



The leading property company specialising in low cost retail parks

2021 Annual Results

23 FEBRUARY 2022



**PATRIMOINE
& COMMERCE**

[patrimoine-commerce.com](https://www.patrimoine-commerce.com)

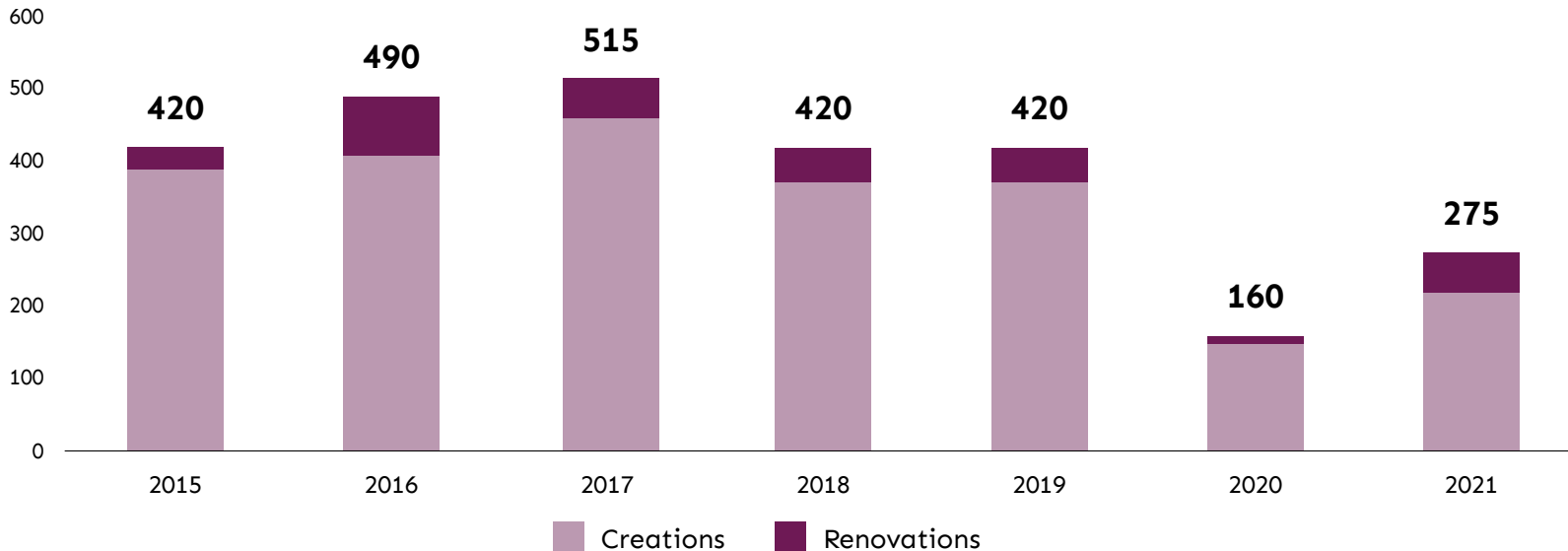
Retail parks focus

The retailer asset class which has shown the greatest resilience in a deeply unsettled market



A market in which existing assets now benefit from an undisputed premium

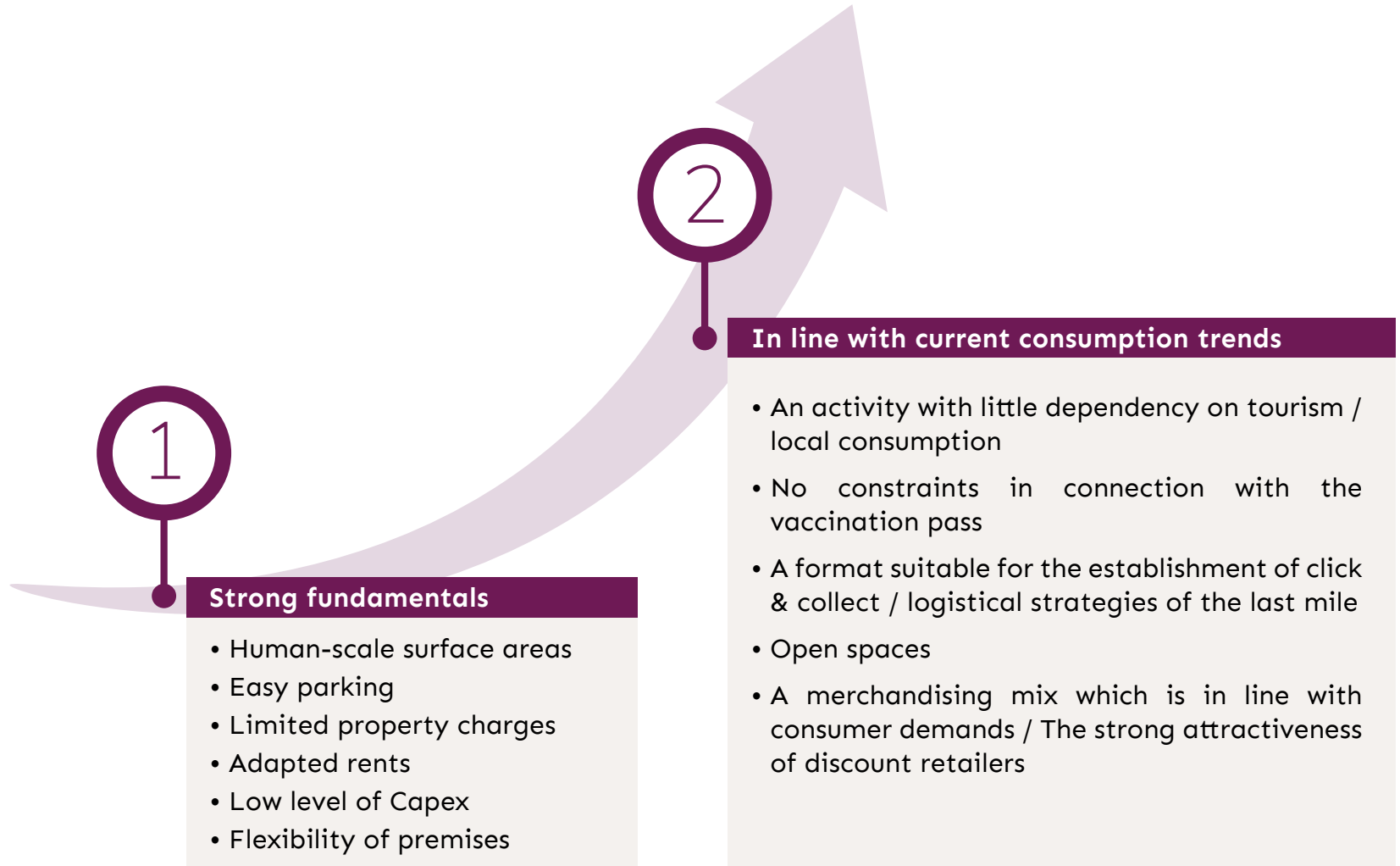
➤ TREND OF OPENINGS OF RETAIL PARKS (IN THOUSANDS OF SQM)



- There was a marked drop in the creation of retail parks in 2020, explained mainly by (i) the impact of the Elan Act which restricts the possibility of developing green field sites and (ii) the health crisis.
- The first factor offers a significant and lasting bonus to existing assets (approximately 25% of the areas inaugurated in 2021 are renovations vs 12% on average since 2016).
- The 2021 recovering remains moderate compared to 2020 which was the lowest point in over 10 years.

