MRM

2019 Universal Registration Document

This Universal Registration Document was filed on 28 April 2020 with the French Financial Markets Authority (AMF), in its capacity as competent authority under Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of said regulation.

The Universal Registration Document may be used for the purpose of an offer to the public of securities or admission of securities to trading on a regulated market if supplemented by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

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

The information located on the Company's website (http://www.mrminvest.com) is not included in this Universal Registration Document, except for that included by reference. Therefore, AMF has not reviewed or approved this information.

Pursuant to Article 19 of Regulation (EU) 2017/1129, the following information is included by reference in this Universal Registration Document:

- the corporate and consolidated financial statements for the financial year ended 31 December 2018, and the Statutory Auditors' reports on said financial statements, presented on pages 106 to 115, 68 to 101, 116 to 119 and 102 to 105 of the Registration Document filed with AMF on 26 April 2019 under number D. 19-0416 (https://mrm.gcs-web.com/fr/amf-regulated-information#2018);
- the corporate and consolidated financial statements for the financial year ended 31 December 2017, and the Statutory Auditors' reports on said consolidated financial statements, presented on pages 107 to 116, 70 to 103, 117 to 120 and 104 to 106 of the Registration Document filed with AMF on 27 April 2018 under number D. 18-0423 (https://mrm.gcs-web.com/fr/amf-regulated-information#2017).

Contents

INFORMATION ON M.R.M.'S ACTIVITIES

1.

1.1 General presentation of the Company

A listed real estate company and a French real estate investment trust (*société d'investissements immobiliers cotée* – SIIC) since 1 January 2008, M.R.M. (the "Company") holds a property asset portfolio valued at €168.1 million excluding transfer taxes, as of 31 December 2019, made up of retail properties in several regions of France. M.R.M. implements an active value-enhancement and asset management strategy, combining yield and capital appreciation.

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 2019, M.R.M. completed its refocusing strategy with the sale of its last office building, Urban, in January. 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).

1.2 Key figures

1.2.1 The Group's asset profile

General data as of 31 December 2019

As of 31 December 2019, M.R.M's asset portfolio comprises only retail assets.

Property asset portfolio	12/31/2019
Portfolio value (*) excluding transfer taxes recognised in the consolidated financial statements	€168.1 m
Total area	84,900 m^2
Value breakdown	100% retail
Disposals carried out in 2019	€5.4 m

(*) *Based on appraisals by Jones Lang LaSalle as of 31 December 2019.*
The asset portfolio increased by 5.5% compared with 31 December 2018 on a like-for-like basis. The change in the asset portfolio, as recognised in the consolidated financial statements of 31 December 2019 (see Section 3.7 of this Universal Registration Document), primarily comprises 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 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 2019. 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 French Property Valuation Charter (Charte de l'Expertise en Évaluation Immobilière), 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 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 the 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, the 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.

The market rental value is "the financial consideration 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:

- the buyer and seller freely engage in the transaction;
- the 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: the French Property Valuation Charter (Charte de l'expertise en évaluation immobilière) (5th 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 2019, the average capitalisation rate of the Group's asset portfolio was 5.7%.

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

	12/31/2019
Appraiser	Jones Lang LaSalle
Date of the latest visits	79% of assets [(1)] visited less than 12 months ago 13% of assets [(1)] visited 12-24 months ago 8% 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	€168.1 m
Value in the consolidated financial statements	€168.1 m
Capitalisation rates	Between 4.3% and 7.7% (i.e. 5.7% on average)
Net yield rate	Between 4.0% and 7.2% (i.e. 5.4% on average)
Physical occupancy rate [(2)]	88%
Financial occupancy rate [(2)]	87%

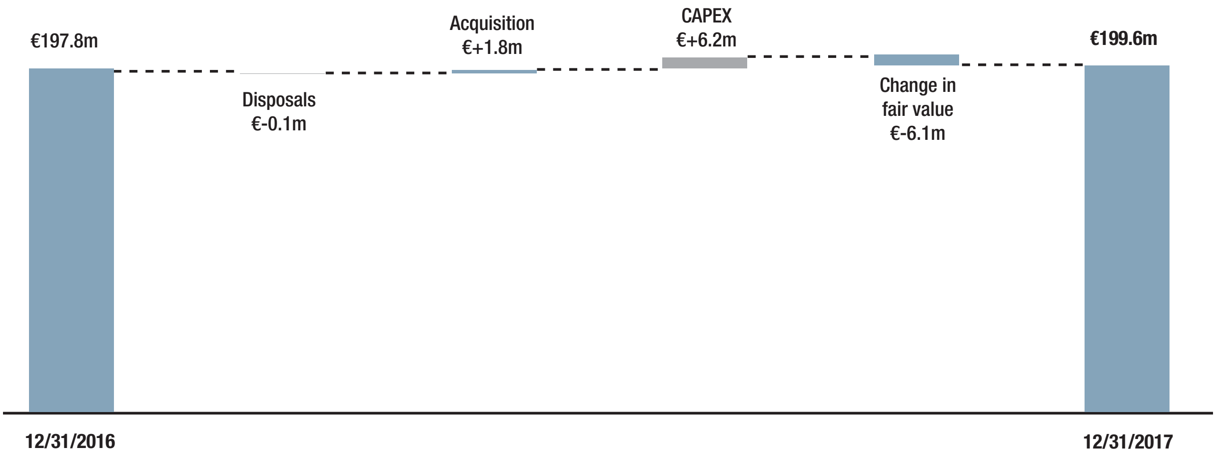
(1) In value.
(2) Calculated based on the total of existing units, including those held as strategically vacant.

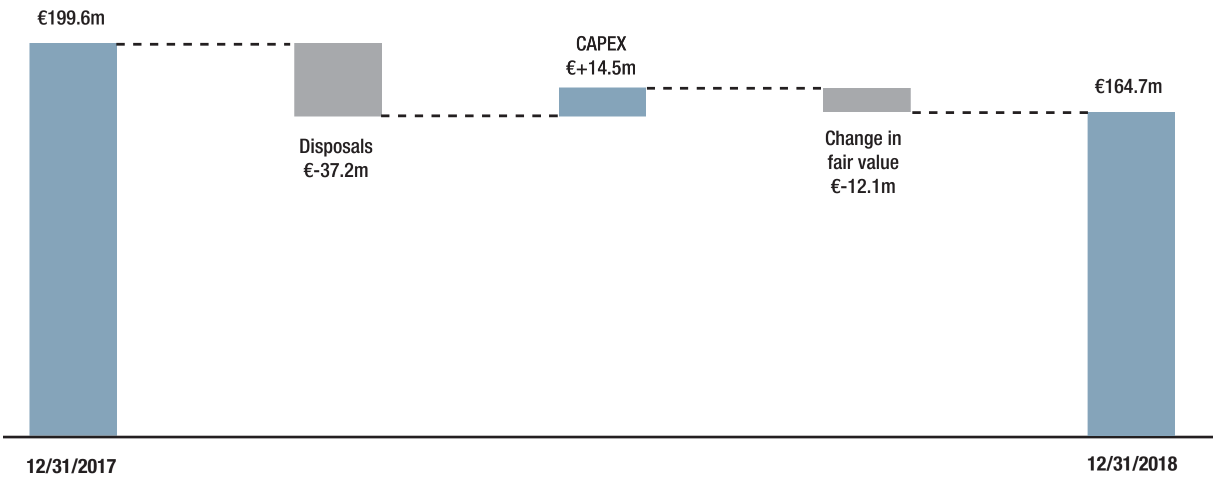
1.2.2 Financial data

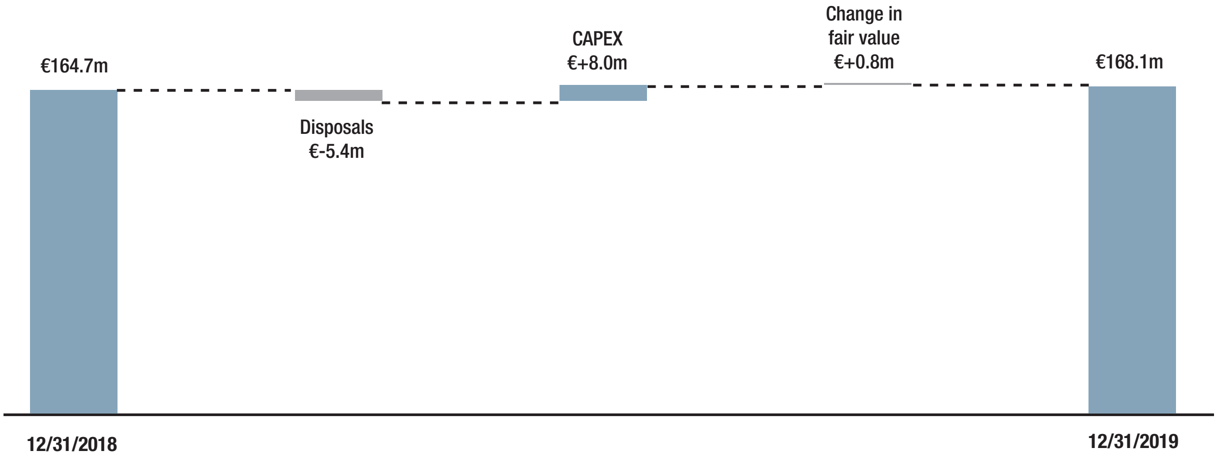
IFRS simplified balance sheet

(in millions of euros)	12/31/2019	12/31/2018	12/31/2017
Investment properties	167.9	159.1	158.5
Assets held for sale	0.2	5.7	41.1
Current receivables/assets	7.6	6.3	7.0
Cash and cash equivalents	12.3	13.5	13.4
TOTAL ASSETS	**188.0**	**184.6**	**219.9**
Equity	101.1	102.7	118.0
Financial debt	77.1	74.1	95.3
Other debts and liabilities	9.8	7.8	6.6
TOTAL LIABILITIES	**188.0**	**184.6**	**219.9**

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







IFRS simplified income statement

(in millions of euros)	2019	2018	2017
GROSS RENTAL REVENUES	9.1	9.5	11.2
Property expenses not recovered	-1.8	-2.9	-3.4
NET RENTAL REVENUES	7.3	6.7	7.8
Operating expenses	-2.5	-2.5	-2.8
Provisions net of reversals	-1.8	-0.2	0.3
Other operating income and expenses	0.8	-0.3	-1.4
OPERATING INCOME BEFORE DISPOSALS AND CHANGE IN FAIR VALUE	3.9	3.7	4.0
Result on disposals of properties	-0.1	-0.1	0.0
Change in fair value of investment properties	0.8	-12.1	-6.4
OPERATING INCOME	4.6	-8.5	-2.5
Net borrowing cost	-1.2	-1.5	-1.9
Other operating income and expenses	-0.2	-0.4	-0.2
NET INCOME BEFORE TAX	3.2	-10.4	-4.6
CONSOLIDATED NET INCOME	**3.2**	**-10.4**	**-4.6**
NET EARNINGS PER SHARE *(IN EUROS)*	**0.07**	**-0.24**	**-0.11**

Rental revenues

As the Company's portfolio refocusing process on retail property is now complete, gross and net rental revenues for 2019 were entirely generated by this sector.

Debt

As of 31 December 2019, the Group's total outstanding debt stood at €77.1 million, equivalent to 45.9% of the portfolio value excluding transfer taxes. During the financial year, Group debt increased by €3.0 million as a result of:

- draw-downs in the amount of €5.4 million on the available credit line facility intended for the partial financing of investments on existing retail property assets; partially offset by:
- contractual amortisation throughout the year, totalling €2.6 million.

As of 31 December 2019, 79.5% 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 stood at 158 basis points in 2019, down 10 points compared with 2018.

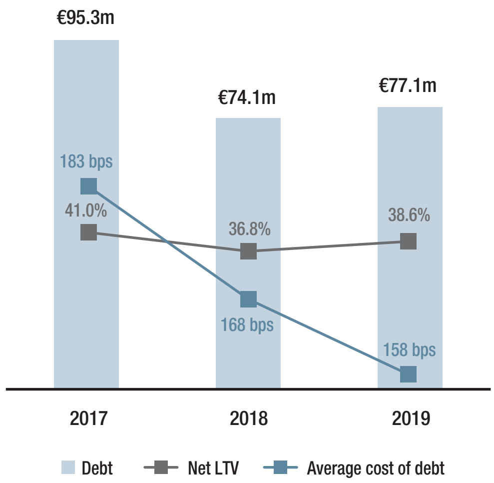
As of 31 December 2019, taking into account cash and cash equivalents available for a total of €12.3 million, the Group's total net debt was €64.8 million, representing 38.6% of the portfolio value excluding transfer taxes.

As of 31 December 2019, the Group complied with all commitments in respect of the LTV, ICR and DSCR covenants agreed with its banking partners. The maximum thresholds are 45.2% to 65.0% for the LTV covenants, and the minimum thresholds are 130% to 300% for the ICR/DSCR covenants.

	12/31/2019	12/31/2018	12/31/2017
FINANCIAL DEBT	€77.1 m	€74.1 m	€95.3 m
Average cost of debt (1)	158 bps	168 bps	183 bps
CASH AND CASH EQUIVALENTS	€12.3 m	€13.5 m	€13.3 m
LOAN TO VALUE (LTV) (2)	**45.9%**	**45.0%**	**47.7%**
TOTAL NET DEBT (3)	**38.6%**	**36.8%**	**41.0%**

(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 2019, 79.5% of the Company's bank loans were contracted at fixed rates and 46% 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 2019, the loan repayment schedule (apart from any property disposal repayments) was as follows:

Loan maturities	Amount	In%
2020	€2.4 m	3.1%
2021	€53.5 m	69.4%
2022	€21.2 m	27.5%
TOTAL	**€77.1 m**	**100%**

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

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 2019 totalled €0.9 million.

Net Asset Value and Balance Sheet

The Net Asset Value ("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 properties and properties held for sale were entered at "market value" on the Group's consolidated balance sheet as of 31 December 2019.

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

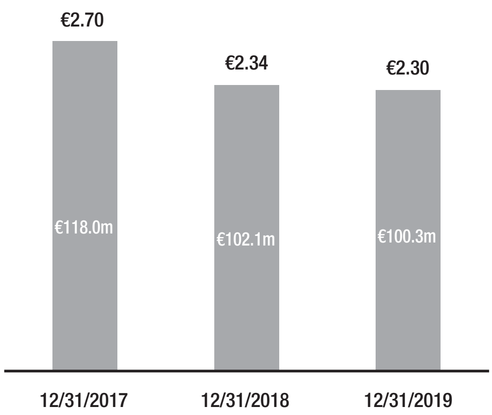
- EPRA NAV, which consists of the revalued equity of the Group, i.e. based on the fair value of consolidated assets and liabilities. It corresponds to the long-term intrinsic value of the real estate company;
- EPRA NNNAV, which is composed of the EPRA NAV, incorporating the fair value excluding transfer 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 2019, the Group's EPRA NNNAV was €2.30 per share and its replacement NAV was €2.55 per share, compared with €2.34 per share and €2.59 per share respectively as of 31 December 2018.

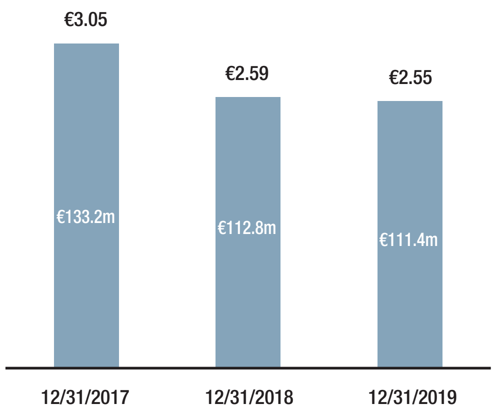
The Net Asset Value in euros per share changed as follows over the past three years:

NAV Data	12/31/2019	12/31/2018	12/31/2017
EPRA NNNAV	€100.3 m	€102.1 m	€118.0 m
EPRA NNNAV/share	€2.30	€2.34	€2.70
Replacement NAV/share	€2.55	€2.59	€3.05

► EPRA NNNAV



► REPLACEMENT NAV



Cash flow statement

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

(in millions of euros)	12/31/2019	12/31/2018	12/31/2017
CONSOLIDATED NET INCOME	3.2	-10.4	-4.6
CASH FLOW	5.5	3.6	3.5
Change in operating working capital	-2.4	0.8	-1.8
Change in cash flow from operations	3.1	4.4	1.7
Change in cash flow from investing activities	-1.0	24.0	-7.9
Change in cash flow from financing activities	-3.3	-28.3	-5.4
NET CHANGE IN CASH AND CASH EQUIVALENTS	-1.2	0.1	-11.6
Opening cash and cash equivalents	13.5	13.4	25.0
Closing cash and cash equivalents	12.3	13.5	13.4

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 French Financial Markets Authority (*Autorité des Marchés Financiers* - 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 merger of Dynamique Bureaux with M.R.M. and the contribution by Commerces Rendement of its shares (directly and indirectly with the contribution of all 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 (8th arrondissement);
- modification of the Company's Articles of Association;
- authorisation to carry out capital increases.

30 January 2008: M.R.M. opted for the status as a French real estate investment trust (*société d'investissements immobiliers cotée* – SIIC) 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 the letting of buildings and from capital gains tax on the 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 year 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).

The corporate tax on unrealised capital gains, deferred taxes, and untaxed profits, levied at 16.5% (generally referred to as the 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:

- the letting of buildings, provided that 95% of such earnings are distributed before the end of the financial period in which they are generated;
- the capital gains on the 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 70% of such capital gains are distributed before the closing of the second financial year following their realisation;
- the 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 year 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. It primarily comprised 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 DB Dynamique fiinancière, a wholly 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.

Further details on the M.R.M. group are given in Section 1.3 of the management report in Section 3.6 of this Universal Registration Document, to complement some of the information provided in the presentation of the M.R.M. group.

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. This business requires 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. Specific focus is given to developments in this market in Section 1.4.2 "The commercial property market in 2019". 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 the 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 Cogédim, 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 in January 2019 of the Group's last office building, Urban, located in Montreuil.

Between 2013 and 2019, the Group will have thus 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 €34.5 million was already committed as of 31 December 2019. 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 Commercial real estate market in 2019

France Retail Investment

Source: CBRE study, Market view – France Retail Investment, Q4 2019

The cautious return of investors

2019: Finally a good year

Despite retail's still suffering reputation, 2019 retail investment totalled €5.7 billion compared with €4.7 billion in 2018 (+20%). Yet abundant capital has not fully stabilised the retail market: retail represents 16% of all corporate real estate investment, versus 22% on average from 2009 to 2016. Investors are cautiously returning to this asset category, favouring high street and prime assets located in shopping centres. Distributor transactions have also sustained the market.

In 2019, French institutional investors were the main buyers of commercial assets (56% totalling €3.2 billion), followed by North Americans (€1.2 billion). With a single transaction (€613 million), Norway was the third largest investor in commercial assets in France.

Although Paris remains a priority location for investors (58% at €3.3 billion), the Lyon region has surged ahead of other regional markets. An unprecedented €667 million were invested in the Lyon retail market in 2019. This included ADIA's sale of city centre assets: €546million sale to Amundi Immobilier and Crédit Agricole Centre-Est (at 3.7%), and €69 million sale to Primonial. The sovereign fund, which had acquired the assets in 2013, realised a significant value-add.

High street takes the lead

Highstreet retail in city centres remain the most sought after products. In 2019, high street retail investment totalled €2.7billion, i.e., nearly half of all retail investment for 2019. This market segment is disproportionately appealing to investors, particularly when it comes to luxury retail. UBS acquired 3 stores on the Avenue Montaigne for €250 million at a yield of 2.95% and AEW purchased 9 Rue du Faubourg Saint-Honoré for €130 million. Also, investor appetite for assets with potential can be seen in BNP's acquisition from Thor Equities of 51-53 Boulevard Haussmann for €130 million. Renowned addresses remain highly sought after: Norges purchased the Nike flagship store at 79 Avenue des Champs Elysées for €613 million (yield < 3%).

Due to the scarcity of prime assets, shopping centre investment has decreased proportionally, but remains stable on the whole: €1 billion in 2019. When market fundamentals are clear, shopping centres remain highly sought after, despite concerns raised by retail's structural transformation: rise of e - commerce, retail space saturation, difficulties experienced by mass market brands and mass distribution, etc.

French institutional investors with core strategies were exceptionally active in this market. AXA IM acquired 75% of Italie 2 for €433 million and 50% of the Passage du Havre for €203 million from Hammerson and Eurocommercial, with respective yields of 4.1% and 3.7%. Core + assets are also prized by investors interested in redevelopment. The Centre Batignolles was sold by the Duval Group to Primonial for €100 million at a yield of 4.5%. New investors also showed interest in opportunistic assets. The Société des Grands Magasins purchased the Okabé shopping centre for €44 million; Carlyle, in conjunction with Othrys AM, acquired the Canyon portfolio for €45 million, which Ceetrus sold in the context of its arbitrage strategy.

With its hand forced due to a lacklustre performance, the Casino Group sold two portfolios to Apollo Global Management and to Fortress for €497 million and €501 million, respectively.

Outlook

The sale of shopping centre portfolios points to major investment volumes for 2020, which should reach approximately €4 billion.

The retail market

Source: Extract from the CBRE study: "Real estate outlook France – Au-delà des marchés en 2020, quel(s) immobilier(s) à l'horizon 2030? (Looking beyond 2020 markets to real estate outlook in 2030)".

Both companies and investors are continuing to adapt to meet the new challenges arising from the major changes across the sector.

Changes in consumer trends

2019 saw structural changes to consumer trends which went beyond economic fluctuations. These include an increase in the proportion of housing costs in relation to overall household expenses (now 20%), a collapse in the personal goods sector (down to under 3%), a fall in the food sector (10%) and an increase of leisure (13%) and well-being (3.5%) expenses, reflecting new requirements and the choices that need to be made.

Personal goods are one of the sectors which is struggling the most. The revenues of French textile and clothing distributors are in constant decline (down 2.8% in 2018 and 1.3% over the first nine months of 2019). Both French and international mass market ready-to-wear brands are fighting challenges which point to a sector in crisis, including cutbacks at Vivarte and Happy Chic, the withdrawal of Forever 21 and New Look from the French market, and a poor performance from Gap. Ready-to-wear brands such as H&M, Inditex and Camaïeu are making trade-offs to focus on more profitable locations.

New products and services to meet new requirements

Physical retail is currently undergoing structural changes linked to changes in consumer trends, to fulfil new consumer aspirations and the rise of e-commerce. The retail economy is continually rebuilding itself, whereby it is seeking new concepts and developing services and new distribution processes. All brick and mortar stakeholders are now implementing omni-channel strategies, where digital boosts the range of services open to customers (click and collect, drive through, home delivery, etc.). The growth and survival of retail businesses is therefore increasingly dependent on their ability to adapt to these changes.

In 2019, with France's first shopping centres celebrating their 50th anniversaries, the traditional model is now under question. As a result, the 230,000 m^2 Europacity retail project in Seine-Saint-Denis was abandoned, as it was deemed to be "out-of-date and obsolete". Indeed, the construction of new centres has been scaled down, with the emphasis on consolidating existing facilities. Many shopping centres are struggling with the changes in consumer behaviour and competition from online services.

They are inventing new concepts, developing an events offer, and incorporating a wider and more original range of leisure and restaurants to adapt to consumers' changing preferences. For example, the Cap 3000 extension will include an aquarium, while Créteil Soleil will house six cinema screens and 15 new restaurants. The new Lillenium centre due for completion in April 2020 will include a range of restaurants, as well as a 1,266 m^2 children's play area.

New locations and new formats

Brands are developing new formats which are adapted to their customers and location. New sites are guided by footfall, distribution criteria and catchment area. Therefore, traditionally suburban brands are now moving to city centres to move closer to the consumer. DIY and home retailers are now following in the footsteps of supermarkets by creating smaller outlets to meet the needs of urban customers. Ikea opened its first city centre store in the Madeleine area of Paris, while Gifi has developed urban concept stores, and Leroy Merlin has launched DIY workshops in the capital's Marais district. As well as opening more small urban outlets, major supermarkets with very large surface areas are reducing the retail area of their hypermarkets, refocusing more on food, and upgrading the quality of their products.

Transit points such as stations, airports and motorway service stations are also developing commercial products and services to suit the needs of their visitors. Although transit point retail is not a new idea, strong performance in this area suggests that the structuring and diversification of commercial products and services is realigning with new consumer requirements. Moreover, although the model still needs to be proven, the number of outlets located in new mixed areas is steadily rising to meet urban, local and service demands.

High streets as the preferred target of investors

For a number of years now, retail property has suffered from changes which have rocked the sector and shaken investor confidence. Between 2012 and 2017, the share of retail property in the total standard commercial property investments in France therefore dropped from 24% to 13%. However, confidence in this asset class is gradually returning, as shown by the high volume of commitments for 2019 (€5.7 billion). Current trends are flattening out, and 2020 investment volumes look to be maintained if slightly down.

In the shopping centre segment, institutional investor appetite is set to remain high for well-located, strong assets such as Italy 2, of which 75% has been purchased by AXA IM. However, in line with new brand location approaches, city centre high-street locations are the most sought-after. Luxury segment revenue, which differs from the remainder of the sector, looks set to continue its strong performance in 2020.

