



The leading property company specialising in low-cost retail parks

2023 Annual Results

21 FEBRUARY 2024



**PATRIMOINE
& COMMERCE**

2023 key figures



528,000

sqm of surface area



50.5

million euros
of rents¹



858

million euros
of assets²



29.1

euros
of RNAV³



43.9%

LTV⁴



7.3%

capitalisation
rate⁵

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 hedging instruments.

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

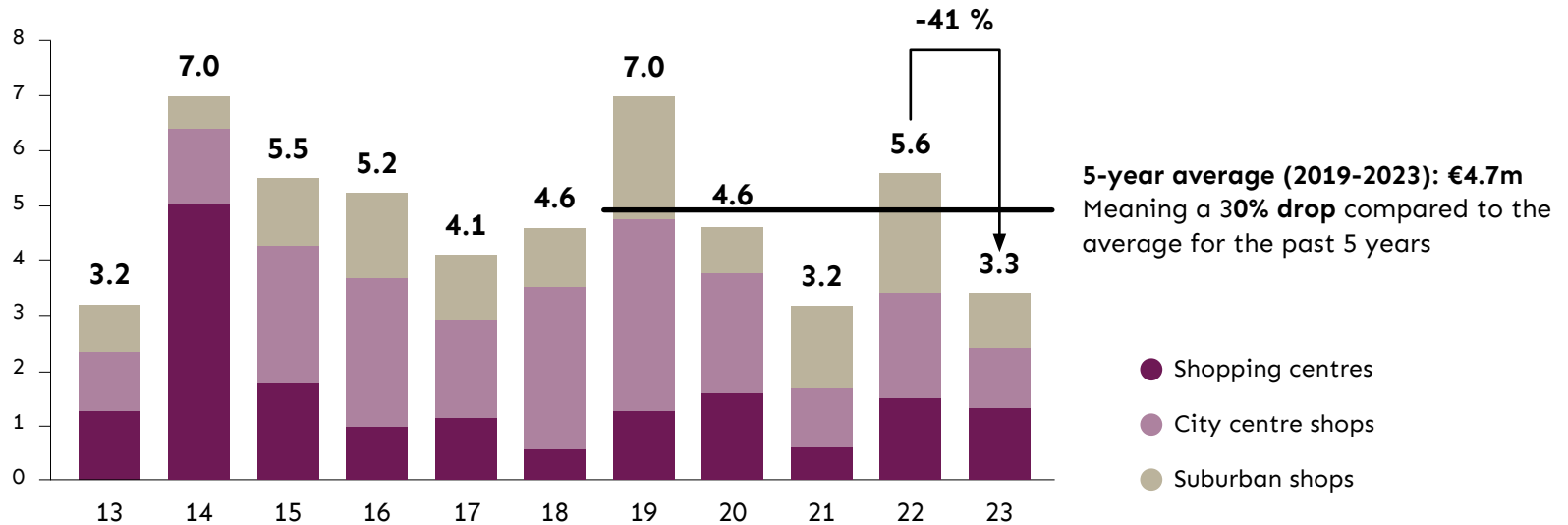
Market dynamics



Widespread decline in investments

➤ INVESTMENT IN RETAILERS BY TYPE

In millions of euros



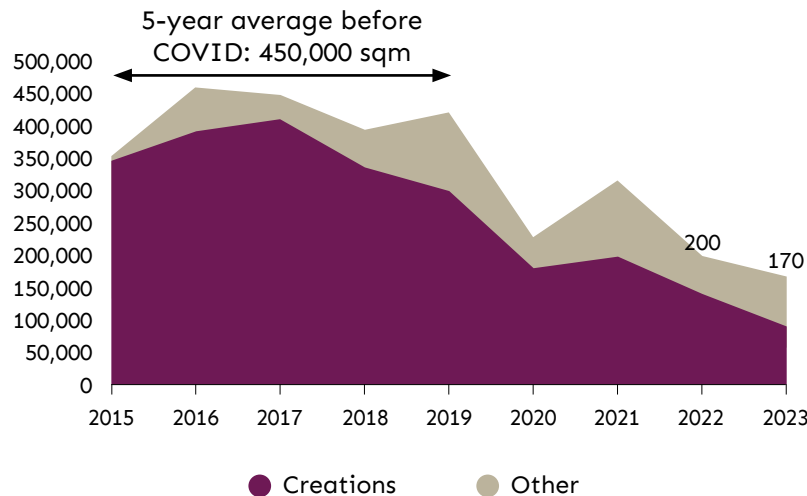
Commercial investments were less affected than the other asset classes: 2023 recorded a 53% drop in investment levels across all types of assets (offices, shops and industry) compared to a 41% decline for shops alone.



