



The leading property company specialising in low cost retail parks

2021 Half-year results

24 SEPTEMBER 2021



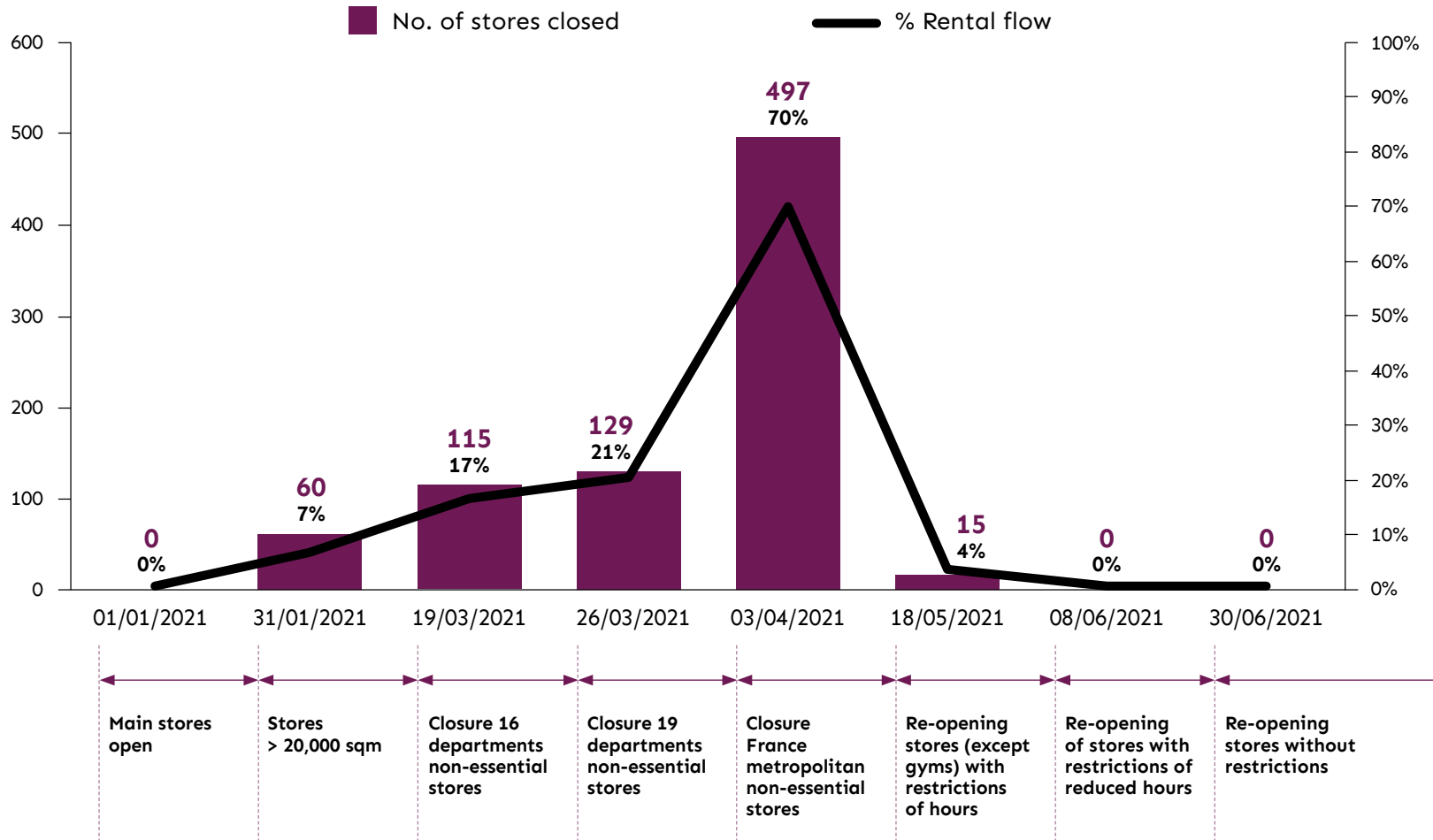
**PATRIMOINE
& COMMERCE**

patrimoine-commerce.com

An unprecedented crisis



Impact of administrative closures HY1 2021



Chronology of the health crisis in France

HEALTH CONTEXT

- **16 January:** Generalisation of 18.00 curfew.
- **03 April:** Start of 3rd lockdown.
- **15 April:** Threshold of 100,000 deaths passed.
- **16 April:** Start of vaccination to over 60s.
- **15 May:** Start of vaccination 50- 60 years.
- **31 May:** Start of vaccination to all adults.

2021

JANUARY

APRIL

MAY

EVENTS RELATING TO STORES

- **20 January:** Start of winter sales. Extension of 2 weeks until 2 March 2021 due to curfew.
- **03 April:** Non-essential stores close.
- **19 May:** Re-opening of non-essential stores respecting a 8 sqm capacity/customer and opening of restaurant terraces.

Chronology of the health crisis in France

**HEALTH
CONTEXT**

- **15 June:** Start of vaccination 12- 17 years.
- **09 July:** The “Delta” variant becomes most frequent in France.
- **30 August:** Health pass mandatory for employees working in an establishment accessible to the public.
- **31 August:** 72% of the French population has received at least one dose of vaccine.

