Press Release

First half 2023 results

- **Full effect of the integration of the Flins and Ollioules shopping centres acquired in late 2022**
  - Gross rental income up 64%
  - Net operating cash flow total amount up 61%, or up 9.7% in € per share
- **Strong business performance**
  - Retailer revenue up 5%
  - 15 leases signed in H1 2023, corresponding to 6% of the rental base
  - Physical and financial occupancy rates[1,2] up 2 points
- **Key indicators pointing in the right direction**
  - Annualised net rents up 0.7%
  - Portfolio value up 0.2%
  - EPRA NDV per share at end-June 2023 up 0.7% on end-2022 after restatement for pay-out to shareholders[3]

Paris, 27 July 2023: MRM (Euronext code ISIN FR00140085W6), a real estate company specialising in retail property, today announced its results for the year to 30 June 2023. This press release follows on from the review and approval of the financial statements by MRM's Board of Directors today.

François Matray, Chief Executive Officer of MRM, said: ***"MRM benefited in full over the first six months from the effect of acquisitions made at the end of last year. Thanks to the integration of the Flins and Ollioules shopping centres, our rental income increased by 64%. Combined with the improvement in our operating profitability, this increase in our revenue allowed a 61% increase in net operating cash flow, despite the increase in the cost of financial debt as a result of higher interest rates and the bank loan contracted to finance acquisitions. In addition, the good level of the business performance is reflected in a further growth in retailer revenue and the signature of several new leases. We remain active in applying our asset management and value-enhancement skills across our enlarged portfolio, and we are***

[1] Taking account of known departures and new leases signed but not yet in effect at 30.06.2023
[2] Excluding strategic vacancies
[3] Total of €5.8 million paid out in 2023 with respect to FY 2022

confident in our ability to increase annualised net rents to above €16 million by 2025 at constant scope."

Good level of business

At end-June 2023, **retailer revenue**[4] in the MRM portfolio, including the Flins and Ollioules centres acquired at the end of 2022, was 5% higher than in the same period of the previous year. This came from a 1% increase in revenue from stores of over 500 sqm and a 9% increase for retailers in smaller units. This good performance can be compared with Procos data which reports an average increase for specialist retailers of 2,7% on a national level.

The continued sustained **rental activity** led to the signature of 15 leases over the first half, representing annual rent of €1.0 million for total floor area of 9,000 sqm. The average reversion rate compared with market rental values was +5%.

New leases notably include:

- A lease for total floor area of 3,500 sqm, signed with Carrefour at Halles du Beffroi in Amiens: this retailer currently occupies floor area of 2,900 sqm, and plans to extend its store by 600 sqm by renting a vacant unit. This lease is still under the suspensive condition of final commercial approvals;
- Three leases for total vacant floor area of 600 sqm at Passage du Palais, a city-centre shopping centre in the retail district of Tours: Fitness Record, Qipao and La Retoucherie will enhance the service offering at this centre, pushing the occupancy rate up to 93% from 85% six months earlier;
- Lastly, the marketing of 500 sqm in the Flins regional shopping centre, marking the beginning of new ambitions for this site. As part of a works project under study, some lots have been placed into strategic vacancy.

The **physical occupancy rate** rose to 92% at 30 June 2023 (from 90% six months earlier) whilst the **financial occupancy rate** was 90% (from 88% six months earlier), the impact of the closure of struggling brands being more than offset by new leases. These figures take account of known departures and leases signed that had not yet come into effect at 30 June 2023 and exclude strategic vacancy (the exclusion of the units in question resulted in an increase in the physical and financial occupancy rates of 1 and 1.5 points respectively).

At 1 July 2023, **annualised net rents** were €15.0 million taking into account leases signed that had not yet come into effect. This was an increase of 0.7% compared to €14.9 million[5] at end-December 2022. This increase came from the combination of the positive effects of indexation (+€0.6 million) and leases signed that had not yet come into effect at 30 June 2023 (a further +€0.6 million), partially offset by the impact of strategic vacancy (-€0.5 million), higher non-recovered property expenses (-€0.2 million) and the balance of new leases and renewals net of departures over the first half (-€0.4 million).

