MRM

2018 Registration Document

This Registration Document was filed with the French Financial Markets Authority (*Autorité des Marchés Financiers* - AMF) on 26 April 2019 in accordance with Article 212–13 of its General Regulations. It may be used for the purposes of a financial transaction if supplemented by a transaction summary ("*note d'opération*") approved by the AMF. This document was prepared by the issuer and the signatories are responsible for its contents.

Copies of this Registration Document are available free of charge from M.R.M. at 5 avenue Kléber - 75016 Paris, France and on its website (http://www.M.R.M.invest.com) and the AMF's website (http://www.amf-france.org).

Pursuant to Article 28 of European Regulation (EC) 809/2004, the following information is incorporated by reference in this Registration Document:

- the corporate and consolidated financial statements, and the Statutory Auditors'reports on the corporate and consolidated financial statements for the year ended 31 December 2017, presented on pages 107 to 116, 70 to 103, 117 to 120 and 104 to 106 of the Registration Document filed with the AMF under number D. 18-0423 filed on 27 April 2018;
- the corporate and consolidated financial statements, and the Statutory Auditors'reports on the corporate and consolidated financial statements for the year ended 31 December 2016, presented on pages 104 to 113, 74 to 101, 114 to 115 and 102 to 103 of the Registration Document filed with the AMF under number D. 17-0443 filed on 27 April 2017.

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INFORMATION ON M.R.M.'S ACTIVITIES

1.

1.1 General presentation of the Company

A listed real estate company and a SIIC (real estate investment trust) since 1 January 2008, M.R.M. holds a property asset portfolio valued at €164.7 million excluding transfer taxes, as of 31 December 2018, essentially made up of retail properties in several regions of France.

Since 29 May 2013, M.R.M.'s main shareholder has been SCOR SE which owns 59.9% of the share capital. Since then, M.R.M.'s strategy has been to refocus its business on holding and managing retail properties with plans to gradually dispose of its office properties.

In 2018, the Group completed its refocusing strategy with the disposal of Nova, its last office property in operation, in the first half of the year. In addition, M.R.M. continued to deploy its investment plan dedicated to existing retail properties, while continuing to market its available spaces.

M.R.M. is a joint-stock company whose shares are admitted to trading on the Euronext Paris regulated market, compartment C (ISIN: FR0000060196 - Bloomberg code: M.R.M. FP - Reuters code: M.R.M. PA). It implements an active value-enhancement and asset management strategy, combining yield and capital appreciation.

1.2 Key figures

1.2.1 The Group's asset profile

Data as of 31 December 2018

As of 31 December 2018, the M.R.M.'s asset portfolio consisted solely of retail assets and one unoccupied office building under a sale agreement [(1)].

Property asset portfolio	31/12/2018
Portfolio [(1)] value excluding transfer taxes recognised in the consolidated financial statements	€164.7m
Total area	94,400m^2
Value breakdown	97% retail/3% office properties
Disposals carried out in 2018	€37.2m

(1) Based on appraisals by Jones Lang LaSalle as of 31 December 2018.
The asset portfolio increased by 1.5% compared with 31 December 2017 on a like-for-like basis. The changes in the asset portfolio, as recorded in the consolidated financial statements at 31 December 2018 (see Section 3.7 of this Registration Document), stem mainly from the increase in capitalisation rates and the decrease in market rental values, retained by the appraisers, which more than offset the solid progress made in the retail-property value-enhancement plans during the year.

The Group values its property assets twice a year. In order to comply with the SIIC Code of professional conduct, the Group put in place a rotation system for its appraisers in 2013; this rotation ended as of 31 December 2015.

The Group's entire asset portfolio was appraised by Jones Lang LaSalle as of 31 December 2018. This firm is independent: it has no links and no conflict of interest with the Company.

The valuations were carried out using recognised methods which are consistent over time in accordance with French and international valuation standards, namely the *Charte de l'expertise en évaluation immobilière* (French property valuation charter) applied by all French property valuation associations and the RICS principles ("Appraisal and Valuation Manual" published by the Royal Institution of Chartered Surveyors). The previous valuations were carried out in June 2018.

(1) The Urban office property in Montreuil, sold in January 2019.

The methodology chosen by the appraiser is based on the combined implementation of different valuation techniques, namely the capitalisation approach and the discounted future cash flow approach.

Appraiser's details

Jones Lang LaSalle Expertises

40-42 rue La Boétie

75008 Paris FRANCE

Tel.: +33 (0)1 40 55 15 15

Methodology

All appraisal valuations are based on an in-depth visit of the property assets.

In addition, the experts consult the legal, administrative, technical and financial documentation relating to each of the property assets. Consultation of the documentation for the properties is a vital first step to any asset valuation. On a case by case basis, depending on the specific attributes of each property, the valuation phase uses the following methods in accordance with the definitions of the French property valuation charter.

Ownership and occupancy

The appraiser uses information provided by the Company concerning the type of ownership, its scope, the vesting of rights to the property, authorised uses and other information.

The appraiser assumes that this information is accurate, up to date and complete and that the properties comply with applicable laws and regulations.

Town planning and roads

As regards town planning and roads, the information collected verbally from responsible local authorities is assumed to be accurate. No town planning deeds or certificates are requested within the framework of appraisal valuations. The appraiser also checks that there are no town planning or roadway projects planned that could result in a forced sale or directly affect ownership of the properties in question.

Areas

Areas are generally not measured by the appraiser.

The areas stated are those provided by the architects or the property managers and are assumed to be accurate.

Equipment and material

Appraisal valuations include equipment and facilities normally considered to form part of the property's fixtures and fittings and which would remain attached to the property if it is sold or let. Equipment and material and their specific foundations and supports, furniture, vehicles, stock and operating tools, as well as tenants' equipment, are excluded from valuations.

Properties under construction or redevelopment

For properties under construction or redevelopment, the appraiser sets out the stage of the development, expenditure already committed as well as future expenditure on the date of the valuation, according to the information supplied by the Company. Contractual commitments of the parties involved in the construction and any figures for estimated expenditure obtained from the consultants working on the project are taken into account.

For recently completed properties, retentions, construction expenses in the process of being settled, fees, or any other expenditure for which a commitment has been made, are not taken into account.

Realisation costs

In their valuations, appraisers do not take account of transaction costs, any taxes that may be payable if the property is sold or any mortgages or other financial commitments relating to the property. Valuations are exclusive of VAT.

Asset valuation methods

The conclusions formed by the appraisers refer to the notion of monetary value and the notion of rental value.

Market rental value is "the financial compensation likely to be obtained on the market for the use of a property under a lease. It corresponds to the market rent a property must be able to fetch under standard lease terms and conditions for a given type of property in a given area." [1]

The market monetary value of a property is "the price at which a property right could be reasonably sold in a private market at the time of the appraisal provided that the following conditions are met beforehand:

- buyer and seller freely engage in the transaction;
- negotiations take place in a reasonable time period in view of the nature of the property and market conditions;
- the value of the property is more or less stable during this time period;
- the entire property is put up for sale under market conditions with the sale suitably advertised;
- there are no pre-existing ties between buyer and seller." [1]

(1) Source: Property valuation charter (Fifth edition, March 2017).

Income capitalisation approach

These methods consist, on the basis of either reported or existing income, or theoretical or potential income (market rent or market rental value), of capitalising this income by applying a yield rate.

Income-based methods are also known as "income capitalisation" or "return" methods. They can be applied in a number of ways depending on the income base in question (effective rent, market rent, net income) to which specific yield rates correspond.

The capitalisation rates correspond to the yield on the seller's side or with a view to a management year. The capitalisation rate expresses, as a percentage, the relationship between the gross or net income of the property and its monetary value. It is called gross or net depending on whether the gross or net income of the property is chosen.

As of 31 December 2018, the average capitalisation rate of the Group's asset portfolio was 5.8%.

The yield rate corresponds to the yield for the buyer or investor. The yield rate is the ratio, expressed as a percentage, of the gross or net income of the property to the capital committed by the buyer (acquisition price + transfer fees and duties = gross monetary value incl. commission and fees).

Discounted cash flow method

This forward-looking method is based on estimating income and expenses relating to the property, determining a "final" or exit value after the analysis period, and discounting all cash flows.

Over a given period and on a forward-looking basis, it involves anticipating all events (reflected as financial flows) that will have a positive or negative impact on the life of the property (rents, charges, vacancies, works, etc.). By discounting, all future financial flows are stated at today's value in order to determine the present value of the property.

Summary of appraisal valuations by segment of activity

Retail	31/12/2018
Appraiser	Jones Lang LaSalle
Date of the latest visits	58% of assets [1] visited less than 12 months ago 28% of assets [1] visited 12-24 months ago 14% of assets [1] visited more than 24 months ago
Type of ownership	16 assets held in full title 1 asset held in co-ownership 3 assets held in "*lots de volume*"
Appraisal value excluding transfer taxes	€159.3m
Value in the consolidated financial statements	€159.3m
Capitalisation rates	Between 4.5% and 12.6% (i.e. 5.8% on average)
Net yield rate	Between 4.3% and 11.8% (i.e. 5.4% on average)
Occupancy rate [2]	84%
Offices	**31/12/2018**
Appraiser	Jones Lang LaSalle
Date of the latest visits	100% of assets [1] visited more than 12 months ago
Type of ownership	1 asset held in co-ownership
Appraisal value excluding transfer taxes	N/A
Value in the consolidated financial statements	€5.4m
The property under sale agreement as of 31 December 2018 was not appraised at that date. It is booked in the consolidated financial statements for the amount of the sale agreement, net of the costs related to the sale and of the part of the selling price for which payment is deferred.	
Capitalisation rates	N/A
Net yield rate	N/A
Occupancy rate [2]	0%

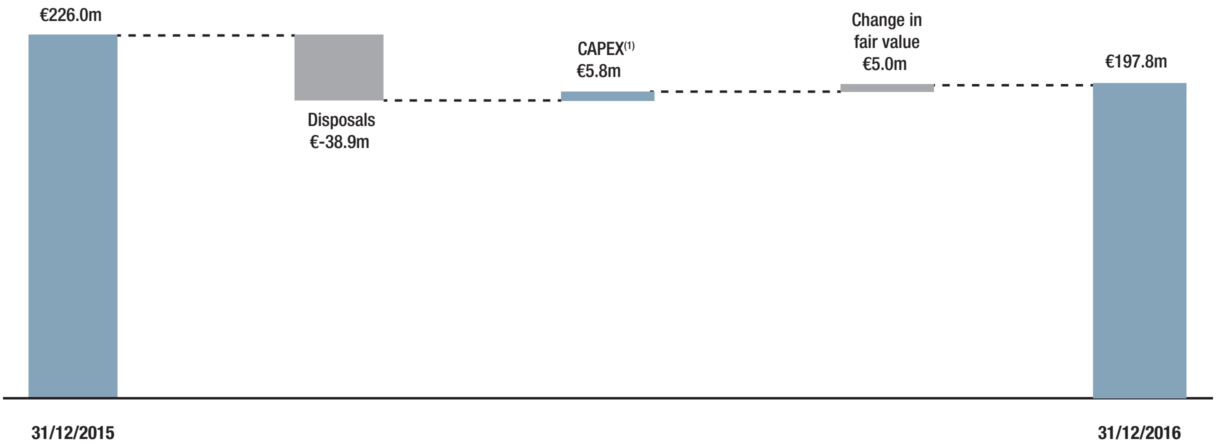
(1) By value as of 31 December 2018.
(2) Ratio of area let to area available for letting in buildings in operation as of 1 January 2019.

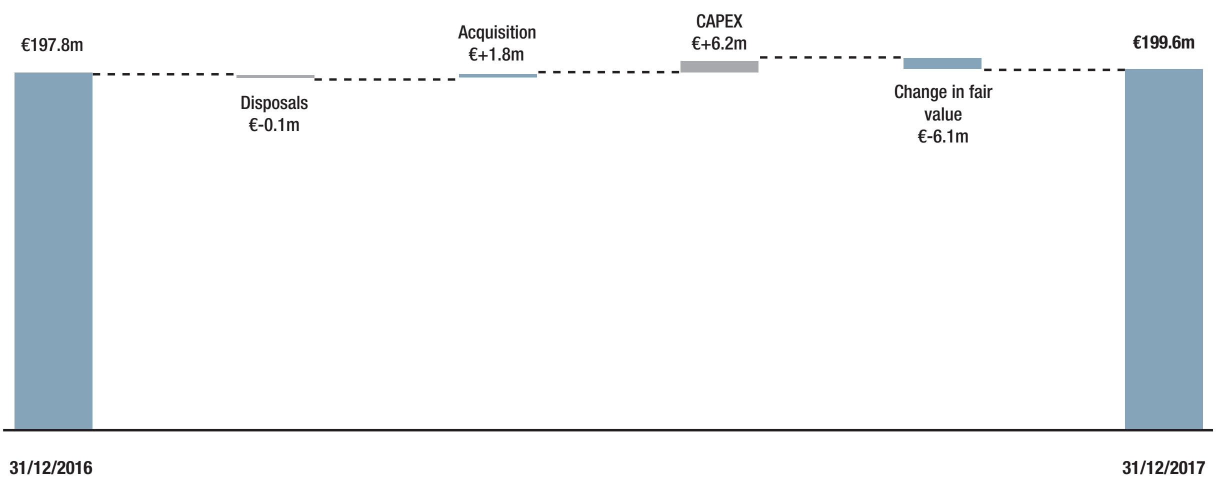
1.2.2 Financial data

IFRS simplified balance sheet

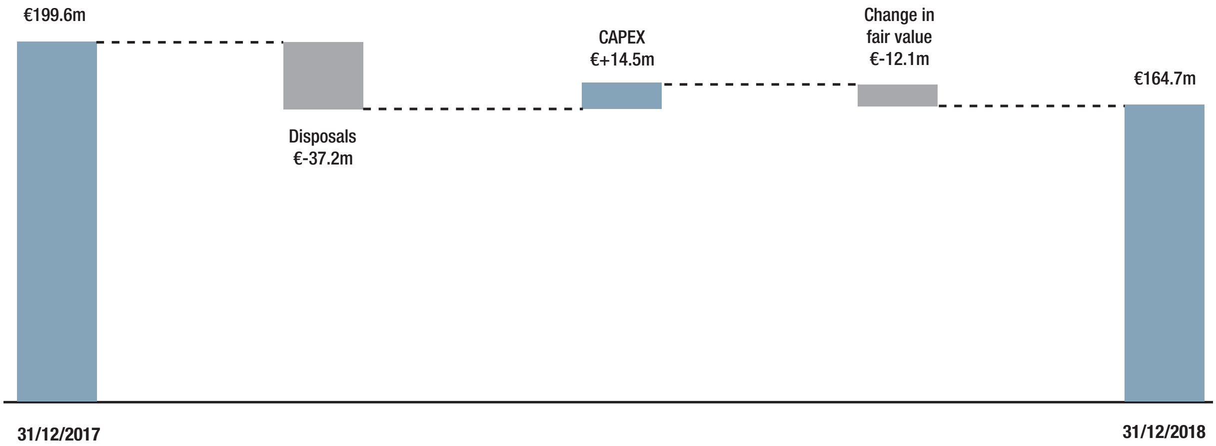
(in millions of €)	31/12/2018	31/12/2017	31/12/2016
Investment properties	159.1	158.5	152.8
Assets held for sale	5.7	41.1	45.0
Current receivables/assets	6.3	7.0	8.9
Cash and cash equivalents	13.5	13.4	25.0
TOTAL ASSETS	**184.6**	**219.9**	**231.8**
Equity	102.7	118.0	127.4
Financial debt	74.1	95.3	96.0
Other debts and liabilities	7.8	6.6	8.3
TOTAL LIABILITIES	**184.6**	**219.9**	**231.8**

The value excluding transfer taxes of the Group's asset portfolio changed as follows over the past three years:





(1) *Excluding CAPEX carried out on Cap Cergy, an office building sold in 2016.*

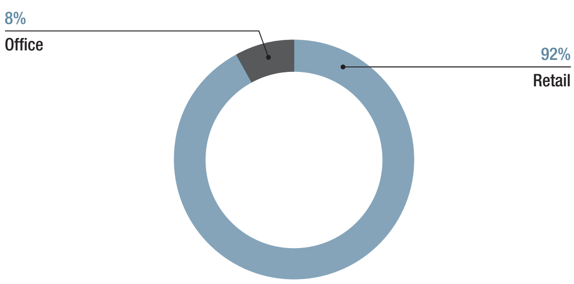


IFRS simplified income statement

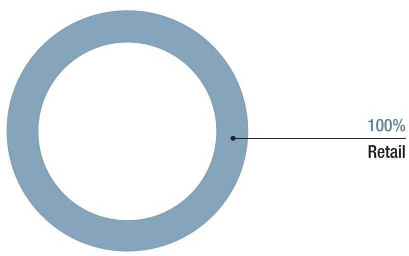
(in millions of €)	2018	2017	2016
GROSS RENTAL REVENUES	9.5	11.2	13.0
Property expenses not recovered	-2.9	-3.4	-3.5
NET RENTAL REVENUES	6.7	7.8	9.5
Operating expenses	-2.5	-2.8	-3.2
Provisions net of reversals	-0.2	0.3	-0.8
Other operating income and expenses	-0.3	-1.4	0.6
OPERATING INCOME BEFORE DISPOSALS AND CHANGE IN FAIR VALUE	3.7	4.0	6.1
Result on disposals of properties	-0.1	0.0	-2.8
Change in fair value of investment properties	-12.1	-6.4	4.3
OPERATING INCOME	-8.5	-2.5	7.5
Net borrowing cost	-1.5	-1.9	-1.9
Other operating income and expenses	-0.4	-0.2	-0.5
NET INCOME BEFORE TAX	-10.4	-4.6	5.1
CONSOLIDATED NET INCOME	**-10.4**	**-4.6**	**5.1**
NET EARNINGS PER SHARE *(IN EUROS)*	**-0.24**	**-0.11**	**0.12**

Gross and net rental revenues for 2018 break down as follows:

► BREAKDOWN OF GROSS RENT



► BREAKDOWN OF NET RENT



Debt

As of 31 December 2018, the Group's total outstanding debt stood at €74.1 million, equivalent to 45.0% of the portfolio value excluding transfer taxes. During the financial year, Group debt narrowed by €21.2 million as a result of:

- the repayment, on 15 May 2018, following the sale of the Nova property, of the €22.0 million loan granted by M.R.M.'s majority shareholder, SCOR SE; and
- contractual amortisation throughout the year, totalling €2.9 million; partially offset by;
- draw-downs in the amount of €3.4 million on the available credit line facility intended for the partial financing of investments on existing retail property assets.

As of 31 December 2018, 85% of the Company's bank loans were contracted at fixed rates. The variable-rate bank loans were partially hedged by means of an interest rate cap. The average cost of debt in 2018 was 168 basis points, down 15 points on 2017 as a result of the Group deleveraging.

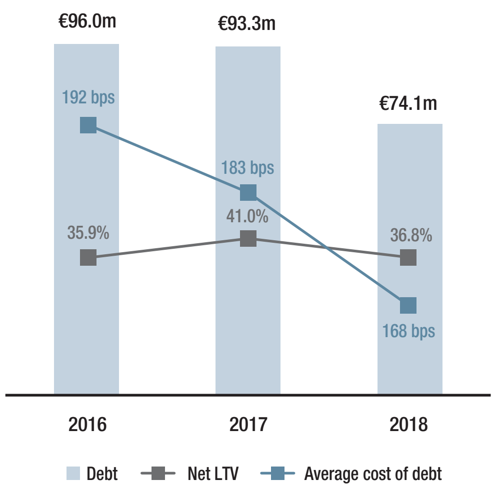
As of 31 December 2018, taking into account cash and cash equivalents available for a total of €13.5 million, the Group's total net debt was €60.6 million, representing 36.8% of the portfolio value excluding transfer taxes.

As of 31 December 2018, the Group complied with all of its commitments to its banking partners with regard to its LTV covenants, which have maximum thresholds of 47.3% to 65.0%, and in terms of its ICR/DSCR covenants, which have minimum thresholds of between 130% and 300%.

	31/12/2018	31/12/2017	31/12/2016
FINANCIAL DEBT	€74.1m	€95.3m	€96.0m
Average cost of debt (1)	168 bps	183 bps	192 bps
CASH AND CASH EQUIVALENTS	€13.5m	€13.3m	€25.0m
LOAN TO VALUE (LTV) (2)	**45.0%**	**47.7%**	**48.5%**
TOTAL NET DEBT (3)	**36.8%**	**41.0%**	**35.9%**

(1) Excluding the impact of ancillary costs.
(2) Debt on the appraisal value excluding transfer taxes.
(3) Net debt in cash and cash equivalents over asset portfolio appraisal value excluding transfer taxes.

The Group's total debt changed as follows over the past three years:



Maturity of loans and hedging of bank debt

As of 31 December 2018, 85% of the Company's bank loans were contracted at fixed rates and 70% of its variable-rate bank loans were partially hedged by way of an interest rate cap based on the 3-month Euribor at a strike rate of 1.25%.

As of 31 December 2018, the loan repayment schedule (apart from any property disposal repayments) was as follows:

Loan maturities	Amount	In%
2019	€1.8m	2.5%
2020	€2.2m	3.0%
2021	€48.7m	65.8%
2022	€21.3m	28.8%
TOTAL	**€74.1m**	**100%**

Debt maturing within a year comprises the contractual repayments to be made over the next 12 months.

Factoring in draw-downs on the available credit line facility for the partial financing of investments on existing retail property assets, the amount of available credit as of 31 December 2018 totalled €6.3 million.

Net Asset Value and Balance Sheet

The NAV is an indicator which measures the realisable value of a real estate company. It represents the difference between the value of the Group's portfolio (as assessed by independent appraisers) and the sum of the debts. The Group's NAV was not restated insofar as investment property and property held for sale were entered at "market value" on the Group's consolidated balance sheet as of 31 December 2018.

The European Public Real Estate Association ("EPRA") has set the following benchmark indicators:

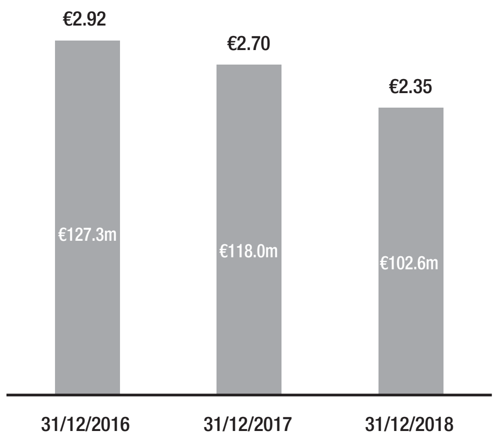
- EPRA NAV, which consists of the revalued equity of the Group, i.e. based on the fair value of consolidated assets and liabilities. It corresponds to the long-term intrinsic value of the real estate company;
- EPRA NNNAV, which is composed of the EPRA NAV, incorporating the fair value excluding transfer taxes of investment properties, properties held for sale, as well as financial instruments and debts. It represents the immediate value of the real estate company;
- replacement NAV corresponds to the EPRA NAV after integration of transfer taxes determined according to appraisals made by independent appraisers.

As of 31 December 2018, the Group's EPRA NNNAV was €2.35 per share and its replacement NAV was €2.60 per share, compared with €2.70 per share and €3.05 per share respectively as of 31 December 2017.

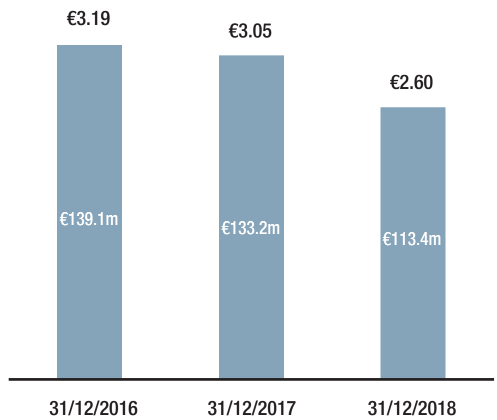
The Net Asset Value in euros per share changed as follows over the past three years:

NAV Data	31/12/2018	31/12/2017	31/12/2016
EPRA NNNAV	€102.6m	€118.0m	€127.3m
EPRA NNNAV/share	€2.35	€2.70	€2.92
Replacement NAV/share	€2.60	€3.05	€3.19

► EPRA NNNAV



► REPLACEMENT NAV



Cash flow statement

The simplified cash flow statement for the past three years is as follows:

(in millions of €)	31/12/2018	31/12/2017	31/12/2016
CONSOLIDATED NET INCOME	-10.4	-4.6	5.1
CASH FLOW	3.6	3.5	6.7
Change in operating working capital	0.8	-1.8	0.4
Change in cash flow from operations	4.4	1.7	7.1
Change in cash flow from investing activities	24.0	-7.9	26.9
Change in cash flow from financing activities	-28.3	-5.4	-22.4
NET CHANGE IN CASH AND CASH EQUIVALENTS	0.1	-11.6	11.6
Opening cash and cash equivalents	13.4	25.0	13.4
Closing cash and cash equivalents	13.5	13.4	25.0

1.3 Company history

M.R.M. was initially a holding Company at the head of a group organised around three business lines: manufacturing and sales of velvet products (JB Martin), clothing design and retailing in Mexico (Edoardos Martin), and the production and sale of plastic tubes and cables (M.R. Industries). In the early 2000s, M.R.M. began to actively refocus on its two primary business lines and gradually sell off all companies in the M.R. Industries business line, which was sold, together with its only subsidiary, Tecalemit Fluid System, on 29 June 2007 to JB Martin Holding for €1.

29 June 2007: Dynamique Bureaux, a property investment company managed by CB Richard Ellis Investors, took control of M.R.M., then listed on the Euronext Paris Eurolist, by acquiring 70.03% of its share capital. Before the acquisition, M.R.M. had sold all of its operational businesses grouped under the subsidiary JB Martin Holding.

31 July 2007: Dynamique Bureaux launched a simplified takeover bid for the remainder of M.R.M.'s shares.

30 August 2007: after the simplified takeover bid, Dynamique Bureaux held 96.93% of M.R.M.'s share capital and voting rights.

28 September 2007: M.R.M. began to carry out its first acquisitions of office buildings through property companies.

9 November 2007: after the AMF approved the E. 07-163 document on 8 November 2007, M.R.M. announced its plans to turn itself into a mixed listed real estate investment Company. This was undertaken via the takeover of Dynamique Bureaux by M.R.M. and the contribution by Commerces Rendement of its shares (directly and indirectly with the contribution of all of Investors Retail Holding's shares, a company whose sole assets were its holdings in Commerces Rendement).

12 December 2007: the M.R.M. General Meeting of shareholders approved the following items and transactions:

- contribution of all Commerces Rendement shares not held by Investors Retail Holding;
- contribution of all shares in Investors Retail Holding;
- takeover of Dynamique Bureaux;
- cooption of directors on 29 June 2007;
- transfer of the Company's head office to 65/67 avenue des Champs-Élysées, Paris (8^{th} *arrondissement*);
- drafting of the Company's Articles of Association;
- authorisation to carry out capital increases.

30 January 2008: M.R.M. opted for SIIC (*Société d'investissements immobiliers cotée* – real estate investment trust) status from 1 January 2008.

The tax regime for SIICs, set out in Article 208 C of the French General Tax Code, exempts eligible companies opting for this status from corporate tax on income from letting buildings and from capital gains tax on sales of buildings and shares in real estate companies.

Conditions for eligibility are twofold:

- at least 80% of the Company's business must derive from property holding and management (the "business" condition);
- no single shareholder may hold more than 60% of the share capital and voting rights of the Company, and at least 15% of the share capital and voting rights must be held by a combination of shareholders representing no more than 2% of the share capital and voting rights (the "shareholding" condition).

A company must opt for the SIIC status before the end of the fourth month from the beginning of the financial period for which it requests application of the regime. It takes effect as from the first day of the applicable financial period and is irrevocable. The resulting change in tax status gives rise to the discontinuation of a company's business (taxation of unrealised capital gains, payment of any deferred tax and any unpaid corporate tax on operating income).

Corporate tax on unrealised capital gains, deferred taxes, and corporate tax on untaxed profits, levied at 16.5% (generally referred to as exit tax), must be paid in instalments of 25% on 15 December of the first year of the option and each subsequent year.

SIICs and their subsidiaries having opted for the special tax regime are exempt from corporate tax on the portion of their earnings from:

- letting properties, provided that 95% of such earnings are distributed before the end of the financial period in which they are generated;
- capital gains on disposals of buildings, shares in partnerships as defined by Article 8 of the French General Tax Code with an identical purpose to that of a SIIC, and/or shares in subsidiaries having opted for the special tax regime, provided that 60% of such capital gains are distributed before the closing of the second financial period following their realisation;
- dividends received from subsidiaries having opted for the special tax regime and deriving from tax-exempt income or capital gains, provided that they are entirely redistributed during the financial period following the dividend payout.

25 March 2008: M.R.M. joined the Euronext IEIF SIIC index.

7 March 2013: M.R.M. signed an investment agreement with SCOR SE under which the latter took a majority interest in M.R.M.'s share capital.

13 May 2013: M.R.M.'s General Meeting of shareholders approved the Company's recapitalisation, provided for in the investment agreement signed on 7 March 2013 with SCOR SE, along with the following items and transactions subject to carrying out the recapitalisation:

- appointment of directors;
- reduction of the Company's share capital by lowering the par value of shares;
- allocating negative retained earnings to additional paid-in capital;
- capital increase without subscription rights in favour of SCOR SE;
- conversion into Company shares of the bonds issued by DB Dynamique Financière;
- issue and award of Company stock options free of charge to Company shareholders whose shares are registered on the day preceding the date on which the capital increase reserved for SCOR SE is carried out.

29 May 2013: the recapitalisation provided for in the investment agreement signed with SCOR SE on 7 March 2013 was carried out. This notably resulted in the acquisition of a 59.9% majority stake by SCOR SE in the share capital of M.R.M., as well as the conversion into M.R.M. shares of all of the bond issue for a nominal amount of €54.0 million issued by DB Dynamique Financière, a fully owned subsidiary of M.R.M. Since SCOR SE's capital stake in M.R.M. is less than 60%, M.R.M. still benefits from its SIIC status and the advantageous tax system that goes with it. M.R.M.'s head office was moved to 5, avenue Kléber, Paris (16th *arrondissement*).

1.4 Presentation of the Company

The market data presented in this section were taken from reports published by CBRE and Cushman & Wakefield.

Further details on the M.R.M. group are given in paragraph 1.3 of the management report in Section 3.6 of this Registration Document.

1.4.1 General presentation of the activity

The purpose of M.R.M. as a real estate company is the acquisition, holding, value-enhancement, rental and arbitrage of property assets. The Group's portfolio consists of stabilised properties and properties with value-enhancement opportunities.

Growth lies in increasing rental revenues through improving the occupancy rate of properties and reducing property expenses, enhancing property value and in combining internal development with growth via acquisitions.

The Group operates on the retail property market which has its own characteristics. These businesses require in-depth knowledge of the investing and rental markets, of laws and regulations, and of the competitive environment.

Retail properties

Retail property is a highly specific market segment subject to a particular economic and regulatory sector. The trends in this market are expanded upon in Section 1.4.2 "The real estate market in 2018 and the retail segment". The development of retail and distribution can be observed in the endurance of suburban retail parks and the refurbishment of existing town-centre facilities. In addition, the size and demography of the French market foster the development of chains by domestic and international retailers. Furthermore, e-commerce is also developing strongly and represents a significant distribution channel in certain consumer sectors (travel ticketing, electronic and cultural goods, etc.). The food trade continues to play an important role in French retailing given the behavioural patterns of French consumers in this sector.

These retailers are now operating in most large cities in France, and are beginning to penetrate deeper into the territory by opening outlets in smaller catchment areas, although continuing to scrutinise entry conditions, given the difficult economic environment.

The balance of power between tenants and lessors is determined by the strength of the retail property and business, which belongs to the tenants and therefore strongly influences their attachment to the premises, and by the regulation of available supply of premises, which is determined by the authorisation required prior to opening any mid-size or mass retail outlet, governed by urban planning laws. These changes are being followed closely by players in this market.

As a consequence, investments made in commercial property are subject to a lesser extent to the vacancy constraints known in other property sectors.

Due to the volatility of the once-customary construction cost index (ICC), a new index was set up and made mandatory, namely the retail rents index (ILC) incorporating certain retail activity indicators by volume to weight the ICC.

The competitive environment in which the Company operates includes a certain number of French and international listed real estate companies specialising in retail property, such as Unibail-Rodamco-Westfield, Klépierre, Mercialys and Altaréa, as well as many other operators such as the property arms of mass retailers and asset managers, small and medium-sized specialised real estate companies, investment funds, and other dedicated vehicles.

Policy of enhancing asset value and refocusing on retail properties

At the outset, the Group had a mixed portfolio of office and retail property assets with potential for improving rental yields and as such enhancing value.

In 2013, the Group announced its intention to refocus its business on retail properties and to gradually dispose of its office properties. M.R.M.'s portfolio refocusing is now complete with the sale of the Group's last two office buildings: Nova, located in La Garenne-Colombes, in May 2018, and Urban, located in Montreuil, in January 2019.

Between 2013 and 2019, the Group sold a total of nine office buildings, for a cumulative amount of €132.3 million excluding transfer taxes, 9.8% more than the properties' appraisal values at 30 June 2013 taking into account CAPEX invested over the period.

The Group's strategy notably involves enhancing the attractiveness of its assets and exploiting their potential for value-enhancement by refurbishing them and upgrading them to meet the best market standards, by bringing their rental revenues back into line with market rates and undertaking extensions where possible. The Group has undertaken a major investment programme aimed at enhancing the value of its current retail asset portfolio. It represents a total projected investment of €35.5 million, of which €34.0 million was already invested as of 31 December 2018. The Group is also looking at opportunities to acquire or dispose of retail assets as part of a dynamic approach to portfolio management.

1.4.2 The real estate market in 2018 and the retail segment

France Investment

Source: CBRE Research, Q4 2018 "Market View – France Investment".

Ever higher volumes, where will it end?

Exceptional results

Thanks to a dynamic international environment fuelled by a persistently attractive rate spread, a favourable yield/risk ratio and an abundance of capital, the French commercial real estate investment market was highly competitive on the European level. The market's solid fundamentals (depth, transparency, liquidity) were amplified by a clearly improved economic - and therefore leasing - context. This is the result of the return of more solid growth with its positive net absorption (though somewhat dampened by the recent mass demonstrations), as well as a generalised corporate focus on real estate reorganisation, across all sectors. Furthermore, as announced at the beginning of 2018, the return of foreign investors was confirmed, an outcome of the so-called Macron effect as well as of investors taking action and seeking refuge in the wake of major uncertainty currently affecting our closest neighbours.

Overall total investment volume once again increased noticeably. As of 1 January 2019, €30.5 billion (+8% year-on-year) were invested. This volume will undoubtedly prove higher in the coming weeks as results come in, but it is already a new absolute record. Q4 was particularly dynamic, with €13 billion invested, i.e., the best quarter performance ever recorded. The French market has recorded its fifth consecutive year of continuous growth since 2013, and 2018 recorded accelerated growth.

An measured aversion to risk

Although most lease indicators are generally positive, investors have particularly focused on well-established, structured markets in order to minimise risk. Investors have prioritised large volume secure prime assets in excellent locations.

More than 60% of investments were for transactions > €100 million, totalling 80 transactions. Transactions < €25 million decreased significantly (390 versus 553 in 2017), due to assets renewal difficulties.

Above all, investors' risk aversion was palpable: 68% of transactions were for core products.

Even if prices remain very high, Paris is still by far the target destination for investors. Paris alone concentrates nearly 40% of total investment volume. Paris Centre West, the traditional business district par excellence, is by far in the lead with a total of €8.3 billion invested, including 12 major transactions > €200 million. It is followed by the Western Crescent (€3.9 billion). Although lagging behind in H1, La Défense was able to catch up thanks to the completion of 7 transactions > €100 million.

Regional markets also experienced a particularly dynamic H2. Prices for regional assets remain attractive compared with Paris Region prices per sqm, allowing investors to diversify and balance their portfolios. In total, more than €6 billion were invested.

Offices' domination

Office properties dominate, thanks to the completion of several very large deals. Driven by the need to modernise supply and contained vacancy levels across most markets, off-plan sales accounted for €4 billion, 35% of which were speculative, indicating a clear year-on-year decrease. In fact, investors pursued high lease risk transactions but only in readable locations, which remain highly prized by investors. The share of existing assets to be refurbished has also increased considerably, totalling 11%, versus 4% at the end of 2017.

On the industrial segment, the logistics sector essentially sustained the market. These products have benefited from investors'striving to find higher returns and diversify their assets, given historically low interest rates. Portfolios remain popular, representing nearly 2/3 of total investment volumes. Foreign investors have dominated, particularly the North Americans (53%).

Retail volumes have increased slightly, but the market remains constrained by its persistent dichotomy and uncertainty as to secondary products and locations. High street retail represented 59% of investments, which clearly demonstrated investors'preference for these assets when they are located in truly prime locations: 114 Avenue des Champs Elysées, 213 Rue Saint-Honoré or the Jouffroy portfolio. Retail warehouse buildings also proved popular, with the sale of several portfolios such as Cube, Eclats and Cormontreuil.

Strong return of foreign investors

Domestic investors have adopted a certain wait-and-see attitude, particularly among retail real estate investment funds such as SCPIs and OCPIs. This downturn is explained by reduced fundraising after several frenetic years, and strong acquisition activity. In the interest of risk diversification, certain fund managers have focused on international and/or alternative assets.

2018 was marked by the return of foreign investors: 44% of transactions versus 37% in 2017. This parallels the conclusion of several large office space transactions: Capital 8, Tour Ariane, Window… Foreign players have also invested on the industrial/logistics segment, and have acquired several logistics platform portfolios: Hercule, Azurite, Spear…

American investors, and to a lesser extent German investors, have been particularly active (21% and 7% respectively of investment volume). With 5% of transactions, as well as several large transactions which should be concluded by summer 2019, Asian investors have also confirmed their interest in France.

The worst is never certain

Given the various political uncertainties currently affecting European markets (populism in Italy and elsewhere, Brexit, etc.), investors continue to favour France, despite inevitable concerns arising from the recent yellow vest protests. For the time being, the protests have not led to a wait-and-see approach in terms of sales launch and current negotiations. The new purchasing power support measures announced in response to the protests should have a positive impact on consumption and therefore on the French economy.

Compared to stock markets which are once again quite volatile, commercial real estate remains a secure investment. As a result, an increase in prime yields is unlikely in the months ahead, even if the European Central Bank's more restrictive monetary policy, announced for summer 2019, should eventually produce moderate effects.

Also, the new Franco-Luxembourg treaty has not for the moment impacted foreign investors'investment choices. The text will only take effect on 1 January 2020, given the provisional government that is currently managing affairs in Luxembourg and the busy political calendar in France. This new agreement will nevertheless impact returns and therefore investment strategies: accept a lower IRR or maintain expectations and therefore adopt strategies with stronger added value. This reflects the diversification logic at play among certain investors.

Above all, questions concerning metric values, rather than yields, are becoming inevitable. In a global environment that is increasingly alarming, investors remain ready to pay high prices for secure assets that are truly prime, i.e., located in well-established sectors. Less so elsewhere…

2019 is therefore off to a strong start, with several large investments expected during H1. Several investors are also willing to arbitrate without waiting. The year ahead should perform well, yet the final outcome will depend both on the international context and on France's ability to maintain trust whilst pursuing reforms.

The retail market

Source: Excerpts from the annual study by Cushman & Wakefield "Marketbeat France Retail – Overview 2018".

Economic climate

Improvements in purchasing power in France over Q2 and Q3 2018 (+0.4% and +0.8%) together with transport services returning to normal helped to stimulate household consumption over Q3 2018 (+0.4% after -0.2%). This combined with a substantial level of investment and a net positive trade balance of +0.7% resulted in a +0.2% increase in French growth over Q2 2018 and +0.4% over Q3 2018. However, these improvements were quickly cancelled out by the 'yellow-jacket'movement which had an immediate impact on household consumption over the festive period. Disturbances linked to these protests are likely to have reduced GDP growth by 0.1 point over the Q4 period. Although normally active, Q4 2018 should just reach +0.2%, taking the overall provisional growth figures for 2018 to 1.5% following +2.3% in 2017. Since January, there have been decreases in both householder confidence and the business climate in retail trade: -12 and -15 points respectively. The first indicator shows the impact that social protests have had on the economic climate; the second is indicative of a possible slowdown in retail activity due to political and economic uncertainty that extends beyond France.

Due to lower levels of growth, job creations slowed considerably over 2018: +107,000 compared with +341,000 in 2017. Of this commercial employment, the services sector still accounts for most job creations while interim roles are losing momentum. OXFORD ECONOMICS is therefore forecasting unemployment in mainland France to stand at 8.9% in 2019 (7.8% in the Greater Paris Region), representing a decline compared with the 9.4% (8.7% respectively). Although more measured than expected, unemployment fell for the third consecutive year over 2018. There was also a decrease in the number of category-A jobseekers, a first since 2016 (-52,000 between January and November). Hopefully, these protests will have only a limited impact on employment; the Ministry of Labour estimates that around 50,000 employees have been laid off as a result. The introduction of universal unemployment benefits, the terms of which are yet to be agreed, should benefit small store owners and small store owners that currently have little protection.

2018 did however make a good start to the year. Householders were returning to the shops and consumption was rising. With the exception of the clothing sector, household consumption was showing modest but tangible growth at the very beginning of the year. The disruption became noticeable from November with -2%; this was mainly due to the 'yellow-jacket' demonstrations, before stagnating towards the end of the year (+0.1% for the full year). As a result, the Banque de France reported a -4.1% decrease in turnover for the retail trade compared with 2017 - its lowest level since 2012. The year drew to a close with a cumulative -0.9% compared with 2017.

PROCOS has announced a -3.3% year-on-year decrease in performance for specialised trade; this is far lower than in previous years. 2018 was problematic in terms of turnover as positive growth was only seen in April and more particularly in October. With -11%, the month of September set the tone for both high street retail (-11.8%) and for out-of-town facilities (-10.5%). Towards the end of the year, the position was far more tense across all formats, including retail parks (-10.1% in November) which are normally more resilient to changes in footfall.

The measures secured by the 'yellow jacket' movement to boost purchasing power should theoretically drive retail activity and offer a more optimistic outlook for the next few months.

However, business leaders are still being cautious and the indicator for activity towards the end of the year plummeted (-37.5 points compared with December 2017) to the lowest point since December 2014. The business climate indicator for the retail trade also plunged by -15 points compared with the end of 2017. Optimism is all the more difficult to consider while the prospect of an end to this social conflict is very unclear over the short term.

[…]

City centres

Mainly European tourists

Tourists returned to the capital in 2017. This trend continued into 2018 with a +6% year-on-year increase by the end of Q3 2018. There were fewer French tourists, but this was offset by a 12% increase in foreign tourists, particularly those from neighbouring European countries (Germany, Spain and Italy). These were closely followed by American tourists. Q3 was the most active of the year with almost 4.3 million hotel arrivals in Paris.

High street: land of opportunity

For several months there has been a crossover between the various types of retail. Some shopping centre and retail park retailers are trying to reposition themselves on the best town-centre high streets and, conversely, there is still a drive to take high street players into out-of-town locations. City-centres therefore represent new areas for retailers seeking opportunities on advantageous terms (not prohibitive premiums and market rents). Despite PROCOS having recorded falling levels of turnover on high streets (-3.9% year on year in December), take-up figures were relatively satisfactory in terms of transactions, even though leaseholder expectations can sometimes be achieved by a simple departure.

Paris, focus on the Right Bank...

Paris remained in the lead in terms of transactions and accounted for 55% of those recorded in 2018. The Right Bank's market share has gradually risen to over 80% of the transactions carried out in the capital (70% in 2017). Personal goods was the most active sector with 40% of take-up, followed by the food and beverage sector (27%) and household goods (10%). Transactions were concentrated in several changing submarkets. With Avenue des Champs-Elysées in the lead, this major high street has continued its transformation with the opening of the flagship APPLE STORE on the even side and the re- opening of MONOPRIX at number 52 on the lower end before the forthcoming arrival of GALERIES LAFAYETTE, LANCÔME, DIOR and CHANEL COSMÉTIQUE. On the odd side, there has been a succession of retailer openings following CITADIUM at no. 65 and the forthcoming arrival of NIKE at no. 79. These transactions have covered the full range of store types, from pop-ups to megastores. The avenue's new look should be ready by 2020/2021.

The Rivoli district is also having a makeover with the refurbishment of the Samaritaine hub, the 2019 arrival of a large DFS duty-free store, offices and a CHEVAL BLANC hotel. In conjunction with the neighbouring Marais district, a new major retail centre is starting to emerge in the Right Bank. On the Left Bank activity has focused on the Le Bon Marché department store and adjacent roads: Rue du Bac, Rue de Sèvres, Rue du Four, Rue du Vieux Colombier. This concentration comes at the expense of Rue de Rennes and Boulevard Saint-Germain where demand has fallen significantly.

The regional market remained active, mainly the major regional cities which accounted for three quarters of transactions in the regions, 25% of which were in Lyon. Demand also remained strong in Bordeaux, Nantes, Nice, Toulouse and Strasbourg where the dynamism of the leasing activity has encouraged the development of national and international retailers, such as KUJTEN (Lyon, Bordeaux), COURBETTES ET GALIPETTES (Toulouse, Aix-en-Provence) and BIOCOOP (Nantes, Lyon, Lille). However, attractiveness in these cities applies almost uniquely to the main high streets, where retailers are guaranteed footfall.

Rental values: back to reason

The tone has been set for the past few months: demand has been determined by increasingly strict profitability criteria and rental values have become increasingly aligned with retailer expectations. This phenomenon is likely to continue in 2019 with a correction in values likely encouraging leaseholders to leave their premises, even to be seen on the majority of French high streets.

A decrease in the amounts paid for lease transfers is though they are sometimes not recovering their initial outlay.

Exceptional locations, such as the Champs-Elysées or some luxury high streets like Rue Saint-Honoré have been spared from this phenomenon with transactions that often include high key money amounts, particularly for small spaces. This format stands out from the medium and large segments in which values can be lower due to their size (which may be more difficult to retailers make profitable) and by a market in which supply outweighs demand. Many of these lease offers come about, particularly in the clothing sector, where retailers are introducing selective locational strategies. This new reality could drive highly opportunistic activity in the high-street retail segment over the coming months.

Shopping centres

Market easing

Market maturity, erratic consumption and falling turnovers have frustrated attempts to develop new projects, particularly for out-of-town retail. In addition, restrictions imposed by various regulations sometimes have an indirect impact on out-of-town retail development. As a result, only 53% of the retail space planned at the beginning of 2018 came to fruition with a total of 560,000m^2 of shopping centres, retail parks and outlet centres. This volume of openings represents a -28% decrease compared with 2017.

