



MRM Newsletter

Shareholders, investors, analysts

This latest edition of the MRM newsletter is dedicated to MRM's change of dimension following the acquisition finalised this month.

Key figures* for MRM's portfolio including the two properties acquired from Altarea

Portfolio excluding transfer taxes

€247.3m

Annualised net rents

€15.0m

Floor area

89,400 sqm

* Based on MRM and Altarea figures as at 30.06.2022

Full documentation relating to the acquisition can be found in the Finance section of MRM's website:
www.mrminvest.com

Dear readers, dear shareholders,



Over the last few years, we have gradually refocused our portfolio on retail properties, enhanced the value of our properties by means of an apt investment plan, and continued to improve the rental status of our portfolio in the challenging climate relating to the health crisis. We have now just finalised a major acquisition that will have a structural effect on MRM.

We have acquired two shopping centres from Altarea for a total of €90 million including transfer taxes. They are successful properties combining yields and potential for value creation. Located in Flins-sur-Seine (Yvelines) and Ollioules (Var), both properties have a Carrefour hypermarket as food retail anchor and are leading shopping centres within their catchment area. They add to our diversified retail portfolio and the Ollioules shopping centre near Toulon gives us a foothold in the south of France.

These two acquisitions mark a real change of dimension for MRM. The value of our portfolio has increased by more than 50%, opening up new opportunities. We will be able to apply our proactive management approach to a larger property portfolio and deal with more retailers and traders. We are also now aiming for annualised net rents of more than €16 million, as opposed to €10 million before the acquisition. Furthermore, we will be able to benefit from better absorption of our fixed costs, which will help to improve net operating cash flow generation.

As announced in late July, the acquisition was financed partly by means of two capital increases representing a total of €50 million: one was reserved for Altarea and the other, with preferential subscription rights, was subscribed by our majority shareholder SCOR SE and Altarea. These two capital increases were carried out at a unit subscription price equal to MRM's replacement NAV per share as at end-June 2022. The remainder of the acquisition price was financed by taking out a €42 million bank loan. This arrangement has enabled us to maintain a controlled level of debt. It has also resulted in a stronger shareholder base with Altarea becoming shareholder, alongside SCOR SE, which remains our majority shareholder.

Altarea is a leading name in the French real estate sector. Its decision to support MRM's development as a shareholder attests to its recognition of our expertise and its confidence in our ability to create value. Following on from the success of this acquisition, which was finalised on schedule, we are already making every effort to capitalise on the potential of our expanded portfolio. More than ever, MRM's teams are committed to pursuing the exciting goal of creating a tailor-made retail offering that suits the property's profile, environment and type of customer base, while also taking account of the changes sweeping through the retail sector and rolling out our proactive Climate Plan.

François Matray
Chief Executive Officer

Contents

- 2** Strengthening of MRM's retail portfolio
- 3** Acquisition with a transformative effect
- 4** Changes in shareholding structure and governance

Strengthening of MRM's retail portfolio

The shopping centres acquired from Altarea extend the geographical footprint of MRM's portfolio in the two fast-growing regions, i.e. Yvelines and the Var. Positioned as market leaders within their catchment areas and with physical occupancy rates¹ of 97% and 92% respectively, the Flins-sur-Seine and Ollioules shopping centres present much higher net rental yields than those generated by MRM's portfolio prior to the acquisition. Furthermore, the two properties offer potential for value creation that will enable MRM to devise and implement programmes focusing on lease renewals, adaptation of the retailer mix, bringing in new retail anchors and carrying out renovation or even partial redevelopment works on the basis of an enlarged portfolio.

The regional Flins shopping centre

- **Leading hypermarket in its catchment area**
- **Gallery comprising 80 stores**
- **Car park with 2,200 spaces**

Close to Mantes-la-Jolie in the Yvelines region, the Flins regional shopping centre is situated in an attractive retail district in the heart of a urban communities with a fast-growing population. The real estate complex, owned jointly with Carrefour Group, comprises a successful shopping centre that constitutes a market leader within its catchment area, spanning both well-off customers and those on more modest incomes. It benefits from extremely easy access via the motorway.