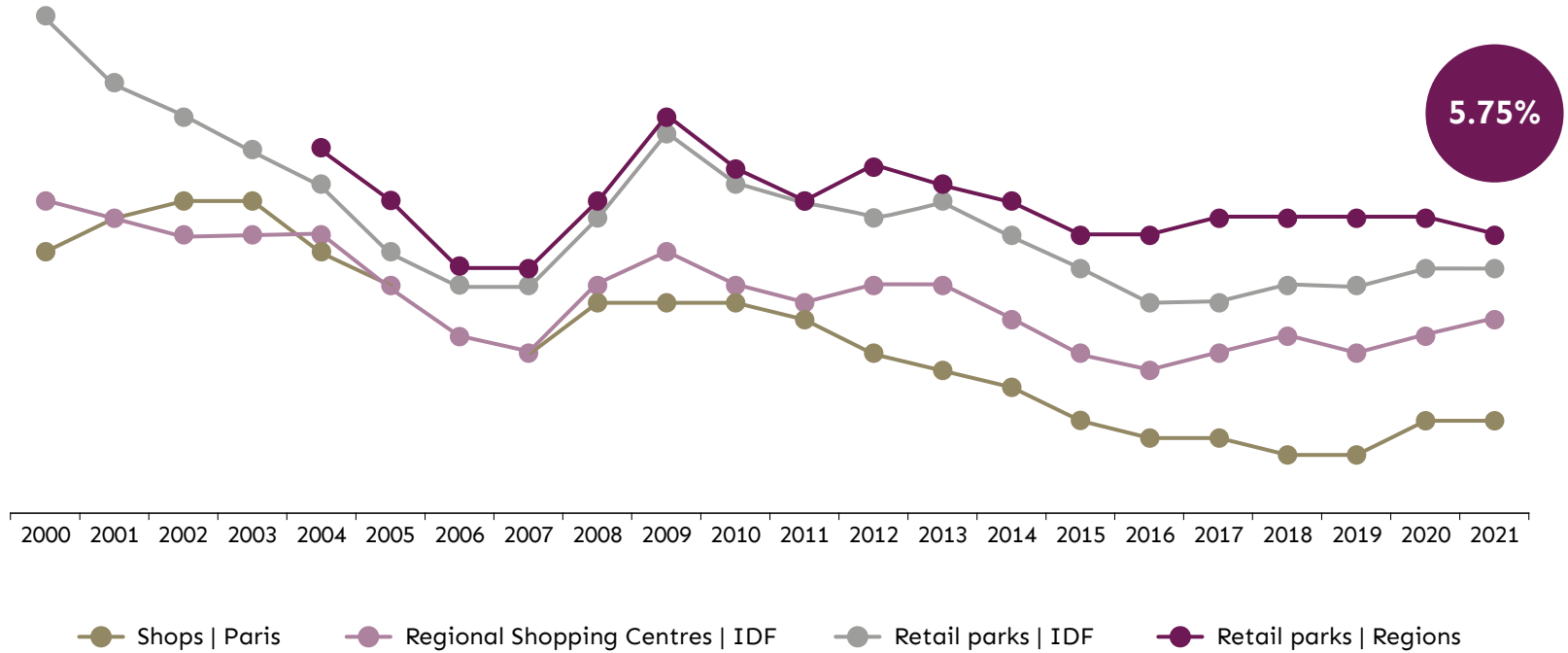


A format which perfectly matches the new context



An attractive return

> PRIME RATES OF RETURN IN THE RETAILER SEGMENT



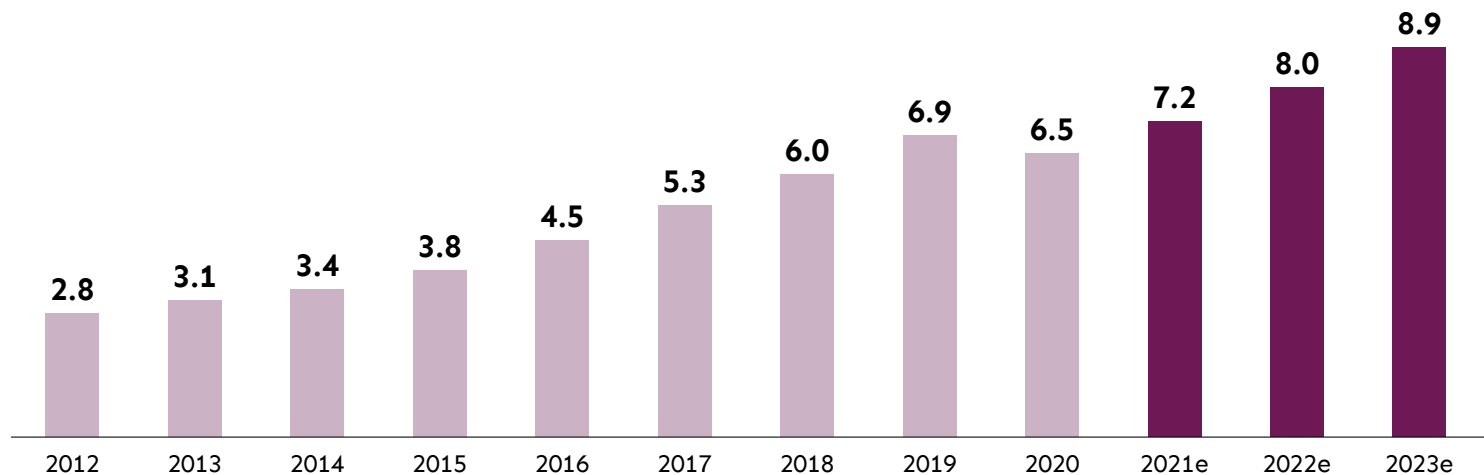
A model that continues to offer the most attractive return compared to other retailer asset classes.



Source: Knight Franck

Growing demand for discount offerings

> TURNOVER TREND OF MAIN DISCOUNT BRANDS (IN €BN)



Note : Action, Gifi, Centrakor, la Foir'Fouille, B&M, Hema, Noz, Stokomani

Low prices

A diversified and regularly renewed offering

Effective logistics

Key success factors

A fast-growing discount market in line with new consumer expectations in an inflationary context that creates considerable uncertainty about price trends.

