



## Press release

### First half 2022 results

- **First half of 2022 follows on from the trend seen in 2021**
  - Continuing robust letting activity
  - Financial occupancy rate up 1 point
  - Annualised net rents up 2.0%
  - Portfolio value up 0.6%
  - Solid financial position with net LTV ratio of 40.7%
- **Proposed acquisition of two shopping centres from Altarea Commerce**
  - Simultaneous announcement of the signing of an agreement subject to conditions precedent concerning the acquisition of two shopping centres from Altarea for €90.4m (including transfer taxes)

*At the same time as this press release on its first half 2022 results, MRM has published a second press release on the announcement of the signing of an agreement concerning the acquisition subject to conditions precedent of two shopping centres from Altarea for €90.4m (including transfer taxes). An information meeting to present the first half results and the proposed acquisition will be held at 10:00 a.m. on 29 July 2022 at the Company's head office. To attend, please contact the Company by email at: [severine.tanis@oprgfinancial.fr](mailto:severine.tanis@oprgfinancial.fr)*

**Paris, 28 July 2022:** MRM (Euronext code ISIN FR00140085W6), a real estate investment company specialising in retail property, today announced its half-year results as at 30 June 2022. This press release follows on from the review and approval of the interim financial statements by the Board of Directors at its meeting held today.

François Matray, Chief Executive Officer of MRM, noted: **"With ongoing robust letting activity, MRM's operating performance in the first half of 2022 followed on from the trend seen last year. We achieved further improvement in the financial occupancy rate, annualised net rents and the portfolio value. Our half-year results are solid and our financial position is healthy. As well as focusing on managing our portfolio in a proactive manner, we have worked on acquisition opportunities and are pleased to announce today the agreement signed with Altarea with a view to acquiring two shopping centres for €90 million. This transformative move would result in a significant change of dimension for MRM, opening up new prospects for development."** (see the dedicated press release published simultaneously).

## Continued brisk letting activity

Letting activity remained robust in the first half of 2022. The eight leases<sup>1</sup> signed during the period represent total rents of €0.7 million and a total floor area of 2,800 sqm. Taking account of the handful of contracts renegotiated under specific terms relating to the health crisis, the average reversion rate was -4%.

New leases signed concern in particular:

- The ongoing letting of the Valentin shopping centre (near Besançon) with the signing of three leases representing a total floor area of 160 sqm. These agreements have enhanced MRM's offering in the areas of Beauty and Services.
- The reletting of the 2,000 sqm medium-sized unit within the Carré Vélizy mixed-used development (Vélizy-Villacoublay) vacated by Office Depot in January 2022: the lease signed with fitness chain On Air came into effect on 29 April 2022. This fits in fully with the Household equipment and Foodservice outlets already present at the site.

Letting activity was reflected by a further increase in the financial occupancy rate to 89% at end-June 2022, from 88% at end-December 2021. The physical occupancy rate remained stable at 90%. Annualised net rents totalled €9.5 million as at 1 July 2022, an increase of 2.0% relative to 1 January 2022.

MRM collected 92% of rents and charges in the first half of 2022.

## Slight increase in portfolio value

The value of MRM's portfolio was €163.0 million as at 30 June 2022. This increase of 0.6% reflects the improvement in its rental situation.

€ million	30.06.2022	31.12.2021	Change
<b>Portfolio value excl. transfer taxes</b>	<b>163.0</b>	162.0	+0.6%

## Financial results

### Rental income

Gross rental income for the first half of 2022, corresponding to rents billed, amounted to €4.7 million, down 0.7% on a like-for-like basis<sup>2</sup>.

Thanks to its lettings successes, MRM benefited from the full effect of leases signed in 2021 for the Valentin shopping centre, Aria Parc (Allonnes) and Sud Canal (Saint-Quentin-en-Yvelines), as well as new leases coming into effect over the period. The indexation effect was slightly positive.