Stable transformation rate

With a total of nearly 173,000m^2 in 2018, shopping centre openings remained in line with forecasts issued at the beginning of the year, giving a transformation rate of 80% - identical to 2017. This appears to be reasonable as the volume of space completions fell by over a third compared with 2017. Unlike last year, new space creations were in the majority with close to 60% of completions throughout the year, similar to in 2016. This distribution was largely due to the completion of shopping centres "B'est" in Farébersviller and "Prado" in Marseille which accounted for over 75% of new space creations. A higher number of extensions and refurbishments drove particularly strong activity in regional markets in 2018 (97% of openings in the regions). In Rouen Saint-Sever, Noyelles-Godault, Colmar and Guichainville, hypermarkets have been reconfiguring their offering with extension projects. These were for relatively moderate spaces (an average of 4,700m^2) with the exception of the "La Lézarde" project in Montivilliers, near to Le Havre, with 27 new stores over 19,000m^2.

Chasing "cosy" formats

The levels of vacancy in the market are encouraging landlords to adapt to new market conditions by reaching out to retailers traditionally located out of town (ACTION, BUT). Some of these have seized the opportunity to test their concepts in smaller spaces. The "cosy" format (500m^2) is easy to create in a shopping centre and is particularly suited to household goods (decoration, furniture, electrical goods).

Pressure on footfall…

Despite a degree of turbulence from the 'yellow-jacket' protests over Q3 2018, annual footfall figures only posted a moderate decrease and the CNCC index recorded a reduction of "just" -1.7% compared with 2018; this is better than in 2017 (-1.8%). However, when we look more closely, figures for the 8 last weekends appear to indicate a reduction in shopping centre turnover. According to analysis by QUANTAFLOW, even Black Friday weekend, which is supposed to increase sales over the 3-day period, posted a -6% reduction in footfall across the country with a -15% reduction for the Saturday. Over subsequent weekends, regional markets were subject to further disruption by shopping centre entrances being picketed (-2.8% in December), although there were considerable differences by region. Protests on some Saturdays, particularly at the beginning of the demonstrations, resulted in some shopping centres being fully closed and therefore had a direct impact on retailer performance.

… turnovers…

In terms of turnovers, monitoring by PROCOS revealed a -6.8% decrease in November, with out-of-town locations most affected (-7% for shopping centres). The additional impact of falling shopping-centre footfall, meant that additional Sunday opening and a relative return-to-order in the week were not enough to offset retailer losses, particularly in those areas that have already suffered from the economic climate. The CNCC announced a -2.1% downturn in sales in November which mainly hit regional shopping centres. Over the year as a whole, city-centre locations were the worst affected.

… and rental values

With a broad range of formats, shopping centres have responded differently to the decline in sales. Super-regional centres, which have mainly international retailers and sound finances, have been fairly resistant in terms of rental values. Secondary centres have been more affected by the combined impact of a low-value location and the development of more modern and better-structured competing sites. Market tension seen for the last several months is now being brought to the table during negotiations and is bringing down rental values, mainly for these secondary shopping centres.

Retail parks

First step back

For the first time since 2014, the rate of openings for out- of-town retail parks slowed significantly compared with 2017. With almost 370,000m^2 of completions, 22% less new space came onto the market than in 2017 corresponding to almost 40% fewer projects. The prospect of increasingly restrictive measures under the Elan law and numerous rejections from the national committee have quelled developer enthusiasm for out-of-town projects and some have postponed openings until 2019 or 2020. The transformation rate therefore continued to fall and dipped below 50% (54% in 2017). However, given the classification of this format and particularly the scale of the pipeline announced at the beginning of the year (over 800,000m^2), these are respectable results. As in previous years, Q4 2018 was key in the out-of-town retail development cycle and accounted for 45% of the completions recorded in 2018.

New creations remained in the majority (89%), the same as in previous years. These were distributed over 20 locations, around half of which were for sites over 10,000m^2. The Greater Paris Region regained market share with the opening of 4 new centres over 20,000m^2 in Saint-Mard, Chambly, Brétigny-sur Orge (1st stage of "Promenades de Brétigny") and Cergy.

Is the pipeline too ambitious?

Yet again, the 2019 pipeline is full to the brim, particularly as it includes projects that were postponed from 2018. There are therefore over 900,000m^2 of out-of-town retail parks theoretically due for completion in 2019, around 70% of which has secured authorisations and has already been started. With increasing pressure due to rising vacancy and longer marketing lead times, a high proportion of this space will not be developed or will be postponed. Landlords will focus on "secure values" with a minimum fill- rate and on schemes that offer guarantees in terms of consumer footfall.

The proportion of new space creations remains high at over 80% of the space under development, some of which are additions to existing shopping centres with a retained client base.

Holding tight! Retail parks still exist!

The retail-park model is particularly resilient in normal conditions, but was particularly hit by social tensions towards the end of the year. According to figures published by PROCOS, medium spaces in out-of-town locations were most affected by falling sales (-10.1% in November).

This trend was confirmed by QUANTAFLOW which reported -16% fewer visitors at retail parks in November. Yellow-jackets blockades at the entrances to retail areas had a major impact on footfall, especially in regions where the protests were the most persistent.

Beyond this epiphenomenon, the retail-park model combines flexibility and resilience and remains a preferred target for retailers seeking to develop with low costs. As a result, prime rents for the latest-generation retail parks or leading out-of-town centres have remained steady in the small and medium space segment. In the large space segment (> 3,000m^2), the position is less clear as demand is more sporadic. The lack of activity in this segment is causing prolonged marketing lead times, which can sometimes penalise a whole site as an anchor tenant normally forms the basis for the site and acts as a draw to other retailers.

Slowing centres…

22,000m^2 of additional space came onto the outlet centre market this year with one single completion: "The Village" by LA COMPAGNIE DE PHALSBOURG opened last spring in Villefontaine, near Lyon. This is slightly lower than in 2017 when there was a record level of completions ("McArthur Glen" Miramas, "Honfleur Normandy Outlet"), but within a market that is broadly limited, this opening represents a 4% increase in the volume of French stock which now stands at just over 500,000m^2.

Around 190,000m^2 of additional space is expected over the next 2 years, around 13% of which will be extensions to existing sites or those yet to be developed. Given the overall network distributed across a market with little room for expansion, new creations are likely to become increasingly rare, in favour of existing site consolidations. The success of these projects relies on being located close to concentrations of international tourists with high purchasing power, as well as the development of differentiated concepts with high-quality architecture.

Investment market

Unexpected volume

With an overall volume of €4.6 billion in investments in 2018, these results have drawn a line under the series of decreases recorded for retail assets over the last 3 years. This recovery was due to a particularly active H2 period that accounted for almost 60% of volume and 50% of transactions. Many of these transactions were finalised at the very end of the year, almost a third in December.

The full-year investment volume therefore posted a 10% increase compared with 2017 and was 15% higher than the 10-year average. In a market that is still very tense, this level of performance was almost unhoped-for. The fragility of growth in rental incomes (with the exception of core product) is making retail assets less attractive to investors, particularly at a time when turnovers are not steadily rising.

Retail market share stable

Recent activity shows that retail isn't fully out of favour, although investors are being more prudent. Within an active commercial real estate market (+12% from 2017 to 2018), activity in the retail segment has secured a stable market share of 15% since 2017. However, this market share has been affected by the decreases seen since 2015 and 2018 results are still lower than the 10-year average (20%).

Large volumes are back

Large volume transactions made a return to the market towards the end of the year whereas the small spaces was particularly active at the beginning of 2018. With 11 transactions for lot sizes over €100 million, this segment was back on form and matched the volume recorded in 2015 (56% of the overall volume in 2018). The majority of these were portfolio sales, including two lots of MONOPRIX stores which were sold by CASINO to GENERALI and AG2R for over €700 million. The large-volume segment was also driven by high-street retail disposals, the most iconic of which was the sale of 114 Avenue des Champs-Elysées to HINES/BVK for over €600 million last spring.

The increase seen in this value segment left little room for the medium segment (€50 to €100 million) with just 6 transactions compared with 15 over the two previous years. Activity in this value segment mainly included retail parks and specialised medium-sized spaces ("Eden Park", Cormontreuil retail area, JARDILAND stores) and was largely dominated by out-of-town assets.

High streets still the preferred target

High-street retail activity remained strong in 2018. These assets retained their supremacy in the retail market and accounted for 44% of investments over the course of the year. Excluding the "Champs-Elysées" transaction (Q2 2018), enthusiasm for high-street retail has continued and is justified by this asset type's higher degree of resilience, particularly due to the limited available properties. Paris continued to lead this segment and accounted for 45% of transactions and 60% of the investment volume.

CASINO's disposal of its MONOPRIX stores led to an unprecedented contribution from the non-specialised sector which accounted for 20% of transactions concluded in 2018 and also bolstered the proportion attributable to portfolios to 45% (24% in 2017).

Conversely, there was a sharp contraction for shopping centres which only accounted for 8% of the 2018 investment volume, compared with 30% in 2017 and 70% 4 years ago. The correction seen for secondary asset values as well as a lack of available core assets contributed to making these assets less attractive to investors.

International aspect

Although French investors remained active in the retail market, their market share fell to just 43% of acquisitions in 2018. This marks a change in the trend seen for the last 10 years with an average of 60% of investments attributable to the domestic market. A similar configuration was last seen in 2012. As in the past, Europe was the main contributor to foreign acquisitions and accounted for over 80%, almost a quarter of which was from German funds.

In terms of investor type, the majority was attributable to investment funds and OPCI-SCPI which accounted for over 40% of the market in 2018. However, there was a slowdown in investments from these investment vehicles: their acquisitions halved compared with 2017 with just €580 million allocated to retail. This reduction was partly due to an increase in the market share of insurance companies which accounted for 20% of investments, mainly targeting city-centre assets.

Yields driven by falling revenues

The decline in consumer footfall seen over the past several months for most asset types, combined with renewed concerns regarding some business models, has had a knock-on effect on retailer turnovers that had already been weakened by the economic climate over Q4. As effort rates become increasingly difficult to sustain, forecasts for income growth are lower.

Although not all asset types have been affected to the same extent, an adjustment in market values has been seen as well as an increase in yields for those asset types that are most exposed to fluctuations in consumption (footfall, turnover) - primarily non-dominant "hypermarket centres" in the shopping centre category. With relatively stable rental incomes, retail parks stand out as the most resilient retail assets with less of a change in yield than for other asset types. Finally, high streets have shown a degree of resilience on the most sought-after luxury high streets in Paris. However, this asset type has shown some signs of fragility in regional markets where footfall is in decline.

1.4.3 The Group's analysis of market trends

Trends in the brick-and-mortar retail activity continued in 2018 and even gathered pace, against a backdrop of slowing economic growth and weak consumer growth (SAD index of arbitrable disposable income down 0.2%) and sustained growth in Internet sales (SAD index up 13.4%). The persistent erosion in physical retailing in certain sectors of activity, notably in the mid-range clothing segment, and growth strategies underpinned by increased brand selectivity continued to weigh on declining trends in rental values (except in the most prestigious locations) and to extend time to market.

However, some sectors of activity resisted well and are even growing: organic food, catering, sport, health and well-being. Many retailers have successfully implemented omni-channel sales strategies through the use of digital tools to provide their customers a better service.

These developments reinforce the need to establish a commercial positioning for each retail asset that is adapted to its catchment area and customer flow.

1.4.4 M.R.M.'s asset portfolio as of 31 December 2018

As of 31 December 2018, the Group had almost completed its office-property disposal programme launched in 2013 and owned only one unoccupied office building under sale agreement [(1)]. The value of M.R.M.'s property portfolio, of which 97% comprises retail assets, was €164.7 million at 31 December 2018, compared with €162.4 million at 31 December 2017 on a like-for-like basis.

This limited growth of 1.5% year-on-year stems from the increase in capitalisation rates and the decline in market rental values, retained by the appraisers for certain assets, which partially offset the solid progress made in the retail-property value-enhancement plans during the year.

The total surface area of the property portfolio at the end of 2018 was 94,397m², including 86,427m² in retail assets and 7,970m² in office assets, corresponding to the Urban building in Montreuil [(1)].

After the takeover of M.R.M. by Dynamique Bureaux and its conversion into a listed real estate investment company in the second half of 2007, the Group's asset portfolio was built up in three phases:

Phase 1. Portfolio composition

- Dynamique Bureaux/M.R.M. merger

A merger contribution by Dynamique Bureaux appraised at €162 million excluding transfer taxes as of 31 August 2007.

The portfolio then contained nine office property assets representing a total area of 53,650m². The transaction was approved by M.R.M.'s Combined General Meeting of 12 December 2007, retroactive to 1 September 2007.

- Contribution of Commerces Rendement to M.R.M.

A contribution by Commerces Rendement appraised at €143 million excluding transfer taxes as of 31 August 2007.

There were 19 retail property assets in the portfolio for a total area of 75,582m². The transaction was approved by M.R.M.'s Combined General Meeting of 12 December 2007.

- Acquisitions carried out by M.R.M.

Acquisitions from 1 September to 31 December 2007: office buildings in September and October for €65.5 million, retail properties in September for €3.8 million and mixed office and retail space in November and December for €80.4 million (all excluding transfer taxes).

Acquisitions in 2008: an office building in April for €6 million and retail properties (two garden centres and five restaurants) in May and July for €11.3 million (all excluding transfer taxes).

Acquisitions in 2010: a 1,000m² retail unit.

Phase 2. Disposals as part of an adjustment plan

Over the 2009-2012 period, as part of an adjustment plan including a major asset disposal programme, M.R.M. made the following disposals:

In 2009, three retail properties were sold for a total of €22.7 million excluding transfer taxes.

In 2010, the premises of four Pizza Hut restaurants in the Paris region, two retail assets (one in Brétigny-sur-Orge and the other in Angoulême), three office properties (located in Nanterre, Clichy-la-Garenne and Levallois-Perret) and the Marques Avenue A6 outlet centre in Corbeil-Essonnes were sold for a total of €151 million excluding transfer taxes.

In 2011, five retail assets (in Barjouville, Moulin-les-Metz, Vineuil and two in Chambray-les-Tours) and three office properties (in Boulogne-Billancourt, Rueil-Malmaison and Puteaux) were sold for a total of €55.3 million excluding transfer taxes.

In 2012, five retail properties (in Claye-Souilly, Coignières, Créteil, Montigny-lès-Cormeilles and Pierrelaye), an office property (on rue Niepce in Paris in the 14th *arrondissement*) and a residential space (in a retail property in Tours) were sold for a total of €22.5 million excluding transfer taxes.

Phase 3. Strategic refocusing on retail properties

As part of its strategy of refocusing on retail property, begun in mid-2013 following the taking of control by SCOR SE, M.R.M. has since sold the following office properties and acquired the following retail assets.

In 2013, an office property on rue de la Bourse, Paris (2nd *arrondissement*) was sold for €10.4 million excluding transfer taxes.

In 2014, two office buildings on rue Cadet in Paris (9th *arrondissement*) and Rungis were sold for €22.5 million excluding transfer taxes.

In 2015, an office property on rue de la Brèche-aux-Loups, Paris (12th *arrondissement*) was sold for €16.8 million excluding transfer taxes.

In 2016, three office properties located in Rueil-Malmaison, Les Ulis and Cergy-Pontoise were sold for a total amount of €38.4 million excluding transfer taxes.

(1) The Urban office property in Montreuil, sold in January 2019.

In 2017, M.R.M. acquired the full ownership of the Aria Parc retail park in Allonnes, via the purchase of a 1,500m² retail unit for €1.8 million excluding tax, and sold, for an insignificant amount, a small retail space previously operated by Gamm Vert.

2018 was marked by the sale of the Nova office property in La Garenne-Colombes for the sum of €38.0 million, excluding transfer taxes. The disposal of M.R.M.'s last operating office property marks an important step towards completing the Group's strategy launched in mid-2013 to refocus on retail real estate. This transaction brought the total amount of office asset disposals carried out by M.R.M. since that date to €126 million.

In addition, as part of its active retail-portfolio management strategy, M.R.M. has also sold a small retail space previously operated by Gamm Vert for €0.2 million excluding transfer taxes.

A property portfolio refocused on retail assets

	31/12/2018	31/12/2017
Value excl. transfer taxes	**€164.7m**	**€199.6m**
	-17.5% vs 31/12/2017	+0.9% vs 31/12/2016
	+1.5% excl. effect of disposals	+0.9% excl. effect of disposals
Total area	**94,397m²**	**103,564m²**
Value breakdown	97% retail/3% office properties	80% retail/20% office properties

The Group's retail properties are located in the Paris region and in large cities in the provinces. The type of assets in this category is highly diversified. It consists of shopping centres and malls, highstreet retail units, independent suburban retail premises and premises in retail parks. The vast majority of the 128 retail property tenants are national and international brands. Together, these retailers account for 82% of gross annualised rent.

As of 1 January 2019, the retail property portfolio represented an area of 86,427m² and was valued at €159.3 million excluding transfer taxes. In 2018, an additional 2,300m² were created within the context of the extension of the Aria Parc retail park in Allonnes.

The surface area occupancy rate of the Group's property portfolio was 84% in 2018, compared with 76% one year earlier. After a lacklustre year in 2017 for the rental activity due to notices received on three medium-sized retail spaces in Reims, Amiens and Allonnes from tenants experiencing difficulties at the national level, the occupancy rate at the end of 2018 picked up thanks to re-letting carried out during the year (26 leases (1) signed for an annual rental income of €1.7 million, including 10 leases for the Valentin shopping centre) and the positive impact in 2018 of leases signed in 2017. 2018 was particularly robust in terms of rental activity: 22 leases came into effect generating total annual rental income of €1.5 million; 3 medium-sized spaces representing nearly 5,500m² were re-let in Reims, Amiens and Allonnes, and the newly created medium-sized 3,300m² space at the Aria Parc retail park in Allonnes was delivered.

The retail asset portfolio generated a net annualised rent (2) of €8.2 million as of 1 January 2019, up 10.9% on the year-earlier level of €7.4 million.

During 2018, investments in the properties portfolio stood at €14.5 million. These were primarily:

- the extension of the Aria Parc retail park in Allonnes where the total surface area was increased from 10,500 to 12,800m², including a 3,300m² unit to house the Maison Dépôt homeware store;
- the launch of the redevelopment and extension of the Valentin shopping centre in Besançon, the largest project in M.R.M.'s investment plan. After carrying out the renovation of the existing shopping mall in 2017, a 2,600m² rental space extension was launched in the second quarter of 2018, involving the partial reconfiguration of the shopping mall. The total surface area of the mall will be brought to 6,700m² comprising 45 stores and 2 medium-sized retail units. The car park will also get a makeover with the addition of an outdoor parking area. The opening of the reconfigured Valentin shopping centre is scheduled for early 2020.

During the year, M.R.M. sold a small unoccupied retail space previously operated by Gamm Vert, for €0.2 million excluding transfer taxes.

(1) Leases signed or renewed.
(2) Excluding taxes, rent-free periods and support measures for lessees.

► BREAKDOWN OF THE RETAIL PORTFOLIO (BY ASSET TYPE, LOCATION AND SURFACE AREA)

Property	Type	Location	Area (in m²)
Aria Parc, Allonnes (72) – ZAC du Vivier – Route de la Bérardière	Retail park	Le Mans	12,823
Carré Vélizy, Vélizy-Villacoublay (78) – 2-4, avenue de l'Europe	Mixed complex	Île-de-France	11,810
Sud Canal, Saint-Quentin-en-Yvelines (78) – 41, boulevard Vauban, Montigny-le-Bretonneux	Shopping mall	Île-de-France	11,618
Mer (41) – Gamm Vert – Portes de Chambord	ISRP	Centre	8,616
Les Halles du Beffroi, Amiens (80) – Place Maurice Vast	Shopping centre	Amiens	7,485
Galerie du Palais, Tours (37) – 19, place Jean Jaurès	Shopping mall	Tours	6,836
Passage de la Réunion, Mulhouse (68) – 25, place de la Réunion	Shopping mall	Mulhouse	6,011
Centre commercial Valentin, École-Valentin (25) – 6, rue Châtillon	Shopping mall	Besançon	4,249
Nozay (91) – Gamm Vert – ZA de la Butte	ISRP	Île-de-France	3,143
Reims (51) – 2-10, rue de l'Étape	High street	Reims	2,779
Romorantin (41) – Gamm Vert – ZAC de Plaisance	ISRP	Centre	2,436
Salbris (41) – Gamm Vert – Avenue de la Résistance	ISRP	Centre	1,630
Lamotte-Beuvron (41) – Gamm Vert – 9-11, avenue de l'Hôtel de Ville	ISRP	Centre	1,221
Brie-Comte-Robert (77) – Gamm Vert – ZI de La Haye Passart	ISRP	Île-de-France	1,191
Onzain (41) – Gamm Vert – 10, rue Lecoq	ISRP	Centre	1,002
Montoire-sur-le-Loir (41) – Gamm Vert – 23, rue de la Paix	ISRP	Centre	901
Selles-sur-Cher (41) – Gamm Vert – 2, place Charles de Gaulle	ISRP	Centre	766
Vierzon (18) – Gamm Vert – rue Étienne Dolet	ISRP	Centre	676
Saint-Aignan (41) – Gamm Vert – 2, rue des Vignes	ISRP	Centre	629
Cour Cheverny (41) – Gamm Vert – 24, boulevard Carnot	ISRP	Centre	605
TOTAL RETAIL PROPERTIES			**86,427**

Retail park
Shopping centre: shopping centre.
Shopping mall: shopping mall.
ISRP: independent suburban retail premises.

Retail	31/12/2018	31/12/2017
Portfolio value (1)	€159.3m	€159.0m
Total area	86,427m²	84,935m²
Location (2)	59% in the provinces	58% in the provinces
	41% in the Paris region	42% in the Paris region
Occupancy rate (3)	84%	76%
Net annualised rents (4)	€8.2m	€7.4m
Overview of tenants:		
Number of tenants	128	126
Share of national and international brands	82% of rents received (Action, Basic-Fit, Carrefour Market, Fitness Park, Gamm Vert, Gautier, Habitat, Indiana Café, Office Dépot, Simply Market, etc.)	78% of rents received (Action, Basic-Fit, Carrefour Market, Fitness Park, Gamm Vert, Gautier, Habitat, Indiana Café, Office Dépot, Simply Market, etc.)

(1) Excluding transfer taxes.
(2) Based on values excluding transfer taxes.
(3) Occupancy rate as of 1 January N +1 based on areas.
(4) Excluding taxes, rent-free periods and support measures for lessees.

► LEASE MATURITIES OF MAIN TENANTS

Tenants	% of retail rents	Type of lease Maturity
Tenant no. 1	5.0%	lease 6-9-10 06/2028
Tenant no. 2	5.0%	lease 6-9-12 01/2021
Tenant no. 3	4.6%	lease 6-9-12 07/2021
Tenant no. 4	3.2%	lease 3-6-9 12/2025
Tenant no. 5	2.6%	lease 3-6-9 12/2023
Tenant no. 6	2.2%	lease 6-9-10 06/2028
Tenant no. 7	2.1%	lease 6-9-10 08/2026
Tenant no. 8	2.0%	lease 3-6-9 12/2025
Tenant no. 9	1.9%	lease 3-6-9 03/2023
Tenant no. 10	1.9%	lease 3-6-9 10/2027
TOTAL RENT FROM TOP 10 TENANTS	**30.5%**	

Office portfolio

M.R.M.'s last remaining office asset as at 31 December 2018 was the Urban office property, which was vacant and under sale agreement. With a surface area of 7,970m² and located in Montreuil in the Paris region, this property was sold in January 2019.

1.4.5 Subsequent events and ongoing projects

On 30 January 2019, M.R.M. announced the sale of Urban, an unoccupied 7,970m² office property in Montreuil, for the sum of €6.35 million excluding transfer taxes. This transaction marks the completion of the office-asset disposal plan initiated in June 2013 enabling M.R.M. to refocus its portfolio exclusively on retail properties. It brings the cumulative amount of office properties sold by M.R.M. within the framework of its office asset disposal programme to €132.3 million, 9.8% higher than the appraisal values at 30 June 2013 after taking CAPEX into account.

1.4.6 Main investments carried out by the Company in the last three years

(in millions of €)	2018	2017	2016
Retail			
Acquisitions	-	1.8	-
Investments/CAPEX	14.5	6.2	5.8
Offices			
Acquisitions	-	-	-
Investments/CAPEX	-	-	1.5
TOTAL	**14.5**	**8.0**	**7.3**

A total of €14.5 million was invested in the retail property portfolio in 2018. This relates mainly to the completion of the 2,300m² extension to the Aria Parc retail park in Allonnes in order to house a Maison Dépôt store, and the reconfiguration and 2,600m² extension of the Valentin shopping centre in Besançon.

1.4.7 Strategy and outlook

Since the Company's recapitalisation on 29 May 2013, which enabled it to strengthen its financial position, reduce its debt and reschedule its bank maturities, M.R.M.'s strategy has been to refocus its activities on retail properties.

At the beginning of 2019, M.R.M. completed its withdrawal from the office property sector with the sale of the Urban office building in Montreuil.

With a sound financial structure, M.R.M. also committed to an investment plan in 2016 designed to take advantage of the potential value-enhancement of its retail assets. This includes seven value-enhancement programmes for a total projected investment of €35.5 million.

Several programmes were carried out over the 2016-2017 period, namely Halles du Beffroi in Amiens, Sud Canal in Saint-Quentin-en-Yvelines, and Carré Vélizy in Vélizy-Villacoublay. In 2018, the 2,300m² extension of the Aria Parc retail park in Allonnes was completed, enabling the delivery of a 3,300m² unit to Maison Dépôt in the month of October. In 2018, expansion work on the shopping mall of the Valentin shopping centre in Besançon was also started for completion expected in early 2020. All planned retail-asset value-enhancement programmes have been launched, representing a commitment of €34 million, with the balance to be committed during the 2019.

Taking the new spaces to be created [(1)] into account and assuming an occupancy rate of 95% for the retail property portfolio, M.R.M. has set itself the target of a total net annualised rent for these assets of over €10 million at the end of the value-enhancement programme expected in late 2019 (excluding acquisitions or disposals), compared with €8.2 million as of 1 January 2019.

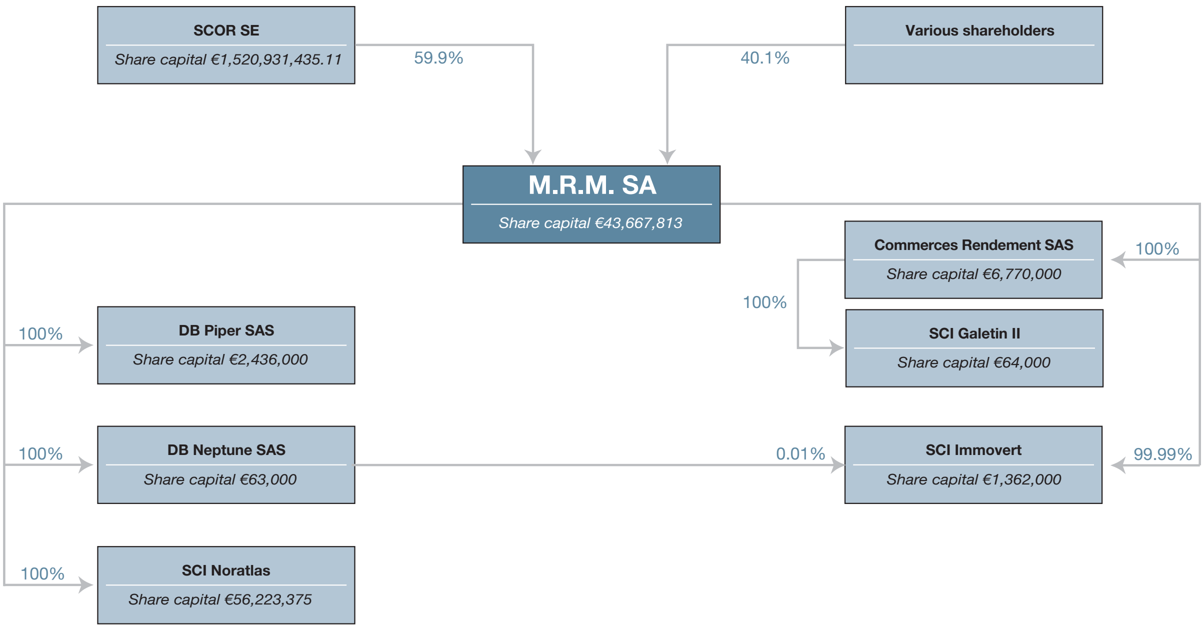
Moreover, in line with its active portfolio management strategy, M.R.M. is considering the possibility of carrying out further acquisitions or disposals.

(1) At the Valentin shopping centre.

1.5 Group ownership structure

The list of consolidated entities as of 31 December 2018 appears in Section 3.7 "Consolidated financial statements for the year ended 31 December 2018" of Note 3.2 "List of consolidated entities" to the consolidated financial statements in this Registration Document.

At the date of this report, the Group ownership structure is as follows:



As of 31 December 2018, M.R.M. controlled six companies, unchanged from 31 December 2017.

All Group entities are directly or indirectly wholly owned by M.R.M. which has itself been 59.9% owned by SCOR SE since 29 May 2013.

The head office addresses of all Group entities appears in Note 3.2 "List of consolidated entities" in Section 3.7 "Consolidated financial statements for the year ended 31 December 2018" of this Registration Document.

M.R.M.'s role vis-à-vis its subsidiaries is described in Section 1.3 "Situation and activities of the companies controlled by M.R.M. and their asset portfolios" of Section 3.6 "Management report for the year ended 31 December 2018" of this Registration Document.

Details of each subsidiary's activities can be found in Sections 1.3.1 "Retail portfolio" and 1.3.2 "Office portfolio" of Section 3.6 "Management report for the year ended 31 December 2018" of this Registration Document.

The main financial flows between M.R.M. and its subsidiaries, namely credit facilities, fees for chairpersons and service fees, can be found in the "List of subsidiaries and affiliates" and "Breakdown of net revenue" notes in Section 3.9 "Corporate financial statements for the year ended 31 December 2018" of this Registration Document.

The structure of M.R.M.'s balance sheet is presented in Section 3.9 "Corporate financial statements for the year ended 31 December 2018" of this Registration Document.

1.6 Group organisation

Since M.R.M.'s recapitalisation on 29 May 2013, SCOR SE has held 59.9% of its share capital.

The SCOR group is the fifth largest reinsurer in the world with over 4,000 clients. It issued more than €15.3 billion in gross premiums in 2018 and employs 2,887 people worldwide with 65 different nationalities represented in 30 countries.

The SCOR Group runs two business lines in reinsurance and an asset management business:

- SCOR Global P&C (property & casualty) has reinsurance operations in Property and Casualty, Specialty, Business Solutions (discretionary), Joint-Ventures, and Partnerships;
- SCOR Global Life (life reinsurance) has life reinsurance operations;
- SCOR Investment Partners SE is an asset management company wholly owned by SCOR SE. It has been fully operational since 2009 and is regulated by the AMF.

The SCOR Group is organised around four principle hubs located in Paris/London and Zurich/Cologne for Europe, Singapore for Asia and New York/Charlotte/Kansas City for the Americas.

As M.R.M.'s majority shareholder and by virtue of it having a seat on its Board of directors and Strategic Committee (see Section 1.3 "Composition of the Board of directors" of the corporate governance report in Section 4.1 of this Registration Document), SCOR SE intends to support the Company's new positioning as a real-estate investment company focused exclusively on the holding and management of a retail asset portfolio.

In addition to the dividends M.R.M. may pay out to SCOR SE in its capacity as a shareholder, the financial flows between the two parties are restricted to (i) rents and service charges paid to SCOR SE under the lease for office premises at avenue Kléber in Paris for €50,000 annually including expenses but excluding tax, and (ii) amounts paid to SCOR SE under the loan granted to an M.R.M. subsidiary (see Section 1.18 "Agreements referred to in Articles L.225-38 and L.225-40-1 of the French Commercial Code" of the corporate governance report in Section 4.1 of this Registration Document). For more information on SCOR SE, see www.scor.com.

M.R.M.'s management team (Executive management and Financial Management) has been in-house since 1 August 2013. In 2015, in order to strengthen the control of its operations and costs and to optimise asset value-enhancement, M.R.M. set up a new organisation for managing its shopping centre assets by partially bringing asset management back in house. To this end, M.R.M. recruited a Head of Asset management in August 2015. In 2017, the property asset management consultancy agreement binding M.R.M. and some of its subsidiaries to CBRE Global Investors ended.

For the rental management (collection and recovery of rental payments) and technical management of its properties, the Group uses experienced property management companies with skills acknowledged on the market.

1.7 Human resources

Following the recapitalisation of M.R.M. in 2013, the Company brought Executive management and Financial Management back in-house as of 1 August 2013. Prior to this, the Company had no employees.

In 2015, the asset management of its property assets was reorganised and the Company appointed an in-house Head of Asset management for its shopping centres.

The Company currently has four employees who are all based at the head office at 5 avenue Kléber, Paris (16th *arrondissement*). The Company's Chief Executive Officer is a remunerated corporate officer (see Section 2.2.1 "Remuneration of the Chief Executive Officer" of the corporate governance report in Section 4.1 of this Registration Document).

Currently no employees of the Company or its subsidiaries are in receipt of stock options or bonus shares. Nor is there currently any agreement providing for an employee shareholding scheme.

The Company's human resources policy is set out in full in Section 4 "Information on corporate social responsibility" of the management report of the Board of directors in Section 3.6 of this Registration Document.

1.8 Research and development

Due to the nature of its business as a real estate investment Company, M.R.M. has no research and development policy. It has registered the domain name "www.mrminvest.com".

The Company does not consider that its business or profit capacity is in any way dependent on any particular brand, patent or licence.

1.9 Environmental policy

The Company's environmental policy is set out in full in Section 4 "Information on corporate social responsibility" of the management report of the Board of directors in Section 3.6 of this Registration Document.

1.10 Significant changes in the financial or commercial position

2018 was M.R.M.'s eleventh full financial year as a listed real estate investment company.

Having strengthened and restored its financial position since the recapitalisation operation in 2013, and in line with the direction taken once the SCOR Group became a majority shareholder, M.R.M. has refocused its strategy on the holding and management of its retail properties.

2.

RISK FACTORS

The Company has assessed the risks which could have a significant negative effect on its activity, its financial situation or its results (or on its capacity to achieve its objectives) and it believes that there are no significant risks other than those presented. Investors should be aware that the list of risks that follows is not exhaustive, and that other risks either unknown or not considered material at the date of this Registration Document, and which could have an adverse impact on the Company, its activity, financial position, earnings or share price, could still exist.

The procedures in place to monitor risks relating to the preparation and processing of accounting and financial information are detailed in Section 1.7 of the management report in Section 3.6 of this Registration Document.

2.1 Legal risks

Risks related to unfavourable developments in commercial lease regulations

French legislation on commercial leases is relatively constrictive for the lessor. Provisions on term of leases, renewal, and rent revisions while the lease is running and for renewed leases are part of public policy, tending to limit any leeway owners might have to increase rents to market levels. Any changes in rules applying to commercial leases, especially with regard to duration, revision and capping of rents, calculating eviction compensation due to tenants in case of non-renewal, could have negative consequences on the value of the Company's assets, earnings, business or financial position. The Company's business may in particular be influenced by the new retail rents index (ILC), which is set to replace the construction cost index (ICC), and by the Pinel Law, which modifies the list of service charges, work, taxes, duties and fees which may be charged to tenants on leases concluded or renewed from 3 November 2014.

See "Economic risk" in Section 2.2 of this Registration Document for more information on the ILC.

Risk related to the SIIC tax regime

Since 1 January 2008, the Company has benefited from the SIIC status governed by Article 208-C of the French General Tax Code under which it is exempt from corporate income tax, subject to distribution conditions, on the part of its profit derived from the rental of its properties, capital gains on the sale of properties or of certain stakes in real estate companies, and certain dividends.

In order to maintain the advantages of the SIIC regime, the Company must distribute a significant part of its profits, which can affect its financial position and cash flow. In addition, failure to meet this distribution obligation during the financial period would mean that the exemptions would not apply to that year.

Moreover, the Company would lose the benefit of the SIIC regime if one or more of its shareholders acting in concert (other than listed companies benefiting from the SIIC regime) were to hold 60% or more of its shares or voting rights. The Company currently does not envisage one of its shareholders directly or indirectly holding 60% or more of its shares. However, since 29 May 2013, the majority shareholder, SCOR SE has held 59.9% of the share capital of M.R.M. Accordingly, M.R.M. and the SCOR group mobilised their teams to hedge against this risk by actively monitoring trends in shareholders' capital holdings and voting rights in M.R.M. and notably by registering M.R.M. shares in the bearer share account of SCOR SE, so as to avoid the acquisition of double voting rights that would enable SCOR SE to break through this threshold. However, the Company cannot guarantee that trading in its shares or shareholders acting in concert will not cause this 60% share capital threshold to be crossed.

Finally, the Company is exposed to the risk of future modifications in the SIIC regime or the interpretation of its provisions by the tax and accounting authorities, which could affect the activity, results and financial position of the Company.

Risks related to unfavourable developments in property regulations

Apart from the specific constraints mentioned above, in conducting its business the Company must comply with several restrictive regulations governing construction, town planning, operating retail space, the environment, public health and human safety.

Any modification making these regulations substantially more restrictive would entail significant costs for the Company particularly in terms of bringing property into regulatory compliance, which could have a significant impact on the revenue, results and financial position of the Company.

The ELAN law on the evolution of housing, planning and digital technology passed in November 2018, includes new provisions notably with regard to planning permission, commercial development and the reduction of energy consumption which could, in certain cases, create additional constraints or obligations for the Company.

Litigation and exceptional circumstances

In the normal course of business, the Group may be involved in legal proceedings or be audited by tax or regulatory authorities. Each of these risks carries a financial risk and a reputational and/or image risk. To the best of the Company's knowledge, at the date of filing this Registration Document, there was no significant litigation at Group level not reflected in the financial statements.

As of the date of this Registration Document, there is no other governmental, legal, or arbitrage procedure, including any procedure the Company knows of, that is pending or with which it is threatened, likely to have, or having had over the last twelve months, a significant impact on the financial position or profitability of the Company and/or the Group.

However, M.R.M. cannot guarantee that it will remain uninvolved by any disputes in the future that are likely to have a material impact on the financial position or profitability of the Company and/or the Group.

2.2 Risks related to the business environment

Risk related to the property asset valuation

The Company's property portfolio is appraised on 30 June and 31 December of each year. The contact details of the Group's appraiser and the methodology used in its appraisals are set out in Section 1.2.1 "The Group's asset profile" of this Registration Document.

The appraisals carried out on 31 December take the form of a detailed report while those carried out on 30 June are an update. M.R.M. uses the fair value accounting method for its property assets in line with the option offered by IAS 40 which consists of recording investment property at its fair value and registering changes in value in the income statement. Positive or negative changes in the valuation of assets held by the various Group companies have a direct impact on Group income. In this respect, as of 31 December 2018, the change in the fair value of properties reduced the Group's income by €12,102 thousand.

Assessing the value of the property portfolio depends on a number of factors, mainly involving the balance between market supply and demand, interest rates, the global economic climate and applicable regulations, which can vary significantly, with a direct impact on the valuation of the Company's property assets and, as an indirect consequence, on the various loan to value (LTV) ratios used as indicators of the Group's debt and liquidity risk. The appraised value of the Group's properties and their final value on disposal may not be identical. In addition, such valuations are based on a number of assumptions which may not prove to be correct. Because M.R.M.'s property assets are booked at market value by outside appraisers, the value thereof can be affected by variations in the bases used in the valuation methods (property market trends, mainly in terms of received rents, changing interest rates especially with regard to discount and capitalisation rates employed).

In addition, the valuation of the Company's property assets, when published, corresponds to an appraisal carried out by the property appraisers at a precise moment in time. Given the gap between the moment when the appraisal valuations are carried out and the moment when this information is made public, the valuation of the Company's property assets could have changed by the time that the information is published.

At 31 December 2018, on a like-for-like basis (i.e. after restatement for asset disposals carried out in 2018), it is noted that the appraisals, calculated on the basis of appraisal value excluding transfer taxes, provided by the appraiser, Jones Lang LaSalle, had the following impacts for the Company:

Value of the property portfolio excl. transfer taxes *(in millions of €)*	31/12/2018	31/12/2017 restated (1)	Change	% change
Retail	159.3	158.8	+0.5	+0.4%
Offices	5.4	3.6	+1.8	+50.4%
M.R.M. ASSET PORTFOLIO	**164.7**	**162.4**	**+2.3**	**+1.5%**

(1) Restated for disposals carried out in 2018.

In 2018, therefore, the increase in the value of the portfolio was limited to 1.5% over one year due to higher capitalisation rates and lower market rental values, retained by the appraisers for certain assets, which partially offset the solid progress made in the retail-property value-enhancement plans during the year.

A sensitivity study simulating a change in the capitalisation rates as of 31 December 2018 showed that a 50 basis-point increase in these rates would reduce the asset portfolio value by €13,150 thousand (down 8.3%), whereas a 50 basis-point reduction would increase it by €15,580 thousand (up 9.8%).

Economic risk

Since the Group's real estate portfolio is made up of retail property assets in France, changes in the main French macroeconomic indicators are likely to affect M.R.M.'s business, its rental revenues, the value of its property portfolio, as well as its policy relating to investment in and development of new properties, and consequently its growth prospects.

Consequently, changes in the economic environment in which the Company operates, such as economic growth rates, interest rates rental indices could significantly affect its business and development, and thus its growth prospects.

- A prolonged economic slowdown at the national or international level and/or in the property market could continue to entail:

  (i) weaker demand for renting the Group's property assets leading to increased risk of vacancy if a tenant leaves as well as a longer time required to let its properties that are currently partly or wholly vacant, which would have an adverse impact on a) the value of the Company's property portfolio and b) its operating income (no rental revenues and property expenses not recovered for those properties),

  (ii) a deterioration in the capacity of tenants to fulfill their obligations to the Group, notably to pay their rent,

(iii) a decrease in the rental value of property assets affecting the Company's ability to negotiate new rental contracts, renew leases and increase or even maintain rents.

- A downward revision in the valuations or a slowdown in the growth of the indices on which the rents paid by tenants of the Group's property assets are indexed could also weigh on its rental revenues (invoiced rents and key money received). In addition to publishing the construction cost index (ICC), the INSEE launched the new ILC index in 2009. This index comprises the retail rent index (ICC) for 25%, the retail revenue index (ICAV) for 25% and the consumer price index (IPC) for 50%. The ICC stood at 1,703 in the fourth quarter of 2018, down from 1,733 the previous quarter. Over one year, the ICC increased by 2.16% in 2018 compared with 1.3% in 2017. The ILC stood at 114.06 in the fourth quarter of 2018 versus 113.45 the previous quarter. Over one year, the ILC increased by 2.45% in 2018 compared with 2.2% in 2017.
- A substantial increase in interest rates could entail:

(ii) higher investment costs for debt-financed investments (property asset acquisition or renovation),

(ii) a decline in the value of the Group's property portfolio insofar as the valuation of a property depends mostly on how much the owner can sell it for which in turn depends on purchasers'financing capacity and ability to leverage.

In addition, the economic environment, combined with a drying-up of finance from the banks, could have a significant impact on the Company's business and consequently slow down its development needs. It could also have an effect on the occupancy rate of the property assets and on tenants'capacity to pay their rent.

The capacity of Group companies to maintain or increase rents when leases are renewed is also affected by changes in both supply and demand, which are influenced by the general economic environment.

The value of the Group's property portfolio also depends on a number of factors including the level of market supply and demand, factors which themselves develop depending on the general economic environment. The level of the Group's rental revenues and its results, the value of its asset base and its financial position, as well as its development prospects could therefore be negatively influenced by these factors.

Competition risk

In its property dealings, the Company is faced with stiff competition from other sector players. This competition occurs when seeking acquisition targets as well as on letting out properties and/or renewing expired leases. The Company can encounter competitors in the acquisition of property assets, who may have greater competitive advantages, mainly financial means at their disposal. In addition, seeking to acquire property assets could become difficult due to scarcity of supply and the highly competitive property market. This could hinder the Company's ability to pursue a growth strategy, which could adversely affect its future growth prospects and earnings.

In the rental business, when leases expire, other players could offer tenants better terms, or properties which better meet their requirements at conditions more attractive than those proposed by the Company.

Risk of non-renewal of leases and vacation of properties

The Company's business consists of letting its property assets to third parties and allowing them to set up commercial activities and/or offices therein.

The tenant is entitled to vacate the premises as provided by law and regulations, or if applicable, according to the contract; in all cases, prior notice is mandatory. Upon expiry of the lease, the tenant may request its renewal or vacate the premises.

In certain cases, if the lessor refuses to renew, the lessee is entitled to an eviction indemnity, which can be a substantial amount. Whatever the reason for a tenant's leaving the premises, the Company cannot guarantee that it can re-let the premises in question rapidly under terms which are as favourable as those of the present lease. The lack of income from vacated premises and the corresponding fixed costs must then be borne by the Company and this is liable to affect the Company's revenue, operating income and profitability.

In addition, at the end of a lease period there is always the possibility that the Company might have to deal with different market conditions, unfavourable for lessors.

In fact, the current economic climate could result in leases not being renewed or premises being vacated early due to tenants getting into difficulties, in addition to problems associated with re-letting certain premises.

Dependence on main tenants – counterparty risk

All of the Group's revenue is generated by letting out property assets to third parties. It follows from this that any default on rent payments can affect the Company's earnings.

Certain tenants account for a significant proportion of the Company's annual invoiced rents. The contractually legitimate termination of one or several leases could have an impact on the level of rents received by the Company, and on its profitability.

However, the main tenants are bound by firm leases that can run for three to twelve years with expiration dates stated in Section 1.4.5 of this Registration Document. Clauses in such leases can provide for termination indemnities.

The top ten tenants in the property asset portfolio

As of 1 January 2019, the top tenant in the property asset portfolio, henceforth comprising only retail properties, accounted for 5.0% of rents in the retail property portfolio. The top five tenants accounted for 20.4% of rents in the property portfolio. The top ten tenants accounted for 30.5% of rents in the retail property portfolio (compared with 29.1% as of 1 January 2018).

Risks related to the Company's disposal of certain property assets

The Company may, within the context of its active property-asset management strategy, end up selling certain assets primarily to release fresh funds to finance other projects.

In view of the continued economic downturn, or operational and financial risks, the Company may not be able to sell part of its property assets under satisfactory terms.

Risks related to late completion or non-completion of planned investments

In its strategy of enhancing the value of its property portfolio, and in making its properties more attractive and valuable, the Company must make the necessary investments for refurbishing and restructuring existing sites.