An aerial photograph of a commercial district, likely in a city like Atlanta. The image shows a large, multi-story commercial building with a flat roof and a large parking lot filled with cars. In the background, there are more buildings, including one with a 'BRICO DEPOT' sign, and a residential area with houses. The entire image has a purple color overlay.

Patrimoine & Commerce, highlights

2021 key figures



492,000

sqm. of surface area



43.7

million euros
rents ⁽¹⁾



807

million euros
total asset value ⁽²⁾



26.7

euros
RNAV ⁽³⁾



45.2%

LTV ⁽⁴⁾



7.2%

capitalisation
rate ⁽⁵⁾

⁽¹⁾ Gross rental income

⁽²⁾ Excl. transfer fees (incl. group share of Cherbourg and Studio Prod and assets held for sale)

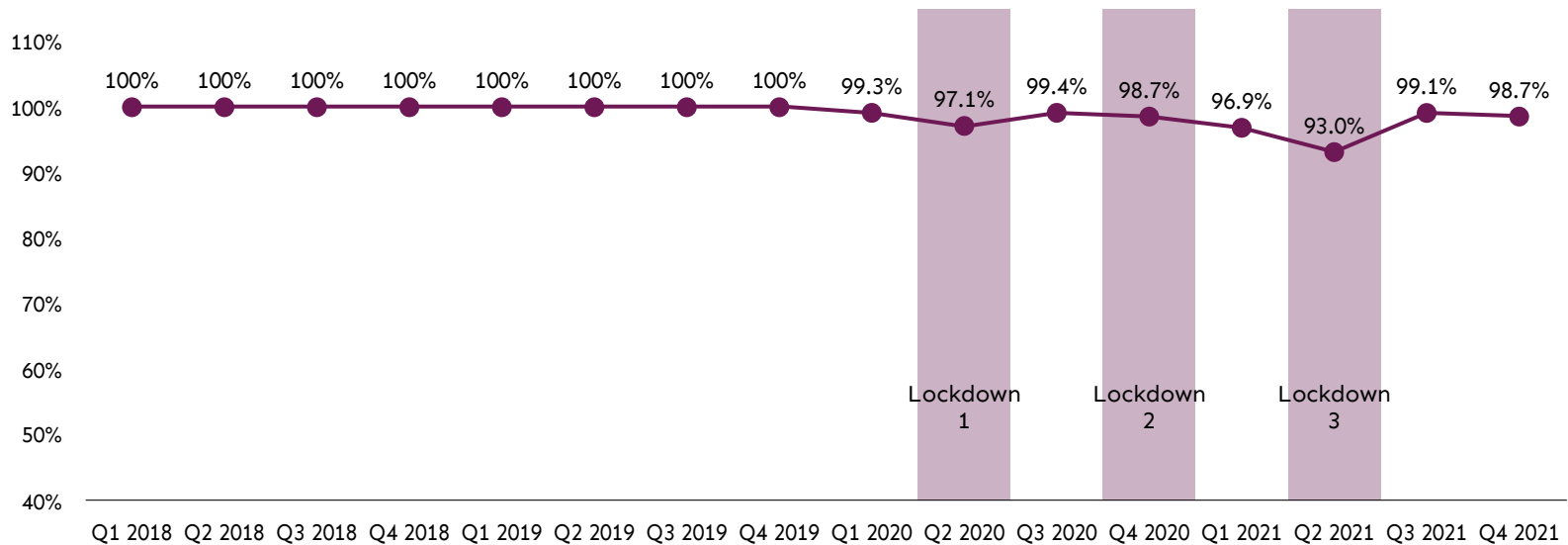
⁽³⁾ Triple net / share (excluding treasury shares)

⁽⁴⁾ Adjusted for security deposits and hedging instruments

⁽⁵⁾ Annualised rental income + ERV of vacant spaces / value excluding transfer

Recovery rate

➤ RECOVERY RATE TREND



- An average recovery rate of 97% in 2021 despite new closures.
- This rate could improve further in 2022, in part thanks to implementation of the “rents” scheme in late 2021.
- Patrimoine & Commerce granted €0.6m of incentive under “Covid-3”, in addition to the €5.4 million of incentive granted in 2020.

Sustained rental activity



109

leases signed
in 2021



€8.8m

of gross annual
rent



49

new leases



60

renewals

Optimization of the rental base with 7% of leases tacitly renewed (compared with 18% as at 31/12/2020)

WALT of 6.0 years
(vs 5.5 years as at 31/12/2020)

WALB of 3.0 years
(vs 2.6 years as at 31/12/2020)

A stable 93% occupancy rate

Attractiveness of national brands



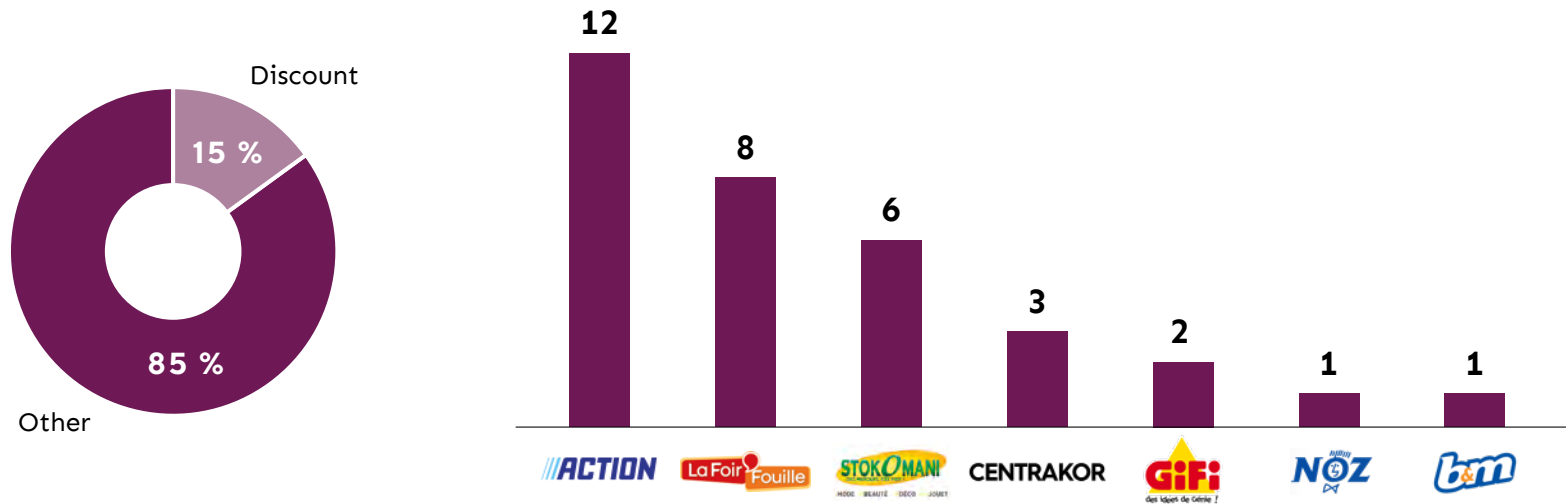
The top 15 retailers account for less than 35% of the total Patrimoine & Commerce rents distributed evenly across resilient sectors, i.e. 80% in home equipment, discount, leisure and food.

