

PRESS RELEASE

## 2022 ANNUAL RESULTS

Paris - February 22, 2023

At its meeting on February 21, 2023, the Patrimoine & Commerce Supervisory Board reviewed the Company's operations and approved the 2022 financial statements <sup>(1)</sup>, prepared by Management.

- **Group share of net profit increasing by +51.7% at € 47.8m**
- **Collection rate at 98.1% on rents and service charges**
- **Portfolio valuation of € 841m**
- **Dividend payment of € 1.30 per share, +4.0% vs. last year, implying a 7.9% yield on share price, as well as a 4.6% yield on NAV**

### Key figures

Key financials	31/12/2022 12 months	31/12/2021 12 months	Var. %
Gross Rental Income	€ 47.3m	€ 43.7m	+8.3%
Funds from operations	€ 29.3m	€ 26.7m	+9.6%
Group share of net profit	€ 47.8m	€ 31.5m	+51.7%
Alternative Performance Measures	31/12/2022	31/12/2021	Var. %
Asset appraisal value (excluding transfer taxes) <sup>(2)</sup>	€ 841.3m	€ 807.0m	+4.3%
Capitalization rate <sup>(3)</sup>	7.0%	7.2%	n.a.
LTV ratio <sup>(4)</sup>	44.0%	45.2%	n.a.
NAV (excluding transfer taxes - €/share)	28.5 €	26.7 €	+6.8%
NAV (excluding transfer taxes)	€ 431.2m	€ 400.2m	+7.8%

Eric Duval, Managing Director and Founder of Patrimoine & Commerce declared: « *The solid results for fiscal year 2022, both in terms of operational and financial performance, confirm the attractiveness of the Group's business model as the leader of low-cost retail park market players in France. With over € 50m in acquisitions and € 40m in disposals during the year, we demonstrated our capacity to carry out targeted acquisitions but also the good liquidity of our assets in line with appraisers values. Supported by a robust financial structure, and our confidence in delivering a sustainable growth, we will propose a distribution of a € 1.30 dividend per share, up by +4.0% compared to last year.* »

### Operational performance

In an uncertain economic context, characterized by inflation and the rise in interest rates, Patrimoine & Commerce saw its gross rental income increase by +8.3%, and maintained a very

dynamic asset rotation strategy, with the acquisition of seven retail properties, and the disposal of eight assets during 2022.

The retail park model proved its performance and alignment with current trends in consumption. Besides core strengths of the model (human-sized stores, easy car parking, limited service charges, adapted rents), retail parks stand out with an activity not very dependent on tourism, focused on local consumption, open spaces and high attractivity for discount stores.

Patrimoine & Commerce had a sustained leasing activity and signed 55 leases (of which 21 renewals). The financial occupancy rate is increasing and stands at 94.3% <sup>(5)</sup> on the portfolio. The collection rate on rents and service charges invoiced in 2022 stands at 98.1%.

### FFO increasing by +9.6%

In 2022, Patrimoine & Commerce continued to deliver a solid financial performance.

For the fiscal year ended December 31, 2022, Patrimoine & Commerce reported consolidated gross rental income of € 47.3m, against € 43.7m for the fiscal year ended December 31, 2021:

in millions of euros - 12 months	31/12/2022	31/12/2021	Var. %
Like-for-like	41.6	39.9	+4.3%
Acquisitions	3.9	0.4	n.a
Disposals	1.3	3.5	n.a
Properties under restructuring	0.5	-	n.a
<b>Gross rental income</b>	<b>47.3</b>	<b>43.7</b>	<b>+8.3%</b>

The increase of gross rental income is mainly explained by (i) the effect of the acquisitions and disposals made in 2021 and 2022 (ii) the delivery of restructuring operations on a property in Martinique and (iii) the like-for-like increase, driven by contractual indexation (2.5% in average on the period) and the decrease in the amortization of Covid-19 rent free periods.