Asset type	Location	Yield rate December 2019
	Île-de-France	2.75% - 3.75%
City centre no. 1	Regions	3.25% - 5.50%
	Île-de-France	3.85% - 5.25%
City centre nos. 1a or 2	Regions	5.50% - 8.25%
	Île-de-France	3.90% - 6.00%
Regional shopping centres	Regions	4.00% - 7.00%
	Île-de-France	4.75% - 7.75%
Retail park	Regions	5.00% - 9.00%

Source: CBRE Research, Q4 2019

1.4.3 The Group's analysis of market trends

Against a backdrop of an economic slowdown with a Gross Domestic Product growth rate of 1.2% and an 11% growth in online sales (slightly down on previous years), 2019 saw continued changes to the physical retail sector. However, household purchasing power was up by 2.1% (a greater increase that the previous year), while the French National Council of Shopping Centres (*Conseil national des centres commerciaux* – CNCC) index on shopping centre footfall for 2019 was up to 100.3%, following several years of decline.

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. According to the French Federation of E-commerce and Distance Sales (*Fédération du e-commerce et de la vente à distance* – FEVAD), the market share of goods sales for e-commerce website operators without physical stores is 4.5%.

These developments underline 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 2019

In January 2019, the Group finalised the office assets disposal plan which it launched in 2013. At the end of 2019, the portfolio comprised retail assets only with a total area of 84,897 m², and was valued at €168.1 million, compared with €159.3 million at 31 December 2018 on a like-for-like basis.

This 5.5% increase over the year is due to the progression of the value-enhancement plan during that period.

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 53,650 m². 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 75,582 m². 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 1,000 m² 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 offiice 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 entry of SCOR SE into its capital, M.R.M. has 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.

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

In 2018, M.R.M. sold the Nova office property in La Garenne-Colombes for the sum of €38.0 million, excluding transfer taxes. 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.

In January 2019, M.R.M. announced the sale of Urban, an unoccupied 7,970 m² office property in Montreuil, for the sum of €6.35 million excluding transfer taxes. This transaction marks the completion of the process to refocus M.R.M.'s asset portfolio 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.

A property portfolio refocused on retail assets

	12/31/2019	12/31/2018
Value excl. transfer taxes	**€168.1 m**	**€164.7 m**
	+2.0% vs 12/31/2018	-17.5% vs 12/31/2017
	+5.5% excl. effect of disposals	+1.5% excl. effect of disposals
Total area	**84,897 m²**	**94,397 m²**
Value breakdown	100% retail properties	97% retail / 3% office properties

The Group's retail properties are located in the Paris region and in large cities in the provinces. Diverse assets types are covered, including shopping centres and malls, high-street retail units, independent suburban retail premises and premises in retail parks. The vast majority of the 134 retail property tenants are national and international brands. Together, these retailers account for 79% of annualised gross rent.

As of 31 December 2019, the portfolio surface area under development covered 84,897 m², with a value of €168.1 million excluding transfer taxes. 2,600 m² of additional space is under construction for the expansion of the Valentin shopping centre in Besançon: the building shells were initially due to be delivered in the second quarter of 2020, with the centre opening to the public in the third quarter of 2020. As indicated in paragraph 1.4.6 "Recent events" of this Universal Registration Document, the health crisis linked to the COVID-19 epidemic has temporarily halted the work. M.R.M. will update the completion schedule once the situation is back to normal.

The physical and financial occupancy rates were up to 88% and 87% (respectively), both up four points on 31 December 2018. Like 2018, 2019 was marked by dynamic rental activity with 41 new leases or lease renewals signed representing annual rents of €2.1 million.

The retail asset portfolio generated a annualised net rent [(1)] of €8.5 million as of 31 December 2019, up 4.0% on the year-earlier level of €8.2 million.

During 2019, the investments in the properties portfolio stood at €8.0 million. These were primarily:

- the refurbishment of Galerie du Palais in Tours, which will be renamed Le Passage du Palais;
- works to subdivide one of the units at the Aria Parc retail park in Allonnes, to create 1,200 m² of space for a new anchor brand;
- the redevelopment and extension of the Valentin shopping centre in Besançon, the largest project in M.R.M.'s investment plan. After the existing mall was refurbished in 2017, in the second quarter of 2018 the next phase of the project began to create 2,600 m² of rental space, requiring a partial redevelopment of the mall. The total surface area of the mall will be brought to 6,700 m² 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. As indicated in paragraph 1.4.6 "Recent events" of this Universal Registration Document, the health crisis linked to the COVID-19 epidemic has temporarily halted the work. M.R.M. will update the completion schedule once the situation is back to normal.

(1) Excluding taxes, rent-free periods and support measures for lessees.

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

Property	Asset type	Location	Area (in m²)
Aria Parc, Allonnes (72) – ZAC du Vivier – Route de la Bérardière	*Retail park*	Le Mans	12,804
Carré Vélizy, Vélizy-Villacoublay (78) – 2-4, avenue de l'Europe	Mixed complex	Île-de-France	11,624
Sud Canal, Saint-Quentin-en-Yvelines (78) – 41, boulevard Vauban, Montigny-le-Bretonneux	Shopping centre	Île-de-France	11,609
Mer (41) – Gamm Vert – Portes de Chambord	ISRP	Centre	8,616
Les Halles du Beffroi, Amiens (80) – Place Maurice Vast	Shopping centre	Amiens	7,405
Galerie du Palais, Tours (37) – 19, place Jean Jaurès	Shopping mall	Tours	6,833
Passage de la Réunion, Mulhouse (68) – 25, place de la Réunion	Shopping mall	Mulhouse	6,014
Centre commercial Valentin, École-Valentin (25) – 6, rue Châtillon	Shopping mall	Besançon	3,013
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			**84,897**

ISRP: independent suburban retail premises.

Retail	12/31/2019	12/31/2018
Portfolio value (1)	€168.1 m	€159.3 m
Total area	84,897 m²	86,427 m²
Location (2)	59% in the provinces	59% in the provinces
	41% in the Paris region	41% in the Paris region
Physical occupancy rate (3)	88%	84%
Financial occupancy rate (3)	87%	83%
Annualised net rents (4)	€8.5 m	€8.2 m
Overview of tenants:		
Number of tenants	134	128
Share of national and international brands	79% of rents received (Action, Basic-Fit, Carrefour Market, Fitness Park, Gamm Vert, Gautier, Habitat, Indiana Café, Office Depot and Simply Market)	82% of rents received (Action, Basic-Fit, Carrefour Market, Fitness Park, Gamm Vert, Gautier, Habitat, Indiana Café, Office Depot and Simply Market)

(1) Excluding transfer taxes.
(2) Based on values excluding transfer taxes.
(3) Based on the total of existing units, including those held as strategically vacant.
(4) Excluding taxes, rent-free periods and support measures for lessees.

► LEASE MATURITIES OF THE MAIN TENANTS

Tenants	% of rents	Lease type Maturity
Tenant no. 1	5.0%	6-9-10 lease 06/2028
Tenant no. 2	5.0%	6-9-12 lease 01/2021
Tenant no. 3	4.7%	6-9-12 lease 07/2021
Tenant no. 4	3.1%	4-6-9 lease 12/2025
Tenant no. 5	2.6%	6-9-10 lease 08/2026
Tenant no. 6	2.6%	3-6-9 lease 12/2023
Tenant no. 7	2.2%	6-9-10 lease 06/2028
Tenant no. 8	2.0%	9-10 lease 06/2029
Tenant no. 9	1.9%	3-6-9 lease 03/2023
Tenant no. 10	1.8%	3-6-9 lease 10/2027
TOTAL RENT FROM TOP 10 TENANTS	**31.0%**	

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

A total of €8.0 million was invested in the retail property portfolio in 2019. This relates mainly to the completion of the 2,600 m² redevelopment/extension to the Valentin shopping centre in Besançon, the refurbishment of Galerie du Palais in Tours, which will be renamed Le Passage du Palais, and the subdivision of a unit at the Aria Parc retail park in Allonnes in order to create 1,200 m² for a new anchor brand.

(in millions of euros)	2019	2018	2017
Acquisitions	-	-	1.8
Investments/CAPEX	8.0	14.5	6.2
TOTAL	**8.0**	**14.5**	**8.0**

1.4.6 Recent events

Status of the 3,300 m² retail space in Aria Parc

Following Conforama's decision to wind up the Maison Dépôt business due to the group's financial difficulties, the lease covering an area of 3,300 m² in the Aria Parc retail park in Allonnes was subject to an early amicable cancellation in January 2020. M.R.M. received a cancellation penalty to redress the harm caused.

Health crisis linked to the COVID-19 epidemic

Press release of 30 March 2020

On 30 March 2020, M.R.M., announced the measures implemented within the context of the COVID-19 epidemic.

In accordance with current regulations in France regarding retail trading aiming at stopping the virus from spreading, only retailers selling first necessity products remain open to the public within M.R.M.'s portfolio.

In line with *Conseil National des Centres Commerciaux* recommendations and in order to support tenants that have had to close their stores pursuant to the ministerial decrees of 14 and 15 March 2020 concerning various measures aiming at stopping the spread of the COVID-19 epidemic, M.R.M. has suspended collection of April 2020 rents and service charges and informed them of the option of paying their rents and service charges for the second quarter of 2020 on a monthly basis. These measures aim to help retailers and independent shops facing a difficult cash position in the current circumstances.

For tenants that have kept trading but had their business severely impacted by the crisis, their situation will be considered on a case-by-case basis.

Furthermore, while maintaining the necessary means to ensure people's safety and assets protection, M.R.M. has taken steps to reduce its property expenses during this period.

With these measures, M.R.M. intends to play its part in the efforts asked to everyone to limit the duration and the impact of the COVID-19 crisis.

Valentin shopping centre extension works have been stopped and the Company will revise its completion schedule once the situation is back to normal.

The Company is monitoring how this unprecedented situation develops on a daily basis and, if required, will take further appropriate measures.

Press release of 3 April 2020

Given the difficulties of holding annual shareholders' meetings in the current context of the COVID-19 pandemic, at the request of the Chairman, the Board of directors of M.R.M. decided at its meeting of 2 April 2020 to postpone the holding of the Company Annual Shareholders' Meeting to 26 June 2020. This Annual Meeting was initially set for 26 May 2020.

Owing to the current situation, the Board of directors reserves the possibility to revise the indications given on 28 February 2020 related to the shareholders' distribution for 2019.

A press release will be issued at a later date to inform shareholders of the arrangements regarding the holding of the company's Annual Shareholders' Meeting, as well as of the availability of the preparatory documents, including the resolution related to the distribution for 2019 that will be submitted to shareholders' approval.

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. M.R.M. expects to complete the plan in 2020.

Of the seven programmes included in the plan, five were completed in previous financial years. The refurbishment of Galerie du Palais in Tours, which will be renamed Le Passage du Palais, was completed in the first half of 2019. The partial redevelopment and extension of the Valentin shopping centre, the last ongoing project and the largest project in the investment plan, should have been completed at the end of the first half of 2020, has been stopped in March 2020 due to the health crisis linked to the COVID-19 epidemic. As mentioned in Section 1.4.6 "Recent events" of this Universal Registration Document, M.R.M. will revise its completion schedule once the situation is back to normal; more generally, it is monitoring how this unprecedented situation develops on a daily basis and, if required, will take further appropriate measures.

Beyond the completion date of the investment plan, M.R.M plans to continue letting its still vacant premises. Taking into account the spaces from the extension of the Valentin shopping centre, and assuming an occupancy rate of 95% for the portfolio, M.R.M. confirms its total annualised net rent target for its retail assets of over €10 million (excluding acquisitions or disposals), compared with €8.5 million as of 31 December 2019.

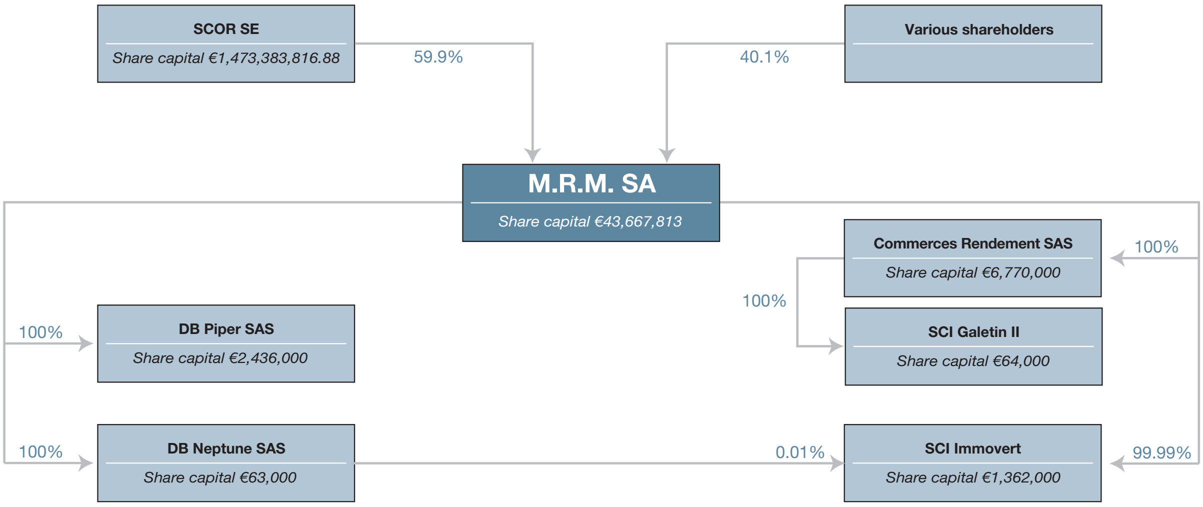
M.R.M. will continue to review the ongoing business dislocations and trends in the rental markets in terms of demand and rental values. M.R.M. will also continue to review the investment market, with a view to carrying out further acquisitions, and launching portfolio rotation through asset disposals.

In keeping with its 2020 climate objectives as presented in Section 4.3 of the management report included in Section 3.6 of this Universal Registration Document, M.R.M. will continue its efforts to reduce energy consumption on its property assets, inform tenants and service providers of best environmental practices and develop local initiatives in its capacity as a cornerstone of regional economies.

1.5 Group ownership structure

The list of consolidated entities as of 31 December 2019 appears in Section 3.7 "Consolidated financial statements for the financial year ended 31 December 2019" of Note 3.2 "List of consolidated entities" to the consolidated financial statements in this Universal Registration Document.

At the date of this Universal Registration Document, the Group ownership structure is as follows:



As of 31 December 2019, following the dissolution without liquidation of non-trading property company (société civile immobilière) Noratlas through the universal transfer of its assets to M.R.M. At present, M.R.M. controls five companies, compared with six the previous year.

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 appear in Note 3.2 "List of consolidated entities" in Section 3.7 "Consolidated financial statements for the financial year ended 31 December 2019" of this Universal 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 financial year ended 31 December 2019" of this Universal Registration Document.

Details of each subsidiary's activities can be found in Section 1.3.1 "Property assets" of Section 3.6 "Management report for the financial year ended 31 December 2019" of this Universal Registration Document.

The main financial flows between M.R.M. and its subsidiaries, namely credit facilities, chairman fees and service fees, can be found in the "List of subsidiaries and affiliates" and "Breakdown of net revenue" notes in Section 3.9 "Separate financial statements for the financial year ended 31 December 2019" of this Universal Registration Document.

The structure of M.R.M.'s balance sheet is presented in Section 3.9 "Separate financial statements for the financial year ended 31 December 2019" of this Universal 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.

SCOR, the world's fourth largest reinsurer, offers its clients a diversified and innovative range of solutions and services to control and manage risk. True to its motto "The Art & Science of Risk", SCOR uses its industry-recognised expertise and cutting-edge financial solutions to serve its clients and contribute to the welfare and resilience of society. SCOR offers its clients an optimal level of security with its AA- rating from the S&P and Fitch rating agencies. In 2019, the SCOR Group generated premiums of more than €16 billion and served clients in more than 160 countries from its 38 offices worldwide.

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 AMF.

The SCOR group is organised around four main 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 Universal 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 any dividends that M.R.M. may pay to SCOR SE, the latter being a shareholder, the only other existing financial flows between the two parties are rents and rental expenses paid to SCOR SE for office premises located on Avenue Kléber in Paris, for an annual amount of €50,000, including expenses. For more information on SCOR SE, see www.scor.com.

M.R.M. has an in-house management team (general management, financial management and asset management). 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.

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 Universal Registration Document).

A free share allocation plan was set up in 2019 for employees of the Company. Information on this free share allocation plan can be found in Section 3.3 "Employee share ownership" of Section 3.6 "Management report for the financial year ended 31 December 2019" of this Universal Registration Document.

Currently, no employees of the Company or its subsidiaries are in receipt of stock options. 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 Universal 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 Universal Registration Document.

1.10 Significant changes in the financial or commercial position

2019 was M.R.M.'s twelfth 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 since the SCOR Group entered the Company's share capital, M.R.M. has refocused its strategy on the holding and management of retail properties.

2.

RISK FACTORS

2.1 Risk management

The Company must address both generic risks arising from the economic or regulatory environment, or from the day-to-day running of a business, together with risks specific to its business activities, business sector or structure.

As these risks are constantly changing, they need to be identified, updated and regularly monitored. Risk management should not aim for an entire hypothetical elimination of risks, but instead should define what level of risk control is required in order for the Company to continue its day-to-day activities and implement its strategy.

In 2019, the Company implemented a risk management tool. This tool provides a full risk map and identifies the risks to which the Group is exposed, records and assesses current procedures and puts in place actions to add to or optimise risk response. This work was undertaken by general management, in collaboration with administrative and financial management and asset management. It was then presented and subject to an in-depth review at the Audit Committee meeting of 27 February 2020. The map will now be updated and reviewed on a yearly basis.

The risk map has identified 42 risks under 6 main categories:

- 7 risks linked to the economic environment, consumer habits and buying behaviours;
- 9 financial risks;
- 11 operational risks;
- 8 legal and tax risks;
- 5 environmental, social and governance risks (ESG);
- 2 IT risks.

M.R.M. has ranked the identified risks based on (i) their probability, and (ii) the estimated scale of their negative (financial, legal and/or reputational) impact.

The risk occurrence probability is based on its probability of occurrence over a 12-month period, based on a subjective assessment conducted as part of the risk management process described above. It is divided into three levels: low, moderate and high.

When assessing the estimated scale of the negative impact, the Company takes into account the prevention, mitigation and protection measures that it has put in place, thereby measuring the "net" impact of the risk. This is also divided into three levels: low, moderate and high.

The risks that the Company deems as the most significant are those identified with one of the following combinations:

- net impact listed as "moderate", with a "moderate" or "high" risk of occurrence;
- net impact listed as "high", with a "moderate" or "high" risk of occurrence.

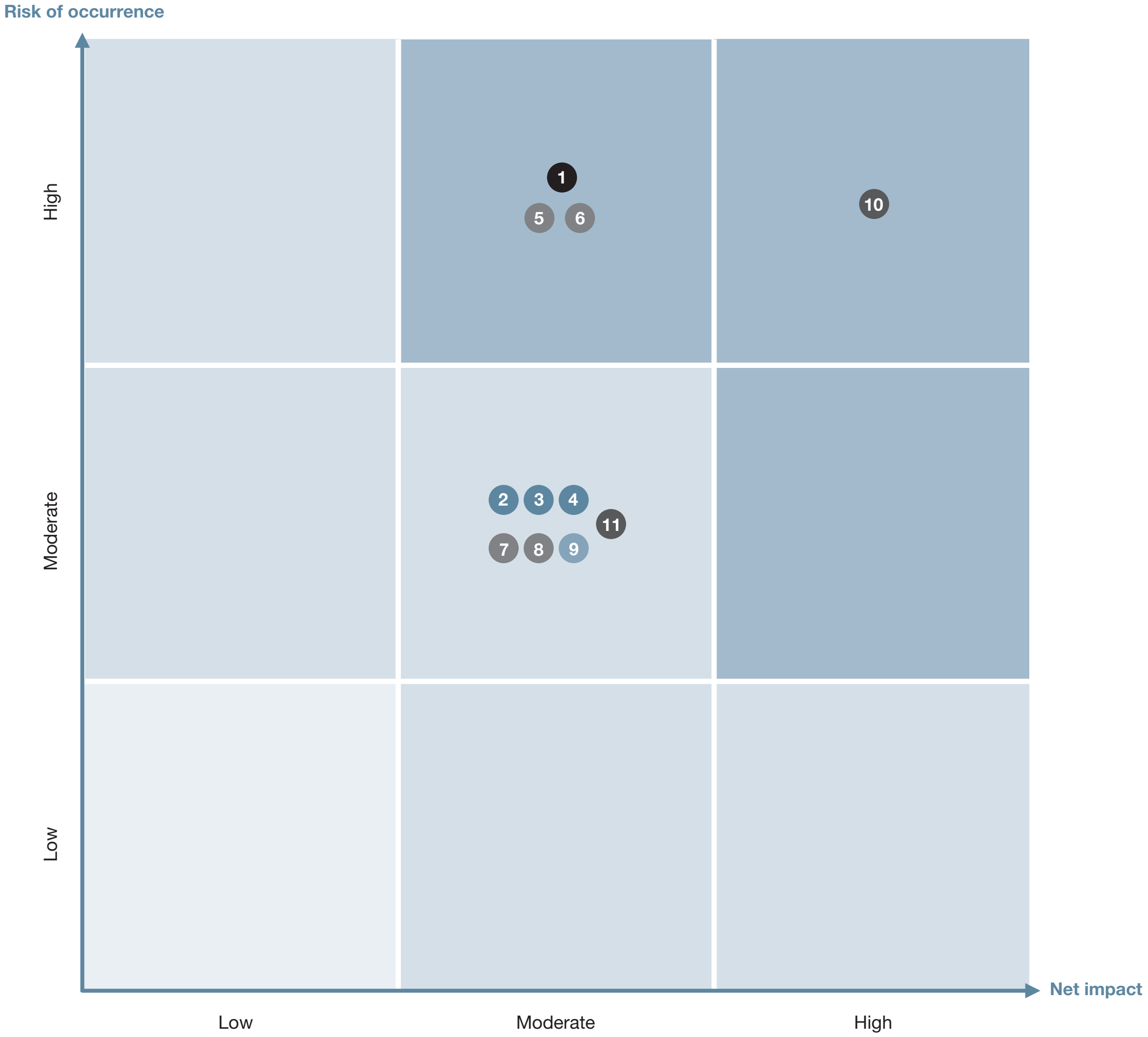
In accordance with the "Prospectus" Regulation (EU) No. 2017/1129 which came into force on 21 July 2019, detailed in Section 2.2, M.R.M. sets out what it deems to be the most significant risks to which it is exposed and which could have an adverse effect on its business, financial position or results, or on its ability to meet its objectives.

2.2 Main risk factors

The risks detailed below are presented:

- in the form of net risks (gross risks offset by prevention, mitigation and protection measures);
- by category; and
- by decreasing order in each category (with the top risks being those which have the greatest impact). Risk priority is measured based on a combination of the probability of the risk materialising and its potential net impact on M.R.M.

Risks are classified in accordance with the risk management framework process described in Section 2.1.



1 Excess retail capacity
2 Group's refinancing capacity
3 Valuation of property assets
4 Dependence on main tenants/Counterparty risk
5 Potential issues due to having a small team
6 Non-completion or late completion of planned acquisitions or investments
7 Recruitment, loyalty of key employees and succession
8 Competition
9 Compliance with tax regulations and the SIIC regime
10 Health crisis linked to the COVID-19 epidemic
11 Climate change

- Risks linked to the economic environment, consumer habits and buying behaviours
- Financial risks
- Operational risks
- Legal and tax risks
- ESG risks

2.2.1 Risks linked to the economic environment, consumer habits and buying behaviours

1 EXCESS RETAIL CAPACITY IN FRANCE

Description of the risk and its impacts	Risk mitigation measures
In France, the huge number of shopping facility openings and extensions over the past 30 years has left some regions with excess retail capacity, while town and city centres in these regions have lost their vitality and local shops have disappeared. The excess retail capacity in France could also limit opportunities for new investments or retail projects both in city centres and retail parks. This situation could affect M.R.M.'s business activities, its rental revenues and the value of its asset portfolio, as well as limit future development projects and therefore impact its growth outlook.	All of M.R.M.'s assets are well-located, both in town and city centres and in retail parks, with a number of sites positioned as "local" containing resilient food outlets.

2.2.2 Financial risks

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 Universal Registration Document.

2 GROUP'S REFINANCING CAPACITY

Description of the risk and its impacts	Risk mitigation measures
As property investment is a highly capital-intensive business, M.R.M. needs to raise long-term financial resources in the form of loans or equity, to finance its investments and acquisitions and also to refinance any debts reaching maturity. M.R.M. is therefore exposed to market fluctuation risks in the event of a liquidity crisis or wider economic shock. Moreover, M.R.M.'s property assets are diverse in nature and spread geographically over the northern half of France. In addition, most assets are relatively small and are held in a portfolio by a single SPV. This may make it difficult to refinance bank loans when they reach maturity.	The value-enhancement plan for retail assets will end when the €53.5 million loan reaches maturity in December 2021. On that date, M.R.M.'s asset portfolio will comprise stable assets only. M.R.M. also endeavours to keep its debt at an appropriate level (the net LTV ratio was 38.6% on 31 December 2019), and its interest coverage ratio at a satisfactory level.