BREAKDOWN OF RENTAL INCOME by retailer type



Focus on the discount segment

➤ MAIN DISCOUNT RETAILERS IN TERMS OF ASSETS




- The Discount segment represents 15% of Patrimoine & Commerce's rental income.
- These stores are among the most dynamic in the retail sector and offer strong growth prospects based on ambitious development plans.
- Due in particular to the logistical cost and incremental distribution compared to the average basket value, discount is a sector that is structurally resistant to the growth of e-commerce.

Ville du Bois (1/2)

An example of Patrimoine & Commerce's expertise


> A SHOPPING MALL TO RETAIL PARK RESTRUCTURING PROJECT

Restructured area:
8,000 sqm / Total area
19,500 sqm



Works budget:
€8.5m



Creation of 5 medium-size areas, 1 shop and 2 restaurants



A pre-letting rate of more than 70%



Ville du Bois (2/2)

An example of Patrimoine & Commerce's expertise

> A SITE WITH MANY ADVANTAGES



A major structural route, the N20, which carries from 60 to 80,000 vehicles per day according to the sections



A greater demographic dynamic than in competing areas, with a high proportion of 3 and 4 people families



A large population of upper socio-professional category with above national average incomes



An average taxable revenue higher than that of the area of Ste-Geneviève



A high employment rate correlated with high representation of the 25-59-year-old working population



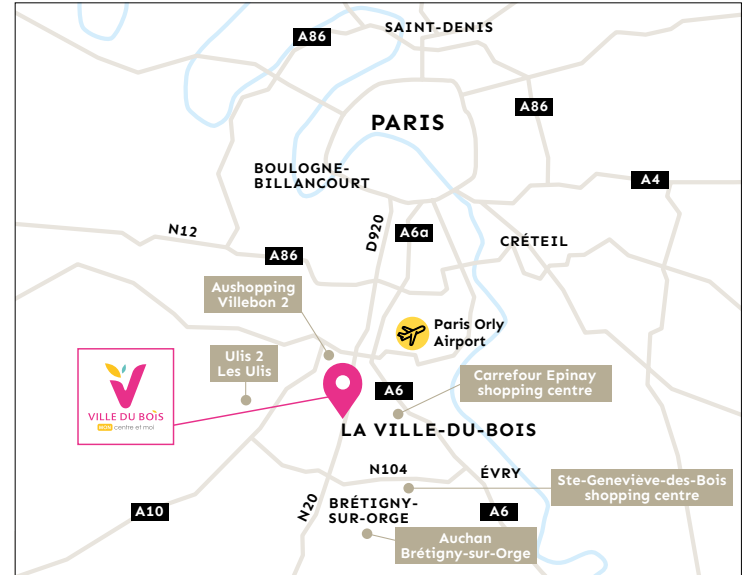
Despite a leading area of collective homes, a family presence correlated with a high proportion of individual homes



A primary area, denser and larger than that of its competitor in the north, Villebon







A vacancy rate for the historic mall of Ville-du-Bois of almost zero



- Opening of a vaccination centre in the shopping centre on 15 December 2021.
- Vaccine centre with a capacity of 2,000 vaccinations day from Monday to Sunday, from 10:00 to 20:00 or 14,000 vaccinations week.
- This vaccination capacity has made our centre the leading vaccination centre in a shopping centre in France.

Acquisition of a retail complex in Thonon-les-Bains (1/2)



			
2022	2,928 sqm of area	6.0 million euros	7.0% yield rate

- 100% leased
- Construction of 2013
- 8 retail units
- A catchment area of nearly 230,000 inhabitants with high purchasing power



Acquisition of a retail complex in Thonon-les-Bains (2/2)



Disposal of 6 non-strategic assets

An isolated unit in Frouard (54)

A retail property in Guadeloupe (971)

An isolated unit in Perpignan (66)

Offices in Creusot (71)

An isolated property in Pont-de-Beauvoisin (38)

An isolated shopping unit in Saint Gaudens (31)

For a total amount of €16.3m⁽¹⁾, in line with the expert valuations.