Net rental income stands at 93% of gross rental income (stable compared to 2021), mainly composed of unrecovered rental expenses and provisions for credit losses:

in millions of euros - 12 months	31/12/2022	31/12/2021	Var. %
Gross rental income *	47.3	43.7	+8.3%
Entry fees	0.0	0.2	n.a.
<b>Gross rental revenue</b>	<b>47.4</b>	<b>43.9</b>	<b>+7.8%</b>
Unrecovered rental expenses	(2.7)	(2.4)	+9.8%
Other building expenses	(0.6)	(0.7)	n.a.
<b>Net rental income</b>	<b>44.2</b>	<b>40.8</b>	<b>+8.3%</b>

\* incl. rental guarantees

Operating expenses and other revenues remained under control at € 5.0m (vs. € 4.5m in 2021), the increase derives from property management costs (leasing fees, asset management fees based on the evolution of rents).

Net cost of debt amounted to € 9.5m in 2022, almost stable compared to last year (+0.7%). In a context of a rise in interest rates, the Company continues to benefit from the renegotiations carried out in the past years, as well as from the hedging of its debt portfolio. The average interest rate on debt is 2.07% for the 12 months ending December 31, 2022 (versus 2.04% in 2021), while 79% of the debt is either at fixed rate or at hedged variable rate.

**THE LOW-COST RETAIL  
PARK SPECIALIST**

Recurring net result (FFO) amounted to € 29.3m in 2022, compared to € 26.7m in 2021:

<b>in millions of euros - 12 months</b>	<b>31/12/2022</b>	<b>31/12/2021</b>	<b>Var. %</b>
Restated current operational result	39.2	36.3	+7.9%
Restated net cost of debt	(9.5)	(9.4)	+0.7%
Current taxes	(0.4)	(0.2)	n.a.
<b>Funds from operations (FFO) <sup>(6)</sup></b>	<b>29.3</b>	<b>26.7</b>	<b>+9.6%</b>
<b>Diluted FFO per share</b>	<b>1.93</b>	<b>1.78</b>	<b>+8.6%</b>

The external appraisal valuation campaign resulted in a fair value adjustment of +€ 14.9m in 2022, reflecting the resilience of the portfolio in a context of high inflation and of sharp rise in interest rates.

Including the share of the result of companies accounted for using the equity method (+€ 0.5m), other non-recurring revenues and charges (-€ 1.4m), and the contribution of hedging strategies on debt (+€ 2.8m), net profit amounted to € 46.1m for the fiscal year 2022 and € 47.8m in group share, increasing by +51.7% compared to last year.

#### **Decrease of the LTV ratio and increase of the NAV per share at € 28.5 (+6.8%)**

The Group consolidated net debt of € 360.9m as of December 31, 2022, implies a Loan-to-Value ratio of 44.0%, leaving a significant investment capacity compared to the target of 50% set by Patrimoine & Commerce.

<b>in millions of euros - 12 months</b>	<b>31/12/2022</b>	<b>31/12/2021</b>
Net Debt	360.9	359.2
<i>(-) other lease liabilities</i>	<i>(0.6)</i>	<i>(0.6)</i>
<i>(+) deposits on real estate projects</i>	<i>0,0</i>	<i>(0.3)</i>
<i>(-) financial instruments</i>	<i>2.2</i>	<i>(1.3)</i>
<b>Restated Net debt</b>	<b>362.4</b>	<b>357.1</b>
Property valuation (excl. Transfer taxes)	823.9	789.9
<b>Loan To Value ratio</b>	<b>44.0%</b>	<b>45.2%</b>

Net asset value per share amounted to € 28.48 (€ 431.2m) in 2022, an increase of +6.8% versus 2021.

