

# HALF-YEAR FINANCIAL REPORT

**30 JUNE 2020**



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## PRESENTATION OF CEETRUS



## A FEW WORDS FROM THE CEETRUS LEADER

**Ceetrus acts continuously, and even more today, to reinvent its commercial sites and build, in collaboration with local stakeholders and partners, new living spaces. The unprecedented situation of the year shows the need to adapt our way of living and our functioning. The transformation of the existing sites, the creation of new living areas and the fostering of human connections has become an urgency that has been guiding our priorities for several months now.**



After more than 10 years of uninterrupted revenue growth, the health crisis had a significant impact on Ceetrus' results in the first half of 2020. But beyond the results, the period was a source of mobilization and collective pride.

In the crisis, Ceetrus' identity, made up of innovation and solidarity was our main driver, with the launch of more than fifty initiatives in the service of retailers and citizens rapidly deployed in France and internationally (shared "Aushopping drive" services, transformation of car parks into cinemas, etc.). We have also shown solidarity by making an effort on our rents and by launching numerous other initiatives to support retailers and habitants: in France the creation of an inter-brand solidarity fund or the opening of reception areas in shopping centres for women victims of domestic violence; in Italy the renovation of a pavilion at the Sacco hospital in Milan and the development out of an intensive care unit in partnership with the city in less than 60 days; in Romania the installation of a temporary hospital in partnership with Auchan Retail and Leroy Merlin.

These initiatives launched during the crisis period reflect the ongoing mobilization at Ceetrus to become a visionary player of the industry, by promoting a renewed vision of the city and retail, made up of a diversity and by strengthening our commitment to have a positive impact.

**All of Ceetrus' teams were strongly mobilized in this unprecedented crisis. The impacts of our decisions are heavy on our accounts, but it was essential to support our retailers and partners. Ceetrus remains consistent with its Vision and has shown its capacity of resilience and innovation.**

**Benoît Lheureux**

Ceetrus Leader, in charge of General Management

## CEETRUS, A HUMAN ADVENTURE

Founded in 1976, Ceetrus is a global property operator, known until June 2018 by the name of Immochan. Having previously focused on commercial real estate, in 2016 Ceetrus began its transformation into a mixed property developer.

Managing 297 shopping centres in Europe, Ceetrus works in partnership with citizens and territories to build community spaces that include shops, housing, offices and urban infrastructure. By creating sustainable, intelligent and vibrant spaces, Ceetrus' mission is to build or develop the sense of community that will underpin the cities of the future. Its expertise includes the activities of developer, property developer, site manager, investor and innovator.

# CEETRUS GOVERNANCE

## **The members** of the Ceetrus Board of Directors

- Antoine GROLIN**  
Chairman of the Ceetrus Board of Directors
- Francois BERTIERE**
- Perrine VIDALENCHE**
- Virginie SACCHI**
- Patrice OLIVIER**



## SIMPLIFIED ORGANISATIONAL CHART OF THE MAIN COMPANIES



## CHAIRMAN'S STATEMENT

Villeneuve d'Ascq, 3 September 2020

*"I certify, to the best of my knowledge, that 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 of all the companies included in the consolidation. The management report gives a true and fair view of the business, results and financial situation of the company and all the companies included in the consolidation, as well as a description of the main risks and uncertainties they face."*



**Antoine Grolin**

Chairman of the Board of Directors

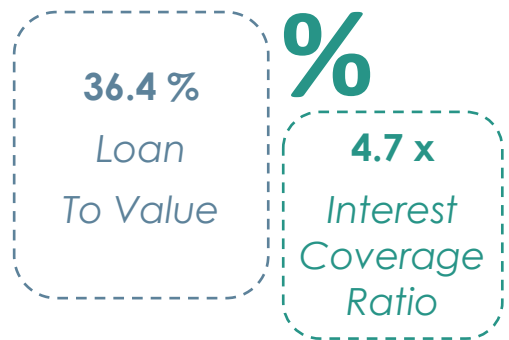
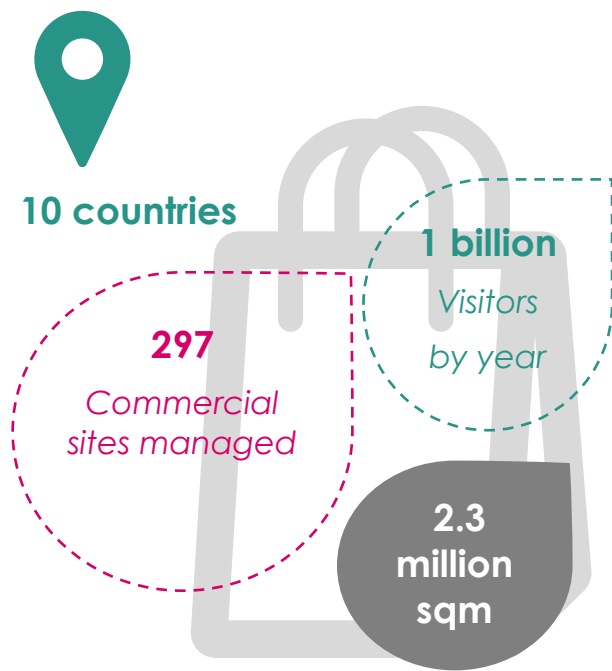


**HALF-YEAR MANAGEMENT REPORT**  
**30 JUNE 2020**





# KEY FIGURES

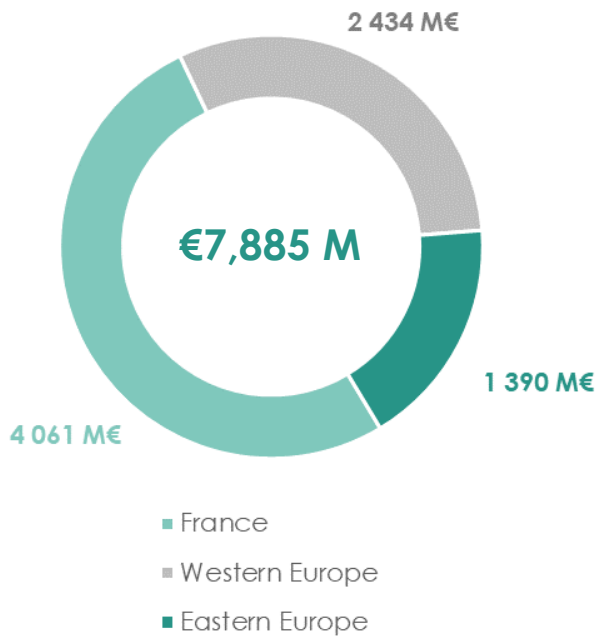


**€192 M**  
Gross rental income  
S1 2020 (-30%)

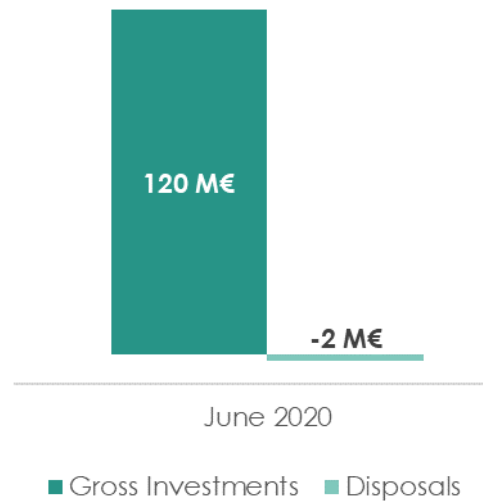
**€104 M**  
EBITDA without  
IFRS16

**€3.1 bn**  
Net financial debt

Fair Value of investment properties



Net investments



## Consolidated income statement

<i>in millions of euros</i>	30/06/2020 With Restatements IFRS 16	30/06/2020 Without Restatements IFRS 16	30/06/2019 With Restatements IFRS 16	30/06/2019 Without Restatements IFRS 16
Gross rental income	192.2	192.2	275.8	275.8
Service charge income	57.3	57.3	65.1	65.1
Service charge expenses	-69.7	-69.7	-72.3	-72.3
Non-recovered rental expenses	-12.4	-12.4	-7.1	-7.1
Property expenses	-24.9	-37.7	-12.2	-24.0
<b>Net rental income</b>	<b>154.9</b>	<b>142.1</b>	<b>256.5</b>	<b>244.7</b>
Revenues from administrative management and other activities	16.4	16.4	23.5	23.5
Other operating income	0.6	0.6	0.8	0.8
Payroll expenses	-33.6	-33.6	-34.1	-34.1
Other general expenses	-43.8	-44.6	-44.5	-45.2
<b>Gross operating income</b>	<b>94.5</b>	<b>80.9</b>	<b>202.2</b>	<b>189.8</b>
Amortization and impairment of intangible assets and PPE	-12.3	-9.9	-10.6	-10.4
Provisions and reversals	0.9	0.9	-3.1	-3.1
Change in value of investment properties	-382.1	-371.9	-24.7	-16.2
Proceeds from disposal of fixed assets	3.3	3.3	78.5	78.5
Carrying value of fixed assets	-1.9	-1.9	77.0	77.0
Income from disposal of fixed assets	1.3	1.3	1.5	1.6
Goodwill impairment	0.0	0.0	0.0	0.0
<b>Operating result</b>	<b>-297.6</b>	<b>-298.7</b>	<b>165.4</b>	<b>161.7</b>
Financial income	3.3	3.3	2.7	2.7
Financial expenses	-25.4	-25.4	-13.7	-13.7
Net cost of financial debt	-21.9	-21.9	-11.1	-11.1
Other financial income	8.9	8.9	4.9	4.9
Other financial expenses	-14.3	-9.8	-11.9	-7.8
Other financial income and expenses	-5.4	-0.9	-7.1	-3.0
<b>Financial result</b>	<b>-27.3</b>	<b>-22.8</b>	<b>-18.1</b>	<b>-14.0</b>
Share of the profit or loss of companies accounted for using the equity method	-17.8	-17.8	14.9	13.9
Tax expenses	70.0	69.1	-52.1	-52.2
<b>NET RESULT OF THE CONSOLIDATED ENTITY</b>	<b>-272.7</b>	<b>-270.2</b>	<b>110.1</b>	<b>109.1</b>
<i>Of which</i>				
Attributable to owners of the parent	-260.9	-258.4	101.5	101.6
Non-controlling interests	-11.8	-11.8	8.6	8.6
EBITDA excluding client provisions	115.6	103.9	200.9	190.6

### Consolidated balance sheet

ASSETS (in millions of euros)	30/06/2020	31/12/2019
Goodwill	206.1	206.1
Other intangible assets	15.1	19.4
Property, plant and equipment (PPE)	63.9	57.4
Investment properties	7,357.9	7,749.3
Shares and investments in companies accounted for using the equity method	301.5	319.5
Non-current derivatives	2.7	6.8
Other non-current financial assets	294.8	268.9
Deferred tax assets	53.8	34.6
<b>NON-CURRENT ASSETS</b>	<b>8,295.8</b>	<b>8,661.9</b>
Investments held for sale	645.0	646.2
Client receivables	154.5	179.0
Current tax receivables	33.6	11.8
Current derivatives	2.8	0.2
Other current financial assets	131.2	130.3
Other current assets	315.9	338.9
Cash and cash equivalents	203.2	146.3
<b>CURRENT ASSETS</b>	<b>1,486.2</b>	<b>1,452.8</b>
<b>TOTAL ASSETS</b>	<b>9,782.0</b>	<b>10,114.7</b>

SHAREHOLDERS' EQUITY AND LIABILITIES (in millions of euros)	30/06/2020	31/12/2019
Share capital	635.8	635.8
Additional paid-in capital	840.8	840.8
Consolidated reserves	3,069.9	2,960.3
Consolidated result	-260.9	184.1
<b>Shareholders' equity - attributable to owners of the parent</b>	<b>4,285.6</b>	<b>4,621.0</b>
Non-controlling interests	141.7	156.6
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>4,427.3</b>	<b>4,777.6</b>
Non-current provisions	4.3	5.6
Non-current loans and borrowings	2,204.7	2,349.4
Non-current rental liabilities	128.4	135.5
Non-current derivatives	24.7	15.4
Other non-current liabilities	192.4	192.5
Deferred tax liabilities	1,050.0	1,120.7
<b>NON-CURRENT LIABILITIES</b>	<b>3,604.5</b>	<b>3,819.2</b>
Current provisions	33.3	33.7
Current loans and borrowings	1,228.0	928.4
Current rental liabilities	19.1	19.2
Current derivatives	8.0	9.2
Trade payables	152.1	144.9
Tax liabilities	10.7	32.5
Other current liabilities	299.0	349.9
<b>CURRENT LIABILITIES</b>	<b>1,750.1</b>	<b>1,517.8</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>9,782.0</b>	<b>10,114.7</b>

## SIGNIFICANT EVENTS

### CHANGES TO THE PROPERTY PORTFOLIO

Ceetrus is present in 10 countries across several business sectors including retail, residential and offices. On 30 June 2020, Ceetrus managed 297 commercial sites, including 220 owned, 22 leased and 55 under a management mandate.

	Total	O	L	M
France	82	75	1	6
Western Europe	100	63	13	24
Eastern Europe	115	82	8	25
Total	297	220	22	55

O: Owned; L: Leased; M: Management mandate

With a desire to support the changing face of retail and changing lifestyles, Ceetrus continues to reinvent its commercial sites and work with local regions to co-build new community spaces, combining shops, housing, offices, recreational areas and services.

During the first half of 2020, the company continued with the renovation, expansion and transformation of community and commercial spaces across Europe.

### SIGNIFICANT EVENTS DURING THE PERIOD

#### Ceetrus in the face of the Covid-19 pandemic

The Covid-19 pandemic started out in China before gradually spreading to all regions of the world. From mid-March 2020, the governments of the different European countries took restrictive measures to contain the spread of the coronavirus.

In all of the ten countries in which Ceetrus operates, with the exception of Hungary, all non-essential shops and businesses were ordered to close, for an average of 2 to 3 months depending on the case.

This means that for 90% of the surface areas leased by Ceetrus, retailers had to cease their activity. In order to provide access to essential shops, Ceetrus had however kept all of these shopping centres open (297 sites in 10 countries), by reorganising customer traffic flow and putting in place the appropriate health measures.

With regard to construction sites, these were stopped for about a month, while we adapted the work organisation. The work of design offices and support functions continued thanks to teleworking.

#### Impacts of the epidemic on the half-year accounts

In a spirit of solidarity and support for tenants, Ceetrus decided to take various measures:

- Cancel rents due and invoiced for the period from 15 March to 15 May 2020 for all its tenants in France, with the exception of shops that stayed open by government decision. This decision was announced in a letter sent to all of the tenants in June. Direct debiting of rents and service charges were put on hold during this period. All credit notes were issued on 24 June by Ceetrus France;
- Postpone or spread out the payment of rents due during the closure period, for retailers that stayed open during the lockdown in France;
- Cancel contributions to the joint marketing fund for the period from 15 March to 15 May 2020, for all tenants in France;
- Monthly rent payments for the third quarter of 2020 for all tenants in France;
- Offer reductions in rents and/or service charges in other countries.

The rent reductions granted by the Group during the second quarter of 2020 have not given rise to any other amendments to the lease contracts in terms of scope or other features.

In accordance with the applicable IFRS standards (IFRS 9 and IFRS 16), Ceetrus has chosen to recognise the credit notes issued immediately in its profit or loss in the half-year financial statements for the period ending 30 June 2020, for an amount of €90 million.

## Initiatives and innovations at the service of retailers and habitants

### ▪ Ceetrus France

During confinement, 20 sites in France have implemented “click & collect” solutions under the “Aushopping Drive” brand in shopping centres.

Children who experienced academic difficulties during the crisis were able to receive support during the school holidays thanks to the “Aushopping Campus”: downloading lessons with QR codes, welcoming students for lessons in shopping centres with the help from students and teachers. Almost all Ceetrus galleries took part in this initiative.

### ▪ Ceetrus Spain

Ceetrus Spain has set up the “BurGo! Challenge” in the Camino de la Plata shopping centre, to promote the talent of Burgos entrepreneurs. This initiative aimed to encourage the inhabitants of Burgos to develop their innovative, creative and entrepreneurial spirit, in perfect coherence with the values of Ceetrus. The winner obtained the use of fully equipped premises with a six month rent-free period and gained access to the Ceetrus club, thus benefiting from marketing advice.

### ▪ Ceetrus Romania

Intended for entrepreneurs, a new “concept store” validation service has been set up on the Coresi site: a small kiosk was made available for 4 months to carry out a test. This service has a very positive impact on the image of the centre, with a desire to come to the help of local populations, who wish to start a business but do not always have the necessary resources.

### ▪ Ceetrus Italy

Ceetrus passed the first selection of the “Reinventing Cities Milano” competition with two projects to be carried out in Milan: the redevelopment of the Bovisa district and the rehabilitation project of the “Piazzale Loreto” focused on sustainability, the creation of green spaces and on the promotion of social wealth.

The “Reinventing Cities Milano” project, which is fully in line with Ceetrus' mission, aims to help shape the cities of the future by transforming them into living places at the service of citizens and promoting social ties. The project consist in the transfer of property of abandoned or degraded sites to be used for environmental and urban regeneration projects, respecting the principles of sustainability and resistance.