⁽¹⁾ Net selling price



Financials

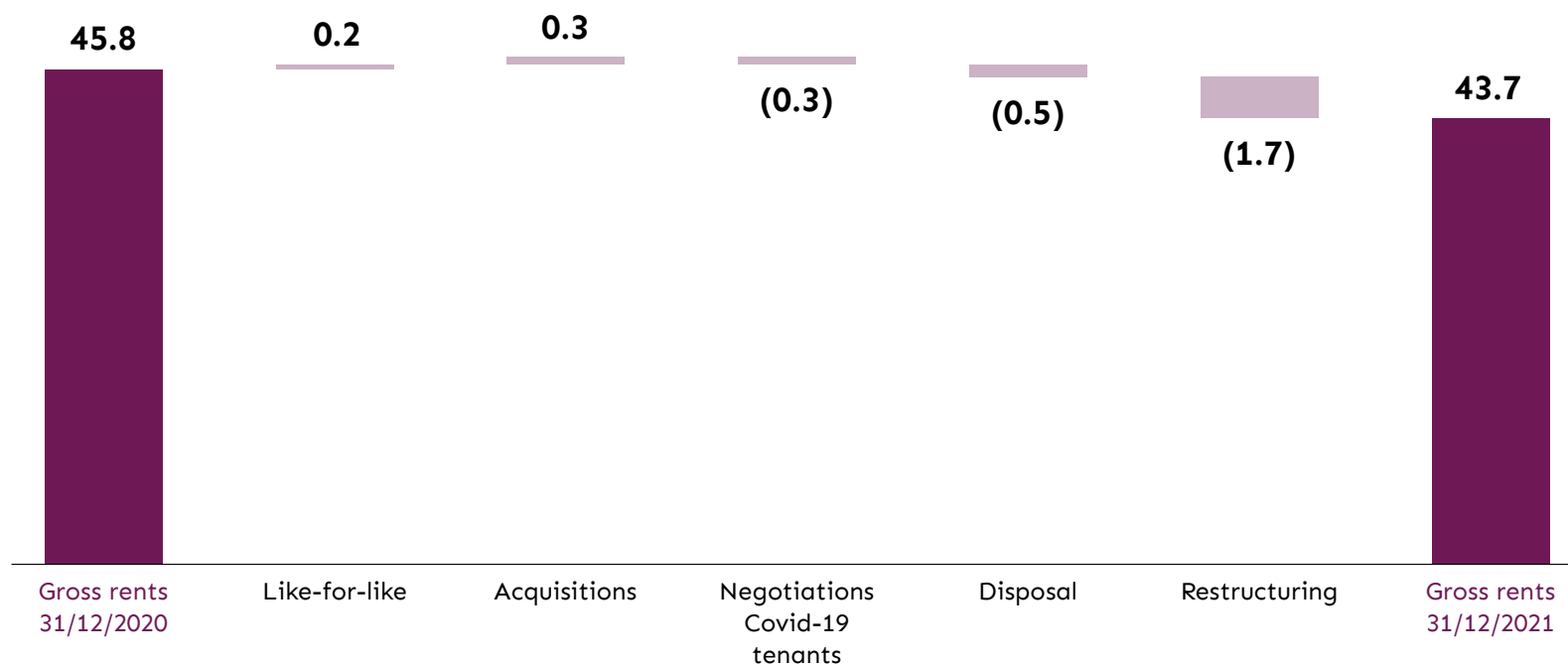


Simplified P&L as at 31/12/2021

In €m	12 months 31/12/2021	12 months 31/12/2020	Change in %
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%
Normative EBITDA	36.3	38.7	(6.1)%
Net cost of debt	(9.4)	(9.1)	(4.0)%
Current taxes	(0.2)	0.5	
Funds from operations (FFO)	26.7	30.1	(11.3)%
Change in FV of properties	2.5	(9.7)	
Change in FV of financial instruments	1.1	0.6	
Equity method investees	0.9	(0.6)	
Other income and expenses	(0.0)	(1.0)	
Net income	31.2	19.4	+60.5%
Non-controlling interests	0.4	(1.6)	
Group share of net profit	31.5	17.8	+77.2%

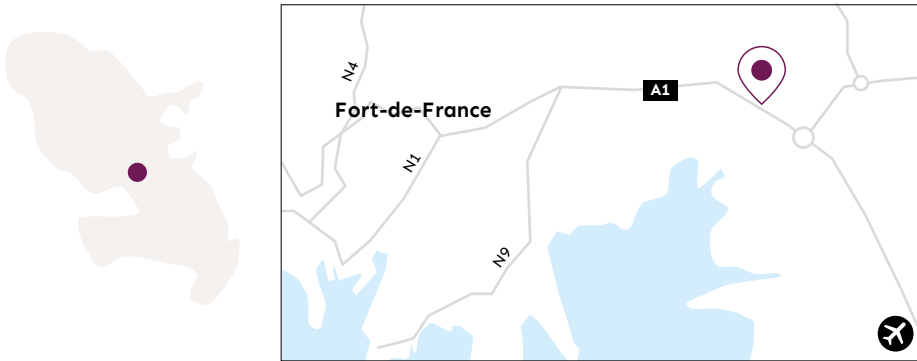
Gross rents trend

In €m



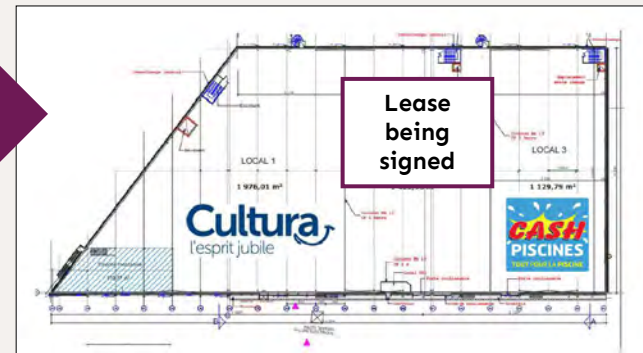
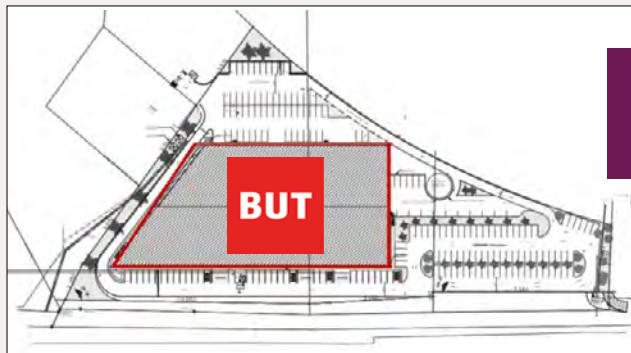
The fall in rents was mainly due to the departure of a tenant in January 2021 from an asset located in Martinique (€1.5m).

Restructuring of an asset in Martinique



- Departure of the historic tenant, BUT, in January 2021
- Asset split into 3 units, 87% of areas leased and one lease being signed to reach 100%
- Delivery in Q3 2022