3 VALUATION OF THE PROPERTY ASSETS

Description of the risk and its impacts

The Company's property portfolio is appraised twice a year (on 30 June and 31 December) by an independent appraiser. 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 Universal Registration Document.

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 properties at their market 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 therefore have a direct impact on the Group's income. In this respect, as of 31 December 2019, the portfolio was valued at €168.1 million, and the change in the fair value of the properties increased the Group's income by €0.8 million.

Because the M.R.M.'s property assets are booked at market value by independent appraisers, the value thereof can be affected by variations in the assumptions used and bases used in the valuation methods (property market trends, mainly in terms of rental values, received rents and changing interest rates especially with regard to the discount and capitalisation rates employed). This has an indirect consequence on the Loan to Value (LTV) ratio which serves as an indicator of the Group's debt and liquidity risk.

Moreover, in accordance with the SIIC ethics charter, M.R.M. changes its appraiser every five years. The diverse nature of M.R.M.'s assets means that there may be a limited number of market benchmarks, leading to wider margins of discretion for appraisers. Therefore, a newly appointed appraiser may make a different assessment of the intrinsic value of the sites.

A sensitivity study as of 31 December 2019 showed that a 50 basis-point increase in the capitalisation rate would reduce the asset portfolio value by €13.7 million (down 8.1%), whereas a 50 basis-point reduction would increase it by €14.6 million (up 8.7%).

Risk mitigation measures

M.R.M. closely monitors transactions on the property market. The sensitivity of the value of the property portfolio is updated every six months, based on a 25 and 50 basis-point reduction and increase of the capitalisation rate. Therefore, the potential risk of a downgrading of appraisal values due to adverse underlying assumptions is monitored on a regular basis.

M.R.M. always uses reputable appraisal firms whose working methods are in line with the French Real Estate Appraisal Charter.

Moreover, appraiser rotations are staggered and applied in a sensible manner. Therefore, appraisers of property assets which are being restructured or subject to a value-enhancement programme will not be changed until the programme is complete.

Finally, M.R.M. endeavours to support its appraisers, so that they have the best possible knowledge and understanding of the sites assigned to them and of the issues involved.

4 DEPENDENCE ON MAIN TENANTS/COUNTERPARTY RISK

Description of the risk and its impacts

The counterparty risk refers to the credit standing of tenants and M.R.M.'s ability to recover invoiced rents, expenses and works, which has an impact on the Company's operational performance as well as its cash position.
Indeed, M.R.M.'s entire revenue is generated by renting its property assets to third parties. It results from this that any default on rent payments can adversely affect the Company.
This risk may be increased by the exposure of M.R.M.'s rents to a specific business sector or tenant. Indeed, certain tenants account for a significant proportion of the Company's annual invoiced rents. The contractual termination of one or several leases could have an impact on the level of rents received by the Company, and on its profitability.
As of 1 January 2020, the top tenant in the property asset portfolio accounted for 5.0% of the Group's annualised gross rents. The top five tenants accounted for 20.4% of the rents in the property portfolio. The top ten tenants accounted for 31.0% of the rents (compared with 30.5% as of 1 January 2019).

Risk mitigation measures

The top ten tenants operate in different and dynamic business sectors such as food, fitness and household goods, and include both national and international brands. M.R.M. monitors exposure by sector and tenant concentration on a six-monthly basis.
The main tenants are bound by firm leases that can run for three to twelve years of which the main expiration dates are provided in Section 1.4.4 of this Universal Registration Document. The clauses in such leases may provide for termination penalties.
M.R.M. aims to reduce the risks of lower rental recovery rates and financial difficulties of its tenants by (i) setting rental rates which are in line with market rates, (ii) ensuring that running expenses for its sites are kept at a reasonable level, (iii) reviewing arrears on a quarterly basis and setting up recovery measures with the property manager, and (iv) exercising its duty of care towards tenants which appear to be in difficulty, and supporting them where required.

2.2.3 Operational risks

5 POTENTIAL ISSUES DUE TO HAVING A SMALL TEAM

Description of the risk and its impacts

M.R.M. is a small organisation which as of 31 December 2019 had only five staff members (executive and employees).
The separation of duties is used by companies as an effective method of preventing internal fraud, so that one person is not performing duties that are mutually incompatible. The fact that M.R.M. has a small team could restrict options for separating duties, and therefore increase the risk of internal fraud.
In addition, the fact that M.R.M. has a small team could mean that if a staff member leaves or is unavailable, the Company may experience malfunctions and be unable to apply decisions or effectively run its business.

Risk mitigation measures

M.R.M. has implemented internal control procedures to separate "sensitive" and incompatible duties. For example, the person who places orders with suppliers does not handle the related payments, and all payments require approval by two different people.
Some of the Company's business tasks, such as property management and accounting, are outsourced to reputable and competent service providers. Outsourcing to service providers with sufficient numbers of qualified staff provides M.R.M. with flexibility.
Finally, M.R.M. ensures that it shares information internally, which is made easier by the size of its team.

6 NON-COMPLETION OR LATE COMPLETION OF PLANNED ACQUISITIONS OR INVESTMENTS

Description of the risk and its impacts

In line with its portfolio value-enhancement strategy, the Company makes investments through the refurbishment, redevelopment and extension of its sites. The late completion or non-completion of some planned investment projects could hamper the Company's development, delay the renting out of assets and have an adverse impact on its business and results.

In addition, asset rotation through property sales and purchases forms an integral part of M.R.M's strategy for the dynamic management of its portfolio. In this area also, and in an extremely competitive investment market, the late completion or non-completion of certain acquisition or sale decisions could harm the Company's growth, and have an adverse impact on its business and results.

Risk mitigation measures

The Management Committee reviews project progress, budgets and results on a quarterly basis, while the Strategic Committee carries out the same process as part of its value-enhancement plan reviews.

The Head of Asset Management regularly monitors all aspects of the progress of projects.

7 RECRUITMENT, LOYALTY OF KEY EMPLOYEES AND SUCCESSION

Description of the risk and its impacts

M.R.M. is a small organisation operating in an extremely competitive sector. As of 31 December 2019, it had only five staff members (executive and employees) and its staff are highly employable, which means that retention of talent is a high priority for M.R.M.

If M.R.M. is not an attractive employer, its ability to recruit, motivate and retain talented individuals will be reduced, particularly for key roles.

A loss of key skills, knowledge and expertise in case of high staff turnover could hamper M.R.M.'s ability to apply decisions and effectively run its business.

Similarly, if M.R.M. is unable to set up a formal succession plan for handling the departure of executive staff, this could have an adverse effect on M.R.M.'s financial position and/or results.

Risk mitigation measures

M.R.M. is implementing measures to show that it is an attractive employer. It offers competitive and appealing salary packages, and a high-quality working environment at the premises of its majority shareholder, SCOR SE. As a small company, M.R.M. is able to offer its employees a lively working structure and roles with greater variety, unlike major groups which tend to partition their services, which can be detrimental to information sharing.

M.R.M. seeks to help its employees develop and evolve and therefore pays particular attention to training and developing skills within the Company. Management devotes a great deal of attention to discussing and assessing each employee's circumstances and performance during their annual individual performance appraisal.

Finally, in 2017, M.R.M.'s Board of directors set out a succession plan for its executive corporate officers (Chairman of the Board and Chief Executive Officer). The Board reviews this plan on an annual basis.

8 COMPETITION

Description of the risk and its impacts	Risk mitigation measures
Given that there are numerous rival property companies with larger portfolios or greater financial standing, and due to its relatively small portfolio and relatively modest financial resources, M.R.M. risks experiencing a lack of visibility or difficulties to establish preferential relationships with vendors, purchasers, brands or brokers, thereby reducing its acquisition, sale or letting opportunities.	As a listed company, M.R.M. regularly communicates with the market and has therefore acquired some visibility. Its link to the SCOR group, the world's fourth largest reinsurer, has also boosted its reputation and visibility. M.R.M. also attends trade fairs and major events in the property sector, as well as maintains its professional contacts and network.

2.2.4 Legal and tax risks

9 COMPLIANCE WITH TAX REGULATIONS AND THE SIIC REGIME

Description of the risk and its impacts	Risk mitigation measures
M.R.M. is exposed to changes to French tax rules. Any increase in the tax rates imposed on M.R.M. could have a material adverse impact on the Company's business, its financial position and its operating income, leading to a fall in profitability and a decrease in its value, and making its shares less appealing to investors. Since 1 January 2008, M.R.M. has benefitted 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 share 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 addition, failure to meet this distribution obligation during the financial period would mean that the exemptions would not apply to that year. Moreover, the M.R.M. 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, M.R.M.'s main shareholder has been SCOR SE which owns 59.9% of the share capital. The loss of SIIC status could have a material adverse effect on M.R.M. Finally, M.R.M. is exposed to the risk of future modifications in the SIIC regime or the interpretation of provisions related to it by the tax and accounting authorities, which could affect the business, results and financial position of the Company. Any disagreements with the tax authorities could lead M.R.M. into tax disputes, while an incorrect tax payment could harm M.R.M.'s reputation and have a financial impact.	M.R.M. calls on expert external consultants to keep up-to-date with tax changes and their impact, and for any legal or tax-related questions that it might have. Both M.R.M.'s and SCOR's teams closely monitor SCOR's shareholding and voting rights to ensure that they do not exceed the 60% threshold. In 2019, the General Meeting of Shareholders authorised the removal of the double voting rights attached to shares in the Company registered continually for at least two years in the name of the same shareholder. This removal of the double voting rights has made it easier to monitor shareholder voting rights, and therefore to comply with any threshold disclosures, as well as making it easier to manage the ownership constraints linked to the SIIC regime.

2.2.5 Environmental risks

10 HEALTH CRISIS LINKED TO THE COVID-19 EPIDEMIC

Description of the risk and its impacts

In accordance with various regulations, including the Ministerial Orders of 14 & 15 March 2020 on halting the spread of the COVID-19 virus, and with lockdown measures introduced on 17 March 2020, only shops providing essential goods or services remain open to the public within M.R.M.'s properties, and the movements of consumers to shops are very strictly curtailed.

M.R.M.'s tenants have thus had to close or endure severe disruptions to their businesses. As a result their capacity to pay their rents and charges will likely be significantly impacted for the duration of the crisis and probably afterwards during the recovery period as well. This situation threatens M.R.M.'s rental revenues and the reimbursement of charges and taxes paid by its tenants. M.R.M. has suspended the payment of rents and charges for April 2020 for tenants who have had to close their shops and may extend this measure designed to help its tenants depending on the duration of the crisis.

Due to lockdown measures, work physical meetings between M.R.M. staff and its service providers as well as site inspections have been suspended.

Last, the extension works of the Valentin shopping centre have been suspended, which will lead to delays in the hand-over of premises to tenants and the opening of new shops to the public.

Risk mitigation measures

M.R.M.'s portfolio includes a significant proportion of retail space dedicated to food products (supermarkets, food shops), and other products and services who are authorised to remain open during the crisis.

M.R.M. has implemented measures to reduce its property expenses during this period.

M.R.M. and its main service providers have activated business continuity plans and are working well remotely.

M.R.M. has enough cash to cushion the blow of a substantial decline in rents and charges for several months.

The massive economic stimulus packages announced by the French government and the European Central Bank should limit the impact of the crisis.

11 CLIMATE CHANGE

Description of the risk and its impacts

We have observed many climatic variations due to climate change, including increased temperatures and an increase in the number of extreme weather events, including floods, storms, heatwaves and droughts.

M.R.M.'s property assets could potentially be exposed to damage caused by the impacts of climate change, such as:

- disruption to shopping centre activities, lower footfall in or temporary closure of shopping centres during heatwaves, storms, floods, etc.;
- damage to buildings and higher construction or operating costs;
- changes in consumer habits.

Risk mitigation measures

Over recent years, M.R.M. has prioritised the integration of environmental, social and governance (ESG) criteria into its business activities, both at a corporate level and at the level of its property asset portfolio. An overview of these topics can be found in Sections 4.1 and 4.2 of the management report, which appears in Section 3.6 of this Universal Registration Document.

From 2020, M.R.M. plans to move towards formalising its strategic commitments to corporate social responsibility (CSR) and introducing a consistent operations plan, in line with the Company's ambitions to reduce its carbon footprint. The structural aspects of this strategy can be found in Section 4.3 of the management report, which appears in Section 3.6 of this Universal Registration Document.

Furthermore, M.R.M. carries out energy audits on its assets and implements procedures to reduce its energy consumption and improve environmental efficiency, and incorporates major environmental risks into its investment and/or acquisition decisions.

Finally M.R.M. is also insured against extreme weather events.

2.3 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 French Official Journal of legal announcements, 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.

2.4 Other information

At the date of this Document, the Company is not aware of any ongoing or threatened administrative, judicial or arbitration proceedings 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.

The Company performed a special study of its liquidity risk and it considers that it can meet its current obligations.

3. GENERAL INFORMATION ON THE ISSUER AND ITS SHARE 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 Legal Entity Identifier (LEI)

The Company's Legal Entity Identifier (LEI) is 96950047J5JOCUPMHI30.

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

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.

The company's website is: www.mrminvest.com.

3.1.5 Consultation of legal documents

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

3.1.6 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.

3.1.7 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).

3.1.8 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).

3.1.9 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 financial year 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 IIb 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).

3.2 Information about the share capital

3.2.1 Share capital

As of the date of this Universal 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.

Since the decision by the Combined General Meeting of 29 May 2019 to cancel the double voting rights attached to shares registered for at least two years in the name of the same shareholder, the number of shares and the number of theoretical voting rights are now the same. At 31 December 2019 and 31 March 2020, therefore, the total number of theoretical voting rights was 43,667,813. Restated for treasury shares, the actual number of voting rights as of 31 December 2019 and 31 March 2020 was 43,631,618 and 43,592,028, respectively.

3.2.2 Unissued authorised share capital

In its fourteenth extraordinary resolution the Combined General Meeting of 29 May 2019 authorised the Board of Directors, under Articles L.225-197-1 to L.225-197-6 of the French Commercial Code, to award existing or future ordinary bonus shares in the Company to salaried employees and/or certain corporate officers.

The total number of ordinary bonus shares thus awarded may not exceed 0.5% of the share capital at the date of said meeting, i.e. no more than 218,339 such shares may be awarded.

The ordinary bonus shares awarded shall vest at the end of a vesting period lasting at least three years without a subsequent lockup period, subject to any award conditions in effect.

This authorisation is valid for a period of twenty-six months from the date of said meeting.

3.2.3 Convertible securities

None.

3.2.4 Non-equity securities

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

3.2.5 Potential share capital

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.

In 2019 the Company granted 32,243 free shares to employees, subject to attendance, it being specified that the Board of directors may award new or existing shares at the end of the vesting period.

The history of free share allocation approved by the Board of directors is presented in Section 3.3 of the management report shown in Section 3.6 of this Universal Registration Document.

It is noted that no free shares have been granted to corporate officers.

Free shares granted to and vested in the top ten employees who are not corporate officers	Total number of free shares granted
Free shares granted during the financial year by the issuer to the ten employees receiving the largest number of such shares within its full scope of consolidated entities	32,243
Free shares granted, and vested during the financial year, by the issuer to the ten employees receiving the largest number of such shares within its full scope of consolidated entities	0

3.2.6 Summary of current delegations or authorisations for capital increases

Current delegations and authorisations for capital increases are listed in Section 1.14 of the corporate governance report in Section 4.1 of this Universal Registration Document.

3.2.7 Treasury shares - Description of the share buyback programme

As of 31 December 2019, the Company held 36,195 treasury shares representing 0.07% of the share capital and 0.00% of the actual voting rights in the Company.

As of 31 March 2020, the Company held 75,795 treasury shares representing 0.17% of the share capital and 0.00% of the actual voting rights in the Company.

M.R.M. and Invest Securities signed a new liquidity contract effective 28 February 2020. The new contract, valid for a period of twelve months and automatically renewable, was drawn up following changes to regulations on liquidity contracts and complies with AMF Decision No 2018-01 of 2 July 2018. It replaces the previous liquidity contract with Invest Securities of 19 December 2013 effective 7 January 2014. The trades carried out under the liquidity agreement of 19 December 2013 complied with said AMF decision since 1 January 2019 when it came into force.

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 2019.

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)*
12/31/2007					8	3,501,977	28,015,816
05/29/2013	Capital decrease by reducing the par value of the shares	-24,513,839			1	3,501,977	3,501,977
05/29/2013	SCOR SE capital increase	26,155,664	27,135,917	26,155,664	1	29,657,641	29,657,641
05/29/2013	Conversion of DB Dynamique Financière bonds	14,007,888	40,768,894	14,007,888	1	43,665,529	43,665,529
12/31/2013	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 Shareholders

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 financial years:

At the date of this Universal Registration Document

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%	59.90%	60.00%
Compagnie Financière MI 29 - Eurobail	2,173,254 (1)	4.98% (1)	4.98% (1)	4.99% (1)
Treasury shares	75,795	0.17%	0.17%	-
Public	15,263,102	34.95%	34.95%	35.01%
TOTAL	**43,667,813**	**100%**	**100%**	**100%**

(1) Based on the information received by the Company on 29 January 2019 from Compagnie Financière MI 29 and Eurobail.

As of 31 December 2019

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%	59.90%	59.94%
Compagnie Financière MI 29 - Eurobail	2,173,254 (1)	4.98% (1)	4.98% (1)	4.98% (1)
Treasury shares	36,195	0.07%	0.07%	-
Public	15,302,702	35.04%	35.04%	35.08%
TOTAL	**43,667,813**	**100%**	**100%**	**100%**

(1) Based on the information received by the Company on 29 January 2019 from Compagnie Financière MI 29 and Eurobail.

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) Concert comprising companies held by the US CBRE Group, the world's leading commercial real estate advisory, namely CB Richard Ellis European Warehousing SARL, CB Richard Ellis Europe Investors Holding BV, and CB Richard Ellis Europe Investors DB Co-Invest LLC.

(2) Foreign fund of 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%
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) Concert comprising companies held by the US CBRE Group, the world's leading commercial real estate advisory, namely CB Richard Ellis European Warehousing SARL, CB Richard Ellis Europe Investors Holding BV, and CB Richard Ellis Europe Investors DB Co-Invest LLC.

(2) Foreign fund of funds acting in concert with CBRE Global Investors.

(3) Foreign fund of funds.

To the Company's knowledge and on the day this Universal 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 Universal 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 Sàrl, 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 Sàrl	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 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.

By mail received on 7 June 2019 (AMF notice no. 219C0960), followed by a letter received on 13 June 2019, the Luxembourg company Specials Fund (50, avenue J.F. Kennedy, L-2951 Luxembourg) declared, by way of regularisation, that on 29 May 2019 it had crossed below the threshold of 5% of the voting rights of M.R.M. and held, on that date and to date, 1,284,905 M.R.M. shares representing the same number of voting rights, i.e. 2.94% of the Company's share capital and voting rights.

The threshold crossing followed changes to M.R.M.'s Articles of Association made by the General Meeting of 29 May 2019 to cancel double voting rights attached to Company shares.

No other threshold crossings have been declared in the last three financial 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 of 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 financial years:

Month	Highest	Lowest	Average closing price	Traded volumes (numbers of shares)
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
April 2019	€1.43	€1.40	€1.42	122,403
May 2019	€1.42	€1.40	€1.41	60,102
June 2019	€1.41	€1.30	€1.33	267,500
July 2019	€1.38	€1.30	€1.33	255,905
August 2019	€1.39	€1.32	€1.35	76,997
September 2019	€1.44	€1.37	€1.41	62,568
October 2019	€1.46	€1.40	€1.42	47,497
November 2019	€1.53	€1.45	€1.50	150,529
December 2019	€1.55	€1.45	€1.50	159,100
January 2020	€1.50	€1.42	€1.45	325,585
February 2020	€1.50	€1.42	€1.47	103,908
March 2020	€1.48	€1.15	€1.27	201,597

M.R.M.'s stock market capitalisation as of 31 December 2019, based on the final closing price in 2019, namely €1.47, amounted to €64,191,685.11.

3.4 Employee profit-sharing plan

In 2019 the Company granted 32,243 free shares to employees, subject to attendance, it being specified that the Board of directors may award new or existing shares at the end of the vesting period.

The history of free share allocation decided by the Board of directors is presented in Section 3.3 of the management report shown in Section 3.6 of this Universal Registration Document.

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 70% 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 dividend payments for the past three financial years are presented in Section 2.4 "Dividends paid out in previous years" of the management report in Section 3.6 of this Universal 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 financial year ended 31 December 2019

Ladies, Gentlemen,

This Combined General Meeting was called in accordance with the Articles of Association and the French Commercial Code to report on the business activities of M.R.M. SA ("the Company") during the financial year ended 31 December 2019, 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 financial year

1.1.1 General presentation of the Company

M.R.M. is a listed real estate investment company that owns a portfolio consisting 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 2019, M.R.M. completed its refocusing strategy with the sale of its last office building, Urban, in January. In addition, M.R.M. has pursued the deployment of its investment plan reserved for existing retail properties, whilst 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 share 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. The Company's governance was modified to reflect the new shareholder base of M.R.M.

1.1.3 Key dates in the past financial year

30 January 2019: M.R.M. announced the disposal of Urban, an unoccupied 8,000 m² office property in Montreuil. The transaction marked the conclusion of the process of refocusing on retail property and brought the total amount of office asset disposals carried out by M.R.M. since that date to €132 million.

22 February 2019: M.R.M. published its 2018 annual results.

26 April 2019: M.R.M. announced the publication and availability of its 2018 Registration Document.

10 May 2019: M.R.M. published financial information for the first quarter of 2019.

29 May 2019: M.R.M.'s Combined General Meeting approved all of the proposed resolutions, notably the payment of premiums up to €0.11 per share and the cancellation of the double voting rights attached to shares as approved by a Special Meeting of holders of shares with double voting rights.

26 July 2019: M.R.M. published its interim results for 2019 and announced the publication and availability of the half-year financial report for 2019.

29 October 2019: After six months of refurbishment works, M.R.M. opened the Passage du Palais shopping centre in the heart of the Tours city centre.

8 November 2019: M.R.M. published financial information for the third quarter of 2019.

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 financial year ended 31 December 2019.

In 2019, Noratlas, a non-trading property company (*société civile immobilière*), underwent dissolution without liquidation by means of the universal transfer of its assets to M.R.M.

As a result, at 31 December 2019 M.R.M. controlled five companies compared with six at 31 December 2018. 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 is recalled that M.R.M. is a dedicated holding company; all property assets are held by its subsidiaries. The list of subsidiaries and affiliates can be found in Appendix 2 of this report.

1.3.1 Property assets

Following the announcement on 30 January 2019 of the disposal of the Urban office building, M.R.M.'s asset portfolio consists solely of retail property.

This 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 Chapter 1 of the 2019 Universal Registration Document.

In 2019, 41 new leases or lease renewals were signed in the retail property portfolio, representing an annual rental income of €2.1 million. As of 1 January 2020, the annualised net rent for retail properties was €8.5 million, up 4.0% from 1 January 2019. As of 31 December 2019, the occupancy rate of the retail properties was up 4 percentage points to 88% compared with 31 December 2018. This increase was due primarily to the arrival of new tenants in the Aria Parc retail park in Allonnes and the Carré Vélizy mixed complex in Vélizy-Villacoublay.

In 2019, within the context of its retail-property value-enhancement programme, the investments made in these portfolio assets amounted to €7.9 million. These were primarily:

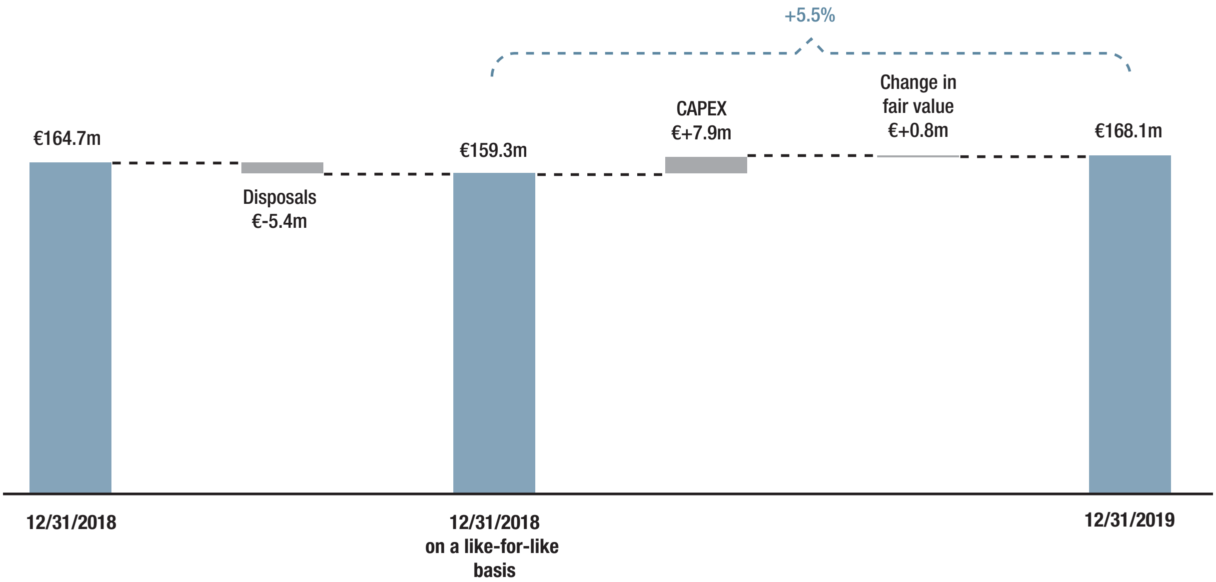
- the partial redevelopment and 2,600 m² extension of the Valentin shopping centre in northern Besançon. The completion of the works was postponed for six months to the end of the first half of 2020 [(1)].
- the refurbishment of Galerie du Palais in Tours, renamed Passage du Palais. Completed in the first half of 2019 the renovations improve the customer experience by implementing the "Synergies Centre by M.R.M." concept which focuses on modern design, exchange services and proximity. They include the creation of rest and sharing areas as well as Wi-Fi access.
- works to subdivide one of the units at the Aria Parc retail park in Allonnes to create 1,200 m² of space to house the new anchor brand that moved in during the third quarter.

