2020 full-year results

February 16, 2021

MERCIALYS

Preliminary remarks

The 2020 annual consolidated financial statements were approved by the Board of Directors on February 15, 2021.

The audit procedures have been completed by the statutory auditors. The audit certification report is underway.

Contents

Robust responses to an unprecedented crisis

Vincent Ravat
Chief Executive Officer
Élizabeth Blaise
Deputy Chief Executive Officer
& Chief Financial Officer

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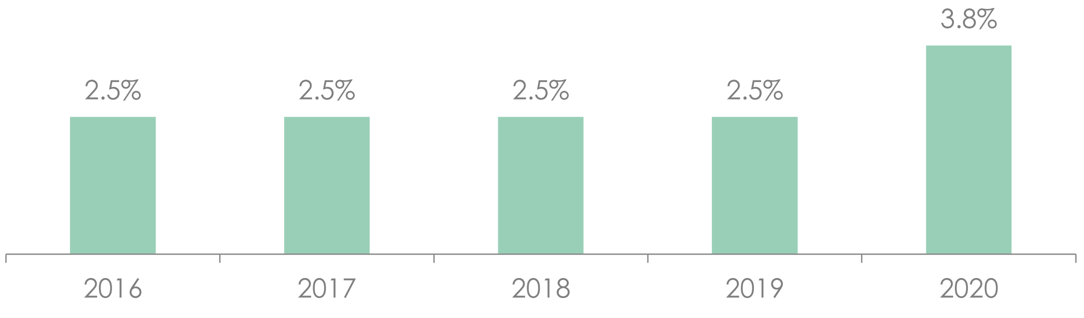
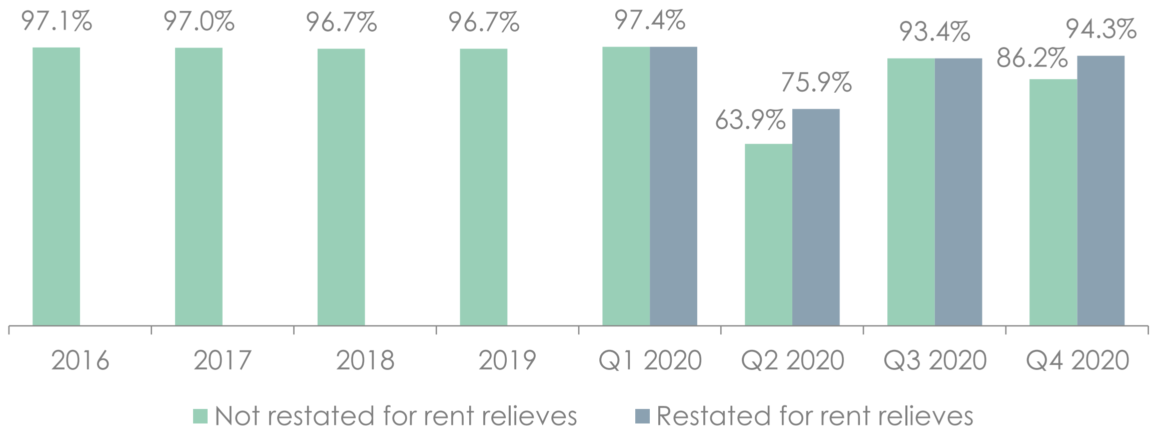
Resilient indicators, despite the context, proving the relevance of Mercialys' model

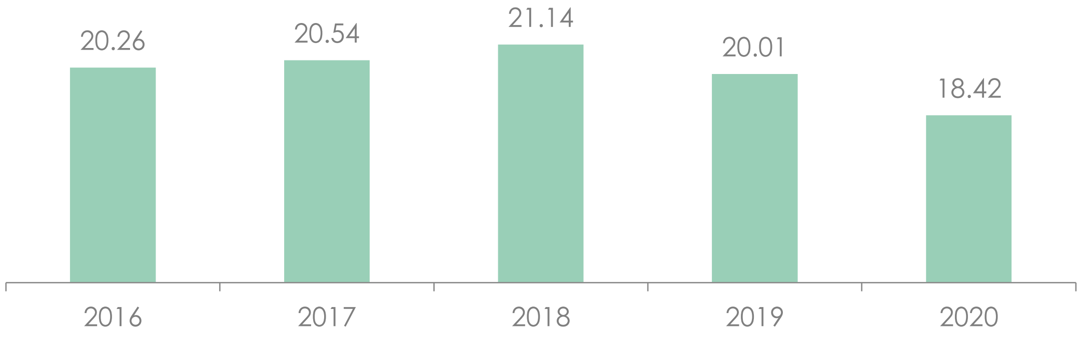
Current financial vacancy rate (1)



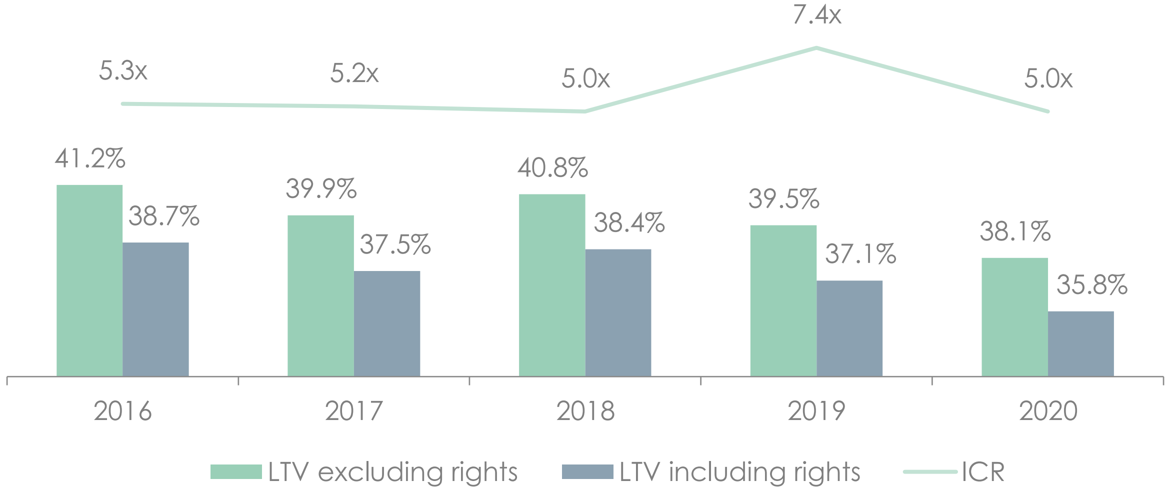
Collection rate (3)