Work has also started on a “Co-Housing - Cascina Gerola” cohabitation project in Milan. The project develops housing solutions that promote a collaborative way of life, capable of guaranteeing a better quality of life, through the sharing and optimization of common spaces.

### ▪ Ceetrus Portugal

A new “Drive & Smile” service has been implemented throughout the Alegro shopping centres portfolio in the Lisbon region, allowing people to order products by email or by phone in one of the participating stores, to carry out the payment and organise the pick-up with the merchant and finally pick-up the purchases at the “Drive & Smile” collection point.

### StationNord Project

On 6 July 2020, the Prefect of the Ile-de-France region issued the building permit for the transformation of the Gare du Nord train station, meaning work could start in the second half of 2020. The operation is managed by a semi-public company with a single operation (SEMOP), whose capital is 34% owned by SNCF Gares & Connexions and 66% by Ceetrus.



*Stationord - Gare du Nord project*

### Acquisitions

- On 13 February 2020, Ceetrus Luxembourg acquired 1,500 sqm of offices and car parks near the JBBK and KUBIK offices, in the Kirchberg district.
- On 29 May 2020, Ceetrus Russia acquired the Proletarsky shopping centre previously owned by Auchan Retail Russia.

### Disposals

Ceetrus did not conclude any significant disposals during the first half of 2020.

### Financing

- The Group has not put in place any new external financing in 2020.
- Ceetrus did not make use of the loan guaranteed by the French government. Ceetrus' financing is provided by external credit lines and financing granted by Auchan Holding.

### Other events

- In Portugal, the BREEAM in Use certification was awarded to the Alegro Alfragide centre with the classification of "Excellent".
- All Ceetrus Portugal sites and headquarters have obtained "COVID Safe" certification.
- In Poland, the master plan for the mixed-use project in Wilanów was obtained with the objective to obtain a BREEAM in use certification with the qualification "Excellent". Design work has started and the documentation necessary to obtain building permits is being prepared.

## COMMENTS ON THE FIRST HALF OF 2020

Ceetrus continues to benefit from the positive impact of its development projects delivered in 2019: the inauguration of two new shopping centres in Russia (Pushkino) and Luxembourg (La Cloche d'Or), and the opening of extensions to existing centres in France (Aushopping Noyelles Godault), Spain (Sant Boi in Barcelona), Romania (Satu Mare) and Italy (Belpo in Piacenza).

Ceetrus has been severely affected by the ongoing health crisis. Despite the store closures that affected more than 90% of rented space, Ceetrus kept all of its shopping centres open to allow access to essential shops. Ceetrus' priorities during the first wave of Covid-19 were:

- To guarantee the safety of our shopping centres for our users, retailers and employees, by managing customer traffic and implementing appropriate health measures;
- To support retailers, financially and operationally during the closure period and in the management of their recovery;
- To launch innovative solutions to prepare stores for reopening, to support and facilitate the retailers' businesses while adapting to changing consumer habits and responding to users' needs in terms of safety: "click & collect" and Aushopping drive-through solutions, transformation of car parks into open-air cinemas;
- To contribute to the management of the crisis in a united and socially responsible way throughout Europe: in France, the creation of an inter-brand solidarity fund and the opening of safe space areas in shopping centres for women who are victims of domestic violence and educational support workshop offered to children in partnership with the national operation "Learning Holidays" ; in Italy, renovation of a pavilion at Sacco hospital in Milan and the development of an intensive care unit in partnership with the city, in less than 60 days; in Romania, installation of a temporary hospital in partnership with Auchan Retail and Leroy Merlin.

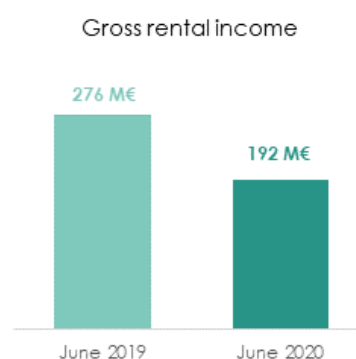
All this was made possible thanks to the outstanding mobilization of the men and women of the company who showed agility, with the unwavering support of shareholders.

### COMMENTS ON THE OPERATING RESULT

Gross rental income fell by 30% compared to the first half of 2019. The health crisis has broken a streak of more than 10 years of continuous revenue growth at constant scope.

The decline in income covers the various and differing situations between countries. In France, Ceetrus waived 2 months of rent excluding charges; in other countries, the Group has not invoiced all of the rent due to government decisions; or, depending on the local situation, we have entered into renegotiations directly with the retailers concerned.

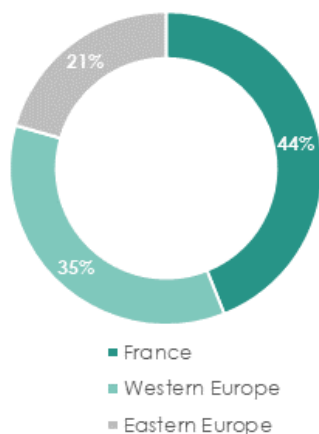
The impact is all the more substantial for Ceetrus, since we have allocated all the effects observed to the first half-year result, rather than amortising them over several years as IFRS standards allow. Credit notes for rent due prior to 30 June 2020 may be considered as a partial termination of contractual rights on rent receivables. As such, with reference to paragraph 2.1 (b)(i) of IFRS 9, these credit notes can be immediately recognised in profit or loss in consideration of rental receivables.



Similarly, EBITDA (with IFRS) is down 42% with regard to the comparable period. This decline is explained by a significant drop in revenues and a smaller decrease in expenses.

Ceetrus has put in place a plan to reduce all costs. However, because all shopping centres stayed open during the lockdown period to allow access to essential shops, this limited the opportunities to vary costs. Overheads (payroll expenses and other general expenses) fell by 1.5% compared to the first half of last year. Ceetrus has taken measures on the bonuses and salaries of its teams, with the aim of protecting employment, bearing in mind that activity has remained very intense, often even busier than usual. The effects of these measures will have a more significant impact on the results of the second half of the year. In addition, only France and Spain have benefited from partial unemployment measures, with no significant effect on payroll expenses at Group level.

Geographical distribution of gross rental income for the first half of 2020 :

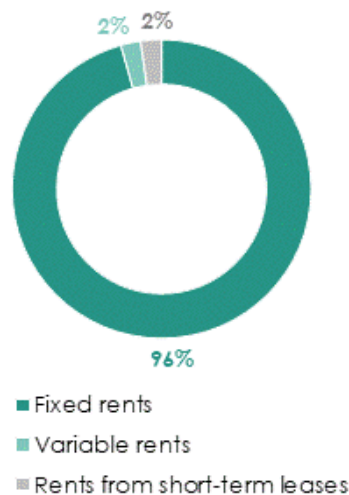


The weighted average of rents per sqm of the shopping centre portfolio by geographic area is as follows:

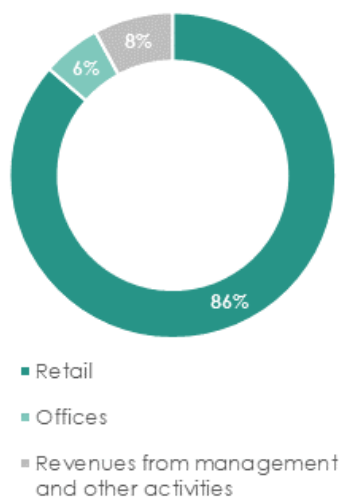
Shopping centres	Rents in € per sqm <sup>(1)</sup>
France	€355/sqm
Western Europe	€245/sqm
Eastern Europe	€182/sqm

<sup>(1)</sup> Average annual rent (minimum guaranteed rent and variable rent) per asset and per sqm

Variable rents and short-term rents represent a total of 4% of gross rental income.



Commercial property remains Ceetrus' core business. In the first half of 2020, this activity contributed to 86% of its revenues.





### COMMENTS ON RETAIL ACTIVITY

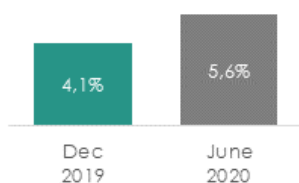
As of 30 June 2020, Ceetrus managed 2.3 million sqm GLA of shopping centres:

GLA surface (in thousands of sqm)	Total	O	L	M
France	0.7	0.6	Ns	0.1
Western Europe	0.9	0.6	0.1	0.3
Eastern Europe	0.7	0.6	Ns	Ns
Total	2.3	1.8	0.1	0.4

O: Owned /L: Leased/ M: Management mandate

In 2019, Ceetrus welcomed just over 1 billion visitors. At the end of the first half of 2020, site footfall was down between 10% and 20% depending on the country, compared to the same period in the previous year. Footfall was clearly affected by the lockdown period and had not yet returned to the pre-crisis level. In addition, highly touristic areas are more affected than others. However, this decline is often partly offset by higher spending and more targeted purchases: the average basket size is therefore increasing.

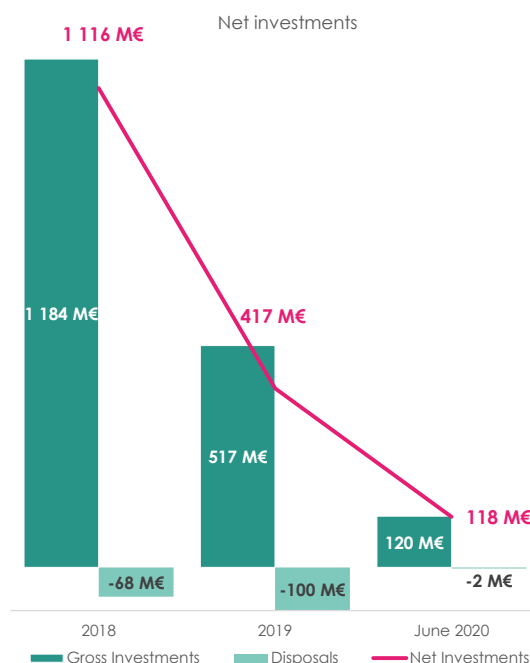
Ceetrus' like-for-like rental vacancy rate rose from 4.1% to 5.6%, increasing during the first half of the year as a result of the health and economic crisis, which put the most vulnerable retailers in difficulty. The Ceetrus teams have been working daily with our retail partners to find the best ways to help them overcome their difficulties.



Also related to the economic difficulties encountered by our retailers, customer risk increased during the first half of 2020. Non-recoverable debts, bad debt provisions and discounts represented 13% of revenue for the period ending 30 June 2020. By recognising customer risks related to unpaid rents in its half-year income statement, Ceetrus has chosen a prudent accounting approach, which has had the effect of limiting the increase in client receivables in the balance sheet.

### COMMENTS ON INVESTMENTS

During the first half of the year, Ceetrus continued to invest in its most emblematic projects, such as StatioNord in France, Vialia Vigo train station in Spain, Cascina Merlata and Milanord2 shopping centres in Italy, and the Coresi district in Romania. As of 30 June 2020, gross investments amounted to €120 million.



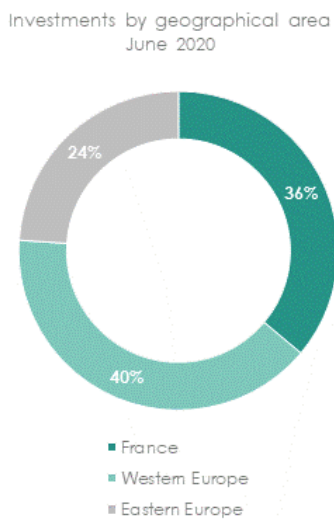
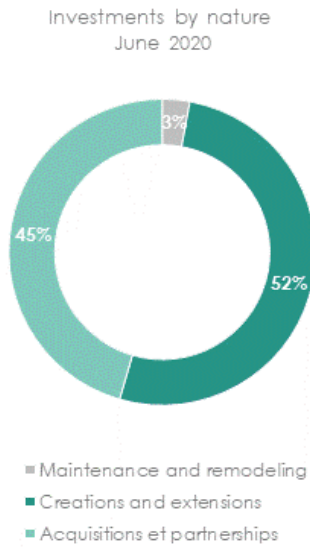
The largest projects currently being created reflect the preponderance of investments in mixed projects. The general pipeline is in the order of one billion euros until 2024.

La Cloche d'or	Luxembourg	Creation	Residential*
Cascina Merlata	Italy	Creation	Shopping Centre
Vigo Station	Spain	Creation	Shopping Centre + Train Station
StatioNord	France	Creation	Shopping Centre + Offices + Train Station
Milanord 2	Italy	Creation	Shopping Centre + Leisure

\* Centre delivered in 2019

Our dynamic asset management policy remains unchanged: Ceetrus is willing to sell assets that have come to the end of their value creation plan, in order to maximise its financial resources with the aim of transforming existing sites into mixed-use community sites. Planned disposals not completed in the first half of the year, due to the Covid-19 crisis, remain part of the objectives for the second half.

Gross investments in the first half of the year amounted to 120 million euros and can be broken down as follows:



### COMMENTS ON FAIR VALUE

From a portfolio perspective, the start of 2020 was marked by a 4.6% drop in the fair value of assets at current exchange rates.

The fair value of investment properties amounted to €7,885 million (excluding transfer taxes), which represents a decrease of 3.8% on a like-for-like basis in comparison with 31 December 2019.

The decrease is mainly attributable to:

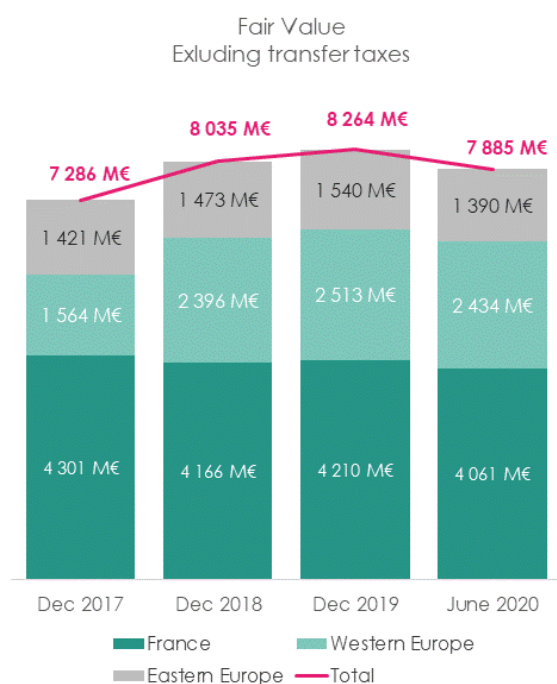
- The effects of the Covid-19 crisis on discount rates, for -2.2%;
- A decrease in rental income, the review of investment budgets and other variations, for -1.6%.

The valuations were carried out in the context of an ongoing health crisis linked to Covid-19 and the reports from the real estate experts contain a clause entitled "material uncertainty in valuation clause". The inclusion of this clause means that the valuations have been determined by the experts in a context of considerable uncertainty due to the health crisis, but it does not call into question the fair values thus determined. The Group believes that the fair values determined by the appraisers reasonably reflect the fair value of the assets.

Ceetrus has the special characteristic of having an asset portfolio that is very diversified by its number and its geographical presence, while holding more than 50% of its portfolio in France.

Note the ongoing transformation of Ceetrus' portfolio aimed at increasing the weight of Core or Core+<sup>1</sup> mixed-use regional sites. As of 30 June 2020, Core or Core+ assets represented 74% of the portfolio.

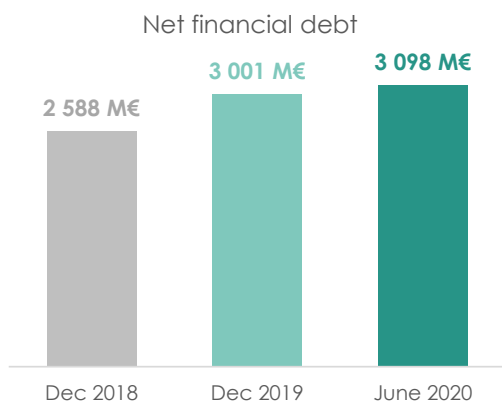
Ceetrus also holds assets in companies consolidated under the equity method. On 30 June 2020, Ceetrus' share of the fair value of investment properties held by companies accounted for under the equity method amounted to €572.9 million (compared to €577.3 million on 31 December 2019).



<sup>1</sup> Classification according to: geographic location, general asset type, works required, type of leases, level of vacancy, potential for value creation

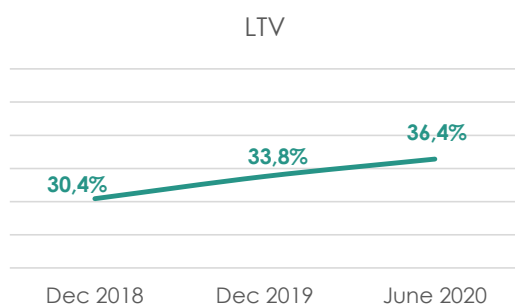
## COMMENTS ON THE FINANCIAL SITUATION

In the first half of 2020, the level of net debt increased by €97 million. This change is attributable to the drop in cash flows generated during the period of store closure and to the investments made during the period.



At 30 June 2020, the Loan to Value (LTV) ratio stood at 36.4%. The increase in this ratio is attributable to the decrease in the fair value for €373 million and to the increase in net debt for €97 million.

