

PRESS RELEASE

FIRST-HALF 2024 RESULTS

Paris - July 24, 2024

At its meeting on July 23, 2024, the Patrimoine & Commerce Supervisory Board reviewed the Company's operations and approved the 2024 half-year financial statements, prepared by Management.

- **Increase in gross rental income by +6.1%**
- **Increase in group share of net profit by +16.2%**
- **Portfolio valuation of € 859m**
- **Improvement of the LTV ratio to 42.5%**

Key figures:

Key financials	30/06/24 6 months	30/06/23 6 months	Var. %
Gross Rental Income	€ 26.2m	€ 24.7m	+6.1%
Funds from operations ⁽¹⁾	€ 15.2m	€ 14.8m	+2.4%
Group share of net profit	€ 14.9m	€ 12.8m	+16.2%

Alternative Performance Measures	30/06/24	31/12/23	Var. %
Asset appraisal value (excluding transfer taxes) ⁽²⁾	€ 859.4m	€ 858.3m	n.a
Capitalization rate ⁽³⁾	7.3%	7.3%	n.a
LTV ratio ⁽⁴⁾	42.5%	43.9%	n.a
NAV (excluding transfer taxes - €/share)	28.7 €	29.1 €	(1.3%)
NAV (excluding transfer taxes)	€ 432.8m	€ 439.2m	(1.5%)

Eric Duval, Managing Director and Founder of Patrimoine & Commerce declared: *“The first-half results for the 2024 financial year once again illustrate the solidity and resilience of our economic model. Despite an uncertain economic context, we have managed to maintain our position as the leader in low-cost retail parks in France. Our excellent performance is the result of proactive management, a high-quality asset portfolio, and long-term relationships with our partners. We are also pleased to welcome Crédit Agricole Centre France as a new shareholder, which strengthens our financial structure and our ability to generate sustainable growth. We remain confident in our ability to offer significant added value to our shareholders through our rigorous development strategy and solid financial structure.”*

Operational performance

Patrimoine & Commerce confirms the interest in the retail park concept and the advantages of out-of-town retailing in an uncertain situation marked by rising inflation and interest rates. The group offers reasonable rents to low-cost brands that meet the needs of consumers facing a decline in purchasing power.

Over the first half of 2024, Patrimoine & Commerce had a dynamic leasing activity and signed 33 leases (including 19 renewals), improving the financial occupancy rate to 95.2% ⁽⁵⁾. The rent, charges, and taxes collection rate stands at 99.1% for the first half of 2024.

Financial performance

Over the first six months of 2024, Patrimoine & Commerce continued to deliver solid a financial performance.

As of June 30, 2024, Patrimoine & Commerce gross rents amounted to € 26.2m compared to € 24.7m as of June 30, 2023:

In millions of euros - 6 months	30/06/24	30/06/23	Var. %
Like-for-like	25.4	24.4	+4.2%
Acquisitions	0.4	0.2	n.a
Disposals	0.0	0.0	n.a
Properties under restructuring	0.4	0.1	n.a
Gross rental income	26.2	24.7	+6.1%

The increase in gross rental income is explained by asset portfolio movements (+€ 0.5m), mainly with the acquisition of the Saint-Parres-aux-Tertres asset (Grand Est) and the delivery of the Ville-du-Bois (Île-de-France) restructuring works. The increase in gross rents on a like-for-like basis (+€ 1.0m or +4.2%) is driven by the contractual indexation and the decrease in the amortization of Covid-19 rent free periods.

Net rental income increased by +7.2%, with the gross to net ratio remaining stable between the two periods (92% of gross rents in the first half of 2024 vs. 91% in 2023), mainly reflecting non-recoverable charges and provisions for credit losses (which represent approximately 1.1% of half-year invoicing):

In millions of euros - 6 months	30/06/24	30/06/23	Var. %
Gross rental income	26.2	24.7	+6.1%
Entry fees	0.0	0.0	n.a.
Gross rental revenue	26.2	24.7	+6.1%
Unrecovered rental expenses	(1.7)	(1.7)	(1.5%)
Other building expenses	(0.3)	(0.4)	n.a.
Net rental income	24.2	22.6	+7.2%

Operating expenses and other revenues amounted to € 3.4m in 2024 (vs. € 2.7m in 2023). Thus, the current operational result amounted to € 20.7m as of June 30, 2024.

The net cost of debt amounted to € 6.0m as of June 30, 2024, an increase of +10.6% compared to June 30, 2023. The company has low exposure to interest rate risk, with 76% of its debt at fixed or hedged variable rates, which limited the increase in the average interest rate over the period (2.99% in the first half of 2024 vs. 2.63% in the first half of 2023), in a context of a sharp rise in the 3-month Euribor rate between the two periods.

