

PRESS RELEASE

## 2023 HALF-YEAR RESULTS

Paris, July 26, 2023

At its meeting on July 25, 2023, the Patrimoine & Commerce Supervisory Board reviewed the Company's operations and approved the 2023 half-year financial statements, prepared by Management.

- **Gross rental income growing by +7.3%**
- **Funds from operations growing by +5.4%**
- **Portfolio valuation of € 855m**
- **LTV ratio decreasing to 42.9%**

### Key figures:

Key financials	30/06/2023 6 months	30/06/2022 6 months	Var. %
Gross Rental Income	€ 24.7m	€ 23.0m	+7.3%
Funds from operations <sup>(1)</sup>	€ 14.8m	€ 14.1m	+5.4%
Group share of net profit	€ 12.8m	€ 28.4m	(54.9%)

  

Alternative Performance Measures	30/06/2023	31/12/2022	Var. %
Asset appraisal value (excluding transfer taxes) <sup>(2)</sup>	€ 854.9m	€ 841.3m	+1.6%
Capitalization rate <sup>(3)</sup>	7.1%	7.0%	n.a
LTV ratio <sup>(4)</sup>	42.9%	44.0%	n.a
NAV (excluding transfer taxes - €/share)	28.0 €	28.5 €	(1.6%)
NAV (excluding transfer taxes)	€ 423.1m	€ 431.2m	(1.9%)

Eric Duval, Managing Director and Founder of Patrimoine & Commerce declared: « *Patrimoine & Commerce achieved strong results over the first six months of 2023, with the company benefiting from limited exposure to interest rate increase while taking advantage of the positive effects of rent indexation. Our robust financial structure allows us to have confidence in the ability of Patrimoine & Commerce to consolidate its position as the leader of low-cost retail park market players in France and to ensure sustainable growth for our shareholders.* »

### Operational performance

In an uncertain context, marked by inflation and rising interest rates, Patrimoine & Commerce continues to demonstrate the attractiveness of the retail park model, through moderate rents, and low-cost stores sought after by consumers to fight against the decline in purchasing power.

Over the first half of 2023, Patrimoine & Commerce had a sustained leasing activity and signed 16 leases (of which 10 renewals). The financial occupancy rate is stable at 94.3% <sup>(5)</sup>. The collection rate on rents, service charges and taxes stands at 98% on the first quarter of 2023 and 95% on the second quarter.

## Financial performance

Over the first half of 2023, Patrimoine & Commerce continued to deliver a solid financial performance.

As of June 30, 2023, Patrimoine & Commerce reported gross rents of € 24.7m, against € 23.0m as of June 30, 2022:

in millions of euros - 6 months	30/06/2023	30/06/2022	Var. %
Like-for-like	22.0	20.9	+5.2%
Acquisitions	2.0	1.0	n/a
Disposals	-	1.0	n/a
Delivery of restructuring works	0.7	0.0	n/a
<b>Gross rental income</b>	<b>24.7</b>	<b>23.0</b>	<b>+7.3%</b>

The increase of gross rental income is driven by acquisitions (+€0.9m) and disposals (-€ 1.0m), as well as by the delivery of restructuring works of La Martinique and Ville-du-Bois (+€ 0.7m). The like-for-like increase of gross rental income (+€ 1.1m, +5.2%) derives from contractual indexation, and the decrease in the amortization of Covid-19 rent free periods.

Net rental income is increasing by +6.9% between 2022 and 2023, with the gross to net ratio in line between the two fiscal years (91% of gross rental income in 2023 vs. 92% in 2022), mainly composed of unrecovered rental expenses and provisions for credit losses (which represent approximately 1.3% of half-year invoicing):

in millions of euros - 6 months	30/06/2023	30/06/2022	Var. %
Gross rental income	24.7	23.0	+7.3%
Entry fees	0.0	0.0	n.a.
<b>Gross rental revenue</b>	<b>24.7</b>	<b>23.0</b>	<b>+7.3%</b>
Unrecovered rental expenses	(1.7)	(1.5)	+12.6%
Other building expenses	(0.4)	(0.4)	n.a.
<b>Net rental income</b>	<b>22.6</b>	<b>21.1</b>	<b>+6.9%</b>

Operating expenses and other revenues remained under control at € 2.7m. Current operational result reached € 19.8m as of June 30, 2023.

Net cost of debt amounted to € 5.4m as of June 30, 2023, increasing by +21.4% compared to June 30, 2022. The Company has a low exposure to interest rate risk with 78% of fixed or variable rate debt hedged, which limited the increase in the average interest rate over the period (2.63% for the first half of 2023 vs. 1.97% for the first half of 2022), in a context of a sharp rise in the 3-month Euribor rate.

Recurring net result (FFO) amounted to € 14.8m as of June 30, 2023, against € 14.1m as of June 30, 2022, increasing by +5.4%:

in millions of euros - 6 months	30/06/2023	30/06/2022	Var. %
Restated current operational result	20.3	18.8	+8.0%
Restated net cost of debt	(5.4)	(4.4)	+21.4%
Current taxes	(0.1)	(0.3)	n.a.
<b>Funds from operations (FFO) <sup>(1)</sup></b>	<b>14.8</b>	<b>14.1</b>	<b>+5.4%</b>
<b>Diluted FFO per share</b>	<b>0.98</b>	<b>0.94</b>	<b>+4.6%</b>

THE LOW-COST RETAIL  
PARK SPECIALIST

The external appraisal valuation campaign resulted in a fair value adjustment of -€ 0.8m in the 2023 half-year accounts, reflecting an appreciation of the capitalization rate of commercial galleries, partly offset by the high level of rent indexation.