A retail park market reaching maturity but still less affected than other commercial segments

EVOLUTION OF RETAIL PARK OPENINGS

In France, in sqm



DECLINE IN NEW OPENINGS (BY SQM) 2023 VS 2022



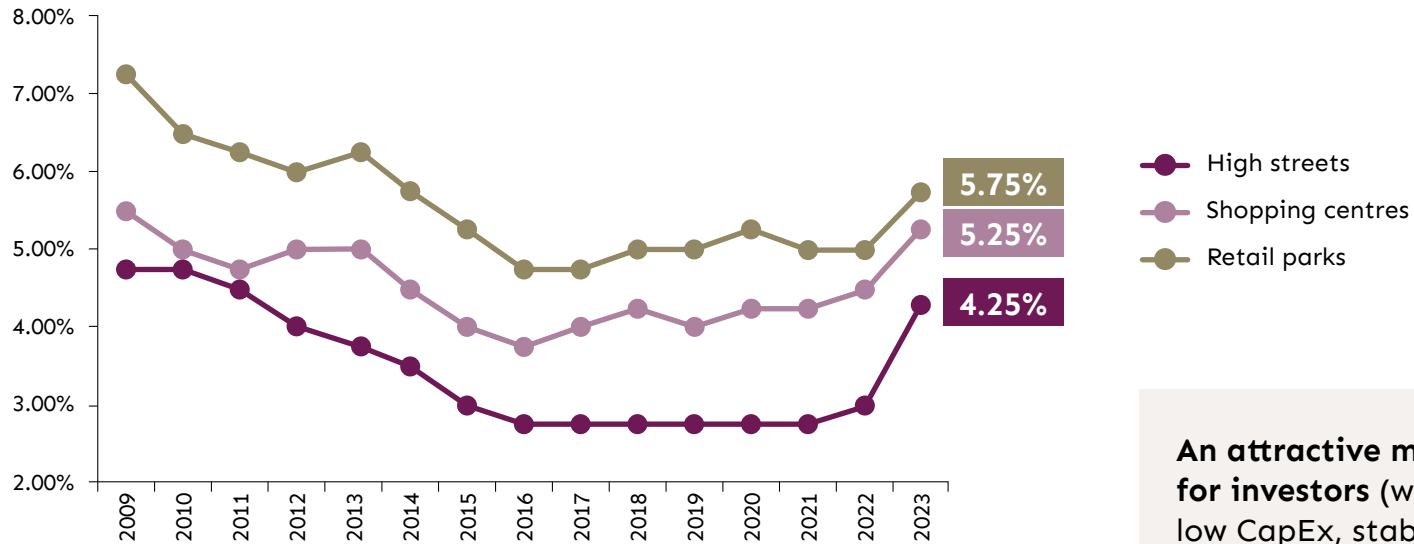
The maturity of the retail park market is generating a **premium on existing assets**.



Retail parks remain safe investments

An appealing investment model

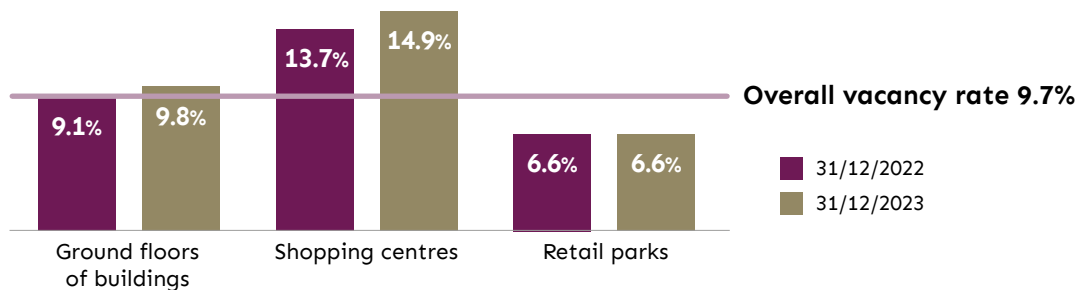
HISTORICALLY HIGHER PRIME RATES OF RETURN THAN ON OTHER COMMERCIAL ASSETS



- High streets
- Shopping centres
- Retail parks

An attractive model for investors (with low CapEx, stable and recurring cash flows, and ownership of operating permits). The retail park model has **solid foundations that make it somewhat crisis resistant.**

LOWER VACANCY RATES THAN OTHER RETAIL PROPERTIES



Sources: Knight Frank, CBRE and Codata Digest France 2024

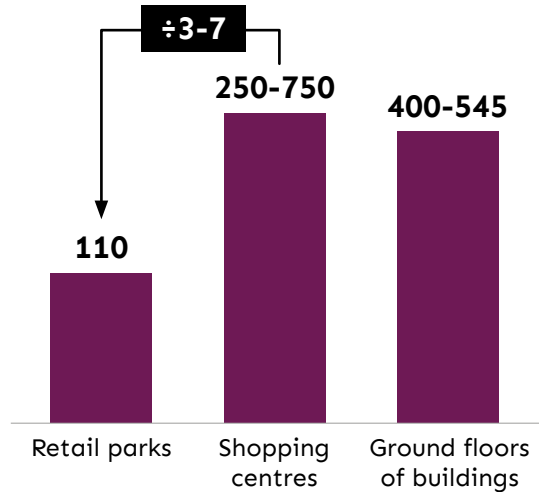
Retail parks remain safe investments

Solid foundations make them somewhat crisis resistant

AN ATTRACTIVE MODEL FOR RETAILERS (AFFORDABLE RENTS AND LOW CHARGES)

Appropriate rents

Rent in euros per sqm



Limited property charges €10/sqm
Retail parks

AN ATTRACTIVE MODEL FOR CONSUMERS (EASY ACCESS AND PARKING, CLOSE TO URBAN AREAS)