1.3.2 Changes in the portfolio

As of 31 December 2019, M.R.M.'s asset portfolio stood at €168.1 million excluding transfer taxes compared with €164.7 million excluding transfer taxes as of 31 December 2018, up 5.5% on a like-for-like basis, i.e. compared with its value as of 31 December 2018 restated for the property sold in 2019, namely the Urban office building.

In 2019 M.R.M. invested €7.9 million in its properties.

As of 31 December 2019, the change in the fair value of M.R.M.'s asset portfolio was a positive €0.8 million, reflecting the progress made in the retail property value-enhancement plan during the year.



At the end of December 2019, the nine retail properties located in the Ile-de-France region and in the provinces accounted for all of M.R.M.'s portfolio value, compared to 97% a year earlier. This asset allocation reflects the completion by M.R.M. of its refocusing on retail property following the sale of the Urban office building.

As of 31 December 2019, M.R.M.'s asset portfolio covered a total area of 84,897 m².

(1) As indicated in Section 1.4.6 "Recent events" of this Universal Registration Document, the health crisis linked to the COVID-19 epidemic has led to the temporary halt of the work. M.R.M. will update the completion schedule once the situation is back to normal.

Value of the property portfolio (excl. transfer taxes) *(in millions of euros)*	12/31/2019	12/31/2018
Retail	168.1	159.3
Offices	-	5.4
TOTAL	**168.1**	**164.7**

1.3.3 Net Asset Value

As of 31 December 2019, the EPRA triple net asset value (NNNAV) was €2.30 per share, down 1.8% on the year-earlier level of €2.34. Factoring in the 2018 dividend paid in 2019, the EPRA NNNAV at 31 December 2019 was up 3.1% 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 of 31 December 2019, this came out at €2.55 per share, compared with €2.59 per share at 31 December 2018.

	12/31/2019		12/31/2018	
Calculation of NAV	€m	€/share	€m	€/share
IFRS Group equity	101.1		102.6	
Dilutive effects	0.0		0.0	
NAV	**101.1**	**2.32**	**102.6**	**2.35**
- Fair value of financial instruments	-0.0		-0.0	
EPRA NAV	**101.1**	**2.32**	**102.6**	**2.35**
+ Fair value of financial instruments	0.0		0.0	
+ Fair value of liabilities	-0.7		-0.6	
EPRA NNNAV	**100.3**	**2.30**	**102.1**	**2.34**
Transfer taxes	11.1		10.7	
Replacement NAV	**111.4**	**2.55**	**112.8**	**2.59**

1.3.4 Net operating cash flow

EBITDA came to €4.2 million in 2019. It rose 7.6% from the 3.9 million recorded in 2018 on the back of higher net rental revenues. Given a 17.4% reduction in borrowing costs, net operating cash flow [(1)] was positive at €3 million in 2019, up 23.3% year-on-year.

Net operating cash flow *(in millions of euros)*	2019	2018	Change
Net rental revenues	7.3	6.7	10.2%
Other operating income	0.3	0.1	
Operating expenses	-2.5	-2.5	-0.1%
Other operating expenses	-1.0	-0.4	
EBITDA	**4.2**	**3.9**	**7.6%**
Net borrowing cost	-1.2	-1.5	-17.4%
Other financial expenses	0.0	0.0	
NET OPERATING CASH FLOW	**3.0**	**2.4**	**23.3%**

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

1.3.5 Debt

As of 31 December 2019, Group financing consisted of mortgage bank debt of €77.1 million, compared with €74.1 million at the end of 2018. This €3 million increase stems from:

- draw-downs in the amount of €5.4 million on the available credit line facility intended for the partial financing of investments on retail property assets;
- partially offset by contractual repayments throughout the year, totalling €2.5 million.

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 2019 totalled €0.9 million.

The average cost of debt stood at 1.58% in 2019, compared with 1.68% in 2018:

Average cost of debt *(in millions of euros)*	2019	2018
Gross borrowing cost	1.2	1.5
Restatement for non-recurring items	-0.0	-0.1
Gross restated borrowing costs	1.2	1.4
Average debt outstanding	75.6	82.4
AVERAGE COST OF DEBT	**1.58%**	**1.68%**

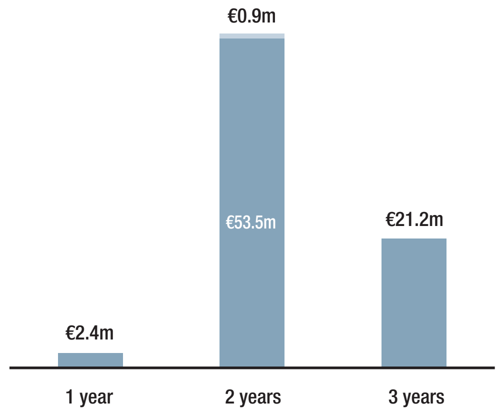
As of 31 December 2019, 79.5% of the Company's bank loans were contracted at fixed rates. The variable-rate bank loans were partially hedged by means of an interest rate cap.

M.R.M.'s borrowings had the following maturity as of 31 December 2019:

- maturing in one year or less: €2.4 million;
- maturing in more than one year: €74.7 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 2019



The Group's consolidated LTV ratio stood at 45.9% as of 31 December 2019 compared with 45.0% as of 31 December 2018.

In view of the cash position, the total net debt ratio changed from 36.8% as of 31 December 2018 to 38.6% as of 31 December 2019.

As of 31 December 2019, 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

Following Conforama's decision to wind up the Maison Dépôt business due to the group's financial difficulties, the lease covering an area of 3,300 m² in the Aria Parc retail park in Allonnes was subject to an early amicable cancellation in January 2020. M.R.M. received a cancellation penalty to redress the harm caused.

1.5 Foreseeable changes and outlook

With the last office building sold in January 2019, M.R.M.'s refocusing on retail property is now complete.

In 2020 M.R.M. expects to conclude the major investment plan begun in 2016 to enhance the value of its retail properties, budgeted at €35.5 million in total and covering seven assets.

Of the seven programmes included in the plan, five were completed in previous financial years. As for the other two, the refurbishment of Galerie du Palais in Tours, renamed Passage du Palais, was completed in the first half of 2019, whilst the partial redevelopment and extension of the Valentin shopping centre, the largest project in the investment plan, is due to be completed at the end of the first half of 2020 (1).

(1) As indicated in paragraph 1.4.6 "Recent events" of this Universal Registration Document, the health crisis linked to the COVID-19 epidemic has temporarily halted the work. M.R.M. will update the completion schedule once the situation is back to normal.

Beyond that, M.R.M plans to continue letting its vacant premises. Taking the newly created spaces into account and assuming an occupancy rate of 95% for the portfolio, M.R.M. has confirmed its total annualised net rent target for its retail assets of over €10 million (excluding acquisitions or disposals), compared with €8.5 million as of 1 January 2020.

M.R.M. will continue to look at trends in the rental and investment markets, with a view to carrying out further acquisitions, and launching portfolio rotation through asset 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 significant 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 Chapter 2 of the 2019 Universal Registration Document.

The Company's exposure to risks related to prices, credit, liquidity and cash, as well as its hedging policies, are detailed in the notes to the consolidated financial statements for the financial year ended 31 December 2019.

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 Section 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

Reporting to the Chief Executive Officer, the Head of Asset Management oversees the management of the 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.

As a rule the need to quickly publish details under permanent information does not give the Audit Committee the time to first examine them before they are published. The examination is thus usually done after publication.

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 – Profit (loss) for the past financial year

2.1 Corporate financial statements

The corporate financial statements for the financial year ended 31 December 2019 (provided in Appendix 3 of this report), which we submit to you for approval, 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 2019 earnings reflect:

- revenue of €283,000 (compared with €293,000 in 2018);
- reversals of provisions and transfers of expenses for €11,148,000, of which reversals of provisions on Noratlas' current account [(1)] for €11,122,000 and on trade receivables in the amount of €23,000;
- other purchases and external expenses of €1,331,000 (compared with €646,000 in 2018);
- taxes of €77,000 (compared with €58,000 in 2018);
- payroll expenses of €915,000 (compared with €894,000 in 2018);
- provision for a subsidiary's current account of €31,000;
- other expenses in the amount of €56,000, of which €32,000 in annual remuneration to members of the Board and €24,000 in bad debt losses;
- investment income of €1,675,000 (interest on current accounts and reversal of impairment on subsidiary shares);
- financial expenses of €11,596,000, of which a loss of €11,578,000 from the merger with Noratlas [(1)].

The financial loss was €9,921,000, compared with a loss of €1,230,000 in 2018.

Net income amounted to a loss of €838,000, compared with a loss of €1,845,000 as of 31 December 2018.

At the end of the financial year total assets stood at €85,982,000 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 financial 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) No. 1606/2002 of 19 July 2002, the M.R.M. Group's consolidated financial statements as of 31 December 2019 were prepared in accordance with the standards and interpretations applicable on that date as 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 2019

The standards, amendments to standards and interpretations published by IASB and presented below are applicable for financial years beginning on or after 1 January 2019:

- IFRS 16 - Leases;
- IFRIC 23 - Uncertainty over Income Tax Treatments;
- amendments to IFRS 9 - Prepayment Features with Negative Compensation;
- amendments to IAS 28 - Long-term Interests in Associates and Joint Ventures;
- amendments to IAS 19 - Plan Amendment, Curtailment or Settlement;
- annual improvements to IFRS - 2015-2017 cycle.

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

The main changes resulting from the first application of IFRS 16 - Leases and the impacts on the Group's financial statements are as follows:

- under IFRS 16 lessees must recognise all leases on the balance sheet, i.e. they must record (i) a right-of-use asset consisting of the asset leased, and (ii) a lease liability consisting of the lease payments and other payments payable during the lease term. Accordingly, the Group has identified two leases and estimated each of their probable terms. Since the impact is not material (opening impact of €3,000 recognised under shareholders' equity, right-of-use asset of €132,000 and lease liability of €135,000 recognised at 31 December 2019, depreciation of €34,000 and interest expenses of €1,000 recognised for the 2019 financial year) the Group did not restate comparative figures for 2018.

(1) In 2019, Noratlas, a non-trading property company (société civile immobilière), underwent dissolution without liquidation by means of the universal transfer of its assets to M.R.M.

Standards, amendments and interpretations not mandatory as of 1 January 2019

Texts adopted by the European Union as of 31 December 2019

The following standards and amendments adopted by the European Union as of 31 December 2019 but with a subsequent effective date of application were not adopted in advance:

- amendments to IAS 1 and IAS 8 - Definition of Material, effective from 1 January 2020;
- amendments to the conceptual framework of the IFRS standards, applicable as of 1 January 2020.

Texts not adopted by the European Union as of 31 December 2019

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

- amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, effective date deferred;
- amendments to IFRS 3 - Definition of a Business, effective from 1 January 2020;
- amendments to IAS 1 and IAS 8 - Definition of Material, effective from 1 January 2020;
- amendments to IFRS 9, IAS 39 and IFRS 7 - linked to the Interest Rate Benchmark Reform, effective from 1 January 2020;
- amendment to the conceptual framework of the IFRS standards, applicable as of 1 January 2020.

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

2.2.1. Changes in scope

In 2019, Noratlas, a non-trading property company (*société civile immobilière*), underwent dissolution without liquidation by means of the universal transfer of its assets to M.R.M. The merger was in line with the Group's simplification of its organisation.

2.2.2. Consolidated income statement

Consolidated gross rental income from properties totalled €9,123,000, reflecting rents and other rental income generated by the Group's portfolio, a decrease of 4.3% compared with 2018. Gross rental income increased 4.3% compared with 2018 on a like-for-like basis.

Unrecovered property expenses were down 38.0% compared with 2018 and amounted to €1,777,000, resulting in net rental income of €7,346,000, up 10.2% on a like-for-like basis.

Net recurring operating expenses were up 15.7% to €3,557,000 in 2019 and comprised operating expenses of €2,452,000 (similar to 2018), net provisions of €1,773,000 (vs €230,000 in 2018) and other net operating income of €752,000 (vs other net operating expenses of €316,000 in 2018).

Operating income before disposals and change in fair value of properties amounted to €3,873,000 compared with €3,663,000 at the end of 2018.

Net of losses on asset disposals of €84,000 and increase in fair value of property assets of €814,000, the operating income amounted to €4,603,000. In 2018, the operating income was a loss of €8,549,000.

Financial income improved by 23.0% compared with 2018 and amounted to a loss of €1,446,000 as of 31 December 2019 consisting of:

- net borrowing cost of €1,232,000 made up of interest and similar expenses;
- decrease in fair value of the cap of €12,000; and
- discounting of payables and receivables of €202,000.

In light of the above, net income after tax amounted to a profit of €3,157,000 as of 31 December 2019 compared with a loss of €10,428,000 at 31 December 2018.

2.2.3. Consolidated balance sheet

As of 31 December 2019, non-current assets stood at €168,026,000, compared with €159,083,000 as of 31 December 2018, and consisted mostly of investment properties in the amount of €167,890,000 and right-of-use assets in the amount of €132,000.

As of 31 December 2019, current assets stood at €19,935,000 compared with €25,514,000 as of 31 December 2018. They mainly consisted of:

- assets held for sale of €180,000 (compared with €5,660,000 at the end of 2018);
- trade receivables of €3,670,000;
- other receivables of €3,792,000 (e.g. rental charge invoices, tax claims); and
- cash and cash equivalents of €12,266,000.

With regard to equity and liabilities, after taking into account the net profit for the financial year of €3,157,000 and a dividend payment of €4,796,000 for 2018, consolidated equity stood at €101,061,000 at the end of the financial year. As of 31 December 2018, this item totalled €102,644,000.

As of 31 December 2019, non-current liabilities payable at over one year totalled €75,808,000 compared with €72,962,000 as of 31 December 2018. These mainly comprised bank debt of €74,701,000 and tenants' security deposits of €1,006,000.

Current liabilities payable at under one year totalled €11,092,000 as of 31 December 2019 compared with €8,992,000 as of 31 December 2018. This amount is mainly composed of contractual repayments related to bank loans in 2020 for a total of €2,446,000, as well as trade payable for goods and services and non-current assets for €5,684,000, and other debts and adjustment accounts for €2,234,000.

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 (1)

We propose to appropriate the loss of €838,358 for the financial year ended 31 December 2019 as follows:

- Origin:

Loss for the period: €(838,358)

- Appropriation:

Retained earnings: €(838,358)

Retained earnings would thus go from €(8,432,288) to €(9,270,646).

We also propose a payment of premiums in the amount of €4,803,459, equivalent to €0.11 per share, to be financed from the "Additional Paid-in Capital" account.

This payment would reduce the Additional Paid-in Capital account from €49,553,432 to €44,749,973 (excluding the impact of the corresponding amount on Treasury shares which do not have rights to dividends).

The distribution deducted from the "Additional Paid in Capital" 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 4 June 2020. In the event of a change in the number of shares eligible for dividends, the total amount of distributions would be adjusted accordingly and the amount deducted from the "Additional Paid-in Capital" account would be determined based on the distributions actually paid.

2.4 Dividends and other monies paid out in previous years

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

Year	Income eligible for tax allowance (2)		Income not eligible for tax allowance (2)	
(in euros)	Dividends	Other distribution	Dividends	Other distribution
2016	-	-	393,431	4,409,047
2017	-	-	-	4,798,399
2018	-	-	-	4,796,090

(2) 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 €1,540 in 2019 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 the 2019 financial year.

(1) Given the present situation linked to the COVID-19 epidemic, the Board of directors reserves the right to review the terms of the 2019 dividend payout which had been announced on 28 February 2020. See the press release of 3 April 2020 included in Section 1.4.6 "Recent events" of this Universal Registration Document.

3. Information on the share capital as of 31 December 2019

3.1 Share capital

The share capital underwent no changes in 2019 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

In accordance with Article L.233-13 of the French Commercial Code, this report lists the persons or entities holding more than 5%, 10%, 15%, 20%, 25%, one third, 50%, two thirds, 90% or 95% of the Company's share capital or voting rights at General Meetings as of 31 December 2019.

As mentioned previously, the Combined General Meeting of 29 May 2019 decided upon the approval that same day of a Special Meeting of holders of shares with double voting rights to cancel the double voting rights until then granted to all fully paid-up shares which had been registered for at least two years, in the name of the same shareholder, under the terms and conditions provided for by law. As a result, as of then the total number of theoretical voting rights of the Company stands at 43,667,813, compared with 53,550,633 at 31 December 2018. The tables below reflect this new number of voting rights.

Over 50%

Shareholders	As of this report	12/31/2019	12/31/2018
SCOR SE	59.9% of the share capital and voting rights	59.9% of the share capital and voting rights	59.9% of the share capital 48.8% of the voting rights

As of 31 December 2019 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 0.09% of the share capital and 0.09% of the voting rights, directly and indirectly.

Threshold disclosure

Details on threshold disclosures in the financial year are given in Section 3.2.12 of the 2019 Universal Registration Document.

Exemption from the obligation to file a public offer

Details on the exemption granted to SCOR SE from the obligation to file a public offer are given in Section 3.2.12 of the 2019 Universal Registration Document.

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 the 2019 financial year, the Company held 70,508 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 the 2019 financial year in order to:

- stimulate the trading of M.R.M. securities 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, given that the limit of 10% of the share capital is calculated by taking 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 free 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 that would be acquired, in accordance with the authorisation granted on 29 May 2019 by the General Meeting in its thirteenth 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 the 2019 financial year, the Company bought 28,665 treasury shares at an average price of €1.39 per share (representing a total investment of €39,920 in 2019) and sold 62,978 treasury shares at an average price of €1.43 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 36,195 treasury shares as of 31 December 2019, representing 0.08% of its share capital at a nominal value of €36,195. These securities are entered as Company assets in its corporate financial statements, and deducted from equity in the consolidated financial statements.

The General Meeting of Shareholders called to approve the financial statements for the financial year ended 31 December 2019 will be asked to renew this authorisation to buy back shares.

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 2019 financial year;
- no shares were bought back by the Company to award them to employees as part of profit-sharing schemes and incentives to grow the Company.

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

- the Company has no stock option plans;
- a free share allocation plan was set up in the 2019 financial year for employees of the Company.

Below are details of the free share allocation plan:

	2019-1 Plan
General Meeting date	29 May 2019
Board meeting date	29 May 2019
Total number of shares awarded	32,243
of which to corporate officers	0
Vesting date	29 May 2022
Lockup period end date	29 May 2022
Performance conditions	N/A (1)
Number of shares vested at 31 December 2019	0
Aggregate number of cancelled or lapsed shares	248
Performance shares remaining at 31 December 2019	31,995

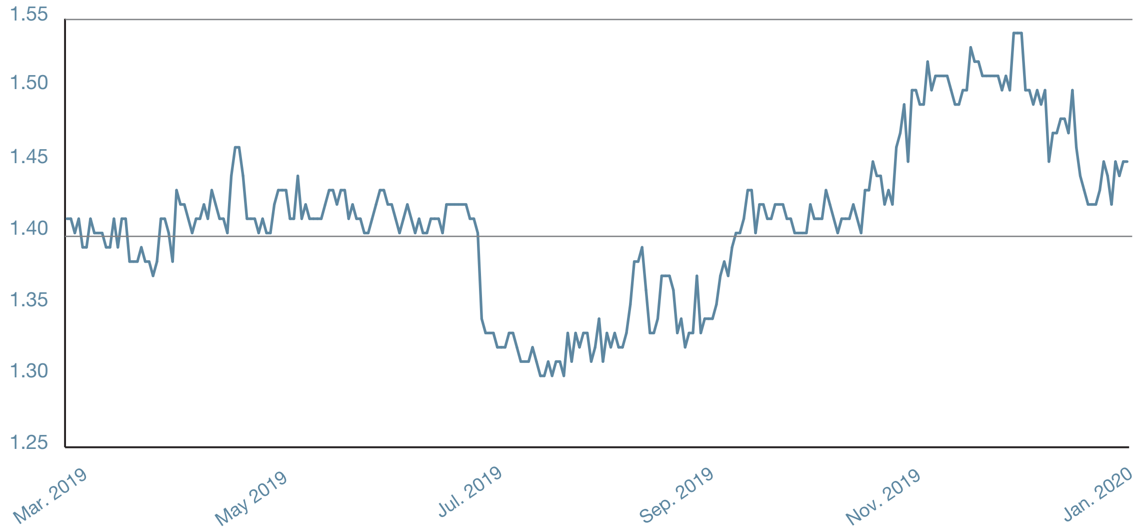
(1) Subject to attendance.

3.4 Stock market performance

M.R.M.'s stock market capitalisation as of 31 December 2019, based on the final closing price in 2019, namely €1.47, amounted to €64,191,685.

Below is a graph showing the change in the share price in 2019:

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 financial year ended 31 December 2019 by the individuals falling within the scope of said article (managers, executives and individuals with whom they have close ties).



Source: Euronext

4. Information on corporate social responsibility

Over recent years, M.R.M. has prioritised the integration of environmental, social and governance (ESG) criteria into its business activities, both at a corporate level and at the level of its property asset portfolio. These aspects are presented in Section 4.1 "Corporate and social information" and Section 4.2 "Environmental information" of this report.

From 2020, M.R.M. plans to move towards formalising its strategic commitments to corporate social responsibility (CSR) and introducing a consistent operations plan, in line with its objectives. The structural aspects of this strategy can be found in Section 4.3 "The Climate Plan: M.R.M.'s objectives" in this report.

4.1 Corporate and social information

M.R.M. is a small firm with four salaried employees. Gender and career diversity, reflected in a perfect gender balance among salaried employees, alongside equal opportunity and employee recognition, are basic values for M.R.M. These values find their expression in the reaffirmation at Board of directors meetings of a human resources policy based on non-discrimination in matters of recruitment, professional assessment, professional mobility and training, and of a remuneration policy based on personal appraisals leading to annual reviews, and on individual skills development.

The Company's ethics, its prevention of corruption through invitations to tender, and its efforts to promote consumer and occupier health and safety through rigorous compliance with regulations for establishments open to the public as well as fire safety regulations are at the core of its CSR policy.

Aware of its impact on places and economic activity, M.R.M. seeks not only to be part of local and regional economies but to contribute to their health and to the development of all parties involved. For example, in its Passage de la Réunion shopping centre in Mulhouse, M.R.M. lets local charities use its premises free of charge for cultural or commercial events.

As part of its “Synergies Centre by M.R.M.” concept applied in several of its shopping centres, M.R.M. backs local artists by providing them with a wall on which to regularly exhibit their work in partnership with local art schools. In 2019 the Company renewed its support for the H’up Entrepreneurs association, whose purpose is to represent and support entrepreneurs with disabilities and help make a success of their businesses.

4.2 Environmental information

Aware of the interrelationship between the environment and the property sector, M.R.M. has undertaken to reduce its environmental footprint at the corporate level and across its asset portfolio.

At the corporate level, M.R.M.’s head offices at 5 avenue Kléber in Paris are certified HQE (High Environmental Quality). The Company encourages its employees as users of the building to respect and protect the environment by sorting waste, using stationery sparingly, using alternative modes of commuting, conserving energy, and adopting other best practices.

Across its asset portfolio, M.R.M. applies several voluntary and regulatory measures to limit the environmental impact of its properties.

4.2.1 The environmental appendix, a key regulatory tool

In its day-to-day operations M.R.M. is implementing formal measures such as the mandatory environmental appendix to all leases for retail property with a surface area of more than 2,000 m². The appendix is meant to involve all parties in the value chain in workable and informative efforts to improve energy efficiency, reduce water and energy consumption, and limit waste production.

In 2020 M.R.M. aims to include an environmental appendix in all its new leases.

4.2.2 Reduction in energy consumption, water consumption and waste production

For several years M.R.M. has put concrete measures in place to reduce the amount of energy and water consumed and the amount of waste generated on its properties. In day-to-day operations they are applied via an action plan depending on what works best for each type of retail property managed by M.R.M.

Energy consumption

- upgrading and automating heating, ventilation and air conditioning (HVAC) equipment for lower energy consumption and greater comfort, for example by setting up building management systems (BMS);
- upgrading and automating lighting systems and equipment for substantial energy savings, for example through the use of LED lamps (which led to a 51% fall in electricity consumption in the Sud Canal shopping centre in 2016) and motion sensors.