EPRA NNNAV / NDV (€ per share) (2)



LTV and ICR



(1) Mercialys' vacancy rate does not include agreements relating to the Casual Leasing business
(2) Mercialys' EPRA NNNAV and EPRA NDV are equal, as the company's balance sheet does not carry any goodwill
(3) Rent + charges excluding taxes invoiced by Mercialys to its tenants. Non-restated ratio: all rent and charges. Restated ratio: after relief measures issued and to be awarded in connection with the two lockdowns

Year marked by the recurrence of drastic health measures

March 15 to May 10, 2020

1st lockdown
National lockdown and closure of "non-essential" stores

- Geographic scope: nationwide, including overseas territories
- Activities classed as essential:
  - Food
  - Mobility
  - Information
  - Healthcare
  - Hygiene
  - Press
  - Tobacco
  - Construction
  - Financing

May 11 to October 29, 2020

Restrictions eased
Gradual easing of health measures, before tougher measures introduced again from September

- Reopening of virtually all stores on May 11, with the exception of leisure venues (particularly gyms and cinemas), cafes, bars and sit-down restaurants, which were only authorized to reopen from June 2
- New localized closures of cafes, bars and sit-down restaurants from end-September

October 30 to November 27, 2020

2nd lockdown
National lockdown and closure of "non-essential" stores

- Narrower geographic scope affected than in the 1st lockdown: Mainland France and Martinique.
  Réunion Island not concerned by the closure of stores in particular
- Same activities classed as essential as during the 1st lockdown

November 28, 2020 to January 30, 2021

Series of restrictive health measures for different regions

- December 15: lifting of the lockdown, introduction of a night-time curfew
- Closure orders maintained for certain establishments, including leisure venues (particularly gyms and cinemas), cafes, bars and sit-down restaurants

January 31, 2021 to date

Closure of all non-food stores with a GLA of over 20,000 sq.m and non-food stores in centers with a GLA of over 20,000 sq.m

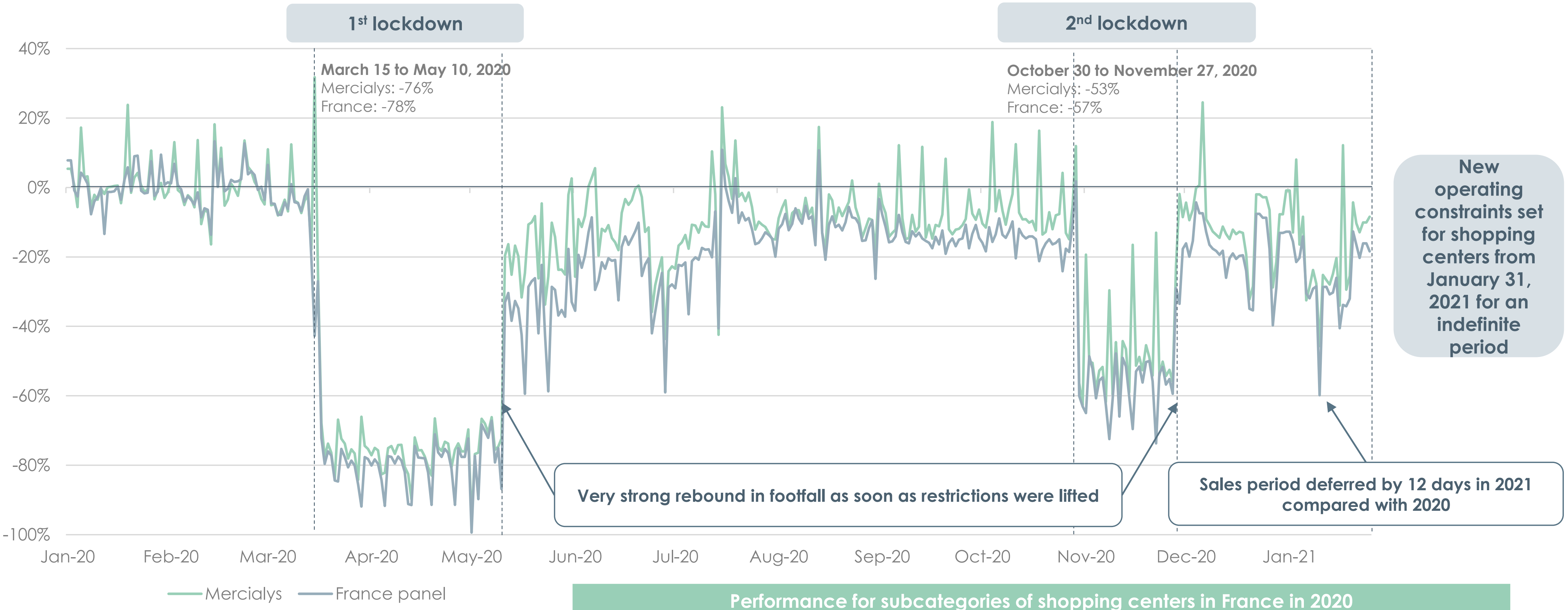
- Geographic scope: Mainland France and certain overseas territories.
  Réunion Island also concerned
- Concerns stores and shopping centers with a total GLA of over 20,000 sq.m.
  Retail parks and open-air centers not concerned
- Stores remaining open:
  - Food stores at all sites, whatever their size
  - Non-food stores at sites with a GLA of less than 20,000 sq.m

100% of Mercialys' retail sites open throughout 2020, including during the 2 lockdown periods, as well as in 2021

March 15 to May 10, 2020	May 11 to October 29, 2020	October 30 to November 27, 2020	November 28, 2020 to January 30, 2021	January 31, 2021 to date
~40% of Mercialys' rental base authorized to operate	~97% of Mercialys' rental base authorized to operate from May 11 and 100% from June 2	~50% of Mercialys' rental base authorized to operate	~96% of Mercialys' rental base authorized to operate	~44% of Mercialys' rental base authorized to operate

Significant negative impacts in terms of footfall, but Mercialys strongly outperformed the market

2020 annual footfall down -21.3% versus 2019, +685bp vs. the CNCC national benchmark index



