         |
| Consolidated reserves and retained earnings       | 359 877          | 305 447        |
| Net attributable income                           | 41 265           | 80 957         |
| <b>Total shareholders' equity</b>                 | <b>583 048</b>   | <b>568 309</b> |
| <b><u>Non-current liabilities</u></b>             |                  |                |
| Non-current borrowings                            | 576 951          | 402 664        |
| Other non-current borrowings and debt             | 4 605            | 3 951          |
| Non-current corporate income tax liability        |                  |                |
| Financial instruments                             | 920              |                |
| <b>Total non-current liabilities</b>              | <b>582 476</b>   | <b>406 615</b> |
| <b><u>Current liabilities</u></b>                 |                  |                |
| Current borrowings                                | 2 224            | 1 626          |
| Trade accounts payable                            | 5 832            | 3 150          |
| Corporate income tax liability                    |                  |                |
| Other operating liabilities                       | 7 985            | 4 573          |
| Prepaid revenue                                   | 13 966           | 15 566         |
| <b>Total current liabilities</b>                  | <b>30 007</b>    | <b>24 915</b>  |
| <b>Total liabilities</b>                          | <b>612 483</b>   | <b>431 530</b> |
| <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b> | <b>1 195 530</b> | <b>999 839</b> |

# IFRS STATEMENT OF CASH FLOWS (CONSOLIDATED)

In thousands of euros

|   | 2016             | 2015            |
|---|------------------|-----------------|
| <b>OPERATING ACTIVITIES</b>   |                  |                 |
| Consolidated net income   | 41 265           | 80 957          |
| <i>Elimination of items related to the valuation of buildings:</i>                              |                  |                 |
| Fair value adjustments to investment property   | (20 392)         | (62 736)        |
| Indemnity received from lessees for the replacement of components                               |                  |                 |
| <i>Elimination of other income/expense items with no cash impact:</i>                           |                  |                 |
| Depreciation of property, plant and equipment (excluding investment property)                   | 9                | 5               |
| Free share grants not vested at the reporting date  | 102              |                 |
| Fair value of financial instruments (share subscription warrants, interest rate caps and swaps) | 895              |                 |
| Adjustments for loans at amortized cost   | 2,949            | 775             |
| <b>Cash flows from operations before tax and changes in working capital requirements</b>        | <b>24,828</b>    | <b>19 001</b>   |
| Other changes in working capital requirements   | 376              | (2 975)         |
| Working capital adjustments to reflect changes in the scope of consolidation                    | 134              |                 |
| <b>Change in working capital requirements</b>   | <b>511</b>       | <b>(2 975)</b>  |
| <b>Net cash flows from operating activities</b>   | <b>25 339</b>    | <b>16 026</b>   |
| <b>INVESTING ACTIVITIES</b>   |                  |                 |
| Acquisition of fixed assets   | (161 717)        | (8 331)         |
| Net decrease in amounts due to fixed asset suppliers  | 621              | (384)           |
| <b>Net cash flows used in investing activities</b>  | <b>(161 096)</b> | <b>(8 715)</b>  |
| <b>FINANCING ACTIVITIES</b>   |                  |                 |
| Increase in share capital   | 0                | 0               |
| Change in bank debt   | 181,000          | 0               |
| Issue of financial instruments (share subscription warrants)                                    | 9                |                 |
| Refinancing transaction costs   | (8 542)          |                 |
| Purchases of hedging instruments  | (168)            |                 |
| Net increase in current borrowings  |                  | (90)            |
| Net decrease in current borrowings  | (523)            |                 |
| Net increase in other non-current borrowings and debt   | 654              | (215)           |
| Net decrease in other non-current borrowings and debt   | 0                |                 |
| Purchases and sales of treasury shares  | (43)             | 252             |
| Dividends paid  | (26 720)         | (22 034)        |
| <b>Net cash flows used in financing activities</b>  | <b>145,668</b>   | <b>(22 087)</b> |
| <b>Change in cash and cash equivalents</b>  | <b>9 911</b>     | <b>(14 776)</b> |
| Cash and cash equivalents at beginning of the period*   | 8 723            | 23 499          |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>   | <b>18 634</b>    | <b>8 723</b>    |

