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2019 Annual Results – Regulated Information

## CEGEREAL CONTINUES ITS GROWTH WITH A 30.6% INCREASE IN EPRA EARNINGS

- Rental income up 19.5%
- Portfolio value up 3.9%
- European leader in CSR
- €2.3 per share dividend distribution

### Key indicators

<i>In millions of euros</i>	2019	2018	Change
IFRS rental income	63.4	53.0	+19.5%
EPRA earnings	40.0	30.7	+30.6%
Portfolio value (excluding transfer duties)	1,464	1,409	+3.9%
Occupancy rate	96.9%	96.1%	+0.8 pts
LTV ratio	52.6%	54.7%	-2.1 pts
EPRA NNAV per share excluding transfer duties (in €)	43.7	41.0	+6.6%

Jérôme Anselme, Cegereal's Chief Executive Officer commented: "This year once again, Cegereal's teams have enabled the Company to deliver a record performance both operationally and financially, with EPRA earnings coming out at €40 million. Illustrated in particular by the arrival of the European Banking Authority's teams and the significant extension of KPMG France's lease in Europlaza tower, our solid rental activity demonstrates our capacity to attract and build strong relationships with clients. Our strength lies in our capacity to offer a user experience uniting connectivity, convenience, flexibility and respect for the environment. 2020 will see us roll out the same strategy and continue to focus on our objective of increasing the value of our portfolio and our Company".

### Record 96.9% occupancy rate

The highlights of 2019 included the extension of KPMG France's lease in Europlaza tower, in which the firm now occupies 12,600 sq.m, reaffirming the property's continued appeal, as well as the arrival of Salto, the French VoD platform developed by television channels TF1, M6 and France Télévisions, at Arcs de Seine.

In total, leases have been renewed, extended or signed on 45% of the portfolio's surface area in the last three years. This successful rental activity has pushed the portfolio occupancy rate to 96.9%, demonstrating the effectiveness of Cegereal's strategy, both in terms of asset management and the close relationship the Company has with its tenants. Four out of five assets are now fully leased.

Benefiting from the many signings in 2019, Cegereal's rental income climbed 19.5% to €63.4 million in 2019, with the December 2018 acquisition of the Passy Kennedy building contributing €9.9 million. On a like-for-like basis, rental income grew 2.2% year-on-year.

The estimated value of Cegereal's property portfolio (excluding transfer duties) amounted to €1,464 million, up 3.9% compared with 2018. This increase was driven by the signing of leases under market-beating conditions, as well as by the desirable location of the portfolio's different properties.

### **Improvement in all financial indicators**

The Company's operational and financial performance was positively impacted by its excellent rental activity as well as the full-year impact of income generated by the Passy Kennedy building. Cegereal's EPRA earnings totaled €40.0 million in 2019, a sharp 30.6% increase on 2018.

Net attributable income came in at €80.8 million in 2019, compared with €33.4 million in 2018, mainly due to the increase in the portfolio value.

Consolidated net debt stood at €769 million at December 31, 2019, representing an LTV ratio of 52.6%, while the average maturity of the Group's borrowings stood at 3.5 years with an average interest rate of 1.3%.

EPRA NNAV stood at €695.1 million or €43.7 per share at end-December, up 8.7% from €639.6 million or €41 per share at December 31, 2018. This increase reflects the growth in IFRS consolidated net income to €80.8 million, mainly thanks to the €55.4 million increase in the portfolio value, offset by the dividend distribution of €36.6 million.

### **No. 1 in Europe in CSR**

Each year since its creation, Cegereal has proven its strong engagement in respect of environmental, social and governance (ESG) issues. Its commitment and the transparency of its non-financial reporting have been commended by ratings agencies such as the European Public Real Estate Association (EPRA) and the Carbon Disclosure Project (CDP), as well as the Global Real Estate Sustainability Benchmark (GRESB), which has placed the Company in the top 3 since it first participated in the benchmark. With a score of 95/100, Cegereal reached a new milestone in 2019, climbing to number one in Europe and number three worldwide, all sectors combined.

The in-depth work carried out during the year to analyze and control the environmental indicators of each of the Company's buildings paid off, resulting in a reduction in the portfolio's energy consumption and greenhouse gas emissions by 30% and 42%, respectively, since 2013. In addition, its entire portfolio has achieved NF HQE™ Exploitation and BREEAM In-Use International certification.

Cegereal also stands out in how it manages biodiversity across its portfolio: the Company promotes the development of the flora and fauna housed in the portfolio's 37,300 sq.m of green space.

