

## PRESS RELEASE

# 2021 ANNUAL RESULTS

*Paris - February 23, 2022*

At its meeting on February 22, 2022, the Patrimoine & Commerce Supervisory Board reviewed the Company's operations and approved the 2021 financial statements <sup>(1)</sup>, prepared by Management.

- **Group share of net profit increasing by +77% at € 31.5m**
- **Collection rate at 97% on rents and service charges**
- **Portfolio valuation of € 807m**
- **Dividend payment of € 1.25 per share, implying a 7.1% yield on share price, as well as a 4.7% yield on NAV**

## Key figures

Key financials	31/12/2021 12 months	31/12/2020 12 months	Var. %
Gross Rental Income	€ 43.7m	€ 45.8m	(4.5%)
Funds from operations	€ 26.7m	€ 30.1m	(11.3%)
Group share of net profit	€ 31.5m	€ 17.8m	+77.2%
Alternative Performance Measures	31/12/2021	31/12/2020	Var. %
Asset appraisal value (excluding transfer taxes) <sup>(2)</sup>	€ 807.0m	€ 804.2m	+0.4%
Capitalization rate <sup>(3)</sup>	7.2%	7.2%	n.a
LTV ratio <sup>(4)</sup>	45.2%	46.8%	n.a
NAV (excluding transfer taxes - €/share)	26.7 €	25.9 €	+2.8%
NAV (excluding transfer taxes)	€ 400.2m	€ 381.6m	+4.9%

Eric Duval, Managing Director and Founder of Patrimoine & Commerce declared: « *The sound results for fiscal year 2021, thanks to a dynamic leasing activity and a high collection rate on rents, confirm the attractiveness of the Group's development model as the leader of low-cost retail park market players in France. The quality of our portfolio, aligned with current consumption trends, and the robust financial structure, allow to deliver long-term growth to our shareholders.* »

## 2021 was affected again by the sanitary crisis of Covid-19

The 2021 financial year, particularly during the first half, was once again affected by the sanitary crisis and the restrictive measures enforced by the government to tackle the Covid-19 pandemic. These restrictive measures ran from February 1, 2021, to June 9, 2021.

The first quarter of 2021 saw the introduction of curfews and administrative closures of retail stores considered as « non-essential ». Starting on February 1, 2021, the administrative closures

of shopping malls operating more than 20,000 sqm represented 7% of the rents of the company. The closures that started on March 21, 2021, in the most affected departments represented close to 20% of rents.

During the second quarter, from April 4 to May 19, 2021, our tenants were heavily impacted by administrative closures throughout France. Nearly 70% of the rents were affected by those measures that came on top of the curfews. From May 19 to June 9, 2021, all retail stores were allowed to open again, in compliance with health gauges and curfews. From June 30, 2021, all limitations have been lifted. The reopening was accompanied by a strong recovery in footfall.

Patrimoine & Commerce is constantly discussing with its tenants in order to accompany and to support them in this crisis. In fact, in addition to the €5.4 million in rent abatements already negotiated in 2020, the company granted nearly €0.6 million in additional rent abatements in 2021 (100% recognized as a cost during the financial year 2021).

### **Operational performance**

The retail park model proved its performance and alignment with current trends in consumption. Besides core strengths of the model (human-sized stores, easy car parking, limited service charges, adapted rents), retail parks stand out with an activity not very dependent on tourism, focused on local consumption, open spaces and high attractivity for discount stores.

In this uncertain economic context, Patrimoine & Commerce had a sustained leasing activity and signed 109 leases (of which 60 renewals). The financial occupancy rate stood at 93% <sup>(5)</sup> on the portfolio. The collection rate on rents and service charges invoiced in 2021 stands at 97% <sup>(6)</sup>, close to 100% excluding lockdown periods.

### **Financial performance**

In 2021, Patrimoine & Commerce continued to deliver a solid financial performance.