The change to the LTV ratio remains consistent with the average for the real estate sector.



## Calculation of the LTV ratio:

€M	Dec. 2018 <sup>(2)</sup>	Dec. 2019 <sup>(2)</sup>	June 2020 <sup>(2)</sup>
Fair value of investment properties <sup>(1)</sup>	8,035	8,264	7,885
Shares and investments in companies accounted for by the equity method	294	347	327
Other non-current financial assets	174	269	295
<b>Total assets</b>	<b>8,503</b>	<b>8,880</b>	<b>8,507</b>
Gross financial borrowing	2,855	3,278	3,433
Cash and cash equivalents	-159	-146	-203
Other current financial assets	-107	-130	-131
<b>Net bank debt <sup>(3)</sup></b>	<b>2,588</b>	<b>3,001</b>	<b>3,098</b>
<b>LTV</b>	<b>30.4%</b>	<b>33.8%</b>	<b>36.4%</b>

<sup>(1)</sup> Excluding spreading of rent free periods, step rents, key money, rents paid in advance and "right-of-use" assets

<sup>(2)</sup> See additional information in the appendix to the financial statements: Investment properties note 4.4, Companies accounted for using the equity method note 5, Other financial assets note 7.2, financial borrowing note 6.2

<sup>(3)</sup> Calculated according to bank and bond covenants

Reconciliation of the fair value of the investment properties used in the calculation of the ratios and the figures presented in the consolidated balance sheet:

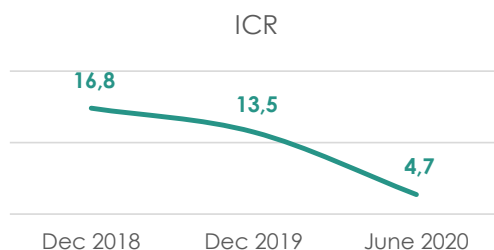
€M	Dec. 2018	Dec. 2019	June 2020
Fair value of investment properties <sup>(1)</sup>	8,012	7,749	7,358
Investment properties held for sale <sup>(1)</sup>	n/a	619	619
"Right-of-use" assets <sup>(1)</sup>	n/a	-135	-124
Restatement of spreadings <sup>(1)(2)</sup>	23	31	32
<b>Fair value of investment properties after restatement</b>	<b>8,035</b>	<b>8,264</b>	<b>7,885</b>

<sup>(1)</sup> See additional information in the appendix to the consolidated financial statements : Investment properties note 4.4

<sup>(2)</sup> Spreading of rent-free periods, step rents, key money and rents paid in advance

Thanks to favourable financing conditions, historically Ceetrus has posted an Interest Coverage Ratio (ICR) superior to that of the market.

The unfavourable change to the ratio over this financial year is mainly attributable to the drop in revenues observed in the first half of the year. As a reminder, all of the rent waivers related to forced shop closures have been charged to the half-year income and have not been spread over the term of the leases as permitted by IFRS.



**Calculation of the ICR:**

	Dec. 2018 <sup>(1)</sup>	Dec. 2019	June 2020
EBITDA <sup>(2)</sup>	364	399	104
Net cost of financial debt	-22	-30	-22
<b>ICR</b>	<b>16.8×</b>	<b>13.5×</b>	<b>4.7×</b>

<sup>(1)</sup> Consolidated income statement

<sup>(2)</sup> Excluding IFRS 16 restatements

To conclude, Ceetrus' financial situation remains sound despite the effects of the global health crisis. Ceetrus' financing is provided by external credit lines and financing granted by Auchan Holding, and the Group has not called on the loan guaranteed by the French government.

Ceetrus has taken all necessary measures - including a review of its investment budget and the introduction of measures aimed at reducing operating costs - to limit the increase in debt during the second half of the year.

## COMMENTS ON OFFICE ACTIVITY

Ceetrus has offices located in Luxembourg and Romania:

- JBBK in Luxembourg,
- Kubik in Luxembourg,
- Coresi Business Park in Romania.

The office activity contributed 6% to rents for the first half of 2020.

### Signature of a Sale in the Future State of Completion on the “Wellice” office operation

In Villeneuve d'Ascq, in northern France, Ceetrus is building a new office building called “Wellice”, with a surface area of over 6,000 sqm across 5 floors and with 166 parking spaces.

In line with the economic development strategy being led by the Lille European Metropolis, this building will help to provide new jobs, while contributing to the regeneration of the city centre and the development of tertiary activities. Located on the former site of a car park on a retail site, “Wellice” is part of an urban redevelopment programme. It is remarkable for its high-quality services and its strong environmental approach.

Building work will begin in September 2020 under Ceetrus project management, with delivery scheduled for the first half of 2022. The Sale in the Future State of Completion contract was signed in early July 2020 with MiDi 2i, a fund management company of office and commercial buildings.



France - Wellice

## COMMENTS ON RESIDENTIAL ACTIVITY

Ceetrus is taking part in several residential property development projects in partnership with specialist local companies in the sector:

- In 2019, 59 homes were delivered in Hungary at the Kecskemét site, Boroka Park, with 63 additional homes set to be delivered in 2020 and 2021 in the second phase of the project;
- 1,560 apartments, out of a total of 2,230, have been delivered in Romania on the Coresi site. A second phase of 2,300 additional homes is planned;
- 250 apartments are under construction in Luxembourg on the Cloche d'Or site, in response to strong local demand;
- In Saint-André-Lez-Lille, in France, “Quai 22” is a co-creation project (with “SEM Ville Renouvelée” and Linkcity) of a mixed neighborhood of 86,000 m<sup>2</sup>, including 700 housing units in the long term. Among these, the construction of the Quai des Lys residence (58 apartments and 4 houses) will begin in the 1st quarter of 2021. The delivery of the first apartments is scheduled for the last quarter of 2022;
- 52 homes are planned in France as part of the “Quadrilatère des Piscines” project in Tourcoing (59) in a co-development project with Bouygues Immobilier. The project includes 2,200 sqm of offices and 1,400 sqm of shops. Delivery is scheduled for the third quarter of 2022.
- In Illkirch, not far from Strasbourg in France, on the site of former disused offices, Ceetrus is co-developing and co-constructing a 260 housing operation in partnership with Bouygues Immobilier and Habitation Moderne: “L'inattendu”. Work will begin in early 2021, the first deliveries are scheduled for 2022.



France- Quai 22

## OUTLOOK FOR THE SECOND HALF OF 2020

The Covid-19 global health crisis has confirmed and accentuated the trends that have influenced the real estate market for the past several years. Ceetrus' development strategy is firmly in line with these trends, namely the emergence of multi-use community-focused sites and the "15-minute city".

At the heart of the crisis, the Ceetrus identity, one of innovation and solidarity, really came to the fore. It is a great source of pride for Ceetrus to see the dedication of its teams across Europe in response to this unprecedented crisis.

The initiatives launched during this period reflect the company's ongoing efforts to consolidate its role as a leading player in the market, by promoting a new and exciting vision of the city and new retail, made up of a mix of uses and a positive impact for all.

Ceetrus is more determined than ever to revitalise its existing sites, to support the transformation of retail, and to co-create new community sites. Maintaining the attractiveness of its sites and limiting the rise in vacancies will be its top priorities for the second half of 2020.

Ceetrus has made prudent decisions to protect the business, and especially its cash flow. For example, postponing any non-essential investments and projects to 2021 has enabled the 2020 investment budget to be revised downwards. A cost reduction plan has also been initiated, the effects of which should be visible in the accounts for the second half of the year.

In this restrictive global economic environment, Ceetrus now faces several material risks:

- Retailers' ability to ride out the crisis and honour rents,
- The increase in vacancy rates,
- The decline in customer footfall in shopping centres,
- The decrease in the fair value of real estate assets,
- Difficulties carrying out disposal operations on the market,
- The potential delay of development projects and delivery delays.

Despite the crisis, the 2020 financial year will demonstrate Ceetrus's desire to meet the expectations of inhabitants in each territory with a mixed offer adapted to each of its sites:

- The office activity will continue to expand, in particular with the delivery of workspaces in France;
- Residential development projects launched in France, Luxembourg, Romania and Hungary will provide housing in new neighbourhoods, in particular with the marketing of the second phase of Boroka Park in Hungary;
- Ceetrus will continue to develop its main activity, retail, through future projects that will bring greater diversity to its sites;
- Ceetrus will focus its efforts on iconic development projects, such as StatioNord in France, Milanord 2 in Italy and Vigo in Spain.

The results for the second half of 2020 will continue to be affected by the effects of the health crisis. Given the uncertainty about the health and economic situation, Ceetrus considers that no sound forecast of the results can be reasonably established to date. However, it is important to remember that all the impacts of the Covid-19 crisis on the first half of the year are already reflected in the accounts.

In the short term, Ceetrus's priority remains the regeneration of its activity, by supporting retailers in the implementation of their recovery plans.



**INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS**

**30 JUNE 2020**





## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (in millions of euros)	Notes	30/06/2020	31/12/2019	30/06/2019
Goodwill	4.1	206,1	206,1	206,1
Other intangible assets	4.2	15,1	19,4	24,2
Property, plant and equipment (PPE)	4.3	63,9	57,4	48,1
Investment properties	4.4	7 357,9	7 749,3	8 233,2
Shares and investments in companies accounted for using the equity method	5	301,5	319,5	330,9
Non-current derivatives	6.3	2,7	6,8	2,3
Other non-current financial assets	7.2	294,8	268,9	229,0
Deferred tax assets	9.2	53,8	34,6	40,6
<b>NON-CURRENT ASSETS</b>		<b>8 295,8</b>	<b>8 661,9</b>	<b>9 114,2</b>
Investments held for sale	4.4	645,0	646,2	-
Client receivables	7.1	154,5	179,0	132,9
Current tax receivables	9.2	33,6	11,8	1,1
Current derivatives	6.3	2,8	0,2	0,5
Other current financial assets	7.2	131,2	130,3	115,6
Other current assets		315,9	338,9	332,6
Cash and cash equivalents	6.2	203,2	146,3	230,4
<b>CURRENT ASSETS</b>		<b>1 486,2</b>	<b>1 452,8</b>	<b>813,0</b>
<b>TOTAL ASSETS</b>		<b>9 782,0</b>	<b>10 114,7</b>	<b>9 927,3</b>

SHAREHOLDERS' EQUITY AND LIABILITIES (in millions of euros)	Notes	30/06/2020	31/12/2019	30/06/2019
Share capital	14.1	635,8	635,8	635,8
Additional paid-in capital		840,8	840,8	840,8
Consolidated reserves		3 069,9	2 960,3	2 950,2
Consolidated result		-260,9	184,1	101,5
<b>Shareholders' equity - Owners of the parent</b>		<b>4 285,6</b>	<b>4 621,0</b>	<b>4 528,2</b>
Non-controlling interests		141,7	156,6	170,8
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>4 427,3</b>	<b>4 777,6</b>	<b>4 699,1</b>
Non-current provisions	10	4,3	5,6	4,3
Non-current loans and borrowings	6.2	2 204,7	2 349,4	1 741,0
Non-current lease liabilities	7.3	128,4	135,5	123,0
Non-current derivatives	6.3	24,7	15,4	23,9
Other non-current liabilities		192,4	192,5	144,0
Deferred tax liabilities	9.2	1 050,0	1 120,7	1 124,5
<b>NON-CURRENT LIABILITIES</b>		<b>3 604,5</b>	<b>3 819,2</b>	<b>3 160,7</b>
Current provisions	10	33,3	33,7	26,7
Current loans and borrowings	6.2	1 228,0	928,4	1 175,9
Current lease liabilities	7.3	19,1	19,2	18,3
Current derivatives	6.3	8,0	9,2	1,8
Trade payables		152,1	144,9	150,7
Tax liabilities		10,7	32,5	39,9
Other current liabilities		299,0	349,9	654,3
<b>CURRENT LIABILITIES</b>		<b>1 750,2</b>	<b>1 517,8</b>	<b>2 067,6</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>9 782,0</b>	<b>10 114,7</b>	<b>9 927,3</b>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>in millions of euros</i>	Notes	30/06/2020	30/06/2019
Gross rental income		192,2	275,8
Service charge income		57,3	65,1
Service charge expenses		-69,7	-72,3
Non-recovered rental expenses		-12,4	-7,1
Property expenses		-24,9	-12,2
<b>Net rental income</b>	8.1	<b>154,9</b>	<b>256,5</b>
Revenues from administrative management and other activities	8.2	16,4	23,5
Other operating income		0,6	0,8
Payroll expenses	11	-33,6	-34,1
Other general expenses	8.3	-43,8	-44,5
<b>Gross operating income</b>		<b>94,5</b>	<b>202,2</b>
Amortization and impairment of intangible assets and PPE	4	-12,3	-10,6
Provisions and reversals	10	0,9	-3,1
Change in value of investment properties	4.4	-382,1	-24,7
Proceeds from disposal of fixed assets		3,3	78,5
Carrying value of fixed assets		-1,9	-77,0
Income from disposal of fixed assets		1,3	1,5
Goodwill impairment	4.1	0,0	0,0
<b>Operating result</b>		<b>-297,6</b>	<b>165,4</b>
Financial income		3,3	2,7
Financial expenses		-25,4	-13,7
Net cost of financial debt		-21,9	-11,1
Other financial income		8,9	4,9
Other financial expense		-14,3	-12,0
Other financial income and expense		-5,4	-7,1
<b>Financial result</b>	6.1	<b>-27,3</b>	<b>-18,1</b>
Share of the profit or loss of companies accounted for using the equity method	5	-17,8	14,9
Income tax expenses	9.3	70,0	-52,1
<b>NET RESULT OF THE CONSOLIDATED ENTITY</b>		<b>-272,7</b>	<b>110,1</b>
<i>Of which</i>			
Attributable to owners of the parent		-260,9	101,5
Non-controlling interests		-11,8	8,6
<b>NET RESULT PER SHARE - Attributable to owners of the parent</b>			
Undiluted	14.3	-8,21	3,19
Diluted	14.3	-8,21	3,19

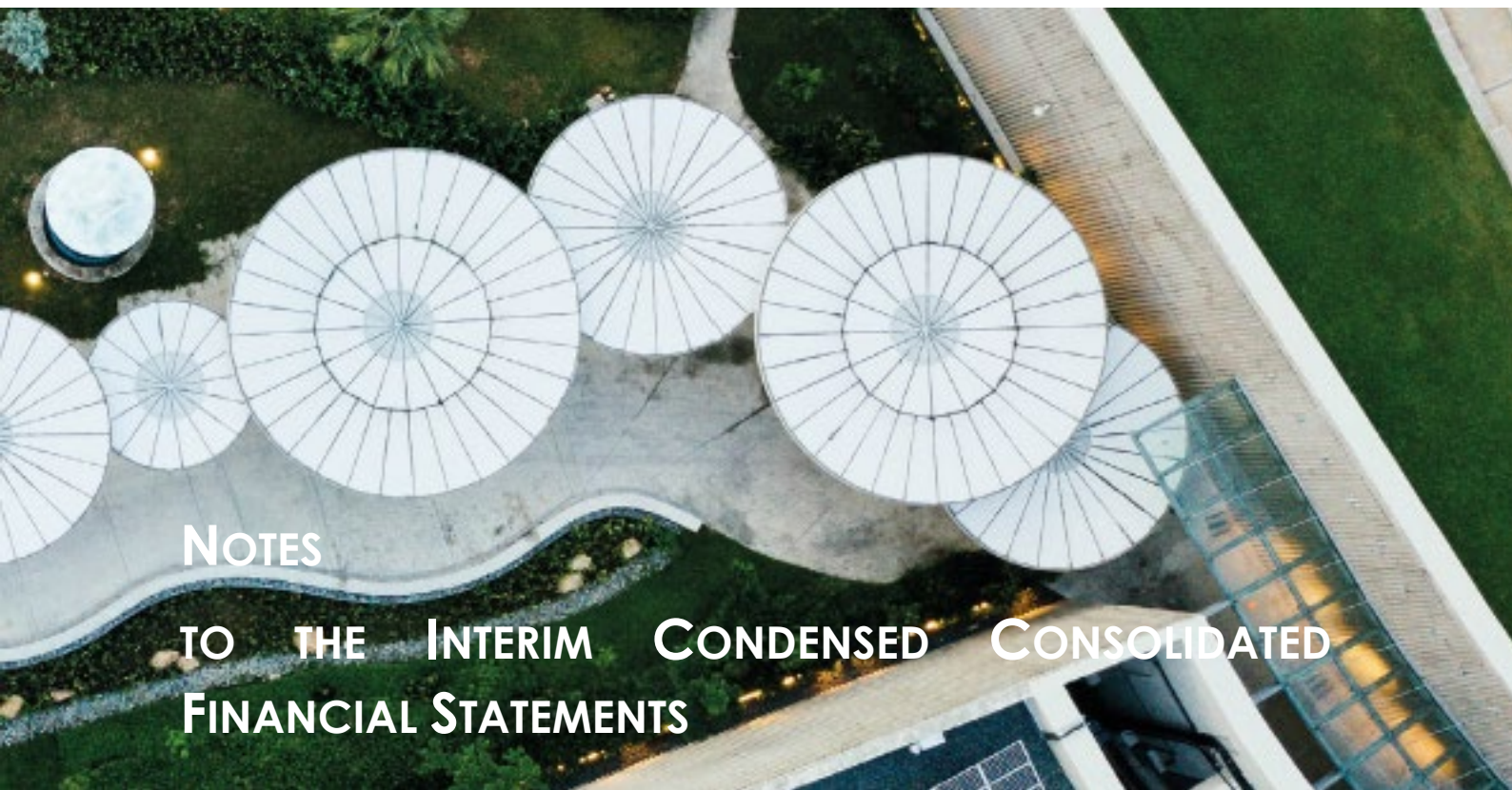
<i>in millions of euros</i>	30/06/2020	30/06/2019
<b>Net result of the consolidated entity</b>	-272,7	110,1
<b>Other comprehensive income which can be recycled through profit and loss</b>	<b>-76,2</b>	<b>11,7</b>
of which cash flow hedges	-13,8	-18,5
of which foreign currency translation gains and losses	-66,0	24,3
of which tax effects	3,6	5,8
<b>Other comprehensive income which cannot be recycled through profit and loss</b>	<b>0,0</b>	<b>0,0</b>
of which employee benefits (including actuarial gains and losses)	0,0	0,0
of which tax effects	0,0	0,0
<b>NET COMPREHENSIVE INCOME OF THE CONSOLIDATED ENTITY</b>	<b>-348,9</b>	<b>121,8</b>
<i>Of which</i>		
Attributable to owners of the parent	-336,2	113,5
Non-controlling interests	-12,7	8,3