# FRENCH GAAP INCOME STATEMENT

In euros

|                                | France   | Exports  | 2016<br>12 months<br>Total | 2015<br>12 months<br>Total |
|--------------------------------|----------|----------|----------------------------|----------------------------|
| Sales of goods for resale      |          |          | 0                          |                            |
| Sales of manufactured products |          |          | 0                          |                            |
| Sales of services              |          |          | 70 000                     | 46 667                     |
| <b>NET REVENUE</b>             | <b>0</b> | <b>0</b> | <b>70 000</b>              | <b>46 667</b>              |

|  |  |  |                |               |
|--|--|--|----------------|---------------|
| Change in finished goods and in-progress inventory   |  |  | 0              |               |
| In-house production  |  |  | 0              |               |
| Operating subsidies  |  |  | 0              |               |
| Reversal of depreciation and amortization charges, provisions for impairment and Other revenue |  |  | 30 141         | 27 155        |
| <b>Total operating revenue</b>   |  |  | <b>100 141</b> | <b>73 822</b> |

|  |  |  |                  |                  |
|--|--|--|------------------|------------------|
| Purchases of goods                                       |  |  | 0                |                  |
| Change in inventories of goods held for resale           |  |  | 0                |                  |
| Purchases of raw materials and other supplies            |  |  | 0                |                  |
| Change in inventories (raw materials and other supplies) |  |  | 0                |                  |
| Other purchases and external charges                     |  |  | 2 130 369        | 1 745 487        |
| Taxes, duties and other levies                           |  |  | 2 611 034        | 129 284          |
| Wages and salaries                                       |  |  | 792 428          | 649 380          |
| Social security charges                                  |  |  | 334 152          | 266 126          |
| Fixed assets: depreciation and amortization              |  |  | 0                |                  |
| Fixed assets: provisions for impairment                  |  |  | 0                |                  |
| Current assets: provisions for impairment                |  |  | 0                |                  |
| Contingency and loss provisions                          |  |  | 20 347           |                  |
| Other expenses   |  |  | 194 550          | 122 762          |
| <b>Total operating expenses</b>                          |  |  | <b>6 082 881</b> | <b>2 913 039</b> |

|                         |  |  |                    |                    |
|-------------------------|--|--|--------------------|--------------------|
| <b>OPERATING INCOME</b> |  |  | <b>(5 982 740)</b> | <b>(2 839 218)</b> |
|-------------------------|--|--|--------------------|--------------------|

|   |  |  |               |              |
|---|--|--|---------------|--------------|
| Allocated income or transferred loss  |  |  | 0             |              |
| Loss incurred or transferred income   |  |  | 0             |              |
| Financial income from controlled entities                                     |  |  | 0             |              |
| Income from other securities and receivables                                  |  |  | 0             |              |
| Other interest income   |  |  | 29 933        | 144          |
| Reversal of provisions for impairment, other provisions and expense transfers |  |  | 0             | 5 956        |
| Foreign exchange gains  |  |  | 0             |              |
| Net income on sale of short-term investment securities                        |  |  | 0             |              |
| <b>Total financial income/(loss)</b>  |  |  | <b>29 933</b> | <b>6 100</b> |

|  |  |  |               |               |
|--|--|--|---------------|---------------|
| Depreciation, amortization, provisions for impairment and other provisions |  |  | 0             | 0             |
| Interest expenses  |  |  | 12 599        | 16 302        |
| Foreign exchange losses  |  |  | 3             |               |
| Net expenses on sales of short-term investment securities                  |  |  | 0             |               |
| <b>Total financial expenses</b>  |  |  | <b>12 602</b> | <b>16 302</b> |

|                              |  |  |               |                 |
|------------------------------|--|--|---------------|-----------------|
| <b>NET FINANCIAL EXPENSE</b> |  |  | <b>17 331</b> | <b>(10 202)</b> |
|------------------------------|--|--|---------------|-----------------|

|   |  |  |                    |                    |
|---|--|--|--------------------|--------------------|
| <b>RECURRING INCOME/(LOSS) BEFORE TAX</b> |  |  | <b>(5 965 409)</b> | <b>(2 849 420)</b> |
|---|--|--|--------------------|--------------------|