Water consumption

- harvesting rainwater to water natural landscaped surroundings;
- reliably monitoring and improving water consumption through the use of electronic submetering;
- fitting water saving devices such as dual flush mechanisms, mixer taps and water pressure regulators, and maintaining or replacing faulty plumbing.

Waste management

- setting up recycle bins to sort five types of waste on all premises with property managers making sure all tenants are on board;
- informing tenants of best waste management and waste reduction practices;
- incentivising contractors to reduce and sort waste during works.

4.3 The Climate Plan: M.R.M.’s objectives

M.R.M.’s CSR objectives find their expression in a strategy and a related operations plan that embed ESG criteria into the Company’s overall investment and management policy.

The strategy was approved by the Board of directors at its meeting of 27 February 2020 and revolves around three points:

Establishing CSR governance

A formal CSR governance will give structure to and coordinate the Company’s CSR policy, embed ESG criteria, update goals and performance indicators in a manner consistent with the Group’s objectives, and manage the ESG performance of the Group’s business.

Tracking energy and water consumption, managing waste, and conserving energy

Tracking consumption entails gathering accurate information via automated and outsourced data collection, among other means, and reporting it according to guidelines issued by international bodies such as the EPRA and GRI. Tracking energy and water consumption and waste production is the first step in an energy conservation strategy that seeks to significantly reduce the Company's environmental footprint.

Taking all internal and external parties into account

As a retail property owner M.R.M. aspires to be a cornerstone of local and regional economies by supporting people and businesses active in the places in which it operates. M.R.M.'s strategy also incorporates the health and well-being of its internal parties and tenants on the path to a common sustainable energy shift.

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

As of 31 December 2019, the Company's trade payables totalled €7,003 excluding tax, i.e. 0.53% of purchases excluding tax for the financial year.

	Outstanding in					
Trade payables excluding VAT (1)	0 day	1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Total
Number of invoices concerned (A)	-	-	2	-	2	4
Total net billings	-	-	€6,681	-	€322	€7,003
% of annual net purchases	-	-	0.50%	-	0.03%	0.53%
Number of invoices excluded (2)	-	-	-	-	-	-
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) The terms of payment do not take trade payables debit balances into account as these are not applicable.
(2) Excluded from (A) and relating to contentious or unstated payables.

As of 31 December 2019, all the Company's trade receivables concerned doubtful debts which were thus excluded from the calculation. These receivables were transferred by a subsidiary that was dissolved without liquidation via the complete transfer of all assets and liabilities to M.R.M. in 2016. It makes no sense to include this amount in the revenue excluding VAT.

	Outstanding in					
Trade receivables excluding VAT (1)	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 revenue excluding VAT	-	-	-	-	-	-
Number of invoices excluded (2)	-	-	-	-	3	3
Total amount of invoices excluded	-	-	-	-	€6,970	€6,970
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) The terms of payment do not take trade receivables credit balances into account as these are not applicable.
(2) Excluded from (B) and relating to contentious or unstated receivables.

List of appendices

Appendix 1 Summary of Company results over the past five years

Financial year/Type	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
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	282,593	292,778	252,256	206,043	264,235
Net profit (loss) before taxes, employee profit-sharing and depreciation and amortisation expenses and provisions	-12,952,263	-694,369	-455,750	4,501,228	2,039,433
Income tax	-	-	-2,620	-	32
Employee profit-sharing for the financial year					
Profit (loss) after tax, employee profit-sharing, amortisation, depreciation and provisions	-838,358	-1,845,074	-6,587,214	415,171	1,375,085
Income distributed					
Earnings per share:					
Profit (loss) after tax, employee profit-sharing, but before amortisation, depreciation and provisions	-0.30	-0.02	-0.01	0.10	0.05
Profit (loss) after tax, employee profit-sharing, amortisation, depreciation and provisions	-0.02	-0.04	-0.15	0.01	0.03
Dividend per share					
Workforce:					
Average number of employees during the period	5	5	5	5	5
Payroll for the period	653,838	630,666	741,292	605,636	537,518
Employee benefits (e.g. social security, benefit scheme)	261,583	263,424	295,637	255,485	217,423

Appendix 2 List of Company equity interests

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

All Group companies are registered in France.

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

Appendix 3 Corporate financial statements of the Company as of 31 December 2019

See Section 3.9 "Corporate financial statements for the financial year ended 31 December 2019" of this Universal Registration Document.

Appendix 4 Consolidated financial statements of the M.R.M. group as of 31 December 2019

See Section 3.7 "Consolidated financial statements for the financial year ended 31 December 2019" of this Universal Registration Document.

Appendix 5 Corporate governance report

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

3.7 Consolidated financial statements for the financial year ended 31 December 2019

Contents

1. Financial statements

1.1 Statement of consolidated financial position

► ASSETS

(in thousands of euros)		12/31/2019	12/31/2018
Intangible assets	Note 4.2	2	2
Right-of-use assets	Note 4.3	132	-
Investment properties	Note 4.5	167,890	159,080
Deposits paid		1	1
NON-CURRENT ASSETS		168,026	159,083
Assets held for sale	Note 4.6	180	5,660
Down payments made		27	110
Trade receivables	Note 4.7	3,670	2,354
Other receivables	Note 4.8	3,792	3,921
Derivatives	Note 4.9	1	12
Cash and cash equivalents	Note 4.10	12,266	13,456
CURRENT ASSETS		19,935	25,514
TOTAL ASSETS		**187,961**	**184,597**

► EQUITY AND LIABILITIES

(in thousands of euros)		12/31/2019	12/31/2018
Share capital		43,668	43,668
Additional paid-in capital		49,553	53,951
M.R.M. treasury shares		-93	-156
Reserves and retained earnings		4,776	15,609
Profit (loss) for the period		3,157	-10,428
GROUP EQUITY	NOTE 4.11	101,061	102,644
Non-controlling interests		-	-
EQUITY		101,061	102,644
Provisions	Note 4.12	-	-
Bank debts	Note 4.13	74,701	72,056
Lease liability	Note 4.13	100	-
Guarantee deposits received	Note 4.13	1,006	906
NON-CURRENT LIABILITIES		75,808	72,962
Current borrowings	Note 4.13	3,174	2,944
Trade payables		768	1,120
Debts payable against non-current assets	Note 4.14	4,916	3,313
Other liabilities and adjustment accounts	Note 4.15	2,234	1,615
CURRENT LIABILITIES		11,092	8,992
TOTAL EQUITY AND LIABILITIES		**187,961**	**184,597**

1.2 Statement of consolidated comprehensive income

► CONSOLIDATED INCOME STATEMENT

(in thousands of euros)		12/31/2019	12/31/2018
Gross rental income	Note 5.1	9,123	9,531
External property expenses not recovered	Note 5.2	-1,777	-2,867
NET RENTAL INCOME		7,346	6,664
Operating expenses	Note 5.3	-2,452	-2,455
Reversals of provisions and impairment		329	612
Provisions and impairment		-2,101	-842
Other operating income	Note 5.4	1,751	136
Other operating expenses	Note 5.4	-999	-453
OPERATING INCOME BEFORE DISPOSALS AND CHANGE IN FAIR VALUE OF PROPERTIES		3,873	3,663
Result on disposals of properties	Note 5.5	-84	-110
Change in fair value of properties	Note 5.6	814	-12,102
OPERATING INCOME		4,603	-8,549
Gross borrowing cost	Note 5.7	-1,232	-1,493
Income from cash and cash equivalents	Note 5.7	-	-
Change in fair value of financial instruments and marketable securities	Note 5.8	-12	-47
Discounting of payables and receivables		-202	-340
FINANCIAL PROFIT (LOSS)		-1,446	-1,879
NET INCOME BEFORE TAX		3,157	-10,428
Tax expense		-	-
PROFIT (LOSS) FOR THE PERIOD		**3,157**	**-10,428**
Profit (loss) for the period attributable to non-controlling interests		-	-
Profit (loss) for the period attributable to owners of the parent company		3,157	-10,428
Net earnings per share (in euros)		0.07	-0.24
Diluted net earnings per share (in euros)		0.07	-0.24

► CONSOLIDATED COMPREHENSIVE INCOME

(in thousands of euros)	12/31/2019	12/31/2018
PROFIT (LOSS) FOR THE PERIOD	3,157	-10,428
Items that can be reclassified as profit (loss) for the period	**-**	**-**
Profits and losses related to the disposal of equity instruments	-13	-3
Items that cannot be reclassified as profit (loss) for the period	**-13**	**-3**
OTHER ITEMS OF COMPREHENSIVE INCOME	-13	-3
Tax expense related to other items of comprehensive income	-	-
COMPREHENSIVE INCOME	**3,144**	**-10,431**
Comprehensive income for the period attributable to non-controlling interests	-	-
Comprehensive income for the period attributable to owners of the parent company	3,144	-10,431

1.3 Statement of consolidated cash flows

(in thousands of euros)		12/31/2019	12/31/2018
Cash flow:			
CONSOLIDATED NET INCOME		**3,157**	**-10,428**
Elimination of non-cash expenses and income			
Change in depreciation, impairment, provisions and deferred expenses		1,773	230
Change in fair value of properties	Note 5.6	-814	12,102
Change in fair value of financial instruments		12	47
Discounting of receivables and payables		202	340
Net borrowing cost	Note 5.7	1,232	1,493
Elimination of capital gains (losses)	Note 5.5	84	110
Other items		-141	-294
CASH FLOW		5,504	3,598
Change in operating working capital			
Trade receivables		-2,910	1,226
Other receivables		218	-535
Trade payables		-352	-48
Other debts		620	164
CHANGE IN OPERATING WORKING CAPITAL		-2,424	807
CHANGE IN CASH FLOW FROM OPERATIONS		**3,080**	**4,405**
Purchases of investment property	Notes 4.4 & 4.5	-7,946	-14,541
Sales of investment property		5,346	37,097
Change in debts payable against non-current assets		1,603	1,448
CHANGE IN CASH FLOW FROM INVESTING ACTIVITIES		**-997**	**24,004**
Change in debt			
Increase in bank debts	Note 4.12	5,372	3,409
Decrease in bank debts	Note 4.12	-2,550	-2,901
Repayment of loan granted by a shareholder	Note 4.12	-	-22,000
Change in other borrowings		-104	-310
Other changes			
Dividends paid		-4,796	-4,798
Financial instruments		-	-59
Purchase/Disposal of treasury shares		50	-54
Disbursed debt issue expenses		-	-
Interest paid		-1,245	-1,591
CHANGE IN CASH FLOW FROM FINANCING ACTIVITIES		**-3,273**	**-28,305**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**-1,190**	**104**
Opening cash and cash equivalents		13,456	13,352
Closing cash and cash equivalents		12,266	13,456
Cash	*Note 4.9*	*12,218*	*13,409*
Other cash items	*Note 4.9*	*47*	*47*
CHANGE IN CASH POSITION		**-1,190**	**104**

In 2019, the Group generated €3,080,000 in cash flow from operating activities. Cash flow from operating activities served primarily to pay financial interest (€1,245,000).

The investing activities, excluding property disposals, generated negative net cash flow of €6,343,000, the bulk of which related to works carried out on retail property assets (€7,946,000) within the framework of their value-enhancement programmes. These investments were partly financed by drawdowns (in the amount of €5,372,000) on a credit line facility set up to finance said property asset value-enhancement programmes, on the one hand, and by the proceeds on property disposals (€5,346,000), on the other. The €5,372,000 increase in bank debt corresponds to drawdowns on the aforementioned credit line. The €2,550,000 decrease in bank debt corresponds entirely to contractual amortisation.

The dividend of €4,796,000 was paid out of the cash flow from operating activities and out of the proceeds of property disposals.

As of 31 December 2019, the combined cash flows generated by the Group made for a year-on-year decrease of €1,190,000 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 12/31/2017	**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
Application of new accounting standard	-	-	-	-26	-	-26
Share buybacks	-	-	-51	-	-	-51
Profit (loss) for 2018	-	-	-	-	-10,428	-10,428
Other items of comprehensive income	-	-	-	-3	-	-3
EQUITY AT 12/31/2018	**43,668**	**53,951**	**-156**	**15,609**	**-10,428**	**102,644**
Appropriation of 2018 profit	-	-	-	-10,428	10,428	-
Dividend payout	-	-4,398	-	-399	-	-4,796
Application of new accounting standard	-	-	-	-3	-	-3
Free share allocation plan	-	-	-	9	-	9
Disposal of treasury shares	-	-	63	-	-	63
Profit (loss) for 2019	-	-	-	-	3,157	3,157
Other items of comprehensive income	-	-	-	-13	-	-13
EQUITY AT 12/31/2019	**43,668**	**49,553**	**-93**	**4,776**	**3,157**	**101,061**

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 (French 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 properties. The consolidated financial statements for the 12-month period ended 31 December 2019 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 27 February 2020, the Board of directors authorised the publication of the Group's consolidated financial statements as of 31 December 2019. 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 early 2019, M.R.M. became a pure play retail property investment company.

The disposal in January 2019 of Urban, a vacant office building in Montreuil, marked the completion of the Group's move to gradually refocus on holding and managing retail properties, a strategy adopted in June 2013 when SCOR entered M.R.M.'s share capital.

In addition, M.R.M. is in the last phase of its investment plan 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, namely the partial redevelopment/extension of the Valentin shopping centre near Besançon, was launched in April 2018. Of this amount, €0.5 million was spent in 2019, bringing total investments to €34.5 million as of 31 December 2019.

Rental management and lettings

The 2019 financial year was marked by a dynamic letting and rental management momentum with 41 new leases or lease renewals signed representing annual rents of €2.1 million, in particular:

- a new 1,200 m² lease in the Aria Parc retail park in Allonnes, which took effect in the third quarter of 2019;
- nine leases (including two renewals) for over 2,100 m² of office space in the Carré Vélizy mixed complex in Vélizy-Villacoublay. The leases all took effect in 2019 at intervals;
- ten leases (including three renewals) for close to 1,300 m² of space either existing or under development at the Valentin shopping centre in Besançon. The cafeteria moved out of its 1,000 m² premises currently in redevelopment and took out a new lease for premises in the future extension where it will resume trading;
- nine new leases for GammVert garden centres with firm periods of six or nine years, depending on the premises, and unchanged rents. These leases took effect in the third quarter of 2019. The logistics hub lease remains in effect, while two garden centres (one vacant and the other to be vacated in the first quarter of 2020) will be sold;
- a new 450 m² lease in the Les Halles du Beffroi shopping centre in Amiens, which will take effect in the second quarter of 2020.

The lease signed with Maison Dépôt (part of Conforama) for 3,300 m² in the Aria Parc retail park in Allonnes, took effect in the fourth quarter of 2018 once the premises were made available to the tenant. Given Conforama's financial difficulties, the Maison Dépôt store did not open its doors in 2019, and in early 2020 both parties agreed to cancel the lease (see Section 1.3 "Subsequent events").

As of 31 December 2019, the physical occupancy rate [(1)] stood at 88%, up 4 percentage points on 31 December 2018. For its part the financial occupancy rate as of 31 December 2019 stood at 87%, up 4 percentage points on 31 December 2018.

Annualised net rents as of 1 January 2020 amounted to €8.5 million, up 4% on 1 January 2019. New leases not yet in effect accounted for €500,000 of additional annualised net rents.

(1) Based on the total of existing units, including those held as strategically vacant.

Investments

In total €7.9 million was invested in the property portfolio in 2019. These were primarily:

- the partial redevelopment and 2,600 m² extension of the Valentin shopping centre in northern Besançon. The completion of the works was postponed for six months to the end of the first half of 2020 [(1)];
- the refurbishment of Galerie du Palais in Tours, renamed Passage du Palais. Completed in the first half of 2019, the programme aimed to improve the customer experience by implementing the "Synergies Centre by M.R.M." concept which focuses on modern design, exchange services and proximity. It includes the creation of rest and sharing areas as well as Wi-Fi access;
- works to subdivide one of the units at the Aria Parc retail park in Allonnes to create 1,200 m² of space to house the new anchor brand that moved in during the third quarter.

Disposals

On 30 January 2019, M.R.M. announced the disposal of Urban, an unoccupied 8,000m² office property in Montreuil, for the sum of €6.35 million excluding transfer taxes. This disposal marks the completion of the Group's move to gradually refocus on holding and managing retail properties, a strategy adopted in June 2013. It brings the cumulative amount of office asset disposals made by M.R.M. since that date to €132.3 million.

Implementation of a share buyback programme

On 29 May 2019, the Board of directors decided to implement the share buyback programme decided by the Combined General Meeting of Shareholders of 29 May 2019 in its twelfth ordinary resolution for an 18-month period starting from 30 May 2019.

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 French Financial Markets Association (*Association française des marchés financiers* - AMAFI) 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 number sold;
- retain shares for subsequent payment or exchange purposes in the event of acquisitions;
- ensure the hedging of stock option plans and/or free 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 that would be acquired, in accordance with the authorisation granted on 29 May 2019 by the General Meeting in its thirteenth 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 2019, the Company held 36,195 treasury shares. In 2019, under the liquidity agreements entrusted to Invest Securities, 28,665 securities were purchased at an average price of €1.39 per share and 62,978 shares were sold at an average price of €1.43 per share.

Payment of premiums

In its third ordinary resolution the Combined General Meeting of Shareholders of 29 May 2019 authorised the payment of premiums in the amount €4,803,459, equivalent to €0.11 per share, to be financed from the "Merger Premiums" account and the "Additional Paid-in Capital" account.

The ex-coupon date was set for 5 June 2019 and payment was made on 7 June 2019.

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 €4,796,089.

(1) As indicated in paragraph 1.4.6 "Recent events" of this Universal Registration Document, the health crisis linked to the COVID-19 epidemic has temporarily halted the work. M.R.M. will update the completion schedule once the situation is back to normal.

Simplification of the Group ownership structure

In 2019, Noratlas, a non-trading property company (*société civile immobilière*), sold the last of its buildings, Urban, after which it underwent dissolution without liquidation through the universal transfer of its assets to M.R.M., thus simplifying the Group's ownership structure and narrowing its scope of consolidation, which now comprises six instead of seven entities.

1.3. Subsequent events

Following Conforama's decision to wind up the Maison Dépôt business due to the group's financial difficulties, the lease covering an area of 3,300 m² in the Aria Parc retail park in Allonnes was subject to an early amicable cancellation in January 2020. M.R.M. received a cancellation penalty to redress the harm caused.

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 2019 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 2019 were prepared in accordance with the standards and interpretations applicable at that date as 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 and 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 4.5 on the fair value of investment properties.

On 27 February 2020, the Board of directors authorised the publication of the Group's consolidated financial statements as of 31 December 2019.

Standards, amendments and interpretations applicable as of 1 January 2019

The standards, amendments to standards and interpretations published by IASB and presented below are applicable for financial years beginning as of 1 January 2019:

- IFRS 16 - Leases;
- IFRIC 23 - Uncertainty over Income Tax Treatments;
- amendments to IFRS 9 - Prepayment Features with Negative Compensation;
- amendments to IAS 28 - Long-term Interests in Associates and Joint Ventures;
- amendments to IAS 19 - Plan Amendment, Curtailment or Settlement;
- annual improvements to IFRS - 2015-2017 cycle.

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

The main changes resulting from the first application of IFRS 16 - Leases and the possible impacts it could have on the Group's financial statements are as follows:

- under IFRS 16, tenants must recognise all leases on the balance sheet, i.e. they must record (i) a right-of-use asset consisting of the asset leased, and (ii) a lease liability consisting of the lease payments and other payments payable during the lease term. Accordingly, the Group has recognised two leases and estimated each of their probable terms. Since the impact is not material (opening impact of €3,000 recognised under shareholders' equity, right-of-use asset of €132,000 and lease liability of €135,000 recognised at 31 December 2019, depreciation of €34,000 and interest expenses of €1,000 recognised for the 2019 financial year) the Group did not restate comparative figures for 2018.

Standards, amendments and interpretations not mandatory as of 1 January 2019

Texts adopted by the European Union as of 31 December 2019:

The following standards and amendments adopted by the European Union as of 31 December 2019 but with a subsequent effective date of application were not adopted in advance:

- amendments to IAS 1 and IAS 8 - Definition of Material, effective from 1 January 2020;
- amendments to the conceptual framework of the IFRS standards, applicable as of 1 January 2020.

Texts not adopted by the European Union as of 31 December 2019:

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

- amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, effective date deferred;
- amendments to IFRS 3 - Definition of a Business, effective from 1 January 2020;
- amendments to IAS 1 and IAS 8 - Definition of Material, effective from 1 January 2020;
- amendments to IFRS 9, IAS 39 and IFRS 7 - linked to the Interest Rate Benchmark Reform, effective from 1 January 2020;
- amendments to the conceptual framework of the IFRS standards, applicable as of 1 January 2020.

The Group did not opt for the early adoption of these amendments, which 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 properties, right-of-use assets, 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 net income 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 No. 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 income 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 judgements, 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 4.5.

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 2019, 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 the affiliate net of consolidation adjustments. The financial statements of affiliates are recognised in the consolidated financial statements from the date the significant influence begins until it is lost.

As of 31 December 2019, 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	Full consolidation	100%	100%
SAS DB NEPTUNE	Full consolidation	100%	100%
SAS DB PIPER	Full consolidation	100%	100%
SCI GALETIN II	Full consolidation	100%	100%
SCI IMMOVERT	Full consolidation	100%	100%

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

In 2019, Noratlas, a non-trading property company (*société civile immobilière*), underwent dissolution without liquidation by means of the universal transfer of its assets to M.R.M.

As of 31 December 2019, 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 Right-of-use assets

Accounting principles

From 1 January 2019 Group leases are recognised according to IFRS 16 - Leases - under which a right-of-use asset and a lease liability are recorded in the balance sheet. In the income statement rental expenses are replaced by a depreciation expenses of the right-of-use asset recorded under "Provisions and impairment" and by interest expenses recorded under "Gross borrowing cost".

The Group chose to apply the standard by recognising the cumulative effect of initially applying the standard as an adjustment to opening equity at the date of initial application.

Right-of-use assets break down as follows:

(in thousands of euros)	12/31/2019			12/31/2018
	Gross	Amort./Impair.	Net	Net
Right-of-use assets - Immovable asset	273	149	125	-
Right-of-use assets - Movable asset	14	6	8	-
TOTAL RIGHT-OF-USE ASSETS	**287**	**155**	**132**	**-**

A lease liability of €135,000 was also recorded in the balance sheet.

In 2019 rental expenses of €35,000 were deleted while accumulated depreciation and accumulated impairment of €34,000 and interest expenses of €1,000 were recorded.

4.4 Property, plant and equipment

Accounting principles

Cost of acquisition of property, plant and equipment

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. Property, plant and equipment are recognised at cost less cumulative depreciation and impairment. Where components of property, plant and equipment have different useful lives, they are recognised as separate property, plant and equipment.

Depreciation of property, plant and equipment

Non-current 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 item of property, plant and equipment.

Impairment of property, plant and equipment

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.

4.5 Investment property

Accounting principles

IAS 40 – Investment Property defines investment property as property held by the owner or the tenant 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 an independent appraiser who values the Group's portfolio each year on 30 June and 31 December.

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

The appraisals 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 rates, 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 2019 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)	12/31/2019
NET BALANCE AT OPENING	**159,080**
Works	7,946
Change in fair value	864
NET BALANCE AT CLOSING	**167,890**

Breakdown of investment properties

As of 31 December 2019, 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 2019

Capitalisation rates	Discount rates
Between 4.25% and 8.25%	Between 5.05% and 8.70%

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 12/31/2019	
(in euros)	Range [(1)]	Average
	22-785	137

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

A sensitivity study simulating a change in the capitalisation rates as of 31 December 2019 showed that a 50 basis-point increase in these rates would reduce the asset portfolio value by €13,660,000 (down 8.1%), whereas a 50 basis-point reduction would increase it by €14,640,000 (up 8.7%).

Description of investment properties

Property	Address	Date of acquisition	GLA area (m^2)	Type
Sud Canal	24-26, place Étienne Marcel 41 boulevard Vauban 78180 Montigny-le-Bretonneux	10/27/2004	11,609	Retail
Reims	2, rue de l'Étape 51100 Reims	10/11/2004	2,779	Retail
Passage de la Réunion	25, place de la Réunion 68100 Mulhouse	04/15/2005	6,014	Retail
Passage du Palais	17-19, place Jean Jaurès 37000 Tours	06/16/2006 and 09/28/2007	6,833	Retail
Halles du Beffroi	Place Maurice Vast 80000 Amiens	08/31/2006	7,405	Retail
Aria Parc	ZAC du Vivier Route de la Bérardière 72700 Allonnes	12/20/2005 and 06/20/2017	12,804	Retail
Valentin shopping centre	6, rue Châtillon 25480 Besançon École-Valentin	12/27/2007	3,013	Retail
Carré Vélizy	16-18, avenue Morane Saulnier 2-4 avenue de l'Europe 78140 Vélizy-Villacoublay	12/30/2005	11,624	Retail
Gamm Vert portfolio	Multiple sites	12/21/2007 and 05/27/2008	22,050	Retail
TOTAL			**84,131**	

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 take place in 2020.

The appraiser fees are fixed and totalled €50,000 in 2019 compared with €38,000 in 2018.

The 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.