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

in millions of euros	Notes	30/06/2020	30/06/2019
<b>OPERATING ACTIVITIES</b>			
<b>Net result of the consolidated entity</b>		<b>-272,7</b>	<b>110,1</b>
Allowances for amortization, provisions and impairment		11,4	13,7
Change in value of investment properties		382,1	24,7
Change in value of financial instruments		-2,9	8,3
Share of the profit or loss of companies accounted for using the equity method	5.1	17,8	-14,9
Dividends received from companies accounted for using the equity method		-1,8	
Income from disposals, net taxes		-1,4	8,6
<b>Cash flows from operations after cost of financial debt net of taxes</b>		<b>132,5</b>	<b>150,5</b>
Net cost of financial debt	6.1	21,9	11,0
Income tax expenses (including deferred taxes)		-70,0	52,1
<b>Cash flows from operations after cost of financial debt net of taxes</b>		<b>84,4</b>	<b>213,6</b>
Taxes collected/paid		-11,4	-42,2
Changes in working capital requirement (operating activities)		-13,4	30,1
<i>of which property development stocks</i>		-0,7	0,9
<i>of which trade receivables</i>		23,9	5,7
<i>of which other receivables</i>		-21,0	-36,6
<i>of which trade payables</i>		12,6	3,7
<i>of which other debts</i>		-28,3	56,2
<b>Net Cash flows from operating activities</b>		<b>59,6</b>	<b>201,5</b>
<b>INVESTMENT ACTIVITIES</b>			
<i>Intangible assets, property plant and equipment and investment properties</i>		-113,8	-91,9
Acquisitions of fixed assets	4.4.1	-120,9	-167,6
Disposals of fixed assets		7,1	75,7
<u>Consolidated securities</u>		0,1	0,0
Acquisitions of consolidated securities (including cash acquired)		0,0	0,0
Disposals of consolidated securities (including transferred cash)		0,1	0,0
<u>Non-consolidated securities (including investments accounted for using the equity method)</u>		-32,1	-82,7
Acquisitions and financing of non-consolidated securities	5.1	-32,1	-82,7
Disposals of non-consolidated securities		0,0	0,0
Dividends received from unconsolidated companies	5.1	1,6	3,3
<b>Net cash flows from investment activities</b>		<b>-144,2</b>	<b>-171,3</b>
<b>FINANCING ACTIVITIES</b>			
Capital increase		0,0	0,0
Buybacks, disposals and other movements of treasury shares and share capital decrease		0,0	1,5
Dividends paid during the financial year		-2,3	-5,0
New loans and financial borrowings (and premium paid hedging instruments)	6.2.1	77,4	183,8
Repayment of loans, financial borrowings and hedging instruments	6.2.1	-24,5	-6,0
Repayment of lease liabilities <sup>(1)</sup>		-9,6	-4,7
Net financial interest paid		-23,5	-16,8
Change in financial receivables		1,6	-3,9
Change in current accounts	6.2.1	93,9	-104,8
Other movements related to financing operations		17,4	-6,3
<b>Net cash flow from financing activities</b>		<b>130,5</b>	<b>37,9</b>
<b>CHANGES IN CASH AND CASH EQUIVALENTS</b>		<b>44,5</b>	<b>71,5</b>
<b>Net Cash and Cash equivalents at opening</b>		<b>140,7</b>	<b>155,7</b>
Effects of exchange rate differences on Cash and Cash equivalents		-1,4	3,3
<b>Net Cash and Cash equivalents at closing</b>		<b>185,3</b>	<b>227,3</b>
<i>of which Cash and Cash equivalents</i>		203,2	230,4
<i>of which Bank overdrafts (excluding accrued interests)</i>		-17,9	-3,1

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Additional paid-in capital	Treasury shares	Cash flow hedge reserves, translation reserves and actuarial gains and losses	Consolidated reserves and result	Shareholders' equity		
						Attributable to owners of the parent	Non-controlling interests	TOTAL
<i>in millions of euros</i>								
<b>December 31<sup>st</sup>, 2018</b>	<b>635,8</b>	<b>840,8</b>	<b>-0,2</b>	<b>-77,7</b>	<b>3 319,1</b>	<b>4 717,8</b>	<b>167,1</b>	<b>4 884,8</b>
Net result for the year					101,5	101,5	8,6	110,1
Foreign currency translation differences				24,0		24,0	0,4	24,3
Actuarial gains and losses								
Gains and losses on cash flow hedging				-12,0		-12,0	-0,7	-12,7
<b>Net comprehensive income of the period</b>	<b>635,8</b>	<b>840,8</b>	<b>-0,2</b>	<b>-65,7</b>	<b>3 420,5</b>	<b>4 831,2</b>	<b>175,3</b>	<b>5 006,7</b>
Capital increases								
Capital decreases								
Treasury share transactions								
Dividend distributions					-321,7	-321,7	-4,9	-326,6
Changes in scope					-0,5	-0,5	0,2	-0,3
Variations in put options granted to non-controlling interests					2,9	2,9		2,9
Other variations				0,5	15,7	16,2	0,2	16,4
<b>June 30<sup>th</sup>, 2019</b>	<b>635,8</b>	<b>840,8</b>	<b>-0,2</b>	<b>-65,1</b>	<b>3 116,9</b>	<b>4 528,2</b>	<b>170,8</b>	<b>4 699,1</b>
Net result for the year					82,6	82,6	1,5	84,1
Foreign currency translation differences				0,8		0,8	-0,2	0,7
Actuarial gains and losses					0,4	0,4		0,4
Gains and losses on cash flow hedging				5,3	0,8	6,1	0,1	6,2
<b>Net comprehensive income of the period</b>	<b>635,8</b>	<b>840,8</b>	<b>-0,2</b>	<b>-59,0</b>	<b>3 200,7</b>	<b>4 618,1</b>	<b>172,2</b>	<b>4 790,5</b>
Capital increases								
Capital decreases								
Treasury share transactions								
Dividend distributions					0,0	0,0	-1,2	-1,2
Changes in scope					13,8	13,8	-13,5	0,3
Variations in put options granted to non-controlling interests					1,0	1,0		1,0
Other variations				-0,5	-11,3	-11,8	-0,8	-12,6
<b>December 31<sup>st</sup>, 2019</b>	<b>635,8</b>	<b>840,8</b>	<b>-0,2</b>	<b>-59,6</b>	<b>3 204,1</b>	<b>4 621,0</b>	<b>156,7</b>	<b>4 777,7</b>
Net result for the year					-260,9	-260,9	-11,8	-272,7
Foreign currency translation differences				-65,1		-65,1	-0,9	-66,0
Actuarial gains and losses								
Gains and losses on cash flow hedging				-10,2		-10,2	0,0	-10,2
<b>Net comprehensive income of the period</b>	<b>635,8</b>	<b>840,8</b>	<b>-0,2</b>	<b>-134,9</b>	<b>2 943,3</b>	<b>4 284,8</b>	<b>143,9</b>	<b>4 428,8</b>
Capital increases								
Capital decreases								
Treasury share transactions								
Dividend distributions					0,0	0,0	-2,4	-2,4
Changes in scope					0,0	0,0	0,0	0,0
Variations in put options granted to non-controlling interests					0,8	0,8		0,8
Other variations				0,0	-0,0	-0,0	0,2	0,1
<b>June 30<sup>th</sup>, 2020</b>	<b>635,8</b>	<b>840,8</b>	<b>-0,2</b>	<b>-134,9</b>	<b>2 944,1</b>	<b>4 285,6</b>	<b>141,7</b>	<b>4 427,3</b>



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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## NOTE 1 - DESCRIPTION OF THE GROUP AND MAIN EVENTS

### 1.1 DESCRIPTION OF THE GROUP

Ceetrus SA, the holding company in the scope of consolidation, is a company incorporated under French law, whose registered office is located at 18 rue Denis Papin 59650 VILLENEUVE D'ASCQ. Ceetrus is a subsidiary of Auchan Holding.

Founded in 1976 as a property development subsidiary of Auchan Holding, Immochan has been undergoing a transformation project since 2016 to become a global property development operator. The company changed its name in June 2018 and became Ceetrus, moving from a mainly commercial property business to a mixed property developer.

An urban designer that listens to the needs of the regions, it creates diverse living spaces :

shopping centres, housing, offices, major urban infrastructures, etc. Its skills extend to the professions of redeveloper-developer, property manager, investor and innovator. Having based its expertise on its ability to bring customers and brands together, Ceetrus now wants to achieve this for inhabitants and the town or city. The company is accelerating its development by investing in new areas of activity around its core business: neighbourhood redevelopment, construction of housing, offices, service industry and leisure properties.

Ceetrus SA and the companies included in the scope of consolidation manage assets in 10 countries as of 30 June 2020.

Ceetrus SA is controlled by Auchan Holding SA.

### 1.2 MAIN EVENTS

#### Impact of Covid-19 pandemic

##### Rent reductions

Following its outbreak in China, the Covid-19 pandemic has gradually spread to all corners of the globe. In mid-March 2020, restrictive administrative measures from European countries were implemented to contain the spread of the coronavirus (Covid-19). In the 10 countries in which Ceetrus operates, all stores except those selling basic necessities, have been closed during two or three months.

In order to help and support its tenants, Ceetrus took the following decisions:

- To grant a rent free period for rents due from 15 March to 15 May 2020 for tenants in France. Direct debit of rents and service charges has been suspended for the lockdown period. Ceetrus France issued all credit notes on 24 June 2020.
- To defer or postpone the payments of rents for all stores allowed to open during the lockdown period in France.
- To cancel all marketing contribution fees from 15 March to 15 May 2020 for all tenants in France.
- To switch from quarterly to monthly rent invoicing for the third quarter of 2020 for all tenants in France.
- To reduce rents and/or service charges in other countries

The rent reductions granted by the Group during the second quarter of 2020 did not result in further amendments to lease contracts in terms of perimeter or other characteristics.

As at 30 June 2020, two approaches can be retained to recognize rent reductions in the financial statements:

Approach 1: Credit notes related to rents due to periods prior to 30 June, 2020 may be considered as a partial extinction of the contractual rights to rent receivables. As such, in accordance with paragraph 2.1 (b)(i) of IFRS 9, rent reductions granted by the Group can be immediately recognised on the income statement as counterparty to client receivables.

This approach is applicable in the following conditions :

- applicable only to the abandonment of rents with no consideration relating to rents contractually due for past periods, granted in a definitive manner
- all agreements have to be formalised before 30 June 2020.

Approach 2: The lessor may consider that these rent reductions are an amendment to the lease contract under IFRS 16, due to lower level of rents collected than initially anticipated. Under IFRS 16, the free period granted is treated as a lease incentive which is straight-lined over the expected lease term.

Ceetrus has chosen to apply the first approach after making sure that both conditions listed above were met, and recognised the rent reductions immediately in the interim financial statements at 30 June 2020, for a total amount of €90 million, recorded as a debit of gross rental income and credit of client receivables.

**Investments properties fair value measurement as at 30 June 2020**

The Ceetrus' property portfolio is measured twice a year by external appraisers.

All investment properties have been valued as at 30 June 2020 in the context of the Covid-19 pandemic. To reflect the impact of Covid-19 on the appraisals values, the appraisers have included a "material valuation uncertainty clause" in their reports. The inclusion of the material valuation uncertainty clause does not mean their valuation cannot be relied upon. The Group considers that fair value estimated by appraisers reflect reasonably the fair value of the property portfolio.

The methodology applied in the consolidated financial statements as at 31 December 2020 remains unchanged. However the assumptions have changed in order to take into account the increase of discount rates and exit yields, the decrease of indexation rates and estimated rental values, as well as the possibility of longer lease renewal periods.

**1.3 POST BALANCE SHEET EVENTS**

No post balance sheet events have occurred.

**Russia – Shopping Centre Acquisition**

On 29 May 2020, Ceetrus Russia acquired the Proletarsky shopping centre from Auchan Retail Russia.

**Luxembourg – Office Acquisition**

On 13 February 2020, Perf 8 acquired offices near the JBBK and KUBIK office buildings.

The main changes in the scope of consolidation on 30 June 2020 and their impact on the consolidated financial statements are described in Note 2.2.

## NOTE 2 - GENERAL ACCOUNTING PRINCIPLES AND SCOPE OF CONSOLIDATION

### 2.1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

#### 2.1.1 Statement of conformity

The interim condensed consolidated financial statements as of 30 June 2020 were prepared in accordance with IAS 34 "Interim Financial Reporting" and should be read in conjunction with the Group's most recent consolidated financial statements for the year ended 31 December 2019 (the "most recent annual financial statements"). They do not include all the information necessary for a complete set of financial statements under IFRS. They do,

however, include a selection of notes explaining significant events and transactions with a view to understanding the changes in the Group's financial position and performance since the most recent annual financial statements.

The interim condensed consolidated financial statements were prepared under the responsibility of the Board of Directors on 3 September 2020.

#### 2.1.2 Applied framework

The following accounting policies have been applied for the consolidated financial statements on 30 June 2020 are in line with those used for the financial statements on

31 December 2019, except for the regulatory changes that are applicable since 1 January 2020:

Standards	Wording
Amendments to IAS 1 and IAS 8	Amendment to IAS 1 and IAS 8: definition of material
Amendments to IAS 39, IFRS 7 and IFRS 9	Interest rate benchmark reform
Amendments to IFRS 3	Definition of a Business

#### 2.1.2.1 Other principles, amendments and interpretations issued by the International Accounting Standards Board (IASB) not yet adopted by the European Union

The consequences of the IASB (IFRIC) Interpretations Committee Agenda Decision of 26 November 2019 are in the process of being analysed and so have not been incorporated into the consolidated financial statements at 30 June 2020. The consequences of the IFRIC decisions will be incorporated into the financial statements at 31 December 2020.

This IFRIC decision is likely to modify the application of IFRS 16 as it stipulates:

- on the one hand, that consistency must be ensured between the lease terms selected as part of IFRS 16 and the depreciation of fittings on the sites in question;
- on the other hand, that the enforceable term of the contracts must be examined

from an economic viewpoint rather than a strictly legal one.

The procedures for applying IFRS 16 selected by Ceetrus and its subsidiaries are likely to be modified by this agenda decision. Specifically, certain leases that have expired are still ongoing as they have been renewed tacitly. At 1 January 2019, for the first application of IFRS 16, these contracts were considered as short-term leases when the notice period for the relevant leases was less than 12 months. The consideration of an "economic benefit" for the lessor and lessee if the tacit renewal continues could lead Ceetrus and its subsidiaries to consider that these terms no longer enable the relevant contracts to be considered as short-term leases and that they therefore fall within the scope of application of IFRS 16.

The amendment to IFRS 3 relating to the definition of a business had no material impact on the financial statements of Ceetrus and its subsidiaries. Ceetrus has been applying the Phase 1 amendments to IFRS 9, IAS 39 and IFRS 7



published by the IASB in September 2019 in connection with the reform of the benchmark interest rates (IBOR rates) since 1 January 2020. These amendments allow the Group to not take into account uncertainties on the future of the benchmark rates in the assessment of the effectiveness of the hedging relationships and/or the assessment of the highly probable nature of the hedged cash flows, thus making it possible to continue the existing and future hedging relationships until these new benchmark rates are actually implemented. The application of this amendment had no impact on the Group's financial statements at 1 January 2020 and enabled the Group to continue the hedge accounting of indexed instruments, in particular those indexed to Euribor. The rate derivatives affected by the amendment are the derivatives that qualify as cash flow hedges of the interest rate risk and are published in the notes to the Group's consolidated financial statements at 31 December 2019.

### 2.1.3 Use of estimates and judgements

The preparation of the consolidated financial statements requires Management to exercise its judgement, make estimates and formulate assumptions that may affect the carrying amount of certain assets, liabilities, income and expenses as well as the information given in the notes.

