Press release

2021 annual results

- **Improvement in all key indicators**
  - Physical occupancy rate up 3 points at 90% and financial occupancy rate up 4 points at 88%
  - Annualised net rents[1] up 5.6%
  - Increase[1] in portfolio value of 3.5% to €162.0m
  - Net operating cash flow up 33.6% (up 33.1% vs. 2019)
- **Healthy and controlled financial position**
  - Early refinancing of all bank debt with repayment due in 2028
  - Net LTV ratio of 40.0%
- **Dynamic asset portfolio management**
  - Robust letting activity
  - Completion of Valentin shopping centre investment programme
  - Disposal of two non-strategic assets
  - Annualised net rents target of over €10m maintained, despite the disposals carried out
- **Proposed pay-out[2] of €0.09 per share**

Paris, 24 February 2022: MRM (Euronext code ISIN FR0000060196), a real estate investment company specialising in retail property, today announced its results for the financial year ended 31 December 2021. This press release follows on from the review and closing of the financial statements by MRM's Board of Directors at its meeting on 24 February 2022.

François Matray, Chief Executive Officer of MRM, noted: "***All of MRM's management indicators were positive in 2021. Thanks in particular to its excellent letting activity, annualised net rents rose further, portfolio occupancy rates went up and the portfolio value increased. Net operating cash flow was well above the level reached in 2019, the last year before the health crisis. At the same time, we have refinanced all of our bank debt maturing between June 2022 and June 2023, under satisfactory terms reflecting the quality of our portfolio and with a maturity period of seven years. This was one of our main priorities for 2021.***

[1] Like-for-like

[2] Proposed pay-out of dividend and premiums subject to approval at the general shareholders' meeting on 9 June 2022. Equal to €1.80 euro per share post-reverse stock split

On the back of its solid financial position, MRM can focus fully on managing its portfolio of diversified retail properties with a view to capitalising on their remaining potential for value creation and continuing to adapt it to changes in retail. Taking environmental and social factors into account will be a key aspect of our action plan as well. Bricks-and-mortar retail still offers a promising future if it is managed dynamically, with a pragmatic vision in line with changing consumption trends. Finally, despite the disposal of two non-strategic assets in 2021, we reiterate our target of annualised net rents of at least €10 million on the basis of the current portfolio."

Higher physical and financial occupancy rate reflecting successful letting activity

Despite the ongoing sensitive health crisis in 2021, letting activity was very brisk, with agreed rents of €1.7 million, representing 16% of the rental base. The 18 leases[3] signed representing a total floor area of 10,300 sqm generated a positive reversion rate[4] of 1%.

New signatures concern in particular:

- Five leases for a total of 800 sqm within the Valentin shopping centre, bringing the occupancy rate of the gallery to 90%;
- Two new discount retailers within the Aria Parc retail park (Allonnes) over a total of 4,000 sqm, including Centrakor as additional anchor store occupying 3,300 sqm;
- The renewal of the lease held by Habitat, which occupies a 2,500 sqm medium-sized unit at Carré Vélizy;
- A lease signed[5] for a medical centre occupying 700 sqm at Les Halles du Beffroi (Amiens).

Robust letting activity resulted in improvement in all management indicators:

- The physical occupancy rate[6] was 90% as at 31 December 2021, compared with 87% one year earlier;
- The financial occupancy rate[6] was 88% as at 31 December 2021 compared with 84% one year earlier;
- Annualised net rents[6] totalled €9.3 million at 1 January 2022 compared with €9.1 million at 1 January 2021, despite the impact of -€0.3 million relating to the disposal[7] of two non-strategic assets in October 2021. On a like-for-like basis, annualised net rents increased by 5.6%.

To date, MRM has collected 88% of rents and charges for 2021, or 92% excluding the support measures for tenants, for which accruals have been set aside.

Completion of Valentin shopping centre investment programme

The programme to transform the Valentin shopping centre was completed during the first half of the year, significantly enhancing the appeal of the shopping gallery attached to the Carrefour hypermarket, the leader in the Greater Besançon area.