For the fiscal year ended December 31, 2021, Patrimoine & Commerce reported consolidated gross rental income of € 43.7m, against € 45.8m for the fiscal year ended December 31, 2020:

<b>in millions of euros - 12 months</b>	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>Var. %</b>
Like-for-like	38.3	38.1	+0.4%
Covid-19 negotiations with tenants	2.9	3.2	n.a
Acquisitions	0.3	-	n.a
Disposals	1.4	1.9	n.a
Properties under restructuring	0.8	2.6	n.a
<b>Gross rental income</b>	<b>43.7</b>	<b>45.8</b>	<b>(4.5%)</b>

The decrease of gross rental income is mainly explained by (i) the effect of restructuring operations, mainly on a property in Martinique (ii) the impact of disposals, partly offset by (iii) acquisitions of 2021. Contractual indexation reached +0.5% for the whole portfolio.

Net rental income remained stable in 2021 compared to 2020, as a percentage of gross rental income (93% in 2021 vs. 94% in 2020), mainly composed of unrecovered rental expenses and provisions for credit losses:

<b>in millions of euros - 12 months</b>	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>Var. %</b>
Gross rental income *	43.7	45.8	(4.5%)
Entry fees	0.2	0.1	n.a.
<b>Gross rental revenue</b>	<b>43.9</b>	<b>45.9</b>	<b>(4.3%)</b>
Unrecovered rental expenses	(2.4)	(2.7)	(9.4%)
Other building expenses	(0.7)	(0.2)	n.a.
<b>Net rental income</b>	<b>40.8</b>	<b>43.0</b>	<b>(5.1%)</b>

\* incl. rental guarantees

Operating expenses and other revenues remained under control at € 4.5m (vs. € 4.3m in 2020).

Net cost of debt amounted to € 9.4m in 2021, up by +4.0% compared to last year. The Company was able to take advantage of the low interest rate environment. The average interest rate on debt is 2.04% for the 12 months ending December 31, 2021 (versus 2.15% in 2020), the increase in financial expenses derives from the full-year effect of renegotiated terms on finance leases negotiated in 2020.

Recurring net result (FFO) amounted to € 26.7m in 2021, compared to € 30.1m in 2020:

<b>in millions of euros - 12 months</b>	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>Var. %</b>
Restated current operational result	36.3	38.7	(6.1%)
Restated net cost of debt	(9.4)	(9.1)	+4.0%
Current taxes	(0.2)	0.5	n.a.
<b>Funds from operations (FFO) <sup>(7)</sup></b>	<b>26.7</b>	<b>30.1</b>	<b>(11.3%)</b>
<b>Diluted FFO per share</b>	<b>1.78</b>	<b>2.05</b>	<b>(13.1%)</b>

The external appraisal valuation campaign resulted in a fair value adjustment of +€ 2.5m in 2021, reflecting the resilience of the portfolio in this crisis context.

Including the share of the result of companies accounted for using the equity method (+€ 0.9m) and the fair value adjustment on financial instruments (+€ 1.1m), the net profit amounted to € 31.2m for the fiscal year 2021 and € 31.5m in group share, increasing by +77.2% compared to last year.

### Decrease of the LTV ratio and increase of the NAV per share at € 26.7 (+2.8%)

The Group consolidated restated net debt of € 358.4m as of December 31, 2021, implies a Loan-to-Value ratio of 45.2%, leaving a significant investment capacity compared to the target of 50% set by Patrimoine & Commerce.

<b>in millions of euros - 12 months</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
Restated Net Debt	358.4	370.7
o/w cash and bank overdraft	(50.7)	(66.1)
o/w deposits on real estate projects	(0.3)	(1.5)
o/w financial instruments	1.3	2.4
<b>Net debt excl. Financial instruments</b>	<b>357.1</b>	<b>368.4</b>
Property valuation (excl. Transfer taxes)	789.9	787.4
<b>Loan To Value</b>	<b>45.2%</b>	<b>46.8%</b>

Net asset value per share amounted to € 26.67 (€ 400.2m) in 2021, an increase of +2.8% versus 2020.

in millions of euros	31/12/2021	31/12/2020
NAV, excl. Transfer taxes	400.2	381.6
NAV per share, excl. Transfer taxes (in euros)	<b>26.67</b>	<b>25.94</b>
<i>Number of shares (excl. Treasury shares)</i>	<i>15 006 681</i>	<i>14 708 389</i>