76% of French people visit retail parks,
49% visit them on a regular basis

70% of French people live within a 15-minute drive of a retail park, which is often much closer than the town centre

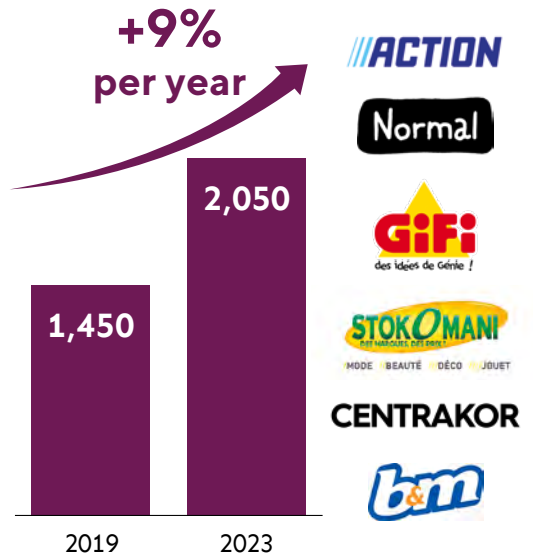
1:46 hrs spent on an average visit to a retail park

A changing retail park market

Continuation of retailer development, especially discount retailers

ONGOING REINFORCEMENT OF DISCOUNT RETAIL

Evolution of the number of stores operated by 6 discount chains in France



6 sur 10
Part des Français effectuant des achats au moins une fois par an dans un magasin de déstockage en 2022.

THE MOST DYNAMIC DEVELOPMENT PLANS: MAINLY ACTORS ON THE OUTSKIRTS OF TOWN



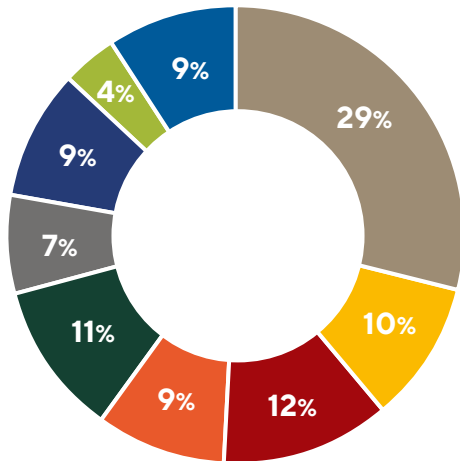
Those retailers that are the most dynamic in their short-term development plans are mainly actors located on the outskirts of town.

A changing retail park market

Leisure and dining facilities breaking through

DINING AS THE LEADING SECTOR FOR DEVELOPMENT PROJECTS

Breakdown of expansion projects announced in France in 2023, by sector, as a %



- Food service
- Food
- Discount
- Fashion
- Sports & leisure
- Accessories
- Home
- Beauty care
- Other

LEISURE FACILITIES BREAKING THROUGH INTO RETAIL PARKS

~30%

Proportion of leisure facilities out of the total number of openings at retail parks in 2023

SUBURBAN ARRIVAL OF BRANDS THAT WERE HISTORICALLY BASED IN TOWN CENTRES

Examples of retailers



Sources: Knight, LSA and Procos

Patrimoine & Commerce highlights



Continuation of sustained rental activity



58

leases signed
in 2023



€4.6_m

in gross annual
rent



32

new leases



26

renewals

Occupancy rates on the rise for the past 2 years, reaching 94.7% as at 31/12/2023 (vs 94.3% as at 31/12/2022 and 93% at 31/12/2021)

WALT of 4.9 years

WALB of 2.1 years

Quality of retail tenants

P&C is positioned on growing business sectors



The top 15 retailers account for less than 32% of the total of Patrimoine & Commerce rents, distributed evenly across resilient sectors, i.e. 83% in home equipment, discount, leisure and food.

BREAKDOWN OF RENTAL INCOME by store type

- 23% Household goods
- 21% Personal products
- 18% Leisure and culture
- 16% Discount
- 12% Food
- 6% Services
- 4% Beauty and health

Disposal of 3 non-strategic assets

A retail unit in Salon-de-Provence, France



A retail asset in Vandœuvre, France



A plot of land in Lempdes, France

For a total amount of €2.6m¹, in line with expert valuations.



¹ Net selling price.