In the preparation of the consolidated financial statements, significant judgements made by Management in the application of accounting policies and principal estimates include the following:

- The valuation of tangible and intangible assets as well as investment property with the help of independent experts (see note 4);
- The valuation of provisions and evaluation of employee benefits and liabilities (see note 11 of 2019);
- The valuation of deferred tax assets including those relating to tax loss carry-forwards (see note 9)
- Fair value valuation of identifiable assets and liabilities in business combinations (see note 2.2);
- Fair value of financial assets excluding derivative instruments (see note 6);

These estimates are based on a going concern assumption and are based on past experience and other factors that are considered reasonable in light of the circumstances and information available at inception. Estimates may be revised if the circumstances on which they were based change or because of new

information. Actual values could be different from estimated values.

Finally, in application of the principle of relevance and in particular the concept of materiality that results from it, only the information considered useful for the users' understanding of the consolidated financial statements is presented.

### 2.1.4 Foreign currency transactions

Ceetrus' functional currency and the presentation currency of the consolidated financial statements are Euros.

#### Conversion of financial statements of foreign companies

Since Ceetrus does not have a subsidiary operating in hyperinflation economies, the financial statements of all foreign companies whose functional currency is different from the Euro are converted into Euros by applying the following method:

- Balance sheet items, with the exception of shareholders' equity, which are maintained at historical rates, are converted at the exchange rate prevailing on the balance sheet date;
- Income statement items are converted at the average exchange rate for the period;
- The flows are converted at the average exchange rate of the period.

The translation differences resulting from the application of this method are recognised under "Exchange differences" in other comprehensive income in the consolidated statement of comprehensive income and are recognised in the income statement upon the transfer of the net investment.

#### Accounting for foreign currency transactions

Transactions denominated in foreign currencies are converted into Euros at the exchange rate applicable on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies, hedged or unhedged, are converted into Euros at the exchange rate applicable at the end of the financial year; the resulting exchange rate differences are recognised in the result of the period.

Non-monetary assets and liabilities denominated in foreign currencies which are measured at fair value are converted at the

exchange rate on the date that fair value was determined.

### 2.1.5 Presentation of financial information

The amounts shown in the consolidated financial statements are rounded to the nearest million Euros and include individually rounded figures. Mathematical calculations on the basis of rounded elements may differ from the aggregates or subtotals displayed.

#### Statement of financial position

Assets and liabilities included in the normal business cycle are classified as current elements. Other assets and liabilities are classified as current or non-current items depending on whether their expected date of recovery or settlement occurs within 12 months from the accounting date.

### Cash flow statement

The cash flow statement is prepared in accordance with IAS 7, according to the indirect method using the net result of the consolidated entity and is broken down into three categories:

- Cash flow from operating activities (including taxes);
- Cash flow from investment activities;
- Cash flow from to financing activities.

### Eliminated transactions in the consolidation financial statements

About fully consolidated entities, all internal transactions and positions are eliminated on consolidation. About equity method entities, only internal margins and dividends are eliminated up to the Group's share of interest. The list of the main entities included in the consolidation scope is presented in note 15.

## 2.2 CONSOLIDATION SCOPE AND METHODS

### Changes in scope on 30 June 2020

<i>in number of companies</i>	31/12/2019	Acquisitions	Creations	Disposals	Absorption, Dissolution, Deconsolidation	Change of consolidation method	30/06/2020
Subsidiaries in FC	105		3				108
Equity method	34				-1		33
<b>TOTAL</b>	<b>139</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>-1</b>	<b>0</b>	<b>141</b>

Significant changes in the scope of consolidation on 30 June 2020 are:

#### Alliages et Territoires 2 – Mergers

On May 11, 2020, "Alliages et Territoires 2" entity has transferred all its assets and liabilities to its parent entity "Alliages et Territoires".

#### Russia – New entity

On April 24, 2020, Ceetrus Russia has created a management subsidiary.

#### Ukraine – New entities

On June 25, 2020, Ceetrus Ukraine has created an holding and a management subsidiary.

## NOTE 3 - OPERATING SEGMENTS

## 3.1 INCOME STATEMENT BY OPERATING SEGMENTS

30/06/2020	France	Western Europe	Eastern Europe	Holdings and other activities	GROUP TOTAL 30/06/2020
in millions of euros					
<b>Net rental income</b>	<b>73,0</b>	<b>48,0</b>	<b>34,0</b>	<b>-0,2</b>	<b>154,9</b>
Revenues from administrative management and other activities	3,4	10,2	2,8	0,0	16,4
Gross operating income	53,7	30,5	21,7	-11,4	94,5
<b>Operating result</b>	<b>-111,7</b>	<b>-104,9</b>	<b>-68,8</b>	<b>-12,2</b>	<b>-297,6</b>
Financial result					-27,3
Share of result of companies accounted for using the equity method					-17,8
Income tax expenses					70,0
<b>NET RESULT OF THE CONSOLIDATED ENTITY</b>					<b>-272,7</b>

30/06/2019	France	Western Europe	Eastern Europe	Holdings and other activities	GROUP TOTAL 30/06/2019
in millions of euros					
<b>Net rental income</b>	<b>124,1</b>	<b>77,9</b>	<b>54,6</b>	<b>-0,1</b>	<b>256,5</b>
Revenues from administrative management and other activities	6,2	13,9	3,4	0,0	23,5
Gross operating income	101,3	64,8	42,5	-6,4	202,2
<b>Operating result</b>	<b>49,8</b>	<b>93,4</b>	<b>29,4</b>	<b>-7,2</b>	<b>165,4</b>
Financial result					-18,1
Share of result of companies accounted for using the equity method					14,9
Income tax expenses					-52,1
<b>NET RESULT OF THE CONSOLIDATED ENTITY</b>					<b>110,1</b>

## 3.2 SIMPLIFIED BALANCE SHEET BY OPERATING SEGMENTS

30/06/2020	France	Western Europe	Eastern Europe	Holdings and others	GROUP TOTAL 30/06/2020
ASSETS (in millions of euros)					
Goodwill	14,4	191,3	0,4	-	206,1
PPE and intangible assets <sup>(1)</sup>	55,0	9,3	8,4	6,2	79,0
Investment properties <sup>(1)</sup>	4 034,3	1 898,0	1 425,5	-	7 357,9
Shares and investments in companies accounted for using the equity method	48,1	233,4	10,7	9,3	301,5
Other non-current assets	7,8	212,0	12,4	119,2	351,3
Other current assets	342,4	914,3	144,9	84,6	1 486,2
<b>TOTAL ASSETS</b>	<b>4 502,0</b>	<b>3 458,3</b>	<b>1 602,3</b>	<b>219,3</b>	<b>9 782,0</b>

<sup>(1)</sup> Including « right off use »

31/12/2019	France	Western Europe	Eastern Europe	Holdings and others	GROUP TOTAL 30/06/2019
ASSETS (in millions of euros)					
Goodwill	14,4	191,3	0,4	-	206,1
PPE and intangible assets <sup>(1)</sup>	54,5	6,7	8,4	7,2	76,8
Investment properties <sup>(1)</sup>	4 184,4	1 986,0	1 578,9	-	7 749,3
Shares and investments in companies accounted for using the equity method	48,8	254,0	10,4	6,3	319,5
Other non-current assets	7,7	207,2	10,8	84,6	310,3
Other current assets	323,5	947,6	141,1	40,6	1 452,8
<b>TOTAL ASSETS</b>	<b>4 633,3</b>	<b>3 592,7</b>	<b>1 749,9</b>	<b>138,7</b>	<b>10 114,7</b>

<sup>(1)</sup> Including « right off use »

## NOTE 4 - INVESTMENT PROPERTIES, PPE AND INTANGIBLE ASSETS, GOODWILL

### 4.1 GOODWILL

<i>in millions of euros</i>	31/12/2019	Business combination	Disposal	Impairment	Other changes <sup>(1)</sup>	30/06/2020
Gross value	217,0	0,0	0,0		0,0	217,0
Impairment	-10,9	0,0	0,0	0,0	0,0	-10,9
<b>NET VALUE</b>	<b>206,1</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>206,1</b>

<sup>(1)</sup> including translation differences and transfers from one post to another

<i>in millions of euros</i>	31/12/2019	30/06/2020
France	14.4	14,4
Western Europe	191.3	191,3
Eastern Europe	0.4	0,4
Holdings et other activities	0.0	0,0
<b>VALEUR NETTE</b>	<b>206.1</b>	<b>206,1</b>

### 4.2 INTANGIBLE ASSETS (EXCLUDING GOODWILL)

<i>in millions of euros</i>	31/12/2019	Acquisitions and investments	Disposals, decommissioning	Changes in scope	Amortization/Impairment	Reclassification and other changes <sup>(1)</sup>	30/06/2020
Gross value	71,2	0,6	-0,1	0,0		0,0	71,7
Amortization and impairment	-51,7	0,0	0,0	0,0	-5,0	0,0	-56,6
<b>NET VALUE</b>	<b>19,5</b>	<b>0,6</b>	<b>-0,1</b>	<b>0,0</b>	<b>-5,0</b>	<b>0,0</b>	<b>15,1</b>

<sup>(1)</sup> including translation differences and transfers from one post to another

The intangible assets item mainly consists of acquired software, software licences, and internally developed software.

#### 4.3 PROPERTY, PLANT AND EQUIPMENT (PPE)

<i>in millions of euros</i>	31/12/2019	Acquisitions and investments	Disposals, decommissioning	Changes in scope	Amortization/Impairment	Reclassification and other changes <sup>(1)</sup>	30/06/2020
Land, buildings and fixtures	31,1	1,1	-0,3	0,0		-0,3	31,6
Materials and other fixed assets	14,9	2,5	0,0	0,0		-0,3	17,0
Property, plant and equipment in progress (WIP)	41,9	3,9	0,0	0,0		-2,5	43,2
Right-of-use PPE	17,8		0,0			2,8	20,6
<b>Gross value</b>	<b>105,7</b>	<b>7,4</b>	<b>-0,3</b>	<b>0,0</b>		<b>-0,4</b>	<b>112,4</b>
Amortization and impairment of land, buildings and fixtures	-19,9				-0,3	0,3	-19,9
Amortization and impairment of materials and other fixed assets	-9,8				-0,9	0,1	-10,5
Impairment of PPE in progress	-15,5					1,7	-13,8
Amortization and impairment of right-of-use PPE	-3,2				-2,3	1,1	-4,4
<b>Amortization and impairment</b>	<b>-48,4</b>				<b>-3,5</b>	<b>3,3</b>	<b>-48,6</b>
<b>NET VALUE</b>	<b>57,4</b>	<b>7,4</b>	<b>-0,3</b>	<b>0,0</b>	<b>-3,5</b>	<b>2,9</b>	<b>63,9</b>

<sup>(1)</sup> including translation differences and transfers from one post to another

The increase in tangible assets under construction mainly concerns Ceetrus France for €5.4 million.

#### 4.4 INVESTMENT PROPERTIES

##### Valuation methods

##### Assessment of the fair value of properties on 31<sup>st</sup> December 2019 and 30 June 2020

On 31<sup>st</sup> December 2019 and 30 June 2020, Ceetrus had expert valuations carried out by independent property valuers for all property

assets in France and abroad and used these values for the fair value accounting of investment properties on that date.

##### 4.4.1 Investment properties

<i>in millions of euros</i>	Investment properties at fair value	Investment properties at cost	Right-of-use investment properties	TOTAL Investment properties
<b>ON 31 DECEMBER 2019</b>	<b>7 526,8</b>	<b>87,0</b>	<b>135,4</b>	<b>7 749,3</b>
Entries into scope	-	-	-	-
Investments	56,3	-	0,0	56,3
Disposals and exits from scope	-1,2	-	-	-1,2
Reclassifications and other changes	-9,0	9,6	0,0	0,0
Exchange rate differences	-88,9	-0,3	-1,7	-90,9
Change in fair value	-345,9	-	-10,2	-355,5
<b>ON 30 JUNE 2020</b>	<b>7 138,1</b>	<b>96,3</b>	<b>123,5</b>	<b>7 357,9</b>

##### Change during the period

The main investments during this period concern:

- Acquisition of galleries and offices in Russia and Luxembourg for €23,7 million;
- Renovations and extensions of shopping centres and retail parks for €11 million in France;
- Development works and extensions in Spain, Italy and Romania for €23 million.

Disposals during the first half of the year mainly concern France, following disposals of land plots.

The line «reclassification and other changes» includes the put into service of investment properties.

<i>in millions of euros</i>	30/06/2020	31/12/2019
Investment property at fair value	7 160,7	7 546,8
Investment property at cost	96,3	87,0
<b>INVESTMENT PROPERTIES BEFORE RESTATEMENTS</b>	<b>7 257,0</b>	<b>7 633,9</b>
Right-of-use investment properties	123,5	135,4
Restatement related to spreadings <sup>(1)</sup>	-22,6	-20,0
<b>TOTAL INVESTMENT PROPERTIES</b>	<b>7 357,9</b>	<b>7 749,3</b>

<sup>(1)</sup> spreading of rent-free periods, step rents, key money and rents paid in advance

The following table presents the main assumptions used in the assessment of the fair value of the Group's investment properties as of 30 June 2020 :

Shopping centres (weighted average)	Rents in €/sqm <sup>(1)</sup>	Discount rate (%) <sup>(2)</sup>	Exit yield (%) <sup>(3)</sup>
<b>France</b>	355 €/m <sup>2</sup>	6,92 %	5,56 %
<b>Western Europe</b>	245 €/m <sup>2</sup>	8,13 %	6,55 %
<b>Eastern Europe</b>	182 €/m <sup>2</sup>	11,12 %	9,28 %

<sup>(1)</sup> Average annual rent (minimum guaranteed rent and variable rent) per asset and per sqm

<sup>(2)</sup> Rate used to discount future cash flows

<sup>(3)</sup> Exit yield used to capitalize revenues of the exit year in order to calculate the terminal value of the asset

### Sensitivity of fair values

An increase in rates of return or discount rates would result in a decrease in the total value of investment property, and vice versa.

An increase in rents would increase the fair value of investment properties and vice versa.

#### 4.4.2 Investments held for sale

Ceetrus decided to sign a sale agreement regarding a real estate complex located in Luxembourg. The real estate complex is composed of shopping centres and offices owned by Ceetrus.

Ceetrus' investment properties have been presented on the line "Investments held for sale" in the 30 June 2020 balance sheet as they comply with the IFRS 5 criteria as defined below:

- investment properties are immediately available for sale in their present condition;

- The sale is highly probable within one year;
- The board directors are committed to the disposal plan of the assets.

Financial liabilities related to this group of assets have been reclassified on the line "Current loans and borrowings" for the amount of €174 million. Investment properties of Ceetrus have been presented on the line "Investments held for sale" in the 30 June 2020 balance sheet.

<i>in millions of euros</i>	30/06/2020	31/12/2019
Investment property at fair value held for sale	610,6	612,5
Investment property at cost held for sale	17,7	17,6
Shares and investments in companies accounted for using the equity method held for sale	26,2	27,5
<b>INVESTMENTS HELD FOR SALE BEFORE RESTATEMENT</b>	<b>654,5</b>	<b>657,6</b>
Restatement related to spreadings <sup>(1)</sup>	-9,5	-11,4
<b>TOTAL INVESTMENTS HELD FOR SALE</b>	<b>645,0</b>	<b>646,2</b>

<sup>(1)</sup> spreading of rent-free periods, step rents, key money and rents paid in advance

## NOTE 5 - SHARES AND INVESTMENTS IN COMPANIES ACCOUNTED FOR USING EQUITY METHOD

### 5.1 EVOLUTION OF SHARES AND INVESTMENTS IN COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

The changes in the value of shares and investments in companies valued by the equity method can be explained as follows:

<i>In millions of euros</i>	<b>Group share</b>
<b>DECEMBER 31, 2019</b>	<b>319,5</b>
Net result of the year <sup>(1)</sup>	-17,8
Dividends received	-2,0
Capital increases and reductions	4,8
Changes in scope	0,0
Other changes <sup>(2)</sup>	-2,9
<b>JUNE 30, 2020</b>	<b>301,5</b>

<sup>(1)</sup> including change in fair value of investment properties

<sup>(2)</sup> including translation differences

The item "Increases and decreases in capital" is mainly composed of the capital increase in Galleria Cinisello and Huis for €4,6 million.

"Other changes" mainly concerns other comprehensive income of companies accounted for using equity method.

On 30 June 2020, 33 companies were accounted for using the equity method, compared with 34 companies on 31 December 2019.

The main companies accounted for using the equity method are:

Country	Companies	Control %		Equity value	
		30/06/2020	31/12/2019	30/06/2020	31/12/2019
France	Immaucom - SA	20,00%	20,00%	40,4	39,0
	Gare du Nord 2024 - SA	66,00%	66,00%	3,2	3,2
Spain	C.C Zenia, Sociedad Limitada	50,00%	50,00%	65,0	73,6
Luxembourg	Galerie Commerciale de Kirchberg - SA	20,00%	20,00%	0,0	0,0
Portugal	Alegro Alfragide - SA	50,00%	50,00%	38,2	41,6
	Alegro de Setubal - SA	50,00%	50,00%	20,8	23,4
	Neutripromo - SA	50,00%	50,00%	3,1	3,0
Italy	Galleria Cinisello - SRL	50,00%	50,00%	70,2	81,7
	Patrimonio Real Estate - SPA	49,99%	49,99%	21,2	21,2
	Others			39,4	32,7
<b>Total value of shares and investments in companies accounted for using the equity method</b>				<b>301,5</b>	<b>319,5</b>

### 5.2 SHARES AND INVESTMENTS IN COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

The main balance sheet and income statement positions for companies accounted for using the equity method are presented in the table below.