### Development and optimization of the portfolio

As of December 31, 2021, the portfolio valuation (excluding transfer taxes and including properties accounted for using the equity method), reached € 807.0m, increasing by +0.4% compared to 2020. The capitalization rate of the properties in operation remains stable at 7.2%.

in millions of euros	Variation
Net balance as of January 1, 2021	<b>804.2</b>
Acquisitions	16.2
Disposals	(16.3)
Fair value impact	2.9
<b>Net balance as of December 31, 2021</b>	<b>807.0</b>

Over 2021, Patrimoine & Commerce continued its development through the delivery of several projects in Échirolles (Auvergne-Rhône-Alpes), Annemasse (Auvergne-Rhône-Alpes), Limoges (Nouvelle-Aquitaine) and Wittenheim (Grand Est) and through the acquisition of an additional retail property in Échirolles (Auvergne-Rhône-Alpes), currently in refurbishment. Those investments totalled € 13.5m in 2021. Other investments were made on the existing portfolio, for a global amount of € 2.7m.

Patrimoine & Commerce also completed the disposal of several assets in Saint-Gaudens (Occitanie), Pont-de-Beauvoisin (Auvergne-Rhône-Alpes), Creusot (Bourgogne-Franche-Comté), Perpignan (Occitanie), Frouard (Grand Est) as well as in Guadeloupe for a total consideration of € 16.3m, in line with external appraisers' valuations.

### Dividend payment of € 1.25 per share

The distribution of a dividend of € 1.25 per share, with an option for the payment in additional shares, will be proposed to the Annual General Meeting of Patrimoine & Commerce. The proposed dividend is stable compared to last year and implies a 4.7% yield on net asset value per share as of December 31, 2021, and of 7.1% on the current stock price as of February 21, 2022.

## Agenda

April 13, 2022	First-Quarter 2022 activity
June 26, 2022	Annual General Meeting
September 8, 2022	First-Half 2022 results
October 6, 2022	Third-Quarter 2022 activity

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## About Patrimoine & Commerce

*Patrimoine & Commerce owns and operates a real estate portfolio, largely comprising retail property, covering a total surface area of 500,000 sqm. 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 : <sup>1</sup> The consolidated financial statements have been subject to audit procedures. The Statutory Auditors' report is to be issued shortly  
<sup>2</sup> Incl. Group share of Cherbourg and Studio Prod and assets held for sale.  
<sup>3</sup> Based on annualized rents (or market rental value for vacant spaces) and on property valuation excl. transfer taxes  
<sup>4</sup> Adjusted for security deposits and hedging instruments  
<sup>5</sup> Excluding strategic vacancy  
<sup>6</sup> After deduction of abatements granted  
<sup>7</sup> As of December 31, 2021, the current operational result and the net cost of debt are restated from operating expenses, other income and financial expenses of the real estate development activity (+€ 0.1m)

*Patrimoine & Commerce is listed on NYSE Euronext Paris.  
ISIN code: FR0011027135 – Mnémo code: PAT*

*For further information, go to : [www.patrimoine-commerce.com](http://www.patrimoine-commerce.com)*

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**THE LOW-COST RETAIL  
PARK SPECIALIST**

## Appendix 1 : Recurring net result and Net debt

### Recurring net result

in millions of euros - 12 months	31/12/2021	31/12/2020	Var. %
Gross rental income	43.7	45.8	(4.5%)
Net rental income	40.8	43.0	(5.1%)
Operating expenses and other income	(4.5)	(4.3)	+3.9%
<b>Adjusted EBITDA</b>	<b>36.3</b>	<b>38.7</b>	<b>(6.1%)</b>
Net cost of debt	(9.4)	(9.1)	+4.0%
Current taxes	(0.2)	0.5	n.a.
<b>Funds from operations (FFO)</b>	<b>26.7</b>	<b>30.1</b>	<b>(11.3%)</b>
<b>FFO per share</b>	<b>€ 1.78</b>	<b>€ 2.05</b>	<b>(13.1%)</b>
Change in fair value of properties	2.5	(9.7)	n.a.
Change in fair value of financial instruments	1.1	0.6	n.a.
Equity method investees	0.9	(0.6)	n.a.
Other income and expenses	(0.0)	(1.0)	n.a.
<b>Net income</b>	<b>31.2</b>	<b>19.4</b>	<b>+60.5%</b>
Minority interest	0.4	(1.6)	n.a.
<b>Net profit, group share</b>	<b>31.5</b>	<b>17.8</b>	<b>+77.2%</b>