In view of the sluggish nature of the current economic climate, the Company is focusing on its existing assets and is continuing its selective investment policy. Delays or non-completion of certain planned investments, or completion at higher costs than planned – due not only to the expense of conducting prior studies, but also to administrative, technical or marketing hurdles – may slow down the pace of the Company's development strategy, delay the letting out of the property and have a negative impact on its business and earnings.

Environmental risks related to public health

The Company's activities are subject to laws and regulations relating to the environment and public health. These laws and regulations concern in particular the ownership or use of facilities that may be a source of pollution or have an impact on public health (especially epidemics in shopping centres), the presence or use of toxic substances or materials in construction, their storage and manipulation. If the thresholds set by these regulations were to become stricter, the Company could be exposed to additional costs.

Some Company properties are exposed to problems related to public health and safety, especially asbestos and legionnaires'disease. Although the monitoring of such problems may primarily involve suppliers and subcontractors, the Company may nevertheless be held liable if it fails to meet its obligation to monitor and control the facilities it owns. Such problems could have a negative impact on the financial position, the results and the reputation of the Company, and also on its capacity to sell, let or refurbish an asset or to use it as collateral on a loan.

The Company's retail assets are subject to specific regulations covering the safety of people ("ERP" public safety regulations). Although the managers of these assets are responsible for taking the necessary measures in relation to these regulations, any breaches of these obligations could have a negative effect on the Company's reputation and the traffic in its shopping centres.

Climate or health risks could also have consequences in terms of the number of visitors to its shopping centres, a reduction in revenue for the traders and lost rent for the Company on the site concerned, and also in terms of the Company's image.

In addition, if the sites for planned shopping centres are on a flood plain, they may be refused planning permission. Plans to extend shopping centres are also affected by the progressive introduction of RPP (Risk Prevention Plans) by local authorities. These RPPs can prevent the extension of a given shopping centre and represent a significant loss in earnings for the Company.

Details of the policy covering the environmental impact of the Group's business activities, and the certification initiatives undertaken, are presented in paragraph 4 of the management report in Section 3.6 of this Registration Document.

Dependence on third parties

Since the Company brought the function of Head of Asset Management back in house and with the expiry of the real-estate asset management consulting agreement concluded with CBRE Global Investors, M.R.M. is no longer dependent on third parties for the efficient management of its property assets.

2.3 Market risks – Financial risks

Foreign exchange risk

At the date of this Registration Document, M.R.M. engages in no business which could expose it to any foreign exchange risks.

Interest rate risk

As of 31 December 2018, 85% of the Company's bank loans were contracted at fixed rates. A 1% rise in interest rates would impact the Group's financial expenses by €99 thousand.

In addition, the Group has an interest-rate cap in place to reduce the interest rate risk on its variable-rate debt. The main characteristics of the Group's financial instruments are described in Note 4.8 to the consolidated financial statements for the financial year ended 31 December 2018, presented in Section 3.7 of this Registration Document. As such, as of 31 December 2018, 70% of variable-rate bank debt was hedged by way of an interest rate cap (based on the 3-month Euribor at a strike rate of 1.25%).

Liquidity risk

The Company performed a special study of its liquidity risk and it considers that it can meet its current obligations. In fact, following the Company's recapitalisation in May 2013, which was conditional on restructuring the Group's bank and bond liabilities, its financial position is sound, its level of debt is considerably lower and its cash flow is healthy again.

As a result of the aforementioned capital and financial restructuring, the Company is now in a position to meet all of its short-term and medium-term financial deadlines.

The Company's level of leverage could affect its capacity to take out further loans. The Group's liquidity policy is to ensure that the total amount of rents is at all times higher than its working capital requirements to cover operating expenses, interest and repayment of its entire existing debt and the leverage it seeks to implement its investment programme.

Certain loan agreements entered into or that may be entered into by the Group or its subsidiaries contain or may in the future contain standard early repayment clauses and covenants.

These covenants define the thresholds to be respected for a number of ratios, in particular the LTV ratio (loan to value ratio), defined as the ratio of the amount of the loan to the market value of the property financed, the ICR ratio (interest coverage rate, representing the coverage rate of interest expenses by rents) and the DSCR (debt service coverage ratio, representing the coverage rate of debt repayments and interest expenses by rents). Covenants relating to the LTV ratios set maximum thresholds of between 47.3% and 65%. Covenants relating to ICR and DSCR ratios set minimum thresholds of between 130% and 300%. It is at the level of Group subsidiaries, which own the property assets financed, that the covenants are tested. The frequency of reporting on covenants to M.R.M.'s financial partners differs for the various credit lines, and can be quarterly, half-year or annual.

As of 31 December 2018, the Group complied with all commitments in respect of the LTV, ICR and DSCR covenants agreed with its banking partners.

All of the Group's financial liabilities, by nature and expiry date, are set out in Note 4.12 to the consolidated financial statements presented in Section 3.7 of this Registration Document.

Pledges and mortgages in favour of banks

Relevant information is provided in Note 9 to the consolidated financial statements in Section 3.7 of this Registration Document.

The property assets acquired by the Group or its subsidiaries with bank loans are mortgaged to the lending banks, and the shares of its subsidiaries are pledged to such banks.

Information on the portion of the issuer's share capital that has been pledged

To the Company's knowledge, no portion of M.R.M.'s share capital has been pledged.

2.4 Insurance

The Group's property assets are insured under multi-risk policies covering property damage, rental loss and the property owner's third party liability.

The risks covered by the various policies in force are generally: theft, water damage, broken glass, machinery failure, storms/hail/falling aircraft, terrorist attacks/vandalism/riots, public liability, and special risks.

Furthermore, when the Company carries out work on its property assets it takes out Contractors' All Risks (TRC) insurance covering material damage to a property during works, the consequences of natural disasters as defined by Ministerial decrees published in the *Journal Officiel* (French government gazette), and the owner's third-party liability during works.

M.R.M. has taken out an insurance policy, on its own behalf and on behalf of its subsidiaries, to cover the liability of managers of M.R.M. and its subsidiaries.

3.

GENERAL INFORMATION ON THE ISSUER AND ITS CAPITAL

3.1 General information

3.1.1 Company name

The name of the Company is M.R.M. (Article 2 of the Articles of Association).

3.1.2 Company registration place and number

The Company is registered with the Trade and Companies Register of Paris under number 544,502,206.

3.1.3 Registered office, legal status and laws governing the Company's business

The Company's registered office is at 5, avenue Kléber, Paris 75016, France.

The Company's telephone number is +33 (0)1 58 44 70 00. The Company is a French public limited company (*société anonyme*) with a Board of directors governed by the laws and regulations in force in France, in particular book II of the French Commercial Code, and by its Articles of Association.

3.1.4 Consultation of legal documents

Legal documents are available for consultation at the Company's head office and on its website at www.mrminvest.com.

3.1.5 Lifetime of the Company

Unless the Company is dissolved early or its lifespan is extended by resolution of the Extraordinary General Meeting of Shareholders, the Company shall expire on 20 April 2038. The Company was founded in its present form on 21 January 1992.

3.1.6 Financial period of the Company

The financial period is 12 months from 1 January to 31 December of each year (Article 18 of the Articles of Association).

3.1.7 Corporate purpose

The purpose of the Company worldwide is:

- primarily, to acquire, build, divide into lots, manage, maintain and outfit any and all property assets with a view to letting them, or to hold directly or indirectly equity interests in corporate entities having the same purpose, subject to tax laws governing partnerships or to corporate income tax;
- secondly, to provide technical, accounting, administrative, financial, marketing or management support services to its subsidiaries.

The Company may carry out any transactions compatible with, relating to and helping to fulfil this purpose (Article 3 of the Articles of Association).

3.1.8 Appropriation of earnings according to the Articles of Association

"Following any appropriation of losses carried forward, 5% shall be deducted from earnings and appropriated to the legal reserve fund. This deduction is no longer mandatory once the reserve fund is equivalent to the legal minimum.

Out of the available balance, upon the proposal of the Board of directors or the Management Board (depending on the chosen mode of administration), the General Meeting can appropriate the amounts it deems adequate, either to carry forward to the next period or to allot to one or several general or special reserve funds.

The balance, if any, shall be distributed among the shareholders as a bonus dividend.

Any shareholders other than natural persons:

(i) holding directly or indirectly, at the time any dividend is paid, at least 10% of the dividend rights in the Company; and

(ii) whose situation or that of their partners holding directly or indirectly, for the payment of any dividend, at least 10% of their dividend rights, renders the Company liable for the payment of the 20% levy referred to in Article 208 C IId of the French General Tax Code (the "Tax Levy") (such shareholders are hereafter referred to as "tax-paying shareholders");

shall be liable to the Company upon payment of any dividend for an amount equivalent to the Tax Levy due by the Company in relation to such payment." (Article 18 of the Articles of Association).

3.1.9 Management and administration

The corporate provisions relating to the members of the Board of directors are detailed in Articles 10 to 14 of the Articles of Association, the contents of which is provided in the corporate governance report in Section 4.1 of this Registration Document.

The Board's organisation and operation are set out in the internal regulations approved by the Board at its meeting of 21 February 2019 and published on the Company's website (www.mrminvest.com).

3.1.10 General Meetings

"General Meetings of Shareholders are called and held under the terms and conditions established by law.

The notice of General Meetings in which dividends are decided upon shall reiterate shareholders'obligations under Article 8 of the Articles of Association. Any shareholders other than natural persons holding directly or indirectly at least 10% of dividend rights in the Company must confirm whether or not they belong to the class of 'tax-paying shareholders'in accordance with Article 8 of the Articles of Association no later than three days before the date of the General Meeting.

Meetings are held either at the head office or in another venue in Paris or its neighbouring departments or in any other place indicated in the notice of meeting.

Any shareholder may take part in the meetings, personally or by proxy, provided that their shares are registered in their name or the name of the agent registered on their behalf, in accordance with Article L.228-1, paragraph 7, of the French Commercial Code, at midnight on the second business day prior to the meeting, or in the registered share accounts held by the Company, or in bearer share accounts held by an authorised intermediary.

For the purposes of determining a quorum and a majority, shareholders attending General Meetings by video conference or by telecommunications media permitting their identification and complying with applicable regulations, when the Board of directors decides on such methods of participation, before sending notice of General Meetings, shall be counted." (Article 16 of the Articles of Association).

3.1.11 Shareholders'rights

"Voting rights attached to equity shares or bonus shares are equal to the portion of the capital they represent, and each share carries at least one voting right. Double voting rights are granted to all fully paid-up shares which have been registered for at least two years, in the name of the same shareholder, under the terms and conditions provided for by law.

In the case where share ownership rights are split, the usufructuary has the voting rights in Ordinary General Meetings and the bare owner has the voting rights in Extraordinary General Meetings.

Any natural or legal person crossing, either up or down, a share ownership or voting rights threshold of 2.5% or a multiple thereof (5%, 7.5% and so on) must notify the Company within 15 days after the threshold is crossed of the number of shares they hold. This obligation ceases to apply above a threshold of 32.5% of the share capital or voting rights, as the case may be." (Article 8 of the Articles of Association).

The implementation of the method of acquiring double voting rights was decided by the General Meeting of 12 December 2007.

Shareholders'rights can be modified as provided by law.

It is specified that subject to the approval of the Special General Meeting of holders of shares carrying double voting rights, it will be proposed at the next General Meeting to cancel the double voting rights attached to M.R.M. shares pursuant to Article L.225-123 of the French Commercial Code and Article 8 of the Articles of Association, and to amend paragraph 4 of Article 8 of the Articles of Association accordingly, the rest of the Article remaining unchanged:

"Voting rights attached to equity shares or bonus shares are equal to the portion of the capital they represent, and each share carries at least one voting right. Fully paid-up shares which have been registered for at least two years in the name of the same shareholder do not carry double voting rights."

3.2 Information about the share capital

3.2.1 Share capital

As of the date of this Registration Document the share capital stands at €43,667,813. It is made up of 43,667,813 fully paid-up shares of identical class with a par value of €1 each. Fully paid-up shares are in either registered or bearer form, at the discretion of the shareholder, subject to the relevant legal provisions in force. (Articles 6 and 7 of the Articles of Association).

The share capital can be changed as provided by law.

The total number of theoretical voting rights as of 31 December 2018 and 31 March 2019 was 53,550,633 and 51,340,830, respectively. The difference between the number of shares and the number of voting rights is due to the existence of double voting rights. Restated for treasury shares, the actual number of voting rights as of 31 December 2018 and 31 March 2019 was 53,480,125 and 51,273,329, respectively.

3.2.2 Unissued authorised share capital

As of 31 December 2018, no authorisation was in force empowering the Board of directors to carry out capital increases by issuing shares or securities giving immediate or future access to the Company's share capital.

3.2.3 Convertible securities

None.

3.2.4 Non-equity securities

At the date of this Registration Document, there are no securities existing which do not represent the Company's share capital.

3.2.5 Securities giving access to the capital

None. No securities have been issued that would give access to the capital, and whose exercise would be likely to have a dilutive effect on the Company's shareholders.

3.2.6 Summary of current authorisations

None.

3.2.7 Treasury shares - Share buyback programme

As of 31 December 2018, the Company held 70,508 treasury shares representing 0.16% of the share capital and 0.00% of the actual voting rights in the Company.

Details of the share buyback programme

Pursuant to the provisions of Article 241–2 of the AMF General Regulations, the following description details the purposes and terms of the Company's share buyback programme. This programme will be submitted for the approval of the General Meeting of 29 May 2019.

Breakdown by objective of the equity securities held as of 31 March 2019:

Number of shares held directly and indirectly: 67,501 representing 0.15% of the capital of the Company.

Breakdown of the number of equity securities held by objective:

- to stimulate the share price by way of a liquidity contract: 63,941
- to retain shares purchased and later used for exchange or payment within the framework of any future external growth operations: 3,560
- to cover stock options or other employee shareholding scheme: 0
- to cover securities giving the right to the granting of shares: 0
- cancellation: 0

New share buyback programme

Share buyback authorisation: General Meeting of 29 May 2019

Securities concerned: ordinary shares

The maximum proportion of the Company's share capital that may be bought back: 10% of the share capital (i.e. 4,366,781 shares to date), it being specified that this limit is assessed at the date of repurchase to take into account any capital increase or capital reduction operations that may occur during the term of the programme. The number of shares taken into account for the calculation of this limit corresponds to the number of shares purchased, less the number of shares sold during the term of the share buyback programme for the purpose of attaining the liquidity objective.

Maximum share purchase price: €3 per share

Total amount of share buyback programme: €13,100,344

Share repurchases may be made by any means, including via the purchase of blocks of securities, whenever the Board of directors deems it appropriate. The Company reserves the right to use option mechanisms or derivatives within the framework of the applicable regulations.

Objectives:

- stimulate the trading of M.R.M. securities on the secondary market, or the liquidity of M.R.M. shares via a liquidity contract concluded with an investment services provider in accordance with the regulations in force, bearing in mind that the number of shares taken into account for the aforementioned calculation corresponds to the number of shares acquired less the number sold;
- retain shares for subsequent payment or exchange purposes in the event of acquisitions;
- ensure the hedging of stock option plans and/or bonus share plans (or similar) reserved for employees and/or corporate officers of the Group, as well as any share allocations under company or group savings plans (or similar plan), employee profit-sharing and/or any other form of allocation of shares to employees and/or corporate officers of the Group;
- ensure the hedging of securities giving access to the Company's shares in accordance with the regulations in force;
- cancel all or part of the shares which would be acquired, in accordance with the authorisation granted, or to be granted, by an Extraordinary General Meeting of Shareholders.

Term of the share buyback programme: 18 months running from the General Meeting of 29 May 2019 until 28 November 2020.

3.2.8 Complex securities

None.

3.2.9 Options or agreements involving the Company's share capital

None.

3.2.10 Pledged shares

To the Company's knowledge, no portion of M.R.M.'s share capital has been pledged.

3.2.11 Changes in the share capital

The share capital underwent no changes in 2018.

Changes in the share capital since 2007

Date	Nature of transaction	Capital increase/ decrease *(in euros)*	Issue or contribution or merger premium *(in euros)*	Number of shares issued	Par value *(in euros)*	Aggregate number of shares	Post transaction share capital *(in euros)*
31/12/2007					8	3,501,977	28,015,816
29/05/2013	Capital decrease by reducing the par value of the shares	-24,513,839			1	3,501,977	3,501,977
29/05/2013	SCOR SE capital increase	26,155,664	27,135,917	26,155,664	1	29,657,641	29,657,641
29/05/2013	Conversion of DB Dynamique Financière bonds	14,007,888	40,768,894	14,007,888	1	43,665,529	43,665,529
31/12/2013	Exercise of stock warrants	2,284	2,370	2,284	1	43,667,813	43,667,813

Operations affecting the breakdown of the share capital

In 2013, M.R.M. was recapitalised (see Section 1.2 of the 2013 Registration Document) whereby SCOR SE completed a cash capital increase, all bonds issued by DB Dynamique Financière, formerly a wholly owned M.R.M. subsidiary, were converted into M.R.M. shares, and stock warrants were exercised.

3.2.12 Shareholder structure

Changes in the shareholder structure

The table below sets out the changes in the shareholder structure (shareholders with over 2.5% of the share capital and/or voting rights) in terms of share capital and voting rights over the past three years:

At the date of filing of this Registration Document

Shareholders	Number of shares	% of the share capital	% of the theoretical voting rights	% of the actual voting rights
SCOR SE	26,155,663	59.90%	50.95%	51.01%
Compagnie Financière MI 29 - Eurobail	2,173,254 (1)	4.98% (1)	4.23% (1)	4.24% (1)
Specials Fund (2)	1,284,905	2.94%	5.01%	5.01%
VENOC	957,376	2.19%	3.73%	3.73%
Treasury shares	67,501	0.15%	0.12%	-
Public	13,029,114	29.84%	35.96%	36.00%
TOTAL	**43,667,813**	**100%**	**100%**	**100%**

(1) Based on the information received by the Company on 29 January 2019 from Compagnie Financiere MI29 and Eurobail.
(2) Foreign fund of funds.

As of 31 December 2018

Shareholders	Number of shares	% of the share capital	% of the theoretical voting rights	% of the actual voting rights
SCOR SE	26,155,662	59.90%	48.84%	48.91%
CBRE Global Investors (1)	1,046,482	2.40%	3.91%	3.91%
PREFF (2)	1,284,904	2.94%	4.80%	4.81%
Specials Fund (3)	1,284,905	2.94%	4.80%	4.81%
VENOC	957,376	2.19%	3.58%	3.58%
Treasury shares	70,508	0.16%	0.13%	-
Public	12,867,976	29.47%	33.84%	33.99%
TOTAL	**43,667,813**	**100%**	**100%**	**100%**

(1) Subsidiary of CBRE Group, the world's leading commercial real estate advisory, comprising CB Richard Ellis European Warehousing SARL, CB Richard Ellis Europe Investors Holding BV, and CB Richard Ellis Europe Investors DB Co-Invest LLC.
(2) Fund of foreign funds acting in concert with CBRE Global Investors.
(3) Foreign fund of funds.

As of 31 December 2017

Shareholders	Number of shares	% of the share capital	% of the theoretical voting rights	% of the actual voting rights
SCOR SE	26,155,662	59.90%	47.95%	47.98%
Groupe CBRE Global Investors (1)	1,046,482	2.40%	3.84%	3.84%
PREFF (2)	1,284,904	2.94%	4.71%	4.71%
Specials Fund (3)	1,284,905	2.94%	4.71%	4.71%
VENOC	957,376	2.19%	3.51%	3.51%
Treasury shares	35,012	0.08%	0.06%	-
Public	12,903,472	29.55%	35.22%	35.24%
TOTAL	**43,667,813**	**100%**	**100%**	**100%**

(1) Subsidiary of CBRE Group, the world's leading commercial real estate advisory, comprising CB Richard Ellis European Warehousing SARL, CB Richard Ellis Europe Investors Holding BV, and CB Richard Ellis Europe Investors DB Co-Invest LLC.

(2) Fund of foreign funds acting in concert with CBRE Global Investors.

(3) Foreign fund of funds.

As of 31 December 2016

Shareholders	Number of shares	% of the share capital	% of the theoretical voting rights	% of the actual voting rights
SCOR SE	26,155,662	59.90%	47.31%	47.33%
CBRE Global Investors (1)	1,046,482	2.40%	3.79%	3.79%
PREFF (2)	1,284,904	2.94%	4.65%	4.65%
Specials Fund (3)	1,284,905	2.94%	4.65%	4.65%
VENOC	957,376	2.19%	3.46%	3.47%
Treasury shares	23,361	0.05%	0.04%	-
Public	12,915,123	29.58%	36.10%	36.11%
TOTAL	**43,667,813**	**100%**	**100%**	**100%**

(1) Subsidiary of CBRE Group, the world's leading commercial real estate advisory, comprising CB Richard Ellis European Warehousing SARL, CB Richard Ellis Europe Investors Holding BV, and CB Richard Ellis Europe Investors DB Co-Invest LLC.

(2) Fund of foreign funds acting in concert with CBRE Global Investors.

(3) Foreign fund of funds.

To the Company's knowledge and on the day this Registration Document was prepared, no other shareholder held, directly or indirectly, acting alone or in concert, more than 2.5% of the Company's share capital or voting rights.

The measures taken to prevent SCOR SE from initiating a hostile takeover of the Company are described in Section 1.15 "Management of conflicts of interest" of the corporate governance report in Section 4.1 of this Registration Document. Moreover, independent directors are required to serve on the Board of directors and its Audit Committee, and the duties of the Chairman of the Board of directors and the Chief Executive Officer are separate.

Threshold crossing disclosures (Article L.233-7 of the French Commercial Code)

By mail received 24 January 2019 (AMF Notice No. 219C0164), the concert comprising the companies CB Richard Ellis European Warehousing SARL, CBRE Global Investors Asia Holdings BV, CB Richard Ellis Investors DB Co-Invest LLC and PREFF Pan-European Real Estate Fund of Funds plc declared that on 18 January 2019 it had crossed below the 5% threshold of the Company's share capital and voting rights and held 581,386 M.R.M. shares representing 1,162,772 voting rights, equivalent to 1.33% of the Company's share capital and 2.17% of its voting rights, broken down as follows:

	Shares	% of the share capital	Voting rights	% of the voting rights
PREFF Pan-European Real Estate Fund of Funds plc	320,421	0.73%	640,842	1.20%
CB Richard Ellis Investors DB Co-Invest LLC	123,298	0.28%	246,596	0.46%
CB Richard Ellis European Warehousing SARL	123,152	0.28%	246,304	0.46%
CBRE Global Investors Asia Holdings BV	14,515	0.03%	29,030	0.05%
TOTAL CONCERT	**581,386**	**1.33%**	**1,162,772**	**2.17%**

This threshold crossing resulted from an off-market disposal of M.R.M. shares.

By mail received on 4 February 2019 each company in the aforementioned concert declared that on 29 January 2019 it had sold all its shares in the Company as detailed in the table above. As a result, these companies no longer hold any shares in the Company.

By mail received on 29 January 2019, Compagnie Financière MI 29 (29 rue de Monceau, 75008 Paris), together with its subsidiary, Eurobail, declared that on 22 January 2019, they owned 2,173,654 M.R.M. shares representing as many voting rights, equivalent to 4.98% of the Company's share capital and 4.20% of its voting rights.

By mail received on 29 January 2019 (AMF Notice No. 219C0188), SCOR SE (5 avenue Kléber, 75016 Paris) declared that on 25 January 2019, it had broken through the 50% voting rights threshold and held 26,155,662 M.R.M. shares representing as many voting rights, equivalent to 59.90% of the Company's share capital and 50.49% of its voting rights.

This passive threshold crossing resulted from a reduction in the total number of M.R.M. voting rights.

By mail received on 6 February 2019 (AMF notice no. 219C0227), Specials Fund, a company governed by Luxembourg law (50 avenue J.F. Kennedy, L-2951 Luxembourg) declared that on 4 February 2019 it had broken through the 5% voting rights threshold and held 1,284,905 M.R.M. shares representing 2,569,810 voting rights, equivalent to 2.94% of the Company's share capital and 5.02% of its voting rights.

This passive threshold crossing resulted from a reduction in the total number of M.R.M. voting rights.

No other threshold crossings have been declared in the last three years.

Derogation exempting the Company from its obligation to file a public offer

At its meeting of 19 February 2019, the French Financial Markets Authority (*Autorité des Marchés Financiers* - AMF) reviewed a request from SCOR SE to obtain a derogation exempting it from its obligation to file a public offer for M.R.M. shares, within the framework of the programme to reduce the total number of voting rights of the Company. As at 31 December 2018, SCOR SE held 26,155,662 M.R.M. shares representing as many voting rights, equivalent to 59.90% of the Company's share capital and 48.84% of its voting rights. On 18 January 2019, certain M.R.M. shareholders sold their shares carrying double voting rights, resulting in a decrease in the total number of voting rights of the Company. As a result of this transaction, SCOR SE declared that it held 26,155,662 M.R.M. shares on 25 January 2019 representing as many voting rights, equivalent to 59.90% of the Company's share capital and 50.49% of its voting rights. As a result of this SCOR SE's share of the Company's voting rights (initially fixed at between 30% and 50%, and always below 49%), had increased by more than 1% in less than twelve consecutive months, thus triggering the obligation to launch a public offer pursuant to Article 234–5 of the General Regulations of the AMF. In the light of this, SCOR SE requested that the AMF grant it a derogation exempting it from its obligation to file a public tender offer for M.R.M. shares, in accordance with the provisions laid down in Article 234–9-5 of the General Regulations. To back up its request, SCOR SE indicated that the reduction in the number of voting rights on 18 January 2019 could not have been anticipated, as it resulted from the loss of double voting rights attached to M.R.M. shares owned by M.R.M. shareholders other than SCOR SE. On this basis, given that SCOR SE's obligation to file a public offer stemmed from a decrease in the number of M.R.M. voting rights, and that said decrease was not of SCOR SE's making, AMF granted the requested derogation on the statutory basis invoked (AMF notice no. 219C0307).

Shareholder identification

The Company may request at any time, in line with applicable laws and regulations, the central depository system which keeps track of the stock issued by the Company for the names, or, where it concerns a corporate body, the names, nationalities and addresses, of the holders of shares that confer, immediately or in the future, voting rights in its General Meetings of Shareholders, as well as the number of shares held by each one and, if applicable, any restrictions on those shares (Article 7 of the Articles of Association).

3.3 Share price

The table below sets out the data concerning the price of the Company's shares, on a monthly basis, over the past three years:

Month	Highest	Lowest	Average closing price	Traded volumes (numbers of shares)
January 2016	€1.40	€1.36	€1.38	101,603
February 2016	€1.46	€1.38	€1.42	27,317
March 2016	€1.63	€1.47	€1.58	99,077
April 2016	€1.69	€1.62	€1.67	95,956
May 2016	€1.67	€1.62	€1.65	131,345
June 2016	€1.64	€1.55	€1.61	84,939
July 2016	€1.60	€1.47	€1.54	62,947
August 2016	€1.55	€1.52	€1.53	32,099
September 2016	€1.58	€1.53	€1.57	72,057
October 2016	€1.62	€1.55	€1.58	75,403
November 2016	€1.71	€1.62	€1.68	185,587
December 2016	€1.70	€1.67	€1.68	48,761
January 2017	€1.76	€1.67	€1.72	87,563
February 2017	€1.82	€1.73	€1.75	91,170
March 2017	€1.83	€1.80	€1.81	31,235
April 2017	€1.83	€1.78	€1.81	60,018
May 2017	€1.92	€1.84	€1.88	164,747
June 2017	€1.99	€1.88	€1.93	252,275
July 2017	€2.13	€1.92	€2.04	173,928
August 2017	€2.07	€1.97	€2.01	147,991
September 2017	€2.00	€1.92	€1.97	99,675
October 2017	€1.98	€1.85	€1.90	273,760
November 2017	€1.89	€1.80	€1.83	102,503
December 2017	€1.88	€1.78	€1.81	126,536
January 2018	€1.80	€1.74	€1.78	412,979
February 2018	€1.80	€1.70	€1.74	273,403
March 2018	€1.75	€1.70	€1.72	49,382
April 2018	€1.74	€1.68	€1.71	67,304
May 2018	€1.75	€1.64	€1.69	245,244
June 2018	€1.65	€1.50	€1.56	441,229
July 2018	€1.51	€1.45	€1.49	208,340
August 2018	€1.54	€1.46	€1.51	86,742
September 2018	€1.52	€1.44	€1.48	67,917
October 2018	€1.54	€1.43	€1.48	91,458
November 2018	€1.59	€1.45	€1.50	226,651
December 2018	€1.50	€1.39	€1.43	274,209
January 2019	€1.41	€1.37	€1.39	163,618
February 2019	€1.43	€1.37	€1.41	133,868
March 2019	€1.46	€1.40	€1.42	117,528

M.R.M.'s stock market capitalisation as of 31 December 2018, based on the final closing price in 2018, namely €1.41, amounted to €61,571,616.33.

3.4 Employee profit-sharing plan

None.

3.5 Dividend payout policy

The dividend payout policy complies with SIIC rules. In particular, 95% of earnings from building lettings are paid out before the end of the financial year following the one during which such earnings are realised, and 60% of capital gains from the sale of buildings, shares in tax-transparent property companies or shares of subsidiaries liable for corporate income tax having opted for SIIC status are paid out in dividends before the end of the second financial year following the one in which they are realised; and dividends received from subsidiaries having opted for SIIC status are redistributed in full during the financial year following their collection.

The resolutions to be presented to the Annual General Meeting to be held on 29 May 2019 to approve the financial statements for 2018 provide for the payment of premiums of €0.11 per share for 2018 as indicated in Section 2.3 "Appropriation of earnings and payment of premiums" of the management report in Section 3.6 of this Registration Document.

Dividend payments for the past three years are presented in paragraph 2.4 "Dividends paid out in previous years" of the management report in Section 3.6 of this Registration Document.

The dividend limitation period is five years. Dividends for which payment has not been requested are paid back to the French Treasury department.

3.6 Management report for the year ended 31 December 2018

Ladies, Gentlemen,

This Combined General Meeting was called in accordance with the Articles of Association and the French Commercial Code to report on the Company's business activities during the financial year ended 31 December 2018, the resultant earnings and the Company's outlook, and to seek approval for the annual and consolidated financial statements for said financial year. Those financial statements are attached.

You were duly notified and called to the Meeting, as prescribed by law, and all mandatory documents under rules and regulations in force were put at your disposal within the legal time frame.

1. Company position and activities

1.1 Company position and activities in the past year

1.1.1 General presentation of the Company

M.R.M. is a listed real estate investment company that owns a portfolio consisting primarily of retail properties across several regions of France. As such, M.R.M. and its subsidiaries implement an active value-enhancement and asset management strategy combining yield and capital gains.

Since 29 May 2013, M.R.M.'s main shareholder has been SCOR SE which owns 59.9% of the share capital. Since then, M.R.M.'s strategy has been to refocus its business on holding and managing retail properties with plans to gradually dispose of its office properties.

In 2018, M.R.M. completed its refocusing strategy with the disposal in May of Nova, its last operating office rental property. In addition, M.R.M. has pursued the deployment of its investment plan reserved for existing retail properties, while continuing to market its available spaces.

M.R.M. is a joint-stock company whose shares are listed on the regulated Euronext Paris market, compartment C. On 1 January 2008, the Company elected to benefit from the tax status of a French real estate trust (the SIIC regime).

ISIN code: FR0000060196 – Bloomberg code: M.R.M. FP - Reuters code: M.R.M. PA.

1.1.2 Company history

Prior to its restructuring as a real estate company in 2007, M.R.M. was originally a listed holding company at the head of a group built around three business activities: manufacturing and sales of velvet products (JB Martin Holding), clothing design and retailing in Mexico (Edoardos Martin), and the production and sale of plastic cables and tubes (M.R. Industries).

2013 was marked by a major recapitalisation of M.R.M. via the acquisition of a majority stake of 59.9% in its capital by SCOR SE and the conversion into M.R.M. shares of the €54 million bond issued by an M.R.M. subsidiary.

Alongside the restructuring of M.R.M.'s bank and bond debt to which it was subject, this recapitalisation established a healthy financial structure for M.R.M. characterised by a strengthening of its equity base, significant debt reduction and rescheduling, and the restoration of its cash position. Company governance was amended to reflect the new shareholder base of M.R.M.

1.1.3 Key dates in the past year

23 February 2018: M.R.M. published its 2017 annual results.

27 April 2018: M.R.M. announced the publication and availability of its 2017 Registration Document.

4 May 2018: M.R.M. published financial information for the first quarter of 2018.

15 May 2018: M.R.M. sold the Nova office property in La Garenne-Colombes for €38.0 million. The disposal of M.R.M.'s last operating office property marks the definitive withdrawal of the Group from the office property segment within the context of its strategy launched in mid-2013 to refocus on retail real estate. This brings the total proceeds of office property sales carried out by M.R.M. since this date to €126 million.

31 May 2018: The Ordinary General Meeting of M.R.M. approved all of the proposed resolutions, notably the payment of premiums for up to €0.11 per share.

27 July 2018: M.R.M. published its interim results for 2018 and announced the publication and availability of the half-year financial report for 2018.

9 November 2018: M.R.M. published financial information for the third quarter of 2018.

1.1.4 Equity stakes and controlling interests taken in entities with head offices in France

No acquisition of shares or control occurred during the year ended 31 December 2018.

As of 31 December 2018, M.R.M. controlled six companies, unchanged from 31 December 2017.

The list of equity interests is provided in Appendix 2 of this report.

1.1.5 Company branches

In accordance with Article L.232-1 of the French Commercial Code, it is recalled that the Company had no branches as of the date of this report.

1.2 Research & Development

In accordance with Article L.232-1 of the French Commercial Code, it is recalled that the Company conducted no research and development during the past financial year.

1.3 Situation and activity of entities controlled by M.R.M. and their property portfolios

It should be recalled that M.R.M. is a dedicated holding company, all property assets being held by its subsidiaries. The list of subsidiaries and affiliates can be found in Appendix 2 of this report.

1.3.1 Retail property portfolio

The retail property portfolio is directly or indirectly held by the following subsidiaries: SAS DB Neptune, SAS Commerces Rendement, SAS DB Piper, SCI Immovert, and SCI Galetin II. The Group's legal structure can be found in Section 1 of the 2018 Registration Document.

In 2018, 26 new leases or lease renewals were signed in the retail property portfolio, representing an annual rental income of €1.7 million. As of 1 January 2019, the net annualised rent for retail properties was €8.2 million, up 10.9% from 1 January 2018. As of 31 December 2018, the occupancy rate of the retail properties was up 8 percentage points to 84% compared with 31 December 2017. This increase was due primarily to the reletting of medium-sized retail spaces which had been vacated at the end of 2017 in Reims and at Les Halles du Beffroi in Amiens and to the arrival of new tenants in the Aria Parc retail park in Allonnes.

In 2018, within the context of its retail-property value-enhancement programme, the investments made in these portfolio assets amounted to €14.5 million. These were primarily:

- the segmentation of a 1,800m² unit and the extension of the Aria Parc retail park in Allonnes which increased its total surface area from 10,500 to 12,800 m² to house a new low-end anchor brand on the site (Maison Dépôt in 3,300m²);
- the launch of the reconfiguration and extension of the Valentin shopping centre in Besançon, the largest project in M.R.M.'s investment plan. After the renovation of the existing shopping mall was carried out in 2017, a second 2,600m² rental space extension phase was launched in the second quarter of 2018, by way of the partial redevelopment of the shopping mall. The total surface area of the mall will be brought to 6,700m² comprising 45 stores and two medium-sized retail units. The car park will also get a makeover with the addition of an outdoor parking area. The Valentin shopping centre is due to open its doors to the public in its new configuration in early 2020.

In 2018, the Group sold a small, local unoccupied retail property (500m²), previously operated by Gamm Vert, for €0.2 million.

1.3.2 Office portfolio

Following the sale of Nova on 15 May 2018, M.R.M.'s office property portfolio as at 31 December 2018 had been reduced to Urban, an unoccupied 7,970m² building in Montreuil under an "as-is" sale agreement. This property is directly owned by the subsidiary SCI Noratlas. The Group's legal structure can be found in Section 1 of the 2018 Registration Document.

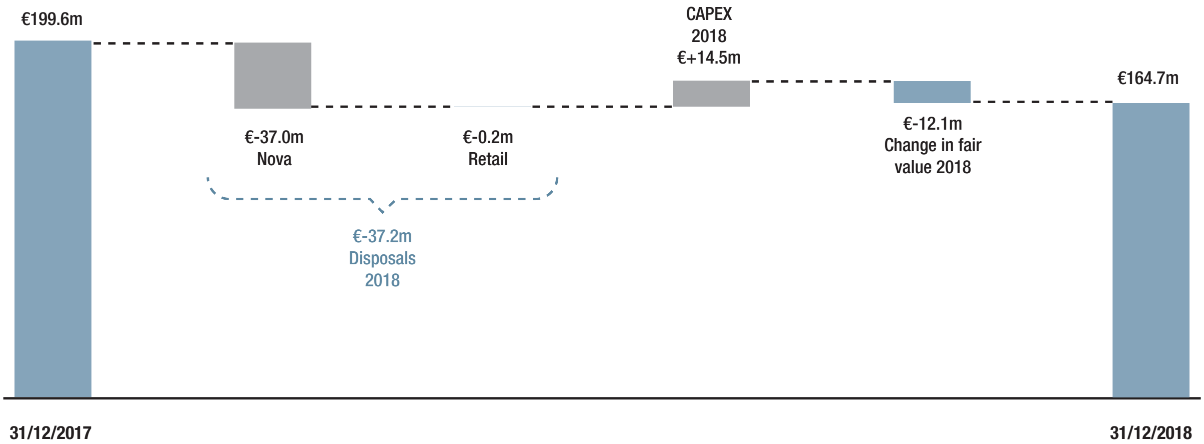
On 30 January 2019, M.R.M. announced the sale of the Urban office property, for the sum of €6.35 million excluding transfer taxes. See Section 1.4 "Subsequent events" of this report.

1.3.3 Change in the portfolio

As of 31 December 2018, M.R.M.'s asset portfolio stood at €164.7 million excluding transfer taxes compared with €199.6 million excluding transfer taxes as of 31 December 2017, up 1.5% on a like-for-like basis, i.e. compared with its value as of 31 December 2017 restated for the properties sold in 2018, namely the Nova office building and a small retail property.

M.R.M. invested €14.5 million in its portfolio in 2018.

As of 31 December 2018, the change in the fair value of M.R.M.'s asset portfolio was a negative €12.1 million.



2018 was marked by declining trends in retail property asset valuations (excluding prime assets) reflecting the difficulties experienced by several brands whose activity is suffering from ongoing in-depth changes. The change in fair value stems mainly from the increase in the capitalisation rates, retained by the appraiser for certain assets, which more than offset the progress made in the retail-property value-enhancement plans during the year. At the end of December 2018, the nine retail complexes located in the Ile-de-France region and in the provinces accounted for 97% of M.R.M.'s portfolio value, compared to 80% a year earlier. This asset allocation reflects the progress made by M.R.M. in refocusing on retail property following the sale of the Nova office building.

As of 31 December 2018, the total surface area of M.R.M.'s property portfolio was 94,397m², including 86,427m² in retail assets and 7,970m² in office assets, corresponding to the Urban building [(1)] in Montreuil.

(1) Property sold in January 2019. See Section 1.4 "Subsequent events" of this report.

Value of the property portfolio (excl. transfer taxes) *(in millions of €)*	31/12/2018	31/12/2017
Retail	159.3	159.0
Offices	5.4	40.0
TOTAL	**164.7**	**199.6**

1.3.4 Net Asset Value

As of 31 December 2018, the EPRA NNNAV was €2.35 per share, down 12.9% on the year-earlier level of €2.70. Factoring in the 2017 dividend paid in 2018, the EPRA NNNAV at the end of December 2018 was down 9.3% year-on-year.

The replacement NAV is EPRA NNNAV plus transfer taxes. It corresponds to the capital needed to replace the Group's portfolio. As at 31 December 2018, this came out at €2.60 per share, compared with €3.05 per share at 31 December 2017.

	31/12/2018		31/12/2017	
Calculation of NAV	€m	€/share	€m	€/share
IFRS Group equity	102.6		118.0	
Dilutive effects	0.0		0.0	
NAV	**102.6**	**2.35**	**118.0**	**2.70**
- Cancellation of treasury shares	0.0		-0.1	
- Fair value of financial instruments	0.0		-0.0	
- Fair value of liabilities	0.8		1.1	
EPRA NAV	**103.4**	**2.37**	**119.0**	**2.73**
+ Fair value of financial instruments	0.0		0.0	
+ Fair value of liabilities	-0.8		-1.1	
EPRA NNNAV	**102.6**	**2.35**	**118.0**	**2.70**
Transfer taxes	10.7		15.3	
Replacement NAV	**113.4**	**2.60**	**133.2**	**3.05**

1.3.5 Net operating cash flow

Gross operating income came to €3.9 million in 2018. This 7.2% increase on the 2017 level of €3.6 million stems from a reduction in operating costs and other non-recurring operating expenses, which more than offset the reduction in net rental income due to asset disposals. Given a 21.4% reduction in borrowing costs, net operating cash flow [(1)] was positive at €2.4 million in 2018, up 38.5% year-on-year.

Net operating cash flow *(in millions of €)*	2018	2017	Change 2018/2017
Net rental revenues	6.7	7.8	-14.8%
Other operating income	0.1	0.1	
Operating expenses	-2.5	-2.8	-11.00%
Other operating expenses	-0.4	-1.5	
EBITDA	**3.9**	**3.6**	**7.2%**
Net borrowing cost	-1.5	-1.9	-21.4%
Other financial expenses	0.0	0.0	
NET OPERATING CASH FLOW	**2.4**	**1.7**	**38.5%**

(1) Net operating cash flow = net profit (loss) before tax restated for non-monetary items.

1.3.6 Debt

As of 31 December 2018, Group financing consisted of mortgage bank debt of €74.1 million, compared with €95.3 million at the end of 2017. This €21.2 million reduction stems from:

- the repayment, following the sale of the Nova building, on 15 May 2018 of the €22.0 million loan granted by M.R.M.'s majority shareholder, SCOR SE; and
- contractual amortisation throughout the year, totalling €2.9 million, which was partially offset by;
- drawdowns in the amount of €3.4 million on the available credit line facility intended for the partial financing of investments on existing retail property assets.

Factoring in drawdowns on the available credit line facility for the partial financing of investments on existing retail property assets, the amount of available credit as of 31 December 2018 totalled €6.3 million.

The average cost of debt stood at 1.68% in 2018, compared with 1.83% in 2017:

Average cost of debt *(in millions of €)*	2018	2017
Gross borrowing cost	1.5	1.9
Restatement for non-recurring items	-0.1	-0.1
Gross restated borrowing costs	1.4	1.8
Average debt outstanding	82.4	97.3
AVERAGE COST OF DEBT	**1.68%**	**1.83%**

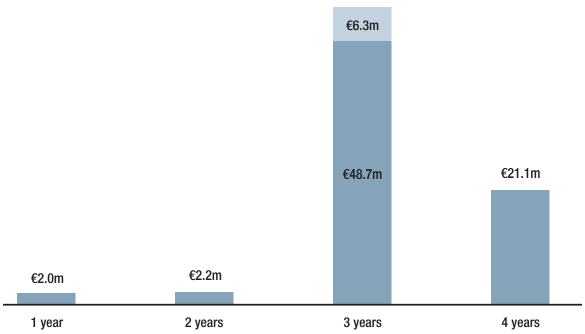
As of 31 December 2018, 85% of the Company's bank loans were contracted at fixed rates. The variable-rate bank loans were partially hedged by means of an interest rate cap.

M.R.M.'s borrowings had the following maturity as of 31 December 2018:

- maturing in less than one year: €2.0 million;
- maturing in more than one year: €72.1 million.

The debt maturing within a year comprises contractual repayments to be made over the next twelve months.

BANK DEBT SCHEDULE AS OF 31 DECEMBER 2018



The Group's consolidated LTV ratio stood at 45.0% as of 31 December 2018 compared with 47.7% as of 31 December 2017.

In view of the cash position, the total net debt ratio eased from 41.0% as of 31 December 2017 to 36.8% as of 31 December 2018.

As of 31 December 2018, the Group complied with all commitments in respect of the LTV, ICR and DSCR covenants agreed with its financial partners.

1.4 Major subsequent events

On 30 January 2019, M.R.M. announced the sale of Urban, an unoccupied 7,970m^2 office building located in Montreuil, for the sum of €6.35 million excluding transfer taxes. This transaction marks the completion of the office-asset disposal plan initiated in June 2013 enabling M.R.M. to refocus its portfolio exclusively on retail properties. It brings the cumulative amount of office properties sold by M.R.M. within the framework of its asset disposal programme to €132.3 million, 9.8% higher than the appraisal values at 30 June 2013 after taking CAPEX into account.

It is specified that, following the disposal by certain shareholders of M.R.M. shares carrying double voting rights, which in turn resulted in a reduction in the total number of voting rights of the Company, SCOR SE, which held 26,155,662 M.R.M. shares carrying one voting right per share as at 31 December 2018, representing 59.9% of the share capital, saw its percentage of the voting rights increase on 25 January 2019 from 48.84% to 50.49%. SCOR SE therefore declared this passive crossing of the 50% voting-rights threshold. It also obtained a derogation from the AMF exempting it from its obligation to file a public offer (due to the increase in its 30% to 50% share of M.R.M.'s voting rights by more than 1% in less than twelve months) pursuant to Article 234–9-5 of the AMF General Regulations, on the basis that this increase stemmed from a reduction in the total number of voting rights (AMF opinion No. 219C0307 dated 20 February 2019).

1.5 Foreseeable changes and outlook

With the sale of the Group's entire office asset portfolio, M.R.M.'s strategy to refocus its activity on commercial real estate is now complete.

With a solid financial structure, M.R.M. has made progress in its substantial investment programme designed to enhance the value of its retail properties. This represents a total projected investment of €35.5 million, of which €21 million was committed as of 31 December 2018, making for total cumulative commitments of €34 million as at 31 December 2018.

After the completion in 2016 of works to reconfigure and relet 5,000m² in the Sud Canal shopping centre in Saint-Quentin-en-Yvelines, and to renovate and reposition the Les Halles du Beffroi shopping centre in Amiens, in 2017 full ownership of the Aria Parc retail park in Allonnes was acquired, the reconfiguration and extension of the Carré Vélizy complex in Vélizy-Villacoublay were completed, and the first stage of the value-enhancement programme for the Passage de la Réunion shopping centre in Mulhouse was completed, 2018 was marked by:

- the completion of extension work on the Aria Parc retail park in Allonnes to house a 3,300m² Maison Dépôt store;
- the launch of the partial reconfiguration and expansion of the Valentin shopping centre, the largest programme in the investment portfolio, with a view to opening it to the public in early 2020.