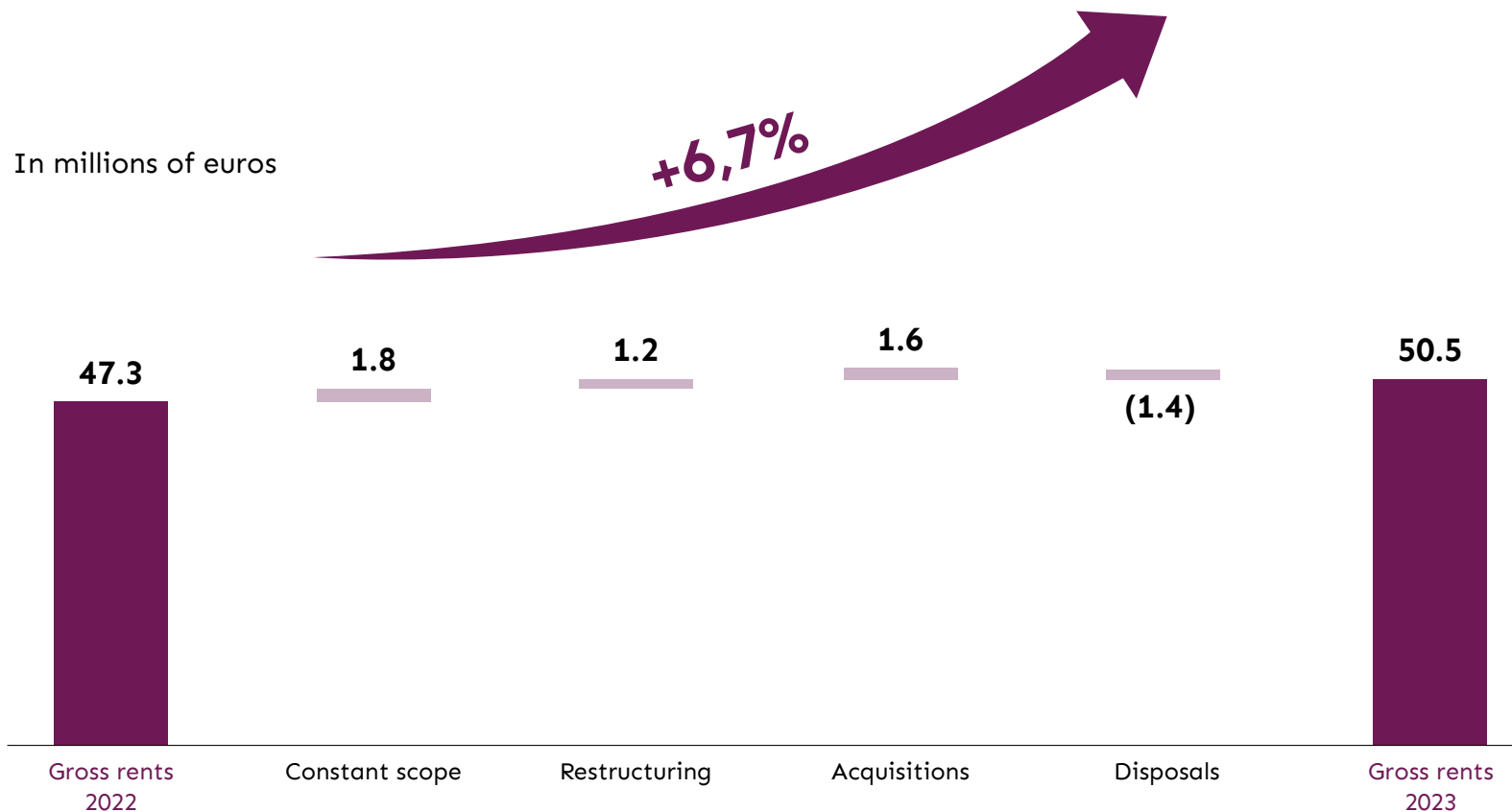
Financials



Simplified P&L as at 31 December 2023

| In millions of euros | 12 months 31/12/2023 | 12 months 31/12/2022 | Change in % |
|---|-------------------------|-------------------------|----------------|
| Gross rents | 50.5 | 47.3 | +6.7% |
| Net rental income | 46.7 | 44.2 | +5.6% |
| Operating expenses and other income | (5.1) | (5.0) | +2.2% |
| Normative EBITDA | 41.6 | 39.2 | +6.1% |
| Net cost of debt | (10.8) | (9.5) | +13.3% |
| Current taxes | (0.1) | (0.4) | |
| Funds from operations (FFO) | 30.7 | 29,3 | +4.8% |
| Change in fair value of properties | 0.2 | 15.1 | |
| Change in fair value of financial instruments | (1.2) | 3.6 | |
| Equity method investees | (1.1) | 0.3 | |
| Other income and expenses | (0.5) | (2.1) | |
| Net income | 28.2 | 46.1 | (38.9%) |
| Non-controlling interests | 0.8 | 1.7 | |
| Group share of net profit | 29.0 | 47.8 | (39.3%) |

Gross rents on the rise



The increase in gross rents is primarily due to the effects of contractually stipulated lease indexing, with an average of +4.2% over the course of the year (up €1.8 million).