<b>in millions of euros</b>	<b>31/12/2022</b>	<b>31/12/2021</b>
NAV, excl. Transfer taxes	431.2	400.2
<b>NAV per share, excl. Transfer taxes (in euros)</b>	<b>28.48</b>	<b>26.67</b>
<i>Number of shares (excl. Treasury shares)</i>	<i>15 144 241</i>	<i>15 006 681</i>

#### **Development and optimization of the portfolio**

As of December 31, 2022, the portfolio valuation (excluding transfer taxes and including properties accounted for using the equity method), reached € 841.3m, increasing by +4.3% compared to 2021. The capitalization rate of the properties in operation stands at 7.0%.

<b>in millions of euros</b>	<b>Variation</b>
Net balance as of January 1, 2022	807.0
Acquisitions	61.8
Disposals	(42.5)
Fair value impact	15.1
<b>Net balance as of December 31, 2022</b>	<b>841.3</b>

Over 2022, Patrimoine & Commerce continued its development through the acquisition of a retail property in Thonon-les-Bains (Auvergne-Rhône-Alpes), of a portfolio comprising five properties in Villefranche-de-Rouergue (Occitanie), Gonesse (Île-de-France), Tavers (Centre-Val de Loire), Avranches (Normandie), and Colomiers (Occitanie) and of a retail park in Saint-Paul-lès-Romans (Auvergne-Rhône-Alpes). Those investments totalled € 53.6m in 2022. Other investments were made on the existing portfolio as well as on restructuring operations in Ville-du-Bois and La Martinique, for a global amount of € 8.2m.

Patrimoine & Commerce also completed the disposal of several assets in Epagny (Auvergne-Rhône-Alpes), Vitrolles (Provence-Alpes-Côte d'Azur), Sarreguemines (Grand Est), Parigné L'Evêque (Pays-de-la-Loire), Bourgoin-Jallieu (Auvergne-Rhône-Alpes), Salon-de-Provence (Provence-Alpes-Côte d'Azur), and an office property in Guadeloupe, for a total consideration of € 42.5m, in line with external appraisers' valuations.

### **Dividend payment of € 1.30 per share**

The distribution of a dividend of € 1.30 per share will be proposed to the Annual General Meeting of Patrimoine & Commerce. The proposed dividend is increasing by +4.0% compared to last year and implies a 4.6% yield on net asset value per share as of December 31, 2022, and of 7.9% on the current stock price as of February 21, 2023.

### **Agenda**

April 12, 2023	First-Quarter 2023 activity
June 8, 2023	Annual General Meeting
July 26, 2023	First-Half 2023 results
October 11, 2023	Third-Quarter 2023 activity

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## About Patrimoine & Commerce

Patrimoine & Commerce owns and operates a real estate portfolio, largely comprising retail property, covering a total surface area of more than 520,000 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 consolidated financial statements have been subject to audit procedures. The Statutory Auditors' report is to be issued shortly  
<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  
<sup>6</sup> As of December 31, 2022, 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 (-€ 0.7m)

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)

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## Appendix 1 : Recurring net result and Net debt

### Recurring net result

<b>in millions of euros - 12 months</b>	<b>31/12/2022</b>	<b>31/12/2021</b>	<b>Var. %</b>
Gross rental income	47.3	43.7	+8.3%
Net rental income	44.2	40.8	+8.2%
Operating expenses and other income	(5.0)	(4.5)	+10.8%
<b>Adjusted EBITDA</b>	<b>39.2</b>	<b>36.3</b>	<b>+7.9%</b>
Net cost of debt	(9.5)	(9.4)	+0.7%
Current taxes	(0.4)	(0.2)	n.a.
<b>Funds from operations (FFO)</b>	<b>29.3</b>	<b>26.7</b>	<b>+9.6%</b>
<b>FFO per share</b>	<b>€ 1.93</b>	<b>€ 1.78</b>	<b>n.a.</b>
Change in fair value of properties	14.9	2.5	n.a.
Change in fair value of financial instruments	3.6	1.1	n.a.
Equity method investees	0.5	0.9	n.a.
Other income and expenses	(2.1)	(0.0)	n.a.
<b>Net income</b>	<b>46.1</b>	<b>31.2</b>	<b>+48.0%</b>
Minority interest	1.7	0.4	n.a.
<b>Net profit, group share</b>	<b>47.8</b>	<b>31.5</b>	<b>+51.7%</b>