The renovation of the Galerie du Palais in Tours, which will be renamed Le Passage du Palais, is scheduled to start in the first quarter of 2019. The aim is to improve the customer experience by implementing the "Synergies Centre by M.R.M." concept which focuses on modern design, exchange services and proximity. This will also include the creation of rest and sharing areas as well as WiFi access.

Phase 2 of the renovation of the Le Passage de la Réunion shopping centre in Mulhouse will include the reconfiguration of office space and the arrival of new retail units on the ground floor.

Taking the new spaces to be created into account and assuming an occupancy rate of 95% for the retail property portfolio, M.R.M. has confirmed its total net annualised rent objective for its retail assets of over €10 million at the end of the value-enhancement programme expected in early 2020 (excluding acquisitions or disposals), compared with €8.2 million as of 1 January 2019.

Moreover, in line with its active portfolio management strategy, M.R.M. is considering the possibility of carrying out further acquisitions or disposals.

1.6 Main risks and uncertainties facing the Company

The risks and uncertainties facing the Company are, on the date of this report, those which could have a material adverse impact on the Company, its business, its position, its earnings or share price, and which are important with regard to investment decisions.

The Company has assessed the risks which could have a significant negative effect on its activity, its financial situation or its results (or on its capacity to achieve its objectives), and it believes that there are no significant risks other than those presented in Section 2 of the 2018 Registration Document.

The Company's exposure to risks related to prices, credit, liquidity and cash, as well as its hedging policies, are detailed in Section 2 of the 2018 Registration Document and in the notes to the consolidated financial statements for the year ended 31 December 2018.

Measures taken by the Company to reduce the financial risks from the effects of climate change by implementing a low-carbon strategy in all areas of its business are described in paragraph 4 "Information on corporate social responsibility" of this report.

1.7 Internal-control and risk-management procedures relating to the preparation and processing of accounting and financial information

1.7.1 Objectives of the internal control procedures

The control procedures implemented by the M.R.M. Group (i.e. the Company and all entities it directly or indirectly controls) relating to the preparation and processing of accounting and financial information aim to:

- coordinate the proper circulation of accounting, financial and management information between external parties and the managers of M.R.M. group companies; and
- prevent and manage risks associated with the M.R.M. group's activities, and the risks of errors or fraud, with particular regard to accounting and finance.

Internal control cannot however provide an absolute guarantee that the Company's objectives will be achieved.

1.7.2 Internal control parties

The Chief Executive Officer

The Chief Executive Officer is responsible for the communication and coordination of financial information between the various parties involved in pursuit of the defined strategy. This person ensures the quality of the internal control and risk management systems.

The Chief Executive Officer, the Chairman of the Board of directors and the Board of directors oversee the companies in the M.R.M. group in general and make sure that their legal, contractual, financial, fiscal and administrative obligations are fulfilled so that the Company is managed in the best and most efficient way.

In the proper execution of his duties the Chief Executive Officer makes sure he is informed by the Chief Financial Officer and the Head of Asset Management about all matters relating to the Group's buildings, takes any steps necessary to collect such information, approves the decisions taken, and alerts the competent bodies of the potentially unfavourable consequences of decisions left unresolved.

The Chief Executive Officer oversees the actions of the Chief Financial Officer and the Head of Asset Management and is responsible for preparing and presenting the general budget and business plan setting out the objectives and strategy for the short and medium term.

The Chief Financial Officer

Among other things the Chief Financial Officer is responsible for:

- gathering operational, financial and accounting information to prepare the activity reports and annual, interim, quarterly and monthly regulatory information, if necessary;
- coordinating and supervising the work of the different parties involved (e.g. property managers, chartered accountants, lawyers, consultants) with a view to establishing said reports;
- supervising the preparation of the corporate and consolidated financial statements, within the given deadlines, in accordance with the laws and accounting standards in force, in particular with IFRS;
- ensuring that the Company's financial and accounting information is comprehensive and consistent;
- establishing and monitoring the Group's bank financing;
- communicating with investors and financial markets (e.g. press releases, results presentations, website content and layout).

Concerning the administrative and financial management of the Company and the entities it owns, the Chief Financial Officer is responsible for:

- managing the cash and banking transactions of these entities;
- supervising the preparation of all tax and social security returns and legal disclosures of the Company and its subsidiaries;
- managing the administration of the entities and coordinating the work of various external consultants and auditors;
- conducting internal control assessments of the Company and its subsidiaries;
- informing the Audit Committee of the results of these internal control assessments;
- and, more generally, managing the relationship with third parties involved in the areas for which the Chief Financial Officer is responsible.

The Finance Department also carries out management controls, notably to reinforce the Group's management procedures, as well as to monitor the property managers' management reports and investment budgets, and to measure the Group's property and financial performance.

The Head of Asset Management

In 2015, the Company recruited a Head of Asset Management. The creation of this position is part of the new organisation of the Company, which decided in 2015, to move partially in-house the asset management of its properties in order to strengthen control of its operations and costs, and to optimally enhance the value its retail portfolio.

Reporting to the Chief Executive Officer, the Head of Asset Management oversees the management of the retail properties owned by the Group and, as part of preparing the accounting and financial information, is responsible for:

- drawing up, in conjunction with the Chief Financial Officer, cash flow forecasts for each asset and their monitoring for end-of-period accounting formalities as well as the financial reporting to executive management and the Strategic Committee; and
- providing all information necessary for the appraisers in charge of the half-yearly valuation estimates of the Company's property assets.

The property managers

The property managers manage the receipts and expenditures relating to the properties, in accordance with the accounting regulations in force in France. They are responsible for the electronic recording of payments, payment reminders, settlements, disputes and their results, so that the Head of Asset Management can have access to clear and up-to-date information. Property managers are also responsible for property and facilities management of the Company's buildings. In particular, they draw up budgets for operating charges and works and rebill these to tenants.

The agreements between the property managers and the Group subsidiaries provide for and organise the information and reporting obligations to which the property managers must adhere in performing their duties.

Whenever necessary, the property managers provide the Head of Asset Management and the Finance Department with the information required to prepare tax and social security returns. Every month, the information required to ensure that the accounting records are properly maintained is sent to the Finance Department as soon as possible. This information is reviewed by the Finance Department, which may approach the property managers directly for further details or clarifications.

The Audit Committee

The Audit Committee monitors the processes used to prepare the corporate and consolidated financial statements and assesses the validity of the methods selected to process significant transactions. It reports to the Board of directors.

This work is performed in conjunction with the work of the Statutory Auditors. It focuses primarily on the methods used to establish and examine the financial statements.

To perform its duties, the Audit Committee mainly:

- consults with any persons of its choice, in particular the Chief Executive Officer, the Chief Financial Officer, the Head of Asset Management and the Statutory Auditors;
- interviews accounting managers or property appraisers within the Group;
- checks the existence of internal procedures used to maintain, prepare and check the financial statements and the existence of internal control systems and risk management systems; and
- verifies significant transactions when these could give rise to a conflict of interest.

In particular, the Audit Committee hears the Statutory Auditors on:

- their plan and methodology for auditing the financial statements;
- the main choices made in preparing the financial statements and, where possible, alternative options to accounting choices made by the Company, indicating, in the latter case, the accounting treatment they prefer;
- the examinations, verifications and tests they completed;
- the main risks not reflected in the financial statements (in particular, market risks and significant off-balance sheet commitments);
- any problems they encountered when performing their duties; and
- any limitations placed on their audits.

The Audit Committee examines the main areas of risks and uncertainties on the corporate and consolidated financial statements (including the interim statements) identified by the Statutory Auditors, their auditing approach and any difficulties encountered in the execution of their assignment.

The Audit Committee also examines the methods used to ensure the reliability of the accounting and financial information provided to shareholders and the market. The examination process differs depending on whether the financial information distributed is periodic or permanent information.

The examination of the methods used to ensure the reliability of the periodic financial information occurs in the context of the examination of the methods used to prepare and check the financial statements. This examination will in principle be conducted prior to any official announcement by the Company.

1.7.3 Preparing and monitoring the accounting and financial information provided to shareholders

The preparation of the corporate and consolidated financial statements is entrusted to chartered accountants working closely with the Chief Executive Officer, the Chief Financial Officer, the Audit Committee and the Board of directors, and the main options to be adopted in terms of the choice of accounting methods are discussed in advance by the chartered accountants, the Statutory Auditors, the Chief Executive Officer, the Finance Department, the Audit Committee and, if necessary, the Board of directors.

The preparation of the accounting and financial information distributed to shareholders relies on the collaboration between the Chief Executive Officer, the Chief Financial Officer, the Audit Committee, the Board of directors (if necessary), and the external parties involved (chartered accountants and Statutory Auditors).

The Chairman of the Board of directors, the Chief Financial Officer, the Audit Committee and the Board of directors are responsible for the preparation and monitoring of the accounting and financial information provided to the shareholders, in collaboration with the chartered accountants and under the supervision of the Statutory Auditors.

Regular meetings are organised between the Chief Executive Officer, the Chief Financial Officer and the chartered accountants in the context of the preparation of financial information.

1.7.4 Monitoring the effectiveness of the internal control and risk management systems

The Audit Committee questions the Chief Financial Officer and the Statutory Auditors on the internal procedures used to collect, record, report and review the information necessary to prepare the corporate and consolidated financial statements or to prepare the press releases issued to the market.

The Committee evaluates the methods used to ensure permanent improvement, reliability and review of the application of these procedures.

It reports annually to the Board of directors on the evaluation of these procedures. It is kept informed of the Chief Financial Officer's work schedule.

2. Presentation of the annual financial statements – Earnings for the past year

2.1 Corporate financial statements

The annual financial statements for the year ended 31 December 2018, which we submit to you for approval (provided in Appendix 3 of this report), were drawn up according to the format and using the valuation methods prescribed by the rules and regulations in force. Presentation and valuation rules used were the same as for the previous financial year.

M.R.M.'s business over the period was that of a holding company. Its 2018 earnings reflect:

- revenue of €293 thousand (compared with €252 thousand in 2017);
- reversals of provisions and transfers of expenses totalled €1,072 thousand, of which reversals of provisions on current accounts granted to subsidiaries for €753 thousand and on trade receivables in the amount of €315 thousand;
- other purchases and external expenses of €646 thousand (compared with €684 thousand in 2017);
- taxes of €58 thousand (compared with €116 thousand in 2017);
- payroll expenses of €894 thousand (compared with €1,037 thousand in 2017);
- provision for current accounts granted to subsidiaries of €32 thousand;
- other expenses in the amount of €377 thousand of which €347 thousand in bad debt losses;
- financial income of €969 thousand corresponding to financial income related to investments (current account income);
- financial expenses of €2,200 thousand, of which €2,170 thousand, in provisions for equity securities.

The financial loss was €1,230 thousand, compared with a profit of €1,188 thousand in 2017.

Net income amounted to a loss of €1,845 thousand, compared with a loss of €6,587 thousand as at 31 December 2017.

At year-end total assets stood at €92,047 thousand mostly made up of equity securities from directly or indirectly wholly owned subsidiaries, of current accounts between the Company and its subsidiaries, and of the Company's cash assets.

A table showing the Company's results for the last five years is appended to this report in Appendix 1 in accordance with Article R.225-102 of the French Commercial Code.

2.2 Consolidated financial statements

Pursuant to Regulation (EC) 1606/2002 of 19 July 2002, the M.R.M. Group's consolidated financial statements as of 31 December 2018 were prepared in accordance with the standards and interpretations applicable on that date published by the International Accounting Standards Board (IASB), adopted by the European Union and in force at the date of issue of the financial statements by the Board of directors.

Standards, amendments and interpretations applicable as of 1 January 2018

Standards, amendments to standards and interpretations published by the IASB and presented below are applicable for financial years beginning as of 1 January 2018:

- IFRS 9 – Financial Instruments (recognition and measurement of financial assets and liabilities);
- IFRS 15 - Revenue from Contracts with Customers;

- IAS 40 - Transfers of Investment Property;
- amendments to IFRS 2 – Share-based Payment (classification and measurement of share-based payment transactions);
- annual improvements to IFRS – 2014-2016 cycle – IFRS 1 and IAS 28.

These amendments did not have a material impact on the Group's results and financial position.

IFRS 9 on financial instruments replaces IAS 39, applicable until 31 December 2017. The main changes resulting from this new standard and the possible impacts it could have on the Group's financial statements are as follows:

- impairment of trade and financial receivables: IFRS 9 introduces an impairment model based on expected loss instead of recognised loss as under IAS 39. To this end, the Group applies an average depreciation rate based on the history of healthy receivables and doubtful debts that have become irrecoverable over the last five financial years to the invoices to be established. An additional impairment loss is recognised when the calculation involving the historical average depreciation rate is greater than the impairment recognised in accordance with the accounting principle described in Note 4.6 of the Appendix to the consolidated financial statements, for each asset class previously mentioned. Since the overall impacts are not material (opening impact of €26 thousand recognised under shareholders'equity, and the reversal of €15 thousand in 2018) the Group did not restate comparative figures for 2017;
- renegotiation of financial liabilities: IFRS 9 modifies the accounting treatment applicable to financial debt modification, exchange and restructuring operations that do not pre-empt derecognition. Given the absence of historical debt that was subject to restructuring in the financial statements as of 31 December 2018, the Group has not identified any impact relating to the implementation of this part of the standard.

Standards, amendments and interpretations not mandatory as of 1 January 2018

Texts adopted by the European Union as of 31 December 2018

The following standards and amendments adopted by the European Union as of 31 December 2018 but with a subsequent effective date of application were not adopted in advance:

- IFRS 16 – Leases: applicable as of 1 January 2019;
- amendments to IFRS 9 – Prepayment Features with Negative Compensation: applicable as of 1 January 2019;
- IFRIC 23 - Uncertain Income Tax Treatments: applicable as of 1 January 2019.

Texts not adopted by the European Union as of 31 December 2018

Subject to their final approval by the European Union, standards, amendments to standards and interpretations published by the IASB and presented below are applicable according to the IASB as follows:

- amendments to IAS 28 – Long-term Interests in Associates and Joint Ventures applicable as of 1 January 2019;
- amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture date of adoption postponed;
- amendments to IAS 19 - Employee Benefits, in connection with accounting for plan amendments, curtailments and settlement: applicable as of 1 January 2019;
- amendments to IFRS 3 - Definition of a Business: applicable as of 1 January 2020;
- amendments to IAS 1 and IAS 8 – The definition of material: applicable as of 1 January 2020;
- amendment to the conceptual framework of the IFRS standards: applicable as of 1 January 2020;
- Annual improvements to IFRS – 2015-2017 cycle: applicable as of 1 January 2019.

The Group did not opt for the early adoption of these amendments, they will have no material impact on its results and financial position.

2.2.1 Changes in scope

In 2018, there were no changes in M.R.M.'s scope of consolidation.

2.2.2 Consolidated income statement

Consolidated gross rental revenues from properties totalled €9,531 thousand, reflecting rents and other rental income in the Group's portfolio, a decrease of 14.9% compared with 2017. Gross rental revenues decreased 3.0% compared with 2017 on a like-for-like basis.

Unrecovered property expenses were down 15.1% compared with 2017 and amounted to €2,867 thousand, resulting in net rental revenues of €6,664 thousand.

Net recurring operating expenses, amounting to €3,001 thousand in 2018, were down 22.0% compared with 2017 and comprised operating expenses of €2,455 thousand (vs €2,758 thousand in 2017, a decrease of 11.0%), net provisions of €230 thousand (vs a net provision reversal of €337 thousand in 2017) and other net operating expenses of €316 thousand (vs €1,428 thousand in 2017).

Operating income before disposals and changes in fair value of properties amounted to €3,663 thousand compared with €3,969 thousand at the end of 2017.

Net of losses on asset disposals of €110 thousand and decrease in fair value of property assets of €12,102 thousand, operating income resulted in a loss of €8,549 thousand. It is recalled that in 2017 the loss was €2,500 thousand.

Financial income improved by 11.7% compared with 2017 and amounted to a loss of €1,879 thousand as of 31 December 2018 consisting of:

- net borrowing cost of €1,493 thousand made up of interest and similar expenses;
- decrease in fair value of the cap of €47 thousand;
- discounting of payables and receivables of €340 thousand.

In light of the above, net income after tax amounted to a loss of €10,428 thousand as of 31 December 2018 compared with a loss of €4,628 thousand as of 31 December 2017.

2.2.3 Consolidated balance sheet

As of 31 December 2018, non-current assets stood at €159,083 thousand, compared with €158,523 thousand as of 31 December 2017, and consisted mostly of investment properties in the amount of €159,080 thousand.

As of 31 December 2018, current assets stood at €25,514 thousand compared with €61,367 thousand as of 31 December 2017. They mainly consisted of:

- assets held for sale of €5,660 thousand (compared with €41,047 thousand at the end of 2017);
- trade receivables of €2,354 thousand;
- other receivables of €3,921 thousand (e.g. rental charge invoices, tax claims); and
- cash and cash equivalents of €13,456 thousand.

With regard to equity and liabilities, after taking into account the net loss for the year of €10,428 thousand and a dividend payment of €4,798 thousand for 2017, consolidated equity stood at €102,644 thousand at the end of the period. As of 31 December 2017, this item totalled €117,950 thousand.

As of 31 December 2018, non-current liabilities payable at over one year totalled €72,962 thousand compared with €72,223 thousand as of 31 December 2017. These mainly comprised bank debt of €72,056 thousand and tenants'security deposits of €906 thousand.

Current liabilities payable at under one year totalled €8,992 thousand as of 31 December 2018 compared with €29,717 thousand as of 31 December 2017. This amount is mainly composed of contractual amortisation related to bank loans in 2019 for a total of €2,044 thousand, as well as trade payable for goods and services and non-current assets for €4,433 thousand, and other debts and adjustment accounts for €1,615 thousand.

In accordance with Articles L.225-100 and L.233-16 of the French Commercial Code, we hereby ask you to approve the consolidated financial statements provided in Appendix 4 of this report.

2.3 Appropriation of earnings and payment of premiums

We propose to appropriate the loss of €1,845,074 for the year ended 31 December 2018 as follows:

- Origin:

Loss for the period: €1,845,074

- Appropriation:

Retained earnings: -€1,845,074

Retained earnings would thus go from -€6,587,214 to -€8,432,288.

We also propose a payment of premiums in the amount of €4,803,459, equivalent to €0.11 per share, of which €437,908 to be financed from the "Merger Premiums" account and the remainder from the "Share Premiums" account.

The current merger premium stemmed from the complete transfer of all assets and liabilities of the subsidiary DB Fouga to the Company in 2016. This payment would reduce the Merger Premiums account from €437,908 to €0 and the Share Premiums account from €53,950,978 to €49,585,427.

The distribution will be deducted from the "Merger Premiums" account and will be subject to a flat tax of 12.8% imposed on individual shareholders who are French tax residents plus an additional 17.2% for social contributions. Shareholders can still expressly opt for dividend taxation according to the progressive income tax scale when filing their individual tax returns. In any event, these proceeds do not qualify for the 40% tax allowance. For shareholders who are not French tax residents, these proceeds are subject to withholding tax.

The distribution deducted from the "Share Premium" account will be considered as a repayment of a capital contribution and exempt from tax for French resident shareholders, and exempt from a withholding tax for non-French residents.

This amount would be paid on 7 June 2019. The share of the distributed amounts corresponding to treasury shares held by the Company on the ex-coupon date (5 June 2019) would be allocated to "Other Reserves".

2.4 Dividends paid out in previous years

In accordance with Article 243 bis of the French General Tax Code, the following dividends were paid out over the previous three financial years:

Year	Income eligible for tax allowance (1)		Income not eligible for tax allowance (1)	
(in euros)	Dividends	Other income distributed	Dividends	Other income distributed
2015	-	-	561,237	3,801,226
2016	-	-	393,431	4,409,047
2017	-	-	-	4,798,399

(1) Allowance provided for under Article 158–3-2 of the French General Tax Code.

Note that the amounts shown in the table above do not include the unpaid dividend corresponding to the treasury shares.

2.5 Non-tax-deductible expenses

Pursuant to Article 223 quater of the French General Tax Code, we inform you that the amount of expenses and charges referred to in Article 39.4 of said code amounted to €1,633 in 2018 and that the amount of tax payable by the Company due to the non-deductibility of these expenses is estimated at €0.

None of the expenses described in Article 39, paragraph 5, of the French General Tax Code are subject to tax reintegration for 2018.

3. Information on the share capital as of 31 December 2018

3.1 Share capital

The share capital underwent no changes in 2018 and amounts to €43,667,813. It is made up of 43,667,813 fully paid-up shares of identical class with a par value of €1 each.

Delegations for capital increases, granted to the Board of directors by the General Meeting of Shareholders, are detailed in the corporate governance report in Appendix 5 of this report.

3.2 Information on shareholding

Treasury shares – Share buyback plan

In accordance with Article L.233-13 of the French Commercial Code, we indicate the identity of natural and legal persons holding, as of 31 December 2018, more than 5%, 10%, 15%, 20%, 25%, one third, 50%, two thirds, 90% or 95% of the share capital or voting rights in General Meetings (bearing in mind that, pursuant to the terms of Article 8 of the Articles of Association, "a double voting right is granted to all fully paid-up shares which have been registered in the Company's ledgers for at least two years in the name of the same shareholder, as provided by law").

We further inform you of the reduction in the total number of theoretical voting rights in the Company from 54,548,241 as of 31 December 2017 to 51,236,002 at the date of this report, following the switch to "bearer" form of shares with double voting rights due to their being held in registered form for at least two years. The tables below reflect this new number of voting rights.

Over 50%

Shareholders	As of the date of this report	31/12/2018	31/12/2017
SCOR SE	59.9% of the share capital 51.0% of the voting rights	59.9% of the share capital 48.8% of the voting rights	59.9% of the share capital 47.9% of the voting rights

As of 31 December 2018 and at the date of this report, no other M.R.M. shareholder individually held more than 5% of the Company's share capital or voting rights at General Meetings.

For information, at the date of this report, Jacques Blanchard, Chief Executive Officer of the Company, held 42,839 shares, 42,838 of which through his personal holding company, SC JAPA. Consequently, he holds 0.1% of the share capital and 0.16% of the voting rights, directly and indirectly.

Cross-shareholdings

At the reporting date of the past financial year, companies controlled by the Company held no stake in the Company.

Treasury shares – Share buyback plan

At the start of 2018, the Company held 35,012 treasury shares.

On 7 January 2014, M.R.M. entrusted the performance of a liquidity contract to Invest Securities to improve the liquidity and trading regularity of its shares for an annual fee of €25,000 excluding VAT.

In addition, a share buyback programme was implemented in 2018 in order to:

- stimulate the trading of M.R.M. securities on the market, or the liquidity of M.R.M. shares via a liquidity contract concluded with an investment services provider in accordance with the ethics charter of the AMAFI (French association of financial markets) recognised by regulations in force, bearing in mind that the number of shares taken into account for the aforementioned calculation corresponds to the number of shares acquired minus the amount sold;
- retain shares for subsequent payment or exchange purposes in the event of acquisitions;
- ensure the hedging of stock option plans and/or bonus share plans (or similar) reserved for employees and/or corporate officers of the Group, as well as any share allocations under company or group savings plans (or similar plan), employee profit-sharing and/or any other form of allocation of shares to employees and/or corporate officers of the Group;
- ensure the hedging of securities giving access to the Company's shares in accordance with regulations in force;
- cancel all or part of the shares which would be acquired, in accordance with the authorisation granted on 1 June 2017 by the General Meeting in its seventeenth extraordinary resolution.

These objectives are presented without prejudice to the effective order of use of the authorisation to buy back shares, which would be dependent on needs and opportunities.

In 2018, the Company bought 44,681 treasury shares at an average price of €1.52 per share (representing a total investment of €68,069 in 2018) and sold 9,185 treasury shares at an average price of €1.58 per share under the liquidity agreement in order to stimulate the trading/liquidity of its shares under its share buyback programme. There were no reallocations during the year. Trading costs amounted to €0.

The Company thus held 70,508 treasury shares as of 31 December 2018, representing 0.16% of its share capital at a nominal value of €70,508. These securities are entered as Company assets in its parent company financial statements, and deducted from equity in the consolidated financial statements.

The General Meeting of Shareholders called to approve the financial statements for the year ended 31 December 2018 will be asked to renew this authorisation to buy back shares. With regard to share cancellations, the Meeting will also be asked to authorise the Board to cancel, for a period of 24 months, at its sole discretion, in one or more instalments, up to 10% of the share capital, calculated on the day of the cancellation decision, net of any shares cancelled over the previous 24 months, the shares the Company holds or may hold following the buybacks made as part of its buyback programme, and to reduce the share capital by the corresponding amount pursuant to the legal and regulatory provisions in force.

3.3 Employee share ownership

In accordance with Article L.225-102 of the French Commercial Code, we inform you that:

- no employee held any interest in the Company's share capital at the last day of the 2018 financial year;
- no shares were acquired in order to award them to employees under a profit-sharing scheme.

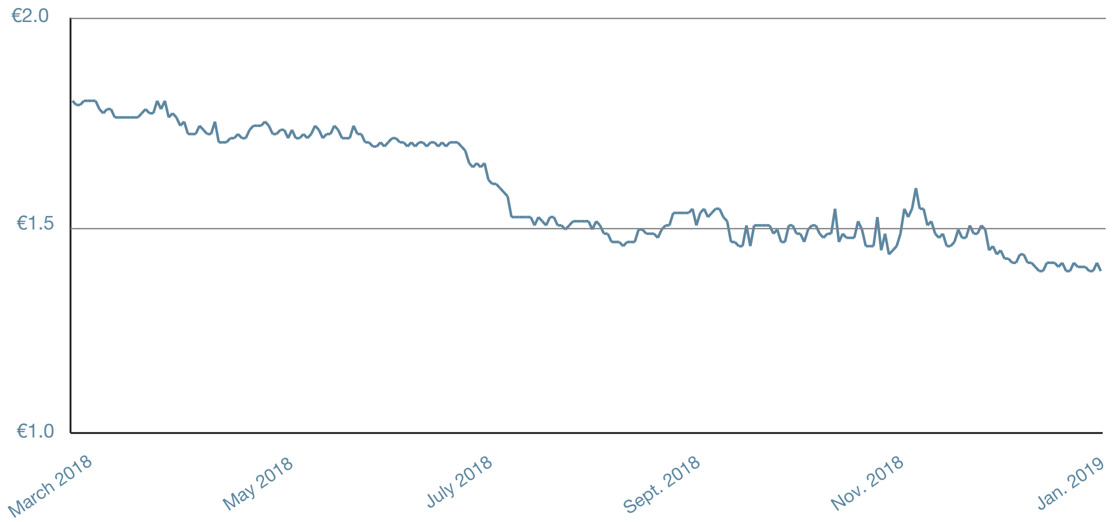
In accordance with Articles L.225-184 and L.225-197-4, paragraph 1, of the French Commercial Code, we inform you that:

- the Company has no stock option plans;
- no bonus shares were awarded to salaried employees or senior managers of the Company.

3.4 Stock market performance

M.R.M.'s stock market capitalisation as of 31 December 2018, based on the final closing price in 2018, namely €1.41, amounted to €61,571,616.

Below is a graph showing the change in the share price in 2018:



Source: Euronext

In accordance with Article L.621-18-2 of the French Monetary and Financial Code, there was no trading in the Company's shares during the year ended 31 December 2018 by the individuals falling within the scope of said article (managers, executives and individuals with whom they have close ties).

4. Information on corporate social responsibility

4.1 Social information

The Group had four employees at the end of 2017. No employees left or joined the Company in 2018, leaving the number of Group employees identical at four as of 31 December 2018. The workforce is made up of two women and two men under 45 years of age working full-time whose working hours comply with the prevailing legislation. All M.R.M. employees are based at the Company's head office at 5 avenue Kléber in Paris (16th *arrondissement*) and come under the collective national agreement for the property sector dated 9 September 1988 and updated on 23 November 2010.

Group payroll in 2018 was €894 thousand, including the remuneration paid to the Chief Executive Officer in his capacity as a corporate officer, against €1,034 thousand in 2017.

Merit and performance are the two fundamental principles driving M.R.M.'s remuneration policy, and a review is carried out on an annual basis to assess these. Thus, all employees are assured that their position and performance are assessed by management every year and, during this annual review, they are advised of the results of this assessment and its tangible effects through the variable portion of their remuneration package.

M.R.M. seeks to help its employees develop and evolve and therefore pays particular attention to training and developing skills within the Company.

Because of the low number of employees, the Company has not set up any organisation for social dialogue or entered into any agreements with trade unions on health and safety issues in the workplace. Furthermore, M.R.M. employees are engaged in office work which, by its nature, involves relatively low levels of risk. Finally, the premises where M.R.M. has its head office meet current safety and security standards.

In 2018, absenteeism amounted to 13 days and there were no workplace accidents or occupational diseases.

Following the entry into force of the law of 27 January 2011 on gender balance on boards of directors and supervisory Boards and gender parity, M.R.M.'s Board of directors at its meeting of 6 December 2018 approved the Company's policy on gender parity and equal pay, reaffirmed its determination to be a socially responsible employer, and confirmed that it would undertake to apply a human resources policy based on non-discrimination in matters of recruitment, professional assessment, professional mobility and professional training. The Company also respects freedom of association and the right to collective bargaining. However, its employees have not to date initiated any labour relations mechanism.

Finally, because of the low number of employees, the Company did not take any measures in favour of the employment and integration of disabled persons. As M.R.M.'s business is based in France, it is not directly bound by the International Labour Organization's fundamental conventions on the elimination of forced or compulsory labour and the effective abolition of child labour because French law already prescribes prohibitions in these areas.

4.2 Environmental information

4.2.1 General environmental policy

While continuing to prioritise the restructuring and value-enhancement of its property portfolio, during the 2018 financial year the Company pursued its commitment to development which reconciles environmental conservation and economic efficiency. In its operations, the Company adheres to and sees that its service providers adhere rigorously to environmental regulations in all stages of property investment (acquisition, design, property management). This concerns, for example, detecting asbestos and other harmful or hazardous materials contained in properties considered for acquisition, drawing up and updating technical reports on asbestos for properties in the portfolio, replacing equipment operating on R22 gas, observing insulation standards, and optimising the energy efficiency of buildings undergoing restructuring. As to the properties being renovated, M.R.M. pays great attention to the treatment of common areas and landscaped spaces. M.R.M. plans to reposition its properties in their environment by incorporating the changes in town planning and the enhancement of natural landscaped surroundings. However, the Company does not believe that its property activity causes any releases to soil that could seriously affect the environment.

In addition, SCC and Accessite, both of which provide property management and operational asset management services for M.R.M. retail assets, are signatories of the lessor-tenant charter of the *Conseil National des Centres Commerciaux* ("CNCC"). The applicant is also planning to offer its tenants a "green" lease that includes an environmental rider: the CNCC lessor-tenant charter, which requires stakeholders to engage in a collective, consensus-based approach to drive progress.

The environmental issue has become a major requirement for commercial complexes, involving all lessors and retailers but also the consumers using them every day. It is therefore important for stakeholders in commercial property to formalise their reciprocal commitments and to contribute to achieving the environmental targets that France has set itself.

The purpose of the CNCC lessor-tenant charter is to define the sustainable development principles to be used in commercial leases.

This educational text recommends a series of measures to be implemented covering a range of issues such as reducing the centre's energy consumption, carbon footprint, waste and water treatment and recycling, air quality, etc.

Lastly, the building located at 5 avenue Kléber, which M.R.M. rents for its head office, was designed, refurbished and is operated in accordance with the principles set by the HQE (High Environmental Quality) standard. One of the aims of this standard is to improve the environmental quality of buildings throughout their life cycles from works scheduling to operation to demolition. The Company is keen to involve its personnel as building users in best practice as regards respecting and protecting the environment (selective sorting, recycling, reasonable use of paper, etc.).

Environmental appendix to leases

Since 2012, an environmental appendix must be attached to all new or renewed lease agreements for all office or retail properties with an area over 2,000m^2. From 14 July 2013, this appendix became mandatory for all current leases. The environmental Appendix must include the following information, provided by the lessor:

- a description of the energy characteristics of the equipment and systems in leased premises (e.g. waste treatment, heating, cooling, ventilation, lighting);
- actual water and energy consumption;
- the amount of waste generated by the property.

This appendix may also include obligations imposed on tenants to reduce energy consumption in the relevant premises.

As of 31 December 2018, 14 leases included an environmental appendix. This approach allows M.R.M. to involve tenants in how resources are used. As a result, the Company and its tenants bring together economic and energetic performances.

The Company aims to roll out the environmental appendix to its existing tenants gradually as their leases are renewed.

Environmental risks

As M.R.M.'s real estate activity does not present any particular environmental risk, no provision was recorded for this as of 31 December 2018.

4.2.2 Pollution and waste management

Waste management for office properties owned by M.R.M. is the responsibility of the property manager.

As regards selective waste sorting, all our shopping centres have dedicated containers for paper, plastic and other waste, provided to our tenants. M.R.M. asks the site managers to ensure that its retail tenants sort their waste. In the Carrefour École-Valentin shopping mall, M.R.M. raises awareness of best practice in selective sorting among its retail tenants twice a year.

Generally, during and after the refurbishment or construction of a property, the Company encourages companies carrying out the work to reduce noise pollution from building sites and to strictly manage waste in order to limit the nuisance caused to the neighbourhood and any occupants of the property and to respect the area around the property.

At its premises at 5 avenue Kléber, Paris, the Company sorts and recycles its waste, including paper, toner and ink cartridges, electronic and IT equipment, batteries, fluorescent bulbs and tubes, plastic cups and bottles, and cans.

4.2.3 Sustainable use of resources

Water consumption

Regarding water management, the Aria Parc retail park in Allonnes is equipped with a system for recovering and storing rainwater in a 55m^3 underground cistern used for watering landscaped areas on site by a drip system, thus saving on water consumption while making the area more pleasant for users.

The reduction in water consumption was also achieved through the installation in the Les Halles du Beffroi shopping centre in Amiens and on the Carré Vélizy site in Vélizy-Villacoublay of flush toilets with two 50% and 100% controls, and electronic mixing valve taps with presence detectors and an adjustable flow rate to replace conventional taps.

The installation of distributed electronic water meters in the Halles du Beffroi shopping centre in Amiens, the Galerie du Palais in Tours, the Sud Canal shopping centre in Montigny-le-Bretonneux and the Carré Vélizy complex in Vélizy-Villacoublay allows the Company to better monitor and therefore manage water consumption via more reliable and precise meter readings.

Given the geographical location of its properties, the Company is not exposed to any particular local constraints in terms of water supply or consumption.

Energy consumption

In 2014, the Company continued its efforts in this area by replacing fan coils on Carré Vélizy complex in Vélizy-Villacoublay and by upgrading or streamlining centralised thermal management in its retail properties in Carré Vélizy in Vélizy-Villacoublay and Passage de la Réunion in Mulhouse.

At Galerie du Palais shopping centre in Tours, the refurbishment of condenser pumps and restoration of the flow switch in 2014 led to energy savings in terms of both water and electricity consumption.

To comply with regulations relative to substances that deplete the ozone layer, the Company is gradually replacing its cooling units that still use R22 gas such as in the Le Passage de la Réunion shopping centre in Mulhouse in 2014.

In 2015, all of the fluorescent tubes used on the two floors of the parking decks at the Sud Canal shopping centre in Montigny-le-Bretonneux were replaced with LEDs, leading to a 51% saving in consumption in 2016 versus an expected saving of 25%.

In 2016, LEDs and chandeliers were installed in all communal areas of the Carré Vélizy complex and motion detectors were installed in the parking decks. Finally, a number of HVAC facilities were modernised.

The restructuring works of the upper ground floor of the Halles du Beffroi shopping centre in Amiens carried out in 2016 involved changing the roof-based heating and air conditioning system and installing a new heating system in the main hall as well as changing all of the lighting in the property to LED.

In the Galerie du Palais shopping centre in Tours, the general low voltage panel and transformer were replaced in 2016.

In 2017, the entire lighting of the Passage de la Réunion shopping centre and public car park in Mulhouse was also replaced with an LED lighting system. When the École-Valentin Carrefour shopping centre was renovated in 2017, the entire public area lighting of the adjoining shopping mall was replaced with an LED lighting system. In addition, some HVAC equipment at the Carré Vélizy complex in Vélizy-Villacoublay was upgraded.

In 2018, the Group installed an LED lighting system in the car park of the Aria Parc retail park in Allonnes and reviewed the possibility of replacing the lighting system in the communal areas of the Galerie du Palais shopping mall with an LED lighting system.

The Company intends to make structural improvements in 2019 to reduce or optimise its energy consumption.

To date, the Company does not use renewable energy in the retail properties that it operates. However, it should be noted that a portion of the electricity in the building at 5 avenue Kléber in Paris, where M.R.M. has its head office, comes from renewable energies. M.R.M.'s lessor decided to enter into a two-year agreement with EDF to provide 21% of the electricity supplied from renewable energy.

Commodity consumption and land use

To reduce the consumption of paper and toner in its premises, Company employee computers are configured by default to print on both sides and in black and white.

The Company's main impact in terms of land use relates to its control of assets managed. The Company is not aware of any soil pollution in the assets managed.

The Company has not taken any specific measures to preserve or develop biodiversity in the retail properties that it operates. However, two beehives have been installed on the roofs of the building at 5 avenue Kléber in Paris, where M.R.M. has its head office.

4.3 Societal information

As the Company's properties are located in labour market areas, light industrial zones and established trading areas, the Company is aware of its impact on the economic activity and on town planning in these areas, and ensures that it integrates as much as possible, through the quality of its properties and the services it offers to users and local or neighbouring populations.

The Company also strives to achieve the best possible conditions for dialogue with all stakeholders in these properties, namely tenants, property managers, asset managers, service providers, co-owners, retailers'associations and local authorities.

In 2018, the Company decided to support the H'up Entrepreneurs association, whose purpose is to represent and support entrepreneurs with disabilities and help make a success of their businesses. For ten years, H'up Entrepreneurs and its team of 180 professional volunteers has provided assistance to entrepreneurs when they are incapacitated by the onset of a disability to help keep their business afloat, as well as support to creators and entrepreneurs in terms of their strategic approach and accelerating their success, and has built up a community of entrepreneurs to evoke a new view of the entrepreneur and collective solutions (legislative, financial, personal risk cover, etc.).

Regarding fair business practices, the Company's entire approach is focused on preventing corruption by making systematic use of invitations to tender and promoting consumer and occupier health and safety through rigorous compliance with regulations for establishments open to the public and fire safety regulations.

In the Halles du Beffroi shopping centre in Amiens and the Sud Canal shopping centre in Montigny-le-Bretonneux, specific risk management processes have been put in place by centre management, employees are trained in first aid, and the retailers are made aware of fire risks.

As part of the French antiterrorist plan (*plan Vigipirate*) and the French government's declaration of a state of emergency at the end of 2015, the Company reinforced the security measures and vigilance in its shopping centres.

Improving security in the parking decks of our shopping centres and office properties is also at the core of our concerns: installing a spherical mirror at the parking entrance, reviewing signage and directions of traffic circulation, putting signage in place on the floor to guide visitors, marking the edges of traffic lanes, putting up speed bumps and plastic markers, and installing automatic defibrillators are just some of the measures taken at Carré Vélizy in Vélizy-Villacoublay and Sud Canal in Montigny-le-Bretonneux.

5. Information on payment terms for the Company's suppliers and customers

As of 31 December 2018, the Company's trade payables totalled €31 thousand excluding tax, i.e. 4.8% of purchases excluding tax for the year.

	Outstanding in					
Trade payables excluding VAT	0 day	1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Total
Number of invoices concerned (A)						10
Total net billings	-	€15,760	-	-	€15,271	€31,032
% of annual net purchases	-	2.44%	-	-	2.36%	4.80%
Number of invoices excluded (1)	-	-	-	-	-	-
Total amount of invoices excluded	-	-	-	-	-	-
Terms of payment used to calculate payment delays	Contractual terms of payment: 30 days end of the month Legal terms of payment: 30 days end of the month					

(1) Excluded from (A) and relating to contentious or unstated payables.

As of 31 December 2018, all of the Company's trade receivables concerned doubtful debts which were thus excluded from the calculation. These receivables were transferred by two subsidiaries that have since been dissolved without liquidation via the complete transfer of all assets and liabilities to M.R.M.

	Outstanding in					
Trade receivables excluding VAT	0 day	1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Total
Number of invoices concerned (B)						-
Total net billings	-	-	-	-	-	-
% of annual net revenue excl. tax	-	-	-	-	-	-
Number of invoices excluded (1)	-	-	-	-	6	6
Total amount of invoices excluded	-	-	-	-	€41,568	€41,568
Terms of payment used to calculate payment delays	Contractual terms of payment: 30 days end of the month Legal terms of payment: 30 days end of the month					

(1) Excluded from (B) and relating to contentious or unstated receivables.

List of appendices

Appendix 1. Summary of Company results over the past five years

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Appendix 1 Summary of Company results over the past five years

Financial year/Type	31/12/2018	31/12/2017	31/12/2016	31/12/2015	31/12/2014
Share capital	43,667,813	43,667,813	43,667,813	43,667,813	43,667,813
Number of shares:					
Existing ordinary shares	43,667,813	43,667,813	43,667,813	43,667,813	43,667,813
Existing preferred shares (without voting rights)					
Maximum No. of future shares to be created:					
Through conversion of bonds					
Through exercise of subscription rights					
Items and results for the period:					
Revenue excluding VAT	292,778	252,256	206,043	264,235	225,173
Net profit (loss) before taxes, employee profit-sharing and depreciation and amortisation expenses and provisions	-694,369	-455,750	4,501,228	2,039,433	-541,885
Income tax		-2,620	-	32	65,213
Employee profit-sharing for the period					
Profit (loss) after tax, employee profit-sharing, amortisation, depreciation and provisions	-1,845,074	-6,587,214	415,171	1,375,085	-779,764
Income distributed					
Earnings per share:					
Profit (loss) after tax, employee profit-sharing, but before amortisation, depreciation and provisions	-0.02	-0.01	0.10	0.05	0.01
Profit (loss) after tax, employee profit-sharing, amortisation, depreciation and provisions	0.04	-0.15	0.01	0.03	-0.02
Dividend per share					
Workforce:					
Average number of employees during the period	5	5	5	5	3
Payroll for the period	630,666	741,292	605,636	537,518	427,116
Employee benefits (e.g. social security, benefit scheme)	263,424	295,637	255,485	217,423	177,789

Appendix 2 List of Company equity interests

	Method of consolidation	Interest	Control
SA M.R.M.	Parent company	100%	100%
SAS COMMERCES RENDEMENT	FC	100%	100%
SAS DB NEPTUNE	FC	100%	100%
SAS DB PIPER	FC	100%	100%
SCI GALETIN II	FC	100%	100%
SCI IMMOVERT	FC	100%	100%
SCI NORATLAS	FC	100%	100%

FC: Full consolidation.

All Group companies are registered in France.

The address used by all Group companies is 5 avenue Kléber – 75795 Paris Cedex 16.

Appendix 3 Annual financial statements of the Company as of 31 December 2018

See Section 3.9 "Corporate financial statements for the year ended 31 December 2018" of this Registration Document.

Appendix 4 Consolidated financial statements of the M.R.M. group as of 31 December 2018

See Section 3.7 "Consolidated financial statements for the year ended 31 December 2018" of this Registration Document.

Appendix 5 Corporate governance report

See Section 4.1 "Corporate governance report" of this Registration Document.

3.7 Consolidated financial statements for the financial year ended 31 December 2018

Contents

1. Financial statements

1.1 Statement of consolidated financial position

► ASSETS

(in thousands of euros)		31/12/2018	31/12/2017
Intangible assets		2	2
Investment properties	Note 4.4	159,080	158,520
Deposits paid		1	1
NON-CURRENT ASSETS		159,083	158,523
Assets held for sale	Note 4.5	5,660	41,047
Down payments made		110	73
Trade receivables	Note 4.6	2,354	3,403
Other receivables	Note 4.7	3,921	3,493
Derivatives	Note 4.8	12	-
Cash and cash equivalents	Note 4.9	13,456	13,352
CURRENT ASSETS		25,514	61,367
TOTAL ASSETS		**184,597**	**219,891**

► EQUITY AND LIABILITIES

(in thousands of euros)		31/12/2018	31/12/2017
Share capital		43,668	43,668
Additional paid-in capital		53,951	53,951
M.R.M. treasury shares		-156	-105
Reserves and retained earnings		15,609	25,064
Profit (loss) for the period		-10,428	-4,628
GROUP EQUITY		102,644	117,950
Non-controlling interests		-	-
EQUITY		102,644	117,950
Provisions	Note 4.11	-	-
Bank debts	Note 4.12	72,056	71,141
Guarantee deposits received	Note 4.12	906	1,083
NON-CURRENT LIABILITIES		72,962	72,223
Current borrowings	Note 4.12	2,944	25,244
Trade payables		1,120	1,169
Debts payable against non-current assets	Note 4.13	3,313	1,865
Other liabilities	Note 4.14	1,615	1,439
CURRENT LIABILITIES		8,992	29,717
TOTAL EQUITY AND LIABILITIES		**184,597**	**219,891**

1.2 Statement of consolidated comprehensive income

► CONSOLIDATED INCOME STATEMENT

(in thousands of euros)		31/12/2018	31/12/2017
Gross rental revenues	Note 5.1	9,531	11,194
External property expenses not recovered	Note 5.2	-2,867	-3,376
NET RENTAL REVENUES		6,664	7,819
Operating expenses	Note 5.3	-2,455	-2,758
Reversals of provisions and impairment		612	976
Provisions and impairment		-842	-639
Other operating income	Note 5.4	136	66
Other operating expenses	Note 5.4	-453	-1,494
OPERATING INCOME BEFORE DISPOSALS AND CHANGE IN FAIR VALUE OF PROPERTIES		3,663	3,969
Result on disposals of properties	Note 5.5	-110	-25
Change in fair value of properties	Note 5.6	-12,102	-6,444
OPERATING INCOME		-8,549	-2,500
Gross borrowing cost	Note 5.7	-1,493	-1,899
Income from cash and cash equivalents	Note 5.7	-	-
Change in fair value of financial instruments and marketable securities		-47	-
Discounting of payables and receivables		-340	-229
FINANCIAL PROFIT (LOSS)		-1,879	-2,128
NET INCOME BEFORE TAX		-10,428	-4,628
Tax expense		-	-
PROIT (LOSS) FOR THE PERIOD		**-10,428**	**-4,628**
Profit (loss) for the period attributable to non-controlling interests		-	-
Profit (loss) for the period attributable to owners of the parent company		-10,428	-4,628
Net earnings per share *(in euros)*		-0.24	-0.11
Diluted net earnings per share *(in euros)*		-0.24	-0.11

► CONSOLIDATED COMPREHENSIVE INCOME

(in thousands of euros)	31/12/2018	31/12/2017
PROFIT (LOSS) FOR THE PERIOD	-10,428	-4,628
Items that can be reclassified as profit (loss) for the period	**-**	**-**
Profits and losses related to the disposal of equity instruments	-3	6
Items that cannot be reclassified as profit (loss) for the period	**-3**	**6**
OTHER ITEMS OF COMPREHENSIVE INCOME	-3	6
Tax expense related to other items of comprehensive income	-	-
COMPREHENSIVE INCOME	**-10,431**	**-4,622**
Comprehensive income for the period attributable to non-controlling interests	-	-
Comprehensive income for the period attributable to owners of the parent company	-10,431	-4,622

1.3 Statement of consolidated cash flows

(in thousands of euros)		31/12/2018	31/12/2017
Cash flow			
CONSOLIDATED NET INCOME		**-10,428**	**-4,628**
Elimination of non-cash expenses and income			
Change in depreciation, impairment, provisions and deferred expenses		230	-337
Change in fair value of properties	Note 5.6	12,102	6,444
Change in fair value of financial instruments		47	-
Discounting of receivables and payables		340	229
Net borrowing cost	Note 5.7	1,493	1,899
Elimination of capital gains (losses)	Note 5.5	110	25
Other items		-294	-127
CASH FLOW		3,598	3,505
Change in operating working capital			
Trade receivables		1,226	-1,105
Other receivables		-535	204
Trade payables		-48	-1,368
Other debts		164	440
CHANGE IN OPERATING WORKING CAPITAL		807	-1,829
CHANGE IN CASH FLOWS FROM OPERATING ACTIVITIES		**4,405**	**1,676**
Purchases of investment property	Notes 4.4 and 4.5	-14,541	-7,976
Sales of investment property		37,097	65
Change in debts payable against non-current assets		1,448	4
CHANGE IN CASH FLOWS FROM INVESTING ACTIVITIES		**24,004**	**-7,907**
Change in debt			
Increase in bank debts	Note 4.12	3,409	16,384
Decrease in bank debts	Note 4.12	-2,901	-17,105
Repayment of loan taken out with a shareholder	Note 4.12	-22,000	-
Change in other borrowings		-310	-183
Other changes			
Dividends paid		-4,798	-4,802
Financial instruments		-59	-
Changes in cash collateral account		-	2,600
Purchase/Disposal of treasury shares		-54	-21
Disbursed debt issue expenses		-	-246
Interest paid		-1,591	-2,037
CHANGE IN CASH FLOW FROM FINANCING ACTIVITIES		**-28,305**	**-5,411**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**104**	**-11,642**
Opening cash and cash equivalents		13,352	24,994
Closing cash and cash equivalents		13,456	13,352
Cash	*Note 4.9*	*13,409*	*13,304*
Other cash items	*Note 4.9*	*47*	*48*
CHANGE IN CASH POSITION		**104**	**-11,642**

In 2018, the Group generated €4,405,000 in cash flow from operating activities. Cash flow from operating activities served primarily to pay financial interest (€1,591,000) and the dividend payout (€4,798,000).