Increased asset value

> INVESTMENT PROPERTY¹

In millions of euros

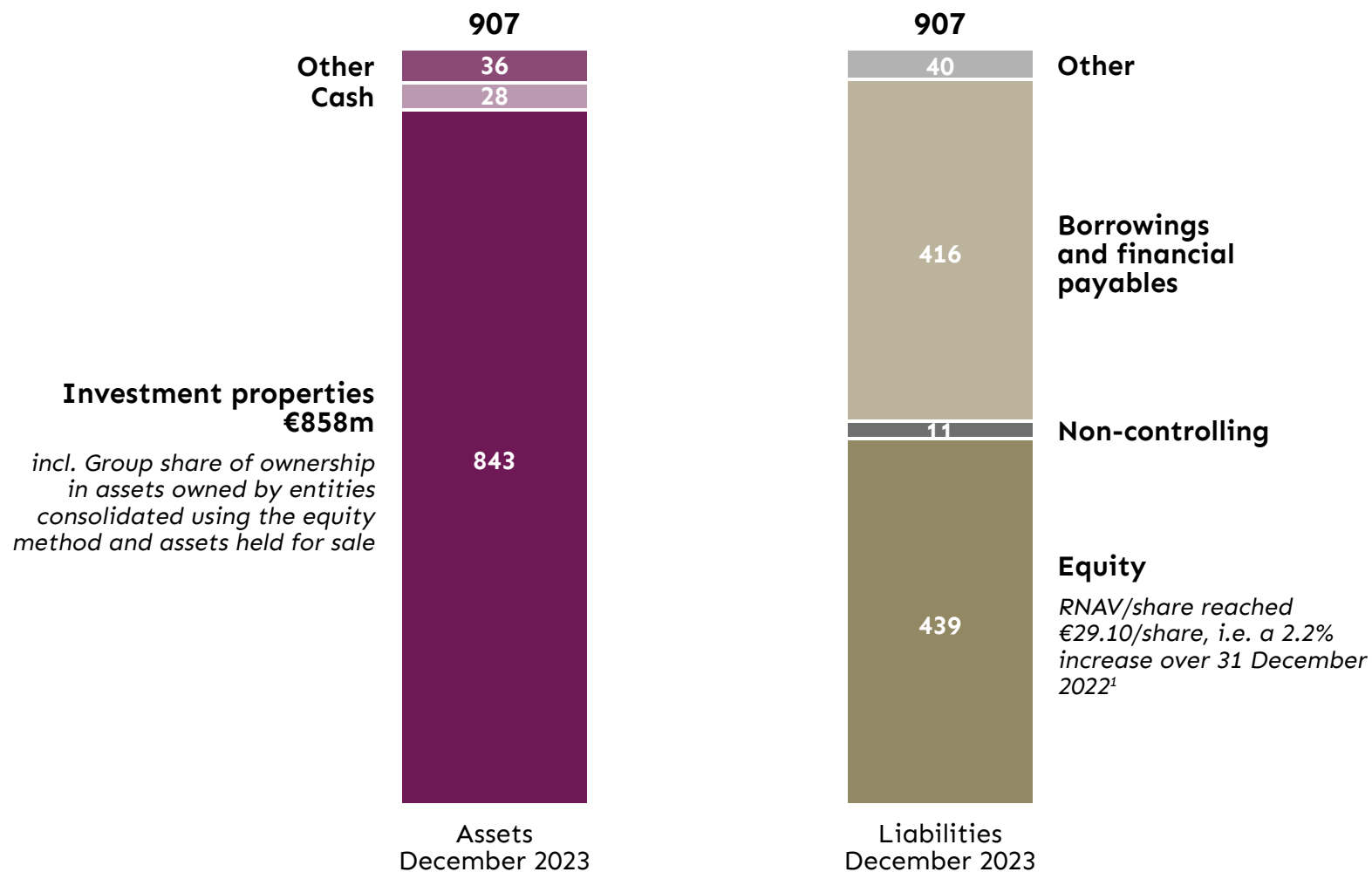


Total asset value increased by €17 million.



¹ Asset value excluding rights.