OVERVIEW OF THE PROJECT



€1.5m
of gross rent

7.90%
yield rate

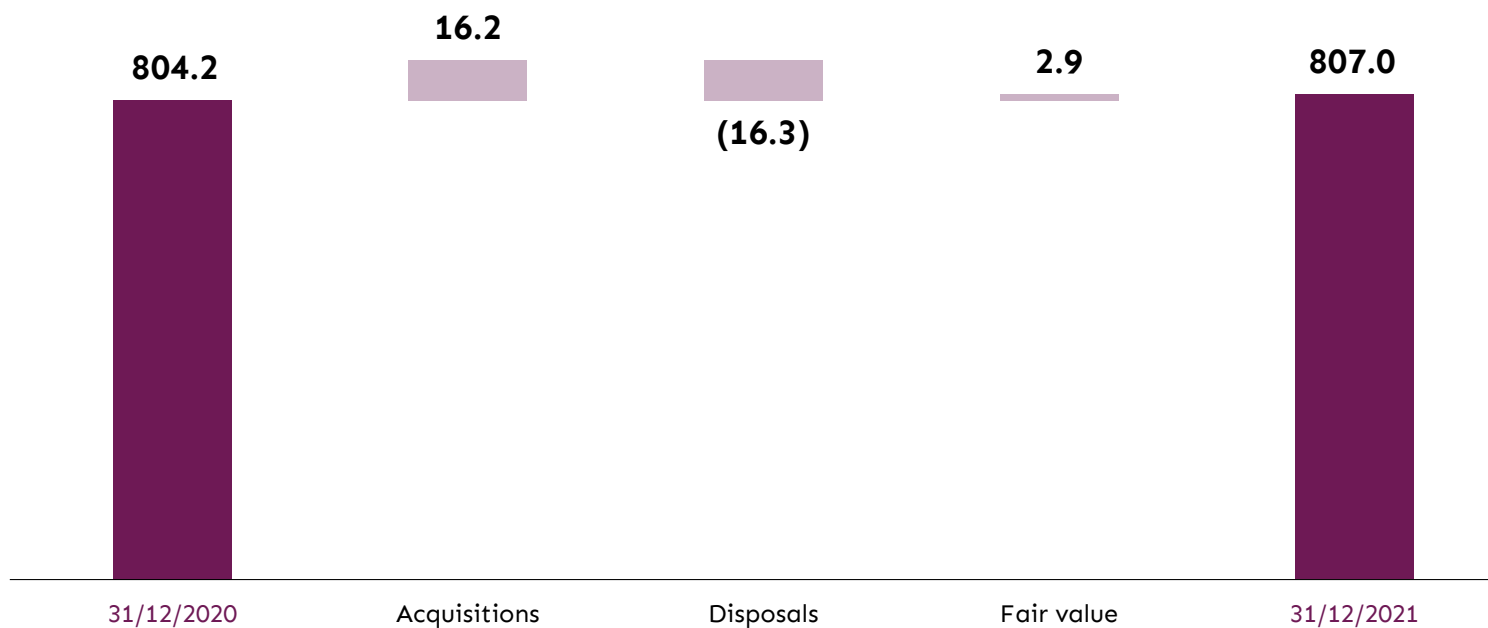
€1.3m
of gross rent

6.90%
yield rate

Asset value change

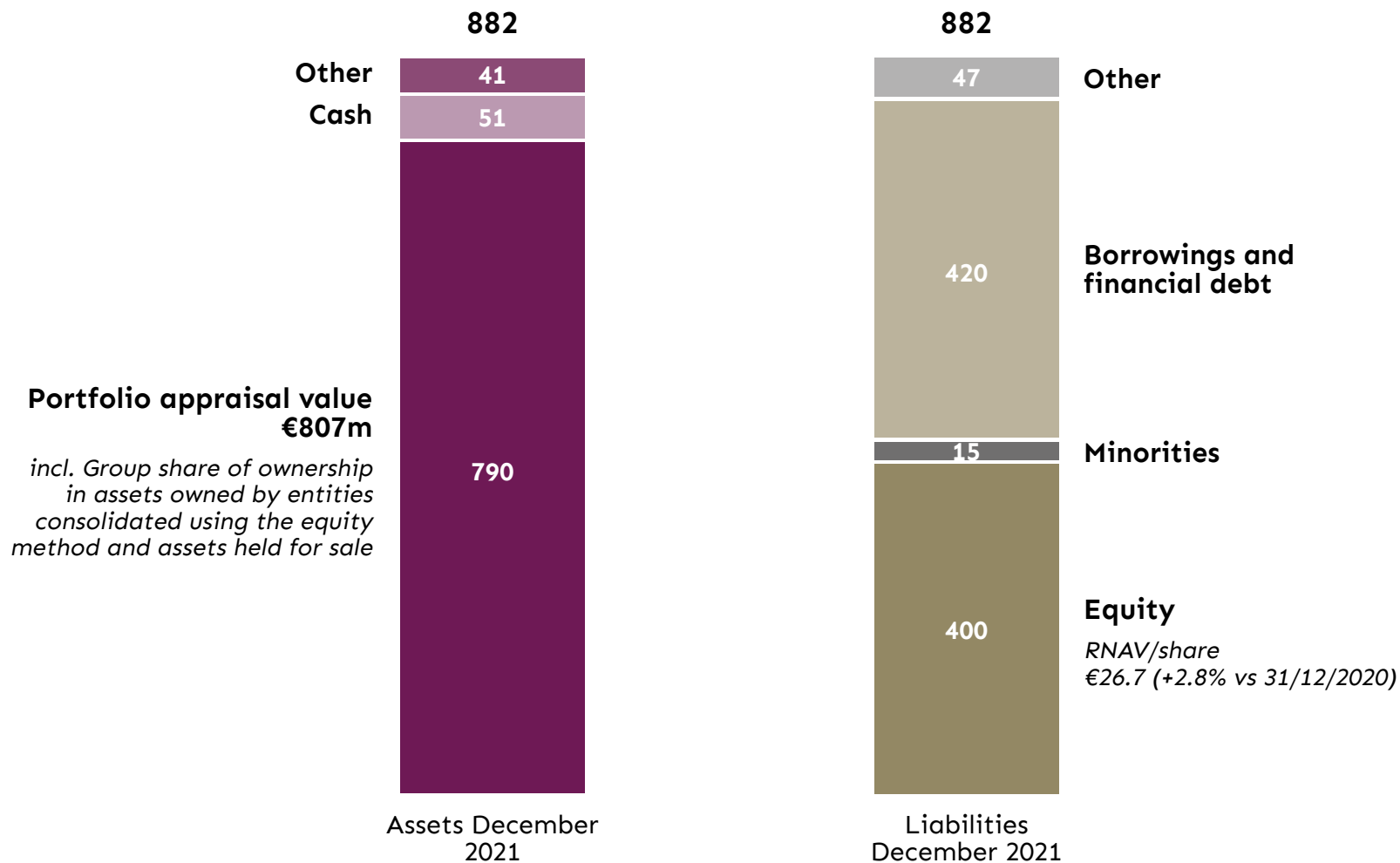