These positive effects were offset by the temporary vacancy of the medium-sized unit vacated in January 2022 at Carré Vélizy, which has already been relet under a lease that came into effect on 29 April 2022 (see above).

On a reported basis, taking account of the impact of the disposal of two non-strategic assets in October 2021, revenues were down 3.9% relative to the first half of 2021.

<sup>1</sup> New leases or renewals

<sup>2</sup> Adjusted for disposals in 2021

<b>Half-year rental income</b> € million	<b>H1 2022</b>	H1 2021	<i>Change</i>	<i>Like-for-like change<sup>2</sup></i>
<b>Gross rental income</b>	<b>4.7</b>	4.9	<b>-3.9%</b>	-0.7%
Recurring non-recovered property expenses	(1.2)	(1.2)		
Non-recurring items	(0.2)	0.2		
<b>Net rental income</b>	<b>3.3</b>	3.9	<b>-16.8%</b>	

Compared with the first half of 2021, the amount of non-recovered property expenses was stable at €1.2 million. However, MRM recorded non-recurring items corresponding to adjustments of rental charges, representing an expense of €0.2 million in the first half of 2022 compared with a profit of €0.2 million in the first half of 2021, a change of -€0.4 million.

Net rental income therefore came to €3.3 million, down 16.8% from €3.9 million during the same period in 2021.

#### Increase of 2% in operating income before disposals and change in fair value

Taking account of the signing during the period of Covid write-off agreements for which provisions had previously been booked, the subtotal of provisions net of reversals and other net operating expenses was zero in the first half of 2022, compared with an expense of €0.9 million in the first half of 2021 (including Covid provisions of €0.7 million).

Operating income before disposals and change in fair value in the first half of 2022 was €2.0 million, up 2.0% compared with the first half of 2021.

#### Positive impact of the change in fair value of properties on net income

The increase in appraised values resulted in a positive change in the portfolio's fair value of €1.3 million, compared with €2.1 million in the first half of 2021.

As a result, operating income came to €3.3 million compared with €4.0 million in the first half of 2021.

Reflecting the financial terms of the refinancing of bank debt carried out in late 2021, net cost of debt increased by 9.5%, with an average cost of debt of 165 basis points for the first half of 2022. The first half of 2022 also benefited from a positive change in fair value of financial instruments of €0.4 million. As a result, net financial expense was -€0.3 million compared with -€0.7 million a year earlier.

Overall, consolidated net income for the first half of 2022 came to a €3.0 million compared with €3.3 million in the first half of 2021.

A condensed income statement is included in the appendix.

### Net operating cash flow of €1.4m<sup>3</sup>

Taking account of the asset sales carried out in 2021, the temporary vacancy of the 2,000 sqm at Carré Vélizy (see above) and non-recurring items that weighed down net rental income, net operating cash flow was down 20.4% at €1.4 million compared with €1.8 million in the first half of 2021.

€ million	H1 2022	H1 2021	Change
<b>Net rental income</b>	<b>3.3</b>	4.0	-16.6%
Tenant support measures	<b>0.1</b>	(0.5)	
Operating expenses	<b>(1.3)</b>	(1.2)	
Other operating income and expenses	<b>(0.1)</b>	0.1	
<b>EBITDA</b>	<b>2.0</b>	2.4	-12.9%
Net cost of debt	<b>(0.6)</b>	(0.6)	
<b>Net operating cash flow</b>	<b>1.4</b>	1.8	-20.4%

### Solid financial position maintained

Gross debt stood at €74.5 million as at 30 June 2022, almost stable relative to end-December 2021 (€74.4 million).

77% of this debt, which is subject to interest at a variable rate, is covered by caps.

The next major bank debt repayment is at the end of 2028.

At the end of June 2022, MRM had cash and cash equivalents of €8.1 million compared with €9.7 million six months earlier<sup>4</sup>. The net LTV ratio was 40.7% compared with 40.0% six months earlier.