### Consolidated Net debt

in millions of euros	31/12/2021	31/12/2020
Bond loans	30.0	42.4
Borrowings from financial institutions	340.8	354.7
Lease liabilities connected to finance leasing	41.1	47.3
Other lease liabilities	0.6	0.7
Accrued interest	1.5	1.5
Financial liabilities on hedging instruments	1.4	2.5
Bank overdraft	0.0	0.2
Financial liabilities - Partners' current accounts	4.2	4.2
Liabilities related to assets held for sale	4.1	0.5
<b>Total Financial Debt</b>	<b>423.8</b>	<b>454.1</b>
Cash and others	50.8	66.3
Financial assets on hedging instruments	0.1	0.1
Financial assets - Partners' current accounts	13.7	15.4
<b>Consolidated Net Debt</b>	<b>359.2</b>	<b>372.2</b>

## Appendix 2 : IFRS Consolidated Financial Statements

<b>Assets</b>		<b>31/12/2021</b>	<b>31/12/2020</b>
<b>in millions of euros</b>			
<b>Non current assets</b>			
Investment properties		771.0	780.8
Tangible and intangible assets		0.6	0.7
Investment in equity-accounted companies		7.4	7.3
Non-current financial assets		1.1	5.2
Non-current deferred tax assets		0.1	0.0
<b>Total - Non current assets</b>		<b>780.2</b>	<b>794.0</b>
<b>Current assets</b>			
Current financial assets		0.0	0.1
Trade and other receivables		23.0	26.9
Other receivables		9.3	9.0
Cash and cash equivalents		50.8	66.3
<b>Total - Current assets</b>		<b>83.1</b>	<b>102.3</b>
Assets held for sale		18.9	6.6
<b>Total assets</b>		<b>882.1</b>	<b>902.9</b>
<b>Equity and Liabilities</b>			
<b>in millions of euros</b>		<b>31/12/2021</b>	<b>31/12/2020</b>
<b>Equity attributable to owners of the parent</b>			
Share capital		150.8	148.3
Additional paid-in capital		40.7	53.5
Legal reserves		2.2	2.0
Consolidated reserves		174.9	160.0
Consolidated earnings		31.5	17.8
<b>Total - Equity attributable to owners of the parent</b>		<b>400.2</b>	<b>381.6</b>
Equity attributable to non-controlling interests		14.6	17.7
<b>Total equity</b>		<b>414.7</b>	<b>399.3</b>
<b>Non current liabilities</b>			
Non current financial liabilities		370.0	374.0
Deposits		7.5	7.1
Deferred tax liabilities		0.0	0.0
Other long-term liabilities		3.8	5.5
<b>Total - Non current liabilities</b>		<b>381.2</b>	<b>386.6</b>
<b>Current liabilities</b>			
Current financial liabilities		50.1	79.5
Payroll and tax liabilities		9.8	12.8
Trade payables		7.2	6.8
Other liabilities		14.9	17.5
<b>Total - Current liabilities</b>		<b>82.0</b>	<b>116.6</b>
Liabilities related to assets held for sale		4.1	0.5
<b>Total Equity and Liabilities</b>		<b>882.1</b>	<b>902.9</b>