> INVESTMENT PROPERTY⁽¹⁾

In €m

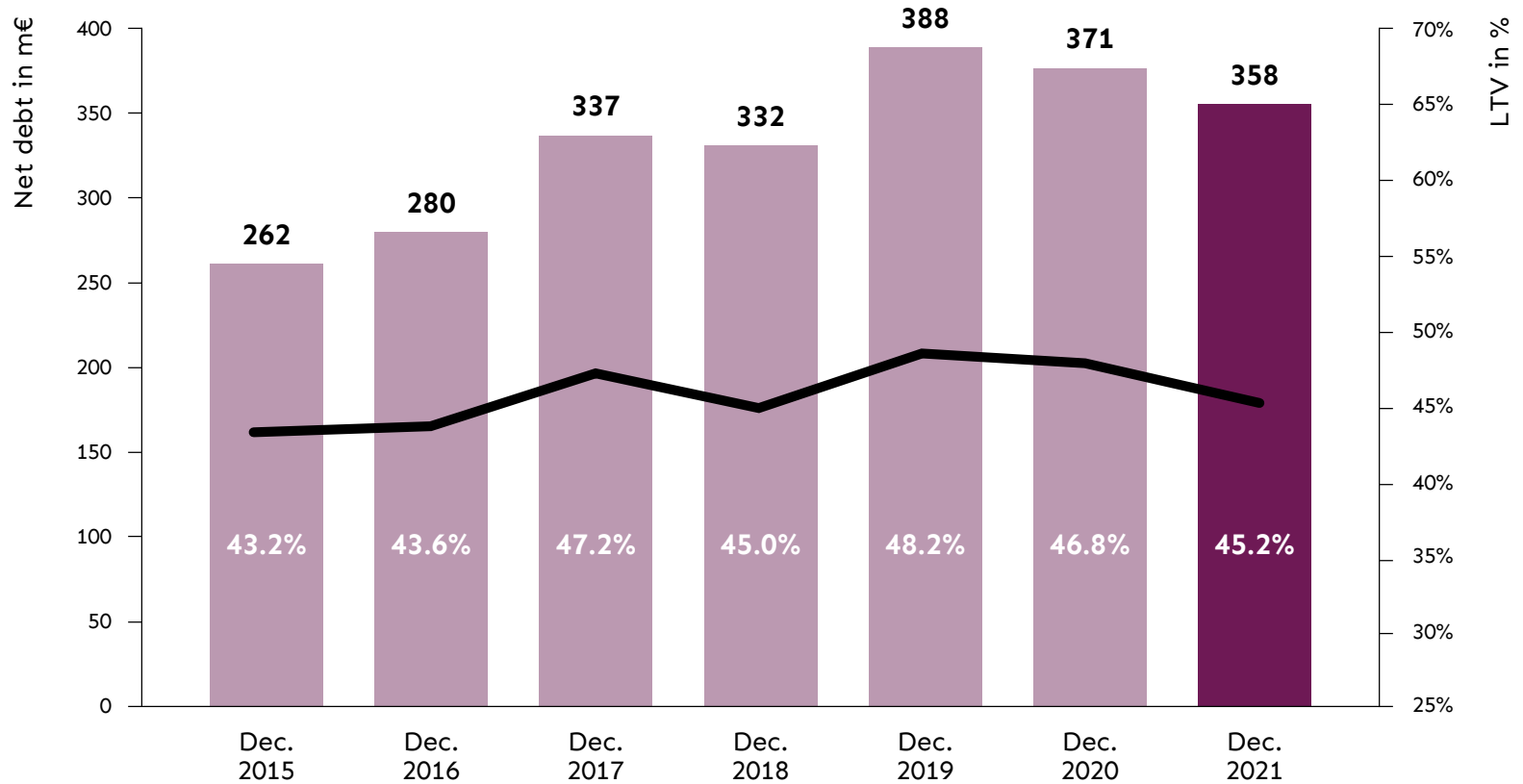


⁽¹⁾ Asset value excluding rights

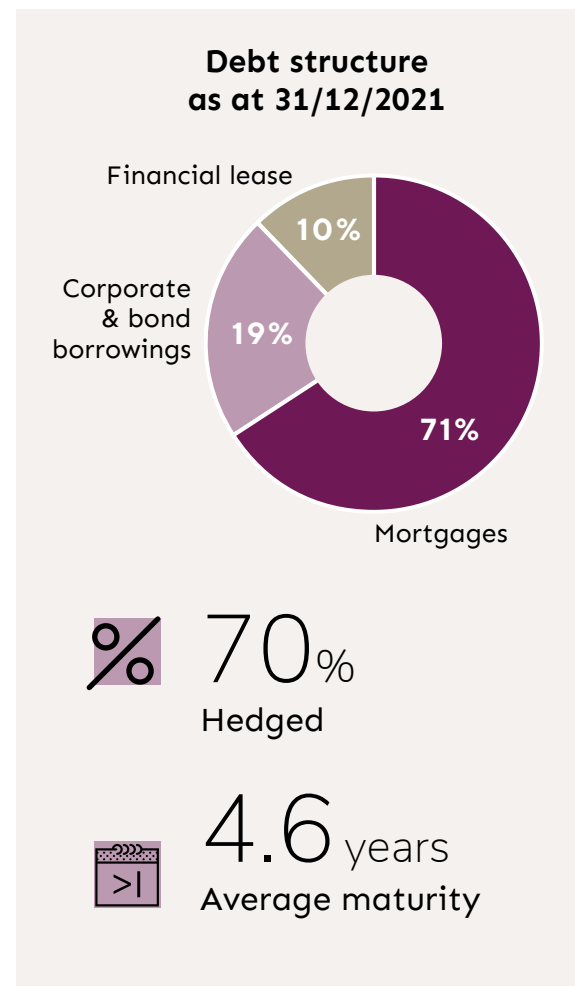
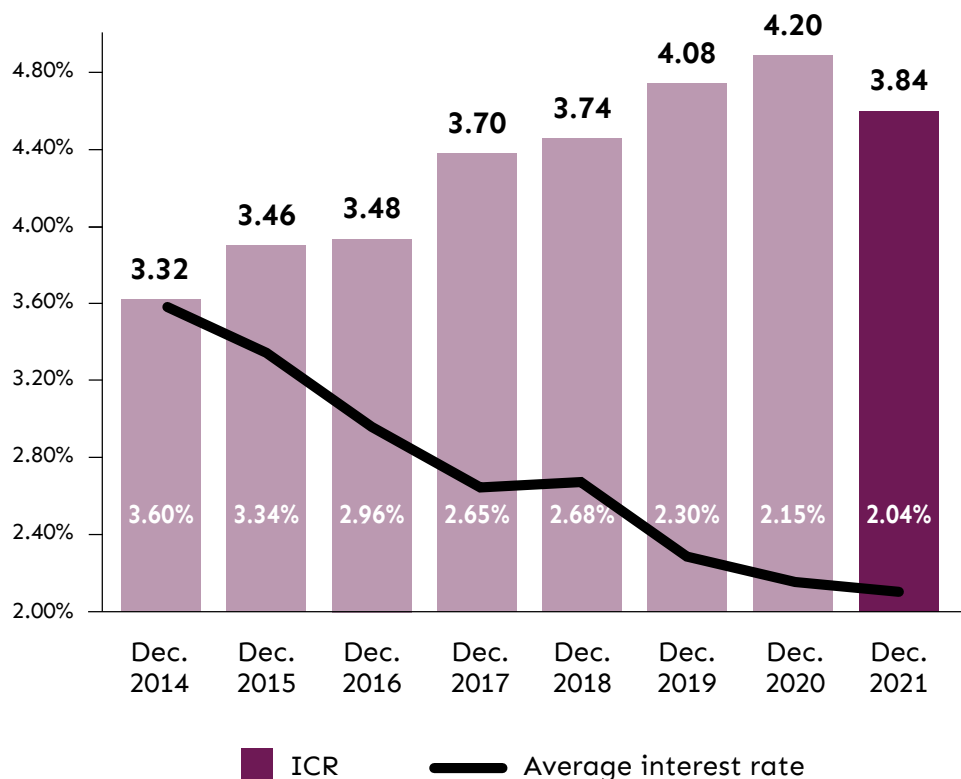
Solid financial structure



