

Press release

24 March 2021



DESPITE THE CRISIS, RESILIENT 2020 ANNUAL RESULTS

The Board of Directors of CADES met on 24 March 2021, under the chairmanship of Mr. Jean-Louis Rey, to approve the financial statements for 2020. These statements are subject to the approval of the supervising Ministers.

Jean-Louis Rey, CADES' chairman of the Board, said at this occasion: "2020 was marked by two crises: a health crisis linked to the Covid-19 epidemic followed by an economic crisis with the very strong recession that resulted from it. These crises weighed heavily on France's social finances, making it necessary for French Parliament to vote in July for CADES to take over 136 billion euros in social debt, and to extend our lifespan to 2033, in order to secure the financial situation of our social security system and thus guarantee its operational continuity. This key role which has been entrusted to us, and which will help to contribute to the absorption of the consequences of these crises, is based on the efficiency of our funding mechanisms which have enabled CADES every year, since its inception, to amortize the nation's social debt."

The Audit Committee met on March 22, 2021, under the chairmanship of Mr. Yves Laqueille, Vice-Chairman of the CNAM board and CADES's Board member, to review the 2020 annual results, which were presented by the Accounting Officer. The statutory auditor attending the meeting confirmed the absence of any major anomalies and specified that the accounts were certified without reservation.

Highlights of 2020 results

| As at 31 December, in € billion | 2020 | 2019 |
|---------------------------------|-------------|-------------|
| Net revenue | 17.6 | 18,3 |
| Expenses | 1.5 | 2.0 |
| Net result | 16.1 | 16.3 |

Net interest of €1.5 billion was paid to investors.

The resulting €16.1 billion was used to reduce debt in line with the mission entrusted to CADES by the French Parliament. This result is higher than the corrected 2020 amortization target of €15.9 billion, which had been voted by French Parliament under the 2021 Social Security Financing Act (SSFA).

2020 highlights

The year 2020 has been marked by the vote from the French Parliament, at the end of July, of an organic law and an ordinary law, allowing CADES to take over social debt of €136 billion euros and extending its lifespan with a social debt repayment end date postponed from 2024 to 2033.

The vote on these laws came in the context of the health crisis linked to the Covid-19 epidemic which has caused a spectacular rise in unemployment and a fall in growth, and weakened the French social protection system as a whole.

In accordance with the decree published on August 20, and after a medium and long-term program of €4 billion carried out in the first half of the year, CADES successfully carried out in the second half of 2020 an additional medium and long-term program, which was implemented through a Social Bonds framework.

As a result, CADES has paid, as at December 31, 2020, €20 billion, as part of the debt assumption operations scheduled before the end of 2020, i.e. €16.4 billion to ACOSS and €3.6 billion to the CCMSA.

About CADES

In 1996, the French government set up the Caisse d'Amortissement de la Dette Sociale with a mission to amortise French social debt by issuing debt securities on international financial markets in a diverse range of currencies.

To enable CADES to carry out its mission, the French population pays regular taxes which contribute to the payment of interest and amortisation of social debt.

Supervised jointly by the Minister of The Economy, Finance and the Recovery and by the Minister for Solidarity and Health, CADES operates under the control of the French Parliament and the Constitutional Council.

CADES is well integrated into the French social system, having strong joint governance, co-chaired by a Board of Directors and a Supervisory Committee, which includes four members of French Parliament.

Backed by the French Parliament, CADES is one of the most significant institutions involved in the control and reduction of French social debt by using efficient and proven amortization and financing mechanisms.

Since 1 October 2017, teams from CADES and AFT, the French state debt management office, have merged to create a centre of excellence for issuing French public debt. In this regard, CADES has transferred operational responsibility for all of its funding activities to AFT. CADES is maintained as an independent entity guaranteeing the effectiveness of the principle of confinement and amortization of social debt, retaining the prerogatives of its executive chairman, the board of directors and its supervisory committee. AFT operates on behalf of and for CADES, making its staff available when appropriate.

All information regarding CADES and its bond issues is available on www.cades.fr.

CADES LIGHTEN THE DEBT – BRIGHTEN THE FUTURE



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