[4] On the basis of revenue figures for tenants already present during the period of comparison
[5] Correction of a technical error in the published figure of €15.1 million at 01.01.2023

Change in portfolio value

Portfolio value was €245.4 million at 30 June 2023. The 0.2% increase reflects the positive effects of marketing and indexation which offsets the increase in the discount rate used by the expert appraisers (up 20 basis points on average).

€m	**30.06.2023**	31.12.2022	*Change*
Portfolio value excl. TT	**245.4**	244.9	*+0.2%*

Financial Results

Full effect of acquisitions on net rental income, up 89%

Gross rental income rose sharply in the first half of 2023. It increased by 64.1% to €7.7 million. On a constant scope basis[6], that is to say excluding the acquisition of the Flins and Ollioules shopping centres, the increase was 4.2% thanks to the letting of available floor area in the historic portfolio and the positive effects of indexation.

After non-recovered property expenses, net rental income was €6.2 million, an 89.3% increase on the €3.3 million recorded in the first half of 2022.

Rental income €m	**H1 2023**	H1 2022	*Change*	*Change at constant scope*[6]
Gross rental income	**7.7**	4.7	*+64.1%*	*+4.2%*
Non-recovered property expenses	(1.5)	(1.2)		
Non-recurring items[7]	-	(0.2)		
Net rental income	**6.2**	3.3	*+89.3%*	

Net operating cash flow[8] up 61%

Given the increase in net rental income and the better coverage of operating costs, which accounted for 25.8% of net rental income, from 39.7% in the first half of 2022, EBITDA increased by a factor of 2.2 to €4.4 million in the first half of 2023.

The net cost of financial debt increased from €0.6 million in the first half of 2022 to €2.2 million in the first half of 2023. This change was the result of an increase in interest rates and of new bank loan in November 2022 which contributed to the financing of the acquisition of the Flins and Ollioules shopping centres.

Net operating cash flow was thus €2.3 million, from €1.4 million in the first half of 2022, an increase of 61.0% or an increase in net operating cash flow per share of 9.7%.

[6] Like-for-like changes are calculated by deducting rents generated by acquired assets from reported gross rental income in year n and rent generated by assets sold from reported gross rental income in year n-1
[7] Related to adjustments of rental charges
[8] Net income before tax adjusted for non-cash items

€m	**H1 2023**	H1 2022	*Change*
Net rental income	**6.2**	3.3	*+88.3%*
Tenant support measures	**-**	0.1	
Operating expenses	**(1.6)**	(1.3)	*+23.0%*
Other operating income and expenses	**(0.2)**	(0.1)	
EBITDA	**4.4**	2.0	*x2.2*
Net cost of financial debt	**(2.2)**	(0.6)	
Net operating cash flow	**2.3**	1.4	*+61.0%*

Solid financial position maintained

At 30 June 2023, outstanding bank debt was €118.3 million, from €166.7 million at the end of 2022.

The average cost of debt was 358 basis points in the first half of 2023, from 165 basis points a year earlier. MRM's debt is fully remunerated at a variable rate and 76% is hedged by caps (with strike rates between 1% and 2.5%).

MRM does not have any significant repayment dates before the end of 2028 and has a credit facility of €3.6 million available for development and CSR.

At the end-June 2023, MRM had cash and cash equivalents of €5.7 million compared with €10.0 million at end-December 2022. The net LTV ratio remained under control, at 45.9% at end-June 2023 from 43.6% six months earlier.

NAV at end-June 2023 was 0.7% higher than at end-December 2022 after restatement for pay-out to shareholders

EPRA NDV was €134.2 million at end-June 2023. This compares with €139.0 million six months earlier, or €133.2 million after the pay-out to shareholders of €5.8 million in respect to FY 2022. Restated for the pay-out, it thus rose by 0.7%, increasing from €41.6 per share at end-2022 to €41.9 per share at end-June 2023.