Information relating to companies accounted for using the equity method is presented in total because they are all subsidiaries with the same activities and with the same risk and return characteristics.



<i>in millions of euros</i>	30/06/2020		31/12/2019		30/06/2019	
	100%	Group Share	100%	Group share	100%	Group share
<b>BALANCE SHEET</b>						
Property, plant and equipment (PPE)	11,6	6,3	11,9	6,6	84,8	49,5
Investment properties	1 294,8	572,9	1 312,9	577,3	1 058,0	464,5
Other non-current assets	122,8	35,2	121,5	33,7	121,1	37,8
Other current assets	422,8	176,6	441,2	188,2	426,9	180,0
<b>NON-CURRENT AND CURRENT ASSETS</b>	<b>1 852,0</b>	<b>791,1</b>	<b>1 887,6</b>	<b>805,8</b>	<b>1 690,9</b>	<b>731,9</b>
Group financial debts (current and non-current)	203,0	109,9	129,2	68,8	123,9	70,0
External financial debts (current and non-current)	513,3	233,3	558,5	254,9	400,2	198,8
Other non-current liabilities	232,1	59,2	250,9	65,8	113,4	42,9
Other current liabilities	180,5	87,3	192,0	96,9	184,9	89,4
<b>NON-CURRENT AND CURRENT LIABILITIES</b>	<b>1 128,9</b>	<b>489,6</b>	<b>1 130,6</b>	<b>486,4</b>	<b>822,4</b>	<b>401,0</b>
<b>NET ASSETS</b>	<b>723,2</b>	<b>301,5</b>	<b>756,9</b>	<b>319,5</b>	<b>868,4</b>	<b>330,9</b>
<b>INCOME STATEMENT</b>						
Gross operating income	9,7	3,0	52,0	22,8	24,4	10,5
Amortizations, impairments and provisions	0,3	-0,1	-11,4	-6,2	-0,2	-0,4
Change in value of investment properties	-43,7	-20,2	31,7	13,4	31,7	11,7
Income from disposal	0,0	0,0	-0,1	-0,0	-0,7	-0,4
Other income and expenses	-0,4	-0,2	-19,6	-1,7	-1,2	-0,6
Financial result	-7,3	-5,2	-6,7	-3,7	-4,9	-2,2
Income tax expenses	11,0	4,8	-9,2	-3,8	-8,2	-3,8
<b>NET RESULT</b>	<b>-30,4</b>	<b>-17,8</b>	<b>35,8</b>	<b>5,0</b>	<b>40,9</b>	<b>14,9</b>

## NOTE 6 - FINANCING AND FINANCIAL INSTRUMENTS

### 6.1 FINANCIAL RESULT

<i>in millions of euros</i>	30/06/2020	30/06/2019
Interest expenses on financial debts	-23,4	-12,8
Interest income and expenses on derivatives	-2,0	-0,9
<b>Financial expenses</b>	<b>-25,4</b>	<b>-13,7</b>
Interest income from cash and cash equivalents	0,0	0,0
Financial income on advances granted to non-consolidated entities	3,5	2,6
<b>Financial income</b>	<b>3,5</b>	<b>2,6</b>
<b>Net cost of financial debt</b>	<b>-21,9</b>	<b>-11,1</b>
Other financial income and expenses including:	-5,4	-7,1
<i>Income from guarantee commissions</i>	5,1	2,9
<i>Income from financing commissions</i>	2,0	2,0
<i>Income/Expenses on Cross Currency Swaps</i>	-6,6	-5,6
<i>Financial expenses - IFRS 16</i>	-4,5	-4,1
<i>Other financial income/expenses</i>	-1,4	-2,3
<b>FINANCIAL RESULT</b>	<b>-27,3</b>	<b>-18,1</b>

#### Financial result 30 June 2020

As a result of the diversification of Ceetrus' financial resources, the "interest expenses on financial debts" item was composed of interest expenses to related companies in Auchan Holding for €8.2 million and €15.2 million to external counterparties.

"Other financial income and expenses" consist of financial expenses of €6.6 million corresponding mainly to hedging transactions implemented (cross-currency swaps and foreign exchange swaps) on foreign currency financing issued by Ceetrus Finance to property companies outside the Euro zone, €2.0 million of financial income related to counter guarantee Granato on Ceetrus Italy with Auchan Holding's treasury central financing and €5.1 million related to Gare du Nord project financing. In addition, €4.5 million of financial expenses are linked to the application of IFRS 16.

#### Financial result 30 June 2019

As a result of the diversification of Ceetrus' financial resources, the "interest expenses on financial debts" item was composed in 2019 of interest expenses to Auchan Holding's other entities for €5.0 million and €7.6 million to external counterparties.

"Other financial income and expenses" consist of financial expenses of €5.6 million corresponding mainly to hedging transactions implemented (cross-currency swaps and foreign exchange swaps) on foreign currency financing issued by Ceetrus Finance to property companies outside the Euro zone and €2.0 million of financial income related to the Granato counter-guarantee on Ceetrus Italy with Auchan Holding's treasury facility. In addition, €4.1 million of financial expenses are linked to the application of IFRS 16.

## 6.2 NET FINANCIAL DEBT

### 6.2.1 Changes in net financial debt

Change in net financial debt between December 31<sup>st</sup>, 2019 and June 30<sup>th</sup>, 2020

<i>in millions of euros</i>	31/12/2019	Cash movement	Fair value through P&L	Fair value through OCI <sup>(1)</sup>	Changes in the scope of consolidation	Other changes	Exchange rate differences	30/06/2020
<b>Loans and borrowings</b>	<b>3 277,8</b>	<b>158,2</b>	-	-	-	<b>0,0</b>	<b>-3,4</b>	<b>3 432,7</b>
<i>non-current</i>	2 349,4	-3,0	-	-	-	-6,5	-0,4	2 339,7
<i>current</i>	928,4	161,2	-	-	-	6,5	-3,1	1 093,0
Group cash advances	-42,1	3,1	-	-	-	-	0,7	-38,3
Cash and cash equivalents	-146,3	-58,6	-	-	-	-	1,7	-203,2
Derivative assets and liabilities	17,6	-	-2,9	12,5	-	-	-	27,2
<b>NET FINANCIAL DEBT</b>	<b>3 106,9</b>	<b>102,7</b>	<b>-2,9</b>	<b>12,5</b>	-	-	<b>-1,1</b>	<b>3 218,2</b>

<sup>(1)</sup> other comprehensive income

The change in the item "Loans and borrowings" is mainly related to the increase of Auchan Holding financing.

### 6.2.2 Components of financial debt

#### Breakdown of loans and financial debts

<i>in millions of euros</i>	30/06/2020	31/12/2019
Bonds and private placements	357,2	358,0
Loans and borrowings with credit institutions	928,8	938,3
Loans and borrowings with related parties <sup>(1)</sup>	915,0	1 050,0
Other financial borrowings	3,7	3,1
<b>Non-current loans and borrowings</b>	<b>2 204,7</b>	<b>2 349,4</b>
Loans and borrowings with credit institutions	204,1	200,5
Loans and borrowings with related parties <sup>(1)</sup>	587,2	402,3
Current accounts with related parties <sup>(1)</sup>	408,9	315,1
Other financial borrowings	9,8	4,8
Bank overdrafts	17,9	5,6
<b>Current loans and borrowings</b>	<b>1 228,0</b>	<b>928,4</b>
<b>GROSS FINANCIAL DEBT</b>	<b>3 432,7</b>	<b>3 277,8</b>

<sup>(1)</sup> mainly covers current accounts and advances granted by Auchan Holding

In 2020, the Group has no new external financing.

## Gross financial debt - Payment schedule by interest rate type

in millions of euros	Balance sheet value 30/06/2020	CURRENT		NON-CURRENT	
		Less than one year		From 1 to 5 years	More than 5 years
Bonds and private placements	357,2	-	-	-	357,2
Loans and borrowings with credit institutions	141,4	6,4	18,4	116,7	
Loans and borrowings with related parties <sup>(1)</sup>	2,3	2,2	0,1	-	
Other financial borrowings	2,1	2,1	-	-	
Commercial papers	11,3	11,3	-	-	
<b>Fixed rate debt</b>	<b>514,2</b>	<b>22,0</b>	<b>18,5</b>	<b>473,8</b>	
Bonds and private placements	-	-	-	-	
Loans and borrowings with credit institutions	991,6	204,6	748,0	38,9	
Loans and borrowings with related parties <sup>(1)</sup>	1 500,0	585,0	915,0	-	
Current accounts with related parties <sup>(1)</sup>	408,9	408,9	-	-	
Borrowings on financial lease contracts	-	-	-	-	
Other financial borrowings	-	-	-	-	
Bank overdrafts	17,9	17,9	-	-	
<b>Variable rate debt</b>	<b>2 918,4</b>	<b>1 216,5</b>	<b>1 663,0</b>	<b>38,9</b>	
<b>GROSS FINANCIAL DEBT</b>	<b>3 432,7</b>	<b>1 238,5</b>	<b>1 681,5</b>	<b>512,7</b>	

## Main characteristics of loans and financial debts

Borrowing company	Date of issue	Maturity date	Rate	Type	Amount at the start	Nominal value 31/12/2019	Nominal value 30/06/2020
Ceetrus SA	Dec-18	Dec-25	3.000%	Euro PP	60,0	60,0	60,0
Ceetrus S.A	Nov.-19	Nov.-26	2.750%	Greenbond	300,0	300,0	300,0
<b>Bonds and private placements</b>					<b>60,0</b>	<b>60,0</b>	<b>360,0</b>
Gallerie Commerciali Sardegna	Dec-16	Dec-21	Euribor + Margin	Loan	118,0	102,8	100,0
SCI Petit Menin	Sept-16	Sept-23	Euribor + Margin	Loan	60,0	46,1	46,1
LCO1	Nov-18	Nov-26	Euribor + Margin	Loan	168,0	166,7	166,7
LCO1	Nov-18	Nov-20	Euribor + Margin	Credit line	12,1	7,4	7,4
Ceetrus SA	Jul-18	Jul-23	Euribor + Margin	Loan	500,0	500,0	500,0
Ceetrus SA	Jun-19	Jun-22	Euribor + Margin	Loan	80,0	80,0	80,0
Ceetrus Russia	Jun-19	Jun-24	Key Rate + Margin	Credit line	21,4	21,4	18,8
Coresi Business Park	Jul-19	Jun-24	Euribor + Margin	Loan	31,0	29,8	29,9
Glorirequinte, Brafero, Multi 25, Forum Montijo	Dec-18	Dec-25	2.350%	Loan	135,0	135,0	135,0
Glorirequinte, Brafero, Multi 25, Forum Montijo	Dec-18	Dec-25	Euribor + Margin	Loan	45,0	45,0	45,0
Other							4,6
<b>Loans and borrowings with credit institutions</b>					<b>1 170,5</b>	<b>1 134,3</b>	<b>1 134,5</b>

The maturity dates correspond to the maturity dates of the loans and credit lines. Draws on credit lines are generally made over a period of 3 months and are renewed.

<b>Maturity</b>	<b>Borrowing company</b>	<b>Nominal value 31/12/2019</b>	<b>Nominal value 30/06/2020</b>
less than 1 year	Holding	400,0	585,0
	France	-	-
	Western Europe excl. France	-	-
	Central and Eastern Europe	-	-
1 year and +	Holding	1 050,0	915,0
	France	-	-
	Western Europe excl. France	-	-
	Central and Eastern Europe	-	-
<b>Loans and borrowings with related parties</b>		<b>1 450,0</b>	<b>1 500,0</b>

Loans and financial debts from related parties bear interest based on the currency concerned plus a margin between 0.50% and 1.21%.

### Cash and cash equivalents

<i>in millions of euros</i>	<b>30/06/2020</b>	<b>31/12/2019</b>
Marketable securities, term deposits	4,3	1,6
Cash	198,9	144,7
<b>CASH AND CASH EQUIVALENTS</b>	<b>203,2</b>	<b>146,3</b>
Bank overdrafts	17,9	5,6
<b>NET CASH</b>	<b>185,3</b>	<b>140,7</b>

### 6.3 FINANCIAL RISK MANAGEMENT AND DERIVATIVES

#### Derivatives: fair value

<i>in millions of euros</i>	Fair value 31/12/19	Acquisiti ons/Subscri ptions	Change in the scope of consolida tion	Fair value change through P&L	Fair value change through OCI <sup>(1)</sup>	Other / Reclassific ation	Fair value 30/06/2020
Interest Rate Swaps - Payer	-15,7			-0,5	-12,8		-29,0
Swaptions	0,0			-0,2	0,2		0,0
CAP	0,1			-0,2	0,2		0,1
Tunnels							-
Currency Swaps	-						-
<b>Instruments qualified for hedge accounting</b>	<b>-15,6</b>	<b>-</b>	<b>-</b>	<b>-0,9</b>	<b>-12,5</b>	<b>-</b>	<b>-28,9</b>
Interest Rate Swaps - Payer	-			-1,6			-1,6
Swaptions	-						-
CAP	-						-
Tunnels	0,0			-0,3			-0,3
Currency Swaps	-2,0			5,7			3,7
<b>Instruments not qualified for hedge accounting</b>	<b>-2,0</b>	<b>-</b>	<b>-</b>	<b>3,8</b>	<b>-</b>	<b>-</b>	<b>1,7</b>
<b>TOTAL DERIVATIVES</b>	<b>-17,6</b>	<b>-</b>	<b>-</b>	<b>2,9</b>	<b>-12,5</b>	<b>-</b>	<b>-27,2</b>

<sup>(1)</sup> other comprehensive income

#### Derivatives: notional amounts by maturity

Portfolio breakdown as of June 30<sup>th</sup>, 2020 - Interest rate risk hedging

<i>in millions of euros</i>	Less than one year	From 1 to 5 years	More than 5 years	TOTAL
Interest Rate Swaps - Payer	-	1 161,0	776,0	1 937,0
Swaptions	300,0	-	-	300,0
CAP	514,5	250,0	-	764,5
Tunnels	-	-	-	-
<b>Instruments qualified for hedge accounting</b>	<b>814,5</b>	<b>1 411,0</b>	<b>776,0</b>	<b>3 001,5</b>
Interest Rate Swaps - Payer	-	76,0	-	76,0
Swaptions	-	-	-	-
CAP	-	-	-	-
Tunnels	-	25,1	-	25,1
<b>Instruments not qualified for hedge accounting</b>	<b>-</b>	<b>101,1</b>	<b>-</b>	<b>101,1</b>
<b>TOTAL DERIVATIVES</b>	<b>814,5</b>	<b>1 512,1</b>	<b>776,0</b>	<b>3 102,6</b>

The table below includes derivatives with a starting date "forward" for a nominal value of €865 million.

Portfolio breakdown as of December 31<sup>st</sup>, 2019 - Interest rate risk hedging

<i>in millions of euros</i>	Less than one year	From 1 to 5 years	More than 5 years	TOTAL
Interest Rate Swaps - Payer	-	1 163,8	376,0	1 539,8
Swaptions	300,0	-	-	300,0
CAP	514,5	250,0	-	764,5
Tunnels	-	-	-	-
<b>Instruments qualified for hedge accounting</b>	<b>814,5</b>	<b>1 413,8</b>	<b>376,0</b>	<b>2 604,3</b>
Interest Rate Swaps - Payer	-	-	-	-
Swaptions	-	-	-	-
CAP	-	-	-	-
Tunnels	-	28,6	-	28,6
<b>Instruments not qualified for hedge accounting</b>	<b>-</b>	<b>28,6</b>	<b>-</b>	<b>28,6</b>
<b>TOTAL DERIVATIVES</b>	<b>814,5</b>	<b>1 442,4</b>	<b>376,0</b>	<b>2 632,9</b>

### Portfolio detail on June 30<sup>st</sup>, 2020 - Foreign exchange risk hedging

On June 30<sup>th</sup>, 2020

<i>in millions of euros</i>	HUF	PLN	RON	RUB	USD
Intercompany financing	44,9	123,2	88,8	78,4	-
<b>Gross balance sheet exposure</b>	<b>44,9</b>	<b>123,2</b>	<b>88,8</b>	<b>78,4</b>	-
Currency swaps	(44,9)	(123,2)	(88,8)	(78,4)	-
<b>NET EXPOSURE</b>	-	-	-	-	-

On December 31<sup>st</sup>, 2019

<i>in millions of euros</i>	HUF	PLN	RON	RUB	USD
Intercompany financing	52,9	127,1	85,7	60,0	-
<b>Gross balance sheet exposure</b>	<b>52,9</b>	<b>127,1</b>	<b>85,7</b>	<b>60,0</b>	-
Currency swaps	(52,9)	(127,1)	(85,7)	(60,0)	-
<b>NET EXPOSURE</b>	-	-	-	-	-

## 6.4 FINANCIAL RISK MANAGEMENT

Ceetrus and the companies in the scope of consolidation are exposed to liquidity, interest rate, credit and currency risks during the normal course of their business.