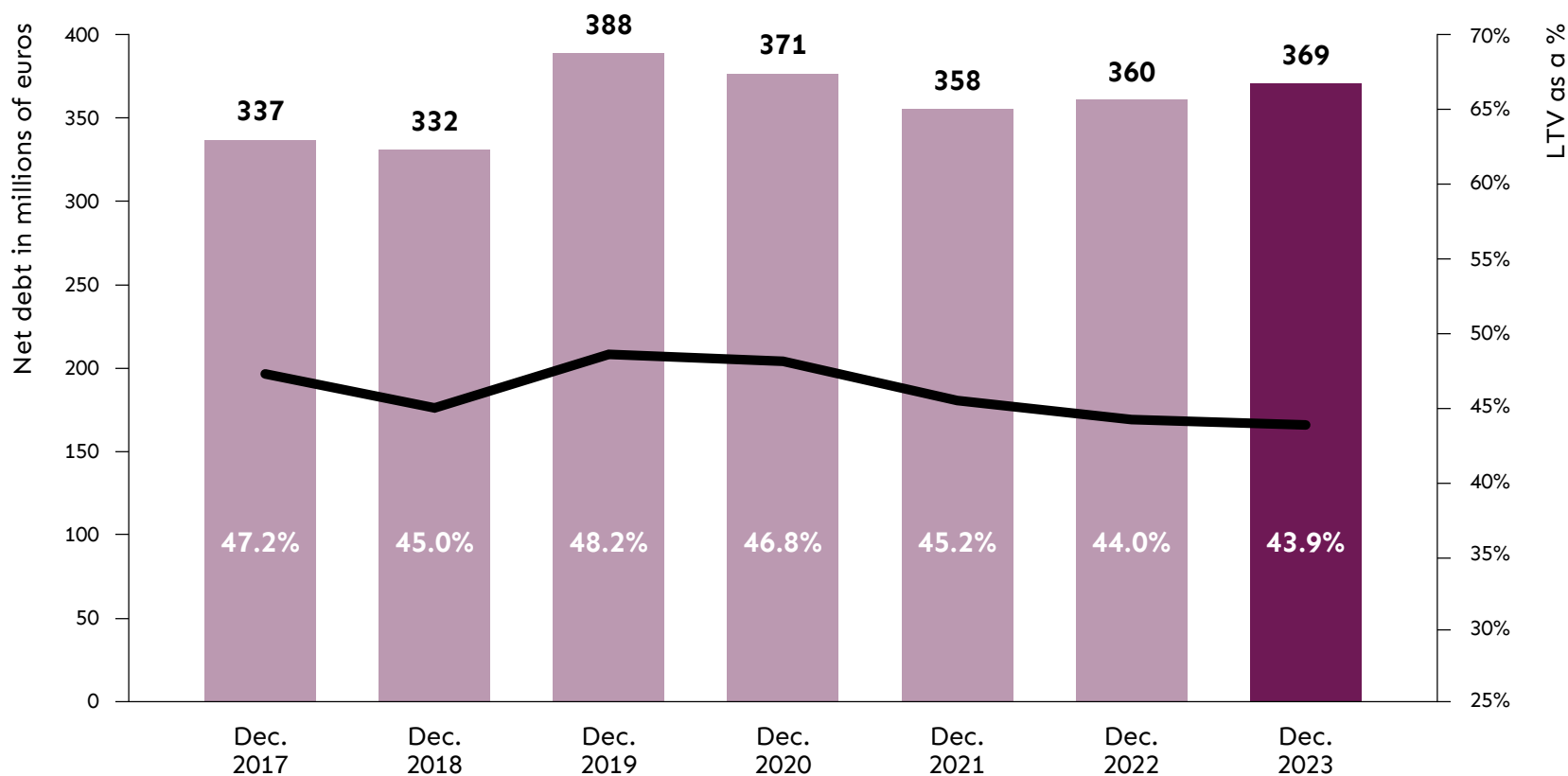
A solid financial structure



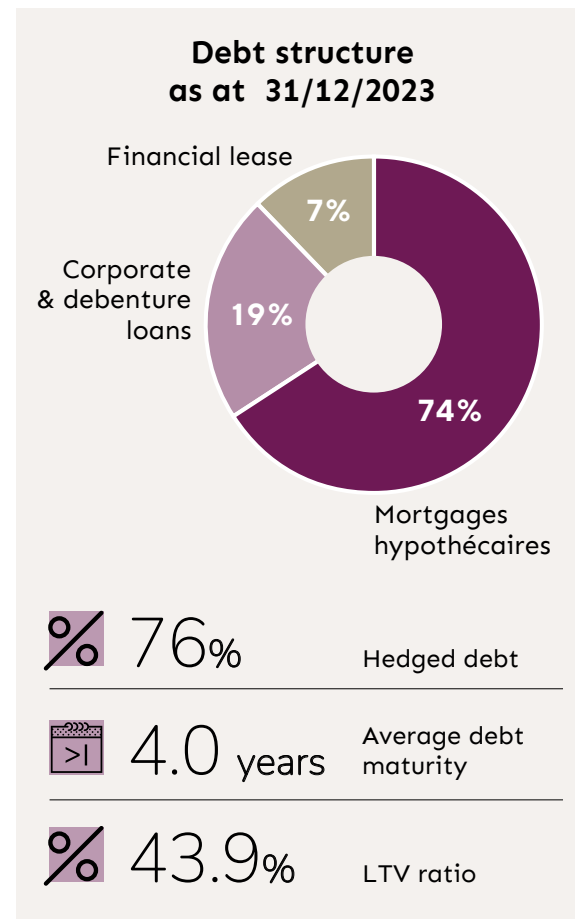
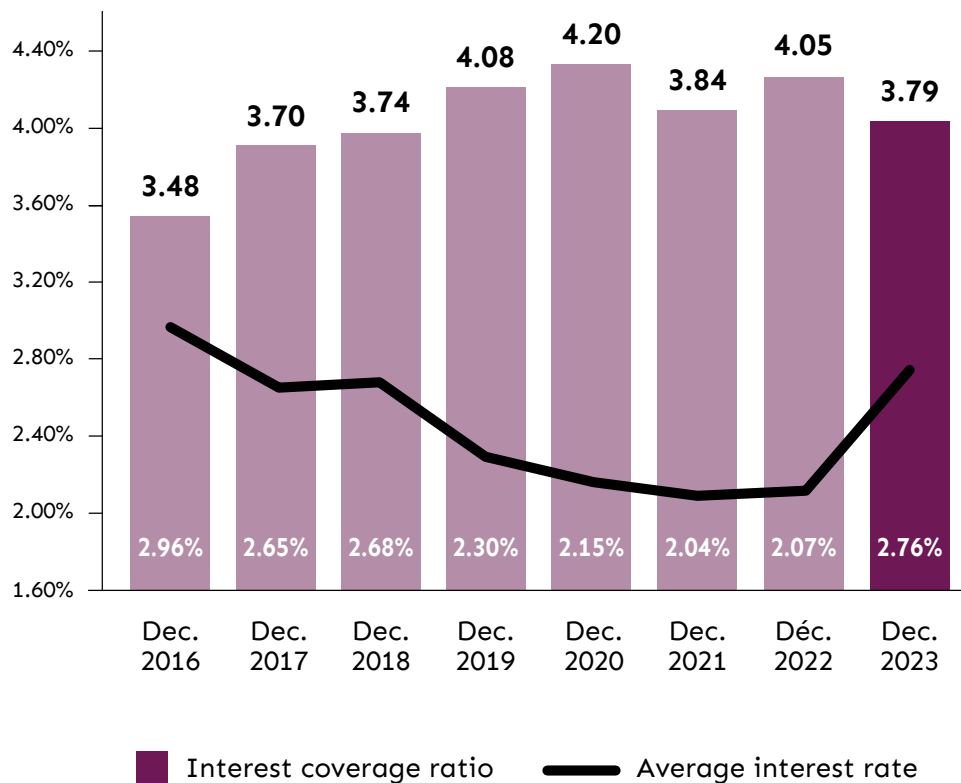
¹ Adjusted for the distribution of dividends, the RNAV would have been €459m (€30.40/share), up 6.9% from 31 December 2022.