Taking account of net operating cash flow generated during the first half of the year (€1.4 million), the positive change in the fair value of properties (€1.3 million) and the payout to shareholders in respect of 2021 (€3.9 million), EPRA NDV was €96.4 million (€44.2 per share) compared with €97.4 million (€44.6 per share) at end-December 2021 (see table in the appendix).

## **Subsequent events**

### Proposed acquisition of two shopping centres

MRM today announced the signing of an agreement subject to conditions precedent with a view to acquiring two shopping centres from Altarea for a total of €90.4 million including transfer taxes. The press release providing details of this transformative move for MRM is available on the company's website: [www.mrminvest.com](http://www.mrminvest.com).

### Composition of the Board of Directors

At its meeting of 28 July 2022, MRM's Board of directors co-opted Karine Trébaticky to replace Gilles Castiel who has resigned from his duties. Karine Trebaticky becomes a member of the Audit committee and the Strategy committee.

<sup>3</sup> Net operating cash flow = consolidated net income before tax adjusted for non-cash items

<sup>4</sup> Cash burn relates primarily to the payout to shareholders of €3.9 million in June 2022.

As at 28 July 2022, the Board of Directors therefore consisted of six members, including two independent members, as follows:

- François de Varenne, Chairman of the Board of Directors
- Jacques Blanchard, Board member
- Brigitte Gauthier-Darcet, independent Board member
- Valérie Ohannessian, independent Board member
- Karine Trebaticky, Board member
- SCOR SE, Board member represented by Karina Lelièvre

The ratification of the co-optation of Karine Trebaticky will be proposed to the General Meeting of shareholders.

## Calendar

Financial information for the 3rd quarter of 2022 will be published before the market opens on 10 November 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: FR00140085W6 - Bloomberg code: MRM:FP – Reuters code: MRM.PA). MRM opted for SIIC status on 1 January 2008.

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### Appendix 1: Income statement

<b>Simplified IFRS income statement €m</b>	<b>H1 2022</b>	H1 2021
<b>Net rental income</b>	<b>3.3</b>	3.9
Operating expenses	(1.3)	(1.2)
Provisions net of reversals	0.8	(0.7)
Other operating income and expenses	(0.8)	(0.2)
<b>Operating income before disposals and change in fair value</b>	<b>2.0</b>	1.9
Change in fair value of properties	1.3	2.1
<b>Operating income</b>	<b>3.3</b>	4.0
Net cost of debt	(0.6)	(0.6)
Other financial income and expense	0.3	(0.1)
<b>Net income before tax</b>	<b>3.0</b>	3.3
Tax	-	-
<b>Consolidated net income</b>	<b>3.0</b>	3.3

### Appendix 2: 2<sup>nd</sup> quarter revenues

<b>€m</b>	<b>Q2 2022</b>	Q2 2021	<i>Change</i>	<i>Like-for-like change<sup>2</sup></i>
<b>Gross rental income</b>	<b>2.36</b>	2.47	-4.5%	-1.3%

### Appendix 3: Balance sheet

<b>Simplified IFRS balance sheet €m</b>	<b>30.06.2022</b>	31.12.2021
Investment properties	163.0	162.0
Current receivables and other assets	8.0	7.6
Cash and cash equivalents	8.1	9.7
<b>Total assets</b>	<b>179.2</b>	179.4
Equity	96.4	97.4
Bank debt	74.5	74.4
Other debt and liabilities	8.2	7.6
<b>Total equity and liabilities</b>	<b>179.2</b>	179.4

#### Appendix 4: Net Asset Value

Net Asset Value	30.06.2022		31.12.2021	
	Total €m	Per share €	Total €m	Per share <sup>5</sup> €
<b>EPRA NDV</b>	96.4	44.2	97.4	44.6
<b>EPRA NRV</b>	106.8	48.9	108.0	49.6

*Number of shares  
(adjusted for treasury stock)*

*2,182,310*

*43,625,327*

<sup>5</sup> Calculated on the basis of the number of shares after the reverse stock split of MRM's shares entered into for on 20 April 2022