### **2020 dividend distribution: €2.3 per share**

Cegereal's recurring cash flow rose to €42.9 million, up from €35.2 million in 2018. At the next General Shareholders' Meeting, Cegereal will recommend paying another significant dividend distribution of €2.3 per share.

\* \* \*

Cegereal's Board of Directors met on February 27, 2020 to approve the audited consolidated financial statements for the year ended December 31, 2019.

The annual results presentation can be viewed on the Company's website: [www.cegereal.com](http://www.cegereal.com)

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**About Cegereal**

Created in 2006, Cegereal is a listed property company that invests in prime office properties in Greater Paris. The total value of the portfolio is estimated at €1,464 million at December 31, 2019 (excluding transfer duties).

Thanks to its strong commitment to environmental, social and governance issues, Cegereal achieved first place among listed companies in Europe in the 2019 Global Real Estate Sustainability Benchmark (GRESB) ranking. Its entire portfolio has achieved NF HQE™ Exploitation and BREEAM In-Use International certification.

Cegereal is a REIT listed on Euronext Paris since 2006, in compartment B (ISIN: FR0010309096). The Company had a market capitalization of €658.5 million at February 27, 2020.

[www.cegereal.com](http://www.cegereal.com)

## APPENDICES

### IFRS Income Statement (consolidated)

*In thousands of euros, except per share data*

	2019	2018
	<i>12 months</i>	<i>12 months</i>
Rental income	63 369	53 026
Income from other services	20 045	15 010
Building-related costs	(31 621)	(31 002)
<b>Net rental income</b>	<b>51 793</b>	<b>37 034</b>
Sale of building	0	0
Administrative costs	(3 885)	(4 039)
Other operating expenses	(13)	(89)
Other operating income	165	0
Increase in fair value of investment property	60 710	12 501
Decrease in fair value of investment property	(14 480)	(800)
<i>Total change in fair value of investment property</i>	<i>46 230</i>	<i>11 701</i>
<b>Net operating income</b>	<b>94 289</b>	<b>44 607</b>
Financial income	0	6
Financial expenses	(13 529)	(11 508)
<b>Net financial expense</b>	<b>(13 529)</b>	<b>(11 502)</b>
<b>Corporate income tax</b>	<b>0</b>	<b>0</b>
<b>CONSOLIDATED NET INCOME</b>	<b>80 760</b>	<b>33 106</b>
<i>of which attributable to owners of the Company</i>	<i>80 760</i>	<i>33 106</i>
<i>of which attributable to non-controlling interests</i>	<i>0</i>	<i>0</i>
<b>Other comprehensive income</b>		
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>80 760</b>	<b>33 106</b>
<i>of which attributable to owners of the Company</i>	<i>80 760</i>	<i>33 106</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>5,10</b>	<b>2,40</b>
<b>Diluted earnings per share (in euros)</b>	<b>4,92</b>	<b>2,27</b>

## IFRS Balance Sheet (consolidated)

*In thousands of euros*

	Dec. 31, 2019	Dec. 31, 2018
<b><u>Non-current assets</u></b>		
Property, plant and equipment	38	47
Investment property	1 463 920	1 408 520
Non-current loans and receivables	23 146	20 230
Financial instruments	34	597
<b>Total non-current assets</b>	<b>1 487 138</b>	<b>1 429 393</b>
<b><u>Current assets</u></b>		
Trade accounts receivable	9 720	7 747
Other operating receivables	11 607	14 726
Prepaid expenses	292	116
<b>Total receivables</b>	<b>21 620</b>	<b>22 589</b>
Cash and cash equivalents	44 880	53 367
<b>Total cash and cash equivalents</b>	<b>44 880</b>	<b>53 367</b>
<b>Total current assets</b>	<b>66 499</b>	<b>75 957</b>
<b>TOTAL ASSETS</b>	<b>1 553 637</b>	<b>1 505 350</b>
<b><u>Shareholders' equity</u></b>		
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
<b>Total shareholders' equity</b>	<b>730 268</b>	<b>674 889</b>
<b><u>Non-current liabilities</u></b>		
Non-current borrowings	763 974	763 321
Other non-current borrowings and debt	10 087	9 543
Non-current corporate income tax liability	0	0
Financial instruments	682	791
<b>Total non-current liabilities</b>	<b>774 743</b>	<b>773 655</b>
<b><u>Current liabilities</u></b>		
Current borrowings	3 468	3 152
Trade accounts payable	12 349	24 996
Corporate income tax liability	0	0
Other operating liabilities	10 437	9 698
Prepaid revenue	22 373	18 960
<b>Total current liabilities</b>	<b>48 626</b>	<b>56 806</b>
<b>Total liabilities</b>	<b>823 369</b>	<b>830 461</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1 553 637</b>	<b>1 505 350</b>