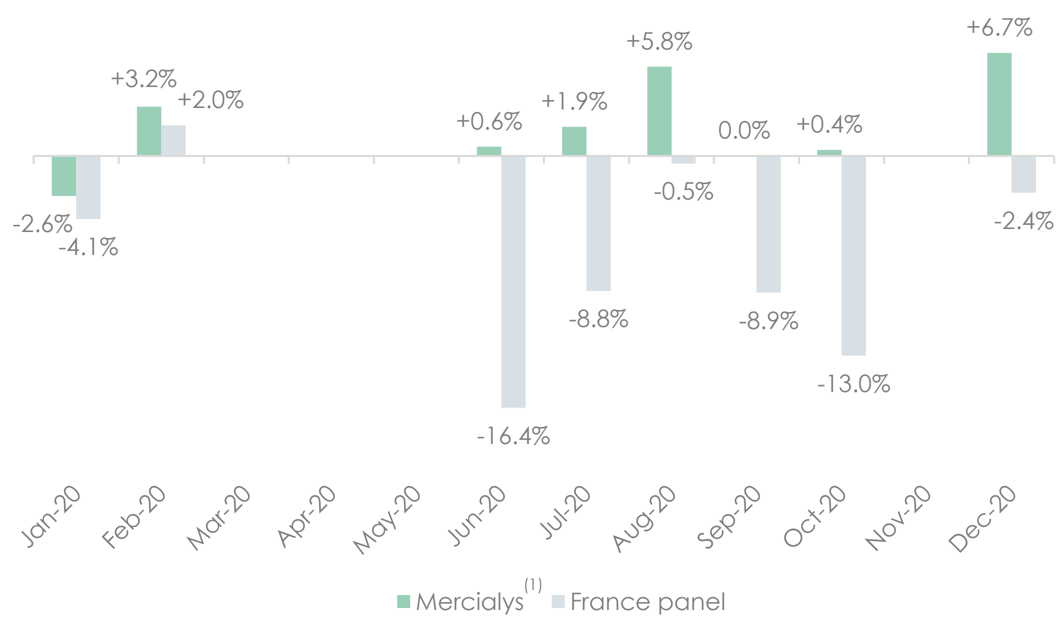
Mercialys' large centers and main convenience shopping centers based on a constant surface area, representing more than 85% of the value of the Company's shopping centers

Performance calculated based on Quantaflow's France panel, which has daily analytical data

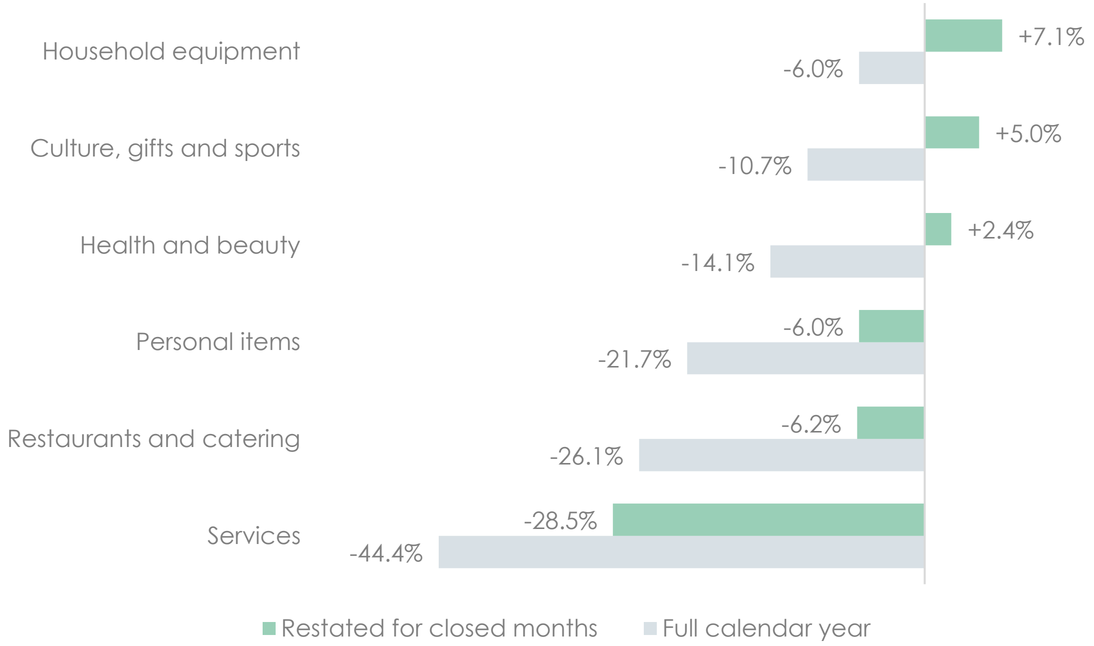
Performance for subcategories of shopping centers in France in 2020			
High street	Out-of-town: Paris region	Out-of-town: other French regions	Large centers
-35%	-28%	-22%	-25%

High conversion rates enabling Mercialys retailer sales to remain in positive territory for the months when they were open

Change in retailer sales for months when they were fully open in 2020



Change in Mercialys 2020 retailer's sales
by sector, excluding food retail



Mercialys retailers' annual sales in 2020:
-15.0%, i.e. +1,070bp compared with the CNCC benchmark index

Contrasting performance levels between sectors, with major impacts on services, restaurants/catering, and personal items

[1] Mercialys' large centers and main convenience shopping centers based on a constant surface area, representing more than 85% of the value of the Company's shopping centers

Commercial leases in France not called into question by the health context

Leases establishing a long-term commercial relationship and usually based exclusively or almost exclusively on fixed rent

- Duration:
  - Minimum of 9 years
  - Tenants may give notice at the end of each 3-year period (3-6-9 years)
  - The landlord must pay tenants compensation for eviction if their lease is terminated early
- Rent and charges:
  - Fixed or with dual component (i.e. minimum guaranteed rent + variable rent)
  - Retailers' sales figures need to be submitted to landlords to determine the variable rent
  - Rent changes in line with indexation, whose calculation and application dates are set out in the contract
  - The breakdown of charges, taxes and works between the landlord and tenants is also covered
- Other items:
  - Specific French retail property system (*propriété commerciale*), generally representing a very significant amount of capital for independent retailers
  - Standard payment of a deposit by the tenant