2021
JUNE
JULY
AUGUST

**EVENTS
RELATING
TO STORES**

- **09 June:** Re-opening of cafes and restaurants. Capacity in stores lowered to 4 sqm/customer.
- **30 June:** Health pass mandatory for events involving more than 1,000 people/Start of summer sales/Capacity limits in stores are lifted.
- **09 July:** Discotheques re-open.
- **09 August:** Health pass mandatory in places hosting more than 50 people and according to the incidence rate (restaurants, shopping centres > 20, 000 sqm, etc.)
- **24 August:** The administrative tribunal of Versailles suspends an order of the prefect of Yvelines making the health pass compulsory in shopping malls, on the grounds that it prevents access to basic necessities.



Market review

➤ OUT-OF-TOWN RETAIL OUTLOOK: RENEWED ATTRACTIVENESS

IMPACTS OF THE HEALTH CRISIS

- Trend accelerator
- New key areas: delivery points, drive-throughs, storage area, last mile logistics, click and collect
- Deterioration of landlord/tenant relationships in shopping centres
- Appearance of resilient segments

RETAIL PARKS: A POPULAR MODEL

- Model even more attractive from retailers' point of view
- Model sought-after even more by consumers
- A growing product, because these out-of-town shopping centres are a model for the future
- Low cost segment preferred by consumers

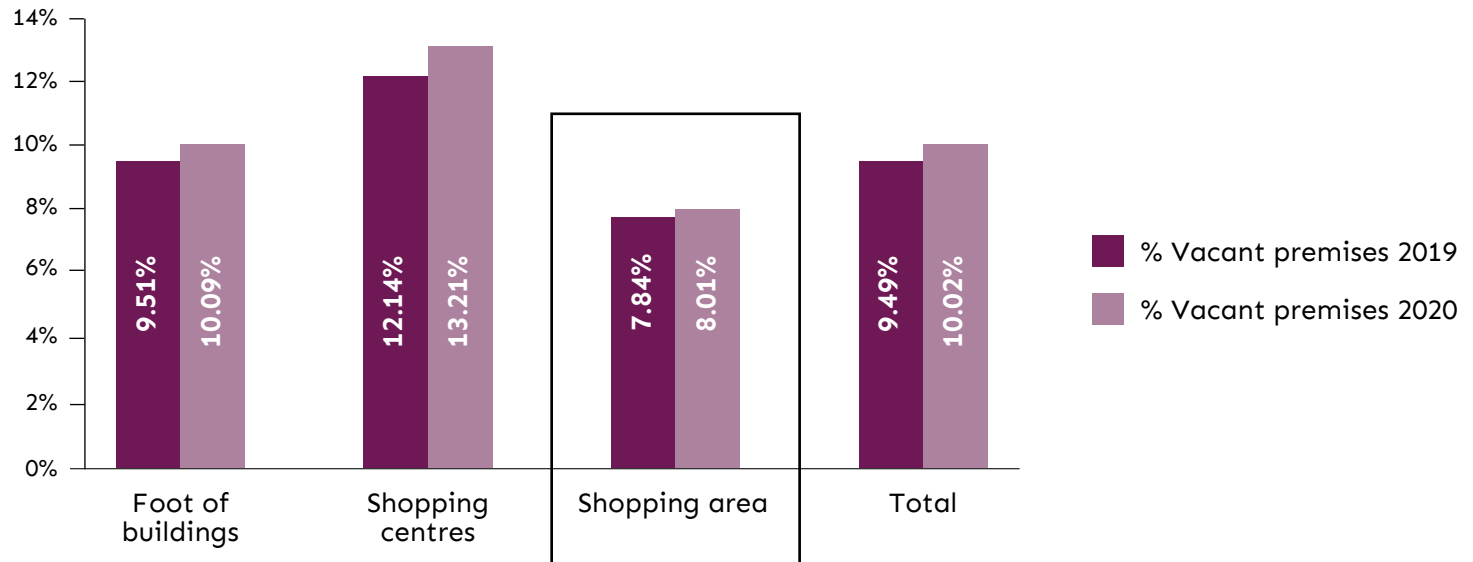
OPPORTUNITIES TO BE SEIZED

- Rethink the landlord/tenant relationship with partnerships
- Enhance underutilised spaces
- Strengthen retailers of goods of first necessity
- Maintain a connection with consumers to build loyalty



Out-of-town versus shopping centres and city centres

> OUT-OF-TOWN, AN "ANTI-CRISIS" MODEL



Source: CODATA 2021

Out-of-town stores have the lowest vacancy rates and have hardly been affected by the crisis.