They use derivative financial instruments to mitigate these risks. The Group has set up an organisation to manage these risks centrally.

On 30 June 2020, these derivatives are recorded on the balance sheet at market value in current

and non-current assets and liabilities. Market risk management is controlled and monitored by a specialised committee that meets at least twice a year. General Management is represented in this body, which is responsible for assessing compliance with the hedging policy and therefore the level of the hedges put in place, their adequacy to the underlying financial instruments and the quality of the various counterparties.

### 6.4.1 Liquidity risk

The Group's policy is to permanently dispose of sufficient medium and long-term financing while having a significant margin for manoeuvre. During this financial year, the Group continued to access liquidity under favourable conditions, while benefiting from financing granted by Auchan Holding.

#### Covenants and financial ratios

Loans contracted by Ceetrus may be subject to covenants based on financial ratios, the main ones of which are presented below. In particular, the LTV ratio (Loan to Value) expresses the ratio of net financial debt to the fair value of investment properties. The hedging ratio of financial expenses expresses the ratio of EBITDA to the cost of financial debt. Generally, the contracts subscribed to also include a limitation of the securities granted to other lenders. Depending on the case, these ratios can be assessed differently at Group level, at the level of the company that contracts the loan or at the level of the investment properties. The

ratios presented below are respected as of 30 June 2020.

In addition, certain financing lines may include a change of control clause, which may entail a repayment obligation in the event of Auchan Holding's loss of control of Ceetrus. Generally, the contracts have crossed default clauses.

		Covenants	30/06/2020
Bank LTV	Maximum	< 50%	Respected
ICR	Minimum	>2	Respected
Debts guaranteed by real securities	Maximum	< 20%	Respected

Establishment of covenants from 2018

### Exposure to liquidity risk

The remaining maturities of the financial liabilities are analysed as follows (including interest payments).

in millions of euros	Balance sheet value 30/06/2020	Expected cash flow			
		Total	< 1 year	1 to 5 years	> 5 years
Bonds and private placements	357,2	422,8	10,1	40,2	372,6
Loans and borrowings with credit institutions	1 132,9	1 196,8	226,2	811,7	158,9
Loans and borrowings with related parties	1 502,3	1 537,8	600,8	937,0	-
Current accounts with related parties	408,9	409,1	409,1	-	-
Lease liabilities	2,1	2,1	2,1	-	-
Other financial borrowings	11,4	11,4	11,3	0,1	-
Bank overdrafts	17,9	17,9	17,9	-	-
Trade payables	152,1	152,1	152,1	-	-
Current tax debts	10,7	10,7	10,7	-	-
<b>TOTAL FINANCIAL LIABILITIES: EXCLUDING DERIVATIVES</b>	<b>3 595,5</b>	<b>3 760,7</b>	<b>1 440,3</b>	<b>1 788,9</b>	<b>531,5</b>
Current derivatives	8,0	8,0	8,0	-	-
Non-current derivatives	24,7	24,8	5,2	17,3	2,4
<b>TOTAL FINANCIAL LIABILITIES: DERIVATIVES</b>	<b>32,7</b>	<b>32,8</b>	<b>13,2</b>	<b>17,3</b>	<b>2,4</b>

### 6.4.2 Interest rate risk

The resulting changes in financial markets and interest rates expose the Group to a possible increase in the cost of financing and refinancing.

In this context, the Group applies a policy of prudent management of its debt by maintaining a limited exposure to interest rate risk. This management involves the subscription of interest rate derivatives whose sole purpose is to reduce the Group's exposure to interest rate fluctuations on its debt with a strict objective of hedging (notwithstanding the possibility that certain transactions, particularly macro-hedges, are not eligible for hedge accounting as defined by IFRS). As part of this management, the Group may use different types of instruments, including swaps, caps or swaptions.

The Group determines the existence of an economic link between the hedging instrument and the hedged instrument according to the reference interest rates, the durations for which they are established, the dates of determination, the maturity date, as well as notional or nominal amounts. It uses a hypothetical derivative to determine whether the designated derivative in each hedging relationship is expected to be effective in offsetting changes in the cash flows of the hedged item.

The main sources of inefficiency in these hedging relationships are:

- The effect of the credit risk of the counterparty and the Group on the fair value of the swaps, which is not reflected in the change in fair value of the hedged cash flows attributable to changes in interest rates; and
- Differences in repricing dates between swaps and loans.



<i>in millions of euros</i>	30/06/2020	31/12/2019
<b>Financial assets</b>		
Fixed rate	203,2	146,3
Floating rate	38,3	42,1
<b>Financial liabilities</b>		
Fixed rate	(514,2)	(503,3)
Floating rate	(2 918,4)	(2 774,5)
<b>NET EXPOSURE BEFORE HEDGING</b>		
<b>FIXED RATE</b>	(311,0)	(357,0)
<b>FLOATING RATE</b>	(2 880,1)	(2 732,4)
<b>Interest rate hedging instruments</b>		
Fixed rate	-	-
Floating rate	(2 237,6)	(1 867,9)
<b>NET EXPOSURE AFTER HEDGING</b>		
<b>FIXED RATE</b>	(2 548,6)	(2 224,9)
<b>FLOATING RATE</b>	(642,5)	(864,5)

### Sensitivity analysis

The cash flow sensitivity analysis for variable rate instruments was determined taking into account all variable flows of non-derivative instruments and derivative instruments. The analysis is prepared on the assumption that the amount of financial debts and derivatives on 30 June

remains constant over a year. For the purposes of this analysis, all other variables, especially exchange rates, are assumed to remain constant. Ceetrus has modified the curve of the Euro and other currencies at -1.0%/+1.0%.

### Impact on the profit and loss and shareholders' equity

A 1.0% rise in the interest rate curve would result in:

On the basis of the financial position on 30 June 2020, an increase in the cost of debt of €14.0 million until the maturity of the loans, including €5.7 million until 31 December 2020.. Shareholders' equity would be impacted upwards by €66,7 million.

A 1.0% drop in the interest rate curve would result in:

On the basis of the financial position on 30 June 2020, an increase in the cost of debt of €38,1 million until the maturity of the loans, including €0.1 million until 31 December 2020. Shareholders' equity would be impacted downwards by €57,3 million.

### 6.4.3 Credit risk

For Ceetrus and its subsidiaries, credit risk or counterparty risk mainly concerns cash and cash equivalents of the banking institutions at which these cash resources are invested. This may also concern the financial instruments subscribed, when the trading conditions lead these institutions to pay flows to Ceetrus or its subsidiaries. Lastly, the Group is exposed to the risk of default by its lessees.

Regarding investments, with some exceptions, the policy of Ceetrus and companies in the scope of consolidation is to place surpluses with authorised counterparties in amounts and decided by the Financial Committee,

according to a score sheet. The Group only uses banks considered to be robust, giving preference to institutions with a minimum rating of A-.

In the same way, Ceetrus only works with a list of banks authorised by the Group's Management in relation to financing and interest rate and exchange rate derivative operations. Wherever possible, signed contracts provide for the termination of transactions and the application of a cleared net balance in the event of a change in the initial contractual balance, including the default of the counterparty. In addition, the Group ensures that risk is sufficiently

dispersed by working with several leading banking institutions.

The fair value measurement of derivatives carried by Ceetrus and the companies in the scope of consolidation includes a "counterparty risk" component and a "clean credit risk" component for derivatives. The credit risk measurement is determined using standard mathematical models for market participants, taking into account, in particular, historical statistical data. Over the periods presented, the adjustments booked for counterparty risk and own credit risk are not material.

#### **6.4.4 Exchange rate risk**

The entity made up of Ceetrus and its subsidiaries is exposed to exchange rate risk on internal and external financing denominated in a currency other than the Euro (balance sheet exchange rate) as well as on the value of property assets and lease income of its subsidiaries in currencies. The hedged currencies are the Hungarian forint, the Polish zloty, the Romanian leu, the US dollar and the Russian rouble. Although these transactions are carried out for hedging purposes, they are not

As mentioned elsewhere, trade receivables and other receivables mainly correspond to receivables with regard to lessees. The Group has procedures to ensure the credit quality of clients and third parties before signing contracts with them. The Group believes that it is not significantly exposed to the concentration of credit risk among its lessees, given a diversified exposure across countries and clients. Impairment losses on receivables are generally estimated on an individual basis. Losses on leases are historically low, since the existence of deposits ensures proper management of any outstanding payments.

documented in the hedge as a natural compensation is recognised in profit and loss by the symmetrical effect of the revaluation of derivatives and intra-group financing.

In addition, given the organisation of the Group, the subsidiaries are instructed to pay the expenses incurred using revenues generated in the corresponding currency to limit volatility effects and exposure to the currency concerned.

## 6.5 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The following tables present the financial assets and liabilities booked at fair value by fair value levels as defined by the applicable IFRS standard:

<i>in millions of euros</i>	IFRS 9 category	Carrying amount/Fair Value 30/06/2020	Level 1	Level 2	Level 3
<b>CURRENT AND NON-CURRENT ASSETS</b>					
Receivables	Amortized cost	154,5		154,5	
Derivatives	Fair value through P&L or OCI <sup>(1)</sup>	5,5		5,5	
Other financial assets	Fair value through OCI <sup>(1)</sup>	138,0		138,0	
Other financial assets	Amortized cost	288,0		288,0	
Cash equivalents	Fair value through P&L	203,2		203,2	
<b>CURRENT AND NON-CURRENT LIABILITIES</b>					
Bonds and private placements	Amortized cost	357,2		357,2	
Loans and debts with credit institutions	Amortized cost	1 132,9		1 132,9	
Loans, debts and current accounts with related parties	Amortized cost	1 911,2		1 911,2	
Derivatives	Fair value through P&L or OCI <sup>(1)</sup>	32,7		32,7	
Trade payables	Amortized cost	152,1		152,1	
Other financial debts	Amortized cost	13,4		13,4	
Bank overdrafts	Amortized cost	17,9		17,9	

<sup>(1)</sup> Other comprehensive income

## NOTE 7 - OTHER BALANCE SHEET ITEMS

## 7.1 CLIENT RECEIVABLES AND OTHER RECEIVABLES

<i>in millions of euros</i>	31/12/2019	Changes during the year	Changes in scope	Other changes	30/06/2020
Gross value	214,4	-4,1	0,0	-0,8	209,6
Impairment	35,4	19,8	0,0	-0,2	55,0
<b>NET VALUE</b>	<b>179,0</b>	<b>-23,9</b>	<b>0,0</b>	<b>-0,6</b>	<b>154,5</b>

## 7.2 OTHER FINANCIAL ASSETS

<i>in millions of euros</i>		31/12/2019	Changes during the year	Changes in scope	Other changes	30/06/2020
Asset balance sheet item	IFRS 9 category					
Equity and other securities	Non-consolidated securities at fair value	135,8	0,3	0,0	1,9	138,0
Loans and receivables issued by the company	Amortized cost	133,1	28,2	0,0	-4,4	156,9
<b>NON-CURRENT FINANCIAL ASSETS</b>		<b>268,9</b>	<b>28,5</b>	<b>0,0</b>	<b>-2,6</b>	<b>294,8</b>
Current financial receivables	Amortized cost	88,2	0,1	0,0	4,5	92,8
Short-term loans and receivables issued by the company	Amortized cost	42,1	-3,1	0,0	-0,7	38,3
<b>CURRENT FINANCIAL ASSETS</b>		<b>130,3</b>	<b>-3,0</b>	<b>0,0</b>	<b>3,8</b>	<b>131,2</b>

## 7.3 LEASE LIABILITIES

<i>in millions of euros</i>	31/12/2019	Changes during the year	Changes in the scope of consolidation	Other changes	Exchange rate differences	30/06/2020
Non-current lease liabilities	135,5	2,4	0,0	-7,7	-1,8	128,4
Current lease liabilities	19,2	-7,7	0,0	7,7	-0,1	19,1
<b>LEASE LIABILITIES</b>	<b>154,8</b>	<b>-5,4</b>	<b>0,0</b>	<b>0,0</b>	<b>-1,9</b>	<b>147,5</b>

## NOTE 8 - GROSS OPERATING INCOME

### 8.1 NET RENTAL INCOME

#### Detail of non-recovered rental expenses

in millions of euros	30/06/2020	30/06/2019
Service charge income	57,3	65,1
Service charge expense	-69,7	- 72,3
<b>NON-RECOVERED RENTAL EXPENSES</b>	<b>-12,4</b>	<b>- 7,1</b>

### 8.2 REVENUES FROM ADMINISTRATIVE MANAGEMENT AND OTHER ACTIVITIES

These revenues essentially include the fees related to the services provided under property management contracts. They can also, at the margin, represent turnover on divers other activities, drawn, for example, from the developing digital activities or catering at some

shopping centres. Revenue from services is booked in the period during which the service is provided.

### 8.3 OTHER GENERAL EXPENSES

Structural costs consist mainly of head office costs, operating expenses of the company and

maintenance expenses and costs related to non-capitalized projects.

## NOTE 9 - INCOME TAXES

### 9.1 CURRENT TAX EXPENSE

The current tax expense is determined on the basis of the applicable provisions (and in particular the approved or quasi-approved tax rates) in each country where the Group's subsidiaries are established for the period to which the results relate to.

### 9.2 TAX ASSETS AND LIABILITIES

#### Non recognised deferred taxes

Deferred tax assets for €64.2 million on 30 June 2020 (€60.5 million on 31 December 2019) relating to tax loss carry-forwards, tax credits and other temporary differences are not booked

because their recovery is not deemed probable under the terms of IAS 12.

<i>in millions of euros</i>	31/12/2019	Recorded through P&L	Recorded through OCI	Reclassifications and others <sup>(1)</sup>	Changes in scope	30/06/2020
Fixed assets	1 105,0	-75,2	0,0	-5,9	0,0	1 023,9
Tax losses carried forward	-8,9	-3,9	0,0	0,3	0,0	-12,6
Other	-10,0	-2,3	-3,6	0,9	0,0	-15,0
<b>DEFERRED TAX ASSETS/LIABILITIES</b>	<b>1 086,1</b>	<b>-81,4</b>	<b>-3,6</b>	<b>-4,7</b>	<b>0,0</b>	<b>996,3</b>

<sup>(1)</sup> including translation differences

### 9.3 INCOME TAX EXPENSES

<i>in millions of euros</i>	30/06/2020	30/06/2019
Expenses/Income		
Current tax	-11,7	-32,8
Adjustments to current taxes and tax adjustments related to previous years	0,1	0,0
Current tax on other operating income and expenses	0,3	-9,4
<b>Current tax</b>	<b>-11,4</b>	<b>-42,2</b>
Variation of temporary differences	75,2	-10,3
Impact of rate changes	0,0	-0,2
Deferred tax on losses carried forward	3,9	2,6
Deferred tax on other operating income and expenses	2,3	-2,0
<b>Deferred tax</b>	<b>81,4</b>	<b>-9,9</b>
<b>TAX EXPENSES</b>	<b>70,0</b>	<b>-52,1</b>

## Effective tax rate (TEI)

The difference between the level of tax resulting from the application of the theoretical tax rate in France and the amount of tax actually recorded during the year is broken down as follows:

<i>in millions of euros</i>	30/06/2020	TEI 30/06/2020	30/06/2019	ETR 30/06/2019
Net result of companies before tax	-324,9		147,2	
Theoretical rate (current French rate)	32,02%		32,02%	
<b>Theoretical tax expenses</b>	<b>-104,02</b>	<b>32,02%</b>	<b>47,14</b>	<b>32,02%</b>
Difference of rates between parent companies and subsidiaries	9,5	-2,93%	-10,9	-7,39%
Difference of deferred tax rate at opening	-0,8	0,26%	1,8	1,24%
Tax reduction, tax credits and taxes at reduced rates	-0,5	0,14%	-0,4	-0,28%
Non-recognised tax losses in the financial year	7,5	-2,32%	6,0	4,09%
Use of non-recognised losses carried forwards	-1,0	0,30%	-2,2	-1,50%
Activation of previous losses	0,0	0,00%	0,0	0,00%
Tax adjustments and adjustments of previous years	-0,1	0,02%	-0,5	-0,36%
Contribution on the added value of companies (CVAE)	0,8	-0,23%	0,9	0,63%
Permanent differences/Non-booked deferred taxes	18,6	-5,72%	10,2	6,90%
<b>Actual tax expense</b>	<b>-70,0</b>	<b>21,54%</b>	<b>52,1</b>	<b>35,35%</b>
<b>TAX EXPENSES</b>	<b>-70,0</b>	<b>21,54%</b>	<b>52,1</b>	<b>35,36%</b>