97.8%

of Mercialys' overall rental income covered by traditional commercial leases

97.2%

of overall rental income covered by guaranteed fixed rent or rent without a variable clause

→ **No paradigm shift in terms of contractual relations between landlords and tenants**

1st lockdown: €13.5m allocated to tenants forced to close, with leases extended ensuring the sustainability of rental flows

Establishment of a **mediation charter between landlords and tenants**, led by the French Ministry of Economy and Finance, to provide a framework for negotiations between stakeholders

- **Maximum of €13.5m** for retailers forced to close (i.e. ~60% of the rental base)
- Negotiations covering more than **1,400 leases** out of the total portfolio's 2,138 leases
- **Good progress with negotiations**, with legal work ongoing to formalize amendments
- **Various arrangements negotiated** making it possible to extend the firm term of the lease portfolio by 6.7 months on average at end-December 2020
- **Outstanding charges** collected to a great extent

	Rent relief measures (€m)	Rent relief measures (in months of rent and charges billed excl. tax)
Negotiations finalized	**9.4**	**1.3**
Without arrangements negotiated	3.0	1.2
With arrangements negotiated	6.4	1.4
Negotiations not finalized	**4.1**	**-**
TOTAL	**13.5**	**-**

Type of arrangements negotiated leading to an extension of the firm term (% of rent relief measures)		
Renewals	**Waiving of 3-year break**	**Deferral of 3-year break by 1 year**
29%	53%	18%

2nd lockdown: partial waiving of 4th quarter rent for stores ordered to close, accompanied by a tax credit mechanism for landlords

Ongoing measures to support retailers in line with the French government's recommendations

Partial rent-free periods for tenants forced to close

Mercialys can benefit from the tax credit in exchange for rent relief granted during the 2nd lockdown **subject to tenants providing the information required** by the State

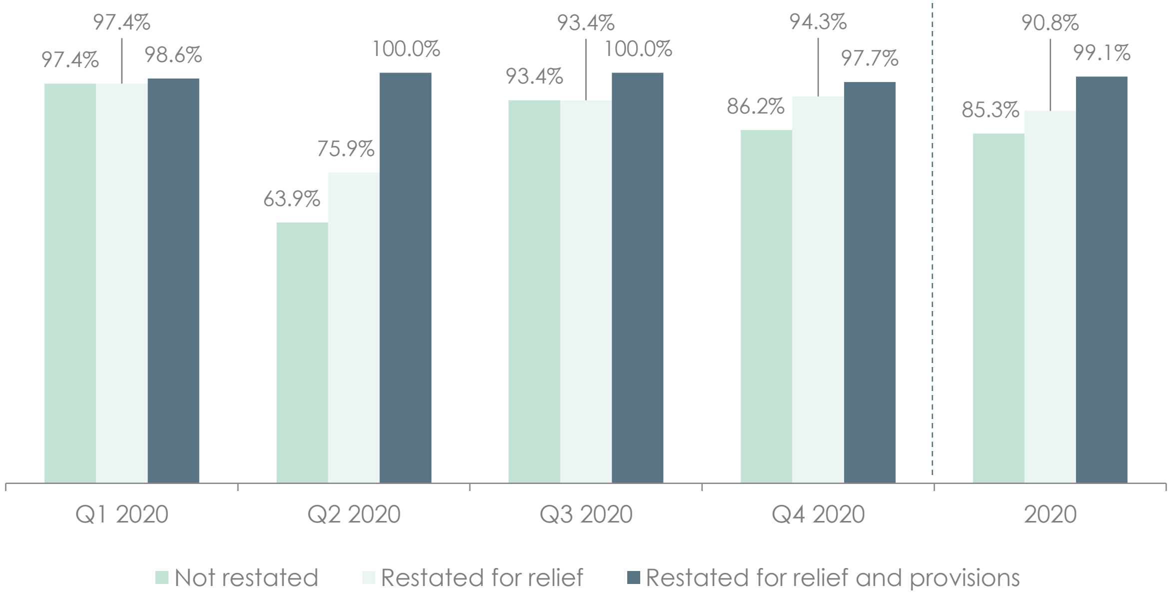
€6.3m of rent relief **that does not include the support measures that could be granted to sit-down restaurants**, as the conditions for them to reopen were not known at end-December 2020

Tax credit mechanism that is complex to estimate to date, particularly with:
- limits on support measures depending on the size of retailers
- limits on support measures depending on whether or not litigation measures were underway in 2019

→ **Due to the limited visibility**:
- **€0.5m of provisions** recorded in the accounts at December 31, 2020 corresponding to arrears, for November, from sit-down restaurants, in addition to the impact of the €6.3m budget allocated for assistance
- **No recognition** of positive impacts for the tax credit in the accounts at December 31, 2020

Decent collection levels for rent and charges, even before factoring in relief granted to retailers and exceptional provisions limiting the residual risk

Collection rates at December 31, 2020



Residual arrears at December 31, 2020

In millions of euros	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Not restated	1.5	20.2	3.8	8.2
Restated for relief	1.5	11.3	3.8	3.0
Restated for relief and provisions	0.8	0.0	0.0	1.2

Collection rates calculated based on the rent and charges excluding tax billed by Mercialys:

- Non-restated ratios: without any adjustment, i.e. calculated on the full amount invoiced for the period
- Restated ratios: deducting from arrears the relief granted and to be awarded to retailers as well as provisions for impairment of doubtful receivables

Determination of the exceptional provisions recorded at end-December 2020

In millions of euros	December 31, 2020
Outstanding rent and charges excluding tax (without rent relief or provisions) (1)	**24.0**
2nd quarter	20.2
3rd quarter	3.8
Relief granted and to be granted at end-December 2020 for the 1st lockdown - 2nd quarter	**-9.4**
Relief granted and to be granted without arrangements negotiated in exchange (2)	-3.0
Relief granted and to be granted with arrangements negotiated in exchange	-6.4
Standard provisions for doubtful receivables (linked to the legal situation of tenants) - 2nd and 3rd quarters	**-2.5**
Other effects (3) **- 2nd and 3rd quarters**	**1.1**
Exceptional provisions for arrears linked to the 1st lockdown - 2nd and 3rd quarters	**13.2**

(1) Of which, -€0.4m relating to creditor balances
(2) Of which, -€0.6m of relief to be issued not relating to arrears
(3) Of which, +€0.4m of creditor balances and +€0.6m of relief to be issued not relating to arrears