The extended and refurbished Valentin shopping centre is now home to 50 stores (including three medium-sized units) over a floor area of 6,700 sqm, of which 90% is let. The addition of Action, improved foodservice offering (Crescendo, Crêp'eat and Jules & John) and new ready-to-wear retailers (Christine Laure, Comme des Loups, Excellence, Mise Au Green) have helped to enhance the retailer mix alongside existing stores (Chausport, Histoire d'Or, Maty, Orange, Poulaillon, etc.).

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[3] New leases or renewals

[4] Calculated on the basis of market rental values for premises previously under short-term lease, up 9% on the basis of rents in place

[5] Lease signed subject to conditions precedent

[6] Including leases already signed but not yet in effect at 31.12.2021

[7] An 8,600 sqm logistics warehouse let to Gamm Vert and a vacant standalone unit of 1,600 sqm

Particular emphasis has been placed on integrating the shopping centre into its environment from the design stages, including zero net land artificialisation of more than 400 sqm despite the extension, eco-responsible accessibility, a "green worksite" charter and planting of trees. All new leases include an environmental appendix.

Portfolio value up 3.5% like-for-like

The value of the portfolio was €162.0 million as at 31 December 2021, up 0.6% relative to the end of 2020. This includes an impact of -€4.4 million relating to disposals carried out in 2021.

On a like-for-like basis, the value of the portfolio rose by 3.5%, reflecting primarily the increase in occupancy rates and net rents.

€ million	**31.12.2021**	31.12.2020	*Change*	*Like-for-like change*[8]
Portfolio value excl. TT	**162.0**	161.0	*+0.6%*	*+3.5%*

Financial results

- **Net rental income up 3.9%**

Gross rental income for 2021, corresponding to rents billed, increased by 2.5% relative to 2020 to €9.7 million after taking account of the limited impact of the spreading out of rent write-offs granted in respect of the first lockdown in 2020 and accompanied by counterparts amending the terms of leases[9]. On a like-for-like basis, i.e. adjusted for the impact of disposals, gross rental income was up 3.4%.

MRM benefited from the full effect of new leases signed in 2020 as well as leases signed in 2021 already in force. The positive indexation effect is marginal.

Taking account of a non-recovered property expense of €1.8 million, **net rental income** rose by 3.9% to €8.0 million compared with €7.7 million in 2020.

€ million	**2021**	2020	*Change*	*Like-for-like change*[10]
Gross rental income	**9.7**	9.5	***+2.5%***	***+3.4%***
Non-recovered property expenses	(1.8)	(1.8)	*-3.0%*	
Net rental income	**8.0**	7.7	***+3.9%***	

[8] Change in portfolio value adjusted for disposals carried out in 2021
[9] Counterparts modifying the terms of leases in the sense of IFRS 16 (e.g., extension of lease duration, or waiver of termination rights at the next three-year break option date)
[10] Like-for-like changes are calculated by deducting rents generated by assets that have been sold in year n from reported revenues in year n-1.

▪ Sharp increase in operating income before disposals and change in fair value

Operating income before disposals and change in fair value totalled €4.5 million in 2021, up 16.6% compared with 2020.

This includes in particular operating expenses of €2.5 million as well as a net expense of €0.3 million relating to tenant support measures in respect of the three lockdowns in 2020 and 2021.

▪ Positive impact of the change in fair value on net income

After taking account of investments made during the period, the increase in appraisal values resulted in a positive change in the portfolio's fair value of €2.6 million, compared with a negative change of €10.0 million in 2020.

As a result, operating income came to €7.6 million compared with an operating loss of €5.8 million in 2020.

Net financial expense was -€2.0 million compared with -€1.4 million in 2020. This change is due in particular to the costs related to the refinancing of the bank debt.

Consequently, **consolidated net income** came to a profit of €5.6 million in 2021 compared with a loss of €7.2 million in 2020.

A condensed income statement is included in the appendix.