The retail park: a resilient model

A RESPONSE TO CONSUMERS' DEMAND

Human-scale surface areas

5,000 -
15,000 sqm

An open-air customer journey, particularly well-adapted to the situation

AN ATTRACTIVE ENVIRONMENT FOR RETAILERS

Limited property charges

€ 10/sqm

Tailored rents

€ 110/sqm

AN ATTRACTIVE ECONOMIC MODEL FOR THE INVESTOR

P&C: a particularly attractive yield

7.2%

Low level of Capex



Main events

Key figures of 1st semester 2021



497,000

sqm of surface area



21.7

million euros
of rents ⁽¹⁾



818

million euros
of assets ⁽²⁾



25.7

euros
of RNAV ⁽³⁾



46.2%

LTV ⁽⁴⁾



7.2%

capitalisation
rate ⁽⁵⁾

⁽¹⁾ Gross rental income

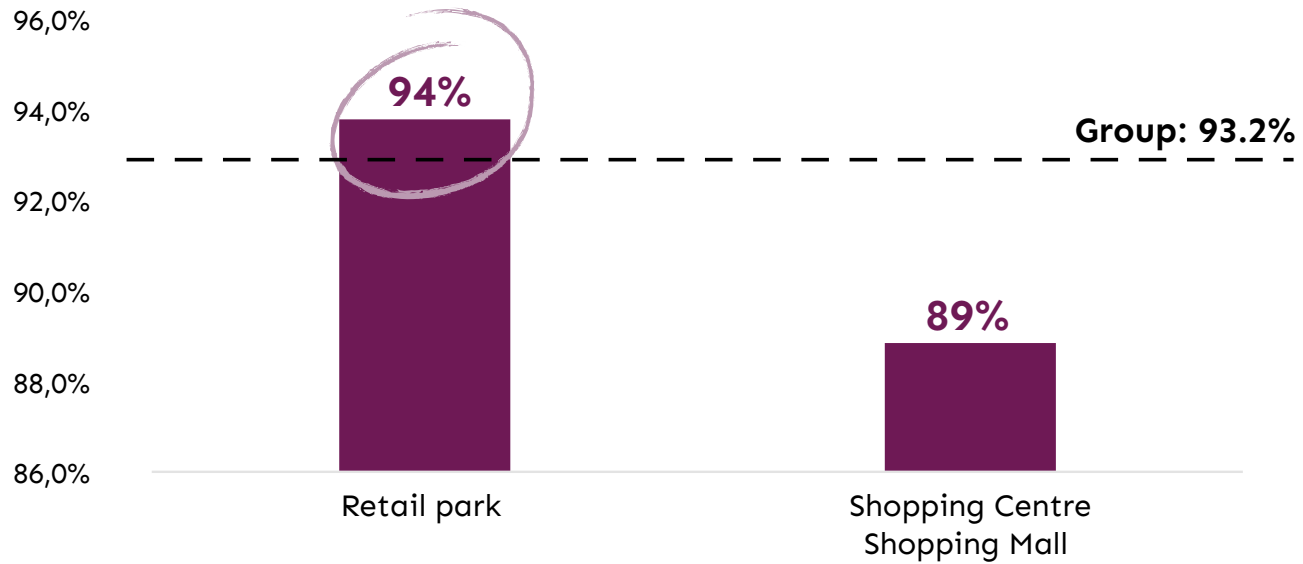
⁽²⁾ Excl. transfer fees (incl. group share of Cherbourg and Studio Prod and assets held for sale)

⁽³⁾ Triple net / share

⁽⁴⁾ Adjusted for security deposits and hedging instruments

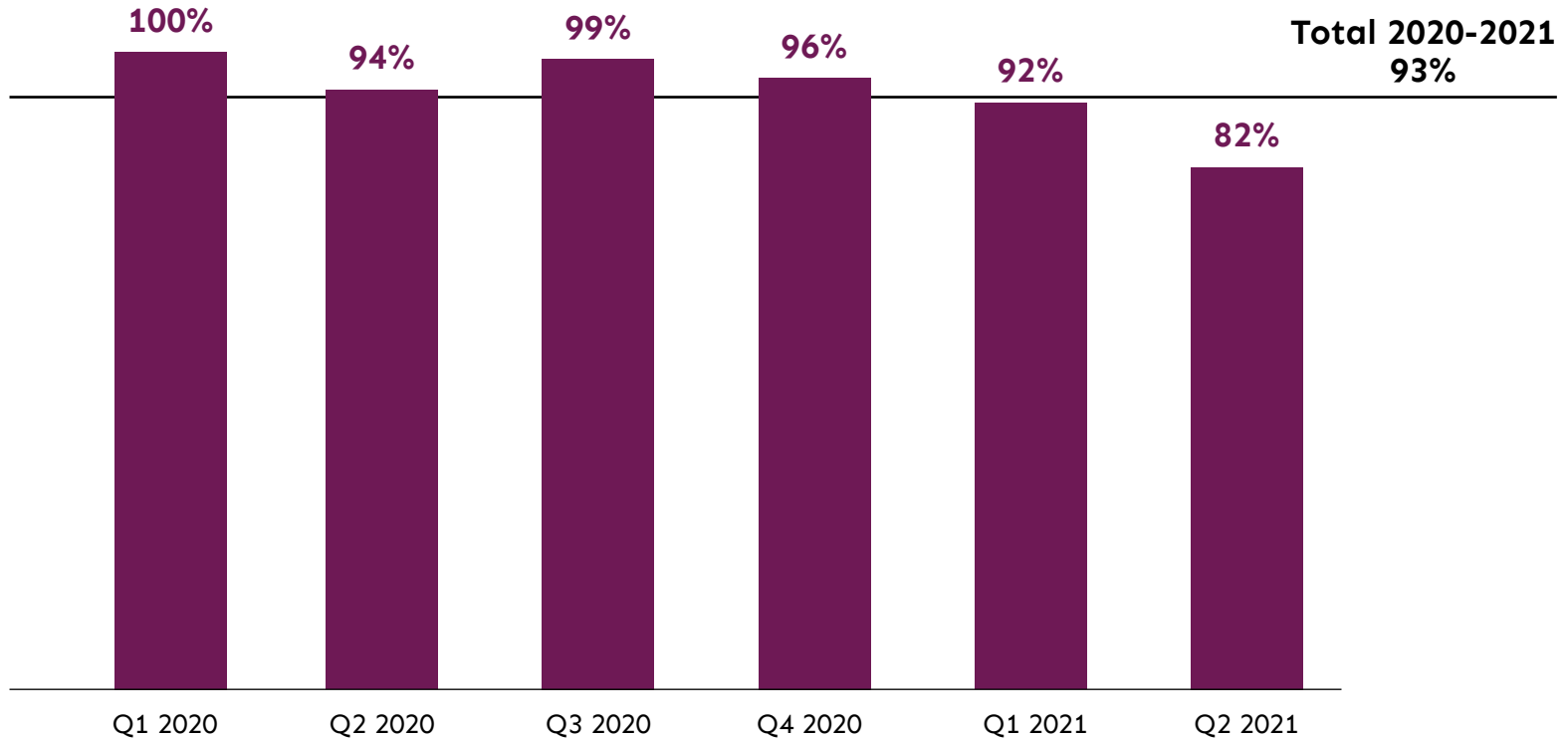
⁽⁵⁾ Annualised rental income + ERV of vacant spaces / value excluding transfer

