



Press release

Third quarter 2020 financial information

- **Consolidated revenues of €7.1m over the first nine months of 2020, up 3.7%**
 - **Confirmation of the estimated amount of rent write-offs to be granted for the initial lockdown period**
 - **Satisfactory rate of rent collection**
- **Solid rental activity in the 3rd quarter despite the context**
 - **Progress in the letting of Valentin shopping centre**
- **Adaptation to new measures restricting retail activity as of 30 October 2020**

Paris, 6 November 2020: MRM (Euronext code ISIN FR0000060196), a real estate company specialising in retail property, today announced its consolidated revenues for the third quarter of 2020, corresponding to gross rental income for the period.

Measures restricting retail activity in relation to the initial lockdown period and the steps taken by MRM to support its tenants did not impact revenues for the first nine months of the year, which correspond to gross rental income invoiced. Indeed, a provision for impairment of receivables has been booked in respect of tenant support measures.

Over the first nine months of the year, revenues increased by 3.7% to €7.07 million. This increase largely reflects new leases taking effect in 2019 and since 1 January of this year within the Carré Vélizy mixed-use complex for office space, Aria Parc in Allonnes, Sud Canal in Saint-Quentin-en-Yvelines and the Valentin shopping centre near Besançon. Indexation also had a positive impact. In the third quarter of 2020 alone, gross rental income came to €2.37 million, up 5.6% compared with the third quarter of 2019.

Consolidated revenues (unaudited figures)

€m	Q3 2020	Q3 2019	Change ¹	9 months 2020	9 months 2019	Change ¹
Total gross rental income	2.37	2.24	+5.6%	7.07	6.82	+3.7%

Rental situation

After rental activity was restricted in the first half of the year due to the public health crisis, MRM signed eight new leases or renewals in the third quarter representing total annual rents of €0.4 million. This brings the number of leases signed in the first nine months of the year to 12, representing total annual rents of €0.6 million.

Further steps forward were taken in the letting of the Valentin shopping centre with the entry into force in September of 2 leases on the redeveloped or newly created space within the framework of the current extension: Action, the Dutch discount retailer, for 1,100 sqm and Crescendo, the quality fast food specialist, for 630 sqm. In October, signings and entries into force of leases continued, leading to Valentin shopping centre's physical occupancy rate close to 80%² to date.

The other leases that became effective in the third quarter concern in particular a 3,300 sqm medium-sized unit re-let to a discount retailer under a short-term tenancy agreement in Aria Parc in Allonnes and 2 units for a total of 650 sqm within Passage du Palais in Tours.

In a continuing uncertain context, MRM is capitalising on its portfolio of convenience stores, focusing primarily on food, household equipment, services and leisure, and attractive to discount retailers popular with consumers.

Public health situation and its consequences

As a reminder, due to the severe restriction of retail activity during the initial lockdown period, recovery of rents and associated charges for April and May 2020 was suspended for all tenants forced to close their stores. Stores that remained open represented just over 25% of gross annualised rents³.

Good progress has been made in discussions initiated on a case-by-case basis with tenants to set out formal terms for the recovery or write-off of rents and charges, as well as the negotiation of any contractual counterparties. MRM therefore confirms the information provided in July, namely estimated rent write-offs to be granted in connection with the initial lockdown period of €1.2 million. This amount covers the impact of the three-month rent-free period for very small businesses and other support measures granted on a case-by-case basis. For MRM, this represents a total of 1.5 months of rents.

The invoices due collection rate was 87% for the first three quarters of the year, taking account of rent cancellations already agreed or still in the process of being signed.

Since 30 October 2020, in accordance with the new measures restricting activity in order to prevent a second wave of the pandemic, MRM has implemented the means necessary to ensure people's safety and safeguard properties so that stores allowed to open within its shopping centres can stay in operation and welcome customers under appropriate health and safety conditions.

¹ The scope of the portfolio has not changed since the start of last year.

² Occupancy rate calculated on the basis of the total area of the site, i.e. 6,700 sqm including redeveloped surfaces (1,000 sqm) and extension (2,600 sqm).

³ As % of gross annualised rent as at 1 January 2020.

MRM's shopping centres remain in operation in order to allow access to authorised shops. In addition, garden centres (Gamm Vert portfolio) are also open. However, businesses considered as "non-essential" are closed. MRM's priority will be to help retailers return to business as quickly as possible and under the best possible conditions.

Financial position

MRM's financial position remains healthy. Its balance sheet is solid and there are no major debt repayments falling due before June 2022.

Outlook

Following an encouraging return to retail activity at MRM's sites in the third quarter, the advent of the second wave of the pandemic has given rise to new uncertainties relating to how the crisis will develop and the scale of its impact on the economy. Against this backdrop, characterised by new decisions to restrict retail activity announced by the French government on 29 October 2020, MRM's operating priorities are as follows:

- Maintaining a high level of responsiveness and adaptation of measures taken by MRM as the situation develops;
- Continuation of discussions with tenants to finalise the contractualization of support measures granted following the first lockdown;
- Assessment of any additional support measures to continue to help tenants affected by the new shutdown measures on a case-by-case basis;
- Completion of redevelopment works (1,000 sqm) and extension works (+2,600 sqm) at the Valentin shopping centre and continuation of letting, with the shopping centre due to open in its new configuration in the first half of 2021;
- Continuation of letting activities, re-letting and tenant rotation within the portfolio;
- Ramping up of ESG responsibility efforts initiated five years ago, with particular attention paid to reducing energy and water consumption, as well as the quantity of waste produced.

Beyond that, 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

Revenues for the fourth quarter and 2020 annual results are due on 26 February 2021 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 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.

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