## NOTE 10 - PROVISIONS AND CONTINGENT LIABILITIES

### 10.1 PROVISIONS

#### 10.1.1 Non-current provisions

<i>in millions of euros</i>	Provisions for litigation	Provisions for employee benefits	Other provisions	TOTAL
<b>TOTAL AT 31/12/2019</b>	<b>1,1</b>	<b>4,2</b>	<b>0,4</b>	<b>5,6</b>
Provisions	0,0	0,2	0,0	0,2
Reversals of used provisions	-0,8	-0,5	-0,1	-1,5
Reversals of non-used provisions	-0,1	0,0	0,0	-0,1
Actuarial differences booked through other comprehensive income	0,0	0,0	0,0	0,0
Reclassifications and other changes	0,0	0,0	0,0	0,0
<b>TOTAL AT 30/06/2020</b>	<b>0,2</b>	<b>3,8</b>	<b>0,3</b>	<b>4,3</b>

#### 10.1.2 Current provisions

<i>in millions of euros</i>	Provisions for litigation	Provisions for employee benefits	Other provisions	TOTAL
<b>TOTAL AT 31/12/2019</b>	<b>2,9</b>	<b>0,0</b>	<b>30,7</b>	<b>33,7</b>
Provisions	0,1		0,0	0,1
Reversals of used provisions	-0,6		0,0	-0,6
Reversals of non-used provisions	-0,2		0,0	-0,2
Actuarial differences booked through other comprehensive income	0,0		0,0	0,0
Reclassifications and other changes <sup>(1)</sup>	-0,2		0,5	0,3
<b>TOTAL AT 30/06/2020</b>	<b>2,0</b>	<b>0,0</b>	<b>31,3</b>	<b>33,3</b>

<sup>(1)</sup> mainly concerns the effects of changes in scope, and the cancellation of the reclassification of negative equity-accounted securities for France

## NOTE 11 - PAYROLL EXPENSES AND EMPLOYEE BENEFITS

### 11.1 PAYROLL EXPENSES

<i>in millions of euros</i>	30/06/2020	30/06/2019
Employee remuneration including social security contributions	-32,6	-32,1
Employee profit-sharing and incentives	-1,0	-2,1
CICE (Tax credit for competitiveness and employment)	0,0	0,0
Employee benefits and share-based payments	-0,0	-0,0
<b>NET AMOUNT IN THE STATEMENT OF COMPREHENSIVE INCOME</b>	<b>-33,6</b>	<b>-34,1</b>



## NOTE 12 - RELATED PARTIES

### 12.1 MAIN TRANSACTIONS

The main transactions carried out with related parties are those carried out:

- with the member companies of Auchan Holding. They relate in particular to financing transactions (presented at Ceetrus level as external financing), any leases granted to Auchan Holding's brands, service provision agreements and a set of contractual relations with the same counterparties. Property development transactions may also be concluded with these counterparties (generally in the form of CPIs or VEFA contracts), and in this context the Group generally undertakes to deliver buildings or sales areas within shopping centres or business parks. Finally, acquisitions or disposals of assets or portfolios of property assets may be concluded between Ceetrus and Auchan Holding, particularly with a view to streamlining Auchan Holding's property management, with Ceetrus being responsible for any property not directly operated by Auchan Holding.
- with companies accounted for under the equity method. These are mainly loans, current account advances and interest paid or received in this context, as well as the fees received by Ceetrus in the framework of the assignments entrusted to it, mainly for the lease and facility management of shopping centres held by these companies accounted for under the equity method.

#### Service agreement with Auchan Holding

The Company has entered into a service agreement with Auchan Holding, the purpose of which is to organise, particularly in certain countries, the supply to Ceetrus SA or its

subsidiaries of services representative of the support functions necessary for its operation, in particular in administrative, accounting and IT domains.

In this context, Ceetrus or its subsidiaries paid an amount of €3.3 million in 30 June 2020 (compared to €8.9 million on 31 December 2019).

#### Property management agreement with Auchan Holding

Ceetrus is currently responsible for, on behalf of Auchan Holding and mainly on the sites jointly operated by Auchan Holding and Ceetrus, the lease management and facility management of the surfaces held by Auchan Holding.

Ceetrus received a fee of €0.2 million for this mission on 30 June 2020 (compared to €1.7 million on 31 December 2019).

#### Loans and current account advances with Auchan Holding

Ceetrus has entered into various loan agreements and current account advances with Auchan Holding. These agreements are concluded under normal conditions. The principal amounts of these loans and current account advances are presented in note 6.2.

#### Acquisition and sale of assets or portfolios of investment properties. Property development operations.

Various acquisition transactions have been concluded with Auchan Holding companies. These transactions may concern either acquisitions of assets or direct sales, or acquisition or disposal transactions via securities transactions. These transactions may be paid in cash or through capital transactions.

## Positions and exchanges with related parties

in millions of euros	30/06/2020	31/12/2019	30/06/2019
<b>Income and expenses</b>			
<b><u>With Auchan Holding</u></b>			
Rents paid to Auchan Holding	11,2	22,4	9,4
Property management fees received by Ceetrus	0,2	1,7	1,3
Service fees paid to Auchan Holding	3,3	8,9	4,6
Income from disposal with Auchan Holding	0,0	5,5	0,7
Net financial expenses of loans, current accounts and advances	7,0	9,1	2,8
Payroll expenses	0,8	2,6	0,6
Miscellaneous costs	2,2	9,5	3,9
<b><u>With Equity Method companies</u></b>			
Financial income from loans and current accounts	3,1	0,8	4,6
Property management fees received by Ceetrus	0,7	2,4	1,3
Miscellaneous costs	-0,3	-0,2	0,0
<b>Assets and Liabilities</b>			
<b><u>With Auchan Holding</u></b>			
<b>Assets</b>			
Trade receivables	9,1	10,7	9,6
Other receivables	41,8	17,6	36,3
Loans and current accounts granted	32,5	34,3	39,7
<b>Liabilities</b>			
Loans and current accounts received	1 894,0	1 743,8	1 684,5
Trade payables	27,2	26,4	12,4
Other debts	11,5	34,2	332,5
<b><u>With Equity Method companies</u></b>			
<b>Assets</b>			
Loans and current accounts granted to EM companies	239,0	198,7	89,4
Receivables	16,1	19,3	8,6
<b>Liabilities</b>			
Loans and current accounts received	2,2	2,3	2,7
Other debts	0,1	0,1	0,1

## NOTE 13 - OFF BALANCE SHEET COMMITMENTS

### 13.1 OFF-BALANCE SHEET COMMITMENTS GIVEN AND RECEIVED

<i>in millions of euros</i>	30/06/2020	31/12/2019
<b>Off-balance sheet commitments related to operating activities</b>	<b>6,3</b>	<b>6,7</b>
Land and buildings purchase options	6,3	6,7
Purchases conditional on future fixed assets	0,0	0,0
<b>Off balance sheet commitments related to financing</b>	<b>958,0</b>	<b>915,8</b>
Off balance sheet commitments received related to financing	0,0	0,0
Off balance sheet commitments given related to financing	399,2	399,4
Debts with guarantees	499,3	516,4
<b>Off balance sheet commitments related to scope</b>	<b>16,9</b>	<b>16,9</b>
Firm commitments to purchase securities	0,0	0,0
Share purchase options	16,9	16,9

#### Commitments related to the scope of consolidation

Ceetrus Luxembourg has share purchase option commitments with respect to the minority interests held in one of its subsidiaries.

#### Commitments related to financing

The off-balance sheet commitments are mainly composed of undrawn credit lines.

#### Commitments related to operational activities

The Group may, as part of its real estate activity (especially housing), have to sign contracts of reservations (or promises of sale) with its clients, whose regularization is subject to the lifting or not of conditions precedent. In addition, the constitution of the land portfolio in this same activity can lead to the signature of purchase commitments on the targeted land, promises which can themselves be subject to the fulfilment of conditions precedent.

## NOTE 14 - OTHER INFORMATION

### 14.1 CAPITAL

	Number of ordinary shares	SHARE CAPITAL <i>in millions of euros</i>
<b>SHARE CAPITAL 30/06/2020</b>	31,790,080	<b>635.8</b>

The capital of Ceetrus SA is 99.99% owned by Auchan Holding.

### 14.2 DIVIDEND DISTRIBUTIONS

The General Assembly of Shareholders held on 18 May 2020 decided not to distribute any dividend.

### 14.3 NET RESULT PER SHARE

Net result per share is determined by dividing net result for the period attributable to common shareholders by the weighted average number of outstanding ordinary shares excluding treasury shares during the period.

Diluted net result per share is calculated by dividing net result for the period attributable to ordinary shareholders by the weighted average number of outstanding ordinary shares excluding treasury shares during the period adjusted for the effects of dilutive options.

#### *Calculation of the weighted average number of shares*

	30/06/2020	30/06/2019
Number of shares in circulation on January 1	31,790,080	31,790,080
Weighted average of capital increases		
Weighted average of capital redemptions		
<b>Weighted average number of shares in circulation (excluding treasury shares) used to calculate basic earnings per share</b>	<b>31,790,080</b>	<b>31,790,080</b>
<b>Weighted average number of shares in circulation (excluding treasury shares) used to calculate diluted earnings per share</b>	<b>31,790,080</b>	<b>31,790,080</b>

#### *Calculation of earnings per share*

<b>Net earnings per share of the consolidated entity</b>		
	30/06/2020	30/06/2019
Weighted average number of shares in circulation:	31 790 080	31 790 080
Net result of the consolidated entity - attributable to owners of the parent (in € million)	-260,9	101,5
<i>Per share (in €)</i>	-8,21	3,19
<b>Diluted earnings per share</b>		
	30/06/2020	30/06/2019
Weighted average number of shares in circulation:	31 790 080	31 790 080
Net result of the consolidated entity - attributable to owners of the parent (in € million)	-260,9	101,5
<i>Per share (in €)</i>	-8,21	3,19

**NOTE 15 - CONSOLIDATION SCOPE**

List of the main companies included in the scope of consolidation:

Country	Companies	% of share		% control		Consolidation method <sup>(1)</sup>	
		06/2020	12/2019	06/2020	12/2019	06/2020	12/2019
<b>France</b>	Ceetrus - SA	100.00	<b>100.00</b>	100.00	<b>100.00</b>	FC	<b>FC</b>
	Ceetrus France -SA	98.40	<b>98.40</b>	98.40	<b>98.40</b>	FC	<b>FC</b>
	Du Petit Menin - SCI	98.40	<b>98.40</b>	100.00	<b>100.00</b>	FC	<b>FC</b>
	Grand Fontenay - SCI	61.12	<b>61.12</b>	62.12	<b>62.12</b>	FC	<b>FC</b>
	Gare du Nord 2024 - SA	64.94	<b>64.94</b>	66.00	<b>66.00</b>	EM	<b>EM</b>
	Immaucom - SA	20.00	<b>20.00</b>	20.00	<b>20.00</b>	EM	<b>EM</b>
	Les Saisons de Meaux - SASU	98.40	<b>98.40</b>	100.00	<b>100.00</b>	FC	<b>FC</b>
<b>Belgium</b>	Ceetrus Finance - SA	100.00	<b>100.00</b>	100.00	<b>100.00</b>	FC	<b>FC</b>
<b>Spain</b>	C.C Zenia. Sociedad Limitada - LLC	48.92	<b>48.92</b>	50.00	<b>50.00</b>	EM	<b>EM</b>
	Ceetrus Urban Player Spain - S.A.U - SA	97.84	<b>97.84</b>	100.00	<b>100.00</b>	FC	<b>FC</b>
<b>Hungary</b>	Ceetrus Hungary - KFT	98.72	<b>98.72</b>	98.72	<b>98.72</b>	FC	<b>FC</b>
<b>Italy</b>	Galleria Cinisello - SRL	50.00	<b>50.00</b>	50.00	<b>50.00</b>	EM	<b>EM</b>
	Ceetrus Italy – SPA	100.00	<b>100.00</b>	100.00	<b>100.00</b>	FC	<b>FC</b>
	Patrimonio Real Estate - SPA	49.99	<b>49.99</b>	49.99	<b>49.99</b>	EM	<b>EM</b>
	Gallerie Commerciali Sardegna - SRL	50.23	<b>50.23</b>	50.23	<b>50.23</b>	FC	<b>FC</b>
<b>Luxembourg</b>	Galerie Commerciale de Kirchberg - SA	20.00	<b>20.00</b>	20.00	<b>20.00</b>	EM	<b>EM</b>
	Joseph Bech Building Kirchberg S.N.C	100.00	<b>100.00</b>	100.00	<b>100.00</b>	FC	<b>FC</b>
	Kubik Kirchberg - SA	100.00	<b>100.00</b>	100.00	<b>100.00</b>	FC	<b>FC</b>
	LCO1 - SA	85.00	<b>85.00</b>	85.00	<b>85.00</b>	FC	<b>FC</b>
<b>Poland</b>	Ceetrus Polska - sp z.o.o.	99.49	<b>99.49</b>	99.49	<b>99.49</b>	FC	<b>FC</b>
<b>Portugal</b>	Alegro Alfragide - SA	49.31	<b>49.31</b>	50.00	<b>50.00</b>	EM	<b>EM</b>
	Alegro de Setubal - SA	49.31	<b>49.31</b>	50.00	<b>50.00</b>	EM	<b>EM</b>
	Brafero - SA	98.29	<b>98.29</b>	100.00	<b>100.00</b>	FC	<b>FC</b>
	Ceetrus Portugal - SA	98.29	<b>98.29</b>	100.00	<b>100.00</b>	FC	<b>FC</b>
	Alegro Montijo - SA	98.29	<b>98.29</b>	100.00	<b>100.00</b>	FC	<b>FC</b>
	Alegro Sintra - SA	98.29	<b>98.29</b>	100.00	<b>100.00</b>	FC	<b>FC</b>
	Neutripromo - SA	49.14	<b>49.14</b>	50.00	<b>50.00</b>	EM	<b>EM</b>
	Sintra Retail Park - SA	98.29	<b>98.29</b>	100.00	<b>100.00</b>	FC	<b>FC</b>
<b>Romania</b>	Ceetrus Romania - LLC	100.00	<b>100.00</b>	100.00	<b>100.00</b>	FC	<b>FC</b>
	Coresi Business Park - SA	100.00	<b>100.00</b>	100.00	<b>100.00</b>	FC	<b>FC</b>
<b>Russia</b>	Ceetrus LLC - SARL	99.25	<b>99.25</b>	100.00	<b>100.00</b>	FC	<b>FC</b>
<b>Ukraine</b>	Ceetrus Ukraine - LLC	100.00	<b>100.00</b>	100.00	<b>100.00</b>	FC	<b>FC</b>

(1) FC: Full Consolidation; EM: Equity Method

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**CEETRUS S.A.**

**Rapport d'examen limité des commissaires aux comptes  
sur les états financiers semestriels consolidés résumés (Période  
du 1<sup>er</sup> janvier au 30 juin 2020)**

## **Rapport d'examen limité des commissaires aux comptes sur les états financiers semestriels consolidés résumés**

**(Période du 1<sup>er</sup> janvier au 30 juin 2020)**

Au directeur général

**CEETRUS S.A.**  
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59650 VILLENEUVE D'ASCQ

En notre qualité de commissaires aux comptes de la société Ceetrus SA et en réponse à votre demande, nous avons effectué un examen limité des états financiers semestriels consolidés résumés de Ceetrus SA relatifs à la période du 1<sup>er</sup> janvier au 30 juin 2020, (ci-après « les comptes »), tels qu'ils sont joints au présent rapport.

Ces états financiers semestriels consolidés résumés ont été établis sous la responsabilité du conseil d'administration le 3 septembre 2020 sur la base des éléments disponibles à cette date dans un contexte évolutif de crise liée au COVID-19 et de difficultés à appréhender ses incidences et les perspectives d'avenir. Il nous appartient, sur la base de notre examen limité, d'exprimer notre conclusion sur ces comptes.

Nous avons effectué notre examen limité selon les normes d'exercice professionnel applicables en France et la doctrine professionnelle de la Compagnie nationale des commissaires aux comptes relative à cette intervention. Un examen limité consiste essentiellement à s'entretenir avec les membres de la direction en charge des aspects comptables et financiers et à mettre en œuvre des procédures analytiques. Ces travaux sont moins étendus que ceux requis pour un audit effectué selon les normes d'exercice professionnel applicables en France. En conséquence, l'assurance que les comptes, pris dans leur ensemble, ne comportent pas d'anomalies significatives, obtenue dans le cadre d'un examen limité est une assurance modérée, moins élevée que celle obtenue dans le cadre d'un audit.

Sur la base de notre examen limité, nous n'avons pas relevé d'anomalies significatives de nature à remettre en cause la conformité des comptes avec la norme IAS 34, norme du référentiel IFRS tel qu'adopté dans l'Union européenne relative à l'information financière intermédiaire.

Ce rapport est régi par la loi française. Les juridictions françaises ont compétence exclusive pour connaître de tout litige, réclamation ou différend pouvant résulter de notre lettre de mission ou du présent rapport, ou de toute question s'y rapportant. Chaque partie renonce irrévocablement à ses

droits de s'opposer à une action portée auprès de ces tribunaux, de prétendre que l'action a été intentée auprès d'un tribunal incompétent, ou que ces tribunaux n'ont pas compétence.

Neuilly-sur-Seine et Paris La Défense, le 4 septembre 2020

Les commissaires aux comptes

PricewaterhouseCoopers Audit



Jean-Baptiste DESCHRYVER  
Associé

KPMG S.A.



Sandie TZINMANN  
Associée