The cash generated from the real estate disposals, amounting to €37,097,000, was used firstly to reimburse loans relating to the properties sold (€22,220,000, including €22,000,000 to SCOR SE, M.R.M.'s majority shareholder).

The investing activities, excluding property disposals, generated negative net cash flow of €13,093,000, the bulk of which related to works carried out on retail property assets (€14,541,000) within the framework of their value-enhancement programmes. These investments were partly financed by drawdowns (in the amount of €3,409,000) on a credit line facility set up to finance the Group's property asset value-enhancement programme on the one hand, and by the proceeds on property disposals, on the other.

The €3,409,000 increase in bank debt corresponds to drawdowns on the aforementioned credit line. The €2,901,000 decrease in bank debt corresponds to the early repayment of the contractual depreciation and amortisation of €2,682,000, and an early repayment of €220,000 related to a property disposal.

As of 31 December 2018, the combined cash flows generated by the Group made for a year-on-year increase of €104,000 in cash and cash equivalents.

1.4 Statement of changes in consolidated equity

(in thousands of euros)	Share capital	Additional paid-in capital	Treasury shares	Reserves and retained earnings	Profit (loss) for the period	Group equity
EQUITY AT 31/12/2016	**43,668**	**58,360**	**-78**	**20,363**	**5,089**	**127,401**
Appropriation of 2016 profit	-	-	-	5,089	-5,089	-
Dividend payout	-	-4,409	-	-393	-	-4,802
Share buybacks	-	-	-27	-	-	-27
Profit (loss) for 2017	-	-	-	-	-4,628	-4,628
Other items of comprehensive income	-	-		6	-	6
EQUITY AT 31/12/2017	**43,668**	**58,951**	**-105**	**25,064**	**-4,628**	**117,950**
Appropriation of 2017 profit	-	-	-	-4,628	4,628	-
Dividend payout	-	-	-	-4,798	-	-4,798
New standard application	-	-	-	-26	-	-26
Share buybacks	-	-	-51	-	-	-51
Profit (loss) for 2018	-	-	-	-	-10,428	-10,428
Other items of comprehensive income	-	-		-3	-	-3
EQUITY AT 31/12/2018	**43,668**	**53,951**	**-156**	**15,609**	**-10,428**	**102,644**

2. Notes to the consolidated financial statements

Detailed contents of notes

Note 1 Company profile and significant items

1.1 General information

M.R.M. (the "Company") is a *société anonyme* (public limited company) registered in the Paris Trade and Companies Register. Its head office is located at 5 avenue Kléber, 75016 Paris, France.

M.R.M. opted for SIIC (real estate investment trust) status with effect from 1 January 2008.

M.R.M., parent company of the consolidated group, is a holding company with subsidiaries dedicated to holding and managing retail and office properties. The consolidated financial statements for the 12-month period ended 31 December 2018 encompass the Company and its subsidiaries (hereinafter referred to as the "Group").

The Company is listed on Eurolist, in Compartment C of Euronext Paris (France).

On 21 February 2019, the Board of directors authorised the publication of the Group's consolidated financial statements as of 31 December 2018. They are denominated in thousands of euros, unless stated otherwise. The functional currency of each Group entity is the euro.

The annual reporting period for all Group entities ends on 31 December.

1.2 Highlights of the period

In 2018, M.R.M. sold Nova, its last office property in operation. This disposal marks the completion of the disposal plan initiated in June 2013 upon the entry of SCOR into M.R.M.'s share capital and the progressive refocusing of the Company's business on holding and managing retail properties.

In addition, after receiving notices in 2017 on three medium-sized areas from brands which had been experiencing difficulties at the national level, M.R.M. succeeded in reletting these areas and other available areas within these shopping centres.

In addition, M.R.M. continued the operating phase of its investment programmes designed to enhance the potential value of its retail properties. For the record, M.R.M. committed to a €35.5 million investment plan covering seven of its nine existing properties. Investment programmes have been launched gradually since 2016 and the last, and largest of these - the partial reconfiguration extension of the Valentin shopping centre near Besançon - was launched in April 2018. Of this amount, €21 million was spent in 2018, bringing total investments to €34 million as of 31 December 2018.

Rental management and lettings

2018 was marked by a dynamic marketing and rental management momentum with 26 new leases or lease renewals signed representing annual rents of €1.7 million.

The average surface area of the property in the Reims city centre (2,800m²), which was vacated by Go Sport at the end of 2017, was re-let to Le Grand Bazar. The new lease, offering a 10% reversion, went into effect at the end of June 2018 and the store opened to the public in October.

The medium-sized area of 1,275m² which was vacated by La Grande Récré at the end of 2017 in Les Halles du Beffroi in Amiens was re-let to the Basic-Fit brand at the end of March 2018.

The Aria Parc retail park in Allonnes saw the arrival of three new stores in 2018: V and B, Maxizoo and Optical Center, covering a total area of 1,800m². In addition, since the 3,300m² medium-sized area was delivered to Maison Dépôt, the corresponding lease went into effect as of the fourth quarter of 2018.

40% of the 2,600m² extension of the existing 4,000m² shopping centre next to the Carrefour hypermarket in Ecole-Valentin north of Besançon was pre-let by the end of 2018. The reconfigured Valentin shopping centre will open its doors to the public at the beginning of 2020.

As of 31 December 2018, the physical occupancy rate for retail properties stood at 84%, up 8 percentage points on 31 December 2017. The total net annualised rent as of 1 January 2019 also rose sharply to €8.2 million from the year-earlier level of €7.4 million

Investments

In total €14.5 million was invested in the property portfolio in 2018. These were primarily:

- the segmentation of a unit and the 2,300m² extension programme to house the Maison Dépôt homeware store in 3,300m² in the Aria Parc retail park in Allonnes;
- the launch of the partial reconfiguration and the 2,600m² extension of the current 4,000m² shopping mall next to the Carrefour shopping centre in Ecole-Valentin north of Besançon. The completion of this programme, the largest of the portfolio, is scheduled for the end of 2019.

Asset disposals

On 16 May 2018, M.R.M. announced the disposal of Nova, an office property located in the heart of the new business district in La Garenne-Colombes, close to La Défense. The property, which was 81% occupied at the time of the sale, sold for €38 million (excluding transfer taxes). M.R.M. used some of the proceeds from this disposal to repay the €22.0 million loan granted to it by SCOR SE.

This disposal of M.R.M.'s last remaining office property marks the completion of the Group's move to gradually refocus on holding and managing retail properties, a strategy adopted in June 2013. This transaction brought the total amount of office asset disposals carried out by M.R.M. since that date to €126 million.

During the first half of 2018, the Group also sold a small, local unoccupied retail property (800m^2), previously operated by Gamm Vert, for an insignificant amount.

Implementation of a share buyback programme

On 31 May 2018, the Board of directors decided to implement the share buyback programme authorised by the General Meeting of Shareholders of 31 May 2018 in its ninth resolution for an 18-month period starting from 1 June 2018.

The purpose of the buyback programme is to:

- stimulate the trading of M.R.M. securities on the secondary market, or the liquidity of M.R.M. shares via a liquidity contract concluded with an investment services provider in accordance with the ethics charter of the AMAFI (French association of financial markets) recognised by regulations in force, bearing in mind that the number of shares taken into account for the aforementioned calculation corresponds to the number of shares acquired minus the amount sold;
- retain shares for subsequent payment or exchange purposes in the event of acquisitions;
- ensure the hedging of stock option plans and/or bonus share plans (or similar) reserved for employees and/or corporate officers of the Group, as well as any share allocations under company or group savings plans (or similar plan), employee profit-sharing and/or any other form of allocation of shares to employees and/or corporate officers of the Group;
- ensure the hedging of securities giving access to the Company's shares in accordance with regulations in force;
- cancel all or part of the shares which would be acquired, in accordance with the authorisation granted on 1 June 2017 by the General Meeting in its seventeenth extraordinary resolution.

The above goals are presented without prejudice to the actual order in which the authorisation to buy back shares is used, something that would be dependent on needs and opportunities.

The maximum number of shares that could be purchased by the Company is capped at 10% of the share capital, adjusted for any potential capital increases or reductions that may take place during the term of the share buyback programme.

These share purchases may be made by any means, including via the purchase of blocks of securities, whenever the Board of directors deems it appropriate.

The maximum unit price is fixed at €3 per share. In the event of any transactions in the share capital, in particular stock splits, reverse splits and bonus share allocations, the number of purchasable shares indicated above would be adjusted accordingly by applying a multiplying factor equal to the ratio between the number of shares comprising the share capital prior to the transaction, and the number after the transaction.

The maximum amount that can be invested in the share buyback programme is capped at €13,100,344.

As of 31 December 2018, the Company held 70,508 treasury shares. In 2018, 44,681 shares were purchased under the liquidity agreements entrusted to Invest Securities at an average price of €1.52 per share and 9,185 shares were sold at an average price of €1.58 per share.

Payment of dividends and premiums

The Ordinary General Meeting of 31 May 2018, in its third resolution, authorised the payment of premiums in the amount €4,803,459 equivalent to €0.11 per share to be deducted from the "Merger Premiums" account. This payment reduced said account from €5,241,367 to €437,908.

The ex-coupon date was set for 6 June 2018 and payment was made on 8 June 2018.

Taking account of the treasury shares held by the Company, which do not qualify for a dividend payout, the final amount distributed to shareholders was €4,798,398.

1.3 Subsequent events

On 30 January 2019, M.R.M. announced the disposal of Urban, an unoccupied 8,000m^2 office property in Montreuil, for the sum of €6.35 million excluding transfer taxes. This transaction marks the completion of the office-asset disposal plan initiated in June 2013 enabling M.R.M. to refocus its portfolio exclusively on retail properties. It brings the cumulative amount of office asset disposals made by M.R.M. since that date to €132.3 million.

Note 2 Accounting principles

The main accounting methods applied in preparing the consolidated financial statements are presented below. Unless stated otherwise, these methods have been applied consistently across all periods presented.

2.1 Going concern principle

The financial statements as of 31 December 2018 were prepared on the basis of the going concern principle, taking into account the operations carried out during the year and described in Section 1.2 "Highlights of the period".

2.2 Presentation of the consolidated financial statements in accordance with IFRS

Pursuant to Regulation (EC) No 1606/2002 of 19 July 2002, the M.R.M. group's consolidated financial statements as of 31 December 2018 were prepared in accordance with the standards and interpretations applicable at that date published by the International Accounting Standards Board (IASB) and adopted by the European Union at the date the financial statements were approved by the Board of directors.

These accounting rules, which can be accessed via the European Commission's website (https://ec.europa.eu/info/business-economy-euro/company-reporting-and- auditing/company-reporting/financial-reporting_en), are the international accounting standards (IAS) and international financial reporting standards (IFRS) and the interpretations by the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

The Group's consolidated financial statements were prepared on the basis of the historical cost principle except for investment properties, financial instruments and assets held for sale which are measured at fair value as per IAS 40, IAS 32 & 39 and IFRS 5.

Preparing the financial statements in accordance with IFRS requires certain critical accounting estimates to be made. The Group is also required to exercise its judgement when applying accounting methods. The most critical areas in terms of judgement or complexity, or those for which the assumptions and estimates are material with respect to the consolidated financial statements, are set out in note 4.4 on the fair value of investment properties.

On 21 February 2019, the Board of directors authorised the publication of the Group's consolidated financial statements as of 31 December 2018.

Standards, amendments and interpretations applicable as of 1 January 2018

Standards, amendments to standards and interpretations published by the IASB and presented below are applicable for financial years beginning as of 1 January 2018:

- IFRS 9 – Financial Instruments (recognition and measurement of financial assets and liabilities);
- IFRS 15 - Revenue from Contracts with Customers;
- IAS 40 - Transfers of Investment Property;
- amendments to IFRS 2 – Share-based Payment (classification and measurement of share-based payment transactions);
- annual improvements to IFRS – 2014-2016 cycle – IFRS 1 and IAS 28.

These amendments did not have a material impact on the Group's results and financial position.

IFRS 9 on financial instruments replaces IAS 39, applicable until 31 December 2017. The main changes resulting from this new standard and the possible impacts it could have on the Group's financial statements are as follows:

- impairment of trade and financial receivables: IFRS 9 introduces an impairment model based on expected loss instead of recognised loss as under IAS 39. To this end, the Group applies an average depreciation rate based on the history of healthy receivables and doubtful debts that have become irrecoverable over the last five financial years to the invoices to be established. An additional impairment loss is recognised when the calculation involving the historical average depreciation rate is greater than the impairment recognised in accordance with the accounting principle described in Note 4.6, for each asset class previously mentioned. Since the overall impacts are not material (opening impact of €26 thousand recognised under shareholders'equity, and the reversal of €15 thousand in 2018) the Group did not restate comparative figures for 2017;

- renegotiation of financial liabilities: IFRS 9 modifies the accounting treatment applicable to financial debt modification, exchange and restructuring operations that do not pre-empt derecognition. Given the absence of historical debt that was subject to restructuring in the financial statements as of 31 December 2018, the Group has not identified any impact relating to the implementation of this part of the standard.

Standards, amendments and interpretations not mandatory as of 1 January 2018

Texts adopted by the European Union as of 31 December 2018

The following standards and amendments adopted by the European Union as of 31 December 2018 but with a subsequent effective date of application were not adopted in advance:

- IFRS 16 – Leases: applicable as of 1 January 2019;
- amendments to IFRS 9 – Prepayment Features with Negative Compensation: applicable as of 1 January 2019;
- IFRIC 23 - Uncertain Income Tax Treatments: applicable as of 1 January 2019.

Texts not adopted by the European Union as of 31 December 2018

Subject to their final approval by the European Union, standards, amendments to standards and interpretations published by the IASB and presented below are applicable according to the IASB as follows:

- amendments to IAS 28 – Long-term Interests in Associates and Joint Ventures applicable as of 1 January 2019;
- amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture date of adoption postponed;
- amendments to IAS 19 - Employee Benefits, in connection with accounting for plan amendments, curtailments and settlement: applicable as of 1 January 2019;
- amendments to IFRS 3 - Definition of a Business: applicable as of 1 January 2020;
- amendments to IAS 1 and IAS 8 – The definition of material: applicable as of 1 January 2020;
- amendment to the conceptual framework of the IFRS standards: applicable as of 1 January 2020;
- annual improvements to IFRS – 2015-2017 cycle applicable as of 1 January 2019.

The Group did not opt for the early adoption of these amendments, they will have no material impact on its results and financial position.

2.2.1 Statement of consolidated financial position

The statement of financial position is presented by separating current and non-current assets and liabilities:

- non-current assets consist of investment property, property, plant and equipment and intangible assets, and deposits paid;
- current assets consist of property assets held for sale, all operating and tax-related receivables, and any other assets with an initial maturity of under one year or undated;
- liabilities are classified as current or non-current depending on their due date. As a result, bank borrowings, guarantee deposits received and tax-related liabilities have been split into liabilities of under one year and liabilities of over one year, in accordance with the repayment schedules. Operating payables with a maturity of under one year constitute current liabilities.

2.2.2 Statement of consolidated comprehensive income

Income and expense items recognised during the period are presented in two statements:

- one statement detailing profit or loss items – the consolidated income statement;
- one statement starting with profit (loss) for the period and itemising other items of comprehensive income – the consolidated comprehensive income statement.

The consolidated income statement thus splits out the following items:

- operating income, as defined by CNC recommendation 2009 R-03, includes recurring items of current income as well as changes in the fair value of properties, gains (losses) on disposal or the scrapping of investment properties (total or partial), and other operating income and expenses;
- financial profit (loss) is the sum of financial income and expenses, other financial income and expenses, changes in the value of financial instruments (interest rate caps and marketable securities), and discounted payables and receivables;
- net profit (loss) before tax is the sum of operating income, financial profit (loss) and other non-operating income and expenses.

Other items of comprehensive income include income and expenses (including adjustments and reclassifications) that are not recognised in profit or loss as required or permitted by certain IFRS.

2.3 Key accounting estimates and judgements

When preparing the financial statements, the Group uses estimates and makes judgments, which are regularly updated and are based on historical information and other factors, in particular forecasts regarding future events deemed reasonable in light of the circumstances.

The estimates carrying a substantial risk of causing a material adjustment to the carrying amount of assets and liabilities during the subsequent period primarily involve the calculation of the fair value of the property portfolio, which is notably based on the valuation of the portfolio by independent appraisers using the methods described in note 4.4.

Financial market instability has resulted in a significant drop in the number of representative transactions. Transactions completed in an economic crisis may not reflect the estimates of the independent appraisers.

Given the estimative nature of such valuations, it is possible that the income from the sale of certain properties may substantially differ from the valuation made, even were a sale to take place within a few months of the reporting date.

As such, the valuations of the Group's portfolio, carried out by an independent appraiser, could vary significantly depending on the sensitivity of the following data:

- the market rental value of the Company's portfolio;
- the yield, calculated on the basis of yields used in the property market.

Since these data are tied to the market, they may vary significantly in the current context. They may thus have a material upward or downward impact on the fair value measurement of the property portfolio.

Note 3 Scope of consolidation

3.1 Consolidation methods

3.1.1 Subsidiaries

Subsidiaries are companies controlled by the Group. A subsidiary is controlled where the Group has the power to directly or indirectly manage the financial and operating policies of the entity so as to obtain benefits from its activities. In general, subsidiaries are deemed to be controlled when M.R.M. directly or indirectly holds more than 50% of the voting rights.

The financial statements of subsidiaries are fully consolidated from the date control is obtained and are no longer consolidated when control is transferred outside the Group. The consolidated financial statements include all of the subsidiary's assets, liabilities, income and expenses. Equity distinguishes between Group share and minority shares.

As of 31 December 2018, all entities within the scope of consolidation were wholly controlled by the Group and were therefore fully consolidated.

3.1.2 Affiliates

Affiliates are companies in which the Group exercises significant influence in terms of operating and financial policy without having control of the entity. In general, significant influence is obtained when the Group owns at least 20% of the voting rights. The Group's investments in affiliates are accounted for under the equity method which consists of recognising:

- in the statement of financial position, the value of shares stated at their cost of acquisition including goodwill plus or minus changes in the Group's share of the net assets of the affiliate net of any necessary consolidation adjustments;
- in the statement of comprehensive income, a separate line showing the Group's share of the profits of affiliates net of consolidation adjustments. The financial statements of affiliates are recognised in the consolidated financial statements from the date significant influence begins until it is lost.

As of 31 December 2018, the Group had no affiliates.

3.1.3 Transactions eliminated from the consolidated financial statements (intra-group transactions)

Items in the statement of financial position, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated when preparing the consolidated financial statements. Gains resulting from transactions with affiliates are eliminated via investments in affiliates in proportion to the Group's interest in the company in question. Unrealised losses are eliminated in the same way as unrealised gains but only insofar as they reflect an impairment loss.

3.2 List of consolidated entities

The financial statements fully consolidate the financial statements of all companies in which M.R.M. exercises exclusive direct or indirect control.

	Method of consolidation	Interest	Control
SA M.R.M.	Parent company	100%	100%
SAS COMMERCES RENDEMENT	FC	100%	100%
SAS DB NEPTUNE	FC	100%	100%
SAS DB PIPER	FC	100%	100%
SCI GALETIN II	FC	100%	100%
SCI IMMOVERT	FC	100%	100%
SCI NORATLAS	FC	100%	100%

FC: Full consolidation.

All of the Group's companies are registered in France.

As of 31 December 2018, the registered address for all Group entities was 5 avenue Kléber – 75016 Paris.

Note 4 Notes to the balance sheet

4.1 Business combinations and asset purchases

4.1.1 Business combinations

Accounting principles

Following the revision of IFRS 3, acquisition cost is measured at the fair value of the assets transferred, equity issued and liabilities incurred at the date of the transaction. The identifiable assets and liabilities of the acquiree are measured at fair value on the date of acquisition. Costs directly attributable to the acquisition are recognised under “Other operating expenses”.

Positive differences between the acquisition cost of shares and the share in the fair value of the identifiable assets and liabilities on the date control is obtained are recognised on the asset side as goodwill.

Negative differences are representative of badwill and are recognised directly in profit or loss for the period under “Other non-operating income and expenses”.

Goodwill is not amortised. In accordance with IAS 36 “Impairment of Assets”, goodwill is tested for impairment at least once a year and more frequently if there are indications of impairment. These tests are designed to ensure that the recoverable amount of the cash-generating unit to which goodwill is allocated is at least equal to its net carrying amount. If impairment is observed, an impairment charge is recorded under “Other operating income and expenses”.

4.1.2 Asset purchases

Accounting principles

When the Group acquires an entity comprising a group of assets and liabilities but not constituting a business as defined by IFRS 3, the acquisition is not considered a business combination as defined by that standard and is recorded as an acquisition of assets and liabilities without any goodwill being recognised.

Any difference between the cost of acquisition and the fair value of assets and liabilities acquired is allocated on the basis of the relative fair values of the Group's identifiable individual assets and liabilities at the date of acquisition.

In accordance with IAS 12.15 (b), for acquired entities subject to tax, no deferred tax is recognised when assets and liabilities are acquired.

4.2 Intangible assets

Accounting principles

In accordance with IAS 38, intangible assets are measured at historical cost less cumulative depreciation and impairment. They are not subject to any revaluation.

Intangible assets that have indefinite useful lives are not amortised. They are tested for impairment annually or more frequently if there are indications of impairment. If the value in use is lower than the net carrying amount, an impairment charge is recognised.

Intangible assets with definite useful lives are amortised on a straight-line basis over their estimated useful lives.

4.3 Tangible assets

Accounting principles

Cost of acquisition of tangible assets

Items with determinable costs and for which it is likely that the future economic benefits will flow to the Group are recognised as non-current assets. Tangible assets are recognised at cost less cumulative depreciation and impairment. Where components of tangible assets have different useful lives, they are recognised as separate tangible assets.

Depreciation of tangible assets

Tangible assets are depreciated over their useful lives.

Depreciation is recognised as an expense on a straight-line basis over the estimated useful life of each tangible assets.

Impairment of tangible assets

When events or new circumstances result in indications of impairment, impairment tests are carried out. The asset's net carrying amount is compared with its recoverable amount. If the recoverable amount is lower than the net carrying amount of the assets, an impairment charge is recognised.

4.4 Investment properties

Accounting principles

IAS 40 – Investment Property defines investment property as property held by the owner or the lessee under a lease to earn rentals or for capital appreciation.

Investment property is presented on a separate line item of the statement of financial position under non-current assets.

Valuation method for investment property

In accordance with the measurement models put forward by IAS 40 and in line with the recommendations of the European Public Real Estate Association (EPRA), the Group opted to use the fair value method on a permanent basis and measures investment properties at fair value. Investment property being redeveloped is subject to the classification and (fair value) measurement rules set out in IAS 40.

Investment property is valued at fair value and any resulting changes are recognised in the income statement. No depreciation is recognised. This method is applied as follows:

At the date of acquisition, investment property is recognised at cost of acquisition, corresponding to the purchase price plus any associated costs. At the end of the reporting period, it is measured at fair value. The difference between the initial cost and fair value is recognised in the income statement.

Changes in the fair value of investment property are determined as follows:

Market value N - [market value N-1 + amount of works and capitalised expenses for the year - scrapped assets from properties being redeveloped]

The market value of these assets excludes any transfer taxes relating to their sale. Gains on the disposal of investment property are calculated on the basis of the most recent fair value recognised in the statement of financial position.

Definition of fair value

The fair value of all the Group's investment properties is the value excluding transfer taxes determined by independent appraisers who value the Group's portfolio each year on 30 June and 31 December.

The Group has retained the JLL independent appraiser to value its portfolio.

Appraisal values are carried out in accordance with the rules set out in the Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors (RICS). The Company's entire portfolio has been subject to market and competition studies.

The valuation of the property portfolio depends on a number of factors, relating primarily to assumptions regarding future cash flows and interest rates, the balance between supply and demand on the market, economic conditions and applicable regulations. These factors can vary significantly impacting the valuation of properties. The appraised value of properties and their final value on disposal may not be identical.

The methodology chosen by the appraiser is based on the combined implementation of different valuation techniques, namely the capitalisation approach and the discounted future cash flow approach. The values determined by reference to these two approaches are corroborated by implementing the comparables method and/or the replacement cost method. The process used by experts is in line with their professional standards (specifically RICS).

The principle underlying the rental income capitalisation approach is the application of a rate of return observed on comparable assets in the market with net rental income which reflects the actual level of rent compared to the market price.

The Discounted Cash Flow (DCF) approach is based on ascertaining the future income, in relation to parameters such as vacancy, forecast rent increases, recurring maintenance costs and ongoing costs, that will maintain the property asset in operating condition.

Investment properties undergoing restructuring are valued based on an assessment of the property after restructuring to the extent that the Group is reasonably assured that the project will be completed given the absence of significant risks, particularly with regard to administrative permits such as building permits and CDEC. Remaining works are then deducted from this assessment based on the development budget or agreements negotiated with builders and service providers.

The main assumptions used to estimate fair value are those related to expected future rents in relation to the fixed-term lease commitment, market rents, vacancy periods, the occupancy rate of the properties, maintenance requirements, the appropriate discount rate, and rates of return. These valuations are regularly compared with market data in terms of returns, actual transactions carried out by the Company and those published by the market. The valuations carried out by appraisers thus reflect their best estimate as of 31 December 2018 with their assumptions based on recently observed items in the market and assessment methods that are widely accepted in the industry. These estimates are not intended as a precursor to any kind of market shift.

Changes in investment properties

(in thousands of euros)	31/12/2018
NET BALANCE AT OPENING	**158,520**
Works	14,536
Change in fair value	-13,976
NET BALANCE AT CLOSING	**159,080**

Breakdown of investment properties

As of 31 December 2018, all investment properties were retail properties.

Capitalisation rates and discount rates retained by the independent appraiser for investment property valuation purposes as of 31 December 2018

Capitalisation rates	Discount rates
Between 4.25% and 7.50%	Between 5.25% and 8.30%

The capitalisation rates correspond to the yield on the buyer's side or with a view to a management year. The capitalisation rate expresses, in percentage terms, the ratio of gross or net revenue from the property to its monetary value. It is called gross or net depending on whether the gross or net revenue of the property is chosen.

Active net rents from investment properties and sensitivity study

	Active net rents per year and per m² as of 31 December 2018	
(in euros)	Range(1)	Average
	18 – 754	131

(1) Excluding rental income generated by parking decks and antennas.

A sensitivity study simulating a change in the capitalisation rates as of 31 December 2018 showed that a 50 basis-point increase in these rates would reduce the asset portfolio value by €13,150 thousand (down 8.3%), whereas a 50 basis-point reduction would increase it by €15,580 thousand (up 9.8%).

Description of investment properties

Property	Address	Date of acquisition	GLA area (m^2)	Type
Sud Canal	24-26 Place Etienne Marcel 41 Boulevard Vauban 78180 Montigny-le-Bretonneux	27/10/2004	11,618	Retail
Reims	2 Rue de l'Etape 51100 Reims	10/11/2004	2,779	Retail
Passage de la Réunion	25 Place de la Réunion 68100 Mulhouse	15/04/2005	6,011	Retail
Galerie du Palais	17-19 Place Jean Jaurès 37000 Tours	16/06/2006 and 28/09/2007	6,836	Retail
Halles du Beffroi	Place Maurice Vast 80000 Amiens	31/08/2006	7,485	Retail
Aria Parc	ZAC du Vivier Route de la Bérardière 72700 Allonnes	20/12/2005 and 20/06/2017	12,823	Retail
Valentin shopping centre	6 Rue Châtillon 25480 Besançon École-Valentin	27/12/2007	4,249	Retail
Carré Vélizy	16-18, avenue Morane-Saulnier, 2-4 Avenue de l'Europe 78140 Vélizy-Villacoublay	30/12/2005	11,810	Retail
Gamm Vert portfolio	Multiple sites	21/12/2007 and 27/05/2008	22,050	Retail
TOTAL			**86,427**	

Appraiser fees

The Group's property asset portfolio is appraised twice a year by JLL, an independent appraiser appointed at the end of 2013 in accordance with the Group's five-year appraiser rotation policy. Another progressive appraiser-rotation will be considered in 2019.

Appraiser fees are fixed and totalled €38 thousand in 2018 compared with €60 thousand in 2017.

Fees are determined before the appraisal is carried out and are not proportional to the value of the assets appraised. For JLL, the amount of fees billed to the Group as a percentage of total revenue is not material.

4.5 Assets held for sale

Accounting principles

Under IFRS 5, assets and liabilities that the Company has decided to sell and the carrying amount which will be recovered principally through a sale transaction rather than through continuing use are to be classified as "Assets held for sale" and "Liabilities held for sale".

The "Assets held for sale" item includes all receivables on benefits granted to property tenants.

For the sale to be highly likely, an asset sale plan must have been undertaken, and an active programme for finding a buyer must have been launched.

Properties in this category continue to be measured using the fair-value model as follows:

- property under sale agreement: sale value in the sale agreement net of the costs and commission required to complete the sale;
- property for sale: appraisal value excluding transfer taxes net of costs and commission required to complete the sale.

Changes in properties held for sale

(in thousands of euros)	31/12/2018
NET BALANCE AT OPENING	**41,047**
Works	4
Reclassification of rent-free periods	-59
Change in fair value	1,874
Asset disposals	-37,207
NET BALANCE AT CLOSING	**5,660**

As of 31 December 2018, assets held for sale totalled €5,660 thousand, compared with €41,047 thousand as of 31 December 2017.

The assets are currently being actively marketed with a view to their disposal within the coming twelve months. In this regard, and as indicated in Note 1.3 “Subsequent events”, the Urban office property in Montreuil was sold in January 2019.

4.6 Trade receivables

Accounting principles

Receivables are stated at fair value on initial recognition, and subsequently at amortised cost less any impairment losses.

Impairment of trade receivables is recognised when there are objective indications that the Group will not be able to recover the full amounts due as per the initial terms of the transaction. Serious financial difficulties faced by the debtor, the likelihood of bankruptcy or financial restructuring of the debtor and payment default are indicators of the impairment of a receivable.

In general, the Group writes down tenant receivables older than six months by applying an impairment rate of up to 100% (depending on the risk estimated by the Group) of the pre-tax amount of the receivable minus the guarantee deposit which is kept when applicable.

The amount of impairment is recognised in income under “Provisions and impairment”.

Trade receivables break down as follows:

(in thousands of euros)	31/12/2018	31/12/2017
Total gross trade receivables	3,721	4,877
Impairment of trade receivables	-1,367	-1,474
TOTAL NET TRADE RECEIVABLES	2,354	3,403
Invoices pending	-132	-339
Rent-free periods staggered over the lease term	-971	-541
TOTAL NET TRADE RECEIVABLES DUE	**1,251**	**2,523**

The aged balance of trade receivables is as follows:

(in thousands of euros)	Overdue < 90 days	Overdue < 180 days	Overdue > 180 days	Total
Trade receivables	412	83	757	1,251
TOTAL NET TRADE RECEIVABLES DUE	**412**	**83**	**757**	**1,251**

4.7 Other receivables

Accounting principles

Receivables and payables with deferred payments

IAS 39 requires the discounting of any sums whose payment or receipt is deferred in a manner that deviates from standard practice.

The amounts of these receivables or payables are discounted and a financial profit or loss recognised in the statement of comprehensive income over the deferred payment period.

The discount rate applied is the one used to discount cash flows and capitalise rents for the purposes of property valuation by the independent appraiser.

The only deferred payments recognised relate to guarantee deposits received from tenants. No receivables with deferred payments were recognised.

As of 31 December 2018, the discount rate was 6.73%.

Other receivables break down as follows:

	31/12/2018			31/12/2017
(in thousands of euros)	Gross	Impairment	Net	Net
Tax receivables (1)	2,761	-	2,761	2,283
Other receivables (2)	236	-	236	643
Funds deposited at third parties (3)	8	-	8	26
Letting fees (4)	339	-	339	408
Prepaid expenses	576	-	576	133
TOTAL OTHER RECEIVABLES	**3,921**	**-**	**3,921**	**3,493**

(1) This amount basically corresponds to a VAT credit to be carried forward.
(2) This amount primarily relates to service charges payable to owners.
(3) This relates to funds deposited at notaries.
(4) This relates to letting fees spread over the corresponding lease term.

4.8 Derivatives

Accounting principles

The Group classifies its financial assets on the basis of the following categories:

- at fair value through the statement of comprehensive income;
- as loans and receivables.

Classification depends on the reasons for acquiring financial assets.

Financial assets at fair value through the statement of comprehensive income

In this category, the Group classifies the derivatives to which it subscribes. Derivatives are initially recognised at fair value with attributable transaction costs recognised in income when incurred.

They are remeasured at fair value at each reporting date with any changes in fair value recognised in income under "Financial profit (loss)".

For the Group, this relates to instruments put in place to reduce interest rate risk (solely interest rate caps – see "Derivatives" below). The fair value of these instruments at the reporting date was based on valuations supplied by the issuing financial institutions employing valuation techniques using observable market data.

Loans, deposits, sureties and other non-current receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets apart from those maturing over 12 months after the reporting date.

These are classified as non-current assets (these assets are initially recognised at fair value and subsequently measured at amortised cost).

Derivatives

The Group uses derivatives to reduce its exposure to market risks stemming from interest rate fluctuations.

Derivatives are used as part of the Group's policy for managing interest rate risk.

The Group uses derivatives to hedge its variable-rate debt against interest rate risk (cash flow hedging).

Given the nature of its debt, the Group elected not to apply hedge accounting as defined by IAS 39 and classifies financial assets and liabilities held as such as "Financial assets and liabilities at fair value through profit or loss".

All derivatives are therefore recognised in the statement of financial position at fair value and any changes from one period to the next are recognised in the statement of comprehensive income under "Financial profit (loss)".

The valuation of such financial instruments is supplied quarterly by the issuing financial institutions employing valuation techniques using observable market data.

The Group has put in place a financial instrument (cap) that does not qualify as a hedging instrument for accounting purposes, but as a financial asset recognised at fair value through profit or loss.

As of 31 December 2018, 70% of the variable-rate bank debt was hedged by way of this interest-rate cap. This financial instrument was originally recognised as an asset at fair value which is supplied by the issuing institution.

Differences in the value of financial instruments between reporting dates are recognised in the income statement under "Change in fair value of financial instruments and marketable securities". The fair value measurement of the interest rate cap made for a decrease in fair value of €47 thousand as of 31 December 2018.

The change in fair value of the interest rate cap over the period breaks down as follows:

(in thousands of euros)	31/12/2018
VALUE OF FINANCIAL INSTRUMENTS AT OPENING	**-**
Caps bought	59
Caps sold	-
Change in fair value	-47
VALUE OF FINANCIAL INSTRUMENTS AT CLOSING	**12**

Principal characteristics of financial instruments held

Contract type	Maturity date	Notional amount *(in thousands of euros)*	Benchmark rate	Strike rate	Fair value *(in thousands of euros)*	Maturing under 1 year	Maturing in 1-5 years	Maturing over 5 years
Cap	20/12/2022	7,941	3-month Euribor	1.25%	12		x	
				TOTAL	**12**			

As of 31 December 2018, 85% of the Company's bank loans were remunerated at fixed rates. A 100 basis point increase in interest rates would therefore have a €99 thousand impact on the Group's financial expenses.

4.9 Cash and cash equivalents

Accounting principles

"Cash and cash equivalents" includes cash, sight bank accounts and other very liquid short-term investments with initial maturities of up to three months.

Marketable securities are classified as cash equivalents if they meet the criteria of maturity, liquidity and lack of volatility.

They are measured at fair value through profit and loss.

Cash and cash equivalents break down as follows:

(in thousands of euros)	31/12/2018	31/12/2017
Marketable securities	47	48
Cash	13,409	13,304
TOTAL CASH AND CASH EQUIVALENTS	**13,456**	**13,352**

4.10 Equity

Accounting principles

Treasury shares

M.R.M. treasury shares are deducted from consolidated equity at their cost of acquisition. All transactions involving treasury shares are recognised directly in consolidated equity.

Expenses related to the share capital increase

According to IAS 32, expenses related to the issuance of equity instruments are recorded directly under equity. These are expenses directly attributable to the transaction, i.e. expenses that would not have been incurred had the transaction not taken place.

Equity management

The Group's policy is to maintain a solid capital base so as to retain the trust of investors, creditors and the markets, and to sustain future growth. The Board of directors keeps a close watch on return on equity, defined as operating income divided by total equity.

The Group's debt to equity ratio represents net debt expressed as a percentage of the fair value of its properties excluding transfer taxes. As of 31 December 2018, net debt was €60,644 thousand, including a cash surplus of €13,456 thousand, and the fair value of properties excluding transfer taxes was €164,740 thousand. The Group's debt to equity ratio stood at 36.8% compared with 41.0% as of 31 December 2017.

The Company concluded a liquidity agreement with Invest Securities under which it occasionally buys treasury shares on the market. The frequency of these purchases depends on share prices and trading activity.

Information on the number of shares outstanding

As of 31 December 2018, the number of shares making up the share capital was 43,667,813 with a par value of €1 per share, unchanged from 31 December 2017.

As of 31 December 2017, the Group held 35,012 treasury shares. The Company acquired 44,681 and sold 9,185 treasury shares in the year through its liquidity contract with Invest Securities. As of 31 December 2018, the Group held 70,508 treasury shares.

Excluding treasury shares, there were 43,597,305 shares outstanding as of 31 December 2018 compared with 43,632,801 a year earlier.

Expenses related to the share capital increase

In 2018, no expenses related to a share capital increase were recorded directly as a reduction in equity.

4.11 Provisions

Accounting principles

A provision is booked when the Group has an obligation to a third party arising from a past event, settlement of which is likely or certain to result in an outflow of resources to this third party and this can be reliably estimated. This obligation may be legal, regulatory or contractual.

It may also result from the entity's past practices, its stated policy or sufficiently overt public commitments that have created a legitimate expectation amongst the relevant third parties that it will assume certain responsibilities.

The estimated amount of a provision reflects the outflow of resources the Group would incur to settle its obligation. It is estimated on the basis of information known at the date of issue of the financial statements.

Where the time value effect is material, the amount of the provision is determined by discounting estimated resource outflows at a rate based on a pre-tax risk-free market interest rate, plus – where applicable – risks specific to the relevant liability.

As for 31 December 2017, no provisions were recognised at 31 December 2018.

4.12 Loans and borrowings

Accounting principles

Borrowings

Financial liabilities comprise borrowings and other interest-bearing liabilities.

On initial recognition, they are measured at fair value, taking account of transaction costs directly attributable to the issuance of the financial liability. They are subsequently recognised at amortised cost using the effective interest rate method. The effective interest rate includes the nominal interest rate and actuarial amortisation of issue expenses and issue and redemption premiums.

Borrowings of less than one year are classified as "Current borrowings".

Borrowing costs

Revised IAS 23 – Borrowing costs removes the option of expensing borrowing costs and requires companies to capitalise borrowing costs directly attributable to the purchase, construction or production of a qualifying asset as a component of the cost of the asset.

The Group borrows money specifically for the acquisition, construction or production of a specific qualifying asset. Financial expenses directly associated with this asset are accordingly easily determined and capitalised in the cost of the qualifying asset.

As of 31 December 2018, the Group no longer had any qualifying assets allowing the capitalisation of interest costs.

The breakdown of current and non-current loans and borrowings is as follows:

(in thousands of euros)	31/12/2018	31/12/2017
Bank debts	72,056	71,141
Guarantee deposits received	906	1,083
NON CURRENT	72,962	72,223
Bank debts	2,044	2,244
Loan granted by SCOR SE	-	21,889
Guarantee deposits received	809	921
Accrued interest	91	189
CURRENT	2,944	25,244
TOTAL LOANS AND BORROWINGS	**75,906**	**97,467**

The breakdown of loans and borrowings by maturity is as follows:

(in thousands of euros)	31/12/2018	1 year	1 to 5 years	Over 5 years
Bank debts	74,100	2,044	72,056	-
Guarantee deposits received	1,715	809	783	122
Accrued interest	91	91	-	-
TOTAL LOANS AND BORROWINGS	**75,906**	**2,944**	**72,839**	**122**

The debt maturing within a year comprises the contractual repayments to be made over the next twelve months.

Principal characteristics of bank debts

Lending institution	Credit agreement date	Maturity	Amount of loan granted *(in thousands of euros)*	Total drawdowns as of 31/12/2018 *(in thousands of euros)*	Total outstandings as of 31/12/2018 *(in thousands of euros)*
Saar LB	21/12/2007	20/12/2022	12,200	12,200	7,703
Berlin Hyp	30/10/2017	31/10/2022	15,200	15,200	14,982
Saar LB	22/12/2016	21/12/2021	61,854	55,591	51,415
			89,254	**82,991**	**74,100**

The amount of credit available as of 31 December 2018, given drawdowns already made at this date, stood at €6,263 thousand.

Change in bank debts

(in thousands of euros)	Non-current debt	Current debt
NET BALANCE AT OPENING	**71,141**	**2,244**
Increases (1)	3,409	-
Decreases (2)	-	-2,901
Reclassification	-2,493	2,493
Other (debt issue expenses, capitalisation of interest and discounting)	-	208
NET BALANCE AT CLOSING	**72,056**	**2,044**

(1) The increases correspond to drawdowns on an available credit line.
(2) The decreases correspond to the contractual amortisations in the amount of (-€2,682 thousand) and the early repayment related to a property disposal for (-€220 thousand).

Bank debt – fixed/variable rate

(in thousands of euros)	Fixed rate	Variable rate	Total
BANK DEBTS	**63,160**	**10,940**	**74,100**

4.13 Debts payable against non-current assets

(in thousands of euros)	31/12/2018	31/12/2017
Retail properties	3,274	1,099
Office properties	39	766
DEBTS PAYABLE AGAINST NON-CURRENT ASSETS	**3,313**	**1,865**

Debt on non-current assets as of 31 December 2018 primarily related to the reconfiguration and extension of the Valentin shopping centre in Besançon.

4.14 Other liabilities

Other liabilities break down as follows:

(in thousands of euros)	31/12/2018	31/12/2017
Payments on accounts received	228	63
Company liabilities	80	140
Tax liabilities (1)	708	1,027
Other debts (2)	598	210
TOTAL OTHER LIABILITIES AND ADJUSTMENT ACCOUNTS	**1,615**	**1,439**

(1) Tax liabilities concern essentially VAT collected.
(2) Other debts concern essentially charges made to tenants.

4.15 Fair value measurement

Accounting principles

IFRS 13 on fair value measurement, in force since 1 January 2013, requires fair value to be presented according to a hierarchy with quoted prices in active markets at the top (level 1) and unobservable inputs in active markets at the bottom.

The three levels are as follows:

- level 1: quoted prices in active markets for identical assets or liabilities;
- level 2: inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly;
- level 3: unobservable inputs.

The Group does not have any liabilities measured at fair value.

► STATEMENT OF CONSOLIDATED FINANCIAL POSITION – ASSETS AS OF 31/12/2018

(in thousands of euros)	Level 1	Level 2	Level 3	Total
Investment properties	-	-	159,080	159,080
Assets held for sale	-	-	5,660	5,660
Derivatives	-	12	-	12
Marketable securities	47	-	-	47

► STATEMENT OF CONSOLIDATED FINANCIAL POSITION – ASSETS AS OF 31/12/2017

(in thousands of euros)	Level 1	Level 2	Level 3	Total
Investment properties	-	-	158,520	158,520
Assets held for sale	-	-	41,047	41,047
Derivatives	-	-	-	-
Marketable securities	48	-	-	48

Note 5 Notes to the statement of comprehensive income

5.1 Gross rental revenues

Accounting principles

Recognition of income

IAS 17 – Leases specifies how lease income from operating leases, and direct initial costs incurred by the lessor, should be recognised. Lease income "should be recognised over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished".

At present, the leases signed by the Group match the definition of operating leases as defined by IAS 17.

Applying SIC-15 Operating Leases—Incentives has the effect of staggering the financial impact of all the provisions of the lease contract over the lease term. This is the case for rent-free periods, stepped rents and key money. For leases that took effect before 1 January 2010, the staggering is over the full term of the lease. Since 1 January 2010, the staggering is over the firm period of the lease.