**Consolidated statements of comprehensive income**

<b>in millions of euros - 12 months</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
Gross rental revenues	43.9	45.9
Service charge income	10.0	9.1
Service charge expenses	(12.4)	(11.8)
Other building expenses	(0.7)	(0.2)
<b>Net rental income</b>	<b>40.8</b>	<b>43.0</b>
External expenses and other taxes	(4.3)	(4.2)
Payroll expenses	(0.9)	(0.9)
Amortization and provisions	(0.1)	(0.1)
Other current operating income and expenses	0.7	0.2
<b>Total - Operating income and expenses</b>	<b>(4.6)</b>	<b>(5.0)</b>
<b>Current operating income</b>	<b>36.2</b>	<b>38.0</b>
Other operating income and expenses	(0.1)	(0.5)
Change in the fair value of investment properties	2.5	(9.7)
Share in earnings of equity-accounted companies	0.9	(0.6)
<b>Operating income</b>	<b>39.4</b>	<b>27.2</b>
Financial income	0.4	0.4
Financial expenses	(9.8)	(9.5)
<b>Cost of net debt</b>	<b>(9.4)</b>	<b>(9.0)</b>
Other financial income and expenses	1.1	0.7
Income tax benefit (expense)	0.0	0.5
<b>Net income</b>	<b>31.2</b>	<b>19.4</b>
Minority interests	(0.4)	1.6
<b>Net profit, group share</b>	<b>31.5</b>	<b>17.8</b>
Net income, per share	2.13	1.25
Diluted net income, per share	2.13	1.25
<b>Net income</b>	<b>31.2</b>	<b>19.4</b>
Items that will be reclassified subsequently to profit or loss	-	-
Items that will not be reclassified subsequently to profit or loss	-	-
<b>Total comprehensive income</b>	<b>31.2</b>	<b>19.4</b>
of which : - Group share	31.5	17.8
- Non controlling interest	(0.4)	1.6
Average number of shares outstanding	14 804 270	14 181 582

## Consolidated statements of cash flows

in millions of euros	31/12/2021	31/12/2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net income from consolidated companies</b>	31.2	19.4
Restatements :		
Share in earnings of equity-accounted companies	(0.9)	0.6
Dividends received from equity-accounted companies	0.3	0.3
Depreciation, amortization and provisions	0.1	0.0
Change in value of investment properties	(2.5)	9.7
Change in value of other assets and liabilities	(1.1)	(0.6)
Capital gains and losses on asset disposals	(0.1)	0.0
Net cost of debt	9.4	9.0
Income tax benefit (including deferred tax)	(0.0)	(0.5)
<b>Gross cash flow from consolidated companies</b>	<b>36.4</b>	<b>38.0</b>
Income tax paid	(0.1)	(0.7)
Change in operating working capital	(0.2)	(4.0)
<b>Net cash flow from operating activities</b>	<b>36.1</b>	<b>33.2</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of investment properties and other fixed assets	(16.0)	(7.1)
Proceeds from sales of investment properties	16.0	8.3
Movements in loans and other financial assets	1.2	0.1
Movements in current accounts of equity-accounted companies	2.2	(1.3)
Impact of changes in scope	(0.2)	-
<b>Net cash flow from investing activities</b>	<b>3.2</b>	<b>(0.0)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid to owners of the parent	(12.3)	(3.8)
Dividends paid to non-controlling interests	(0.1)	(0.3)
Acquisitions / disposals of treasury shares	(1.2)	(1.5)
New loans, borrowings and hedging instruments	14.3	33.1
Repayment of loans, borrowings, hedging instruments and lease liabilities	(42.8)	(21.6)
Repayment of loans, borrowings and hedging instruments on assets held for sale	(1.0)	(1.9)
Repayment linked to rental liabilities	(0.1)	(0.1)
Interest paid	(9.3)	(8.4)
Transactions with non-controlling interests	(1.9)	(3.0)
Changes in partner's current accounts	(0.3)	2.2
<b>Net cash flow from financing activities</b>	<b>(54.6)</b>	<b>(5.2)</b>
<b>Change In Cash and Cash Equivalents</b>	<b>(15.4)</b>	<b>28.0</b>
Cash and cash equivalents at beginning of period	66.1	38.1
Cash and cash equivalents at end of period	50.7	66.1
<b>Change In Cash and Cash Equivalents</b>	<b>(15.4)</b>	<b>28.0</b>