Overall impact of €29.4m for the 2020 health crisis, equivalent to 1.5 months of billing for rent and charges excluding tax

Impacts	Period concerned	Profit and loss heading	Amount before potential deferral (€m)	Treatment in profit and loss at Dec 31, 2020 (€m)
Negotiations finalized	1st lockdown	Invoiced rents	9.4	4.1
Negotiations finalized associated with the documentation to be received from tenants	2nd lockdown	Invoiced rents	6.3	6.3
Subtotal			**15.7**	**10.4**
Arrears relating to the 2nd and 3rd quarters	1st lockdown	Provisions for doubtful receivables	13.2	13.2
Arrears for November relating to sit-down restaurants	2nd lockdown	Provisions for doubtful receivables	0.5	0.5
Subtotal			**13.7**	**13.7**
Tax credit	2nd lockdown	Taxes	Positive impact not determined to date, will benefit future periods	Positive impact not determined to date, will benefit future periods
TOTAL			**29.4**	**24.1**

Breakdown over subsequent years of the remaining **€5.3m outstanding** linked to the partial treatment of rent relief with negotiations finalized in profit and loss at December 31, 2020:

- €1.5m in 2021
- €1.4m in 2022
- €1.3m in 2023
- €0.6m in 2024
- €0.3m in 2025
- €0.1m in 2026

Moving forward with Mercialys' transformation to continue anticipating consumer trends

Vincent Ravat
Chief Executive Officer

Élizabeth Blaise
Deputy Chief Executive Officer
& Chief Financial Officer

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Mercialys realigned around out-of-town areas in French regions, which benefit from a lower concentration of stores

INSEE segmentation of France

		Large urban areas	Peri-urban spaces	Mid-size and small urban areas	Other districts
Demographic description	**% of total # of districts**	10 %	44 %	26 %	20 %
	% of French population	52 %	27 %	14 %	7 %
Concentration of stores	**# stores per thousand inhabitants**	2.3 / 5.3	1.5 / 1.8	2.0 / 3.3	2.5 / 2.4
	% of districts with a low concentration of non-food stores (1)	5.0%	37.0%	21.0%	16.0%

- **Large urban areas**: districts that are part of a major hub (10,000 or more jobs)
- **Peri-urban spaces**: districts that are part of the area around a major hub and multi-polarized districts in large urban areas
- **Mid-size and small urban areas:** districts that are part of a mid-size hub (5,000 to 10,000 jobs), the area around a mid-size hub, a small hub (1,500 to 5,000 jobs), the area around a small hub, and other multi-polarized districts
- **Other districts:** isolated districts outside the influence of hubs

Mercialys' core positioning
Food store ratios
Non-food store ratio

(1) Concentration of less than 2 non-food stores for 1,000 inhabitants

Source: INSEE 2020

Sociodemographic trends that are benefiting out-of-town retail in regions, expressing proximity in these areas

Simple access and rapid buying experience, two strengths of peri-urban local retail

Aging of the population

In 2020, **people aged 65 and over** represented **20.5% of the population**, compared with 20.1% in 2019 and 19.7% in 2018. Their percentage has increased by 4.7 points in 20 years

Demographic growth driven by small and medium size cities

Small and mid-size cities benefiting from **positive demographic flows** at the expense of the Paris region

Concentration of the population in suburban areas of agglomerations

Ramping up of urban sprawl in **out-of-town areas**

Factors supporting Mercialys' peri-urban shopping centers, formats delivering proximity in these catchment areas, with:

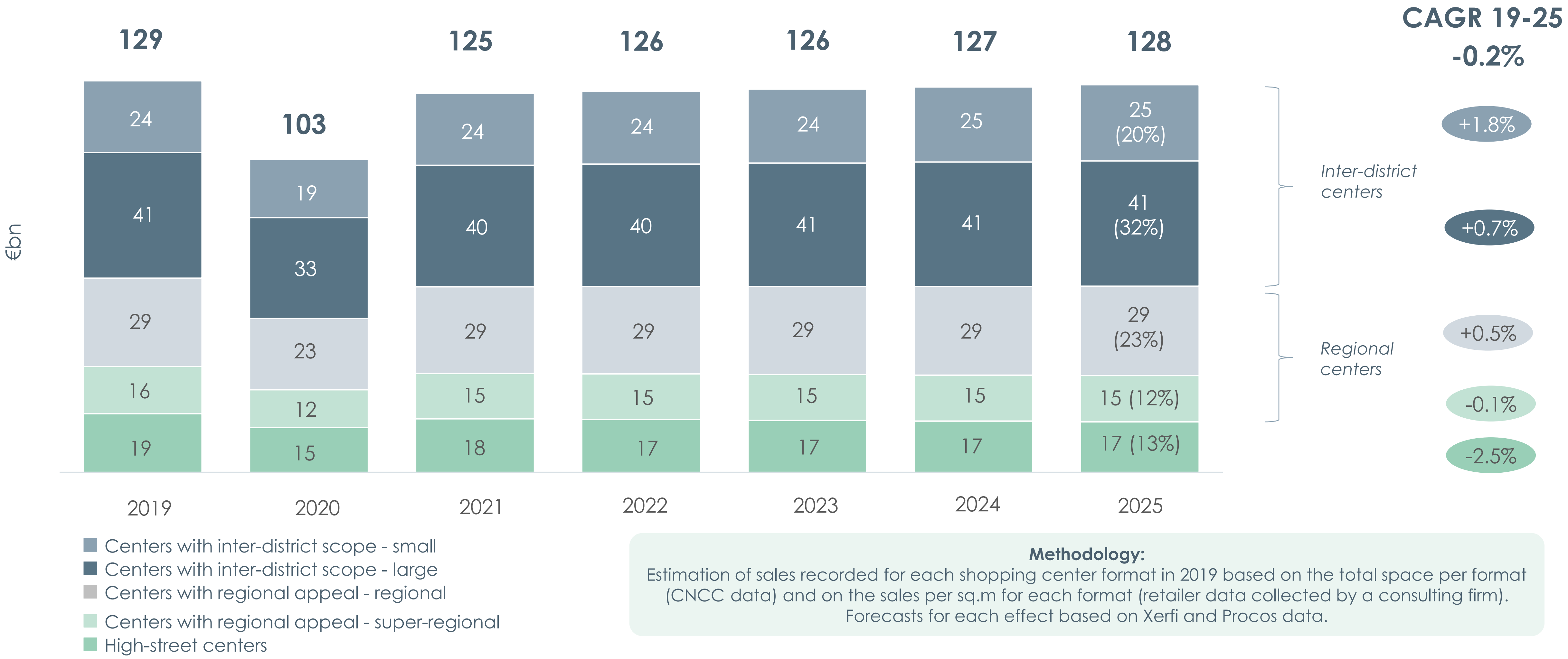
- Intensive and daily use of individual cars
  - Vehicle ownership rate increases exponentially with urban sprawl
  - 81% of retired households could not imagine not having a car
- Hollowing out of city centers