4.6 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)	12/31/2019
NET BALANCE AT OPENING	**5,660**
Change in fair value	-50
Asset disposals	-5,430
NET BALANCE AT CLOSING	**180**

As of 31 December 2019, the assets held for sale totalled €180,000, compared with €5,660,000 as of 31 December 2018.

The assets are currently being actively marketed with a view to their disposal within the coming twelve months.

4.7 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 Group uses the expected loss impairment model introduced in IFRS 9 by applying 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 above, for each asset class previously mentioned.

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

Trade receivables break down as follows:

(in thousands of euros)	12/31/2019	12/31/2018
Total gross trade receivables	6,631	3,721
Impairment of trade receivables	-2,961	-1,367
TOTAL NET TRADE RECEIVABLES	3,670	2,354
Invoices pending	-253	-132
Rent-free periods staggered over the lease term	-1,364	-971
TOTAL NET TRADE RECEIVABLES DUE	**2,071**	**1,251**

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	1,057	171	843	2,071
TOTAL NET TRADE RECEIVABLES DUE	**1,057**	**171**	**843**	**2,071**

4.8 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 2019, the discount rate was 6.58%.

Other receivables break down as follows:

	12/31/2019			12/31/2018
(in thousands of euros)	Gross	Impairment	Net	Net
Tax receivables (1)	2,408	-	2,408	2,761
Other receivables (2)	449	-	449	236
Funds deposited at third parties (3)	523	-	523	8
Letting fees (4)	344	-	344	339
Prepaid expenses	67	-	67	576
TOTAL OTHER RECEIVABLES	**3,792**	**-**	**3,792**	**3,921**

(1) This amount basically corresponds to a VAT credit to be carried forward.
(2) This amount primarily consists of calls for funds issued to owners to pay for costs and works.
(3) This concerns a deposit account pledged to a bank.
(4) Letting fees spread over the corresponding lease terms.

4.9 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.

The classification depends on the reasons for acquiring the 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 twelve 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 2019, 46% 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 a fair value 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 €12,000 as of 31 December 2019.

The change in fair value of the interest rate cap over the period breaks down as follows:

(in thousands of euros)	12/31/2019
VALUE OF FINANCIAL INSTRUMENTS AT OPENING	**12**
Caps bought	-
Caps sold	-
Change in fair value	-12
VALUE OF FINANCIAL INSTRUMENTS AT CLOSING	**1**

Principal characteristics of financial instruments held

Contract type	Maturity date	Notional amount *(in thousands of euros)*	Benchmark rate 3-month	Strike rate	Fair value *(in thousands of euros)*	Maturing under 1 year	Maturing in 1-5 years	Maturing over 5 years
Cap	12/20/2022	7,523	3-month Euribor	1.25%	1		x	
				TOTAL	**1**			

As of 31 December 2019, 79.5% of the Company's bank loans were contracted at fixed rates. A 100 basis point increase in interest rates would therefore have a €128,000 impact on the Group's financial expenses.

4.10 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)	12/31/2019	12/31/2018
Marketable securities	47	47
Cash	12,218	13,409
TOTAL CASH AND CASH EQUIVALENTS	**12,266**	**13,456**

4.11 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 share capital increases

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 the 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 2019, the net debt was €64,881,000, including a cash surplus of €12,266,000, and the fair value of properties excluding transfer taxes was €168,070,000. The Group's debt to equity ratio stood at 38.6% compared with 36.8% as of 31 December 2018.

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 2019, 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 2018.

As of 31 December 2018, the Group held 70,508 treasury shares. The Company acquired 28,665 and sold 62,978 treasury shares in the year through its liquidity contract with Invest Securities. As of 31 December 2019, the Group held 36,195 treasury shares.

Excluding treasury shares, there were 43,631,618 shares outstanding as of 31 December 2019 compared with 43,597,305 a year earlier.

Expenses related to the share capital increase

In 2019, no expenses related to a share capital increase were recorded directly as a reduction in equity.

4.12 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 2018, no provisions were recognised at 31 December 2019.

4.13 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 2019, 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)	12/31/2019	12/31/2018
Bank debts	74,701	72,056
Lease liability	100	-
Guarantee deposits received	1,006	906
NON CURRENT	75,808	72,962
Bank debts	2,446	2,044
Lease liability	35	-
Guarantee deposits received	616	809
Accrued interest	78	91
CURRENT	3,174	2,944
TOTAL LOANS AND BORROWINGS	**78,982**	**75,906**

The breakdown of loans and borrowings by maturity is as follows:

(in thousands of euros)	12/31/2019	1 year	1 to 5 years	Over 5 years
Bank debts	77,147	2,446	74,701	-
Lease liability	135	35	100	-
Guarantee deposits received	1,622	616	820	186
Accrued interest	78	78	-	-
TOTAL LOANS AND BORROWINGS	**78,982**	**3,174**	**75,622**	**186**

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 12/31/2019 *(in thousands of euros)*	Total outstandings as of 12/31/2019 *(in thousands of euros)*
Saar LB	12/21/2007	12/20/2022	12,200	12,200	7,290
Berlin Hyp	10/30/2017	10/31/2022	15,200	15,200	15,038
Saar LB	12/22/2016	12/21/2021	61,853	60,962	54,819
			89,253	**88,362**	**77,147**

The amount of credit available as of 31 December 2019, given the drawdowns already made at this date, stood at €891,000.

Change in bank debts

(in thousands of euros)	Non-current debt	Current debt
NET BALANCE AT OPENING	**72,056**	**2,044**
Increases (1)	5,372	-
Decreases (2)	-	-2,550
Reclassification	-2,726	2,726
Other (debt issue expenses, capitalisation of interest and discounting)	-	226
NET BALANCE AT CLOSING	**74,701**	**2,446**

(1) The increases correspond to the drawdowns on an available credit line.
(2) The decreases correspond to the contractual repayments.

Bank debt – fixed/variable rate

(in thousands of euros)	Fixed rate	Variable rate	Total
BANK DEBTS	**61,304**	**15,843**	**77,147**

4.14 Debts payable against non-current assets

(in thousands of euros)	12/31/2019	12/31/2018
Retail properties	4,916	3,274
Office properties	-	39
DEBTS PAYABLE AGAINST NON-CURRENT ASSETS	**4,916**	**3,313**

The debts on non-current assets as of 31 December 2019 primarily related to the redevelopment and extension of the Valentin shopping centre in Besançon.

4.15 Other liabilities and adjustment accounts

Other liabilities break down as follows:

(in thousands of euros)	12/31/2019	12/31/2018
Payments and accounts received	744	228
Company liabilities	47	80
Tax liabilities (1)	1,020	708
Other debts (2)	423	598
TOTAL OTHER LIABILITIES AND ADJUSTMENT ACCOUNTS	**2,234**	**1,615**

(1) The tax liabilities concern essentially the collected VAT.
(2) The other debts primarily consist of calls for funds issued to tenants to pay for costs and works.

4.16 Fair value measurement

Accounting principles

IFRS 13 - Fair Value Measurement - 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 12/31/2019

(in thousands of euros)	Level 1	Level 2	Level 3	Total
Investment properties	-	-	167,890	167,890
Assets held for sale	-	-	180	180
Derivatives	-	1	-	1
Marketable securities	47	-	-	47

► STATEMENT OF CONSOLIDATED FINANCIAL POSITION – ASSETS AS OF 12/31/2018

(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

Note 5 Notes to the statement of comprehensive income

5.1 Gross rental income

Accounting principles

Recognition of income

IFRS 15 - Revenue from Contracts with Customers - specifies how rental revenues from leases, and direct initial costs incurred by the lessor, should be recognised. The rental revenues are recorded under income on a straight-line basis for the entire duration of the lease term. Applying IFRS 15 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.

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 tenant 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 the 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 refurbishment 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 refurbishment works.

Gross rental income consist of rents and similar income (e.g. parking revenues).

(in thousands of euros)	12/31/2019	12/31/2018
Retail properties	9,123	8,746
Office properties	-	785
TOTAL GROSS RENTAL INCOME	**9,123**	**9,531**

Of the €9,123,000 in gross rental income for 2019, variable rents totalled €43,000.

Rents receivable under firm leases in the portfolio

(in thousands of euros)	12/31/2019
Less than 1 year	9,432
Between 1 and 5 years	18,046
Over 5 years	4,005
TOTAL FUTURE MINIMUM PAYMENTS	**31,484**

5.2 External property expenses not recovered

Expenses paid for (net of billing back) break down as follows:

(in thousands of euros)	12/31/2019	12/31/2018
Land tax and tax on offices and retail property	-1,351	-1,682
Large-scale maintenance expenses	-504	-573
Rental and co-ownership expenses	-2,871	-3,418
TOTAL EXTERNAL PROPERTY EXPENSES	-4,726	-5,674
Rebilling of taxes	982	1,040
Rebilling of expenses	1,967	1,767
TOTAL REBILLING	2,949	2,807
TOTAL EXTERNAL PROPERTY EXPENSES NOT RECOVERED	**-1,777**	**-2,867**

5.3 Operating expenses

Overheads break down as follows:

(in thousands of euros)	12/31/2019	12/31/2018
Fees [(1)]	-1,130	-1,141
Bank charges	-26	-27
Other external purchases and expenses	-226	-290
Other taxes and duties	-145	-103
Employee benefits expense	-924	-894
TOTAL OPERATING EXPENSES	**-2,452**	**-2,455**

(1) The 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 2019 other operating income came to €1,751,000 mostly comprising €1,455,000 in penalties paid by Maison Dépôt for failing to open its store in the Aria Parc retail park in Allonnes. An impairment was recorded for the corresponding receivable.

Other operating expenses amounted to €999,000 and primarily consisted of various one-off fees totalling €580,000 and losses on receivables written off in the amount of €249,000 for which a reversal of impairment was recorded.

5.5 Result on disposals of properties

The gains (losses) on the disposals of properties break down as follows:

(in thousands of euros)	Disposals of properties 12/31/2019	Disposals of properties 12/31/2018
Proceeds from disposals net of expenses	5,346	37,097
Net book value of disposed properties	-5,430	-37,207
RESULT ON DISPOSALS OF PROPERTIES	**-84**	**-110**

5.6 Change in fair value of properties

(in thousands of euros)	12/31/2019
Opening net balance of properties	164,740
Asset disposals	-5,430
Works	7,946
Closing net balance of properties	168,070
CHANGE IN FAIR VALUE	**814**

5.7 Net borrowing cost

The net borrowing cost breaks down as follows:

(in thousands of euros)	12/31/2019	12/31/2018
Interest received	-	-
Interest and similar expenses	-1,231	-1,493
NET BORROWING COST	**-1,231**	**-1,493**

5.8 Change in fair value of financial instruments and marketable securities

The €12,000 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 4.9).

5.9 Earnings per share

The consolidated net earnings per share at €0.07 is calculated by dividing the consolidated loss by the number of shares outstanding (excluding treasury shares) at closing, i.e. 43,631,618 shares as of 31 December 2019. See Note 4.11 "Information on the number of shares outstanding".

Note 6 Tax

6.1 Group tax status

Since 2008, M.R.M. has been registered as a SIIC (French real estate investment trust or REIT) 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 lease;
- capital gains on the disposal of buildings, of rights belonging to property lease contracts, of equity investments in partnerships, or of equity investments in subsidiaries having opted for the French REIT tax regime;
- dividends paid by subsidiaries subject to the French REIT tax regime.

In exchange for this exemption, French REITs must distribute:

- 95% of the exempted profits from letting;
- 70% of the 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.

French REIT 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 2019 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 2019. 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 2019.

Note 7 Segment information

Accounting principles

IFRS 8 requires disclosure of information about each of an entity's operating segments.

The 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 12/31/2019

(in thousands of euros)	Office	Retail	Head office	Total
Gross rental income	-	9,123	-	9,123
External property expenses not recovered	-17	-1,760	-	-1,777
NET RENTAL INCOME	-17	7,363	-	7,346
Operating expenses	-42	-657	-1,754	-2,452
Reversals of provisions and impairment	-	306	23	329
Provisions and impairment	-	-2,067	-34	-2,101
Other operating income	105	1,580	67	1,751
Other operating expenses	-169	-226	-605	-999
OPERATING INCOME BEFORE DISPOSALS AND CHANGE IN FAIR VALUE OF PROPERTIES	123	6,299	-2,303	3,873
Result on disposals of properties	-84	-	-	-84
Change in fair value of properties	-	814	-	814
OPERATING INCOME	**-207**	**7,113**	**-2,303**	**4,603**
Gross borrowing cost	-	-1,231	-1	-1,232

Consolidated income statement as of 12/31/2018

(in thousands of euros)	Office	Retail	Head office	Total
Gross rental income	785	8,746	-	9,531
External property expenses not recovered	-752	-2,115	-	-2,867
NET RENTAL INCOME	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

7.2 Statement of financial position by segment

The main line items in the statement of financial position are as follows:

Statement of consolidated financial position – Assets as of 12/31/2019

(in thousands of euros)	Office	Retail	Head office	Total
Investment properties	-	167,890	-	167,890
Assets held for sale	-	180	-	180
Cash and cash equivalents	-	4,341	7,925	12,266

Statement of consolidated financial position – Liabilities as of 12/31/2019

(in thousands of euros)	Office	Retail	Head office	Total
Non-current bank debts	-	74,701	-	74,701
Current bank debts	-	2,446	-	2,446
Debts payable against non-current assets	-	4,916	-	4,916

Statement of consolidated financial position – Assets as of 12/31/2018

(in thousands of euros)	Office	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 12/31/2018

(in thousands of euros)	Office	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

Note 8 Exposure to risk and hedging strategy

8.1 Foreign exchange risk

As of 31 December 2019 the Group engaged in no business that could expose it to any foreign exchange risk.

8.2 Interest rate risk

As of 31 December 2019, 79.5% 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 2019, 46.0% 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 €128,000 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 Loan to Value (LTV) ratio, defined as the ratio of the amount of the loan to the market value of the property financed, the interest coverage ratio (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 45.2% 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 2019, 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)	12/31/2019
Debts guaranteed by collateral (principal and related)	85,450
Guarantees and sureties	-

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 €1,344,000.

Note 10 Employee remuneration and benefits

10.1 Workforce and payroll expenses

In 2019, as in 2018, 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 €924,000 in 2019, compared with €894,000 in 2018.

Information on the remuneration of corporate officers is given in Section 4 of the 2019 Universal 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 2019, M.R.M., which has only three 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 2019 amounted to €48,000.

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

	2019		2018	
(in thousands of euros excluding VAT)	Mazars	RSM Paris	KPMG	RSM Paris
Certification of the separate and consolidated financial statements:				
• M.R.M. SA	54.4	47.6	53.6	46.9
• Fully consolidated subsidiaries	10.5	17.4	10.4	17.1
Other services:				
• M.R.M. SA including assignment to verify the social, societal and environmental information published in the Group management report	-	-	-	-
• Fully consolidated subsidiaries	-	-	-	-
TOTAL	**64.9**	**65.0**	**64.0**	**64.0**

3.8 Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2019

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 2019

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 2019. These consolidated financial statements have been approved by the Board of directors on 27 February 2020 based on information available at that date regarding the evolving context of COVID-19's sanitary crisis.

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 of 31 December 2019 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

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

Basis for opinion

Audit framework

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

Our responsibilities under 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 2019 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 16.

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, approved in the aforementioned context, 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 M.R.M. business, the carrying value of investment properties represents 89% of Group assets at 31 December 2019, i.e. €168 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 4.5 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 4.5, 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 approved on 27 February 2020. Regarding the events that occurred and elements that have been known since the date the financial statements were approved and in relation to the effects of COVID-19's crisis, management informed us that this would be subject to a specific communication addressed to the Shareholders' Meeting called to vote on said financial statements.

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 of 31st December 2019, Mazars and RSM Paris were in their third 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 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 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, 3 April, 2020

French original signed by

Mazars
Gilles Magnan

RSM Paris
Hélène Kermorgant

3.9 Corporate financial statements for the financial year ended 31 December 2019

Balance sheet as of 31 December 2019

► ASSETS

	12/31/2019			12/31/2018
(in euros)	Gross	Amortisation and impairment	Net	Net
Set-up costs	18,403	-18,403	-	-
Other intangible assets	-	-	-	482,260
Other investments	40,253,364	-1,226,312	39,027,052	38,041,315
Other long-term investment securities	47,285	-42,052	5,233	4,984
NON-CURRENT ASSETS	40,319,052	-1,286,767	39,032,286	38,528,559
Trade receivables	39,717	-3,515	36,202	23,332
Other receivables	39,212,574	-270,359	38,942,215	42,447,925
Marketable securities	51,643	-	51,643	99,867
Cash	7,917,929	-	7,917,929	10,947,278
Prepaid expenses	-	-	-	413
CURRENT ASSETS	47,221,863	-273,874	46,947,989	53,518,814
TOTAL	**87,540,915**	**-1,560,640**	**85,980,275**	**92,047,374**

► LIABILITIES & EQUITY

(in euros)	12/31/2019	12/31/2018
Share capital (paid-up: 43,667,813)	43,667,813	43,667,813
Additional paid-in capital	50,511,084	55,346,538
Revaluation adjustment	339,807	339,807
Legal reserve	248,026	248,026
Other reserves	49,724	10,360
Retained earnings	-8,432,288	-6,587,214
Profit or loss for the financial year	-838,358	-1,845,074
Regulated provisions	-	-
EQUITY	85,545,808	91,180,256
Provisions for risks and expenses	-	-
PROVISIONS FOR RISKS AND EXPENSES	-	-
Bank loans and overdrafts	185	-
Other loans and borrowings	6,477	18,396
Trade payables	293,361	666,653
Tax and company liabilities	129,999	94,292
Payables against non-current assets	-	39,053
Other debts	4,445	48,725
LIABILITIES (1)	434,467	867,118
TOTAL	**85,980,275**	**92,047,374**
(1) Including under one year	*434,467*	*867,118*

Income statement as of 31 December 2019

	12/31/2019			
(in euros)	France	Abroad	Total	12/31/2018
Revenue on sale of services	282,593	-	282,593	292,778
NET REVENUE	282,593	-	282,593	292,778
Reversals of impairment, depreciation and amortisation, transfer of expenses			11,148,305	1,072,052
Other revenues [(1)]			33,581	25,632
OPERATING INCOME			11,464,479	1,390,461
Other external purchases and expenses			-1,330,569	-646,296
Taxes, duties and similar payments			-77,288	-58,123
Wages and salaries			-653,838	-630,666
Social charges			-261,583	-263,424
Depreciation, amortisation and impairments				
Depreciation and amortisation of non-current assets			-	-
Impairment of non-current assets			-	-
Impairment of current assets			-31,419	-32,102
Other expenses			-56,302	-377,426
OPERATING EXPENSES			-2,410,998	-2,008,036
OPERATING INCOME			9,053,481	-617,574
Investment income [(2)]			669,188	969,288
Other investments and similar income [(2)]			-	-
Reversals of impairment, provisions and transfer of expenses			1,005,501	-
Net income on sales of marketable securities			900	-
FINANCIAL PROFIT			1,675,589	969,288
Depreciation and amortisation expenses, impairment and provisions			-4,614	-2,186,786
Interest and similar expenses [(3)]			-11,578,061	-10,013
Net expenses on sales of marketable securities			-13,815	-2,967
FINANCIAL EXPENSES			-11,596,489	-2,199,766
FINANCIAL PROFIT (LOSS)			-9,920,901	-1,230,478
CURRENT PROFIT (LOSS) BEFORE TAX			-867,420	-1,848,052
Exceptional income on management operations			29,066	3,000
EXCEPTIONAL INCOME			29,066	3,000
Exceptional expenses on management operations			-4	-22
EXCEPTIONAL EXPENSES			-4	-22
EXCEPTIONAL PROFIT (LOSS)			29,062	2,978
Income tax			-	-
TOTAL INCOME			13,169,134	2,362,750
TOTAL EXPENSES			-14,007,492	-4,207,824
PROFIT (LOSS) FOR THE PERIOD			**-838,358**	**-1,845,074**
(1) Including income from past financial years.			*33,536*	
(2) Including income from affiliates.			*669,188*	*969,288*
(3) Including investments in affiliates.			*-11,578,631*	*-*

Appendix

The statement of financial position for the year ended 31 December 2019, covering a period of twelve months like the previous year, presents a total, before appropriation of income, of €85,980,275 and a loss of €838,358.

Highlights of the year

(French Commercial Code – Article R.123-196-3)

Implementation of a share buyback programme

On 29 May 2019, the Board of directors decided to implement the share buyback programme decided by the Combined General Meeting of Shareholders of 29 May 2019 in its twelfth ordinary resolution for an 18-month period starting from 30 May 2019.

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 French Financial Markets Association (*Association française des marchés financiers* – AMAFI) 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 free 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 that would be acquired, in accordance with the authorisation granted on 29 May 2019 by the General Meeting in its thirteenth 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 free 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 2019, M.R.M. held 36,195 treasury shares. In 2019, under the liquidity agreements entrusted to Invest Securities, 28,665 securities were purchased at an average price of €1.39 per share and 62,978 shares were sold at an average price of €1.43 per share.

Payment of premiums

In its third ordinary resolution the Combined General Meeting of Shareholders of 29 May 2019 authorised the payment of premiums in the amount of €4,803,459, equivalent to €0.11 per share, to be financed from the "Merger Premiums" account and the "Additional Paid-in Capital" account.

The ex-coupon date was set for 5 June 2019 and payment was made on 7 June 2019.

Taking account of the treasury shares held by M.R.M., which do not qualify for a dividend payout, the final amount distributed to shareholders was €4,796,089.

Free share allocation plan

In its fourteenth extraordinary resolution the Combined General Meeting of Shareholders of 29 May 2019 decided to award free shares to salaried employees and/or certain corporate officers.

On 29 May 2019 the Board of directors set the terms and conditions for awarding 32,243 free shares to salaried employees. The shares will vest on 29 May 2022 subject to attendance. Accordingly, on 31 December 2019 a retained earnings account was set up with a transfer of €31,995 from the "Additional paid-in capital" account.

Simplification of the Group ownership structure

In 2019, Noratlas, a non-trading property company (*société civile immobilière*) wholly owned by M.R.M., sold the last of its buildings. It underwent dissolution without liquidation through the universal transfer of its assets to M.R.M., thus simplifying the Group's ownership structure and narrowing its scope of consolidation, which now comprises six instead of seven entities.

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 French GAAP (*Plan comptable général* – PCG), and the regulations of the French Accounting Regulations Committee (*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 2019. 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 the status as a listed property investment company (*société d'investissement immobilier cotée* – SIIC)

On 31 January 2008, the Company opted for SIIC (French real estate investment trust) status with effect from 1 January 2008.

The SIIC regime, introduced by Article 11 of the 2003 French Finance Act, 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:

- 95% of profits from the letting of buildings;
- 70% of capital gains from the disposal of buildings;
- 100% of dividends paid by subsidiaries having also opted for the SIIC tax regime.

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.

2. Non-current assets

The Company applies CRC Regulations Nos. 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

The equity investments are recognised on the statement of financial position at cost in accordance with CRC Regulation No. 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 the equity investments held by M.R.M. are property companies owning one or more 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 the 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.

The 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 its subsidiaries. These advances are classified as assets under "Other receivables".

The 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

The provisions are valued in accordance with the provisions of CRC Regulation No. 2000-06.

Provisions have in particular been funded for the negative net equity of property holding companies 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	-	78,006
Other investments	63,605,541	-	-
Other long-term investment securities	47,285	-	-
TOTAL	**64,153,489**	**-**	**78,006**

(in euros)	Decreases		Gross amount at closing	Revaluations Original value at closing
	Line item	Disposals		
Set-up and development costs	-	-	18,403	-
Other intangible assets	-	560,266	-	-
Other investments	-	23,352,177	40,253,364	-
Other long-term investment securities	-	-	47,285	-
TOTAL	**-**	**23,912,443**	**40,319,052**	**-**

► BREAKDOWN OF AMORTISATION AND DEPRECIATION

Positions and movements over the period *(in euros)*	Amount at opening	Provisions for year	Decreases Reversals	Amount at closing
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	25,564,226	-	24,337,914	-	1,226,312
For other non-current financial assets	42,301	570	819	-	42,052
For trade receivables	26,194		22,680	-	3,515
Other provisions for impairment	11,375,598	35,463	11,140,702	-	270,359
TOTAL	**37,008,319**	**36,033**	**35,502,114**	**-**	**1,542,237**
Of which provisions and reversals					
• *for operations*		*31,419*	*11,144,437*	-	
• *for financing*		*4,614*	*1,005,501*	-	

► SCHEDULE OF RECEIVABLES AND PAYABLES

Schedule of receivables *(in euros)*	Gross amount	Less than 1 year	More 1 than year
Doubtful or disputed receivables	8,332	8,332	
Other trade receivables	31,385	31,385	
Income tax	4,816	4,816	
Value added tax	129,411	129,411	
State and public authorities	2,168	2,168	
Group and partners	39,020,171	39,020,171	
Miscellaneous debtors	56,009	56,009	
TOTAL	**39,252,291**	**39,252,291**	**-**

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	185	185	-	-
Other loans and borrowings	6,477	6,477	-	-
Trade payables	293,361	293,361	-	-
Personnel and related payables	22,503	22,503	-	-
Social security and other welfare bodies	24,317	24,317	-	-
Value added tax	66,182	66,182	-	-
Other taxes and duties	16,996	16,996	-	-
Other debts	4,445	4,445	-	-
TOTAL	**434,467**	**434,467**	**-**	**-**

► 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
Trade receivables	31,385
Other receivables	2,168
TOTAL	**33,552**

► 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	288,469
Tax and company liabilities	47,278
TOTAL	**335,747**

► 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	55,346,538	-4,835,454	-	-	50,511,084
Legal reserve	248,026	-	-	-	248,026
Other reserves	10,360	7,370	31,995	-	49,725
Revaluation adjustment	339,807	-	-	-	339,807
Retained earnings	-6,587,214	-	-1,845,074	-	-8,432,288
Profit (loss) for the period	-1,845,074	1,845,074	-838,358	-	-838,358
Regulated provisions	-	-	-	-	-
TOTAL	**91,180,256**	**-2,983,010**	**-2,651,437**	**-**	**85,545,808**

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	74,375
Service fees	208,218
TOTAL	**282,593**

Breakdown by region *(in euros)*	Amount
Paris region	282,593
TOTAL	**282,593**

► FINANCIAL INCOME AND EXPENSES INVOLVING AFFILIATES

(PCG (French GAAP) Article 831–2 and 832-13)

(in euros)	Financial expenses	Financial income
TOTAL	11,596,489	1,675,589
Of which affiliates	*11,578,631*	*1,655,744*

► FEES PAID TO THE STATUTORY AUDITORS

The total amount of Statutory Auditor fees on the Company's 2019 income statement was €102,000 compared with €100,500 in 2018. These break down as follows:

- fees for statutory auditing: €102,000 paid to Mazars and RSM Paris in 2019 compared with €100,500 in 2018;
- fees for other services: none in either 2019 or 2018.