A solid financial structure

LTV ratio continuing to fall

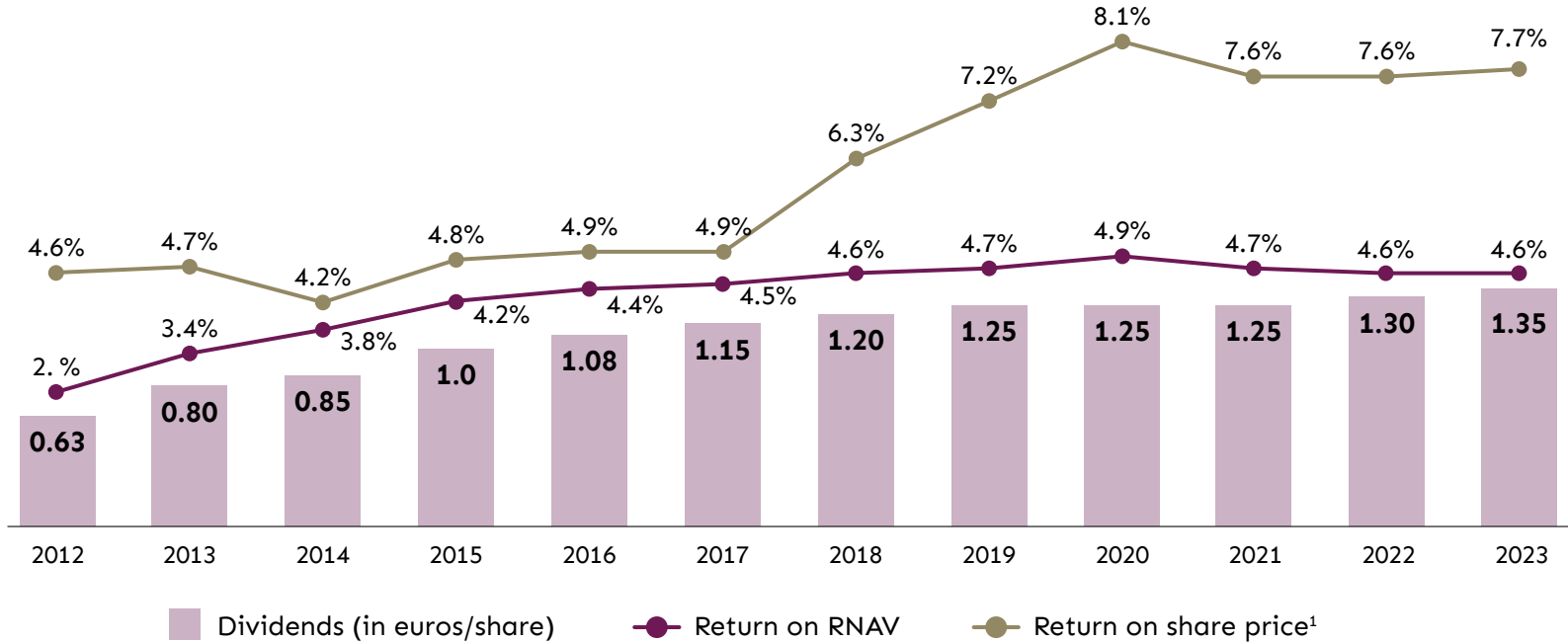


A solid financial structure in spite of ongoing tightening of financing conditions



P&C: A high-yield property company

CONTINUOUS GROWTH IN RETURNS



Growth in FFO/share

Up 5.2% over 2022
(€2.03 vs €1.93 per share)

Historically high distribution rate

> 60% of FFO for
the past 6 years

Proposed dividends for 2023

€1.35/share, up 4% from
the previous year



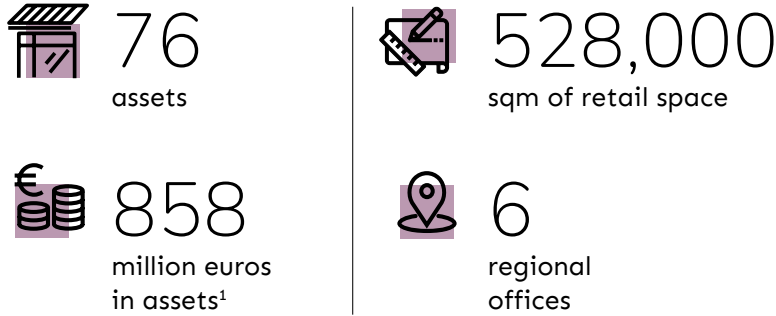
¹ 12-month average as at 31 December.