Trend accelerated by the health crisis, with the reorganization of work and a desire to acquire single-family homes

Sources: INSEE, Xerfi, Les Echos

Shopping centers, a mature sector overall, but with residual potential for dominant out-of-town retail sites in French regions

Sales generated and forecast for shopping centers in France (1) with added space (2)



Methodology:
Estimation of sales recorded for each shopping center format in 2019 based on the total space per format (CNCC data) and on the sales per sq.m for each format (retailer data collected by a consulting firm). Forecasts for each effect based on Xerfi and Procos data.

Sources: Forrester, Xerfi, CNCC, Procos

(1) Excluding retail parks

(2) Based on planned additional space. Assumption for sales per sq.m includes the potential effects of areas being closed

Calibrated implementation of the pipeline required, within a market that also offers opportunistic options that may supplement or replace it

(in millions of euros)	Total investment	Investment still to be committed	Target net rental income	Target net yield on cost	Completion date
COMMITED PROJECTS	**22.3**	**21.8**	**1.4** (1)	**na** (1)	**2021 – 2026**
Dining and leisure	3.2	3.2	na (1)	na (1)	2022
Tertiary activities	19.1	18.6	1.4	na (1)	2021 – 2026
CONTROLLED PROJECTS	**133.5**	**129.5**	**9.9**	**7.4%**	**2022 – 2024**
Retail	106.0	102.0	8.0	7.5%	2022 – 2024
Dining and leisure	27.5	27.5	1.9	6.9%	2023
IDENTIFIED PROJECTS	**251.2**	**251.2**	**17.6**	**7.0%**	**2022 – 2027**
Retail	82.6	82.6	5.8	7.0%	2023 – 2024
Dining and leisure	95.0	95.0	6.7	7.0%	2024
Tertiary activities	73.7	73.6	5.2	7.0%	2022 – 2027
TOTAL PROJECTS	**407.0**	**402.5**	**28.9** (1)	**7.1%** (1)	**2021 – 2027**

› End of the partnership agreement with the Casino group and start of the 3-year engagement clause to not invest in a new project that could have a significant impact on a Casino group food retail site

→ **In a market that is being restructured, many accretive investment opportunities will also take shape outside of the Company's current scope**

(1) The investments to be committed, for the dining and leisure section, correspond to an advance for work by Mercialys on the Annecy site, which will be reimbursed to it in full, while for tertiary activities they primarily concern the Saint-Denis mixed-use urban project, north of Paris, with an expected IRR of over 8%

Major strategic changes in the retail property sector, with different levels of maturity depending on the players

1 Concept
Faced with increasingly utilitarian and local consumption, certain concepts are no longer popular with consumers and certain points of sale are no longer the best alternative in terms of buying comfort and efficiency

Evolving concepts

2 Format
Certain large retailers, particularly traditional "powerhouses", are seeing their performance levels decline, encouraging them to explore new retail space formats

Reconfiguration of stores and diversification

3 Geography
Exhaustive location strategies have not always been effective for certain retailers, making it necessary to reassess the relevance of their regional coverage

Rationalization of the store network

4 Omni-channel approach
Replicating the physical offering online is becoming essential in order to be able to offer a seamless, friction-free buying experience.
This involves costs, often accompanied by a necessary shift in the company culture

Investment in marketing, training and inventory management

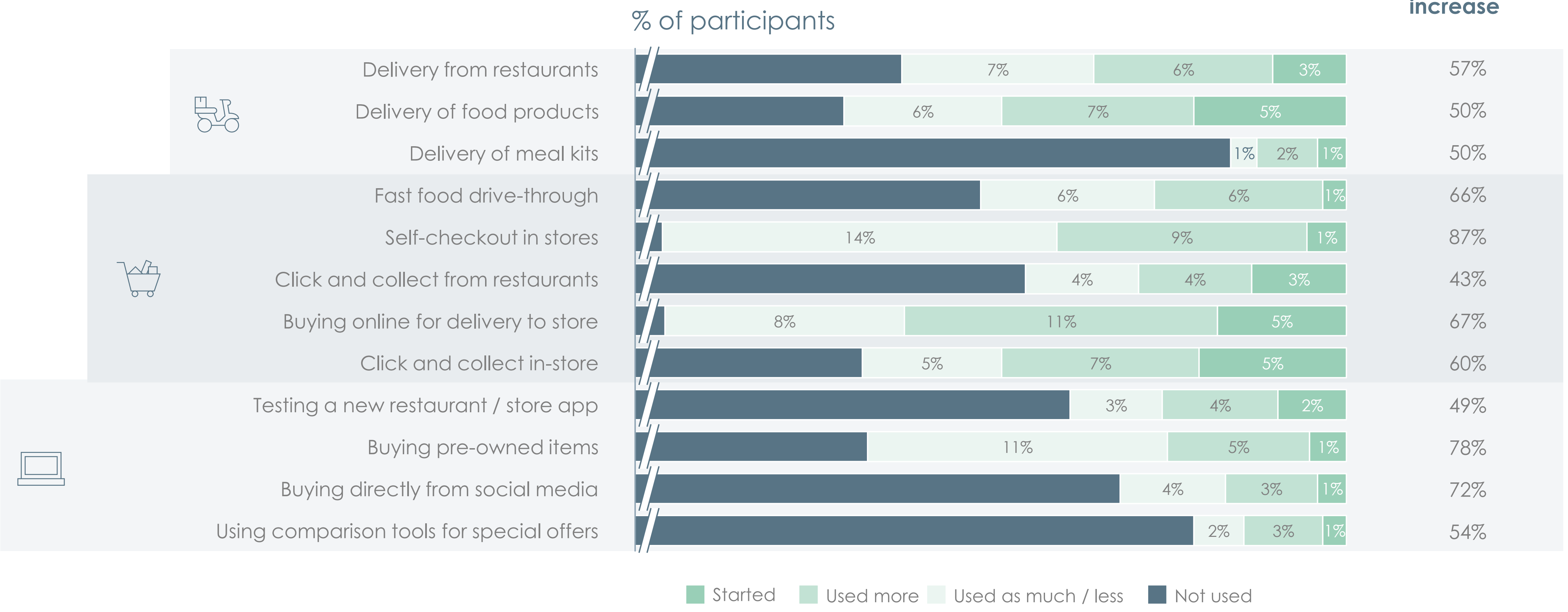
5 Logistics
The omni-channel approach requires a reassessment of processes and locations to ensure a better response to logistics constraints for delivery and collection from points of sale