Outlook

In 2023, MRM will benefit from the effect over a full year of the acquisition of the Flins and Ollioules centres, in terms of both rental income and operating profitability thanks to better coverage of fixed costs.

On the strength of its expanded retail portfolio and its relationships with an increased number of retailers and brands, MRM intends to continue the dynamic management of its assets, focusing on the following priorities:

- Development and implementation of programmes to enhance the value of its historic portfolio together with the two shopping centres acquired at the end of 2022;
- Letting of available space;
- Implementation of the Climate Plan and ESG action plan adopted by the company, paying particular attention to cutting energy consumption and greenhouse gas emissions in accordance with the trajectories proactively published in April 2023 in the Statement of Non-Financial Performance (Declaration of Extra-Financial Performance, DPEF in French);

- Dynamic management of the property portfolio, looking at potential acquisitions and disposals.

MRM confirms its target of annualised net rents of over €16 million by 2025. This target is based on the current portfolio (excluding acquisitions and disposals).

Finally, MRM intends to maintain its policy of making regular pay-outs to shareholders.

Calendar

Revenues for the third quarter of 2023 are due on 9 November 2023 before market opening.

About MRM

MRM is a listed real estate investment company that owns and manages a portfolio of retail properties across several regions of France. Its majority shareholder is SCOR SE, which owns 56.63% of its share capital. MRM is listed on Compartment C of Euronext Paris (ISIN: FR00140085W6 - Bloomberg code: MRM:FP – Reuters code: MRM.PA).
MRM opted for SIIC status on 1 January 2008.

For more information, please contact:

MRM
5, avenue Kléber
75795 Paris Cedex 16
France
T +33 (0)1 58 44 70 00
relation_finances@mrminvest.com

Isabelle Laurent, **OPRG Financial**
T +33 (0)6 42 37 54 17
isabelle.laurent@oprgfinancial.fr

Website: www.mrminvest.com

Appendix 1: Retailer mix

Sector breakdown (CNCC categories) % of annualised gross rents	**30.06.2023**	**31.12.2022**
Household goods	19%	18%
Food and Catering	17%	18%
Health and Beauty	17%	16%
Personal goods	15%	17%
Culture, Gifts, Leisure	11%	11%
Services	9%	8%
Entertainment	7%	7%
Offices	5%	5%

Appendix 2: Income statement

Simplified IFRS income statement €m	**H1 2023**	**H1 2022**
Net rental income	**6.2**	**3.3**
Operating expenses	(1.6)	(1.3)
Provisions net of reversals	(0.0)	0.8
Other operating income and expenses	(0.4)	(0.8)
Operating income before disposals and change in fair value	**4.1**	**2.0**
Change in fair value of properties	(0.6)	1.3
Operating income	**3.5**	**3.3**
Net cost of financial debt	(2.2)	(0.6)
Other financial income and expense	(0.4)	0.3
Net income before tax	**1.0**	**3.0**
Income tax	-	-
Consolidated net income	**1.0**	**3.0**

Appendix 3: Balance sheet

Simplified IFRS balance sheet €m	**30.06.2023**	**31.12.2022**
Investment properties	245.4	244.9
Current receivables/assets	11.8	11.0
Cash and cash equivalents	5.7	10.0
Total assets	**262.9**	**265.9**
Shareholders' equity	134.2	139.0
Bank debt	118.3	116.7
Other debt and liabilities	10.4	10.2
Total equity and liabilities	**262.9**	**265.9**

Appendix 4: Net Asset Value

Net Asset Value	30.06.2023		31.12.2022	
	Total €m	**Per share** €	**Total** €m	**Per share** €
EPRA NDV	134.2	41.9	139.0	43.4
EPRA NRV	148.3	46.3	152.8	47.7
Number of shares (restated for treasury shares)	*3,202,068*		*3,201,950*	