A stable occupancy rate from one year to the next



Focus on the recovery rate

> RECOVERY RATE 2020- 2021 PER QUARTER



Note 1: recovery rate of rent payments (after Covid-19 closures 2020)

Note 2: Q2 2021 was strongly impacted by the store closures. Pending Government directives on possible accompanying measures over this period, negotiations with some tenants have been frozen.



Long-term relationships with national retailers



More than 30

“global” deals with retailers during both lockdowns

Sustained rental activity

> SINCE 01/07 /2020



59

leases signed



€5.4m

of gross
annual rent



22

new leases



37

renewals

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 IN RENTAL INCOME by store type

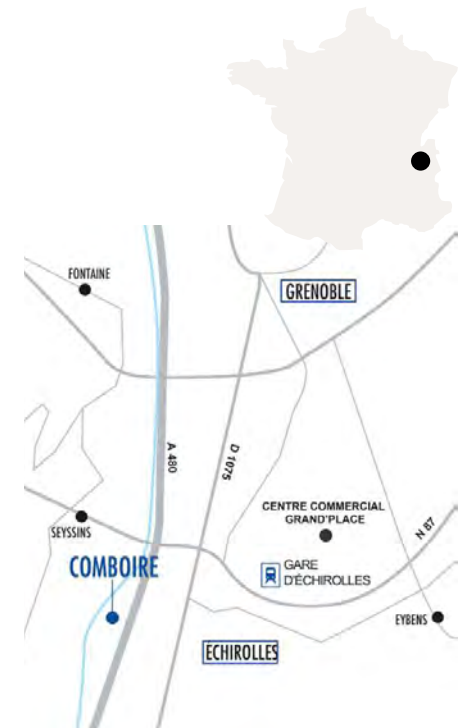


Echirolles - Comboire

➤ CONTINUOUS INVESTMENT
IN A DYNAMIC AREA

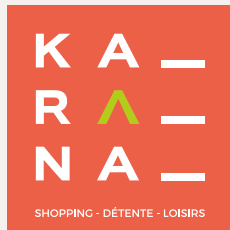


Presence of Patrimoine et Commerce (11,700 sqm)



- P&C presence in the area since 2006 through 8 retailers
- **€7.9 million** investment in 2021 for a gross yield of **7.6%**
- Opening of **Foir'Fouille** in September 2021 and opening soon of **Yesss Electrique**

Karana, a shopping area project in the heart of Wittenheim-Kingersheim, the conurbation's leading shopping hub



17,000
sqm of stores
(units of 300 sqm to 3,000 sqm)

1,500
sqm of restaurants
(3 seated catering units)

22
stores

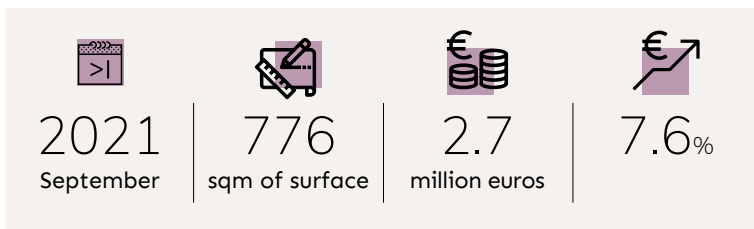
380
car parking spaces

- Leading shopping centre of the Mulhouse conurbation and one of the two largest in Alsace with over 150 stores
- A dynamic catchment area with nearly 500,000 inhabitants within 30 minutes
- A strong architectural identity
- To date:
 - Buildings A and C are delivered and 100% let
 - Building B is being delivered and Building D will be delivered in 2022
- An ideally located project which strengthens the presence of the Group in the area



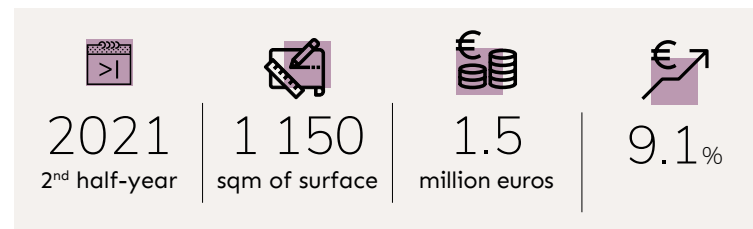
Examples of Projects signed in HY1 2021

ANNEMASSE (74)



- Development of a retail park of four shopping units in Annemasse.
- Three leases signed with the Paul, LDLC and Macif retailers. Signature of the last unit is under way.

LIMOGES (87)



- Development of an asset held in Limoges (Carrefour Boisseuil area) with the construction of a shopping unit leased to Action.