Key money

Key money payable to the lessor is classified as additional rent.

Key money forms part of the net amount exchanged between the lessor and lessee under a lease.

As such, the accounting periods during which this net amount is recorded must not be affected by the terms of the agreement and payment dates. These charges must be staggered over the first firm period of the lease.

Cancellation penalty

Tenants may be required to pay cancellation penalties if they cancel their lease before its contract expires.

Where applicable, the portion of these penalties similar to rental income is spread over the remaining term of the lease and booked under "Rental revenues".

Compensation for eviction

The lessor may be required to compensate the tenant for eviction if the former cancels the lease.

- replacement of the tenant: if the compensation for eviction modifies or maintains the asset's yield (increase in rent and thus in the asset's value), according to amendments to IAS 16 this expense can be capitalised into the cost of the asset subject to appraisers confirming the increase in value. Otherwise, the expense is recorded as such;
- property renovation requiring the departure of the existing tenants: if the compensation for eviction is made in the context of heavy refurbishing or reconstruction requiring the tenants'prior departure, it is considered a preliminary expense included as an additional component after the renovation works.

Gross rental revenues consist of rents and similar income (e.g. parking revenues).

(in thousands of euros)	31/12/2018	31/12/2017
Retail properties	8,746	9,011
Office properties	785	2,183
TOTAL GROSS RENTAL REVENUES	**9,531**	**11,194**

Of the €9,531 thousand in gross rental revenues for 2018, variable rents totalled €90 thousand.

Rents receivable under firm leases in the portfolio

(in thousands of euros)	31/12/2018
Less than 1 year	8,719
Between 1 and 5 years	13,760
Over 5 years	2,630
TOTAL FUTURE MINIMUM PAYMENTS	**25,108**

5.2 External property expenses not recovered

Expenses paid for (net of billing back) break down as follows:

(in thousands of euros)	31/12/2018	31/12/2017
Land tax and tax on offices and retail property	-1,682	-2,053
Large-scale maintenance expenses	-573	-514
Rental and co-ownership expenses	-3,418	-4,691
TOTAL EXTERNAL PROPERTY EXPENSES	-5,674	-7,258
Rebilling of taxes	1,040	1,355
Rebilling of expenses	1,767	2,527
TOTAL REBILLING	2,807	3,882
TOTAL EXTERNAL PROPERTY EXPENSES NOT RECOVERED	**-2,867**	**-3,376**

5.3 Operating expenses

Overheads break down as follows:

(in thousands of euros)	31/12/2018	31/12/2017
Fees [1]	-1,141	-1,301
Bank charges	-27	-38
Other external purchases and expenses	-290	-259
Other taxes and duties	-103	-126
Employee benefits expense	-894	-1,034
TOTAL OPERATING EXPENSES	**-2,455**	**-2,758**

(1) Fees are primarily composed of management fees and legal fees.

5.4 Other operating income and expenses

Accounting principles

Other operating income and expenses correspond to unusual, abnormal or rare events as set out in paragraph 28 of the IASB Framework.

They usually consist of transactional indemnities, which seldom occur in practice, paid to or received from tenants, and indemnities received from insurance providers in the event of a claim.

In 2018, other operating income amounted to €136 thousand for the most part related to the payment of accounts payable in the amount of €109 thousand.

Other operating expenses amounted to €453 thousand and primarily consisted of losses on receivables written off in the amount of €390 thousand, which were subject to a reversal of provisions.

5.5 Result on disposals of properties

Gains (losses) on the disposal of assets break down as follows:

(in thousands of euros)	Disposal of property 31/12/2018	Disposal of property 31/12/2017
Sales proceeds net of expenses	37,097	65
Net book value of disposed assets	-37,207	-90
RESULT ON DISPOSALS OF PROPERTIES	**-110**	**-25**

5.6 Change in fair value of properties

(in thousands of euros)	31/12/2018
Opening net balance of properties	199,567
Asset disposals	-37,207
Works	14,541
Reclassification of rent-free periods	-59
Closing net balance of properties	164,740
CHANGE IN FAIR VALUE	**-12,102**

5.7 Net borrowing cost

Net borrowing cost breaks down as follows:

(in thousands of euros)	31/12/2018	31/12/2017
Interest received	-	-
Interest and similar expenses	-1,493	-1,899
NET BORROWING COST	**-1,493**	**-1,899**

5.8 Change in fair value of financial instruments and marketable securities

The €47 thousand decrease in the fair value of financial instruments and marketable securities over the period was due exclusively to the change in the fair value of a cap (see Note 4.8).

5.9 Earnings per share

The consolidated net loss per share at €0.24 is calculated by dividing the consolidated loss by the number of shares outstanding (excluding treasury shares) at closing, i.e. 43,597,305 shares as of 31 December 2018. See Note 4.10 "Information on the number of shares outstanding".

Note 6 Tax

6.1 Group tax status

Since 2008, M.R.M. has been registered as an SIIC (real estate investment trust) with a scope covering all the Group's entities.

SIIC status grants tax exemption on:

- profits from the letting of buildings and the subletting of buildings under a property leasing;
- capital gains on the disposal of buildings, of rights belonging to property leasing contracts, of equity investments in partnerships, or of equity investments in subsidiaries having opted for the SIIC tax regime;
- dividends paid by subsidiaries subject to the SIIC tax regime.

In exchange for this exemption, SIICs must distribute:

- 95% of exempted profits from letting;
- 60% of capital gains on the disposal of buildings or of certain equity investments in real estate companies;
- all dividends paid by subsidiaries having opted for the SIIC tax regime.

SIIC status entailed paying a reduced exit tax of 16.5% on latent capital gains relating to the buildings and shares of partnerships not subject to corporate tax. The Group has paid its outstanding exit tax since 15 June 2012.

6.2 Tax expense

As a result of adopting SIIC status, which exempts the Company from corporate tax, no deferred tax has been recognised on activities within the scope of this regime.

The Group is nevertheless still liable for corporate tax on activities falling outside the scope of the SIIC regime. The Group recognised no tax expense for the 2018 financial year.

6.3 Deferred tax

Deferred taxes are recorded for activities and companies subject to corporate tax according to the variable method up to the temporary differences between the tax base of assets and liabilities and their carrying amount in the consolidated financial statements. Deferred taxes are calculated using the tax rates (and tax regulations) that were adopted at the end of the reporting period and which are expected to come into force when the deferred tax asset in question is realised or the deferred tax liability is settled. Deferred tax assets are recognised only to the extent that a taxable future asset allowing temporary differences to be attributed is likely to be realised.

Deferred taxes are recorded on the basis of temporary differences tied to equity investments in subsidiaries or affiliates, except for when the Group controls the scheduled reversal of these temporary differences and the reversal is unlikely to occur in the near future.

On account of the Group's SIIC status, no corporate tax is due on the letting of buildings, either directly or indirectly through income received from subsidiaries, and no deferred tax was recognised as of 31 December 2018. Likewise, capital gains on the disposal of buildings or of shares in subsidiaries subject to the same regime are exempt.

Given that there was no temporary difference between the tax base of assets and liabilities falling outside the scope of the SIIC regime and their carrying amount in the consolidated financial statements, no deferred tax asset was recognised in 2018.

Note 7 Segment information

Accounting principles

IFRS 8 – Operating Segments, effective since 1 January 2009, sets out the presentation of information to be provided for each operating segment.

Operating segments determined on the basis of internal reporting correspond to an activity:

- that can generate income and that incurs expenses;
- whose operating income is regularly examined by the entity's chief operating decision-maker in order to allocate resources to the various segments and assess their performance;
- for which individual financial information is available.

In view of these requirements, the Group has divided its property portfolio into operating segments according to the real estate market in which they are located. Namely the retail and office rental segments.

These operating segments are best suited to assess the nature and financial impact of the Company's activities and the economic climate in which it trades.

The Group has moreover assigned its head office as a non-operating segment to handle transactions falling outside the remit of an operating segment.

7.1 Income statement by segment

The main line items of the standalone income statement are as follows:

Consolidated income statement as of 31/12/2018

(in thousands of euros)	Offices	Retail	Head office	Total
Gross rental revenues	785	8,746	-	9,531
External property expenses not recovered	-752	-2,115	-	-2,867
NET RENTAL REVENUES	34	6,630	-	6,664
Operating expenses	-114	-706	-1,634	-2,455
Reversals of provisions and impairment	29	269	315	612
Provisions and impairment	-239	-602	-1	-842
Other operating income	57	47	33	136
Other operating expenses	-63	-43	-347	-453
OPERATING INCOME BEFORE DISPOSALS AND CHANGE IN FAIR VALUE OF PROPERTIES	-296	5,594	-1,635	3,663
Result on disposals of properties	-110	-	-	-110
Change in fair value of properties	1,879	-13,981	-	-12,102
OPERATING INCOME	**1,472**	**-8,387**	**-1,635**	**-8,549**
Gross borrowing cost	-218	-1,264	-10	-1,493

Consolidated income statement as of 31/12/2017

(in thousands of euros)	Offices	Retail	Head office	Total
Gross rental revenues	2,183	9,011	-	11,194
External property expenses not recovered	-1,217	-2,159	-	-3,376
NET RENTAL REVENUES	966	6,853	-	7,819
Operating expenses	-119	-811	-1,829	-2,758
Reversals of provisions and impairment	372	582	22	976
Provisions and impairment	-41	-598	-	-639
Other operating income	11	44	11	66
Other operating expenses	-473	-958	-62	-1,494
OPERATING INCOME BEFORE DISPOSALS AND CHANGE IN FAIR VALUE OF PROPERTIES	717	5,111	-1,858	3,969
Result on disposals of properties	-	-25	-	-25
Change in fair value of properties	-4,655	-1,789	-	-6,444
OPERATING INCOME	**-3,939**	**3,297**	**-1,858**	**-2,500**
Gross borrowing cost	-403	-1,497	-	-1,899

7.2 Statement of financial position

The main line items in the statement of financial position are as follows:

Statement of consolidated financial position – Assets as of 31/12/2018

(in thousands of euros)	Offices	Retail	Head office	Total
Investment properties	-	159,080	-	159,080
Assets held for sale	5,430	230	-	5,660
Cash and cash equivalents	182	2,317	10,956	13,456

Statement of consolidated financial position – Liabilities as of 31/12/2018

(in thousands of euros)	Offices	Retail	Head office	Total
Non-current bank debts	-	72,056	-	72,056
Current bank debts	-	2,044	-	2,044
Debts payable against non-current assets	39	3,274	-	3,313

Statement of consolidated financial position – Assets as of 31/12/2017

(in thousands of euros)	Offices	Retail	Head office	Total
Investment properties	-	158,520	-	158,520
Assets held for sale	40,610	437	-	41,047
Cash and cash equivalents	11,711	583	1,058	13,352

Statement of consolidated financial position – Liabilities as of 31/12/2017

(in thousands of euros)	Offices	Retail	Head office	Total
Non-current bank debts	-	71,141	-	71,141
Current bank debts	-	2,244	-	2,244
Loan granted by SCOR SE	21,889	-	-	21,889
Debts payable against non-current assets	766	1,099	-	1,865

Note 8 Exposure to risk and hedging strategy

8.1 Foreign exchange risk

At the date of this document, M.R.M. engages in no business which could expose it to any foreign exchange risks.

8.2 Interest rate risk

As of 31 December 2018, 85% of the Company's bank loans were contracted at fixed rates.

In addition, the Group has an interest-rate cap in place to reduce the interest rate risk on its variable-rate debt. As such, as of 31 December 2018, 70% of the variable-rate bank debt was hedged by way of an interest rate cap (based on the 3-month Euribor at a strike rate of 1.25%).

A 100 basis point increase in interest rates would have a €99 thousand impact on the Group's financial expenses.

8.3 Liquidity risk

The Company's level of leverage could affect its capacity to take out further loans. The Group's liquidity policy is to ensure that the total amount of rents is at all times higher than its working capital requirements to cover operating expenses, interest and repayment of its entire existing debt and the leverage it seeks to implement its investment programme.

Certain loan agreements entered into or that may be entered into by the Group or its subsidiaries contain or may in the future contain standard early repayment clauses and covenants.

These covenants define the thresholds to be respected for a number of ratios, in particular the LTV (loan to value) ratio, defined as the ratio of the amount of the loan to the market value of the property financed, the interest coverage rate (ICR), representing the coverage rate of interest expenses by rents, and the debt service coverage ratio (DSCR), representing the coverage rate of debt repayments and interest expenses by rents. The covenants relating to LTV ratios set maximum thresholds of between 47.3% and 65%. Covenants relating to ICR and DSCR ratios set minimum thresholds of between 130% and 300%.

It is at the level of Group subsidiaries, which own the property assets financed, that the covenants are tested.

As of 31 December 2018, the Group complied with all commitments in respect of the LTV, ICR and DSCR covenants agreed with its banking partners.

8.4 Credit risk

Credit risk represents the risk of financial losses for the Group should a customer or counterparty to a financial instrument fail to meet their contractual obligations.

For the Group, this risk comes from its trade receivables. The Group's counterparties to its financial assets are lending institutions with the highest ratings. For the record, the financial assets are limited to derivatives (interest rate cap).

The Company has drawn up a credit policy to limit its exposure. As a rule, solvency checks are conducted on potential customers to ensure their creditworthiness meets the Group's risk requirements. Certain tenants account for a significant proportion of the Company's annual invoiced rents. The termination of one or several leases could have an impact on the level of rents received by the Company, and on its profitability. Nonetheless, the principal leases were signed recently and some tenants are bound by firm leases that can run from between three and nine years.

8.5 Property asset valuation risk

The Group's property portfolio is appraised twice a year. The valuation of the property portfolio depends on a number of factors, relating primarily to the balance between supply and demand on the market, economic conditions and applicable regulations, which can vary substantially, directly affecting the value of the Company's assets and indirectly affecting the various LTV ratios giving an indication of the Group's credit risk.

The appraised value of the Group's properties and their final value on disposal may not be identical. In addition, such valuations are based on a number of assumptions which may not prove to be correct. Because the Group's property assets are booked at market value by outside appraisers, the value thereof can be affected by variations in the bases used in the valuation methods (property market trends, mainly in terms of received rents, changing interest rates especially with regard to the discount and capitalisation rates employed).

Note 9 Financing commitments and guarantees

9.1 Commitments given

The commitments given primarily comprise:

(in thousands of euros)	31/12/2018
Debts guaranteed by collateral (principal and related) [1]	82,346
Guarantees and sureties	-

(1) Face value of borrowings.

Certain bank accounts of subsidiaries have been pledged to financial institutions.

9.2 Commitments received

The commitments received comprise tenant guarantees for a total of €1,510 thousand.

Note 10 Employee remuneration and benefits

10.1 Workforce and payroll expenses

In 2018, as in 2017, the average number of employees was four.

Payroll expenses including social security charges (and including the remuneration paid to the Chief Executive Officer in his capacity as a corporate officer) came to €894 thousand in 2018, compared with €1,037 thousand in 2017.

Information on the remuneration of corporate officers is given in Section 4 of the 2018 Registration Document.

10.2 Employee benefits

Accounting principles

IAS 19 requires that any current or future benefits or remuneration granted to employees or a third party be recognised over the vesting period.

As of 31 December 2018, M.R.M., which has only four salaried employees, considered that pension liabilities in respect of defined benefit plans were not significant and therefore did not value its liability in this respect.

Note 11 Additional information

11.1 Related parties

Transactions between Group companies and related parties are entered into on an arm's length basis.

Under the terms of the IT lease and services contract signed with SCOR SE, the expenses billed by SCOR SE during 2018 amounted to €47 thousand.

On 15 January 2016, a subsidiary of M.R.M. took out a loan from SCOR SE for €22.0 million. This loan was paid back in full on 15 May 2018. The loan generated an interest expense of €218 thousand in 2018.

11.2 Relations with the Statutory Auditors

M.R.M's principal Statutory Auditors are:

- Mazars
  - date first appointed: Combined General Meeting of 1 June 2017,
  - represented by Gilles Magnan.
- RSM Paris
  - date first appointed: Combined General Meeting of 1 June 2017,
  - represented by Hélène Kermorgant.

Their appointments will expire at General Meeting called to approve the financial statements for the year ending 31 December 2022.

Fees paid to the Statutory Auditors

	2018		2017	
(in thousands of euros excluding VAT)	Mazars	RSM Paris	KPMG	RSM Paris
Certification of the corporate and consolidated financial statements:				
• M.R.M. SA	53.6	46.9	51.8	45.3
• Fully consolidated subsidiaries	10.4	17.1	10.0	16.5
Other services:				
• M.R.M. SA including assignment to verify the social, societal and environmental information published in the Group management report	-	-	6.5	-
• Fully consolidated subsidiaries	-	-	-	-
TOTAL	**64.0**	**64.0**	**68.3**	**61.8**

3.8 Statutory Auditors'report on the consolidated financial statements for the year ended 31 December 2018

This is a free translation into English of the Statutory Auditors'report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This Statutory Auditors'report includes information required by European Regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the information concerning the Group presented in the management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended 31 December 2018

To Annual General Meeting of M.R.M. company

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of M.R.M. company for the year ended 31 December 2018.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2018 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

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

Basis for Opinion

Audit Framework

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

Our responsibilities under those standards are further described in the Statutory Auditors'Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) N° 537/2014 or in the French code of ethics (*Code de déontologie*) for Statutory Auditors.

Emphasis of Matter

Without modifying the opinion expressed above, we draw to your attention the matter described in Note 2.2 to the consolidated financial statements regarding the effects of accounting method change resulting from the first application of IFRS 9 and IFRS 15.

Justification of Assessments - Key Audit Matters

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

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Valuation of investment properties

Description of risk

Taking into account MRM business, the carrying value of investment properties represents 86% of Group assets at 31 December 2018, i.e. €159 million. In accordance with IAS 40, the Group chose the fair value method as a permanent method and accounts for investment properties at fair value.

Note 4.4 to the consolidated financial statements specifies that the fair value used does not included expenses in case of a potential sale, determined by independent real estate experts and describes the valuation methods used and the key assumptions retained.

As mentioned in notes 2.3 and 4.4, valuation of a real estate assets is a complex estimation and is subject to economic conjuncture and the volatility of certain market factors used (rate, rental market) and depends on several assumptions (holiday periods, maintenance).

Therefore, we deemed the valuation of investment properties to be a key element of our audit as there is a high level of estimation and judgement implemented by the Board and according to the importance of the assets in the consolidated Group accounts.

How our audit addressed this risk

We carried out the following procedures:

- understanding the internal control mechanism and testing the effectiveness of key controls implemented by the Board, regarding the nomination and the rotation of independent experts, the transmission of information and the review of expert valuations;
- collecting the engagement letter signed by the real estate expert and assess his/her professional competence, independence and objectiveness;
- obtaining property valuation reports and verifying that all property assets were valuated (except exemptions planned by the Company's procedures);
- assessing the relevance of assumptions, information and methods on which the valuation is founded for a defined selection of assets based on quantitative criteria (valuation or valuation variation) and qualitative criteria (rental stake, restructuring), by corroborating them with the Company's management data (rental situation, maintenance cost) and market data;
- taking part in the Audit Committee on valuation and communicating with independent experts;
- checking the data on which valuations of assets under construction are founded, by taking into account the expenses still to be committed, the delivery times and the rental perspectives;
- reconciling the expert valuations with the valuations booked;
- assessing the relevance of the accountancy methods referred to above, of information provided in notes and their correct application;

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the Board of directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of M.R.M. company by the Annual General Meeting held on 1 June 2017 for Mazars and RSM Paris.

As at 31 December 2018, Mazars and RSM Paris were in their second year of total uninterrupted engagement.

Responsibilities of Management and those charged with governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were established by the Board of directors.

Statutory Auditors'responsibilities for the audit of the consolidated financial statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French code of ethics (*Code de déontologie*) for Statutory Auditors. Where appropriate, we discuss with the Audit the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense and Paris, 5 April 2019

Statutory Auditors

French original signed by

Mazars
Gilles Magnan

RSM Paris
Hélène Kermorgant

3.9 Annual financial statements for the year ended 31 December 2018

Balance sheet as of 31 December 2018

► ASSETS

	31/12/2018			31/12/2017
(in euros)	Gross	Amortisation and impairment	Net	Net
Set-up costs	18,403	-18,403	-	-
Other intangible assets	482,260	-	482,260	-
Other investments	63,605,541	-25,564,226	38,041,315	40,211,099
Other long-term investment securities	47,285	-42,301	4,984	7,084
NON-CURRENT ASSETS	64,153,489	-25,624,930	38,528,559	40,218,184
Trade receivables	49,526	-26,194	23,332	181,743
Other receivables	53,808,622	-11,360,697	42,447,925	57,077,432
Marketable securities	114,768	-14,901	99,897	64,151
Cash	10,947,278	-	10,947,278	1,048,972
Prepaid expenses	413	-	413	12,438
CURRENT ASSETS	64,920,606	-11,401,792	53,518,814	58,384,736
TOTAL	**129,074,096**	**-37,026,722**	**92,047,374**	**98,602,919**

► LIABILITIES & EQUITY

(in euros)	31/12/2018	31/12/2017
Share capital (paid-up: 43,667,813)	43,667,813	43,667,813
Additional paid-in capital	55,346,538	60,149,997
Revaluation adjustment	339,807	339,807
Legal reserve	248,026	248,026
Other reserves	10,360	5,299
Retained earnings	-6,587,214	-
Profit or loss for the financial year	-1,845,074	-6,587,214
Regulated provisions	-	-
EQUITY	91,180,256	97,823,728
Provisions for risks and expenses	-	-
PROVISIONS FOR RISKS AND EXPENSES	-	-
Bank loans and overdrafts	-	-
Loans and other borrowings	18,396	78,575
Trade payables	666,653	313,940
Tax and company liabilities	94,292	277,866
Payables against non-current assets	39,053	39,053
Other debts	48,725	69,757
LIABILITIES [(1)]	867,118	779,191
TOTAL	**92,047,374**	**98,602,919**
(1) Including under one year.	*867,118*	*779,191*

Income statement as of 31 December 2018

(in euros)	31/12/2018 France	31/12/2018 Abroad	31/12/2018 Total	31/12/2017
Revenue on sale of services	292,778	-	292,778	252,256
NET REVENUE	292,778	-	292,778	252,256
Reversals of impairment, depreciation and amortisation, transfer of expenses			1,072,052	25,925
Other revenues			25,632	9
OPERATING INCOME			1,390,461	278,190
Other external purchases and expenses			-646,296	-683,824
Taxes, duties and similar payments			-58,123	-115,676
Wages and salaries			-630,666	-741,292
Social charges			-263,424	-295,637
Depreciation, amortisation and impairments				
Depreciation and amortisation of non-current assets			-	-
Impairment of non-current assets			-	-
Impairment of current assets			-32,102	-6,150,210
Other expenses			-377,426	-61,996
OPERATING EXPENSES			-2,008,036	-8,048,635
OPERATING PROFIT (LOSS)			-617,574	-7,770,445
Financial income from investments (1)			969,288	1,204,635
Other investments and similar income (1)			-	56
Reversals of impairment, provisions and transfer of expenses			-	1,068
Net income on sales of marketable securities			-	6,223
FINANCIAL INCOME			969,288	1,211,983
Depreciation and amortisation expenses, impairment and provisions			-2,186,786	-
Interest and similar expenses (2)			-10,013	-24,373
Net expenses on sales of marketable securities			-2,967	-
FINANCIAL EXPENSES			-2,199,766	-24,373
FINANCIAL PROFIT (LOSS)			-1,230,478	1,187,610
CURRENT PROFIT (LOSS) BEFORE TAX			-1,848,052	-6,582,835
Exceptional income on management operations			3,000	-
EXCEPTIONAL INCOME			3,000	-
Exceptional expenses on management operations			-22	-6,999
EXCEPTIONAL EXPENSES			-22	-6,999
EXCEPTIONAL PROFIT (LOSS)			2,978	-6,999
Income tax			-	2,620
TOTAL INCOME			2,362,750	1,490,173
TOTAL EXPENSES			-4,207,824	-8,077,387
PROFIT (LOSS) FOR THE PERIOD			**-1,845,074**	**-6,587,214**
(1) Including income from affiliates.			*969,288*	*1,204,635*
(2) Including investments in affiliates.			-	-

Appendix

The statement of financial position for the year ended 31 December 2018, covering a period of twelve months like the previous year, presents a total, before appropriation of income, of €92,047,374 and a loss of €1,845,074.

Highlights of the year

(French Commercial Code – Article R.123-196-3)

Implementation of a share buyback programme

On 31 May 2018, the Board of directors decided to implement the share buyback programme decided by the General Meeting of Shareholders of 31 May 2018 in its ninth resolution for an 18-month period starting from 1 June 2018.

The purpose of the buyback programme is to:

- stimulate the trading of M.R.M. securities on the secondary market, or the liquidity of M.R.M. shares via a liquidity contract concluded with an investment services provider in accordance with the ethics charter of the AMAFI (French association of financial markets) recognised by regulations in force, bearing in mind that the number of shares taken into account for the aforementioned calculation corresponds to the number of shares acquired minus the amount sold;
- retain shares for subsequent payment or exchange purposes in the event of acquisitions;
- ensure the hedging of stock option plans and/or bonus share plans (or similar) reserved for employees and/or corporate officers of the Group, as well as any share allocations under company or group savings plans (or similar plan), employee profit-sharing and/or any other form of allocation of shares to employees and/or corporate officers of the Group;
- ensure the hedging of securities giving access to the Company's shares in accordance with regulations in force;
- cancel all or part of the shares that would be acquired, in accordance with the authorisation granted on 1 June 2017 by the General Meeting in its seventeenth extraordinary resolution.

The above goals are presented without prejudice to the actual order in which the authorisation to buy back shares is used, something that would be dependent on needs and opportunities.

The maximum number of shares that could be purchased by the Company is capped at 10% of the share capital, adjusted for any potential capital increases or reductions that may take place during the term of the share buyback programme.

These share purchases may be made by any means, including via the purchase of blocks of securities, whenever the Board of directors deems it appropriate.

The maximum unit price is fixed at €3 per share. In the event of any transactions in the share capital, in particular stock splits, reverse splits and bonus share allocations, the number of purchasable shares indicated above would be adjusted accordingly by applying a multiplying factor equal to the ratio between the number of shares comprising the share capital prior to the transaction, and the number after the transaction.

The maximum amount that can be invested in the share buyback programme is capped at €13,100,344.

As of 31 December 2018, the Company held 70,508 treasury shares. In 2018, 44,681 securities were purchased under the liquidity agreements entrusted to Invest Securities at an average price of €1.52 per share and 9,185 shares were sold at an average price of €1.58 per share.

Accounting policies and methods

(French Commercial Code - Article R.123-196-1 & 2; PCG (French GAAP) Article 531–1/1)

The financial statements are prepared in accordance with Articles L.123-12 to L.123-28 of the French Commercial Code, the ANC Regulation on the *Plan Comptable Général* (French GAAP), and the regulations of the *Comité de la Réglementation Comptable* (CRC):

General accounting conventions were applied in accordance with the principle of prudence and the following basic assumptions:

- consistency of accounting methods;
- matching principle;
- going concern.

The recommendations set out in the Professional Guide for companies in the sector have been observed.

The financial year covers a period of twelve months from 1 January to 31 December 2018. Accounting items are measured using the historical cost method. The notes or tables provided below form an integral part of the annual financial statements.

The main accounting methods used are as follows:

1. Adoption of SIIC status

On 31 January 2008, the Company opted for SIIC status with effect from 1 January 2008.

The SIIC regime, introduced by Article 11 of the 2003 Budget Law, is open to listed companies with a share capital of over €15 million that are wholly engaged in property activities and grants companies having opted for SIIC status on an irrevocable basis an income tax exemption for the portion of their net profit generated from property activities subject to the following payout requirements:

- 85% of profits from the letting of buildings;
- 50% of capital gains from the disposal of buildings;
- 100% of dividends received from subsidiaries having opted in.

The adoption of SIIC status in 2008 resulted in the immediate taxation of unrealised capital gains on properties and investments in property companies at the reduced rate of 16.5% payable over four years.

As such, no tax liability was recorded following the allocation of prior losses.

For financial years ending on or after 31 December 2013, the payout requirements were changed as follows by the 2013 Amended Budget Law published on 3 January 2014:

- 95% of profits from the letting of buildings;
- 60% of capital gains from the disposal of buildings;
- 100% of dividends received from subsidiaries having opted in.

2. Non-current assets

The Company applies CRC Regulations 2002-10 of 12 December 2002 and 2004-06 of 23 November 2006 on defining, recognising, measuring, depreciating, amortising and impairing assets.

3. Non-current financial assets

3.1 Equity investments

Equity investments are recognised on the statement of financial position at cost in accordance with CRC Regulation 2004-06 on defining, recognising and measuring assets. Pursuant to the option provided by Article 321.10 of the PCG (French GAAP), the Company has opted for acquisition costs to be included in the value of securities. These acquisition costs are subject to an exceptional depreciation over a period of five years.

The majority of equity investments held by M.R.M. are property companies owning one or more office or retail properties.

At each reporting date, M.R.M. assesses the value of its equity investments relative to their value in use. The value in use of each subsidiary is determined with reference to the share of the net equity owned, remeasured on the basis of the present value of property assets it owns, and with reference to its outlook. Real estate assets appraised by independent appraisers at each closing.

If the resulting value in use is under the net carrying amount, an impairment loss is recognised.

3.2 Other non-current financial assets

These correspond to treasury shares held by M.R.M. outside the liquidity agreement.

Treasury shares acquired within the framework of the liquidity agreement are presented as marketable securities.

4. Current accounts related to equity investments

The Company has entered into an agreement on current account advances with some of its subsidiaries. These advances are classified as assets under “Other receivables”.

Current accounts in credit in M.R.M.’s books at the reporting date are classified as liabilities under “Loans and other borrowings”.

At each reporting date, where the net equity of subsidiaries owned by the Company is negative, the current accounts are impaired up to the amount of the share of the net equity owned.

5. Marketable securities and treasury shares

The gross amount represents the acquisition cost excluding ancillary expenses. When the net asset value falls below the gross amount, the difference is impaired. The net asset value of treasury shares is based on the average share price over the month preceding the end of the reporting period.

The gross amount of other long-term securities and investment securities represents the acquisition cost excluding ancillary expenses.

6. Receivables and payables

Receivables and payables are stated at face value.

As regards receivables, the risk of non-collection is assessed at each reporting date and an impairment loss recognised where the net asset value falls below the carrying amount.

7. Provisions

Provisions are valued in accordance with the provisions of CRC Regulation 2000-06.

Provisions have in particular been funded for the negative net equity of property holding companies (SCIs) owned, less provisions already recognised on the asset side on current accounts.

8. Current and exceptional income

Items stemming from ordinary activities, including those that are exceptional in terms of their frequency or amount, are included in current profit (loss). Only items not relating to the Company's ordinary activities are recognised as exceptional items.

Additional information relating to the balance sheet

► BREAKDOWN OF NON-CURRENT ASSETS

(in euros)	Gross amount at opening	Increases	
		Revaluations	Acquisitions
Set-up and development costs	18,403	-	-
Other intangible assets	-	-	482,260
Other investments	63,605,540	-	1
Other long-term investment securities	47,285	-	-
TOTAL	**63,671,228**	**-**	**482,261**

	Decreases		Gross amount at closing	Revaluations Original value at closing
	Line item	Disposals		
Set-up and development costs	-	-	18,403	-
Other intangible assets			482,260	
Other investments	-	-	63,605,541	-
Other long-term investment securities	-	-	47,285	-
TOTAL	**-**	**-**	**64,153,489**	**-**

► BREAKDOWN OF AMORTISATION AND DEPRECIATION

Positions and movements over the period *(in euros)*	Amount at opening	Provisions for year	Decreases Reversals	Amount at closing
Set-up, research & development costs	18,403	-	-	18,403
TOTAL	**18,403**	**-**	**-**	**18,403**

► BREAKDOWN OF PROVISIONS

Provisions for impairment *(in euros)*	Amount at opening	Increases Provisions	Decreases Amounts used	Decreases Amounts not used	Amount at closing
For equity investments	23,394,441	2,169,785	-	-	25,564,226
For other non-current financial assets	40,201	2,100	-	-	42,301
For trade receivables	339,960	942	314,707	-	26,194
Other provisions for impairment	12,083,013	46,061	753,476	-	11,375,598
TOTAL	**35,857,614**	**2,218,888**	**1,068,183**	**-**	**37,008,319**
Of which provisions and reversals					
• *For operations*		*32,102*	*1,068,183*	-	
• *For financing*		*2,186,786*		-	

► SCHEDULE OF RECEIVABLES AND PAYABLES

Schedule of receivables *(in euros)*	Gross amount	Less than 1 year	More than 1 year
Doubtful or disputed receivables	49,526	49,526	
Income tax	15,852	15,852	-
Value added tax	153,445	153,445	-
State and public authorities	21,368	21,368	
Group and partners	53,610,553	53,610,553	-
Miscellaneous debtors	7,404	7,404	-
Prepaid expenses	413	413	
TOTAL	**53,858,560**	**53,858,560**	**-**

Schedule of payables *(in euros)*	Gross amount	Less than 1 year	1-5 years	More than 5 years
Loans and borrowings originally due within 1 year	-	-	-	-
Other loans and borrowings	18,396	18,396	-	-
Trade payables	666,653	666,653	-	-
Personnel and related payables	35,242	35,242	-	-
Social security and other welfare bodies	45,122	45,122	-	-
Value added tax	11,751	11,751	-	-
Other taxes and duties	2,128	2,128	-	-
Payables against non-current assets	39,053	39,053	-	-
Group and partners	48	48	-	-
Other debts	48,725	48,725	-	-
TOTAL	**867,118**	**867,118**	**-**	**-**

► BREAKDOWN OF THE SHARE CAPITAL

(PCG (French GAAP) Article 831–3 and 832-13).

Various share classes	Par value *(in euros)*	Numbers of shares			
		At opening	Created	Cancelled	At closing
Shares	1	43,667,813	-	-	43,667,813

► SET-UP COSTS

(French Commercial Code Article R.123-186-4)

(in euros)	Value	Amortisation rate
Set-up costs	16,771	-
Costs relating to the capital increase	1,632	-
TOTAL	**18,403**	

► ACCRUED INCOME

Accrued income included in the following items of the balance sheet *(in euros)*	Amount
Other receivables	990,648
TOTAL	**990,648**

► ACCRUED EXPENSES

(French Commercial Code Article R.123-196)

Accrued expenses included in the following items of the balance sheet *(in euros)*	Amount
Trade payables	631,162
Tax and company liabilities	82,492
Payables against non-current assets	38,443
TOTAL	**752,097**

► CHANGES IN EQUITY

(in euros)	Opening balance	Appropriation of income	Increase	Decrease	Closing balance
Paid-up capital	43,667,813	-	-	-	43,667,813
Additional paid-in capital	60,149,997	-4,803,459	-	-	55,346,538
Legal reserve	248,026	-	-	-	248,026
Other reserves	5,299	5,061	-	-	10,360
Revaluation adjustment	339,807	-	-	-	339,807
Retained earnings	-	-	-6,587,214	-	-6,587,214
Profit (loss) for the period	-6,587,214	6,587,214	-1,845,074	-	-1,845,074
Regulated provisions	-	-	-	-	-
TOTAL	**97,823,728**	**1,788,816**	**-8,432,288**	**-**	**91,180,256**

Additional information relating to the income statement

► BREAKDOWN OF NET REVENUE

(PCG (French GAAP) Article 831–2/14)

Breakdown by business segment *(in euros)*	Amount
Chairman fees	75,000
Service fees	217,778
TOTAL	**292,778**

Breakdown by region *(in euros)*	Amount
Paris region	292,778
TOTAL	**292,778**

► FINANCIAL INCOME AND EXPENSES INVOLVING AFFILIATES

(PCG (French GAAP) Article 831–2 and 832-13)

(in euros)	Financial expenses	Financial income
TOTAL	**2,199,766**	**969,288**
Of which affiliates	*2,169,785*	*969,288*

► FEES PAID TO THE STATUTORY AUDITORS

The total amount of Statutory Auditor fees on the Company's 2018 income statement was €100,5 thousand compared with €103,6 thousand in 2017. These break down as follows:

- fees for statutory auditing: €100,5 thousand paid to Mazars and RSM Paris compared with €87,1 thousand in 2017;
- fees for other services: None in 2018, compared to €6,5 thousand paid to Mazars to verify the social, societal and environmental information published in the Group's 2017 management report.

Financial commitments and other information

► FINANCIAL COMMITMENTS

(PCG (French GAAP) Article 531–2/9)

COMMITMENTS GIVEN

(in euros)	Amount
Pledging of DB Piper shares	4,272,551
Pledging of Commerces Rendement shares	34,576,556
Pledging of Immovert shares	1,361,992
Guarantees	17,742,743
TOTAL (1)	**57,953,842**
(1) Of which involving subsidiaries.	*57,953,842*

COMMITMENTS RECEIVED

None.

PARENT COMPANY & CONSOLIDATING ENTITY

(PCG (French GAAP) Article 831–3)

Company name	Legal status	Share capital *(in euros)*	Head office
SCOR SE SIREN: 562,033,357	SE	1,510,864,058	5 avenue Kléber 75016 Paris

LIST OF SUBSIDIARIES AND EQUITY INTERESTS

(French Commercial Code Article L.233-15; PCG (French GAAP) Article 831–3 and 832-13)

Company	Share capital *(in euros)*	Equity other than share capital *(in euros)*	Percentage capital owned *(in%)*	Carrying amount of shares owned gross *(in euros)*	Carrying amount of shares owned net *(in euros)*	Loans and advances granted and not reimbursed *(in euros)*	Revenue for year ended *(in euros)*	Profit (loss) for year ended *(in euros)*
A. DETAILED INFORMATION								
• Subsidiaries owned +50%								
Commerces Rendement	6,770,000	7,169,641	100.00	34,576,556	32,406,772	31,307,876	7,474,698	-8,907,018
DB Piper	2,436,000	-3,309,710	100.00	4,272,551	4,272,551	2,227,209	2,070,401	-66,054
DB Neptune	63,000	-301,957	100.00	42,265	-	279,810	-	-31,160
Noratlas	56,223,375	-67,345,132	100.00	23,352,177	-	17,078,946	1,189,288	2,085,276
Immovert	1,362,000	394,737	99.99	1,361,992	1,361,992	2,306,501	1,304,583	227,792
• Equity interests of between 10% and 50%								
None								
B. GENERAL INFORMATION								
• Subsidiaries not included in A								
• Equity interests not included in A								

SUMMARY OF COMPANY RESULTS OVER THE PAST FIVE YEARS

(French Commercial Code Article R.225-102)

(in euros)	31/12/2018	31/12/2017	31/12/2016	31/12/2015	31/12/2014
Share capital at end of period					
Share capital	43,667,813	43,667,813	43,667,813	43,667,813	43,667,813
No. of existing ordinary shares	43,667,813	43,667,813	43,667,813	43,667,813	43,667,813
No. of existing preferred shares	-	-	-	-	-
Maximum No. of future shares to be created					
• Through conversion of bonds	-	-	-	-	-
• Through exercise of subscription rights	-	-	-	-	-
Items and results					
Revenue excluding VAT	292,778	252,256	206,043	264,235	225,173
Net profit (loss) before taxes, employee profit-sharing and depreciation and amortisation expenses and provisions	-694,369	-455,750	4,501,228	2,039,433	541,885
Income tax	-	-2,620	-4,362	32	65,213
Employee profit-sharing for the period	-	-	-	-	-
Net profit (loss) after taxes and employee profit-sharing and depreciation and amortisation expenses and provisions	-1,845,074	-6,587,214	415,171	1,375,085	-779,764
Income distributed	-	394,412	565,555	-	-
Earnings per share					
Net profit (loss) after taxes and employee profit-sharing but before depreciation and amortisation expenses and provisions	-0.02	-0.01	0.10	0.05	0.01
Net profit (loss) after taxes and employee profit-sharing and depreciation and amortisation expenses and provisions	-0.04	-0.15	0.01	0.03	-0.02
Dividend per share	-	0.01	0.01	-	-
Employees					
Average number of employees during the period	5	5	5	5	3
Payroll for the period	630,666	741,292	605,636	537,518	427,116
Employee benefits for the period	263,424	295,637	255,485	217,423	177,789

3.10 Statutory Auditors'report on the financial statements for the year ended 31 December 2018

This is a free translation into English of the Statutory Auditors'report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This Statutory Auditors'report includes information required by European Regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To Annual General Meeting of M.R.M. company

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of M.R.M. company for the year ended 31 December 2018.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

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

Basis for Opinion

Audit Framework

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

Our responsibilities under those standards are further described in the Statutory Auditors Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) N° 537/2014 or in the French code of ethics (*Code de déontologie*) for Statutory Auditors.

Justification of Assessments - Key Audit Matters

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

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of equity securities and associated receivables

Description of risk

Equity securities are booked at their acquisition cost. The Company opted to include acquisition costs in the value of the securities. These acquisition costs are subject to an exceptional depreciation over a period of five years. At 31 December 2018, the equity securities and associate current accounts are accounted for a net value of €80 million.

After their acquisition, the equity securities are valued at their value in use, determined by the share of net position held, revalued according to the current value of the real estate assets they hold, and about its prospects. Real estate assets appraised by independent appraisers at each closing.

In this context, we considered that the valuation of equity securities, related receivables and related risk provisions to be a complex exercise of management estimation and judgement and was a key audit matter.

How our audit addressed this risk

We carried out the following procedures:

- verifying the appropriateness of the valuation methods used by the management;
- checking, by sampling, the elements quantified in the estimation of the utility values and in particular the appraised value of properties carried by the companies;
- appraising, by sampling, the recoverability of receivables related to the assessments carried out on the equity securities.
- checking, if necessary, the level of depreciation withheld under the loss of value of equity securities and related receivables.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of directors and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-4 of the French Commercial Code (*Code de commerce*).

Report on corporate governance

We attest that the Board of directors'report on corporate governance sets out the information required by Articles L.225-37-3 and L.225-37-4 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L.225-37-3 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a public purchase offer or exchange, provided pursuant to Article L.225-37-5 of the French Commercial Code (*Code de commerce*), we have agreed these to the source documents communicated to us. Based on our work, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information regarding the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of M.R.M. company by the Annual General Meeting held on 1 June 2017 for Mazars and RSM Paris.

As at 31 December 2018, Mazars and RSM Paris were in their second year of total uninterrupted engagement.

Responsibilities of Management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of directors.

Statutory Auditors'responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;

- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French code of ethics (*Code de déontologie*) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense and Paris, 5 April 2019

The Statutory Auditors

French original signed by

Mazars	**RSM Paris**
Gilles Magnan	Hélène Kermorgant

4.

CORPORATE GOVERNANCE

4.1 Corporate governance report

In accordance with Article L.225-37 of the French Commercial Code, the purpose of this report is to present information on the composition, workings and powers of the Board of directors and managers of M.R.M. SA (the "Company"), information on executive remuneration, and information on factors likely to have an impact in the event of a takeover bid.

In preparing this report, the Board of directors relied on the 2018 annual report on corporate governance, executive compensation, internal control and risk management of the French Financial Markets Authority (*Autorité des Marchés Financiers*) and the revised and enhanced version of the AFEP-MEDEF Corporate Governance Code application guidelines issued by the High Committee for corporate governance (*Haut Comité de Gouvernement d'Entreprise*). The AFEP-MEDEF Code is available online at www.afep.com.

The report's preparation gave rise to preparatory work involving the Chairman of the Board of directors, the Chief Executive Officer and the Chief Financial Officer. This report is subject to internal review by the Group's various governing bodies, namely the Strategic Committee and the Board of directors.

1. Information on the composition, workings and powers of the Board of directors

1.1 Reference to the AFEP-MEDEF Corporate Governance Code

Since the Board of directors' meeting of 24 November 2008, the Company has referred to the AFEP-MEDEF Code.

The AFEP-MEDEF Code and HCGE Recommendations may be consulted at the Company's head office and online at www.afep.com.

In accordance with Article L.225-37-4, paragraph 8, of the French Commercial Code, the present report details the reasons why certain provisions of the AFEP-MEDEF Code, which the Company voluntarily adopted, were rejected or are in the course of being implemented.

Rejected recommendations

Composition and number of specialist committees (Recommendations 16 and 17 of the AFEP-MEDEF Code)

The Board of directors is assisted in the performance of its work by an Audit Committee and a Strategic Committee. The Company had no other specialist committee on the date of this report. This situation is explained in particular by the Company's size and business and the fact that it has only four employees.

The duties of a Remuneration Committee, as defined in the AFEP-MEDEF Code, are currently directly performed by the Board of directors. In addition, the necessity for such a committee appears limited at the present time insofar as the Chief Executive Officer is the sole executive corporate officer paid by the Company and it was decided that only independent directors would receive directors' fees, in accordance with the allocation rule presented in paragraph 2.2.1 "Remuneration of non-executive corporate officers" of this report.

Similarly, the duties of a Nomination Committee, as defined in the AFEP-MEDEF Code, are for the same reasons currently directly performed by the Board of directors.

1.2 Rules governing the composition of the Board of directors

The Company's Articles of Association stipulate that the Board of directors is composed of a minimum of three members and a maximum of twelve, unless there is a legal exemption. Directors are appointed by the Ordinary General Meeting, which may also remove them from office at any time. The terms of office of outgoing directors may be renewed. In the event of absence due to death or the resignation of one or more directors' seats, the Board of directors may make provisional appointments between two General Meetings. If the number of directors falls below three, the remaining director(s) must immediately call an Ordinary General Meeting with a view to adding members to the Board. Provisional appointments made by the Board are subject to ratification by the earliest Ordinary General Meeting. A director appointed to replace another remains in office for the remaining term of office of their predecessor.

Each director must own at least one Company share. To ensure that directors'interests match those of the Company, the Board, at its meeting of 26 February 2014, strengthened this obligation by setting the minimum shareholding requirement at a number of shares worth €1,000 to be held for the entire term of office of each director involved (these being understood to be directors not related to the majority shareholder). Moreover, pursuant to Recommendation 22 of the AFEP-MEDEF Code, the Board of directors, when reappointing its executive corporate officers (Chairman of the Board of directors and Chief Executive Officer) in 2017, decided to also require them to acquire (directly or indirectly) and retain in registered form until the end of their term of office a number of shares worth a minimum of €1,000, bearing in mind that executive corporate officers employed by the Company's majority shareholder are not personally bound by this obligation as their interest in the good governance of the Company is inherent to the fact that the Company employing them holds over 50% of M.R.M.'s share capital. The directors'term of office lasts four years and expires at the end of the Ordinary General Meeting held to approve the financial statements for the past year, held in the year in which the term expires. On an exceptional basis, at a General Meeting reappointing directors by rotation, the General Meeting may appoint one or more directors for a term of office less than four years.