## IFRS Statement of Cash Flows (consolidated)

*In thousands of euros*

	2019	2018
<b>OPERATING ACTIVITIES</b>		
Consolidated net income	80 760	33 106
<i>Elimination of items related to the valuation of buildings:</i>		
Fair value adjustments to investment property	(46 230)	(11 701)
Annulation des dotations aux amortissement		
Indemnité perçue des locataires pour le remplacement des composants	0	0
<i>Elimination of other income/expense items with no cash impact:</i>		
Depreciation of property, plant and equipment (excluding investment property)	9	11
Free share grants not vested at the reporting date	0	0
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	0	0
Corporate income tax		
Penalty interest		
<b>Cash flows from operations before tax and changes in working capital requirements</b>	<b>37 329</b>	<b>24 136</b>
Other changes in working capital requirements	(8 277)	19 621
Working capital adjustments to reflect changes in the scope of consolidation		
<b>Change in working capital requirements</b>	<b>(8 277)</b>	<b>19 621</b>
<b>Net cash flows from operating activities</b>	<b>29 052</b>	<b>43 757</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of fixed assets	(9 170)	(227 422)
Net increase in amounts due to fixed asset suppliers	(1 745)	2 620
<b>Net cash flows used in investing activities</b>	<b>(10 915)</b>	<b>(224 802)</b>
<b>FINANCING ACTIVITIES</b>		
Capital increase	11 204	79 901
Capital increase transaction costs	0	(794)
Change in bank debt	(1 500)	147 000
Issue of financial instruments (share subscription warrants)	0	0
Refinancing/financing transaction costs	(102)	(1 930)
Net increase in liability in respect of refinancing	(420)	420
Purchases of hedging instruments	0	(796)
Net increase in current borrowings	236	134
Net decrease in current borrowings	0	0
Net increase in other non-current borrowings and debt	544	3 615
Net decrease in other non-current borrowings and debt	0	0
Purchases and sales of treasury shares	(28)	(42)
Dividends paid	(36 557)	(54 813)
<b>Net cash flows from financing activities</b>	<b>(26 625)</b>	<b>172 694</b>
<b>Change in cash and cash equivalents</b>	<b>(8 488)</b>	<b>(8 351)</b>
Cash and cash equivalents at beginning of period*	53 367	61 718
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>44 880</b>	<b>53 367</b>

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

## French GAAP Income statement

*In euros*

	Dec. 31, 2019 12 months	Dec. 31, 2018 12 months
Sales of services	248 750	249 160
<b>NET REVENUE</b>	<b>248 750</b>	<b>249 160</b>
Reversal of depreciation and amortization charges, impairment and expense transfers	0	235 610
Other revenue	22 559	1 886
<b>Total operating revenue</b>	<b>271 309</b>	<b>486 656</b>
Purchases of raw materials and other supplies	0	0
Other purchases and external charges	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	0	0
Other expenses	196 229	191 927
<b>Total operating expenses</b>	<b>2 656 646</b>	<b>3 853 871</b>
<b>OPERATING LOSS</b>	<b>(2 385 337)</b>	<b>(3 367 215)</b>
Financial income from controlled entities	3 022 000	3 353 425
Other interest income	0	6 347
Foreign exchange gains	0	0
<b>Total financial income</b>	<b>3 022 000</b>	<b>3 359 772</b>
Interest expenses	104 731	85 396
Foreign exchange losses	0	0
<b>Total financial expenses</b>	<b>104 731</b>	<b>85 396</b>
<b>NET FINANCIAL INCOME</b>	<b>2 917 269</b>	<b>3 274 376</b>
<b>RECURRING LOSS BEFORE TAX</b>	<b>531 932</b>	<b>(92 839)</b>
Non-recurring income on capital transactions	42 347	68 222
Reversal of impairment, provisions and non-recurring expense transfers	0	194 056
<b>Total non-recurring income</b>	<b>42 347</b>	<b>262 278</b>
Non-recurring expenses on management transactions	5 000	0
Non-recurring expenses on capital transactions	11 352	213 895
<b>Total non-recurring expenses</b>	<b>16 352</b>	<b>213 895</b>
<b>NET NON-RECURRING INCOME</b>	<b>25 995</b>	<b>48 383</b>
Corporate income tax	0	0
<b>TOTAL INCOME</b>	<b>3 335 656</b>	<b>4 108 706</b>
<b>TOTAL EXPENSES</b>	<b>2 777 729</b>	<b>4 153 162</b>
<b>NET LOSS</b>	<b>557 927</b>	<b>(44 456)</b>