▪ Significant improvement in net operating cash flow, exceeding the 2019 level

Net operating cash flow[11] came to €3.9 million in 2021, up 33.6% compared with 2020 and 33.1% compared with 2019, the last year before the crisis.

After taking account in particular of the -€0.2 million relating to tenant support measures, compared with -€1.4 million in 2020, **EBITDA** increased sharply by 45.8% to €4.5 million.

Net cost of debt was €1.2 million and other financial expenses related to the bank debt were €0.4 million.

€ million	**2021**	2020	*Change*
Net rental income	**8.0**	7.7	*+4.1%*[12]
Tenant support measures	**(0.2)**	(1.4)	
Operating expenses	**(2.5)**	(2.3)	
Other operating income and expenses	**0.2**	(0.2)	
EBITDA	**5.5**	3.8	*+45.8%*
Net cost of debt	**(1.2)**	(1.2)	*-2.5%*
Other financial expenses	**(0.4)**	-	
Other	**-**	0.4	
Net operating cash flow	**3.9**	2.9	*+33.6%*

[11] Net operating cash flow = consolidated net income before tax adjusted for non-cash items
[12] Vs +3.9% in the income statement. In the NOCF, the spreading out of rent write-offs granted in respect of the 1st lockdown in 2020 and accompanied by counterparts amending the terms of leases, is restated on the line "Tenant support measures"

Healthy financial position maintained and increase in NAV of around 5%

In December 2021, MRM took out a **new loan** of a total of €82.1 million with a term of seven years. This new mortgage loan is secured against MRM's real estate portfolio. It consists of a €75.7 million credit facility which allowed for early repayment of all of MRM's bank debt maturing in 2022 and 2023, and a €6.4 million credit facility[13] to finance new investments.

Consequently, the next repayment date has been deferred to 2028.

Gross debt was reduced to €74.4 million as at 31 December 2021 compared with €76.8 million at the end of 2020.

77% of this debt, which is subject to interest at a variable rate (3-month Euribor + 165 bps margin), is covered by a cap.

At the end of December 2021, MRM had **cash and cash equivalents** of €9.7 million compared with €10.2 million a year earlier. The net LTV ratio was 40.0% compared with 41.4% at the end of 2020.

Taking account of net operating cash flow generated in 2021 (+€3.9 million), the positive change in the fair value of properties (+€2.6 million) and the pay-out to shareholders in respect of 2020 (-€2.2 million), **EPRA NDV** increased by 4.6% to €97.4 million (€2.23 per share) compared with €93.1 million (€2.13 per share) at the end of December 2020 (see table in the appendix).

Factoring social and environmental criteria into the operational management of properties

MRM's environmental, social and governance policy was set out formally in 2020 in order to aggregate and monitor the initiatives taken at the level of its properties as well as to define a clear roadmap for progress, particularly with regard to **energy sobriety**.

MRM's target is to reduce the energy consumption of its portfolio by 40% between 2015 and 2030, in line with the regulatory target, to the level of 42.7 kWh per sqm per year (compared with 77.1 in 2015). The Group intends to step up its investment as of 2022, thanks in particular to the credit facility taken out in December 2021.

MRM's other priorities are the rollout of **works plans related to the Tertiary decree, the** contribution to the **development of local economic and associative activity** in accordance with a "territorial anchoring" charter adopted in 2021 and the launch of **biodiversity audits** with a view to implementing concrete actions at its sites.

Subsequent event

Early 2022, a lease[14] was signed with a fitness chain for the 2,000 sqm medium-sized unit vacated by Office Dépôt in January 2022 within the Carré Vélizy mixed-use development. This new retail offering, alongside Gautier, Habitat and Indiana Café, fits in fully with the momentum of the surrounding area.

Reverse stock split

At its meeting of 24 February 2022, the Board of Directors decided to initiate the reverse stock split of the shares making up MRM's share capital at a ratio of 20 existing shares with a par value of €1 for one new share with a par value of €20, in accordance with the authorization and delegation of powers granted by the general shareholders' meeting of 24 June 2021. The reverse stock split will begin on 21 March 2022 and end on 20 April 2022, the first day of trading of the new shares.