Disposals in line with the strategy

DISPOSAL OF 3 NON-STRATEGIC ASSETS

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 €1,1m⁽¹⁾, in line with the expert valuations.



⁽¹⁾ Net selling price

Financials

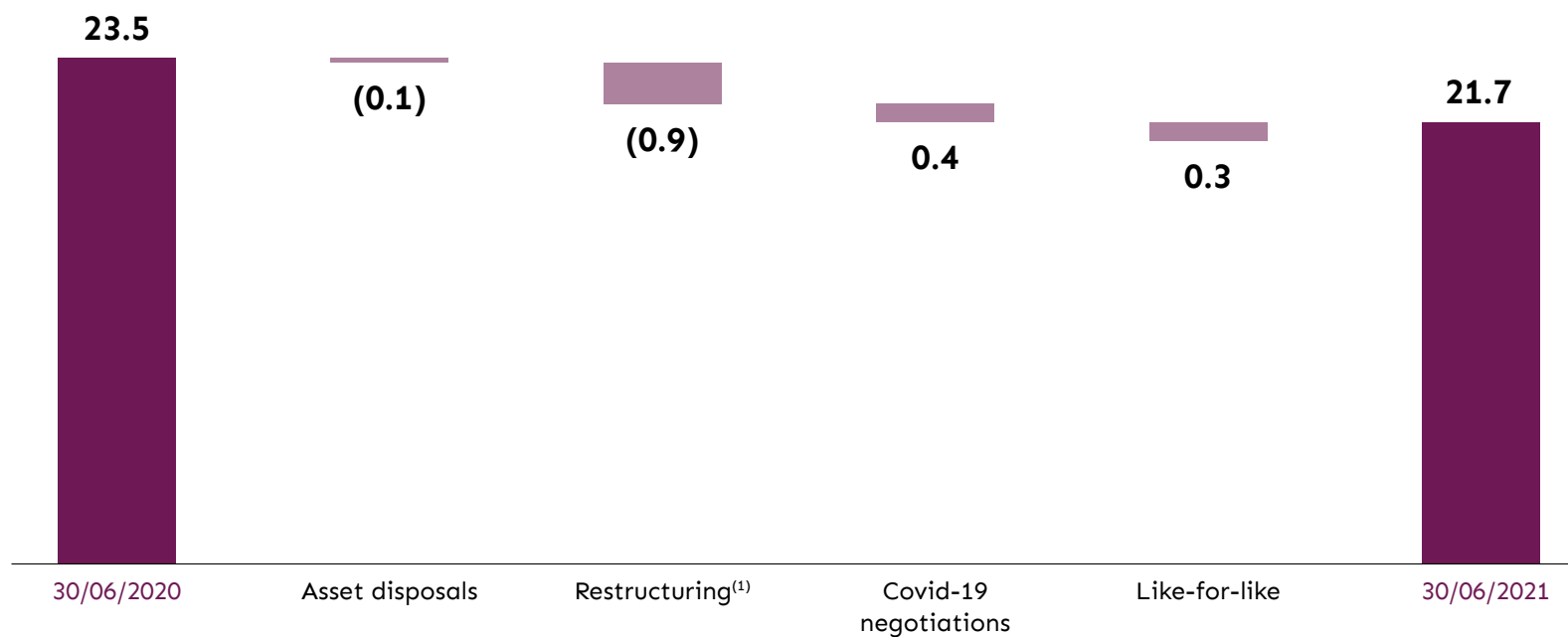


Simplified P&L as at 30/06/2021

In €m	6 months 30/06/2021	6 months 30/06/2020	Change in %
Gross rental income	21.7	23.5	(7.8)%
Net rental income	19.8	22.1	(10.5)%
Operating expenses and other income	(2.2)	(1.9)	14.4%
Normative EBITDA	17.6	20.2	(12.9)%
Net cost of debt	(4.7)	(4.9)	(4.5)%
Funds from operations (FFO)	12.9	15.3	(15.6)%
Change in FV of properties	0.8	(6.6)	
Change in FV of financial instruments	0.6	(0.0)	
Equity method investees	0.3	(0.8)	
Other income and expenses	0.1	(0.4)	
Net income	14.6	7.5	+ 94.4%
Non-controlling interests	(0.2)	(0.8)	
Group share of net profit	14.4	6.8	+113.3%