## French GAAP Balance Sheet

*In euros*

<b>ASSETS</b>	<b>Gross amount</b>	<b>Depr., amort. &amp; prov.</b>	<b>Dec. 31, 2019</b>	<b>Dec. 31, 2018</b>
<b>Property, plant and equipment</b>				
Other property, plant and equipment	10 776	5 705	5 071	4 753
<b>Financial fixed assets</b>				
Receivables from controlled entities	235 004 686		235 004 686	242 004 686
Loans	-		-	-
Other financial fixed assets	791 653		791 653	801 745
<b>FIXED ASSETS</b>	<b>235 807 115</b>	<b>5 705</b>	<b>235 801 410</b>	<b>242 811 184</b>
<b>Receivables</b>				
Trade accounts receivable	233 134		233 134	241 992
Other receivables	68 291 960		68 291 960	73 376 973
<b>Cash and cash equivalents</b>	<b>2 236 722</b>		<b>2 236 722</b>	<b>14 762 019</b>
<b>CURRENT ASSETS</b>	<b>70 761 815</b>		<b>70 761 815</b>	<b>88 380 984</b>
<b>Prepaid expenses</b>	<b>-</b>		<b>-</b>	<b>11 206</b>
<b>TOTAL ASSETS</b>	<b>306 568 930</b>	<b>5 705</b>	<b>306 563 225</b>	<b>331 203 374</b>



*In euros*

<b>EQUITY AND LIABILITIES</b>	<b>Dec. 31, 2019</b>	<b>Dec. 31, 2018</b>
<b>Capital</b>		
Share capital (including paid-up capital: 66,862,500)	79 532 200	78 006 250
Additional paid-in capital	59 463 926	86 278 764
Revaluation reserve	152 341 864	152 341 864
<b>Reserves</b>		
Legal reserve	7 800 625	7 800 625
Other reserves	0	122 849
<b>Retained earnings</b>		
Retained earnings	27 867	14 006
Net loss for the year	557 927	(44 456)
<b>SHAREHOLDERS' EQUITY</b>	<b>299 724 408</b>	<b>324 519 901</b>
<b>OTHER EQUITY</b>	<b>-</b>	<b>-</b>
<b>Loss provisions</b>	<b>0</b>	<b>0</b>
<b>CONTINGENCY AND LOSS PROVISIONS</b>	<b>-</b>	<b>-</b>
<b>Non-current borrowings and debt</b>		
Miscellaneous borrowings and debt	5 793 854	5 630 705
<b>Trade accounts payable and other current liabilities</b>		
Trade accounts payable	721 770	758 313
Tax and social liabilities	323 194	294 455
Amounts owed to fixed asset suppliers	0	0
<b>LIABILITIES</b>	<b>6 838 817</b>	<b>6 683 473</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>306 563 225</b>	<b>331 203 374</b>

## Reconciliation of Alternative Performance Measures (APM)

### Cegereal recurring cash flow APM

<i>In thousands of euros</i>	2019	2018
Net income under IFRS	80 760	33 106
Restatement of changes in fair value of investment property	-46 230	-11 701
Other restatements of changes in fair value	454	475
Restatement of other fees	5 061	8 794
<b>EPRA earnings</b>	<b>40 046</b>	<b>30 674</b>
IFRS adjustments (rent-free periods, etc.)	602	2 256
Restatement of deferred finance costs	2 260	2 247
<b>Cegereal recurring cash flow</b>	<b>42 908</b>	<b>35 177</b>

### EPRA NNAV APM

<i>In thousands of euros</i>	2019	2018
Shareholders' equity under IFRS	730 268	674 889
Portion of rent-free periods	-28 614	-27 315
Market value of loans	-771 837	-772 432
Carrying amount of loans	765 240	764 507
<b>NNNAV PER SHARE</b>	<b>695 057</b>	<b>639 649</b>

### LTV ratio APM

<i>In thousands of euros</i>	2019	2018
Gross amount of balance sheet loans (statutory financial statements)	769	771
Fair value of investment property	1 464	1 409
<b>LTV ratio (%)</b>	<b>52,6%</b>	<b>54,7%</b>

### Occupancy rate APM

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.

Taking into account the upcoming arrivals (KPMG particularly), Cegereal's overall occupancy rate is up sharply at 96.9%.

At December 31, 2019, i.e., before the effective date of these new leases, the occupancy rate stood at 93.9%, versus 92.3% one year earlier.