Within the shopping centre, MRM has acquired 56 store units from Altarea covering a floor area of 10,000 sqm, with an occupancy rate of 97% as at 30 June 2022. The site welcomed 3.0 million visitors in 2021, making it a truly attractive location for retailers.

The center is BREEAM very good certified and already meets the obligations of the French tertiary decree relating to energy consumption reduction targets.



MRM's portfolio post-acquisition

11 retail property holdings in the Ile-de-France region and other regions

- Suburban shopping centres
- City-centre shopping centres
- Standalone

The Carrefour Ollioules shopping centre

- **Dominant hypermarket in a captive catchment area**
- **Gallery comprising 50 stores**
- **Car park with 1,900 spaces**

Located within the Toulon Provence Méditerranée city district, the largest labour market area in the Var, the Carrefour Ollioules shopping centre is located within a fast-growing tourist area that sees its population grow considerably during peak season. Jointly owned with Carrefour and other co-owners, it is market leader within its catchment area, which outside the tourist season comprises primarily pensioners, salaried workers and intermediate professionals. It benefits from immediate proximity to the A50 motorway, to the west of the city of Toulon.

MRM has acquired 44 store units from Altarea covering a floor area of 3,000 sqm, with an occupancy rate of 92% as at 30 June 2022. The site welcomed 2.8 million visitors in 2021. The site's energy performance is in keeping with the aims of the French tertiary decree.



¹ Based on figures as at 30 June 2022.

Acquisition with a transformative effect

Acquisition process

Overall, the acquisition for a price of €90.4 million (including transfer taxes) entailed MRM carrying out a capital increase by means of a contribution in kind reserved for Altarea in the amount of €21 million and a capital increase with preferential subscription rights for shareholders, with SCOR SE subscribing to €25 million and Altarea to €4 million. Representing a total of €50 million, the two capital increases were carried out at a unit subscription price

equal to MRM's replacement NAV per share as at 30 June 2022, i.e. €48.92. The remainder of the acquisition price was financed by means of a €42 million bank loan.

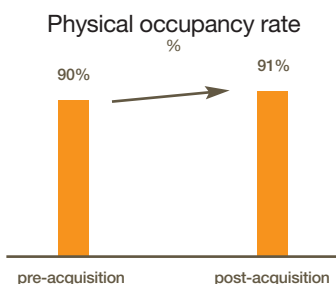
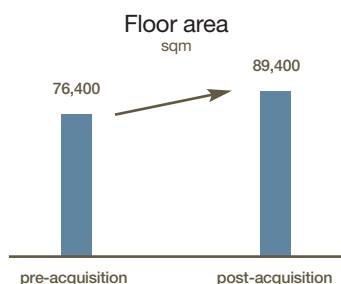
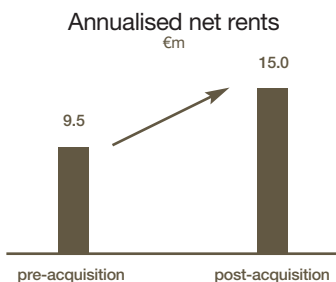
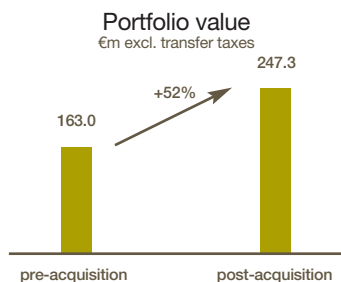
This financing structure, which has enabled MRM to maintain a net LTV ratio of less than 45% (compared with 40.7% as at 30 June 2022), has resulted in Altarea becoming a shareholder in the company (more information on page 4).