Changes in gross rents

In €m



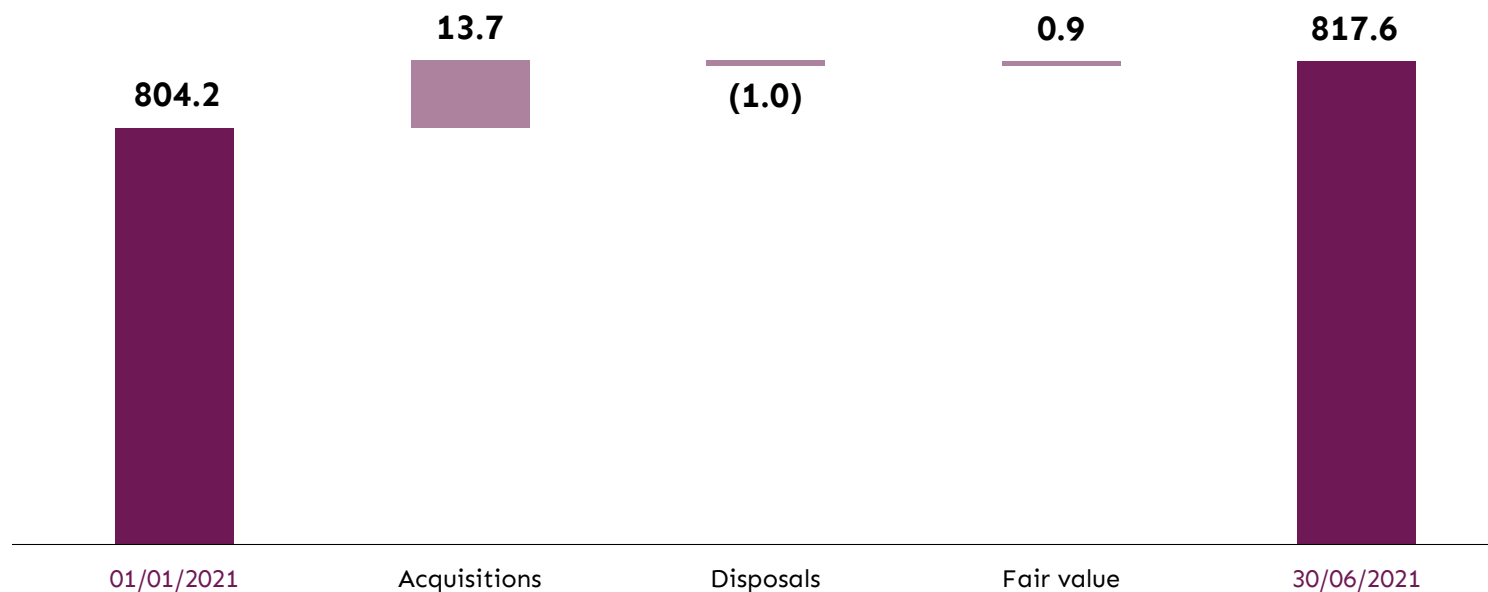
⁽¹⁾ Departure of a tenant in December 2020 from property located in Martinique (€0.8m). The property is currently being re-subdivided and 87% of the future surface area is let. Rents are expected to take effect in May 2022.