Strategy and outlook

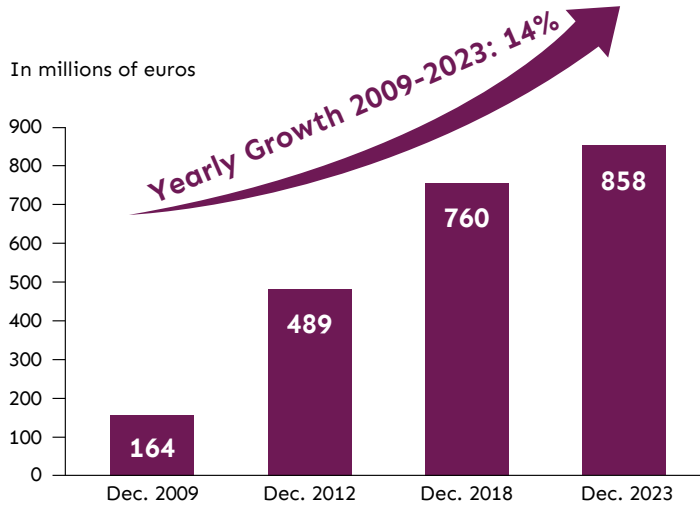


P&C: France's retail park leader

KEY FIGURES AS AT 31 DECEMBER 2023



ASSET VALUE CHANGE



A DENSE NATIONAL NETWORK



69 retail parks **6** shopping malls **1** tertiary building



¹ Asset value excluding rights.

Strategic priorities for Patrimoine & Commerce



Continue expanding our portfolio

Proactive management of the mix (strengthening discount, dining, leisure and food distribution)

Selective acquisition of relevant sites

Opportunities for external growth



Develop and transform existing assets

Six projects that have received or applied for a building permit covering some 30,000 sqm, representing an investment of €53 million with an average return of 8%

40 complementary projects already identified, including 12 that aim to apply for a building



Support the energy transition

Rollout of electric charging stations

Implementation of measures for the reduction of energy usage and the selective renovation of assets

Rollout of solar panel

Saint-Genis-Pouilly

Example of the creation of a new retail complex

Completion of a 7,000 sqm retail complex including 3,500 sqm of green space and 6,000 sqm of green rooftops

Saint-Genis-Pouilly, France



7,000 sqm
Surface area



€20m
Investment



7.9%
Rate of return



Charging stations

Committed to promoting green transport


> ROLLOUT OF STATIONS WITH THREE OPERATORS




Zero CapEx / zero OpEx model:

- **100% coverage of the investment** and the stations' operating expenses by the operator
- **Revenue sharing from electric charging:** payment of a portion of the revenue to P&C by the operator in the name of rent for the installed locations

 96
Car parks

 ~400
Stations installed

 22-300 kWh
Mix of charging power to meet the different needs of visiting customers (high-power stations at an average of 125 kWh)

 €0.7 m
Expected target rent

 2026
Completion of rollout

Salaise-sur-Sanne

Flagship project for P&C's CSR commitment



On-site planting

Planting of trees and shrubs to cover 30% of the car park in order to promote biodiversity in retail settings

Biodiversity Life certification underway



Rollout of charging stations

Four electric charging stations (eight charging points)



Installation of solar panels on shade structures

Shade structures with photovoltaic panels set up on a car park spanning 2,200 sqm

Target annual electricity production: 500 MWh



Salaise-sur-Sanne, France

P&C: A high-yield REIT leading its market on solid foundations



PATRIMOINE & COMMERCE



Leader in low-cost retail parks in France



Target assets of €1bn



Returns greater than 7%



Loan to value ratio of around 50%



A distribution rate close to 60% of FFO



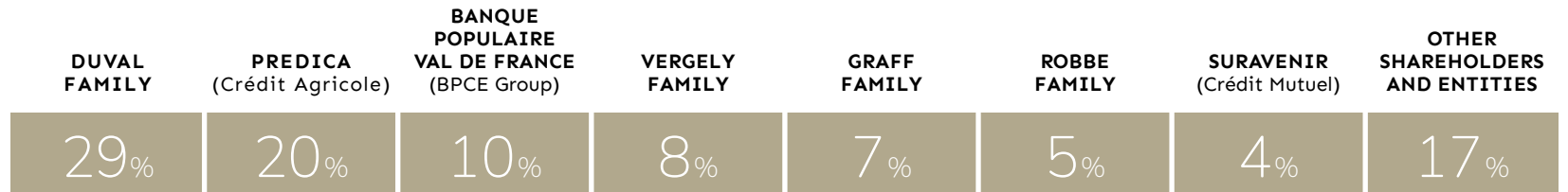


Appendices



Shareholding and voting rights as at 31 December 2023

Poitiers Porte Sud Retail Park, Poitiers, France



SHAREHOLDING



VOTING RIGHTS



Thank you!

Patrimoine & Commerce

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**PATRIMOINE
& COMMERCE**