Rationalization of store use and logistics costs

	Evolving concepts	Reconfiguration of stores and diversification	Rationalization of the store network	Investment in marketing, training and inventory management	Rationalization of store use and logistics costs
Market's average progress	● ● ○	● ● ○	● ○ ○	● ○ ○	○ ○ ○
Mercialys' progress	● ● ○	● ● ◐	● ● ◐	● ◐ ○	● ○ ○

The health crisis has undeniably accelerated the rapid development of new consumer habits, and particularly the use of click and collect

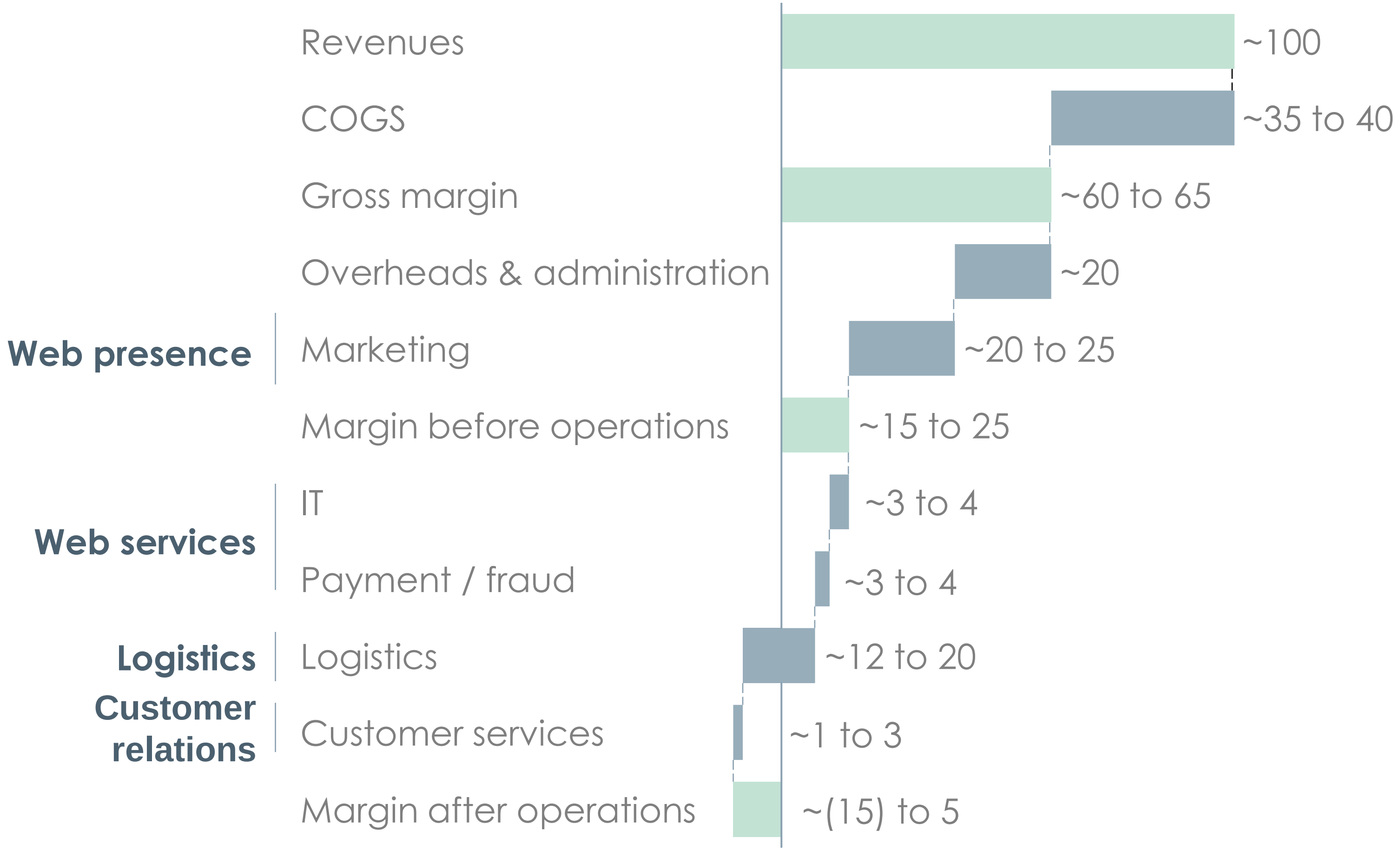
Have you used one of the following services / taken one of the following actions since the start of COVID-19?



Source: Survey conducted by a consulting firm with a representative sample of the French population over the age of 18, based on 1,077 respondents

Ship from store represents an economically rational option to last-mile logistics

