

2021 HALF-YEAR RESULTS

DOUBLING OF GROUP NET PROFIT AT €14,4M GROWTH IN OPERATING INCOME OF +53% ASSET VALUATION OF €818M

Boulogne-Billancourt, 24th September 2021

At its 23 September 2021 meeting, the Patrimoine & Commerce Supervisory Board reviewed the Company's operations and approved the 2021 interim financial statements, prepared by Management for the first half of fiscal year 2021.

Key figures	30/06/2021 6 months	30/06/2020 6 months	Variation %
Gross rental income	€21.7M	€23.5M	(7.8)%
Operating income	€18.7M	€12.2M	+53.4%
Funds From Operation ¹	€12.9M	€15.3M	(15.6)%
Group share ok net Profit	€14.4M	€6.8M	+113.3%

Alternative Performance Measures ²	30/06/2021	31/12/2020	Variation %
Asset appraisal value (excluding transfer taxes) ³	€817.6M	€804.1M	+1.7%
Capitalization rate	7.2%	7.2%	n.a
LTV ratio ⁴	46.2%	46.8%	n.a
NAV (excluding transfer taxes - €/share)	€25.7	€25.9	(2.8)%

Unprecedented health crisis: mitigated consequences

The first half of fiscal year 2021 was impacted by the Covid-19 health crisis and state-imposed measures to mitigate the spread of virus.

The first and second quarter of 2021 were punctuated by nationwide curfews and mandatory shutdown of non-essential shops.

From 19th May 2021, all shops reopened to the public with limitation related to opening hours and the number visitors. As at 30th June 2021, all limitations were lifted and shops in retail parks reported swift increases in footfall after the shutdown ended.

Mandatory shutdowns hindered rent collection; however, at the date of publication, it reached 87% of invoicing.

Patrimoine & Commerce is constantly in touch with tenants to support them through this crisis. The Group conceded €5.4M in rent-free period related to 2020 shutdowns and aiming at sensible agreements, the Group negotiate a counterpart for each rent-free period

granted (renouncement to the lease next break option, lease renewal...). Those agreements will be finalized in the coming months.

Despite this difficult environment, Patrimoine & Commerce reported numerous transactions with tenant in the last 12 months with 59 leases signed (renewal of leases and new leases). The occupancy rate remains high at 93%⁵ for the portfolio as a whole and the rental payment default rate of 1.1% attests to the quality and resilience of the Company's portfolio.

Gross rental income at €21.7M

For the first half of fiscal year 2021, Patrimoine & Commerce reported consolidated gross rental revenues of €21.7M.

The consequences of health crisis on rental income materialize with the spread of rent-free period conceded since the first shutdown of shops. In compensation, the Group secured leases and future income. In addition, the end of a lease in Martinique explains the drop in rental income. The asset is undergoing a minor renovation and 87% of the surface of the asset are pre-let. The delivery is expected in the 2nd quarter of 2022.

Gross rental income	30/06/2021 6 months	30/06/2020 6 months	Variation	Var. %
Like-for-like	€20.8M	€21.1M	€(0.3)M	(1.4)%
Covid-19 negotiations	€0.6M	€0.9M	€(0.4)M	n/a
Asset disposals	-	€0.1M	€(0.1)M	n/a
Restructurations	€0.4M	€1.3M	€(0.9)M	n/a
Total	€21.7M	€23.5M	€(1.8)M	(7.8)%

Increase in Group share of net income: +113.3%

Operating expenses and other incomes remained stable and amounted to €2.2M.

Net cost of debt reached €4.7M as at 30 June 2021, down by -4.5% compared to the first half of 2020. The Company was able to take advantage of the low interest rate environment, with an average interest rate on debt of 2.03% for the 6 months ending 30 June 2021 (versus 2.27% over the first semester of 2020).

After accounting for changes in (i) fair value of properties (+€0.8M), (ii) equity method revenues (+€0.3M), (iii) fair value of financial instruments (+€0.6M) and (iv) other expense and income (+€0.1M), net income totaled €14.6M as at 30 June 2021 (compared to €7.5M in the first 6 months of 2020). After accounting for minority interests, Group share net income amounted to €14.4M, an increase of +113.3%.

Asset portfolio growth and optimization

On 30 June 2021, independent appraisal of assets³ amounted to €817.6M. The capitalization rate of assets in use is stable at 7.2%.

For the first half of fiscal year 2021, Patrimoine & Commerce invested in the development of two assets in Echirrolles (Isère) and two assets in Annemasse (Haute-Savoie) and Limoges (Haute-Vienne). Those investments summed €12.1M for a net yield of 7.8% and are fully rented to date. Two units let to Foir'Fouille in Echirrolles (Isère) were delivered to

Patrimoine & Commerce in June 2021. The delivery of the three remaining assets is expected in the 2nd half of 2021.

Patrimoine & Commerce disposed of an isolated and vacant unit in Pont-de-Beauvoisin (Isère), a vacant unit in Saint-Gaudens (Haute-Garonne), and an office space in Creusot (Saône-et-Loire) representing a total amount of €1.1M, in line with independent appraisal.

Net Asset Value per share at €25.7

The group's consolidated net debt⁴, €372.4M as at 30 June 2021, enables the Company to present a Loan-To-Value ratio of 46.2%, which remains well below the average target of 50% that Patrimoine & Commerce has set.

Net asset value amounted to €376.9M (€25.7 per share) as at 30 June 2021.

Steady dividend distribution

At the annual meeting of Patrimoine & Commerce shareholders on 17 June 2021, shareholders approved a dividend distribution of €1.25 per share. Shareholders were given the option to opt for a payment in new shares of the Company and 34% of shareholders opted for the share payment. Total dividend amounted to €18.9M.

Outlook

Eric Duval, Managing Director and Founder declared: « Performances reported by Patrimoine & Commerce for first-half of fiscal year 2021 demonstrated the attractiveness of our asset portfolio for consumers and expending retailers: over 30 deals signed with national retailers, numerous tenant transactions, and a stable occupancy rate at 94% for retail parks. I wish to thank our staff, our retail partners, and our stakeholders. In the medium and long-term, our unique positioning as the first low-cost retail-park REIT in France, our resilient business model, and our solid financial structure will allow us to emerge of this crisis reinforced. »

About Patrimoine & Commerce

Patrimoine & Commerce owns and operates a real estate portfolio, largely comprising retail property, covering a total surface area around 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.

Notes: ¹ Groupe Sepric income and expenses have been reported to net income.

² Alternative Performance Measures (Cap rate, LTV, NAV, etc.) defined in the Interim Financial Report published on 23 September 2021 on the Company's website.

³ Incl. Cherbourg and Studio Prod for the stake held and the assets held for sale.

⁴ Adjusted for security deposits and hedging instruments.

⁵ Calculated on the basis of rents or estimated rental value in case of vacancy (excluding strategic vacancy).

Patrimoine & Commerce is listed on NYSE Euronext Paris.

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