Including the share of the result of companies accounted for using the equity method (-€ 1.4m), the fair value adjustment on financial instruments (-€ 0.3m) and other non-recurring revenues and charges, the net profit amounted to € 12.1m as of June 30, 2023 and € 12.8m in group share.

### Decrease of the LTV ratio, decrease of the NAV per share at € 28.0 (-1.6%)

The Group consolidated net debt of € 358.0m as of June 30, 2023, implies a Loan-to-Value ratio of 42.9%, leaving a significant investment capacity compared to the target of 50% set by Patrimoine & Commerce.

Besides, Patrimoine & Commerce enacted the extension of the €30.0m bond subscribed by Suravenir (initial terms of September 30, 2022 and September 30, 2023 respectively postponed to September 30, 2025 and September 30, 2026).

in millions of euros	30/06/2023	31/12/2022
Net Debt	358.0	360.9
(-) other lease liabilities	(0.6)	(0.6)
(-) financial instruments	1.9	2.2
<b>Net debt excl. Financial instruments</b>	<b>359.3</b>	<b>362.4</b>
Property valuation (excl. Transfer taxes)	838.3	823.9
<b>Loan To Value</b>	<b>42.9%</b>	<b>44.0%</b>

Net asset value per share amounted to € 28.0 (€ 423.1m) as of June 30, 2023, a decrease of -1.6% versus 2022. Restated from the distribution of the dividend relative to 2022 fiscal year, the net asset value would stand at € 443.4m (29.4 €/share), an increase of +3.1% compared to December 31<sup>st</sup>, 2022.

in millions of euros	30/06/2023	31/12/2022
NAV, excl. Transfer taxes	423.1	431.2
NAV per share, excl. Transfer taxes (in euros)	<b>28.01</b>	<b>28.48</b>
Number of shares (excl. Treasury shares)	15 105 520	15 144 241

### Development and optimization of the portfolio

As of June 30, 2023, the portfolio valuation (excluding transfer taxes and including properties accounted for using the equity method), reached € 854.9m, increasing by +1.6% compared to December 31, 2022. The capitalization rate of the properties in operation stands at 7.1% (vs. 7.0% as of December 31, 2022).

in millions of euros	Variation
Net balance as of January 1st, 2023	<b>841.3</b>
Acquisitions and investments	17.9
Disposals	(2.6)
Fair value impact	(1.7)
<b>Net balance as of June 30, 2023</b>	<b>854.9</b>

Over the first six months of 2023, Patrimoine & Commerce continued its development through the acquisition of a retail property in Saint-Parres-aux-Tertres (Grand Est), for a global amount of € 9.7m. Other investments were made on the existing portfolio, for a global amount of € 8.2m, mainly composed of the restructuring works in La Ville-du-Bois, construction works of a new building in Wittenheim, and on the delivery of two retail units in Lexy.

Patrimoine & Commerce also completed the disposal of a retail asset in Vandoeuvre (Grand Est), a commercial unit in Salon-de-Provence (Provence-Alpes-Côte d'Azur) and a land in Lempdes (Auvergne-Rhône-Alpes) for a total consideration of € 2.6m, in line with external appraisers' valuations.

### ESG Commitment

Regardful ESG issues, with the willingness to go beyond the regulatory constraints of the *Décret Tertiaire*, Patrimoine & Commerce has committed to the implementation of its 2021-2025 roadmap on the themes of environment, governance and social issues.

This approach materialized over this semester with a partnership signed with the Atlante group in April 2023, with a project to deploy 100 fast charging stations at 18 Patrimoine & Commerce sites, which will be installed by mid-2024. A study is underway to extend these facilities to other sites.

### Approval of the € 1.30 dividend per share

The Annual General Meeting held on June 8, 2023 approved the distribution of a dividend of € 1.30 per share, for a global amount of € 20.2m. The dividend represents a yield on NAVE (before dividend distribution) of 4.4%, and a yield on share price of 7.0% (as of July 21<sup>st</sup>, 2023).

### Agenda

October 11, 2023      Third-Quarter 2023 activity

---

### About Patrimoine & Commerce

*Patrimoine & Commerce owns and operates a real estate portfolio, largely comprising retail property, covering a total surface area of more than 528,000 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 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 (-€ 0,4m in 2023 as well as in 2022)

<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 hedging instruments

<sup>5</sup> Excluding strategic vacancy

*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)*

For information, please contact :

**PATRIMOINE & COMMERCE**

Eric DUVAL

Managing Director

+33 (0)1 46 99 47 79

**KEIMA COMMUNICATION**

Emmanuel DOVERGNE

+33 (0)1 56 43 44 63

[emmanuel.dovergne@keima.fr](mailto:emmanuel.dovergne@keima.fr)