The number of directors having reached the age of 70 may not exceed one-third of members of the Board. If this limit is reached, the oldest director is expected to step down at the end of the Ordinary General Meeting called to approve the financial statements for the year in which the abovementioned one-third limit is exceeded.

The Board of directors appoints one of its members as Chairman. The Chairman must be a natural person and the Chairman's term of office cannot exceed their term of office as a director. The Board may terminate their term of office at any time. When the Board votes on the termination of the Chairman's term of office, the Chairman does not take part in this vote. The age limit for holding office as Chairman is 68.

The Board of directors may, if it deems necessary, appoint one or more Vice-Chairmen whose sole role is to chair Board meetings in the absence of the Chairman.

1.3 Composition of the Board of directors

1.3.1 Current composition of the Board of directors and its committees

Currently the Board of directors has six members, two of whom are independent directors.

It is made up of five natural persons and one legal person.

The Board of directors complies with the provisions of Law No. 2011-103 of 27 January 2011 on gender balance on Boards of directors as it is composed of three women and three men, i.e. an equal number of each gender. There are no family ties between the directors or the Company's general management.

For the requirements of their offices, the business address of directors is the Company's head office, i.e. 5 avenue Kléber in Paris (16th *arrondissement*).

The current members of the Board of directors and its committees are:

	Personal information		Experience	Position on the Board			Participation in board committees	Main positions held outside the Company
	Age, Gender, Nationality, Indepen-dence	Shares held	Positions held in listed companies	Date first appointed	End of term of office	Time on the Board of directors		
François de Varenne Chairman of the Board of directors	52 years, M, French	1	-	29/05/2013	GM 2021	5 years	Chairman of the Strategic Committee	Member of the Executive Committee of SCOR SE, Chief Executive Officer of SCOR Global Investments, Chairman of the Management Board of SCOR Investment Partners SE
Jacques Blanchard Chief Executive Officer and director	68 years, M, French	42,839	-	29/06/2007	GM 2019	11 years	Member of the Strategic Committee	None
Brigitte Gauthier-Darcet	63 years, F, French, Independent	5,000	-	29/11/2011	GM 2021	7 years	Chairwoman of the Audit Committee	Chief Executive Officer of CBRE Business Services
SCOR SE, represented by **Karina Lelièvre**	51 years, F, French	26,155,662	-	29/05/2013	GM 2021	5 years	-	Deputy Company Secretary of SCOR SE
Gilles Castiel	50 years, M, French	-	-	Coopted on 06/12/2018 (1)	GM 2022	Less than 1 year	Member of the Strategic Committee and the Audit Committee	Head of Real Estate at SCOR Investment Partners
Valérie Ohannessian	53 years, F, French, Independent	1,875	-	Coopted on 21/02/2019 (1)	GM 2019	Less than 1 year	Member of the Audit Committee	CEO of Coop de France

(1) Cooptation presented to the Combined General Meeting of 29 May 2019 for ratification.

1.3.2 Changes to the composition of the Board of directors in 2018

On 27 March 2018, Valérie Ohannessian, an independent director and member of the Audit Committee, stepped down from the Board of directors and said committee for personal reasons. She was not replaced.

Gilles Castiel was coopted at the Board of directors meeting of 6 December 2018 to replace Jean Guitton who resigned from the Board with effect on 30 November 2018. On 29 May 2019, the Combined General Meeting will be asked to ratify the cooptation of Gilles Castiel.

Gérard Aubert, independent director and member of the Audit Committee, passed away on 30 December 2018. On 21 February 2019, the Board of directors appointed Valérie Ohannessian to replace Gérard Aubert as a director and member of the Audit Committee on a temporary basis for the remaining duration of his term, that is, until the end of the Combined General Meeting of 29 May 2019. On 29 May 2019, the Combined General Meeting will be asked to ratify this temporary appointment. It will also be asked to renew this appointment for a period of four years, i.e. until the end of the General Meeting called in 2023 to approve the financial statements for the year ending.

The table below summarises the changes in the composition of the Board of directors and its committees that occurred in 2018:

	Departure	Appointment
Board of directors	Valérie Ohannessian (27/03/2018) (1) Jean Guitton (30/11/2018) Gérard Aubert (30/12/2018)	Gilles Castiel (06/12/2018)
Audit Committee	Valérie Ohannessian (27/03/2018) (1) Jean Guitton (30/11/2018) Gérard Aubert (30/12/2018)	Gilles Castiel (06/12/2018)
Strategic Committee	Jean Guitton (30/11/2018)	Gilles Castiel (06/12/2018)

(1) On 21 February 2019, the Board of directors reappointed Valérie Ohannessian to its ranks and to the Audit Committee on a temporary basis to replace Gérard Aubert.

1.3.3 List of offices and positions held by the corporate officers

Pursuant to Article L.225-37-4, paragraph 1, of the French Commercial Code, a list of all offices and positions held in any entity outside the M.R.M. Group by each of the Company's corporate officers is presented below.

Note that the Company's corporate officers held no office or position within Company subsidiaries during the year.

Name and surname	Other offices and positions held outside the M.R.M. group	Other offices and positions previously held in the last five years outside the M.R.M. group
DIRECTORS IN OFFICE AS OF THE DATE OF THIS REPORT		
François de Varenne	Main offices and positions held within SCOR: • Member of the Executive Committee of SCOR SE (1) • Chief Executive Officer of SCOR Global Investments • Chairman of the Management Board of SCOR Investment Partners SE • Chairman of the Supervisory Board of Château Mondot SAS • Chairman of the Board of directors of SCOR Properties SPPPICAV SAS • Chairman of the Board of directors of SCOR Properties II SPPPICAV SAS • Chairman of the Board of directors of SCOR ILS Fund SA, SICAV-SIF (Luxembourg) • Chairman of the Board of directors of SCORLUX, SICAV-SIF (Luxembourg) • Chairman of the Board of directors of SCOR Funds (Luxembourg) • Chairman of SCOR Capital Partners SAS • Chairman of SCOR Auber SAS • Chairman of DB Caravelle SAS • Chairman of 5 Avenue Kléber SAS • Chairman of 50 Rue La Pérouse SAS • Chairman of Marbot Real Estate SAS • Chairman of Marbot management SAS • Chairman of Mondot Immobilier SAS • Director of Gutenberg Technology SAS • Director of Humensis Main offices and positions held outside SCOR: • None	Main offices and positions held within SCOR: • Chairman and Chief Executive Officer of Humensis • Director of Presses Universitaires de France SA • Chairman of the Supervisory Board of Editions Belin SAS • Chairman and CEO of SCOR Auber SA • Chairman of Mobility SAS • Director of SCOR ILS Fund SA, SICAV-SIF (Luxembourg) • Director of SCOR Alternative Investments SA (Luxembourg) Main offices and positions held outside SCOR: • None
Jacques Blanchard	• Managing Partner of SC JAPA • Managing Partner of SCI Aux derniers	• None
Brigitte Gauthier-Darcet	• Chairwoman of Neufbis'ness SAS • CEO of CBRE Conseil & Transaction • Member of the Management Committee of CBRE France • Member of the Executive Committee of CBRE France • Manager of SCI B2V	• Independent director of Technoutil SA

(1) Listed company.

Name and surname	Other offices and positions held outside the M.R.M. Group	Other offices and positions previously held in the last five years outside the M.R.M. Group
SCOR SE Represented by **Karina Lelièvre**	Positions held by SCOR SE: • Sole director of GIE Colombus • Director of Crédit Logement Assurance • Director of Euromaf Re SA (Luxembourg) • Director of Arope Insurance (Lebanon) Positions held by Karina Lelièvre: • None	Positions held by SCOR SE: • Member of the Management Committee of Cogedim Office Partners • Director of SGF • Director of SCOR Auber • Director of FERGASCOR • Director of ASEFA (Spain) Positions held by Karina Lelièvre: • None
Gilles Castiel	Main offices and positions held within SCOR: • Chairman of SAS Euclide • Chairman of Société Immobilière Coligny SAS • Chairman of Société Immobilière Pershing SAS • CEO of SCOR Auber SAS • CEO of DB Caravelle SAS • CEO of 50 Rue La Pérouse SAS • CEO of 5 Avenue Kléber SAS • CEO of Marbot Real Estate SAS • CEO of Marbot management SAS • Manager of SCI Marco Spada • Manager of SCI Léon Eyrolles Cachan SCOR • Manager of SCI Immoscor • Manager of SCI Compagnie Parisienne de Parkings • Manager of SCI Montrouge BBR • Manager of SCI Garigliano • Manager of SCI Le Barjac • Permanent representative of SCOR Investment Partners SE, Chairman of SCOR Properties SPPPICAV SAS • Permanent representative of SCOR Investment Partners SE, Chairman of SCOR Properties II SPPPICAV SAS • Permanent representative of SCOR Global P&C SE on the Board of directors of OPCI River Ouest • Permanent representative of SCOR Global P&C SE on the Board of directors of Technical Property Fund 2 Main offices and positions held outside SCOR: • None	Main offices and positions held within SCOR: • None Main offices and positions held outside SCOR: • None
Valérie Ohannessian	• CEO of Coop de France	• Deputy CEO and member of the Management Committee of Fédération Bancaire Française • Manager and Director of Publications of Groupe Revue Banque

(1) Listed company.

DIRECTORS WHO LEFT OFFICE DURING 2018

Jean Guitton	Main offices and positions held within SCOR: • Chairman of SAS Euclide • Chairman of Société Immobilière Coligny SAS • Chairman of Société Immobilière Pershing SAS • CEO of SCOR Auber SAS • CEO of DB Caravelle SAS • CEO of 50 Rue La Pérouse SAS • CEO of 5 Avenue Kléber SAS • CEO of Marbot Real Estate SAS • CEO of Marbot management SAS • CEO of Mondot Immobilier SAS • Manager of SCI Marco Spada • Manager of SCI Léon Eyrolles Cachan SCOR • Manager of SCI Immoscor • Manager of SCI Compagnie Parisienne de Parkings • Manager of SCI Montrouge BBR • Manager of SCI Garigliano • Manager of SCI Le Barjac • Permanent representative of SCOR Investment Partners SE, Chairman of SCOR Properties SPPPICAV SAS • Permanent representative of SCOR Investment Partners SE, Chairman of SCOR Properties II SPPPICAV SAS • Permanent representative of SCOR Global P&C SE on the Board of directors of OPCI River Ouest • Permanent representative of SCOR Global P&C SE on the Board of directors of Technical Property Fund 2 Main offices and positions held outside SCOR: • None	Main offices and positions held within SCOR: • Chairman of Humensis • Manager of SCI 3-5 Avenue de Friedland • Deputy CEO and director of SCOR Auber • Manager of SCI Hauteville – SCOR • Manager of SCI Garibaldi – SCOR • Permanent representative of SCOR Auber on the Board of directors of SGF • Permanent representative of SCOR SE [(1)] on the Management Committee of Cogedim Office Partners Main offices and positions held outside SCOR: • None
Gérard Aubert	• None	• Chairman of SASU Trait d'union • Member of the Supervisory Board of Hoche Gestion Privée • Director of Sogeprom SA • Director of Eurosic [(1)]

(1) Listed company.

1.3.4 Independent directors – Annual review of the independence of each director

The Company applies the definition and criteria for independence established in Recommendation 8 of the AFEP-MEDEF Code. A director is independent when "he or she has no relationship of any kind whatsoever with the Company, its Group or its management which may interfere with the exercise of his or her free judgement".

At the date of this report, the Board of directors deemed two of its six directors to be independent as defined by the AFEP-MEDEF Code and its internal regulations, namely Valérie Ohannessian and Brigitte Gauthier-Darcet, i.e. one third of its members, in line with the proportion referred to in Recommendation 8.3 of the AFEP-MEDEF Code applicable to controlled companies [1].

Pursuant to the AFEP-MEDEF Code, the Board takes into account the following criteria when deciding on the independence of a director:

1. "Is not an employee or executive corporate officer of the Company, an employee, executive corporate officer or director of a company consolidated by the Company, an employee, executive corporate officer or director of the Company's parent company or one of its consolidated entities, and has not been in the last five year;
2. Is not an executive corporate officer of an entity of which the Company, directly or indirectly, is a director or of which an employee designated as such or an executive corporate officer of the Company (currently or in the last five years) is a director;
3. Is not a client, supplier, commercial banker or investment banker (or related directly or indirectly to these persons):
   - with significant weighting for the Company or its Group,
   - for which the Company or its Group represents a significant share of business;
4. Has no close family tie with a corporate officer of the Company;
5. Has not been a statutory auditor of the Company over the previous five years;
6. Has not been a director of the Company for more than twelve years."

In addition to the aforementioned criteria defined by the AFEP-MEDEF Code, the Company applies the following criteria and stipulations:

7. Has not received from the Company, in any form, with the exception of directors'fees, gross remuneration higher than €100,000 over the previous five years;
8. Does not represent a significant shareholder of the Company, where:
   - (i) a shareholder is considered significant if it owns more than 5% of the share capital or voting rights (calculated by consolidating its various equity investments),
   - (ii) below this threshold, the Board of directors shall systematically examine their independent status taking into account the Company's capital structure and potential conflicts of interest.

The internal regulations of the Board of directors include a requirement to perform an individual review of each director to confirm their independence on an annual basis and before they are coopted or put to the General Meeting for approval.

(1) *Since 29 May 2013, the Company has been controlled by SCOR SE which owns the majority of voting rights and shares in the Company and as such exerts decisive influence over the Company's management, particularly given that three out of six of the directors are from SCOR SE.*

The table below shows a summary of the Board's members, reviewed by the Board on 5 April 2018, in relation to the above independence criteria:

Name and surname/Criteria	1	2	3	4	5	6	7	8	Independent
François de Varenne	-	√	√	√	√	√	√	(1)	No
Jacques Blanchard	-	√	√	√	√	√	-	√	No
Gérard Aubert	√	√	√	√	√	√	√	√	Yes
Brigitte Gauthier-Darcet	√	√	√	√	√	√	√	√	Yes
Jean Guitton	-	√	√	√	√	√	√	(1)	No
SCOR SE, represented by Karina Lelièvre	-	√	(2)	√	√	√	√	-	No

(1) Employee of SCOR SE.
(2) SCOR SE granted a loan to a subsidiary of M.R.M.

On 5 April 2018, the Board of directors endorsed compliance with the independence criteria for Gérard Aubert and Brigitte Gauthier-Darcet.

On 6 December 2018, the Board of directors appointed Gilles Castiel to its ranks on a temporary basis to replace Jean Guitton who had stepped down from his position. Gilles Castiel is not considered an independent director under the aforementioned criteria.

On 21 February 2019, the Board of directors appointed Valérie Ohannessian to its ranks on a temporary basis to replace Gérard Aubert. That same day, the Board of directors noted that Valérie Ohannessian could be considered independent under the independence criteria.

The third independence criterion in the internal regulations of the Board of directors was updated on 21 February 2019 to comply with the new independence criteria set out in the AFEP-MEDEF Code revised in June 2018:

"Is not a client, supplier, commercial banker, investment banker **or consultant** (or related directly or indirectly to these persons):

- with significant weighting for the Company or its Group;
- for which the Company or its Group represents a significant share of business."

There are no business ties between the Company or its Group and any independent directors.

1.3.5 Expertise and experience of the directors

François de Varenne	François de Varenne graduated from the École Polytechnique and the *École Nationale des Ponts et Chaussées* as a civil engineer. He holds a doctorate in Economic Sciences and an actuary degree from the French Institute of financial and actuarial sciences (ISFA). He joined the SCOR Group in 2005 and served as Head of Corporate Finance and asset management, then as Group Chief Operating Officer. In late 2008, François de Varenne was appointed Chief Executive Officer of SCOR Global Investments and Chairman of the Management Board of SCOR Investment Partners SE. He has been a member of the SCOR Group Executive Committee since 2007.
Jacques Blanchard	Jacques Blanchard is a graduate of HEC and has a degree in Business Law. He was Managing Director of CBRE Global Investors from 2003 to 2013, in charge of retail property investment strategies in France. He has over 25 years of experience in retail property. Before joining CBRE Global Investors, he was Chief Executive Officer of the shopping centres division of the French subsidiary of the British property company Hammerson. Previously, as Property Director of Marks & Spencer for Continental Europe, he acquired more than 50,000m^2 of retail premises for 14 stores in France and other European countries. He also completed major restructuring/extension operations involving shops on Boulevard Haussmann in Paris and rue Neuve in Brussels.
Brigitte Gauthier-Darcet	Brigitte Gauthier-Darcet has an engineering degree from the *École Centrale de Paris* and is a graduate of the Paris Institute of Political Studies (IEP). She has over 35 years' professional experience in the fields of engineering, construction, communications and investment. Having started her career at Serete where she headed the finance department, she held a number of financial and senior management positions at Lagardère Active. She subsequently carried out a number of consultancy and management assignments and was director and Deputy Chief Executive Officer of CIPM International from 2007 to 2013. She now oversees the support functions at CBRE France. Brigitte Gauthier-Darcet is a member of *Institut français des administrateurs (IFA).*
Gilles Castiel	Gilles Castiel earned a Masters in Economics majoring in banking, finance and insurance from Université Paris-Dauphine as well as a postgraduate diploma from SFAF (the French association of financial analysts). He is also a CFA Charterholder. In February 2013 he joined SCOR Investment Partners as Head of Mortgage Lending. He began his career in 1991 as a risk analyst at Caisse des Dépôts et Consignations (CDC). From 1995 to 2004 he held various management positions at CDC and at IXIS in the structured finance, corporate finance and M&A, structured lending, and lastly senior real estate financing departments. In 2005 he joined Eurohypo Paris as Head of Loan Origination, France. In the past ten years he has put together mortgages worth close to €12 billion in total.
SCOR SE represented by Karina Lelièvre	SCOR SE is a European company with a share capital of €1,520,931,435.11 whose head office is located at 5 avenue Kléber, 75016 Paris listed under number 562,033,357 in the Paris Trade and Companies Register. The fifth largest reinsurer worldwide, the SCOR Group is organised around two commercial activities, SCOR Global P&C (Property & Casualty reinsurance) and SCOR Global Life (Life reinsurance), and an asset management business, SCOR Investment Partners. Karina Lelièvre, permanent representative of SCOR SE on M.R.M.'s Board of directors, is a graduate of ESSEC business school. She worked for six years in the senior management team of a subsidiary of the Pierre & Vacances Group before joining the marketing and sales departments of the Méridien hotels Group. She joined the SCOR Group's Financial Communications department in 2003 and then spent seven years as the Chairman's executive assistant. She joined the SCOR SE general secretariat in 2010 as Deputy Company Secretary.
Valérie Ohannessian	Valérie Ohannessian is a graduate of the Paris Institute of Political Studies (IEP) and holds the Certificat d'aptitude à la profession d'avocat (French law diploma) as well as a Master's Degree in Banking and Financial Law from the Université Paris I Panthéon-Sorbonne. In June 2018 she became CEO of Coop de France. Between 2001 and 2018 she was at the French Banking Federation where she became Deputy *CEO* in 2008. She previously held various management positions in marketing, communication and public affairs at Gan, the French Federation of Insurance Companies, and Andersen Consulting.

1.4 Duties of the Board of directors

In accordance with Article L.225-35 of the French Commercial Code, the Board of directors determines the Company's business policies, monitors their implementation and controls the management of the Company in light of the social and environmental impacts of the Company's business. Subject to the powers expressly attributed by the law to Shareholders' Meetings and within the limits of the corporate purpose, the Board may consider any matter related to the successful operation of the Company, and makes decisions governing any matters that concern it. Any significant transaction that does not form part of the announced strategy, especially as described in Section 1.6. below, is subject to prior Board of directors approval. It may also conduct examinations and controls that it deems necessary.

The Board of directors may discuss any matter within its legal, regulatory and statutory powers. In particular, the Board of directors examines and approves the interim and annual financial statements (corporate and consolidated financial statements), approves the terms of the reports on the activity and results of the Company, and examines the corporate governance report.

The Chief Executive Officer shall report regularly and by any means to the Board of directors on the Company's financial position, cash position and commitments, and on any significant events and transactions pertaining to the Company.

At least once every quarter, the Chief Executive Officer shall present a report to the Board of directors on the activity and operation of the Group.

Each director is entitled to provide additional information on their own initiative, with the Chief Executive Officer being available to provide the Board of directors with explanations and relevant information.

Directors may also ask to receive additional training on specific aspects of the Company's business, segments, sector and matters pertaining to corporate social responsibility.

1.5 Duties of the Chairman of the Board of directors

Since 29 May 2013, the functions of Chairman of the Board of directors have been separated from those of the Chief Executive Officer.

The Chairman of the Board of directors performs the duties assigned to him by law. As such he organises and directs the work of the Board of directors and reports thereon to the General Meeting. The Chairman ensures the proper operation of the Company's decision-making bodies, and in particular ensures that the directors are able to fulfil their duties.

The Chairman of the Board of directors is also the Chairman of the Company's Strategic Committee. As such he organises and oversees the work of the Strategic Committee and reports thereon to the Board of directors.

On 5 April 2018, the Board of directors tasked its Chairman with the handling of investor relations. This role entails explaining to shareholders the positions taken by the Board of directors in its areas of expertise and making sure shareholders are kept apprised.

1.6 Duties and powers of the Chief Executive Officer

The Chief Executive Officer has the widest powers to act in all circumstances on behalf of the Company subject to the limitations set forth hereunder. He exercises those powers within the limits of the corporate purpose, subject to the powers that are expressly attributed by the law to Shareholders' Meetings and those that are especially reserved for the Board of directors.

The Chief Executive Officer represents the Company in its relations with third parties.

In accordance with the internal regulations of the Board of directors, the Chief Executive Officer may not undertake the following without prior authorisation from the Board:

- **(i)** approve and make any significant changes to the Company's or Group's annual budget or multiannual business plan;
- **(ii)** acquire or dispose of any Group assets (including Company shares and fund units), and carry out any capital expenditure above €1,000,000;
- **(iii)** carry out any operating expenditure for the Group above €100,000 a year;
- **(iv)** sign on behalf of the Group any lease agreement relating to a total surface area of more than 1,000m^2 and for which the economic terms fall short of those stipulated in the multiannual business plan;
- **(v)** incur any new debt or change the terms of any existing debt (including any early repayment, renegotiation or refinancing of bank loans);
- **(vi)** make any corporate decision requiring advance approval by the Group's banks pursuant to existing financing arrangements or which are likely to impact the Company and its subsidiaries' compliance with their respective declarations and obligations pursuant to said financing arrangements;

(vii) hire any employee under a permanent or fixed-term employment contract;

(viii) issue any guarantee, bond or security or grant any collateral and make any off-balance sheet commitment on the part of a Group entity for an amount above €100,000;

(ix) sign any transaction agreement relating to a dispute in which the Company and/or its subsidiaries must pay or are likely to have to pay an amount above €100,000;

(x) carry out any intra-group restructuring such as a merger, spin-off, partial asset contribution, dissolution or creation of an entity;

(xi) change any of the Group's accounting methods; and

(xii) carry out any significant transaction that does not form part of the Company's announced strategy.

No annual authorisation was given by the Board of directors to the Chief Executive Officer to give deposits, securities and guarantees to the tax and customs authorities and/or with respect to third parties on the Company's behalf, for a period not exceeding one year and, except in the case of guarantees given to tax and customs authorities, subject to the limitations of an overall ceiling set by the Board. Thus every guarantee, bond or security given by the Company with regard to commitments entered into by third parties must be authorised in advance by the Board in accordance with Article L.225-35 of the French Commercial Code.

1.7 Meetings and decisions of the Board of directors

The Board of directors meets as often as required in the interests of the Company, either at the head office or in any other place specified in the notice of meeting. Board meetings may be convened by the Chairman or any person delegated by the Chairman, by any means. If the Board has not met for more than two months, at least one-third of its members may ask the Chairman to call a meeting to consider a particular agenda. In the event of separation of the functions of Chairman of the Board of directors and Chief Executive Officer, as has been the case since 29 May 2013, the Chief Executive Officer may also ask the Chairman to call a Board meeting to consider a particular agenda.

Meetings are chaired by the Chairman of the Board of directors. In the event that the Chairman is absent, the Board is chaired either by a Vice-Chairman (if one has been appointed) or, in the absence of any Vice-Chairman, by one of its members appointed by the Board to chair the meeting.

The Board can only validly deliberate if at least half of its members are present. Decisions are taken by a majority of the votes of the members present or represented.

These internal regulations stipulate in particular that the Board of directors must meet at least four times a year. A draft schedule of meetings is approved in October at the latest for the following year, to enable its members to attend. The Board also organises the use of video conferencing or telecommunications technology for Board meetings, and allows the directors who participate in Board meetings by such means to be considered as present for the purposes of calculating quorum and majority, subject to the limitations and conditions laid down by current legislation and regulations. Such participation via video conferencing or telecommunications is not applicable to Board meetings called in relation to the appointment, remuneration or dismissal of the Chairman, the appointment, remuneration or dismissal of the Chief Executive Officer, the approval of the annual financial statements, consolidated financial statements and the management report.

1.8 Meetings of the Board of directors in 2018

The Board of directors of the Company met five times in 2018 with meetings lasting two to three hours.

The main work carried out during 2018 related to:

- reviewing financial matters, namely approving the 2017 annual financial statements, 2018 interim financial statements and 2018 budget, reviewing the 2017 Registration Document, and approving the 2018 half-year financial report;
- reviewing governance and human resources matters, namely setting the remuneration of the Chief Executive Officer, conducting a self-assessment of the Board of directors, considering the independence of Board members, determining directors' fees, considering gender equality and parity (annual review), reviewing the executive corporate officer succession plan adopted on 7 December 2017, noting the resignation of directors from the Board, co-opting a director onto the Board, reviewing the composition of the Board and its committees, and updating the Board's internal regulations;
- organising and assigning investor relations;
- reviewing and validating business matters, namely monitoring the disposal plan of office properties, upgrading retail properties, and extending then repaying the loan granted by SCOR SE;
- convening the General Meeting of Shareholder and approving the related reports (Board of directors reports and the corporate governance report).

The Board's review of the Chief Executive Officer's performance takes place without the latter's presence, and he does not take part in the vote determining his remuneration.

The Chief Executive Officer succession plan was presented by François de Varenne to the Board of directors and discussed and approved by the same on 7 December 2017 without the CEO being present at any time. The plan sets out the course of action should the Chairman or the CEO no longer be able to carry out their duties. The Board once again discussed the question of executive succession on 6 December 2018.

In 2018, the average attendance rate of the Board's members was 90.3%. The following table shows the attendance of each Board member during the past year:

Members of the Board of directors	Attendance rate
François de Varenne	5 meetings out of 5 (100%)
Jacques Blanchard	5 meetings out of 5 (100%)
Gérard Aubert	4 meetings out of 5 (80%)
Brigitte Gauthier-Darcet	4 meetings out of 5 (80%)
Valérie Ohannessian	1 meeting out of 1 (100%)
Jean Guitton	4 meetings out of 4 (100%)
Gilles Castiel	1 meeting out of 1 (100%)
SCOR SE represented by Karina Lelièvre	4 meetings out of 5 (80%)
OVERALL RATE	**90.3%**

Furthermore, pursuant to Recommendation 6.2 of the AFEP-MEDEF Code, at its meeting of 5 April 2018 the Board of directors set the objectives, modalities and results of its diversity policy to encourage gender balance and a basket of nationalities, international experience and expertise. Thus, with regard to its size and current composition, the Board of directors decided to maintain the current degree of diversity in terms of independent members, expertise and women.

At the date of this report it succeeded in this aim, as the Board still has two independent members, three women and three men, meaning the proportion of women on the Board has increased.

The Company also seeks to achieve gender balance in the Management Committee, which was set up to help general management carry out its general duties, and in more senior management posts. At the date of this report, the Management Committee and senior management posts reflected a perfect gender balance.

1.9 Assessment of the Board of directors in 2018

For the fifth consecutive year, the Company devised an assessment questionnaire based on the Board's working method and sent it to the directors in November 2018. This helped it to identify areas for improvement as well as those where progress has been made. The questionnaire covered the composition of the Board, its organisation, its operation and the composition and operation of both its committees (Audit Committee and Strategic Committee).

All six directors responded to the questionnaire and the Board of directors dedicated an item on the agenda of its meeting of 6 December 2018 to present a summary of the responses to the questionnaire and to discuss the topic.

The main findings of the assessment were as follows: on a five-point scale (where five is the highest), the directors gave scores of between 4.3 and 5 depending on the topic, with overall scores up from the previous year. In particular, the high scores reflected:

- the Board's sound organisation;
- the Board's good financial management;
- the Committees' good work and functioning.

In summary, the directors particularly praised the following positive points:

- the application of the principles set out by the Company as to the Board's composition;
- the Board's length of tenure and experience;
- the proportion of independent directors;
- the directors' attendance and their effective contribution to the Board's work;
- access to documents giving satisfactory knowledge of the Company;
- respect for the confidentiality of Board discussions and information given in advance;

- respect for the freedom of speech within the Board;
- the usefulness of the preliminary work of the Committees to aid the Board's decision-making;
- the presentation of Group results;
- the directors' attendance at Committee meetings;
- the smooth functioning of the Audit Committee;
- the relevance of the matters handled by the Strategic Committee.

The directors also had this to say:

- M.R.M.'s Board of directors works just as well as the other Boards of directors they sit on;
- currently Board of directors and Committee members are suitably remunerated;
- on the whole, the recommendations stemming from the previous assessment had been taken into account.

The Board of directors also discussed further areas for improvement identified by the directors, in particular bringing in new Board members with expertise in retail and personal experience in how that sector is changing, spending more time defining the Company's refocused strategy on retail properties, and involving the executive corporate officers in setting their annual targets.

1.10 Composition and duties of the Audit Committee

On 20 April 2009, the Board decided to establish an Audit Committee with the following duties:

- monitoring the process used to prepare the financial information and notably:
  - analyse the annual and interim financial statements prepared by the Company before they are approved and study certain elements before presenting them to the Board of directors,
  - ensure the relevance and consistency of the regulatory accounting methods adopted to prepare the corporate and consolidated financial statements,
  - study the changes in and amendments to the accounting principles and rules,
  - ensure the relevance and consistency of accounting methods, in particular those used to record significant transactions undertaken by the Company,
  - examine the scope of the consolidated entities and, where applicable, the reasons why entities are not included,
  - examine the significant off-balance sheet commitments;
- monitor the efficiency of the internal control and risk management systems (especially with regard to risks relating to preparing, collecting, processing and auditing accounting and financial information) and, where necessary, internal audit systems regarding the procedures for preparing and processing accounting and financial information without jeopardising its independence;
- monitor the Statutory Auditors' audit of the corporate and consolidated financial statements, taking any follow-up observations and conclusions by the High Council of Statutory Auditors ("H3C") into account. As such, it must specifically:
  - note and examine the audit methods and the main risks and uncertainties relating to the corporate and consolidated financial statements (including the interim statements) identified by the Statutory Auditors under the conditions set by law, and discuss their findings with them, sometimes without the presence of managers,
  - note, where applicable, the significant weaknesses in internal control identified by the Statutory Auditors and inform the Board of directors accordingly,
  - discuss with the Statutory Auditors their conclusions on all items requiring their closer scrutiny (e.g. capital increases, forecasts and projections);
- steer the selection of the Statutory Auditors put to the General Meeting for appointment and give its recommendation in accordance with applicable legal and regulatory provisions, examine the Statutory Auditors'schedule and recommendations, give an opinion on the auditing fees proposed, approve beforehand other non-auditing services provided to the Company or a Group company after looking at the risks to the independence of the Statutory Auditors, and ensure that fees for other non-auditing services do not exceed the maximum rate set by the applicable legal and regulatory provisions. To this end, the committee obtains information on the fees payable by the Company and its Group to the Statutory Auditors and their respective networks;
- questioning the Group's financial and accounting managers on all matters within its remit whenever it wishes.

In terms of ethics the Committee is responsible for:

- ensuring the quality of processes enabling compliance with stock market regulations;
- reviewing all agreements concluded directly or through an intermediary between the Company and the following persons:
  - the Chairman of the Board,
  - the Chief Executive Officer,
  - a director,
  - a shareholder holding more than 10% of voting rights,
  - an entity controlling a shareholder holding more than 10% of the voting rights as defined by Article L.233-3 of the French Commercial Code, as well as any agreement to which any of the abovementioned persons is an indirect party;
- analysing all agreements between the Company and a firm if the Chairman of the Board of directors, the Chief Executive Officer or one of the directors is an owner, a partner with unlimited liability, a manager, a director, a member of the Supervisory Board or in general an executive of that firm;
- presenting a report to the Board of directors for each of these agreements outlining their parties, purpose, amount, main terms and interest for the Company, notably in respect of their financial conditions, and giving its conclusions on the prior authorisation procedure applicable;
- answering all employee queries on the legality of Company practices in terms of internal control, preparation of financial statements and accounting methods;
- analysing the exhaustive list of reports prepared by the Chairman of the Board when an alert procedure is triggered.

Currently the Audit Committee comprises the following members:

- Brigitte Gauthier-Darcet, independent director, Chairwoman of the Audit Committee;
- Valérie Ohannessian, independent director;
- Gilles Castiel, director.

Two of the Audit Committee's three members are deemed independent with regard to the criteria indicated in Section 1.3.4 above, i.e. equal to the two-thirds ratio recommended by the AFEP-MEDEF Code.

With at least three members, two thirds of whom are independent, the composition of the Audit Committee complies with the Board's internal regulations. The composition of the Audit Committee is also in keeping with the recommendations of the AMF report of the working Group chaired by Olivier Poupart-Lafarge on Audit Committees.

Brigitte Gauthier-Darcet, Chairwoman of the Audit Committee, has special expertise in finance and accounting. She also has more than 35 years of professional experience in engineering, construction, communications and investment. Having started her career at Serete where she headed the finance department, she held a number of financial and senior management positions at Lagardère Active. She now oversees the support functions at CBRE France.

Gilles Castiel is an expert in real estate financing, having been Head of Loan Origination, France at EuroHypo from 2005 to 2013, and Head of Mortgage Lending at SCOR from 2013 to 2018. As a graduate of SFAF (the French association of financial analysts) and a CFA Charterholder, he brings considerable expertise in financial analysis and accounting to the Audit Committee. His AMF certification and fund management experience are further proof of his understanding of financial markets and asset management.

Valérie Ohannessian has special expertise in banking and financial law, financing and communications. Since June 2018 she has been the Chief Executive Officer of Coop de France. Before assuming this role, she spent 10 years as the Deputy CEO of the French Banking Federation where she was responsible for the "strategy, public affairs, communication" and "retail banking, payment methods and systems, digital" sectors.

The Audit Committee is governed by internal regulations that were last updated on 21 February 2019. These internal regulations, appended to the Board's internal regulations, are available on the Company's website at www.mrminvest.com.

The Audit Committee's internal regulations stipulate that it may call on external experts and hear the Statutory Auditors as well as the Group's financial and accounting managers, that it must have sufficient time to examine the financial statements, and that in order to examine the financial statements it shall receive a report from the Statutory Auditors highlighting the essential points not only of the results but also of the accounting methods chosen, and a report from the Finance Department outlining the Company's exposure to risk, including social and environmental risk, and material off-balance sheet commitments.

1.11 The Audit Committee's work in 2018

The Audit Committee met six times during 2018 and its meetings, lasting two to three hours, mainly covered:

- monitoring the financial commitments of the Company and its subsidiaries;
- meeting with the Statutory Auditors and the Finance Department regarding the preparation of the interim consolidated financial statements;
- meeting with the Statutory Auditors and the Finance Department regarding the preparation of the annual corporate and consolidated financial statements and in particular a presentation by the Statutory Auditors highlighting the essential points of the results of the statutory audit and of the accounting methods chosen;
- meeting with the Statutory Auditors and the Finance Department regarding the internal control procedures and in particular a presentation by the Statutory Auditors on the results of their "interim" duties;
- meeting with the Statutory Auditors regarding their new supplementary report to the Audit Committee;
- meeting with independent appraisers for the Group's twice-yearly appraisal valuation of properties;
- reviewing the annual budget and monitoring the Group's 12-month cash flow forecast.

In 2018, the average attendance rate of the Audit Committee's members was 89.5%. The following table shows the attendance of each member of the Audit Committee during the past year:

Members of the Audit Committee	Attendance rate
Brigitte Gauthier-Darcet	6 meetings out of 6 (100%)
Gérard Aubert (1)	4 meetings out of 6 (66.7%)
Valérie Ohannessian (2)	1 meeting out of 1 (100%)
Jean Guitton (3)	5 meetings out of 5 (100%)
Gilles Castiel (4)	1 meeting out of 1 (100%)
OVERALL RATE	**89.5%**

(1) Passed away on 30 December 2018.
(2) Director until 27 March 2018, the date on which her resignation became effective.
(3) Director until 30 November 2018, the date on which his resignation became effective.
(4) Director coopted on 6 December 2018 to replace Jean Guitton.

1.12 Composition and duties of the Strategic Committee

On 29 May 2013, the Board decided to establish a Strategic Committee with the following duties:

- studying strategic issues involving the Group;
- supervising the execution of Group strategy by general management;
- reviewing any major investment, acquisition or disposal plans;
- supervising the drafting of a business plan and monitoring its implementation;
- examining the financing policy of the Company and its subsidiaries (including any plans to change, repay early, renegotiate or refinance the existing debt).

The Strategic Committee gives opinions and recommendations to the Board on matters within its competence.

The following directors make up the Strategic Committee:

- François de Varenne, Chairman of the Board of directors, Chairman of the Strategic Committee;
- Jacques Blanchard, Chief Executive Officer;
- Gilles Castiel, director.

1.13 The Strategic Committee's work in 2018

The Strategic Committee met ten times during 2018 and its meetings, lasting two to three hours, mainly covered:

- approving the conditions for marketing the main rental properties and asset disposals;
- approving and monitoring planned investments above €1,000,000;
- updating and monitoring the three year business plans;
- managing bank debt;
- monitoring changes in the retail property market;
- drafting the financial communication policy;
- monitoring procedures related to disputes.

In 2018, the average attendance rate of the Strategic Committee's members was 100%. The following table shows the attendance of each member of the Strategic Committee during the past year:

Members of the Strategic Committee	Attendance rate
François de Varenne	10 meetings out of 10 (100%)
Jacques Blanchard	10 meetings out of 10 (100%)
Jean Guitton (1)	9 meetings out of 9 (100%)
Gilles Castiel (2)	1 meeting out of 1 (100%)
OVERALL RATE	**100%**

(1) Director until 30 November 2018, the date on which his resignation became effective.
(2) Director coopted on 6 December 2018 to replace Jean Guitton.

1.14 Delegations for capital increases

In accordance with the provisions of Article L.225-37-4, paragraph 3, of the French Commercial Code, we inform you that no delegation granted by the General Meeting of Shareholders to the Board of directors in respect of capital increases pursuant to Articles L.225-129-1 and L.225-129-2 of the French Commercial Code was in force as of 31 December 2018.

1.15 Management of conflicts of interest

To the Company's knowledge, and on the day of this report, no member of the Board of directors and general management, in the past five years:

- was found guilty of fraud;
- was associated in any insolvency, sequestration proceedings or liquidation;
- was accused of any offence and/or incurred any official public penalty imposed by statutory or regulatory authorities;
- was prevented by a court order from acting as a member of an administrative, management or supervisory body of an issuer or from being involved in the management or conduct of the affairs of any company;
- is linked to the Company or any of its subsidiaries by a service agreement granting any specific benefits.

The directors of the Company and their representatives, in the case of corporate entities, report to the Board of directors on any actual or potential conflicts of interest to which they are or may be exposed.

Potential conflicts of interest exist concerning SCOR SE in its dual role as majority shareholder and director of the Company and concerning directors from the SCOR Group. Directors have a duty of loyalty to the Company and are bound to act in its best interests. Conflicts of interests between companies and majority shareholders are governed by the legislation and case law in force, and the Company has also drawn up specific rules to prevent conflicts of interests in the internal regulations adopted at the Board of directors meeting of 21 February 2019.

The rules to prevent and manage conflicts of interest set out in the internal regulations are as follows:

"Each director has a duty of loyalty towards the Company. They can under no circumstances act for their own interest against that of the Company.

Each director undertakes not to seek or accept from the Company or the Group or any third party, directly or indirectly, positions, benefits or situations likely to be considered as being of a nature to compromise their independence of analysis, judgement or action in the performance of their duties on the Board of directors (a "Conflict of Interest"). They must also reject any direct or indirect pressure that may be exerted on them by other directors, particular Groups of shareholders, creditors, suppliers and any third party in general.

In this regard, they undertake to submit to the Board of directors and the Audit Committee, in accordance with the procedure described in Appendix 1, any draft agreement, prior to its signature, falling under Article L.225-38 of the French Commercial Code.

They ensure their participation on the Board of directors is not a source for them or the Company of a Conflict of Interest on a personal level and in terms of the professional interests they represent.

When in doubt regarding conflicts of interest, a director may consult the Chairman of the Board who will give them guidance on this point.

In the event of a known Conflict of Interest at the time a specific matter is submitted to the Board of directors, the director concerned must fully inform the Board before its meeting on this point and must abstain from participating in discussions and Board decisions on this point (they are in this instance excluded from the quorum and voting calculations).

Each director also undertakes, in the event of a known general Conflict of Interest, to:

- *notify the Chairman of the Board of it as soon as possible; and*
- *if this situation has not ended within one (1) month following its notification, immediately resign from their office as director."*

In this regard, Brigitte Gauthier-Darcet highlighted a potential conflict of interest concerning her which the Board of directors considered and rejected at its meeting of 15 December 2015 (see report of the Chairman of the Board of directors on the operation of the Board and on internal control in Section 4.5 of the 2016 Registration Document).

Thus, to the Company's knowledge, and on the day of this report, no conflict of interests was identified among the duties of each member of the Board of directors and general management as regards their duties as corporate officers of the Company and their private interests or other duties.

To the Company's knowledge, and on the day of this report, no arrangement or agreement with main shareholders, customers or suppliers exists under the terms of which any member of the Board of directors acts in this capacity.

To the Company's knowledge, and on the day of this report, no restrictions have been agreed with the members of the Board of directors and general management concerning the sale of their shareholding in the Company.

Lastly, given that the functions of Chief Executive Officer and Chairman of the Board of directors are separate, and given that the Company took care to set out rules in the Board's internal regulations to prevent conflicts of interest, the Board found it unnecessary to appoint a lead director to handle conflicts of interest.

1.16 Participation of shareholders in the General Meeting

In accordance with Article L.225-37-4 paragraph 9 of the French Commercial Code, the methods relating to shareholders' participation in the General Meeting are outlined in Article 16 of the Articles of Association.

General Meetings of Shareholders are called and held under the terms and conditions established by law.

The notice of General Meetings in which dividends are decided upon shall reiterate shareholders' obligations under Article 8 "Rights attached to each share – Threshold crossing" of the Articles of Association. Any shareholders other than natural persons holding directly or indirectly at least 10% of dividend rights in the Company must confirm or contradict the information declared in accordance with Article 8 of the Articles of Association no later than three days before the date of the General Meeting.

Meetings are held either at the head office or in another venue in Paris or its neighbouring departments or in any other place indicated in the notice of meeting.

Any shareholder may take part in the meetings, personally or by proxy, provided that their shares are registered in their name or the name of the agent registered on their behalf, in accordance with Article L.228-1, paragraph 7, of the French Commercial Code, at midnight on the second business day prior to the meeting, or in the registered share accounts held by the Company, or in bearer share accounts held by an authorised intermediary.

For the purposes of determining a quorum and a majority, shareholders attending General Meetings by video conference or by telecommunications media permitting their identification and complying with applicable regulations, when the Board of directors decides on such methods of participation, before sending the notice of the General Meeting, shall be counted.

1.17 Agreements between a corporate officer or a shareholder and a subsidiary

None.

1.18 Agreements referred to in Articles L.225-38 and L.225-40-1 of the French Commercial Code

1.18.1 Agreements and commitments approved in previous years which were effective in the year ended 31 December 2018

Pledge of shares and guarantee at first request

As of 14 January 2016, the Board of directors approved (i) the conclusion of an intra-group loan agreement with SCOR SE for the refinancing of SCI Noratlas (subsidiary wholly owned directly and indirectly by M.R.M. SA) and (ii) the granting of collateral and guarantees in this context, by M.R.M. SA and its subsidiaries DB Neptune SAS and SCI Noratlas, in favour of SCOR SE.

The main conditions of the intra-group loan agreement were as follows:

Loan conditions	
Loan date	14/01/2016
Loan amount (principal)	€22,000,000
Interest rate and margin	3-month Euribor plus 180 bps
Repayment terms	On maturity
Initial maturity date	16/01/2017

Collateral and guarantees given to SCOR SE

Pledge of all shares held by M.R.M. SA and DB Neptune SAS in SCI Noratlas.

Granting by M.R.M. SA of an autonomous first-demand guarantee, taking effect as of 16 February 2017, and of a maximum amount of €24,000,000 corresponding to the amount of the intra-group loan agreement in principal and the amount of accessories plus the amount of interest set out in the intra-group loan agreement.

Mortgage pledge on the Nova building with registration exemption to be granted by SCI Noratlas.

Pledge of receivables relating to rents and insurance benefits under all insurance policies for damage to property (excluding structural damage), including in respect of any compensation for loss of rental income, pertaining to the Nova building, to be granted by SCI Noratlas.

Background

This intra-group loan agreement enabled the refinancing of bank debt held by SCI Noratlas maturing on 15 January 2016 for which M.R.M. had granted various guarantees and collateral in favour of the lender. At its meeting of 14 January 2016, the Board of directors noted that a default in repayment of amounts owed by SCI Noratlas to the bank would result in the realisation of the guarantees and collateral granted by M.R.M. to the bank in consideration of this loan. The establishment of an intra-group refinancing facility, albeit agreed at market conditions, also allowed M.R.M. and its subsidiaries to save on substantial transaction costs and collateral arrangement fees. For these reasons, the Board of directors felt that it was in the interest of the Company to allow the conclusion of the intra-group loan agreement between SCOR SE and SCI Noratlas (pursuant to the terms of its internal regulations) and the granting by M.R.M. of guarantees and collateral in this respect in favour of SCOR SE in the terms put to the Board.

On 8 December 2016, the Board of directors then approved (i) the signing of a rider to the intra-group loan agreement with SCOR SE and SCI Noratlas on 15 January 2016 and (ii) the renewal of the collateral and guarantees granted in this context, by M.R.M. SA and its subsidiaries DB Neptune SAS and SCI Noratlas, in favour of SCOR SE.

The loan was thus extended until 15 January 2018 and the autonomous first-demand guarantee granted by M.R.M. SA to SCOR SE was extended for a period ending one month after the maturity date of the extended loan, i.e. until 15 February 2018. The financial terms of the loan and the related guarantees and collateral were renewed in an identical manner.