In euros

|   | 2016<br>12 months | 2015<br>12 months |
|---|-------------------|-------------------|
| Non-recurring income on management transactions                               | 0                 |                   |
| Non-recurring income on capital transactions                                  | 83 162            | 53 309            |
| Reversal of provisions for impairment, other provisions and expense transfers | 0                 |                   |
| <b>Total non-recurring income</b>   | <b>83 162</b>     | <b>53 309</b>     |

|  |            |              |
|--|------------|--------------|
| Non-recurring expenses on management transactions        | 0          |              |
| Non-recurring expenses on capital transactions           | 281        | 5 111        |
| Depreciation, amortization and provisions for impairment | 0          |              |
| <b>Total non-recurring expenses</b>                      | <b>281</b> | <b>5 111</b> |

|                                  |               |               |
|----------------------------------|---------------|---------------|
| <b>NET NON-RECURRING EXPENSE</b> | <b>82 881</b> | <b>48 198</b> |
|----------------------------------|---------------|---------------|

|                         |         |         |
|-------------------------|---------|---------|
| Employee profit sharing | 0       |         |
| Corporate income tax    | 802 365 | 661 939 |

|                       |                  |                  |
|-----------------------|------------------|------------------|
| <b>TOTAL INCOME</b>   | <b>213 235</b>   | <b>133 230</b>   |
| <b>TOTAL EXPENSES</b> | <b>6 898 129</b> | <b>3 596 391</b> |

|                   |                    |                    |
|-------------------|--------------------|--------------------|
| <b>NET INCOME</b> | <b>(6 684 893)</b> | <b>(3 463 161)</b> |
|-------------------|--------------------|--------------------|

# FRENCH GAAP BALANCE SHEET

In euros

| ASSETS                                      | Gross amount       | Depr., amort. & prov. | Dec. 31, 2016      | Dec. 31, 2015      |
|---|--------------------|-----------------------|--------------------|--------------------|
| <b>Uncalled subscribed capital</b>          | -                  | -                     | -                  | -                  |
| <b>Intangible fixed assets</b>              | -                  | -                     | -                  | -                  |
| Start-up costs                              | -                  | -                     | -                  | -                  |
| Research and development costs              | -                  | -                     | -                  | -                  |
| Licenses, patents and similar concessions   | -                  | -                     | -                  | -                  |
| Goodwill                                    | -                  | -                     | -                  | -                  |
| Other intangible fixed assets               | -                  | -                     | -                  | -                  |
| Advances/down payments on intangible assets | -                  | -                     | -                  | -                  |
| <b>Property, plant and equipment</b>        | -                  | -                     | -                  | -                  |
| Land  | -                  | -                     | -                  | -                  |
| Buildings                                   | -                  | -                     | -                  | -                  |
| Plant, machinery and equipment              | -                  | -                     | -                  | -                  |
| Other property, plant and equipment         | -                  | -                     | -                  | -                  |
| Property, plant and equipment in progress   | -                  | -                     | -                  | -                  |
| Advances and down payments                  | -                  | -                     | -                  | -                  |
| <b>Financial fixed assets</b>               | -                  | -                     | -                  | -                  |
| Receivables from controlled entities        | 326 405 364        | -                     | 326 405 364        | 361 229 772        |
| Other long-term investments                 | -                  | -                     | -                  | -                  |
| Loans                                       | -                  | -                     | -                  | -                  |
| Other financial fixed assets                | 725 947            | -                     | 725 947            | 643 078            |
| <b>FIXED ASSETS</b>                         | <b>327 131 311</b> | <b>-</b>              | <b>327 131 311</b> | <b>361 872 850</b> |
| <b>Inventories and work in progress</b>     | -                  | -                     | -                  | -                  |
| Raw materials and other supplies            | -                  | -                     | -                  | -                  |
| Manufactured products in progress           | -                  | -                     | -                  | -                  |
| Services in progress                        | -                  | -                     | -                  | -                  |
| Semi-finished and finished goods            | -                  | -                     | -                  | -                  |
| Goods held for resale                       | -                  | -                     | -                  | -                  |
| <b>Advances/down payments on orders</b>     | -                  | -                     | -                  | -                  |
| <b>Receivables</b>                          | -                  | -                     | -                  | -                  |
| Trade accounts receivable                   | -                  | -                     | -                  | -                  |
| Other receivables                           | 3 046 532          | -                     | 3 046 532          | 266 196            |
| Subscribed capital, called up but not paid  | -                  | -                     | -                  | -                  |
| <b>Short-term investment securities</b>     | -                  | -                     | -                  | -                  |
| <b>Cash and cash equivalents</b>            | <b>3 748 046</b>   | -                     | <b>3 748 046</b>   | <b>109 145</b>     |
| <b>CURRENT ASSETS</b>                       | <b>6 794 577</b>   | <b>-</b>              | <b>6 794 577</b>   | <b>375 341</b>     |
| <b>Prepaid expenses</b>                     | <b>44 035</b>      | -                     | <b>44 035</b>      | <b>58 718</b>      |
| <b>Adjustment accounts</b>                  | <b>-</b>           | -                     | <b>-</b>           | <b>-</b>           |
| <b>TOTAL ASSETS</b>                         | <b>333 969 924</b> | <b>-</b>              | <b>333 969 924</b> | <b>362 306 909</b> |