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	12,030,018
TOTAL (1)	52,241,117
(1) Involving subsidiaries.	*52,241,117*

COMMITMENTS RECEIVED

None.

▶ PARENT COMPANY AND 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	1,469,373,375	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	6,403,780	100.00	34,576,556	33,392,509	33,677,286	8,429,059	-765,861
DB Piper	2,436,000	-3,176,950	100.00	4,272,551	4,272,551	2,257,468	2,357,687	132,760
DB Neptune	63,000	-333,383	100.00	42,265	-	314,708	-	-31,426
Immovert	1,362,000	152,916	99.99	1,361,992	1,361,992	2,337,837	959,163	-241,821
• 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 FINANCIAL YEARS

(French Commercial Code Article R.225-102)

(in euros)	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
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	282,593	292,778	252,256	206,043	264,235
Net profit (loss) before taxes, employee profit-sharing and depreciation and amortisation expenses and provisions	-12,952,263	-694,369	-455,750	4,501,228	2,039,433
Income tax	-	-	-2,620	-4,362	32
Employee profit-sharing for the financial year					
Profit (loss) after tax, employee profit-sharing, amortisation, depreciation and provisions	-838,358	-1,845,074	-6,587,214	415,171	1,375,085
Income distributed			394,412	565,555	
Earnings per share:					
Profit (loss) after tax, employee profit-sharing, but before amortisation, depreciation and provisions	-0.30	-0.02	-0.01	0.10	0.05
Profit (loss) after tax, employee profit-sharing, amortisation, depreciation and provisions	-0.02	-0.04	-0.15	0.01	0.03
Dividend per share			0.01	0.01	
Workforce:					
Average number of employees during the period	5	5	5	5	5
Payroll for the period	653,838	630,666	741,292	605,636	537,518
Employee benefits (e.g. social security, benefit scheme)	261,583	263,424	295,637	255,485	217,423

3.10 Statutory Auditors' report on the corporate financial statements

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 2019. These financial statements were approved by the Board of directors on 27 February 2020 based on information available at that date regarding the evolving context of COVID-19's sanitary crisis.

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 of 31 December 2019 and of the results of its operations for the year then ended in accordance with French accounting principles.

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

Basis for opinion

Audit framework

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

Our responsibilities under 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 2019 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, approved in the aforementioned context, 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 2019, the equity securities and associate current accounts are accounted for a net value of €79 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 approved on 27 February 2020 and in the other documents with respect to the financial position and the financial statements provided to the shareholders. Regarding the events that occurred and elements that have been known since the date the financial statements were approved and in relation to the effects of COVID-19's crisis, management informed us that this would be subject to a specific communication addressed to the Shareholders' Meeting called to vote on said financial statements

In accordance with French law, we report to you that the information relating to payment times referred to in Article D.441-4 of the French Commercial Code (*Code de commerce*) is fairly presented and consistent with the financial statements.

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 of 31 December 2019, Mazars and RSM Paris were in their third 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, 3 April 2020

French original signed by

Mazars	**RSM Paris**
Gilles Magnan	Hélène Kermorgant

CORPORATE GOVERNANCE

4.

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 2019 annual report on corporate governance, executive compensation, internal control and risk management of the French Financial Markets Authority (*Autorité des Marchés Financiers* – AMF) 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 – HCGE). 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 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 Section 2.2.3 "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 director' 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 of directors, 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 23 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 financial 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 70. The age limit applied to the Chief Executive Officer and Deputy Chief Executive Officers is the same as that applied to the Chairman of the Board of directors, and will take effect at the end of the Ordinary General Meeting called to approve the financial statements for the financial year in which the party in question reaches the age of 70.

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 legal provisions 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, Independence	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	53 years, M, French	1	-	05/29/2013	GM 2021	6 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 (1) and Director	69 years, M, French	42,839	-	06/29/2007	GM 2023	12 years	Member of the Strategic Committee	None
Gilles Castiel	51 years, M, French	-	-	12/06/2018	GM 2022	1 year	Member of the Strategic Committee and the Audit Committee	Committee Head of Real Estate at SCOR Investment Partners
Brigitte Gauthier-Darcet	64 years, F, French, Independent	6,000	-	11/29/2011	GM 2021	8 years	Chairman of the Audit Committee	Chief Executive Officer of CBRE Conseil & Transaction
SCOR SE, repr. by **Karina Lelièvre**	52 years, F, French	26,155,662	-	05/29/2013	GM 2021	6 years	-	Deputy Company Secretary of SCOR SE
Valérie Ohannessian	54 years, F, French, Independent	1,875	-	02/21/2019	GM 2023	1 year	Member of the Audit Committee	Chairwoman and Founder of Phémia Conseil

(1) Jacques Blanchard will reach the age limit for holding office as Chief Executive Officer (70) on 02/18/2021. Based on the Articles of Association (as set out under Section 1.2 of this report), his term of office as Chief Executive Officer will therefore expire at the end of the Ordinary General Meeting to be held in 2022.

1.3.2 Changes to the composition of the Board of directors in 2019

Following the death of Gérard Aubert at the end of 2018, on 21 February 2019, the Board of directors appointed Valérie Ohannessian to replace him as a director and member of the Audit Committee on a temporary basis for the remaining duration of his term, i.e until the end of the Combined General Meeting of 29 May 2019. This temporary appointment was ratified by the Combined General Meeting of 29 May 2019. Moreover, as his term of office was about to expire, the appointment was also renewed for a period of four years, i.e. until the end of the General Meeting to be called in 2023 to approve the financial statements for the previous financial year.

The Combined General Meeting of 29 May 2019 also approved:

- the renewal of the office of Director for Jacques Blanchard for a term of four years, i.e. until the end of the Meeting to be held in 2023 to approve the financial statements for the previous financial year;
- the appointment of Gilles Castiel to the Board. Gilles Castiel was coopted at the Board of directors meeting of 6 December 2018 to replace Jean Guitton who resigned from the Board.

The table below summarises the changes in the composition of the Board of Directors and its committees that occurred in the 2019 financial year:

	Appointment	Renewal	Ratification of temporary appointment
Board of Directors	Valérie Ohannessian (02/21/2019) - Feminisation	Jacques Blanchard (05/29/2019)	Gilles Castiel (05/29/2019)
Audit Committee	Valérie Ohannessian (02/21/2019) - Feminisation	None	Gilles Castiel (05/29/2019)
Strategic Committee	None	Jacques Blanchard (05/29/2019)	Gilles Castiel (05/29/2019)

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.

It is noted that the Company's corporate officers held no office or position within Company subsidiaries during the financial 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 SCORLUX, SICAV-SIF (Luxembourg) • Chairman of the Board of Directors of SCOR Funds (Luxembourg) • Chairman of the Board of Directors of Coriolis (United Kingdom) • Chairman of SCOR Capital Partners SAS • Chairman of SCOR Capital Partners 3 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 Marbot Management 2 SAS • Chairman of Mondot Immobilier SAS • Director of Humensis • Co-manager of SCOR Capital Partners 2 BV (Netherlands) Main offices and positions held outside SCOR: • None	Main offices and positions held within SCOR: • Chairman and Chief Executive Officer of Humensis • 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 Supervisory Board of Editions Belin SAS • Chairman and Chief Executive Officer of Humensis • Chairman and CEO of SCOR Auber SA • Chairman of Mobility SAS • Director of Gutenberg Technology SAS • Director of Presses Universitaires de France SA • 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	• CEO of CBRE Conseil & Transaction • Member of the Management Committee of CBRE France • Director of Technoutil SA • Chairwoman of Neufbis'ness SAS • Manager of SCI B2V	• Chairman of CBRE Corporate

(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
Gilles Castiel	Main offices and positions held within SCOR: • Head of Real Estate at SCOR Investment Partners • 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 Marbot Management 2 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 SE on the Board of Directors of Technical Property Fund 2 • Permanent representative of SCOR SE on the Board of Directors of Viveris Odyssée SPPICAV Main offices and positions held outside SCOR: • None	Main offices and positions held within SCOR: • Permanent representative of SCOR SE [(1)] on the Board of Directors of OPCI River Ouest Main offices and positions held outside SCOR: • None
Valérie Ohannessian	• Chairwoman and Founder of Phémia Conseil	• 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.

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 SCPI River Ouest • Director of Réunion Aérienne et Spatiale SAS • Director of Viveris Odyssée SPICAV • Director of Luxlife SA (Luxembourg) • Director of Euromaf Re SA (Luxembourg) • Director of Arope Insurance (Lebanon) • Director of B3i Services AG (Switzerland) Offices and positions held by Karina Lelièvre within SCOR: • Deputy Company Secretary of SCOR SE (1) Main offices and positions held by Karina Lelièvre outside SCOR: • 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) Offices and positions held by Karina Lelièvre within SCOR: • None Main offices and positions held by Karina Lelièvre outside SCOR: • None

(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 9 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 Brigitte Gauthier-Darcet and Valérie Ohannessian, i.e. one third of its members, in line with the proportion referred to in Recommendation 9.3 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 years;
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, 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;
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.

The table below shows a summary of the Board's members, reviewed by the Board on 4 April 2019, in relation to the above independence criteria:

Name and surname / Criteria	1	2	3	4	5	6	7	8	Independent
François de Varenne	-	√	√	√	√	√	√	- (2)	No
Jacques Blanchard	-	√	√	√	√	-	-	√	No
Gilles Castiel	-	√	√	√	√	√	√	- (2)	No
Brigitte Gauthier-Darcet	√	√	√	√	√	√	√	√	Yes
SCOR SE represented by Karina Lelièvre	-	√	√	√	√	√	-	-	No
Valérie Ohannessian	√	√	√	√	√	√	√	√	Yes

(2) Employee of SCOR group.

On 5 April 2019, the Board of Directors endorsed compliance with the independence criteria for Brigitte Gauthier-Darcet and Valérie Ohannessian.

There are no business ties between the Company or its Group and any independent directors.

(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.

1.3.5 Experience and expertise of the directors

François de Varenne	François de Varenne is a graduate of École Polytechnique and 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. At the end of 2008, François de Varenne was appointed 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 50,000 m^2 of retail premises for 14 stores in France and other European countries. He also completed major restructuring and extension operations involving shops on Boulevard Haussmann in Paris and rue Neuve in Brussels.
Gilles Castiel	Gilles Castiel holds a Masters in Economics, majoring in banking, finance and insurance, from Université Paris-Dauphine, as well as a postgraduate diploma from the French Association of Financial Analysts. He is also a CFA Charterholder. In February 2013 he joined SCOR Investment Partners as Head of Real Estate Debt, and is now Head of Real Estate. 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.
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 40 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.
SCOR SE represented by Karina Lelièvre	SCOR SE is a European company with a share capital of €1,473,383,816.88, whose head office is located at 5 avenue Kléber, 75016 Paris, and is listed under number 562 033 357 in the Paris Trade and Companies Register. The fourth 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 Université Paris I Panthéon-Sorbonne. She was the Chief Executive Officer of Coop de France from 2018 to 2019. 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 law to General 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 the 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 roles of Chairman of the Board of directors and Chief Executive Officer have been separated to reflect the Company's shareholder structure and to draw on the experience of its executive team.

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 law to General 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), or 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 1,000m² 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; or

(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 cases set out by the regulations, 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 of directors 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. As the roles of Chairman of the Board of directors and Chief Executive Officer are separate, 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 the 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 corporate financial statements, consolidated financial statements and the management report.

1.8 Meetings of the Board of directors in 2019

The Board of directors of the Company met five times in 2019 with meetings lasting two to three hours.

The main work carried out during 2019 related to:

- reviewing financial matters, namely approving the 2018 annual financial statements, 2019 interim financial statements and 2019 cash flow forecasts and budget, reviewing the 2018 Registration Document, and approving the 2019 half-year financial report;
- reviewing governance and human resources matters, namely approving a plan to award bonus shares to employees, approving the assessment process for standard agreements, setting the remuneration of the executive corporate officers, 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, co-opting a director onto the Board, renewing the term of office of the Chief Executive Officer, reviewing the composition of the Board and its committees, updating the Board's and committees' internal regulations, and reviewing the new regulatory requirements attached to the Universal Registration Document;
- reviewing investor relations, removal of the double voting rights;
- reviewing and validating business matters, namely reviewing the value-enhancement plan for retail properties, updating the business plan, reviewing current litigation and the plan to reduce the Group's carbon footprint;
- convening the General Meeting of Shareholders and the Special General Meeting of holders of shares with double voting rights and approval of the related reports (in particular the Board of directors' reports on 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. At its meeting held on 5 December 2019, the Board again discussed the question of manager succession. At the meeting four directors, including one independent, formed a group to oversee the recruitment of the next Chief Executive Officer.

In 2019, the average attendance rate of the Board's members was 93.3%. 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	4 meetings out of 5 (80%)
Jacques Blanchard	5 meetings out of 5 (100%)
Gilles Castiel	5 meetings out of 5 (100%)
Brigitte Gauthier-Darcet	5 meetings out of 5 (100%)
SCOR SE represented by Karina Lelièvre	4 meetings out of 5 (80%)
Valérie Ohannessian	5 meetings out of 5 (100%)
OVERALL RATE	**93.3%**

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 Company's Management Committee and senior management posts reflected a perfect gender balance.

1.9 Assessment of the Board of directors in 2019

For the sixth consecutive year, the Company devised an assessment questionnaire based on the Board's working method and sent it to the directors in November 2019. 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 5 December 2019 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 3.9 and 5 depending on the topic, with overall scores stable in relation to the previous year.

In summary, the directors particularly praised the following positive points:

- the composition of the Board of Directors, which was deemed to be very satisfactory and scored slightly higher than the previous year. The assessment specifically highlights:
  - the application of the principles set out by the Company as to the Board's composition,
  - the average age of the directors, which is down five years following the most recent appointments,
  - the near parity of gender representation on the Board,
  - the proportion of independent directors, in accordance with the recommendations of the AFEP-MEDEF Code,
  - the attendance of the directors;

- the Board's organisation and operating conditions, including progress in making documents available ahead of meetings, and the holding of a financial communication training for the first time in 2019;
- the Board's actions, deemed satisfactory with scores stable in relation to the previous year. The assessment specifically commends:
  - the presentation of Group results, which facilitates the Board's control function,
  - all items linked to financial management, budget and results,
  - the efficiency of the internal control procedures,
  - the establishment of a remuneration policy for the Chief Executive Officer;
- the functioning and quality of the Committees which were deemed extremely satisfactory.

The directors also had this to say:

- the Board of directors of M.R.M. works just as well as the other boards of directors on which they sit,
- the current remuneration of Board and Committee members is appropriate,
- 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 property, spending more time defining the Company's strategy post-refocusing on retail property, and providing greater visibility of the internal control procedures and on the work of the Strategic Committee during Board meetings.

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:

- monitor 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, the 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 annual corporate and consolidated financial statements, taking into account any follow-up observations and conclusions by the High Council of Statutory Auditors (H3C). As such, it must specifically:
  - note and examine the audit methods and the main risks and uncertainties relating to the annual 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;

- question 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,
  - a company controlling one of its shareholders (holding more than 10% of the voting rights) as defined by Article L.233-3 of the French Commercial Code, including any agreements which indirectly affect any of the parties listed above;
- 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, in particular 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 Company also complies with the stipulations of the Poupart Lafarge report on the composition of Audit Committees.

Brigitte Gauthier-Darcet, Chairwoman of the Audit Committee, has special expertise in finance and accounting. She also has more than 40 years of professional experience in engineering, construction, communications and investment. Having started her career at Serete where she headed the finance department, Brigitte Gauthier-Darcet 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 the French Association of Financial Analysts (*Société française des analystes financiers* – SFAF) 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. Before assuming this role, she spent ten 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 of directors' 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 Financial Management 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 2019

The Audit Committee met six times during the 2019 financial year 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 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;
- reviewing the new regulatory requirements for the Universal Registration Document.

In 2019, the average attendance rate of the Audit Committee's members was 100%. 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%)
Gilles Castiel	6 meetings out of 6 (100%)
Valérie Ohannessian (1)	5 meetings out of 5 (100%)
OVERALL RATE	**100%**

(1) Director coopted on 21 February 2019.

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 of the Company and director;
- Gilles Castiel, director.

1.13 The Strategic Committee's work in 2019

The Strategic Committee met ten times during the 2019 financial year and its meetings, lasting two to three hours, mainly covered:

- monitoring the disposal of the last office property;
- monitoring the progress of the letting activities and portfolio value-enhancement plans;
- approving the conditions for the letting of the main rental units;
- monitoring changes in the retail property market and performing a strategic review of the asset portfolio;
- reviewing investment opportunities;
- reviewing the renewal conditions for property management contracts;
- removal of the double voting rights;
- updating and monitoring the three year business plans;
- managing bank debt;
- drafting the financial communication policy;
- monitoring procedures related to disputes.

In 2019, the average attendance rate of the Strategic Committee's members was 96.7%. 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	9 meetings out of 10 (90%)
Gilles Castiel	10 meetings out of 10 (100%)
OVERALL RATE	**96.7%**

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 2019.

Please note however that the Board of directors has been granted a current authorisation to award new or existing free shares, for which the details are as follows:

Nature of the delegation or authorisation	GM date	Expiration date	Amount authorised	Uses	Amount remaining at 12/31/2019
Authorisation to award free shares	05/29/2019	07/28/2021	0.5% of the share capital at the GM date (1)	(2)	186,096 shares

(1) *The amount authorised is capped at 0.5% of the share capital at the date of the General Meeting, i.e. at 218,339 shares.*

(2) *On 29 May 2019, the Board of directors used the authorisation to award 32,243 free shares to some of the Company's employees. Up to 186,096 remaining free shares may be awarded under the authorisation.*

1.15 Management of conflicts of interest

To the Company's knowledge, and on the day of this report, no member of an administrative, management or supervisory body, in the past five years:

- was found guilty of fraud;
- was involved in any insolvency, sequestration proceedings or liquidation or court-ordered administration of a business in the course of their duties as a member of an administrative, management or supervisory body;
- was accused of any offence and/or incurred any official public penalty imposed by statutory or regulatory authorities (including designated professional bodies);
- 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 issuer;
- is linked to the issuer or any of its subsidiaries by a service agreement granting any specific benefits as set out by said agreement.

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. It is recalled that 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 in the Board of directors is not a source for them or the Company of a Conflict of Interest on a personal level or 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."*

To the Company's knowledge, and on the date of this report, no potential conflict of interests had been identified (other than the aspects referred to above regarding SCOR SE and directors from the SCOR group) between the duties of any member of an administrative, management or supervisory body to the issuer and their private interests and/or other duties.

To the Company's knowledge, and on the date of this report, no arrangement or agreement with main shareholders, customers or suppliers exists under the terms of which any member of an administrative, management or supervisory body has been selected for that role.

To the Company's knowledge, and on the date of this report, no restriction has been agreed by any member of an administrative, management or supervisory body as regards the disposal of the issuer securities that they hold within a specific time period, with the exception of the obligation set out by Section 1.2 above (registered shares held by directors and executive corporate officers not linked to the majority shareholder, for a minimum number of shares representing a value of €1,000, throughout their term of office).

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 Company's Articles of Association (excluding in the specific context of the health crisis linked to the COVID-10 epidemic enabling the Shareholders' Meeting to be held virtually through a videoconference under certain conditions).

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 must reiterate the shareholders' obligations under Article 8 "Rights attached to each share – Threshold crossing" of the Articles of Association. Any shareholders other than natural persons directly or indirectly holding at least 10% of the 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.

General 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 General 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 the 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 controlled entity

None.

1.18 Agreements referred to in Articles L.225-38 and L.225-40-1 of the French Commercial Code – Procedure to assess standard agreements entered into under normal conditions

At its meeting of 5 December 2019, the Board of Directors adopted a procedure to regularly assess whether agreements related to day-to-day transactions and entered into under normal conditions met the relevant criteria. Any person directly or indirectly involved in any of these agreements shall not participate in the assessment process.

Prior to the meeting of the Board of directors on 27 February 2020, called to approve the 2019 financial statements, Administrative and Financial Management carried out a second review of the agreements in force entered into under normal conditions and falling into the category of standard agreements, and the list of agreements concerned and the conclusions of the annual review by Administrative and Financial Management were sent to the members of the Audit Committee for comment. The Audit Committee informed the Board of directors that it was implementing the assessment procedure, as well as sending the results of this procedure and any comments.

Administrative and Financial Management shall call on the Board of directors if, during the annual review, an agreement previously classified as standard which has been entered into under normal conditions no longer meets the above-mentioned criteria. In accordance with the provisions of Article L.225-42 of the French Commercial Code, the Board would then reclassify the agreement as a regulated agreement, approve it and submit it for the approval of the next General Meeting, based on a special Statutory Auditors' report.

1.18.1 Agreements approved in previous years which were effective in the financial year ended 31 December 2019

None.

1.18.2 Agreements to be submitted for approval to the next General Meeting

None.

1.18.3 Agreements approved after 31 December 2019

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 (2020 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.

In accordance with Order no. 2019-1234 of 27 November 2019, the remuneration policy for corporate officers of listed companies on regulated markets must be approved by an Ordinary General Meeting (*ex-ante* vote).

The Board of directors has established a remuneration policy for each of the Company's corporate officers which takes into account the recommendations made by the AFEP-MEDEF Code and the Company's interest. The policy forms part of the active value-enhancement and asset management strategy, combining yield and capital appreciation. The Board of directors has also determined the Chief Executive Officer's remuneration based on the above components, primarily by setting variable remuneration criteria linked to the implementation of the business strategy and in the Company's interest.

No component of remuneration, of any nature whatsoever, may be determined, awarded or paid by the Company, nor any commitment made by the Company if it does not comply with the approved remuneration policy or, in its absence, with the remuneration or practices existing within the Company. However, in exceptional circumstances, the Board is exempt from applying the remuneration policy provided that such exemption is temporary, in the Company's interest and required for the Company's sustainability or viability.

As there is no remuneration committee, as explained in Section 1.1 of this report, the Board of directors shall determine, review and implement the remuneration policy for each of the corporate officers. Please note that the Chief Executive Officer shall not take part in discussions or votes on these issues.

As part of its decision-making process for determining and reviewing the remuneration policy, the Board of directors incorporates the fairness ratio information shown below into the Company's remuneration and employment terms.

In the event of any changes to the Company's governance, the remuneration policy will be applied to the Company's new corporate officers, with amendments where necessary.

2.1.1 Remuneration policy for the Chief Executive Officer and/or any other executive corporate officer

The remuneration policy for the Chief Executive Officer, as set by the Board of directors, is described below. It will be the subject of an ordinary resolution submitted for the approval of shareholders at the forthcoming 2020 General Meeting (ex-ante vote).

The fixed, variable and exceptional components of the total remuneration and all benefits in kind due to the Chief Executive Officer in respect of his office, and their respective weightings, are as follows:

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 50%. Payment of this remuneration is subject to achieving quantitative and/or qualitative performance criteria set by the Board of directors for the year in question.

For the 2020 financial year, at its meetings of 27 February 2020 and 2 April 2020, the Board of directors capped the annual variable remuneration for the current Chief Executive Officer at 40% of his annual fixed remuneration, and decided that its amount and payment would be subject to achieving the following performance criteria:

- Quantitative/quantifiable financial criteria
  - increase rental income from retail properties to reach the target of €10 million in annualised net rents,
  - complete the value-enhancement plan of the Valentin shopping centre (extension works and lettings);

The expected achievement level of these quantitative/quantifiable criteria is predetermined by the Board of directors, but not made public for confidentiality reasons.

- Non-financial criteria
  - preparation and arrival of a new Chief Executive Officer,
  - launch the climate plan,
  - managing the impacts of the COVID-19 crisis.