### Consolidated Net debt

<b>in millions of euros</b>	<b>31/12/2022</b>	<b>31/12/2021</b>
Bond loans	30.0	30.0
Borrowings from financial institutions	355.2	340.8
Lease liabilities connected to finance leasing	34.6	41.1
Other lease liabilities	0.6	0.6
Accrued interest	1.8	1.5
Financial liabilities on hedging instruments	0.0	1.4
Bank overdraft	0.0	0.0
Financial liabilities - Partners' current accounts	8.5	4.2
Liabilities related to assets held for sale	3.3	4.1
<b>Total Financial Debt</b>	<b>434.1</b>	<b>423.8</b>
Cash and others	55.2	50.8
Financial assets on hedging instruments	2.2	0.1
Financial assets - Partners' current accounts	15.8	13.7
<b>Consolidated Net Debt</b>	<b>360.9</b>	<b>359.2</b>

## Appendix 2 : IFRS Consolidated Financial Statements

<b>Assets</b>		
<b>in millions of euros</b>	<b>31/12/2022</b>	<b>31/12/2021</b>
<b>Non current assets</b>		
Investment properties	815.4	771.0
Tangible and intangible assets	0.7	0.6
Investment in equity-accounted companies	7.5	7.4
Non-current financial assets	2.9	1.1
Non-current deferred tax assets	0.1	0.1
<b>Total - Non current assets</b>	<b>826.6</b>	<b>780.2</b>
<b>Current assets</b>		
Current financial assets	0.2	0.0
Trade and other receivables	22.4	23.0
Other receivables	7.8	9.3
Cash and cash equivalents	55.2	50.8
<b>Total - Current assets</b>	<b>85.5</b>	<b>83.1</b>
Assets held for sale	8.5	18.9
<b>Total assets</b>	<b>920.6</b>	<b>882.1</b>
<b>Equity and Liabilities</b>		
<b>in millions of euros</b>	<b>31/12/2022</b>	<b>31/12/2021</b>
<b>Equity attributable to owners of the parent</b>		
Share capital	152.8	150.8
Additional paid-in capital	35.7	40.7
Legal reserves	2.8	2.2
Consolidated reserves	192.1	174.9
Consolidated earnings	47.8	31.5
<b>Total - Equity attributable to owners of the parent</b>	<b>431.2</b>	<b>400.2</b>
Equity attributable to non-controlling interests	12.8	14.6
<b>Total equity</b>	<b>444.0</b>	<b>414.7</b>
<b>Non current liabilities</b>		
Non current financial liabilities	388.8	370.0
Deposits	7.7	7.5
Deferred tax liabilities	-	-
Other long-term liabilities	2.4	3.8
<b>Total - Non current liabilities</b>	<b>398.9</b>	<b>381.2</b>
<b>Current liabilities</b>		
Current financial liabilities	41.9	50.1
Payroll and tax liabilities	6.7	9.8
Trade payables	8.9	7.2
Other liabilities	16.9	14.9
<b>Total - Current liabilities</b>	<b>74.4</b>	<b>82.0</b>
Liabilities related to assets held for sale	3.3	4.1
<b>Total Equity and Liabilities</b>	<b>920.6</b>	<b>882.1</b>