Asset value up by more than 50% and increase in net annualized rents

As a result of the integration of these two shopping centres acquired from Altarea, the portfolio has increased significantly in size, with a sharp rise in annualised rents and further improvement in the overall occupancy rate for MRM's property portfolio.

Major changes in operating indicators

based on figures as at 30 June 2022



In the press



STOCK TO WATCH **MRM on the offensive**

N° 2553 / 10/12/ 2022

The retail property investment company has undergone a change of dimension by buying two shopping centres from Altarea in Flins (Yvelines) and Ollioules (Var) for €90.4 million (...)

<https://investir.lesechos.fr/conseils-boursiers/conseils-actions/a-loffensive-1888045>



“Paradigm shift for MRM”

29/07/2022

It's a deal that could mark a turning point in MRM's history. The SIIC property investment company, owned by SCOR, has made an agreement with Altarea (...)

<https://www.businessimmo.com/contents/137884/chaangement-de-paradigme-pour-mrm>



“MRM acquires two shopping malls in France for €90.4m”

29/07/2022

<https://propertyeu.info/Nieuws/MRMacquires-two-shopping-malls-in-Francefor-90-4m/f14c061e-5f9c-49c0-bbd1-9b92c3f345c2>

New trajectory

Having increased the size of its portfolio by more than 50% thanks to the addition of two shopping centres combining yields and potential for value creation, MRM has automatically raised its target for annualised net rents.

MRM also expects the increase in rental income to have a positive impact on its net operating cash flow generation and is aiming at improved profitability in the medium term thanks to better absorption of its fixed costs.

Finally, while also maintaining its convenience positioning, MRM will be able to continue to apply its proactive property management approach to a larger portfolio. In addition, potential redevelopment projects and taking environmental and social considerations into account are two key aspects of MRM's investment policy.

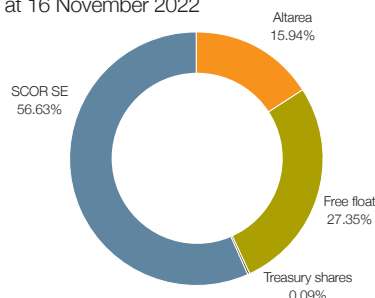
Revised annualised
net rents target
**Over
€16m**
vs. over €10m
before the acquisition

Changes in shareholding structure and governance

Reconfiguration of share capital

Following the issuing of new shares in relation to the two capital increases carried out within the framework of the acquisition, Altarea has become a shareholder in MRM, alongside SCOR SE, which remains its majority shareholder.

as at 16 November 2022



Altarea gains a seat on the Board of Directors

Altarea was appointed as a Board member at the combined general meeting of 16 November 2022. As from this date, the Company's Board of Directors comprises:

- François de Varenne, Chairman of the Board of Directors and Board member;
- SCOR SE, Board member, represented by Karina Lelièvre;
- Altarea, Board member, represented by Rodrigo Clare;
- Brigitte Gauthier-Darcet, independent Board member;
- Valérie Ohannessian, independent Board member; and
- Karine Trébaticky, Board member.

At the end of the general shareholders' meeting of 16 November 2022, the Board of Directors adopted new internal rules of procedure, which include in particular the creation of an Investment Committee within the Board of Directors, replacing the Strategic Committee. It will act as an advisory body, assisting the Board of Directors with MRM's investment policy. The Board of Directors will also continue to be supported by the Audit Committee and the CSR Committee.

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 currently owns 56.63% 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.



Next publication:

9 March 2023

2022 annual results

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MRM share information

Ticker: MRM / ISIN code FR00140085W6
Market: EURONEXT PARIS - Compartment C
Included in the IEIF SIIC France index
Type: Ordinary shares – Daily double fixing

Press releases can be downloaded from the Finance section of the website.

For more information, visit the website: www.mrminvest.com

If you would like to receive MRM publications directly, please send a request with your email address to the contacts mentioned above.