Recurring net result (FFO) amounted to € 15.2m as of June 30, 2024, compared to € 14.8m as of June 30, 2023, an increase of +2.4%:

In millions of euros – 6 months	30/06/24	30/06/23	Var. %
Restated current operational result	21.2	20.3	+4.4%
Restated net cost of debt	(6.0)	(5.4)	+10.7%
Current taxes	(0.0)	(0.1)	n.a.
Funds from operations (FFO) ⁽¹⁾	15.2	14.8	+2.4%
Diluted FFO per share	1.01	0.98	+2.7%

The external appraisal valuation campaign resulted in a fair value adjustment of +€ 1.0m in the 2024 half-year accounts, mainly reflecting the indexation of rents.

Taking into account the share of the result of companies accounted for using the equity method (-€0.5m), the fair value adjustment on financial instruments (-€ 0.6m), and other non-recurring income and expenses (-€ 0.6m), net profit amounted to € 14.4m as of June 30, 2024, and € 14.9m in group share, an increase of +16.2%.

Improvement of the LTV ratio, decrease of the NAV per share at 28.7 € (-1.3%)

The Group consolidated net debt of € 358.6m as of June 30, 2024, implies a Loan-To-Value ratio of 42.5%, leaving a significant investment capacity compared to the target of 50% set by Patrimoine & Commerce.

In millions of euros	30/06/24	31/12/23
Net Debt	358.6	369.2
(-) other lease liabilities	(0.5)	(0.6)
(-) financial instruments	0.5	1.0
Restated Net Debt	358.5	369.6
Property valuation (excl. Transfer taxes)	844.3	842.8
Loan To Value ratio	42.5%	43.9%

Net asset value per share amounted to 28.7 € (€ 432.8m), a decrease of -1.3% versus December 31, 2023. Adjusted for the dividend distribution, the NAV would stand at € 453.6m (€30.1 per share), an increase of +3.4% compared to December 31, 2023.

In millions of euros	30/06/24	31/12/23
NAV, excl. Transfer taxes	432.8	439.2
NAV per share, excl. Transfer taxes (in euros)	28.74	29.12
Number of shares (excl. Treasury shares)	15 059 089	15 085 647

Development and optimization of the portfolio

As of June 30, 2024, the portfolio valuation (excluding transfer taxes and including properties accounted for using the equity method) reached € 859.4m, a slight increase compared to December 31, 2023. The capitalization rate of the properties in operation stands at 7.3%.

<i>In millions of euros</i>	Variation
Net balance as of January 1 st , 2024	858.3
Investments	1.1
Disposals	(0.5)
Fair value impact	0.6
Net balance as of June 30, 2024	859.4

Over the first six months of 2024, Patrimoine & Commerce did not make any acquisitions of new properties. Investments during the period focused on its assets in operation.

Additionally, Patrimoine & Commerce continued its asset rotation policy with the disposal of a shopping gallery in Gaillon (Normandy).

Capital increase reserved for Crédit Agricole Centre France

On April 25, 2024, Patrimoine & Commerce announced the project of a capital increase reserved for Crédit Agricole Centre France through its subsidiary CACF Investissements Fonciers.

This operation, approved by the Supervisory Board and the General Meeting, aims to support the development of Patrimoine & Commerce and finance its future acquisitions. The issuance of 869,565 new shares, at a price of € 23 per share, will raise a total of € 20 million.

This operation reflects the confidence of Crédit Agricole Centre France in the value creation strategy of Patrimoine & Commerce.

The subscription date has been set for August 1st, 2024.

Approval of a dividend of €1.35 per share

The Annual General Meeting held on June 13, 2024, approved the distribution of a dividend of €1.35 per share, representing a total amount of €20.8m. This represents a yield on NAV (before dividend distribution) of 4.7%, and a yield on the stock market price of 6.1% (as of July 22, 2024).

Agenda

October 11, 2024 Third-Quarter 2024 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 :

¹ Recurring net income is adjusted for the operating expenses of the real estate development activity (-€0.5 million as of 30/06/2024 and -€0.4 million as of 30/06/2023)

² Incl. Group share of Cherbourg and Studio Prod and assets held for sale.

³ Based on annualized rents (or market rental value for vacant spaces) and on property valuation excl. transfer taxes

⁴ Adjusted for hedging instruments.

⁵ Excluding strategic vacancy.

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

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