**Consolidated statements of comprehensive income**

<b>in millions of euros - 12 months</b>	<b>31/12/2022</b>	<b>31/12/2021</b>
Gross rental revenues	47.4	43.9
Service charge income	10.3	10.0
Service charge expenses	(12.9)	(12.4)
Other building expenses	(0.6)	(0.7)
<b>Net rental income</b>	<b>44.2</b>	<b>40.8</b>
External expenses and other taxes	(4.8)	(4.3)
Payroll expenses	(0.8)	(0.9)
Amortization and provisions	(0.1)	(0.1)
Other current operating income and expenses	0.0	0.7
<b>Total - Operating income and expenses</b>	<b>(5.7)</b>	<b>(4.6)</b>
<b>Current operating income</b>	<b>38.5</b>	<b>36.2</b>
Other operating income and expenses	(0.7)	(0.1)
Change in the fair value of investment properties	14.9	2.5
Share in earnings of equity-accounted companies	0.5	0.9
<b>Operating income</b>	<b>53.1</b>	<b>39.4</b>
Financial income	0.4	0.4
Financial expenses	(9.9)	(9.8)
<b>Cost of net debt</b>	<b>(9.5)</b>	<b>(9.4)</b>
Other financial income and expenses	2.8	1.1
Income tax benefit (expense)	(0.3)	0.0
<b>Net income</b>	<b>46.1</b>	<b>31.2</b>
Minority interests	(1.7)	(0.4)
<b>Net profit, group share</b>	<b>47.8</b>	<b>31.5</b>
Net income, per share	3.17	2.13
Diluted net income, per share	3.17	2.13
<b>Net income</b>	<b>46.1</b>	<b>31.2</b>
Items that will be reclassified subsequently to profit or loss	-	-
Items that will not be reclassified subsequently to profit or loss	-	-
<b>Total comprehensive income</b>	<b>46.1</b>	<b>31.2</b>
of which : - Group share	47.8	31.5
- Non controlling interest	(1.7)	(0.4)
Average number of shares outstanding	15 057 573	14 804 270



**Consolidated statements of cash flows**

in millions of euros	31/12/2022	31/12/2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net income from consolidated companies</b>	46.1	31.2
Restatements :		
Share in earnings of equity-accounted companies	(0.5)	(0.9)
Dividends received from equity-accounted companies	0.5	0.3
Depreciation, amortization and provisions	0.7	0.1
Change in value of investment properties	(14.9)	(2.5)
Change in value of other assets and liabilities	(3.6)	(1.1)
Capital gains and losses on asset disposals	0.1	(0.1)
Net cost of debt	9.5	9.4
Income tax benefit (including deferred tax)	0.3	(0.0)
<b>Gross cash flow from consolidated companies</b>	<b>38.3</b>	<b>36.4</b>
Income tax paid	(0.0)	(0.1)
Change in operating working capital	3.3	(0.2)
<b>Net cash flow from operating activities</b>	<b>41.6</b>	<b>36.1</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of investment properties and other fixed assets	(61.5)	(16.0)
Proceeds from sales of investment properties	41.4	16.0
Movements in loans and other financial assets	0.3	1.2
Movements in current accounts of equity-accounted companies	(2.5)	2.2
Impact of changes in scope	-	(0.2)
<b>Net cash flow from investing activities</b>	<b>(22.2)</b>	<b>3.2</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid to owners of the parent	(15.8)	(12.3)
Dividends paid to non-controlling interests	-	(0.1)
Acquisitions / disposals of treasury shares	(0.9)	(1.2)
New loans, borrowings and hedging instruments	48.7	14.3
Repayment of loans, borrowings, hedging instruments and lease liabilities	(37.2)	(42.8)
Repayment of loans, borrowings and hedging instruments on assets held for sale	(4.4)	(1.0)
Repayment linked to rental liabilities	(0.1)	(0.1)
Interest paid	(9.3)	(9.3)
Transactions with non-controlling interests	-	(1.9)
Changes in partner's current accounts	4.2	(0.3)
<b>Net cash flow from financing activities</b>	<b>(14.9)</b>	<b>(54.6)</b>
<b>Change In Cash and Cash Equivalents</b>	<b>4.5</b>	<b>(15.4)</b>
Cash and cash equivalents at beginning of period	50.7	66.1
Cash and cash equivalents at end of period	55.2	50.7
<b>Change In Cash and Cash Equivalents</b>	<b>4.5</b>	<b>(15.4)</b>