In euros

| EQUITY AND LIABILITIES                                      | Dec. 31, 2016      | Dec. 31, 2015      |
|---|--------------------|--------------------|
| <b>Capital</b>  |                    |                    |
| Share capital (including paid-up capital: 66,862,500)       | 66 862 500         | 160 470 000        |
| Additional paid-in capital                                  | 99 004 926         | 5 388 776          |
| Revaluation reserve   | 152 341 864        | 152 341 864        |
| <b>Reserves</b>   |                    |                    |
| Legal reserve   | 16 047 000         | 16 047 000         |
| Statutory or contractual reserves                           | 0                  | -                  |
| Regulated reserves  | 0                  | -                  |
| Other reserves  | 10 670             | 30 188 422         |
| <b>Retained earnings</b>                                    |                    |                    |
| Retained earnings   | 24 910             | 30 409             |
| Net income/(loss) for the year                              | (6 684 893)        | (3 463 161)        |
| Interim dividend  | 0                  | 0                  |
| <b>Investment subsidies</b>                                 |                    | -                  |
| <b>Regulated provisions</b>                                 |                    | -                  |
| <b>SHAREHOLDERS' EQUITY</b>                                 | <b>327 606 977</b> | <b>361 003 310</b> |
| <b>Income from the issue of equity instruments</b>          | -                  | -                  |
| <b>Contingent advances</b>                                  | -                  | -                  |
| <b>OTHER EQUITY</b>   | <b>-</b>           | <b>-</b>           |
| <b>Contingency provisions</b>                               |                    |                    |
| <b>Loss provisions</b>                                      | 20 347             | -                  |
| <b>CONTINGENCY AND LOSS PROVISIONS</b>                      | <b>20 347</b>      | <b>-</b>           |
| <b>Non-current borrowings and debt</b>                      |                    |                    |
| Convertible bonds   | 0                  | -                  |
| Other bonds   | 0                  | -                  |
| Bank borrowings   | 0                  | -                  |
| Miscellaneous borrowings and debt                           | 2 079 134          | 0                  |
| <b>Trade accounts payable and other current liabilities</b> |                    |                    |
| Advances/down payments received on orders in progress       | -                  | -                  |
| Trade accounts payable                                      | 3 769 534          | 823 375            |
| Tax and social liabilities                                  | 493 932            | 480 224            |
| Amounts owed to fixed asset suppliers                       | -                  | 0                  |
| Other liabilities   | 0                  | 0                  |
| Prepaid revenue   | 0                  | 0                  |
| <b>LIABILITIES</b>  | <b>6 342 600</b>   | <b>1 303 599</b>   |
| <b>Adjustment accounts</b>                                  | 0                  | 0                  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                         | <b>333 969 924</b> | <b>362 306 909</b> |