Because the sale of the Nova building, the proceeds of which were to be used to pay SCOR SE the amounts due under the loan, was postponed to 2017, the Board of directors on 8 December 2016 decided that it was in the Company's interest that the amounts owed to SCOR SE should be paid by SCI Noratlas using the sale proceeds of the Nova building rather than consider setting up a new bank refinancing.

On 7 December 2017, the Board of directors approved (i) the signing of a second rider to the intra-group loan agreement with SCOR SE and SCI Noratlas on 15 January 2016 and (ii) the renewal of the collateral and guarantees granted in this context, by M.R.M. SA and its subsidiaries DB Neptune SAS and SCI Noratlas, in favour of SCOR SE.

The loan was thus extended until 15 January 2019 and the autonomous first-demand guarantee granted by M.R.M. SA to SCOR SE was extended for a period ending one month after the maturity date of the extended loan, i.e. until 15 February 2019. With the exception of the margin, which went from 180 to 280 basis points from 15 January 2018, the financial terms of the loan and the related guarantees and collateral were renewed in an identical manner.

Because the sale of the Nova building, the proceeds of which were to be used to pay SCOR SE the amounts due under the loan, was postponed to 2018, the Board of directors on 7 December 2017 decided that it was in the Company's interest that the amounts owed to SCOR SE should be paid by SCI Noratlas using the sale proceeds of the Nova building rather than consider setting up a new bank refinancing.

On 15 May 2018, the Nova building was sold and the intra-group loan granted by SCOR SE was repaid, thus bringing these commitments to an end.

1.18.2 Agreement to be submitted for approval to the next General Meeting

None.

1.18.3 Agreements and commitments approved after 31 December 2018

None.

Pursuant to applicable laws and regulations, we provide you with the Statutory Auditors'special report on the agreements falling within the scope of Articles L.225-38 *et seq*. of the French Commercial Code.

2. Information on the remuneration of corporate officers

2.1 Remuneration policy (2019 *ex ante* vote)

This section is prepared in accordance with Articles L.225-37-2 and R.225-29-1 of the French Commercial Code and is an integral part of the corporate governance report.

Law 2016-1691 of 9 December 2016 stipulates that in companies listed on regulated markets, the principles and criteria used to determine, allocate and grant the components of total remuneration and benefits in kind due to executive corporate officers in respect of their office must be submitted at least once a year for approval to the Ordinary General Meeting of Shareholders (*ex ante* vote).

2.1.1 Principles and criteria used to determine, allocate and grant the fixed, variable and exceptional components of the total remuneration and benefits in kind due to the Chief Executive Officer and/or any executive corporate officer in respect of his office

The principles and criteria used to determine, allocate and grant the components of the total remuneration and benefits in kind due to the Chief Executive Officer and/or any other executive corporate officer of the Company will be submitted for approval to the Combined General Meeting of 29 May 2019 (*ex ante* vote).

As such, the Board of directors took the following principles into account in accordance with the recommendations of § 24-1-2 of the AFEP-MEDEF Corporate Governance Code of June 2018:

- comprehensiveness: the remuneration must be comprehensive. All components of remuneration must be taken into account in the overall remuneration evaluation;
- balance between the compensation components: each component of the remuneration must be clearly motivated and be in line with the Company's interests;
- comparability: the remuneration must be assessed in the context of a business line and the benchmark market. If the market is a benchmark, it must not be the only one as the remuneration of an executive corporate officer depends on his/her responsibilities, the results obtained and the work performed. It can also depend on the nature of the duties entrusted to him/her and on specific situations (e.g. rescuing a firm in difficulty);
- consistency: the remuneration of the executive corporate officer must be consistent with that of the other Company managers and employees;
- understandability of rules: the rules must be simple, stable and transparent. Performance criteria used must correspond to the Company's objectives, be demanding and explicit and last for as long as possible;
- proportionality: the components of remuneration must be determined in a fair and balanced way and take into account the Company's interest, market practices and the performance of managers and other Company stakeholders.

Pursuant to the recommendations of the AFEP-MEDEF Code applicable to the Chief Executive Officer, Jacques Blanchard does not have an employment contract with the Company.

The principles and criteria used to determine, allocate and grant the components of the total remuneration and benefits in kind due to the Chief Executive Officer and/or any other executive corporate officer, set by the Board of directors, are as follows:

Annual fixed remuneration

The Chief Executive Officer receives annual fixed remuneration payable in twelve monthly instalments whose amount is determined according to the extent of his duties and responsibilities, taking into account market practices

Annual variable remuneration

The Chief Executive Officer receives annual variable remuneration capped at a percentage of the annual fixed remuneration, set in advance annually by the Board and not exceeding 100%. Payment of this remuneration is subject to achieving quantitative and/or qualitative targets set by the Board of directors for the year in question.

At its meeting of 21 February 2019, the Board of directors capped the annual variable remuneration for 2019 at 40% of the annual fixed remuneration and decided that its amount and payment would be subject to achieving the following targets:

- increase rental income from retail properties to reach the target of €10 million in net annualised rents;
- complete the value-enhancement plan of the Valentin shopping centre (extension works and lettings);
- acquire a retail property and sell a property for an amount in line with its appraisal value;
- help to draw up an acquisition strategy and a three-year investment plan.

Multiyear variable remuneration

The Board of directors reserves the right to award a multiyear variable remuneration in cash to the Chief Executive Officer whose amount and payment will be subject to achieving quantitative and/or qualitative objectives assessed over a minimum period of three years, such as reaching a target IRR over the period in question.

Allocation of stock options/bonus shares

The Chief Executive Officer may be awarded ordinary bonus shares under share allocation plans, bearing in mind that such shares would only vest provided certain performance conditions are met. In that event the Board of directors decides how many shares must be held in registered form during the vesting period until the termination of duties.

Exceptional remuneration

The Board of directors may decide to grant exceptional remuneration to the Chief Executive Officer in view of very specific circumstances. Payment of this type of remuneration must be justified by an event such as pulling off a major transaction for the Company.

Directors'fees

The Chief Executive Officer receives no directors'fees in respect of his duties.

Benefits in kind

The Chief Executive Officer has healthcare and personal risk cover as well as a company car.

Commitments mentioned in Article L.225-42-1 paragraphs 1 & 6 of the French Commercial Code

If so decided by the Board of directors, and in accordance with the applicable regulations, in the event of the early termination of his duties, the Chief Executive Officer may receive severance pay subject to fulfilling a performance condition.

Other components of remuneration and benefits due or likely to be due or allocated in respect of office (e.g. under an agreement signed with the Company, a subsidiary, a controlling company or a sister company)

None.

In accordance with the recommendations of the AFEP-MEDEF Code, the Chief Executive Officer does not have an employment contract.

Should the Board of directors decide to appoint one or more Deputy Chief Executive Officers, the principles and criteria applicable to the Chief Executive Officer would be applicable to the Deputy Chief Executive Officers.

Should the Board of directors decide to combine the positions of Chairman and Chief Executive Officer, the principles and criteria applicable to the Chief Executive Officer would be applicable to the Chairman and Chief Executive Officer.

Payment of the components of variable remuneration and where applicable exceptional remuneration allocated for 2019 to the Chief Executive Officer by virtue of his office is subject to approval by the Ordinary General Meeting of the components of remuneration paid or allocated to the Chief Executive Officer for said year (ex-post vote). Consequently, payment of these components will be made, subject to this condition, after the General Meeting to be held in 2020 to approve the financial statements for 2019.

2.1.2 Principles and criteria used to determine, allocate and grant the fixed, variable and exceptional components of the total remuneration and benefits in kind due to the Chairman of the Board of directors in respect of his office

The Board of directors decided that if the Chairman of the Board is an employee of SCOR Group, he will not receive remuneration in respect of his office as Chairman of the Board of M.R.M.

Therefore, François de Varenne, Chairman of the Board of directors of M.R.M. and an employee of the SCOR Group, receives no remuneration or benefits from the Company and its subsidiaries. Similarly, he does not receive any remuneration or benefit likely to be due or allocated in respect of his office as Chairman of the Board of directors of M.R.M.

However, should the Board of directors decide to appoint a new Chairman of the Board who is not an employee of the SCOR Group, it would take the following principles into account as part of its remuneration policy in accordance with the recommendations of § 24-1-2 of the AFEP-MEDEF Corporate Governance Code of June 2018:

- comprehensiveness: the remuneration must be comprehensive. All components of remuneration must be taken into account in the overall remuneration evaluation;
- balance between the compensation components: each component of the remuneration must be clearly motivated and be in line with the Company's interests;

- comparability: the remuneration must be assessed in the context of a business line and the benchmark market. If the market is a benchmark, it must not be the only one as the remuneration of an executive corporate officer depends on his/her responsibilities, the results obtained and the work performed. It can also depend on the nature of the duties entrusted to him/her and on specific situations (e.g. rescuing a firm in difficulty);
- consistency: the remuneration of the executive corporate officer must be consistent with that of the other Company managers and employees;
- understandability of rules: the rules must be simple, stable and transparent. Performance criteria used must correspond to the Company's objectives, be demanding and explicit and last for as long as possible;
- proportionality: the components of remuneration must be determined in a fair and balanced way and take into account the Company's interest, market practices and the performance of managers and other Company stakeholders.

The principles and criteria used to determine, allocate and grant the components of the total remuneration and benefits due to the Chairman of the Board of directors who is not an employee of the SCOR group would be as follows:

Annual fixed remuneration

The Chairman of the Board of directors would receive annual fixed remuneration payable in twelve monthly instalments whose amount is determined according to the extent of his duties and responsibilities, taking into account market practices.

Directors'fees

The Chairman of the Board could receive directors'fees in respect of his duties.

Benefits in kind

The Chairman of the Board could have healthcare and personal risk cover as well as a company car.

The principles and criteria used to determine, allocate and grant the components of the total remuneration and benefits in kind due to the Chairman of the Board of directors will be submitted for approval to the Combined General Meeting of 29 May 2019 (*ex ante* vote).

2.2 Total remuneration and benefits paid to the corporate officers in 2018

In accordance with Article L.225-37-3 of the French Commercial Code and in accordance with the principles and criteria applying to the remuneration of the corporate officers approved by the General Meeting of 31 May 2018 in its sixth and seventh resolutions, the Company now reports on the total remuneration and benefits in kind paid in the year ended to each corporate officer by the Company, entities under its control or the entity controlling it as defined by Article L.223-16 of the French Commercial Code.

In 2018, the Company's executive corporate officers were:

- François de Varenne, Chairman of the Board of directors and as such a non-executive corporate officer;
- Jacques Blanchard, Chief Executive Officer and as such an executive corporate officer.

In 2018, the Company's non-executive corporate officers were Gérard Aubert [(1)], Brigitte Gauthier-Darcet, Valérie Ohannessian [(2)], Jean Guitton [(3)], Gilles Castiel [(4)] and SCOR SE.

The Company's executive and non-executive corporate officers received no stock options or bonus shares, given that the Company has not set up any stock option or bonus share award plans.

At its meeting of 31 May 2018, the Board of directors of the Company decided to use the amount of €55,000 allocated to directors'fees for 2018 by the General Meeting of 1 June 2017 to remunerate the attendance of the independent directors, namely Gérard Aubert [(1)], Brigitte Gauthier-Darcet and Valérie Ohannessian [(2)], pending further decision.

Since 1 August 2013, Jacques Blanchard has received remuneration in his capacity as Chief Executive Officer of the Company but has not received any director's fees.

(1) Passed away on 30 December 2018.
(2) Director until 27 March 2018, the date on which her resignation became effective.
(3) Director until 30 November 2018, the date on which his resignation became effective.
(4) Director coopted on 6 December 2018 to replace Jean Guitton.

The table below provides a summary of the total remuneration and options and shares allocated by the Company to the executive corporate officers over the last two years:

(in euros)	2018	2017
François de Varenne, Chairman of the Board of directors [(1)]		
Remuneration due for the financial year	943,891	922,224
Value of multiyear variable remuneration awarded during the year	-	-
Value of options allocated by SCOR SE during the year	1,404,000	1,351,200
Value of bonus shares awarded by SCOR SE during the year	1,540,000	2,692,200
TOTAL	**3,887,891**	**4,965,624**
Jacques Blanchard, Chief Executive Officer		
Remuneration due for the financial year	289,712	265,638
Value of multiyear variable remuneration awarded during the year	-	-
Value of options allocated during the year	-	-
Value of bonus shares allocated	-	-
TOTAL	**289,712**	**265,638**

(1) François de Varenne receives no remuneration or any benefits from the Company or its subsidiaries. He is remunerated by SCOR SE, the Company's parent company as defined by Article L.233-16 of the French Commercial Code, as a member of its Executive Committee. To this end, no remuneration is due or awarded to him as Chairman of the Board of directors of M.R.M. The remuneration and benefits paid to François de Varenne by SCOR SE are presented in Section 2.2.2 of this report.

The table below provides a summary of executive corporate officers'employment contracts, specific pensions, severance pay and non-compete clauses agreed with the Company:

	Employment contract		Supplementary pension plan		Compensation or benefits due or likely to be due following termination or change of duties		Compensation due under a non-compete clause	
Executive corporate officers	Yes	No	Yes	No	Yes	No	Yes	No
François de Varenne								
Chairman of the Board of directors								
Start of term of office: 29 May 2013		X [(1)]		X		X		X
End of term of office: General Meeting to be held in 2021 to approve the financial statements for the year then ended								
Jacques Blanchard								
Chief Executive Officer								
Start of term of office: 29 May 2013		X		X			X [(2)]	X
End of term of office: General Meeting to be held in 2019 to approve the financial statements for the year then ended					See Section 2.2.1 below			

(1) François de Varenne has an employment contract with SCOR SE.

(2) In the event of the early termination of his first term of office (set to end on 30 June 2017), the Chief Executive Officer was entitled to severance pay subject to fulfilling a performance condition. This commitment is now void.

Insofar as neither the Company, nor its subsidiaries, operate any pension or supplementary pension schemes, these companies have not set aside, or recognised, any sums for the payment of pension, retirement or other benefits.

2.2.1 Remuneration of the Chief Executive Officer

Pursuant to the recommendations of the AFEP-MEDEF Code applicable to the Chief Executive Officer, Jacques Blanchard does not have an employment contract with the Company.

Annual remuneration

At its meeting on 22 February 2018, the Board of directors decided that the Chief Executive Officer would receive, for 2018:

- gross fixed annual remuneration of €200,000 in 12 monthly payments; and
- variable annual remuneration of no more than 40% of his gross fixed annual remuneration (i.e. up to €80,000) conditional on achieving certain targets, namely (i) selling the last two office buildings at a price consistent with their value recorded in the financial statements at 31 December 2017, (ii) implementing the retail property value-enhancement plans, (iii) increasing rental income from the retail properties, (iv) acquiring and selling retail properties as and when the opportunity arises, and (v) preparing a complete data room on the retail properties.

At its meeting of 21 February 2019, the Board of directors assessed the achievement level of targets (i), (ii) and (v) at 100% and of target (iii) at 75% – target (iv) being inapplicable – corresponding to variable annual remuneration of €80,000 for 2018, payment of which is subject to approval by the Ordinary General Meeting of Shareholders of the components of remuneration paid or allocated to the Chief Executive Officer for said year (*ex post* vote).

Consequently, payment of this component will be made, subject to this condition, after the General Meeting to be held on 29 May 2019 to approve the financial statements for 2018. See Section 2.3 below.

Multiyear variable remuneration

At its meeting of 22 February 2018, the Board of directors decided that the Chief Executive Officer would not receive a multiyear variable remuneration for 2018.

Benefits in kind

In accordance with the Board's decision of 22 February 2018, the Chief Executive Officer is provided with healthcare and personal risk cover as well as a company car.

Severance pay

None.

Summary of total remuneration of the Chief Executive Officer

The table below provides a summary of the total remuneration, including gross remuneration due and paid, awarded to the Chief Executive Officer for the last two years:

	2018		2017	
(in euros)	Amounts due		Amounts due	Amounts paid
Fixed remuneration	200,000	200,000	200,000	200,000
Annual variable remuneration	80,000	56,000	56,000	72,000
Multiyear variable remuneration	-	-	-	107,050 (1)
Exceptional remuneration	-	-	-	-
Directors' fees	-	-	-	-
Benefits in kind (2)	9,712	9,712	9,638	9,638
TOTAL	**289,712**	**265,712**	**265,638**	**388,688**

(1) *Remuneration paid subsequent to continuing his term of office until the General Meeting to be held in 2017 to approve the financial statements for the year then ended. Multiyear variable remuneration is described above in Section 2.2.1.*

(2) *Company car, healthcare (mutual) and personal risk cover.*

Jacques Blanchard received no stock options or performance shares from the Company.

2.2.2 Remuneration of the Chairman of the Board of directors

François de Varenne, Chairman of the Company's Board of directors, does not receive any remuneration from the Company or its subsidiaries.

As a member of the Executive Committee of SCOR SE (the entity controlling the Company as defined by Article L.233-16 of the French Commercial Code), he receives remuneration and benefits from SCOR SE. However, no remuneration is due or awarded to him as Chairman of the Board of directors of M.R.M.

The following table shows the gross remuneration and its components, due and paid for the last two years, to François de Varenne by SCOR SE:

	2018		2017	
(in euros)	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration	550,000	550,000	525,000	525,000
Annual variable remuneration	388,674	392,007	392,007	444,360
Multiyear variable remuneration	-	-	-	-
Exceptional remuneration	-	-	-	-
Directors'fees	-	-	-	-
Benefits in kind [(1)]	5,217	5,217	5,217	5,217
TOTAL	**943,891**	**947,224**	**922,224**	**974,577**

(1) Company car.

François de Varenne's variable remuneration is based on quantitative and qualitative criteria. The expected achievement level of these criteria is preset but not made public for confidentiality reasons.

The following table sets out the stock option plans by SCOR SE for François de Varenne as of 31 December 2018:

Exercised options	Number of shares under stock options	Plan dates	Price	Potential transaction volume	Exercise period
7,308	7,308	16/09/2005	€15.90	€116,197	from 16/09/2009 to 15/09/2015
15,688	15,688	14/09/2006	€18.30	€287,090	from 15/09/2010 to 14/09/2016
20,000	20,000	13/09/2007	€17.58	€351,600	from 13/09/2011 to 12/09/2017
24,000	24,000	22/05/2008	€15.63	€375,120	from 22/05/2012 to 21/05/2018
32,000	32,000	23/03/2009	€14.917	€477,344	from 23/03/2013 to 22/03/2019
40,000	40,000	18/03/2010	€18.40	€736,000	from 19/03/2014 to 18/03/2020
40,000	40,000	22/03/2011	€19.71	€788,400	from 23/03/2015 to 22/03/2021
40,000	40,000	23/03/2012	€20.17	€806,800	from 24/03/2016 to 23/03/2022
40,000	40,000	21/03/2013	€22.25	€890,000	from 22/03/2017 to 21/03/2023
-	40,000	20/03/2014	€25.06	€1,002,400	from 21/03/2018 to 20/03/2024
-	40,000	20/03/2015	€29.98	€1,199,200	from 21/03/2019 to 20/03/2025
-	40,000	10/03/2016	€31.58	€1,263,200	from 11/03/2020 to 10/03/2026
-	40,000	10/03/2017	€33.78	€1,351,200	from 11/03/2021 to 10/03/2027
-	40,000	08/03/2018	€35.10	€1,404,000	from 08/03/2022 to 10/03/2028
258,996	**458,996**			**€11,048,551**	**TOTAL**

The following table sets out the SCOR SE bonus share award plans for François de Varenne as of 31 December 2018 (1):

Plan	Rights to bonus shares	Award value per share	Total award value	Total amount acquired at the allocation date	Date of transfer
2005 Plan	7,000	€17.97	€125,790	€125,790	01/09/2007
2006 Plan	15,000	€14.88	€223,200	€223,200	08/11/2008
2007 Plan	20,000	€15.17	€303,400	€303,400	25/05/2009
2008 Plan	24,000	€17.55	€421,200	€421,200	08/05/2010
2009 Plan	32,000	€18,885	€604,320	€604,320	17/03/2011
2010 Plan	40,000	€19,815	€792,600	€792,600	03/03/2012
2011 Plan	40,000	€22.61	€904,400	€904,400	08/03/2013
2011-2019 *Long-Term Incentive Plan*	40,000	-	€1,398,000	€1,328,100	02/09/2017
2012 Plan	40,000	€24.46	€978,400	€978,400	20/03/2014
2012 Plan (PPP) (2)	5	€24.55	€123	€123	27/07/2014
2013 Plan	40,000	€30.60	€1,224,000	€1,224,000	06/03/2015
2014 Plan	40,000	-	€1,294,200	€1,294,200	05/03/2018
2014 Plan (PPP) (3)	5	€26.33	€132	€132	31/07/2016
2015 Plan	40,000	€38.50	€1,540,000	-€1,463,000	19/12/2018
2016 Plan	40,000	-	-	-	24/02/2019
2016-2022 *Long-Term Incentive Plan*	40,000	-	-	-	24/02/2022
2017 Plan	40,000	-	-	-	22/02/2020
2018 Plan	50,000				23/12/2021
2018 Collective plan	30				23/12/2021
TOTAL	**548,040**		**€9,809,765**	**€9,662,865**	

(1) Shares allocated since 2008 are subject to performance conditions. These conditions relate to one-third of the shares allocated under the plan of 7 May 2008, half of the shares allocated under the plan of 16 March 2009, and all of the shares allocated since the plan of 2 March 2010. Nevertheless, as regards the Chairman and Chief Executive Officer, all shares allocated since the plan of 16 March 2009 are subject to performance conditions. For further details on the performance conditions applicable to bonus shares, see Section 17.3 of SCOR's 2014 Registration Document and its Registration Documents filed with the French Financial Markets Authority (Autorité des Marchés Financiers) on 5 March 2014 and 6 March 2013 under numbers D.14-0117 and D.13-0106.

(2) This bonus share plan is for all SCOR Group employees residing in France in accordance with the collective agreement signed on 20 July 2012 as part of nationwide negotiations between management and labour on the profit sharing measures introduced by Law 2011-894 of 28 July 2011 on rectifying the financing of social security for 2011. The plan provides for a uniform allocation of five free shares without presence or performance conditions.

(3) This bonus share plan is for all SCOR Group employees with French employment contracts in accordance with the collective agreement signed on 3 July 2014 as part of nationwide negotiations between management and labour on the profit sharing measures introduced by Law 2011-894 of 28 July 2011 on rectifying the financing of social security for 2011. The plan provides for a uniform allocation of five free shares without presence or performance conditions.

2.2.3 Remuneration of the non-executive corporate officers

Directors'fees are the only component of remuneration paid to non-executive corporate officers. The Ordinary General Meeting of 1 June 2017 decided to set the total amount of directors'fees at €55,000, pending further decision.

At its meeting of 31 May 2018, as in previous years, the Board of directors decided to use this amount to remunerate the attendance of independent directors, in the following proportions, specifically linked to industry practice, as follows:

- remuneration of €1,100 per Board meeting attended by the independent director;
- remuneration of €1,100 per Audit Committee meeting attended by the independent director;
- remuneration of €2,200 per Committee meeting attended by the Chairman or Chairwoman (independent director) of the committee in question;
- remuneration of €1,100 per independent director to be invested in Company shares.

Except for the last item, which is new and intended to promote compliance with the share ownership requirement imposed by the internal regulations, this remuneration is variable in full and based entirely on independent directors'attendance and participation in Board of directors and Audit Committee meetings. The table below summarises the remuneration received by non-executive directors over the last two years:

Directors'fees and other remuneration received by non-executive corporate officers *(in euros)*	Amounts paid in 2018	Amounts paid in 2017
Gérard Aubert		
Directors'fees	9,900	13,200
Other remuneration	-	
Brigitte Gauthier-Darcet		
Directors'fees	18,700	20,900
Other remuneration	-	
Valérie Ohannessian (1)		
Directors'fees	2,200	12,100
Other remuneration		
Jean Guitton (2)	-	-
Directors'fees	-	-
Other remuneration (3)	-	
Gilles Castiel		-
Directors'fees	-	-
Other remuneration (3)	-	-
SCOR SE represented by Karina Lelièvre		
Directors'fees	-	-
Other remuneration (3)	-	-
TOTAL	**30,800**	**46,200**

(1) Director until 27 March 2018, the date on which her resignation became effective.
(2) Director until 30 November 2018, the date on which his resignation became effective.
(3) Non-executive corporate officers from the SCOR group are remunerated by SCOR. Their remuneration is not presented here for confidentiality reasons in view of their status as SCOR employees. To this end, no remuneration is due or awarded to them by virtue of sitting on the Board of directors of M.R.M.

2.3 Proposal to approve the components of remuneration and benefits in kind paid or allocated for 2018 to the Chief Executive Officer (*ex post* vote)

As a reminder, François de Varenne, Chairman of the Board of directors, receives no remuneration or benefits from the Company and its subsidiaries. Similarly, he does not receive any remuneration or benefit likely to be due or allocated in respect of his office as Chairman of the Board of directors of M.R.M.

Pursuant to Law 2016-1691 of 9 December 2016 and Article L.225-100 of the French Commercial Code, the General Meeting to be held in 2019 will be asked to approve the fixed, variable and exceptional components of the total remuneration and benefits in kind paid or allocated for 2018 to Jacques Blanchard in respect of his office as Chief Executive Officer (*ex-post* vote).

This section constitutes the report prepared in accordance with Article L.225-100 of the French Commercial Code which will be submitted for approval to the Combined General Meeting of 29 May 2019.

The table below presents all the proposed components of remuneration subject to approval by the General Meeting of 29 May 2019 in accordance with the principles and criteria applying to the remuneration of the corporate officers approved by the General Meeting of 31 May 2018 in its seventh resolution:

Components of remuneration paid or allocated for the year ended	Amount or accounting valuation put to the vote	Presentation
Fixed remuneration	€200,000 (gross amount in equal monthly payments in 2018)	Annual fixed gross remuneration of €200,000 (unchanged since 1 August 2013).
Annual variable remuneration	€80,000 (amount payable subject to approval by the General Meeting)	The variable annual remuneration for 2018 is conditional on: (i) selling the last two office buildings at a price consistent with their value recorded in the financial statements at 31 December 2017, (ii) implementing the retail property value-enhancement plans, (iii) increasing the rental income from the retail properties, (iv) acquiring and selling retail properties as and when the opportunity arises, and (v) preparing a complete data room on the retail properties. At its meeting of 21 February 2019, the Board of directors assessed the Chief Executive Officer's achievement level of targets (i), (ii) and (v) at 100% and of target (iii) at 75% – target (iv) being inapplicable.
Multiyear variable remuneration in cash	-	The Board of directors reserves the right to award a multiyear variable remuneration in cash to the Chief Executive Officer whose amount and payment will be subject to achieving quantitative and/or qualitative objectives assessed over a minimum period of three years, such as reaching a target IRR over the period in question. The Board of directors awarded no such remuneration for 2018.
Exceptional remuneration	-	The Board of directors may decide to grant exceptional remuneration to the Chief Executive Officer in view of very specific circumstances. Payment of this type of remuneration must be justified by an event such as completing a major transaction for the Company. The Board of directors awarded no such remuneration for 2018.
Directors'fees	-	The Chief Executive Officer receives no directors'fees which are reserved for independent directors.
Components of remuneration due following termination or change of duties, retirement benefits and non-compete commitments	N/A	
Accounting valuation of benefits in kind	€9,712	The Chief Executive Officer has healthcare and personal risk cover as well as a company car.

3. Information on factors likely to have an impact in the event of a takeover bid

Factors likely to have an impact in the event of a takeover bid as defined by Article L.225-37-5 of the French Commercial Code are as follows:

3.1 The Company's capital structure

See Sections 3.2 and 3.6.3 of the 2018 Registration Document.

3.2 Statutory restrictions on the exercise of voting rights and share transfers or the provisions of agreements brought to the attention of the Company pursuant to Article L.233-11

See Section 3.1.11 of the 2018 Registration Document.

3.3 Direct or indirect shareholdings in the share capital of the Company known to it pursuant to Articles L.233-7 and L.233-12

See Section 3.2.12 of the 2018 Registration Document.

3.4 List of holders of any securities with special control rights and a description thereof

None.

3.5 Control mechanisms scheduled in an employee share ownership scheme when the control rights are not exercised by said party

None.

3.6 Agreements between shareholders of which the Company is aware which may result in restrictions on the transfer of shares and the exercise of voting rights

None.

3.7 Rules governing the appointment and replacement of members of the Board of directors and the amendment of the Articles of Association

For more information on the rules governing the appointment and replacement of members of the Board of directors, see Section 1.2 "Rules governing the composition of the Board of directors" of this report.

The rules governing the amendment of the Articles of Association are the legal rules.

3.8 Powers of the Board of directors, in particular to issue or redeem shares

To date, the Company's Board of directors has no delegation empowering it to issue shares. See section 1.14 "Delegations for capital increases" in this report.

The Ordinary General Meeting of 31 May 2018, in its ninth ordinary resolution, authorised the Board of directors for a period of 18 months, in accordance with Articles L.225-209 et seq. of the French Commercial Code, to purchase Company shares, on one or more occasions, at the time of its choosing, up to 10% of the number of shares comprising the share capital, adjusted if need be to take any capital increases or decreases that may take place in that period into account.

This authorisation ended the authorisation granted to the Board of directors by the Combined General Meeting of 1 June 2017 in its sixteenth ordinary resolution.

Shares may be bought back to:

- stimulate the trading of M.R.M. securities on the secondary market, or the liquidity of M.R.M. shares via a liquidity contract concluded with an investment services provider in accordance with the ethics charter of the AMAFI (French association of financial markets) recognised by regulations in force, bearing in mind that the number of shares taken into account for the aforementioned calculation corresponds to the number of shares acquired minus the amount sold;
- retain shares for subsequent payment or exchange purposes in the event of acquisitions;

- ensure the hedging of stock option plans and/or bonus share plans (or similar) reserved for employees and/or corporate officers of the Group, as well as any share allocations under company or Group savings plans (or similar plan), employee profit-sharing and/or any other form of allocation of shares to employees and/or corporate officers of the Group;
- ensure the hedging of securities giving access to the Company's shares in accordance with regulations in force;
- cancel all or part of the shares that would be acquired, in accordance with the authorisation granted on 1 June 2017 by the General Meeting in its seventeenth extraordinary resolution.

These share purchases may be made by any means, including via the purchase of blocks of securities, whenever the Board of directors deems it appropriate.

The Company reserves the right to use option mechanisms or derivatives within the framework of the applicable regulations.

The maximum unit price is fixed at €3 per share. In the event of any transactions in the share capital, in particular stock splits, reverse splits and bonus share allocations, the number of purchasable shares indicated above would be adjusted accordingly by applying a multiplying factor equal to the ratio between the number of shares comprising the share capital prior to the transaction, and the number after the transaction.

The maximum amount that can be invested in the share buyback programme is capped at €13,100,344.

3.9 Agreements entered into by the Company that are amended or terminated in the event of a change of control of the Company, unless such disclosure, save in cases of mandatory disclosure, would seriously undermine its interests

None.

3.10 Agreements providing for compensation to members of the Board of directors or employees if they resign or are dismissed without just cause or if their employment is terminated due to an IPO

None.

4.2 Transactions with related parties

4.2.1 Regulated agreements

Regulated agreements are presented in Section 1.18 "Agreements referred to in Articles L.225-38 and L.225-40-1 of the French Commercial Code" of Section 4.1 "Corporate governance report" of this Registration Document.

The Statutory Auditors'special report on regulated agreements and commitments can be found in Section 4.3 "Statutory Auditors'report on regulated agreements and commitments" of this Registration Document.

4.2.2 Other agreements with related parties

To the Company's knowledge, there are no service contracts linking members of the Board of directors or General Management to the Company or one of its subsidiaries and providing for benefits.

4.3 Statutory Auditors'report on regulated agreements and commitments

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

To the Shareholders,

In our capacity as your company's Statutory Auditors, we hereby present you our report on regulated agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms, conditions and reasons underlying company's interest of agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of article R.225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the General Meeting.

We performed the procedures that we deemed necessary in accordance with the guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) for this type of engagement. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements and commitments submitted to the approval of the General Meeting

We have been informed of no agreements and commitments authorized during the last year and requiring the approval of the Shareholders'Meeting by virtue of article L.225-38 of the French Commercial Code.

Agreements and commitments previously approved by the General Meeting

In accordance with article R. 225-30 of the French Commercial Code, we have been informed of the following agreements and commitments approved in prior years and which remained current during the last year, and which was not executed during the fiscal year ended.

Pledge of shares and guarantee at first request

- **Date of authorization:** Board of directors, 7 December 2017;
- **Concerned director:** SCOR SE, shareholder with more than 10% of the voting rights of your company and member of the Board of directors;
- **Nature and purpose:** following the second year extension of the intercompany loan agreement between SCI Noratlas and SCOR SE, your company renewed the collateral and guarantees previously granted to SCOR SE. These collateral and guarantees consist in a pledge of securities of the company SCI Noratlas and a guarantee at first request. The term of the guarantee is still one month after the date of maturity of the intercompany loan, now 15 February 2019, for a maximum amount of €24,200,000. Except for the margin extended from 180 to 280 basis points from 15 January 2018, the financial terms of the loan and the related guarantees and securities were renewed without change.
- **Terms and conditions:** this agreement had no impact in the financial statements of the previous financial year;
- **Justification of the benefit for the Company:** your Board considered that it was in the interest of the Company that the loan due by SCI Noratlas to SCOR SE be repaid using the disposal of the building named Nova (held by SCI Noratlas) rather than considering a bank refinancing.

The initial agreement was authorized by your Board on 14 January 2016 and approved by the General Meeting on 5 July 2016.

The first extension was authorized by your Board on 8 December 2016 and approved by the General Meeting on 1 June 2017.

The commitment ended on 15 May 2018, on the repayment of the intra-group loan granted by SCOR SE.

Paris-La Défense and Paris, 5 April 2019

The Statutory Auditors

French original signed by

Mazars	**RSM Paris**
Gilles Magnan	Hélène Kermorgant

4.4 Statutory Auditors

The Company's principal Statutory Auditors are:

Mazars

61, rue Henri Regnault

92075 Paris-La Défense Cedex, France

Represented by Gilles Magnan.

Date first appointed: Combined General Meeting of 1 June 2017.

Date appointment ends: General Meeting held in 2023 to approve the financial statements for the year ending 31 December 2022.

Following a call for tender, on the recommendation of the Audit Committee and the proposal of the Board of directors, the General Meeting of 1 June 2017 decided to appoint Mazars as principal auditor to replace KPMG Audit FS I.

RSM Paris

26, rue Cambacérès

75008 Paris

Represented by Hélène Kermorgant.

Date first appointed: Combined General Meeting of 1 June 2017.

Date appointment ends: General Meeting held in 2023 to approve the financial statements for the year ending 31 December 2022.

Following a call for tender, on the recommendation of the Audit Committee and the proposal of the Board of directors, the General Meeting of 1 June 2017 decided to appoint RSM Paris as principal auditor to replace RSM Rhône-Alpes.

The General Meeting of 1 June 2017 noted that the appointments of KPMG Audit FS II and Roland Carrier as deputy Statutory Auditors were coming to an end and decided, pursuant to the law, not to reappoint or replace them.

The fees paid to the Statutory Auditors for 2018 are presented in Note 11.2 "Relations with the Statutory Auditors" in Section 3.7 "Consolidated financial statements for the year ended 31 December 2018" of this Registration Document.

5. SIGNIFICANT CONTRACTS

M.R.M. and some of its subsidiaries were bound to CBRE Global Investors by a property asset management consultancy agreement. The agreement expired on 30 June 2017 for the office properties and on 30 September 2017 for the independent store retail properties and was not renewed.

The terms and conditions of the agreement, as well as the fees paid under it for the past three years, are presented in Section 5 of the 2017 Registration Document.

6. INFORMATION ON INVESTMENTS

The list of entities included in the M.R.M. group's scope of consolidation appears in Note 3.2 of the notes to the consolidated financial statements for the year ended 31 December 2018 in Section 3.7 of this Registration Document.

The Group's subsidiaries are also presented in Section 1.5 "Group ownership structure" of this Registration Document.

7. PERSON RESPONSIBLE FOR THE FINANCIAL INFORMATION

Jacques Blanchard

Chief Executive Officer.

8. FINANCIAL CALENDAR

10 May 2019	Financial information for Q1 2019
29 May 2019	Combined General Meeting of Shareholders
26 July 2019	2019 half-year results
8 November 2019	Financial information for Q3 2019

9. DOCUMENTS ACCESSIBLE TO THE PUBLIC

Copies of this Registration Document are available free of charge from the Company and on its website (www.mrminvest.com) and the AMF's website (www.amf-france.org).

All legal and financial documents that must be made available to shareholders, in accordance with applicable regulations, may be viewed at M.R.M.'s head office: 5, avenue Kléber, Paris (16th *arrondissement*), France.

In particular, the following documents can be viewed:

(a) the issuer's Articles of Association;

(b) any reports, letters and other documents, historical financial information, and valuations and declarations prepared by an expert at the issuer's request, some of which are included or referred to in the Registration Document;

(c) historical financial information of the issuer and its subsidiaries for each of the two financial years preceding the publication of the Registration Document.

The "Regulated Information" page on the Company's website is accessible at:

http://phx.corporate-ir.net/phoenix.zhtml?c=222981&p=irol-irhome-finance

All the regulated information issued by M.R.M. in accordance with articles 221–1 *et seq*. of the AMF's General Regulation can be found there.

10. CERTIFICATION BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

10.1 Person responsible for the Registration Document

Jacques Blanchard, Chief Executive Officer of M.R.M.

10.2 Certification by the person responsible for the Registration Document

Having taken all reasonable steps for this purpose, I hereby certify that the information contained in this Registration Document is, to the best of my knowledge, true and that it does not contain any omissions likely to alter its scope.

I also certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and provide a fair view of the asset portfolio, financial position and results of the Company and its consolidated entities and that the management report (included in section 3.6) presents a fair view of changes in the business, results and financial position of the Company and its consolidated entities as well as a description of the main risks and uncertainties facing these.

I have received a letter from the Statutory Auditors confirming that they have completed their work and stating that they have verified the information relating to the financial position and the financial statements provided in this Registration Document, which they have read in full.

The historical financial information presented in this document is the subject of Statutory Auditors' reports included on pages 102 and 116.

The corporate and consolidated historical financial information for the year ended 31 December 2017 is available on M.R.M.'s website at www.mrminvest.com and was filed with the AMF. These financial statements were the subject of the Statutory Auditors' reports included on pages 104 and 117 of the 2017 Registration Document.

The corporate and consolidated historical financial information for the year ended 31 December 2016 is available on M.R.M.'s website at www.mrminvest.com and was filed with the AMF. These financial statements were the subject of the Statutory Auditors' reports included on pages 102 and 114 of the 2016 Registration Document.

Jacques Blanchard

Chief Executive Officer

CROSS-REFERENCE TABLE

11.

No	Information	Sections
1.	**Persons responsible**	
1.1.	Person responsible for the Registration Document	10.1
1.2.	Certification by the person responsible for the Registration Document	10.2
2.	**Statutory Auditors of the accounts**	
2.1.	Name and address of the Statutory Auditors	4.4
2.2.	Statutory Auditors that have resigned, been removed or have not been reappointed	4.4
3.	**Selected financial information**	
3.1.	Selected financial information for each financial year of the period covered	1.2.2
3.2.	Selected financial information for interim periods	N/A
4.	**Risk factors**	**2**
5.	**Information about the issuer**	
5.1.	History and development	1.3; 1.4
5.1.1.	*Company and trade name*	*3.1.1*
5.1.2.	*Place and number of registration*	*3.1.2*
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5.1.4.	*Head office, legal status, laws governing the Company's business, country of origin, address and telephone number of registered office*	*3.1.3*
5.1.5.	*Significant events in the development of the issuer's activities*	*1.4.5; 1.4.6; 1.4.7*
5.2.	Investments	
5.2.1.	*Investments made during the last three financial years*	*1.4.6*
5.2.2.	*Principal current investments*	*1.4.7*
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6.	**Overview of businesses**	
6.1.	Main businesses	
6.1.1.	*Nature of transactions carried out by the issuer and principal businesses*	*1.4.1*
6.1.2.	*New products or services launched on the market and that have been advertised*	*N/A*
6.2.	Main markets	1.4.2
6.3.	Exceptional events	N/A
6.4.	Dependence on patents or licences, on industrial or commercial or financial contracts or on new manufacturing processes	N/A
6.5.	Factors on which any declaration made by the issuer concerning its competitive position is based	N/A
7.	**Ownership structure**	
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7.2.	List of major subsidiaries	3.7 Note 3.2
8.	**Real estate, factories and equipment**	
8.1.	Significant tangible assets	1.4.4
8.2.	Description of any environmental issue that could affect the use of tangible assets	1.9, 3.6 part 4.2

No	Information	Sections
9.	**Examination of the financial position and results**	
9.1.	Financial position	3.6
9.2.	Operating income	3.6
9.2.1.	*Major factors having a significant impact on operating revenue*	*N/A*
9.2.2.	*Basis of and significant changes in revenue*	*N/A*
9.2.3.	*Strategy or factors of a governmental, economic, budgetary, monetary or political nature that significantly influenced or could significantly influence the issuer's operations, directly or indirectly*	*N/A*
10.	**Cash and capital**	
10.1.	The issuer's capital (short-term and long-term)	3.7 Note 1.4
10.2.	Cash flow	3.7 Note 1.3
10.3.	Terms of the issuer's borrowing and financing structure	1.2.2; 2.3; 3.7 Note 4.12
10.4.	Restrictions on the use of capital that has significantly or could significantly influence the issuer's operations, directly or indirectly	N/A
10.5.	Expected sources of finance	N/A
11.	**Research and development, patents and licences**	**1.8**
12.	**Information on trends**	
12.1.	Principal trends since the end of the financial year	1.4.2
12.2.	Known trends or events liable to have an effect on the issuer's prospects	1.4.2
13.	**Profit forecasts or estimates**	**N/A**
13.1.	Main assumptions on which the issuer has based its forecasts or estimates	
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13.3.	Comparability of forecasts or estimates with historical information	
13.4.	Declaration as to the validity of the forecasts	
14.	**Administrative, management, supervisory and general management bodies**	
14.1.	Administrative, management and supervisory bodies	4.1 parts 1.2 to1.13
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15.	**Remuneration and benefits**	
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16.2.	Service contracts linking members of the administration, management or supervisory bodies of the issuer or any of its subsidiaries and proving or benefits	4.2; 4.3
16.3.	Information on the Audit and Remunerations Committees	4.1 parts 1.10 and 1.11
16.4.	Compliance with the corporate governance regime in France	4.1 part 1.1
17.	**Employees**	
17.1.	Number of employees	1.7
17.2.	Profit-sharing and stock options	N/A
17.3.	Agreement providing for employees'investment in the issuer's share capital	N/A
18.	**Principal shareholders**	
18.1.	Significant shareholders not represented on the Board of directors	3.2.12
18.2.	Different voting rights	3.1.11 and 3.2.12
18.3.	Control	1.5; 3.2.12
18.4.	Agreement likely to result in a change of control of the issuer	N/A

No	Information	Sections
19.	**Operations with affiliated companies**	**4.2**
20.	**Financial information regarding the issuer's assets, financial position and results**	
20.1.	Historical financial information	3.7; 3.9
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20.4.	Verification of historic annual financial information	
20.4.1.	*Certificate of the Statutory Auditors concerning historical financial information*	*3.8; 3.10*
20.4.2.	*Other information verified by the Statutory Auditors*	*N/A*
20.4.3.	*Sources and information on the verification of information not derived from the verified financial statements*	*N/A*
20.5.	Date of the latest financial information	3.7; 3.9
20.6.	Interim and other financial information	N/A
20.6.1.	*Quarterly and half-yearly information*	
20.6.2.	*Interim financial information*	
20.7.	Dividend payout policy	3.5; 3.6
20.8.	Judicial and arbitration proceedings	2.1
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21.	**Additional information**	
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(c)	Par value per share	3.2.1
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21.1.2.	*Securities not representative of share capital*	*3.2.4*
21.1.3.	*Number, book value and par value of treasury shares*	*3.2.7*
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21.1.5.	*Information on the conditions governing any right to purchase and/or any obligation related to share capital subscribed but not fully paid-up*	*N/A*
21.1.6.	*Information on the share capital of any member of the Group that is the subject of an option or conditional or unconditional agreement providing for it to be made subject to an option*	*N/A*
21.1.7.	*History of the share capital*	*3.2.11*
21.2.	Deed of incorporation and Articles of Association	
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21.2.2.	*Any provisions contained in the Articles of Association, a charter or regulations concerning the members of the administrative, management and supervisory bodies*	*3.1.9*
21.2.3.	*Rights, privileges and restrictions attached to each class of existing shares*	*3.1.11*
21.2.4.	*Actions necessary to change shareholder rights*	*3.1.11*
21.2.5.	*Method for convening General Meetings and conditions of admission*	*3.1.10*
21.2.6.	*Any provisions contained in the Articles of Association, a charter or regulations which could have the effect of delaying, deferring or preventing a change of control*	*N/A*
21.2.7.	*Any provisions contained in the Articles of Association, a charter or regulations setting the threshold above which any investment must be disclosed*	*3.1.11*
21.2.8.	*Conditions imposed in the Articles of Association, a charter or regulations governing changes to the share capital, when such conditions are stricter than those provided by law*	*N/A*

No	Information	Sections
22.	**Significant contracts**	**5**
23.	**Information derived from third parties, experts'declarations and statements of interest**	**N/A**
24.	**Documents accessible to the public**	**9**
25.	**Information on investments**	**6**

To facilitate the reading of this Document, the cross-reference table below organises the information, in this Registration Document, making up the annual financial report that must be published by listed companies in accordance with Article L.451-1-2 of the French Monetary and Financial Code and Article 222–3 of the AMF's General Regulation.

No	Information	Sections
1.	**Corporate financial statements**	**3.9**
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3.	**Management report (based on the French Monetary and Financial Code)**	**3.6**
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	• Key financial performance indicators	paragraph 1.3
	• Main risks and uncertainties	paragraph 1.6
	• Internal control and risk management procedures relating to the preparation and processing of accounting and financial information	paragraph 1.7
	• Purpose of and policy related to hedging transactions for which hedge accounting is used	paragraph 1.3.6
	• Financial risks related to the effects of climate change and presentation of the measures taken to reduce such risks (low carbon strategy)	paragraph 4
3.2.	Company share buybacks	paragraph 3.2
4.	**Declaration by natural persons assuming responsibility for the annual financial report**	**10**
5.	**Reports of the Statutory Auditors on the corporate and consolidated financial statements**	**3.8 and 3.10**
6.	**Corporate governance report**	**4.1**

Direction and writing: MRM

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Cover photos: Benjamin Dubuis and Thierry Samuel

MRM
5, avenue Kléber
75016 PARIS
France
T + 33 (0) 1 58 44 70 00
F + 33 (0) 1 58 44 85 40
www.mrminvest.com