The variable remuneration criteria contribute to achieving the remuneration policy targets, as they aim primarily to consolidate and increase the rental revenue base generated by the Group, to leverage the potential value of its property assets, and to accelerate its CSR strategy for long-term growth.

The Board of directors shall use the corporate/consolidated financial statements approved and audited by the Statutory Auditors as a basis on which to determine to what extent the variable remuneration performance criteria (and particularly the financial criteria) have been met.

Please note that in the context of this remuneration policy and in the event of a change of governance, the Board of directors reserves the right to apply the following changes to the performance criteria:

- Quantitative/quantifiable financial criteria
  - increase the Group's net rental income,
  - complete the value-enhancement plan of the Valentin shopping centre (extension works and lettings),
  - achieve an acquisition or disposal target;
- Non-financial criteria
  - prepare a strategic plan in line with the strategic guidelines approved by the Board of directors,
  - pursue the climate plan,
  - manage the impacts of the COVID-19 crisis.

Long-term remuneration in cash or through the allocation of free shares and/or stock options

The Board of directors reserves the option to implement long-term remuneration in cash or through the allocation of free shares and/or stock options for the Chief Executive Officer. The amount and payment/award of such remuneration will be dependent on the achievement level of the quantitative/qualitative performance criteria assessed over a minimum three-year period, such as, in particular, achieving a target IRR over the period in question or achieving strategic plan targets.

The long-term remuneration criteria will contribute to the remuneration policy targets.

The Board of directors shall use the corporate/consolidated financial statements approved and audited by the Statutory Auditors as a basis on which to determine to what extent the long-term remuneration performance criteria (and particularly the financial criteria) have been met.

There will be a minimum vesting period of three years for the award of free shares. The Board of directors shall also require that the Chief Executive Officer holds a specific proportion of these shares as registered shares until the termination of his 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 completing a major transaction for the Company. The agreed amount of such exceptional remuneration may not exceed 25% of the annual fixed remuneration.

Remuneration awarded for the office of member of the Board

The Chief Executive Officer receives no remuneration for his office of director.

Benefits in kind

The Chief Executive Officer has healthcare and personal risk cover as well as a company car.

Commitments

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 financial performance conditions, and where necessary non-financial performance conditions.

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 remuneration policy applicable to the Chief Executive Officer would also 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 remuneration policy applicable to the Chief Executive Officer would be also be applicable to the Chairman and Chief Executive Officer.

Payment of the components of variable remuneration and where applicable exceptional remuneration allocated for the past financial year is subject to approval by the Ordinary General Meeting of the components of remuneration and benefits in kind paid to the Chief Executive Officer during the previous financial year or allocated for that financial year (*ex-post* individual vote). Consequently, payment of these components will be made, subject to this condition, after the General Meeting to be held in 2021 to approve the financial statements for 2020.

2.1.2 Remuneration policy for the Chairman of the Board of directors

The remuneration policy for the Chairman of the Board of directors, as set by the Board of directors, is described below. It will be the subject of an ordinary resolution submitted for the approval of shareholders at the forthcoming 2020 General Meeting (*ex-ante* vote).

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, the remuneration policy would be as follows.

The components of the total remuneration and benefits in kind due, in respect of his office, and their respective weightings, are 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.

Remuneration awarded for the office of member of the Board

The Chairman of the Board of directors may receive remuneration for his office as a member of the Board, under the same conditions as have been set for other members (see below).

Benefits in kind

The Chairman of the Board could have healthcare and personal risk cover as well as a company car.

2.1.3 Remuneration policy for members of the Board of directors

The thirteenth ordinary resolution of the General Meeting of 1 June 2017 set the annual overall remuneration amount for members of the Board to directors at €55,000. In order to allow for the possibility of extend the remuneration of members of the Board of directors who are not employees of the SCOR group, the forthcoming 2020 General Meeting will be asked to increase this amount from €55,000 to €65,000. Please note that this amount would be valid for the financial year in progress, and until any new decision by the General Meeting.

The remuneration policy for members of the Board, as set by the Board of Directors, is described below. It will be the subject of an ordinary resolution submitted for the approval of shareholders at the forthcoming 2020 General Meeting (ex-ante vote).

At its meeting of 2 April 2020, the Board of directors amended the distribution criteria for the fixed annual amount allocated by the General Meeting to members of the Board. The criteria are now as follows:

The amount is used to remunerate the attendance of independent directors and directors who are not employees of the SCOR group, in the following proportions, specifically linked to industry practice, as follows:

- remuneration of €1,100 per Board of directors meeting attended by the director;
- remuneration of €1,100 per Committee meeting attended by the director;
- remuneration of €2,200 per Committee meeting attended by the director Chairman or Chairwoman of the Committee in question;
- remuneration of €1,100 per director to be invested in Company shares.

Please note that previously, only independent directors were eligible for such remuneration.

2.2. Total remuneration and benefits paid to the corporate officers in 2019 (approval of the information set out by Article L.225-37-3 (I) of the French Commercial Code – overall ex-post vote)

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 executive corporate officers approved by the General Meeting of 29 May 2019 in its tenth and eleventh resolutions, the Company reports below on the total remuneration and benefits in kind paid in the financial year ended to each corporate officer by the Company or entities under its control as defined by Article L.223-16 of the French Commercial Code.

This information will be the subject of an ordinary resolution submitted for the approval of shareholders at the forthcoming 2020 General Meeting, in accordance with Article L.225-100 II of the French Commercial Code.

In 2019, 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 2019, the Company's non-executive corporate officers were Brigitte Gauthier-Darcet, Valérie Ohannessian, Gilles Castiel and SCOR SE.

The Company's executive and non-executive corporate officers received no stock options or free shares, given that the Company has not set up any stock option or free share allocation plans.

At its meeting of 29 May 2019, the Board of directors of the Company decided to use the amount of €55,000 allocated to directors' remuneration for 2019 by the General Meeting of 1 June 2017 to remunerate the attendance of the independent directors, namely Brigitte Gauthier-Darcet and Valérie Ohannessian, pending further decision.

Jacques Blanchard has received remuneration as Chief Executive Officer of the Company, but has not received any remuneration for his office of director.

François de Varenne has not received any remuneration or benefit from the Company or its subsidiaries as Chairman of the Board of directors. 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 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:

	2019	2018
Jacques Blanchard, Chief Executive Officer		
Remuneration awarded for the financial year	€289,828	€289,712
Value of multi-year variable remuneration awarded during the year	-	-
Value of options awarded during the year	-	-
Value of free share awards	-	-
TOTAL	**€289,828**	**€289,712**

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 End of term of office: General Meeting to be held in 2021 to approve the financial statements for the year then ended		X		X		X		X
Jacques Blanchard Chief Executive Officer Start of term of office: 29 May 2013 End of term of office: General Meeting to be held in 2023 to approve the financial statements for the year then ended [(1)]		X		X		X		X

(1) Jacques Blanchard will reach the age limit for holding office as Chief Executive Officer (70) on 02/18/2021, i.e. during his term of office as Chief Executive Officer. Based on the Articles of Association (as set out under Section 1.2 of this report), his term of office as Chief Executive Officer will therefore expire at the end of the Ordinary General Meeting to be held in 2022.

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 21 February 2019, the Board of directors decided that the Chief Executive Officer would receive, for 2019:

- gross fixed annual remuneration of €200,000 in twelve 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 performance criteria, namely (i) increasing the rental income of retail properties to the target of €10 million in annualised net rent, (ii) completing the value-enhancement plan of the Valentin shopping centre (extension works and lettings), (iii) acquiring retail properties and selling them for an amount which matches their appraisal value, and (iv) helping to develop an acquisition strategy and a three-year investment plan.

At its meeting of 27 February 2020, the Board of directors assessed the achievement level of the performance criteria set out by Section 2.3 below at 100%, corresponding to variable annual remuneration of €80,000 for 2019 (i.e. 40% of the fixed remuneration), payment of which is subject to approval by the Ordinary General Meeting of the components of remuneration paid during, or allocated to the Chief Executive Officer with respect to, said year (*ex-post* individual vote).

Consequently, payment of this component will be made, subject to this condition, following the 2020 General Meeting to approve the financial statements for 2019. See Section 2.3 below.

Multi-year variable remuneration

At its meeting of 21 February 2019, the Board of directors decided that the Chief Executive Officer would not receive a multi-year variable remuneration for 2019.

Benefits in kind

In accordance with the Board's decision of 21 February 2019, 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 awarded and paid to the Chief Executive Officer for the last two years:

	2019		2018	
	Amounts awarded	Amounts paid	Amounts awarded	Amounts paid
Fixed remuneration	€200,000	€200,000	€200,000	€200,000
Annual variable remuneration	€80,000	€80,000	€80,000	€56,000
Multiyear variable remuneration	-	-	-	-
Exceptional remuneration	-	-	-	-
Remuneration for the office of Director	-	-	-	-
Benefits in kind [(1)]	€9,828	€9,828	€9,712	€9,712
TOTAL	**€289,828**	**€289,828**	**€289,712**	**€265,712**

(1) Company car, healthcare and personal risk cover.

Jacques Blanchard received no stock options or performance shares from the Company.

Fairness ratios

In accordance with Article L.225-37-3 of the French Commercial Code and with AFEP guidelines on remuneration multiples, the table below shows fairness ratios for the last five years between the total gross remuneration paid to the Chief Executive Officer and the mean/median gross remuneration paid to employees over the past five years for the financial year in question:

	2019	2018	2017	2016	2015
Mean remuneration of employees, excluding corporate officers	€95,348	€90,619	€87,585	€79,865	€77,192
Median remuneration of employees, excluding corporate officers	€99,740	€92,336	€88,919	€77,500	€72,300
Total remuneration of the Chief Executive Officer	€289,828	€265,712	€388,688	€281,445	€280,821
Ratio with mean remuneration of employees	304%	293%	444%	352%	364%
Ratio with median remuneration of employees	291%	288%	437%	363%	388%

In addition, the table below shows changes in the Group's performance over the last five years:

	2019	2018	2017	2016	2015
Consolidated net income	€3,157 k	-€10,428 k	-€4,628 k	€5,089 k	€7,291 k
Net operating cash flow	€3,000 k	€2,400 k	€1,700 k	€4,900 k	€4,400 k

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.

2.2.3 Remuneration of the non-executive corporate officers

The remuneration set out by Article L.225-45 of the French Commercial Code (formerly referred to as "Director's fees") is the only remuneration component paid to non-executive corporate officers. The Ordinary General Meeting of 1 June 2017 decided to set the total amount of Directors' remuneration at €55,000, pending further decision.

At its meeting of 29 May 2019, 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 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:

	2019		2018	
Remuneration for the office of director, and other remuneration paid or awarded by the Company	**Amounts awarded**	**Amounts paid**	**Amounts awarded**	**Amounts paid**
Gilles Castiel				
Remuneration for the office of director	-	-	-	-
Other remuneration	-	-	-	-
Brigitte Gauthier-Darcet				
Remuneration for the office of director	€19,800	€19,800	€18,700	€9,900
Other remuneration	-	-	-	-
Valérie Ohannessian				
Remuneration for the office of director	€12,100	€6,600	€2,200	€2,200
Other remuneration	-	-	-	-
SCOR SE represented by Karina Lelièvre				
Remuneration for the office of director	-	-	-	-
Other remuneration	-	-	-	-
Gérard Aubert (1)				
Remuneration for the office of director		€2,200	€9,900	€7,700
Other remuneration		-	-	-
Jean Guitton (2)				
Remuneration for the office of director			-	-
Other remuneration			-	-
TOTAL	**€31,900**	**€28,600**	**€30,800**	**€19,800**

(1) Director until 30 November 2018.
(2) Director until 30 November 2018, the date on which his resignation became effective.

2.3 Proposal to approve the components of remuneration and benefits in kind paid during, or allocated for, 2019 to the Chief Executive Officer (individual *ex-post* vote)

As a reminder, François de Varenne, Chairman of the Board of directors, receives no remuneration or benefits from the Company or 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 the Order of 27 November 2019 and Article L.225-100 III of the French Commercial Code, the forthcoming 2020 General Meeting will be asked to approve the fixed, variable and exceptional components of the total remuneration and benefits in kind paid during, or awarded for, 2019 to Jacques Blanchard (individual *ex-post* vote).

This section of this report is prepared in accordance with Article L.225-100 III of the French Commercial Code, and will be submitted for approval to the forthcoming 2020 General Meeting.

The table below presents all the proposed components of remuneration subject to approval by the forthcoming 2020 General Meeting, in accordance with the principles and criteria applying to the remuneration of the Chief Executive Officer approved by the General Meeting of 29 May 2019 in its eleventh resolution:

Components of remuneration paid during the financial year ended or allocated for the financial year ended	Amount or accounting valuation put to the vote	Presentation
Fixed remuneration	€200,000 (gross amount in equal monthly payments in 2019)	Annual fixed gross remuneration of €200,000 (unchanged since 1 August 2013).
Annual variable remuneration	€80,000 (gross amount paid in 2019 for 2018) €80,000 (amount payable for 2019, following approval by the forthcoming 2020 General Meeting, subject to a vote in favour)	See Section 2.2.1 for the variable amount paid for 2018. The performance criteria on which annual variable remuneration awards for 2019 are based include: (i) increasing rental income of retail properties to reach the target of €10 million in annualised net rents, (ii) completing the value-enhancement plan of the Valentin shopping centre (extension works and lettings), (iii) acquiring retail properties and selling them for an amount which matches their appraisal value, and (iv) helping to develop an acquisition strategy and a three-year investment plan. At its meeting of 27 February 2020, the Board of Directors assessed the Chief Executive Officer's achievement level of targets (i), (ii) and (iv) at 100%, criterion (iii) being inapplicable.
Multi-year variable remuneration in cash	-	The Board of directors reserves the right to award a multi-year variable remuneration in cash to the Chief Executive Officer whose amount and payment will be subject to achieving quantitative and/or qualitative performance criteria 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 2019.
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 2019.
Remuneration for the office of Director	-	The Chief Executive Officer receives no remuneration for his office of director.
Components of remuneration due following termination or change of duties, retirement benefits and non-compete commitments	N/A	
Accounting valuation of benefits in kind	€9,828	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

The 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 2019 Universal 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

"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.

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).

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 2019 Universal 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 Company's 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 Company's 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 Combined General Meeting of 29 May 2019, in its twelfth 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 31 May 2018 in its ninth 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 French Financial Markets Association (*Association française des marchés financiers* – AMAFI) and recognised by 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 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 free share allocation 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 that would be acquired, in accordance with the authorisation granted on 29 May 2019 by the General Meeting in its thirteenth 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 free 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 ofcontrol 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

The 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 Universal Registration Document.

The Statutory Auditors' special report on regulated agreements can be found in Section 4.3 "Statutory Auditors' report on regulated agreements" of this Universal 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

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 Annual General Meeting of M.R.M. company,

In our capacity as your company's Statutory Auditors, we hereby present you our report on regulated agreements.

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 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. 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 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 already approved by the Shareholders' 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 submitted to the approval of the Shareholders' Meeting

We have been informed of no agreements 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 previously approved by the Shareholders' Meeting

We have not been informed of any agreements approved in prior years and which remained current during the last year.

Paris-La Défense and Paris, 3 April 2020

The Statutory Auditors

French original signed by

Mazars
Gilles Magnan

RSM Paris
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 the 2019 financial year are presented in Note 11.2 "Relations with the Statutory Auditors" in Section 3.7 "Consolidated financial statements for the financial year ended 31 December 2019" of this Universal 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 to the consolidated financial statements for the financial year ended 31 December 2019, provided in Section 3.7 of this Universal Registration Document.

The Group's subsidiaries are also presented in Section 1.5 "Group ownership structure" of this Universal Registration Document.

7. PERSON RESPONSIBLE FOR THE FINANCIAL INFORMATION

Jacques Blanchard

Chief Executive Officer.

8. FINANCIAL CALENDAR

7 May 2020	Financial information for Q1 2020
26 June 2020	Combined General Meeting of Shareholders
29 July 2020	2020 half-year results
6 November 2020	Financial information for Q3 2020

DOCUMENTS ACCESSIBLE TO THE PUBLIC

9.

Copies of this Universal Registration Document are available free of charge from the Company and on its website (www.mrminvest.com) and on that of the French Financial Markets Authority (*Autorité des Marchés Financiers* – AMF) (www.amf-france.org).

All legal and financial documents that must be made available to shareholders, in accordance with the applicable regulations, may be viewed at M.R.M.'s head office: 5, avenue Kléber, Paris (16th arrondissement) and on its website (www.mrminvest.com).

In particular, the following documents can be viewed:

(a) the most recent version of the issuer's Articles of Association;

(b) any reports, letters and other documents, and valuations and declarations prepared by an appraiser at the issuer's request, some of which are included or referred to in the registration document;

The "Regulated Information" page on the Company's website is accessible at:

https://mrm.gcs-web.com/fr/amf-regulated-information

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 UNIVERSAL REGISTRATION DOCUMENT

10.1 Person responsible for the Universal Registration Document

Jacques Blanchard, Chief Executive Officer of M.R.M.

10.2 Certification by the person responsible for the Universal Registration Document

Having taken all reasonable steps for this purpose, I hereby certify that the information contained in this Universal 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 on pages 46-63) 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 them.

Jacques Blanchard

Chief Executive Officer

11. CROSS-REFERENCE TABLE

To facilitate the reading of this Universal Registration Document, the cross-reference table below identifies the main information required under Annexes 1 and 2 of Delegated Regulation (EU) 2019/980 of 14 March 2019.

URD References	Headings	Sections
Section 1	**Persons responsible, information derived from third parties, expert reports and approval by the competent authority**	
Section 1.1	Persons responsible for the information	10.1
Section 1.2	Certification by the persons responsible for the Document	10.2
Section 1.3	Expert declaration	N/A
Section 1.4	Other certifications for information derived from third parties	N/A
Section 1.5	Declaration relating to the approval of the Document	Cover page
Section 2	**Statutory Auditors of the accounts**	
Section 2.1	Details	4.4
Section 2.2	Changes	4.4
Section 3	**Risk factors**	
Section 3.1	Description of the major risks	2
Section 4	**Information about the issuer**	
Section 4.1	Company and trade name	3.1.1
Section 4.2	Company registration and identifier (LEI)	3.1.2 and 3.1.3
Section 4.3	Date of incorporation and term of company	3.1.6
Section 4.4	Head office, legal status, applicable laws, website and other	3.1.4 and 3.1.5
Section 5	**Overview of businesses**	
Section 5.1	Main businesses	
Section 5.1.1	*Nature of transactions and main businesses*	*1.4.1*
Section 5.1.2	*New products and/or services*	*N/A*
Section 5.2	Main markets	1.4.2
Section 5.3	Major events	1.4.6, 3.7 Note 1
Section 5.4	Strategy and financial and non-financial objectives	1.4.7
Section 5.5	Level of dependency	N/A
Section 5.6	Competitive position	N/A
Section 5.7	Investments	
Section 5.7.1	*Major investments made*	*1.4.5*
Section 5.7.2	*Major current investments and firm commitments*	*1.4.7*
Section 5.7.3	*Joint ventures and significant holdings*	*N/A*
Section 5.7.4	*Environmental impact of the use of property, plant and equipment*	*1.9; 3.6 Part 4*
Section 6	**Organisational structure**	
Section 6.1	Summary overview of the Group/Ownership structure	1.5
Section 6.2	List of major subsidiaries	3.7 Note 3.2

URD References	Headings	Sections
Section 7	**Examination of the financial position and results**	
Section 7.1	Financial position	3.6
Section 7.1.1	*Statement on business changes and results*	*3.6 Part 1.3*
Section 7.1.2	*Future changes and research & development activities*	*3.6 Part 1.2*
Section 7.2	Operating income	3.6
Section 7.2.1	*Key factors*	*N/A*
Section 7.2.2	*Major changes in net revenue and net income*	*N/A*
Section 8	**Cash and capital**	
Section 8.1	Issuer capital	3.7 Note 1.4
Section 8.2	Cash flow	3.7 Note 1.3
Section 8.3	Financing requirements and structure	1.2.2; 3.7 Note 4.13
Section 8.4	Restrictions on the use of capital	N/A
Section 8.5	Expected sources of finance	N/A
Section 9	**Regulatory environment**	
Section 9.1	Description of the regulatory environment and external influencing factors	1.4.1
Section 10	**Information on trends**	
Section 10.1	a) Main recent trends	1.4.2
	b) Significant changes in the Group's financial performance since closing	N/A
Section 10.2	Factors likely to have a notable effect on the outlook	1.4.7
Section 11	**Profit forecasts or estimates**	
Section 11.1	Profit forecasts or estimates	N/A
Section 11.2	Main assumptions	N/A
Section 11.3	Statement on profit forecasts or estimates	N/A
Section 12	**Administrative, management, supervisory and general management bodies**	
Section 12.1	Information on the members of the Company's administrative and management bodies	4.1 Part 1.3
Section 12.2	Conflicts of interest	4.1 Part 1.15
Section 13	**Remuneration and benefits**	
Section 13.1	Paid or granted remuneration and benefits	4.1 Part 2
Section 13.2	Provisions for retirement or other benefits	N/A
Section 14	**Functioning of administrative and management bodies**	
Section 14.1	Length of terms of office	4.1 Part 1.3.1
Section 14.2	Service contracts	4.2.2
Section 14.3	Committees	4.1 parts 1.10 to 1.13
Section 14.4	Compliance with corporate governance rules	4.1 Part 1.1
Section 14.5	Significant potential impacts and future governance changes	N/A
Section 15	**Employees**	
Section 15.1	Breakdown of employees	1.7
Section 15.2	Profit-sharing and stock options	1.7
Section 15.3	Employee share ownership agreement	1.7

URD References	Headings	Sections
Section 16	**Principal shareholders**	
Section 16.1	Breakdown of the share capital	3.2.12
Section 16.2	Different voting rights (or appropriate declaration)	3.2.1
Section 16.3	Control of the issuer	1.5 and 3.2.12
Section 16.4	Shareholder agreement	N/A
Section 17	**Related party transactions**	
Section 17.1	Breakdown of transactions	4.2
Section 18	**Financial information regarding the issuer's assets and liabilities, financial position and results**	
Section 18.1	Historical financial information	
Section 18.1.1	*Audited historical financial information*	*3.7 and 3.9*
Section 18.1.2	*Change of accounting reference date*	*N/A*
Section 18.1.3	*Accounting standards*	*3.7 Note 2; Appendix 3.9*
Section 18.1.4	*Change of accounting basis*	*N/A*
Section 18.1.5	*Minimum content of the audited financial information*	*3.9*
Section 18.1.6	*Consolidated financial statements*	*3.7 Part 1*
Section 18.1.7	*Date of the latest financial information*	*3.7 and 3.9*
Section 18.2	Interim and other financial information	
Section 18.2.1	*Quarterly and half-yearly financial information*	*N/A*
Section 18.3	Audit of the historic annual financial information	
Section 18.3.1	*Audit report*	*3.8 and 3.10*
Section 18.3.2	*Other audited information*	*N/A*
Section 18.3.3	*Unaudited financial information*	*N/A*
Section 18.4	Pro forma financial information	
Section 18.4.1	*Significant changes to gross values*	*N/A*
Section 18.5	Dividend policy	
Section 18.5.1	*Description*	*3.5*
Section 18.5.2	*Dividend amount per share*	*3.6 Part 2.3*
Section 18.6	Judicial and arbitration proceedings	
Section 18.6.1	*Major proceedings*	*2.4*
Section 18.7	Significant changes in the issuer's financial position	
Section 18.7.1	*Significant changes since closing*	*1.4.5*
Section 19	**Additional information**	
Section 19.1	Share capital	
Section 19.1.1	*Amount of issued share capital*	*3.2.1*
Section 19.1.2	*Securities not representative of share capital*	*3.2.4*
Section 19.1.3	*Treasury shares*	*3.2.7*
Section 19.1.4	*Marketable securities*	*3.2.3*
Section 19.1.5	*Conditions of acquisition right and/or of any obligation*	*N/A*
Section 19.1.6	*Option or agreement*	*3.2.9*
Section 19.1.7	*History of the share capital*	*3.2.11*

URD References	Headings	Sections
Section 19.2	Deed of incorporation and Articles of Association	
Section 19.2.1	*Entry in the register and corporate purpose*	*3.1.2; 3.1.8*
Section 19.2.2	*Existing share classes*	*N/A*
Section 19.2.3	*Provision impacting a change of control*	*N/A*
Section 20	**Significant contracts**	
Section 20.1	Summary of each contract	5
Section 21	**Available documents**	
Section 21.1	Declaration on documents available for consultation	9

To facilitate the reading of this document, the cross-reference table below organises the information, in this Universal 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**
2.	**Consolidated financial statements**	**3.7**
3.	**Management report (as defined by the French Monetary and Financial Code)**	**3.6**
3.1.	Information relative to the business of the Company and the Group	
	• Analysis of changes to the business, results and financial position	Sections 1.1 to 1.5 and Section 2
	• Key financial performance indicators	Section 1.3
	• Main risks and uncertainties	Section 1.6
	• Internal control and risk management procedures relating to the preparation and processing of accounting and financial information	Section 1.7
	• Purpose of and policy related to hedging transactions for which hedge accounting is used	Section 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)	Section 4
3.2	Company share buybacks	Section 3.2
4.	**Declaration by the 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**

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