[13] Credit line undrawn to date
[14] Subject to conditions precedent

Pay-out to shareholders

MRM's Board of Directors has decided to propose a pay-out of €0.09 per share (equal to €1.80 euro per share post-reverse stock split) in respect of 2021, to be compared with a limited distribution of 0.05 euro per share for the year 2020. This pay-out represents a return of 7.1% on the share price.
It will consist of a dividend payment in the amount of €1.13 per share post-reverse stock split and premiums payment in the amount of €0.67 per share post-reverse stock split.

This pay-out will be subject to approval at the general shareholders' meeting on 9 June 2022. The planned ex-dividend date is 13 June 2022, with payment on 15 June 2022.

Outlook

Although all retailers have gradually been able to reopen their doors to the public since 19 May 2021, conditions are still characterised by the potential risk of further developments in the health crisis.

MRM's priorities for 2022 as a whole are:

- Analysis and deployment of investment programmes to enhance the value of current portfolio assets;
- Letting available space;
- The deployment of the ESG action plan and the Climate Plan adopted by the Company, with particular attention paid to reducing energy consumption;
- Dynamic management of the portfolio with analysis of potential acquisitions and disposals.

Despite the disposals carried out in 2021, MRM maintains its target of total annualised net rents in excess of €10 million, based on an assumed physical occupancy rate of 95%. This target is based on the current portfolio (excluding acquisitions and disposals).

Calendar

Financial information for the 1st quarter of 2022 will be published before the market opens on 5 May 2022.

The general shareholders' meeting will be held on 9 June 2022.

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 59.9% of share capital. MRM is listed in Compartment C of Euronext Paris (ISIN: FR0000060196 - Bloomberg code: MRM:FP – Reuters code: MRM.PA). MRM opted for SIIC status on 1 January 2008.

For more information

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Appendix 1: Retail mix

Sector breakdown (CNCC classification) **As % of annualised gross rent**	**31.12.2021**
Household equipment	19%
Food	12%
Recreation (fitness)	11%
Personal goods	10%
Services	9%
Foodservice	8%
Culture, gifts and leisure	8%
DIY, gardening, pet shops	7%
Offices	7%
Health	5%
Beauty	4%

Appendix 2: Income statement

Simplified IFRS income statement **€m**	**2021**	**2020**
Net rental income	**8.0**	**7.7**
Operating expenses	(2.5)	(2.3)
Provisions net of reversals	(0.9)	0.6
Other operating income and expenses	(0.1)	(2.2)
Operating income before disposals and change in fair value	**4.5**	**3.8**
Net gains/(losses) on disposal of assets	0.5	0.4
Change in fair value of properties	2.6	(10.0)
Operating income	**7.6**	**(5.8)**
Net cost of debt	(1.2)	(1.2)
Other financial income and expense	(0.8)	(0.2)
Net income before tax	**5.6**	**(7.2)**
Tax	-	-
Consolidated net income	**5.6**	**(7.2)**

Appendix 3: 4th quarter revenues

€m	**Q4 2021**	**Q4 2020**	*Change*	*Like-for-like change*
Gross rental income	2.38	2.43	*-2.4%*	*+0.7%*

Appendix 4: Balance sheet

Simplified IFRS balance sheet €m	31.12.2021	31.12.2020
Investment properties	162.0	161.0
Current receivables and other assets	7.6	8.2
Cash and cash equivalents	9.8	10.2
Total assets	**179.4**	**179.4**
Equity	97.4	93.9
Bank debt	74.4	76.8
Other debt and liabilities	7.6	8.7
Total Equity and liabilities	**179.4**	**179.4**

Appendix 5: Net Asset Value

Net Asset Value	31.12.2021		31.12.2020	
	Total €m	**Per share €**	**Total €m**	**Per share €**
EPRA NDV	97.4	2.23	93.1	2.13
EPRA NRV	108.0	2.48	104.5	2.39
Number of shares (adjusted for treasury stock)	*43,625,327*		*43,622,724*	