Fall in the LTV ratio



Continuous improvement of financing conditions



Strategy and outlook

Patrimoine & Commerce,
a high-yield real estate company



A critical size actor in France

KEY FIGURES AT 31/12/2021

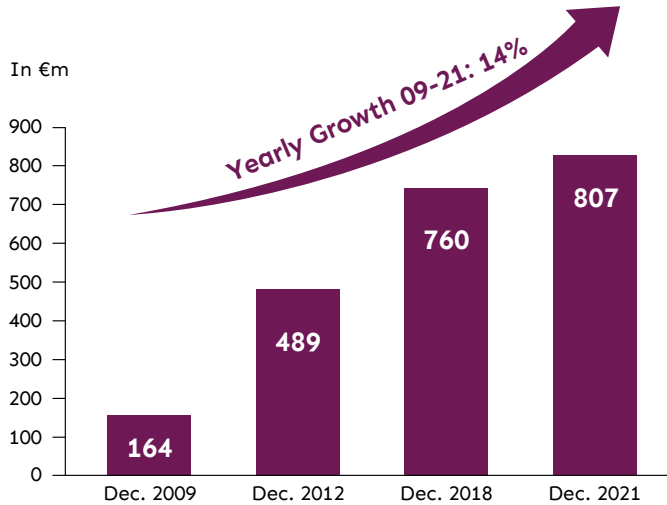
 **75**
assets

 **492 000**
sqm of surface area
centres

 **807**
million euros
total asset value⁽¹⁾

 **6**
regional
departments

ASSET VALUE CHANGE



A DENSE TERRITORIAL NETWORK



66
retail parks

6
Shopping Centres /
shopping malls

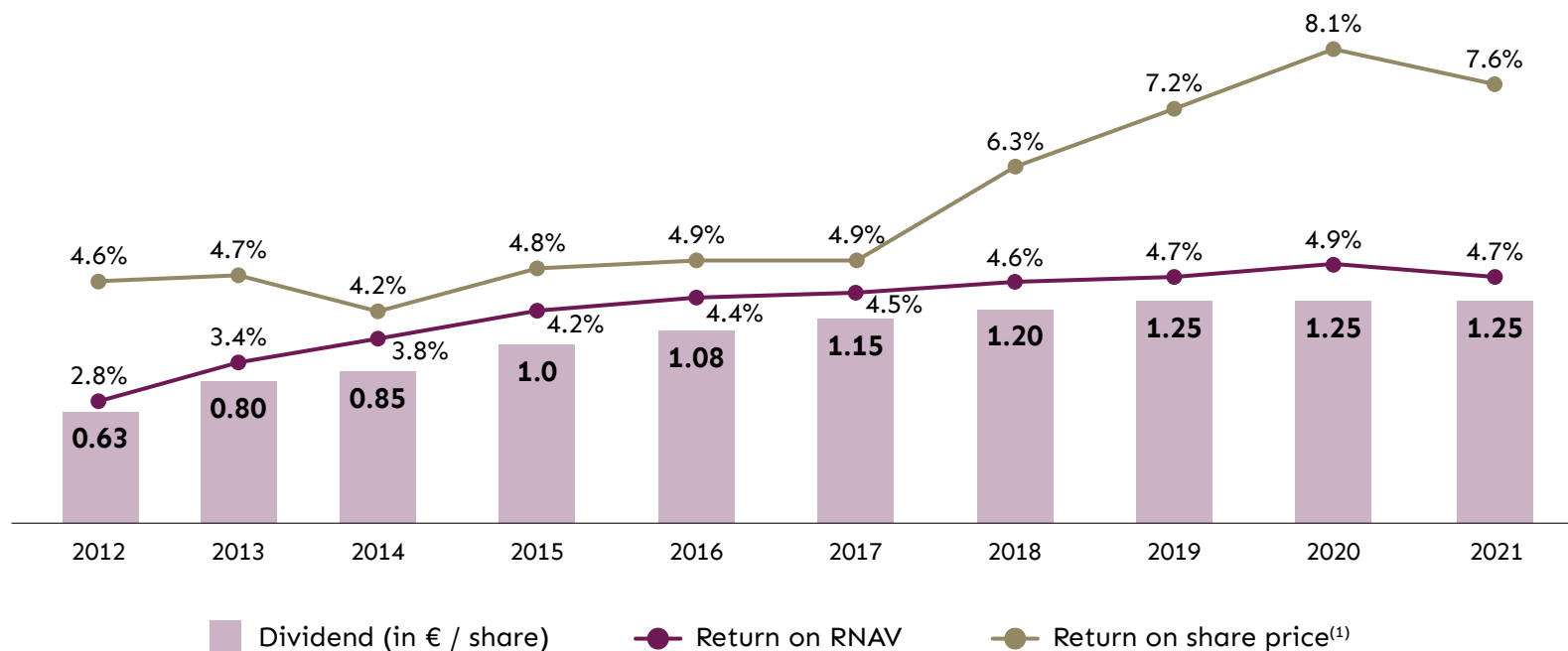
3
tertiary
buildings

⁽¹⁾ Asset value excluding rights



P&C, a property company of performance

> CONTINUOUS GROWTH OF PERFORMANCE



In a still uncertain context, there will be a proposal at the AGM to maintain the distributed amount at €1.25 per share with an option for payment in securities.



⁽¹⁾ Average 12 months at 31/12

Patrimoine & Commerce's CSR commitment

➤ CSR ISSUES TAKEN INTO ACCOUNT IN MANAGING THE PROPERTY PORTFOLIO

Asset greening actions

Integrate the energy transition to generate value creation

Improve management for our tenants: know, enhance, streamline, optimise

Actions on existing assets and the property under construction: green lighting and electricity, low carbon solutions

Tertiary Decree actions

Meet the obligations of the Tertiary Decree

Goal of reducing energy consumption -40% by 2030

Rapprochement of landlord/tenant as jointly responsible (concept of co-responsibility)

ESG actions

ESG criteria are tending to become the norm in the assessment of companies by rating agencies

Balance between financial performance and sustainable development

Communication of the social responsibility policy to the market

Objective of taking extra-financial criteria into account

Improve the energy performance of the property portfolio in a sustainable way

Control the associated costs to enhance the attractiveness of our assets through efficient and effective management

Include extra-financial criteria to contribute value for the banks, investors and partners

Winning strategy of a high-yield SIIC



PATRIMOINE & COMMERCE



The leader of low-cost
retail parks in France



Target assets
of €1bn



Yield greater
than 7.0%



Loan To Value ratio
of around 50%



€100m
of pipeline⁽¹⁾



A distribution rate close
to 60% of the FFO

⁽¹⁾ €55m in 2022 / €45m in 2023



Appendices



Shareholding and voting rights as at 31 December 2021

Poitiers Porte Sud, Retail Park, Poitiers (86)



DUVAL FAMILY	PREDICA (Crédit Agricole)	BANQUE POPULAIRE VAL DE FRANCE (BPCE Group)	VERGELY FAMILY	GRAFF FAMILY	ROBBE FAMILY	SURAVENIR (Crédit Mutuel)	OTHER SHAREHOLDERS AND PUBLIC
27.5%	20.3%	10.3%	9.6%	7.3%	5.7%	3.7%	15.5%

SHAREHOLDING

22.9%	25.1%	12.2%	9.0%	6.5%	5.9%	2.3%	16.1%
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VOTING RIGHTS

Governance compliant with the MiddleNext Code



SUPERVISORY BOARD

15 members

of which 12 independents

Chairman: Mr Louis Victor

REMUNERATION COMMITTEE

1 independent member / 2

AUDIT COMMITTEE

1 independent member / 3

INVESTMENT COMMITTEE

4 independent members / 5

NB: Predica considered non-independent has two members on the Supervisory board and one member on each Committee

Thank you!

Patrimoine & Commerce

45 avenue Georges Mandel, 75116 Paris

33 (0)1 46 99 47 79 / contact@patrimoine-commerce.com



**PATRIMOINE
& COMMERCE**