

H1 2020 RESULTS

GROSS RENT OF €23.5 MILLION, +4.8% INCREASE

July 21st, 2020

For the first half of 2020, gross rental income of the operating property portfolio reached €23.5m, up +4.8% compared to the same period last year.

<i>in € m - year to date</i>	H1-2020	H1-2019	Variation	%
Like-for-like	19.3	18.9	+0.3	+1.7%
Covid-19 rent-free period ⁽¹⁾	(0.6)	-	(0.6)	N/A
Acquisitions	2.8	1.1	+1.7	N/A
Asset disposal	0.0	0.3	(0.3)	N/A
Restructuring	2.1	2.1	+0.0	+0.4%
Total gross rental income	23.5	22.4	+1.1	+4.8%

(1) As at 30 June 2020, approved "Covid-19 rent-free period" represent €2.8m. In line with IFRS norms, rent-free periods are spread until the next lease break option date. It represents a charge of €0.6m in the Group interim financial statements.

This increase is due to (i) the full-year effect of 2019 acquisitions and (ii) like-for-like gross rent growth which is driven by rent contractual indexation (+2.4% over the first half of 2020), offset by (iii) ongoing covid-19 tenant negotiations and (iv) the disposal of assets.

Covid-19 tenant support and negotiations

To support tenants and secure long-lasting relations, Patrimoine & Commerce granted rent-free periods to every tenant forced to close down due to Government issued Covid-19 decrees. This measures also included tenants who had to shut down even when they were not concerned with the decrees.

Based on solid long-term relations with its retailers and aiming at sensible agreements, the Group is seeking to obtain a counterpart for each rent-free period granted (renouncement to the lease next break option, lease renewal...).

Negotiations are still in progress and rent-free periods representing €2.8m as at 30 June 2020 have been granted so far.

Asset disposal

Patrimoine & Commerce disposed of units in a shopping mall in Tours (Indre-et-Loire), three commercial units in Epinal (Vosges) and two commercial units respectively in Thionville (Moselle) and Pierrelaye (Val d'Oise), representing a total consideration of €6.9m, in line with appraisal value.

2019 dividend distribution of €1.25 per share

The general assembly, held on the 17th of June 2020, approved a dividend payment of €1.25 per share. Shareholders can opt either for a payment in cash or in new shares of the company. Share payment is due July 31st.

Outlook

Eric Duval, Founder and Managing Director of Patrimoine & Commerce declared:

« Patrimoine & Commerce half-year interim revenues were moderately impacted with the Covid-19 pandemic. Since the confinement started in March, our priority has been preserving the health and safety of our employees as well as protecting the staff of our retail partners. We also took the necessary steps to support our retail partners and our personal is committed to guarantee the utmost sanitary conditions.

Nonetheless, it is too early to evaluate the full impact on our annual results, though we remain confident in our prospects. The quality of our low-cost retail-park portfolio in France coupled with our unique know-how and our solid financial structure will be valuable assets to cope with these exceptional and unprecedented times. »

About Patrimoine & Commerce

Patrimoine & Commerce owns and operates a real estate portfolio, largely comprising retail properties, covering a total surface area of more than 500,000 m². The assets are mainly located in retail parks near mid-sized towns throughout France.

Patrimoine & Commerce benefits from a significant identified deal flow that will enable it to feed its growth, in terms of both assets under development and operating assets.

*Patrimoine & Commerce is listed on NYSE Euronext Paris.
ISIN code: FR0011027135 - Tag Code: PAT*

For further information, go to: www.patrimoine-commerce.com

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