Continuous growth of assets

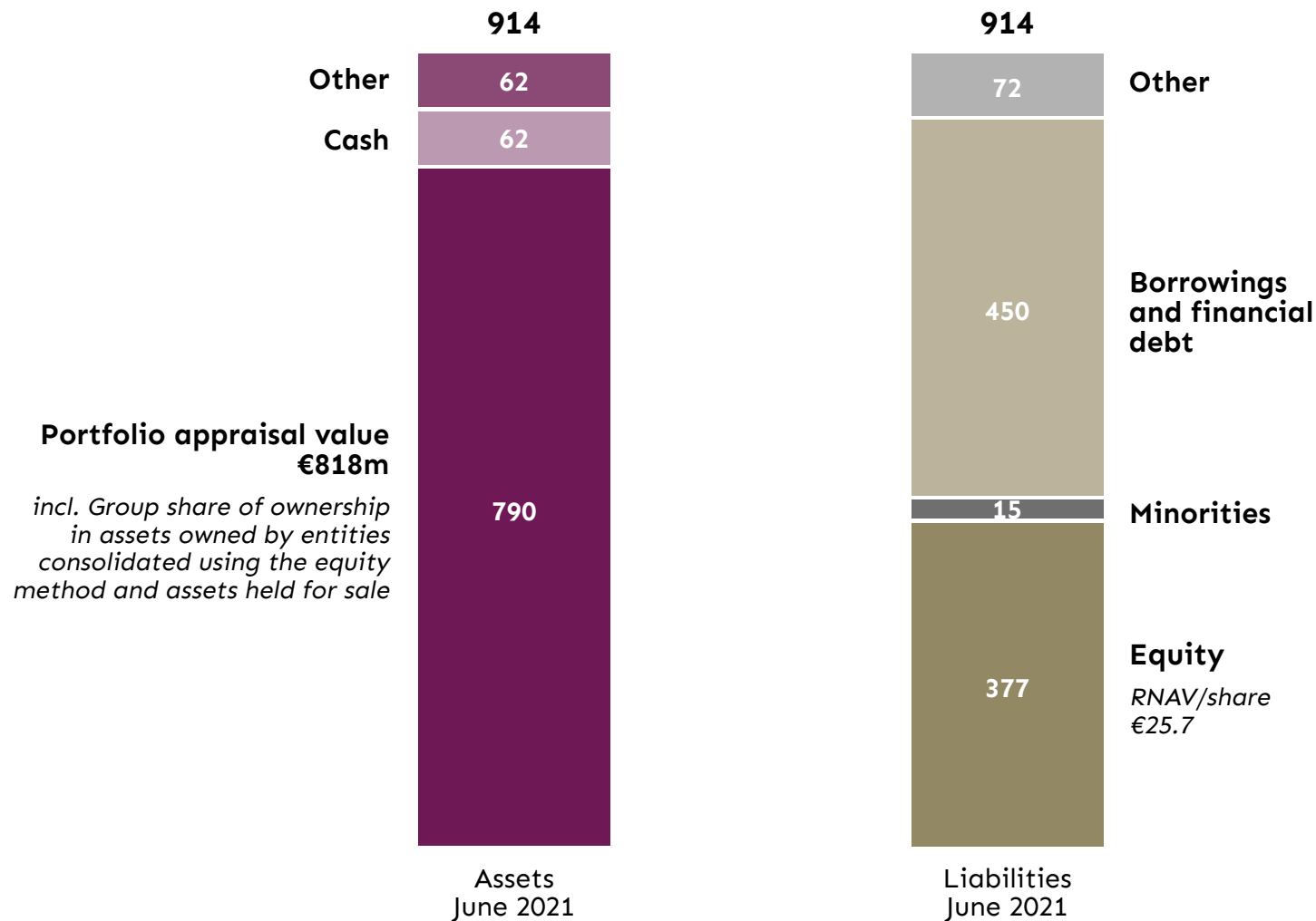
ASSET VALUE PROPERTY⁽¹⁾

In €m

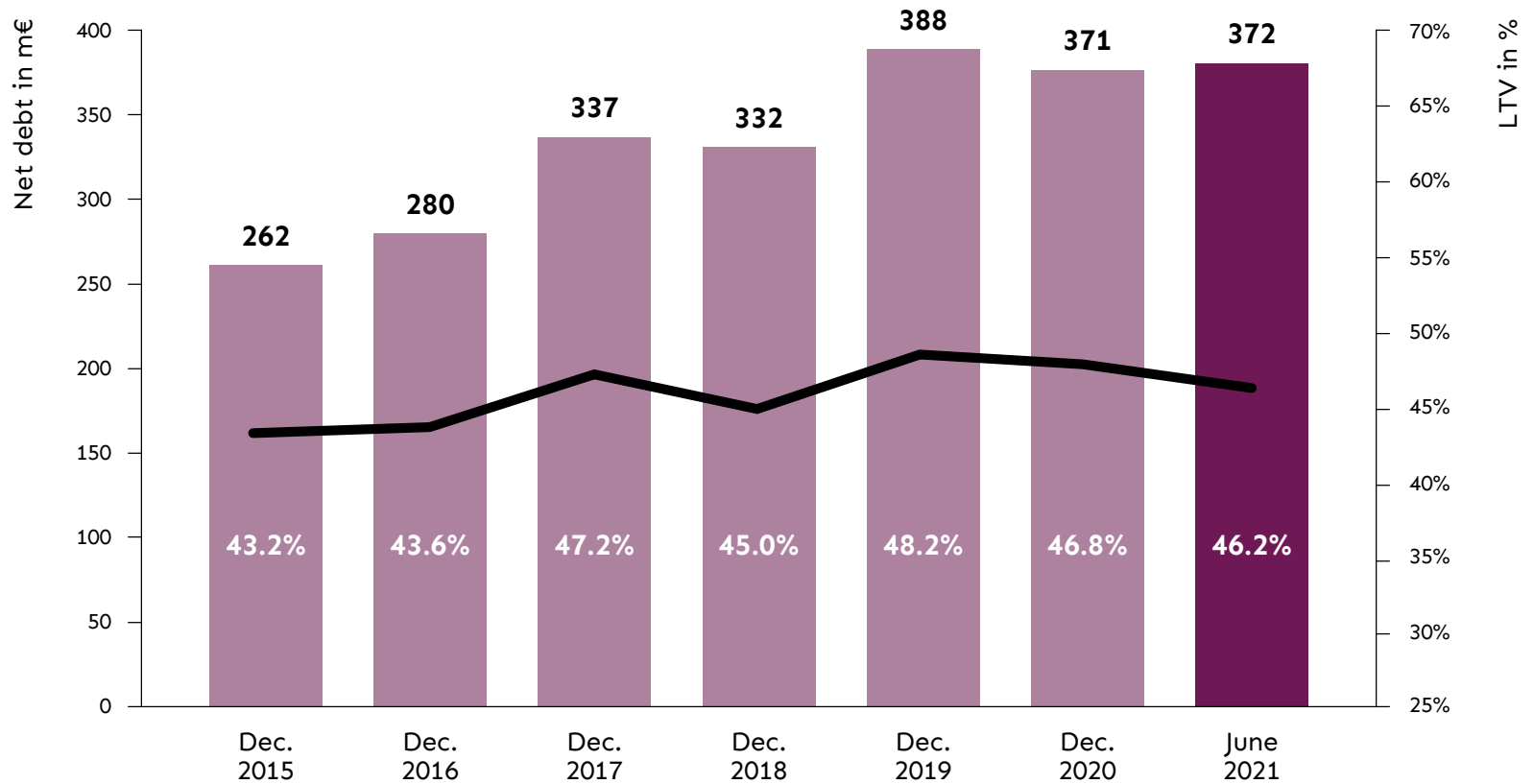


⁽¹⁾ Asset value excluding rights

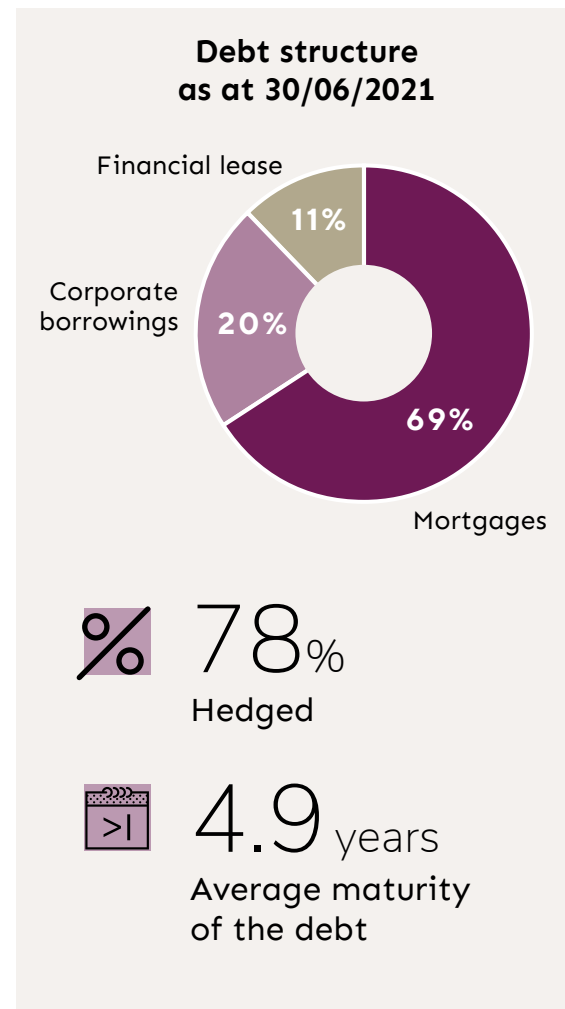
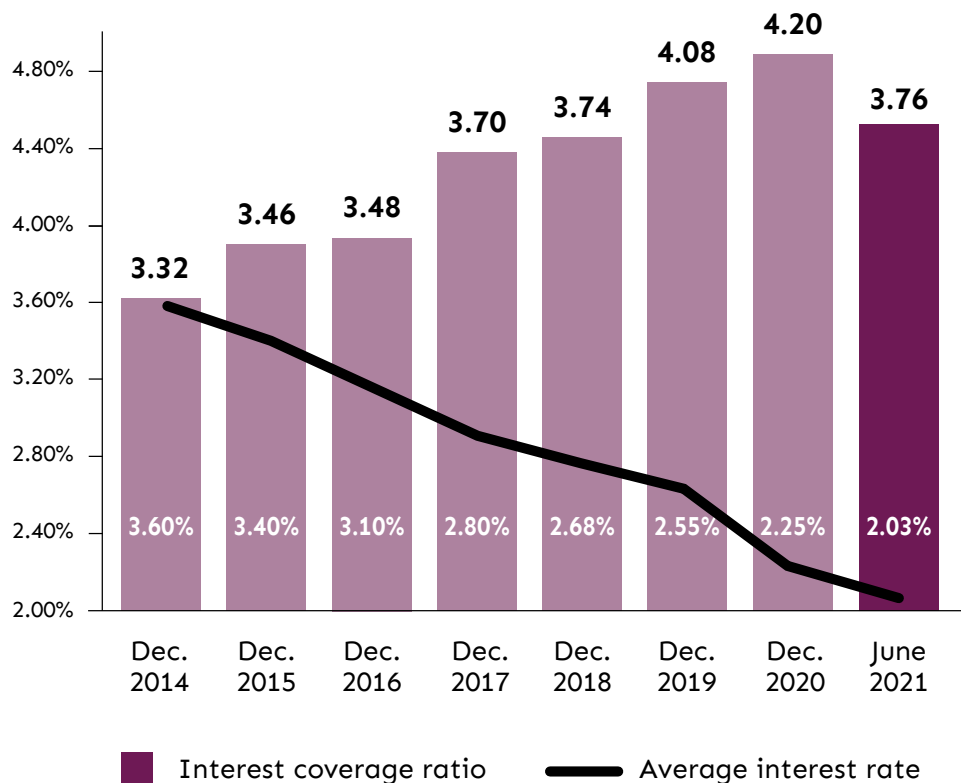
Solid financial structure



Stability in the LTV ratio



Continuous improvement of financing conditions



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

Strategy and outlook

Patrimoine & Commerce,
a high-yield real estate company



A critical size actor in France

KEY FIGURES AT 30/06/2021

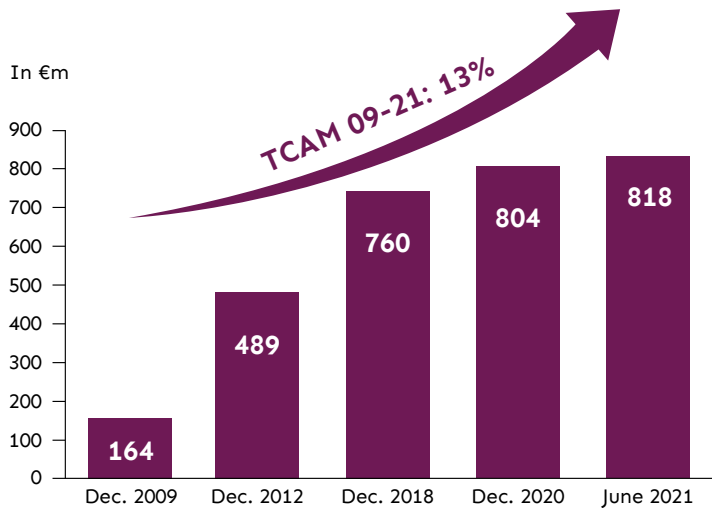
 **75**
assets

 **497,000**
sqm of retail space

 **818**
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



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%



Pipeline
of €130m⁽¹⁾



A distribution rate
close to 60% of the FFO

⁽¹⁾ €70m in 2022 / €60m in 2023



Appendices



Shareholding and voting rights as at 30 June 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
22.4%	25.3%	11.8%	10.8%	6.1%	5.6%	2.4%	15.6%

VOTING RIGHTS

26.8%	20.8%	9.7%	9.6%	6.8%	4.6%	3.7%	17.9%
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SHAREHOLDING STRUCTURE

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

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**PATRIMOINE
& COMMERCE**