Typical breakdown of an online retailer's P&L
% of revenues



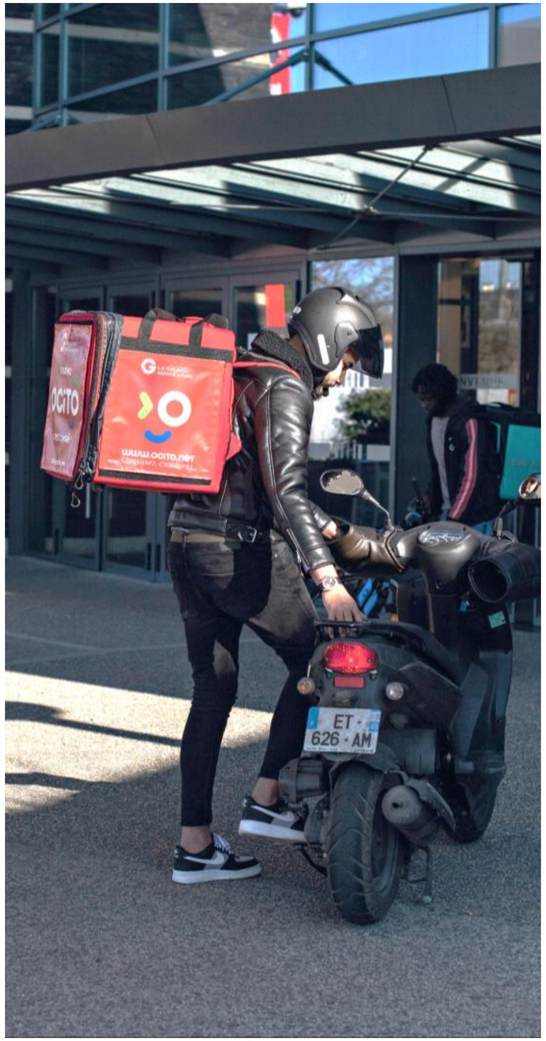
An economic equation that becomes more complex to resolve as the urban density of regions decreases, making it complicated to achieve economies of scale, particularly in terms of staff costs for delivery

The optimization of use of a network of physical local stores, benefiting from appropriate processes and tools, appears to be an economically rational solution to effectively address territorialized markets

Sources: Consulting firm, Fevad, LSA

Ocitô, integrated first- and last-mile logistics services to support unified multi-local retail

The health measures from 2020 have helped legitimize this service and accelerate its adoption



Credits: Arnault de Giron

Ocitô offers a response to 3 challenges

1. Support retailers with their digital transformation
2. Offer end customers a fluid omni-channel buying experience
3. Address the issue of last-mile logistics

26
Shopping centers equipped

200
Retailers integrated on ocito.net

+20%
Average weekly growth since September in the volume of business generated on ocito.net

€1.2m
Investments since 2019

Further strengthening the appeal of sites by aggregating uses

Flexible office services, tailored to specific local demands, already developed and to follow

60
Workspaces available at the Angers and Grenoble sites

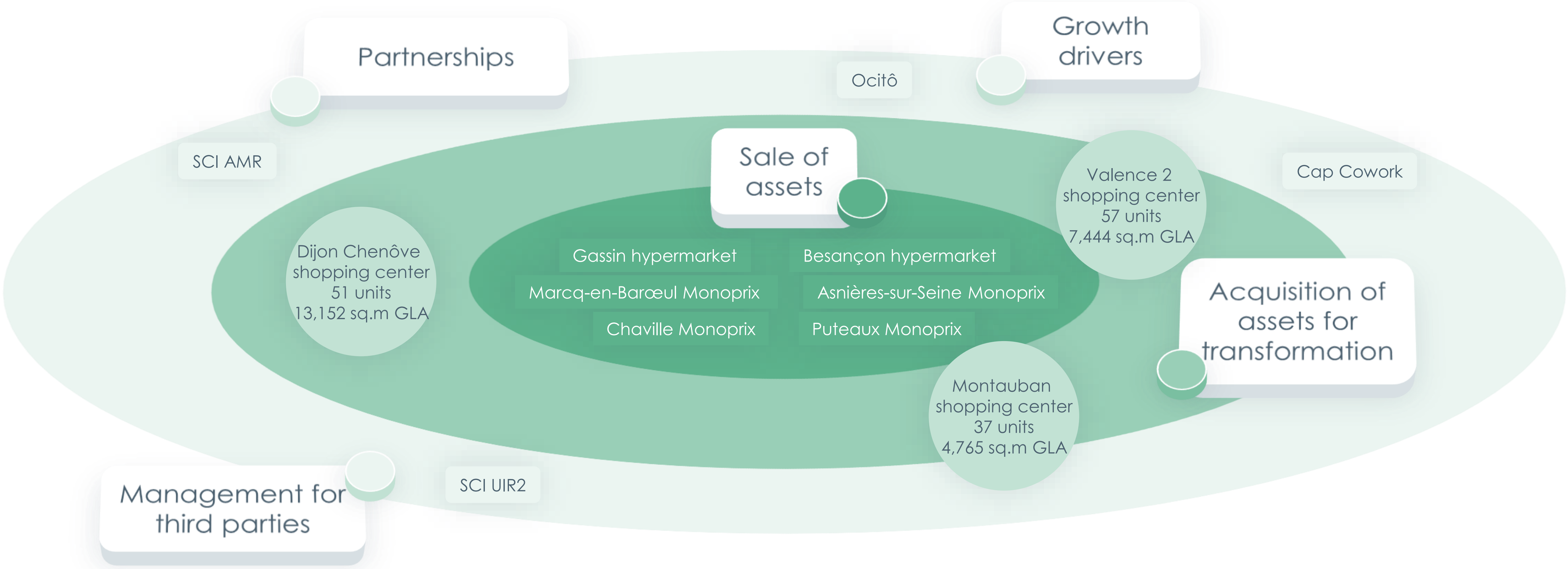
90%
Average occupancy rate for closed offices

<€500k
Amount of investments per site

>13,000 sq.m
Being looked into at 16 sites

Credits: Igor Moiseenko

Asset rotation, underpinning the development of Mercialys' activities and the financing of its new growth drivers



Sustainable and responsible strategy and investments

2020, milestone for the Mery'21 CSR strategy

Strategy with 10 initiatives

Energy and GHG	Asset resilience and adaptability
Circular economy	Biodiversity
Accessibility and connectivity	Customer wellbeing, health and safety
Community life and economic development	Responsible value chain
Talents and diversity	Organization and quality of life at work

Delivering proven results

Fight against climate change

-19% reduction in energy consumption/sq.m vs. 2015

77% of assets BREEAM In-Use certified, with 95% rated Excellent or Outstanding

1st French real estate company to have its 2°C roadmap scientifically approved by the SBTi (1)

Stakeholder dialogue and relations

93% of centers welcomed at least 1 non-profit organization in 2020

4 new national partnerships set up to support regional development

174 investors surveyed for the SRI consultation

Gender equality

Parity achieved for the Board of Directors and Management Committee

57% women employees

2020 workplace equality index: 96/100

(1) The Science Based Targets (SBTi) initiative is a non-profit organization that assesses, based on criteria defined by scientific experts, the alignment between the greenhouse gas emission reduction targets set by companies and the recommendations of the Intergovernmental Panel on Climate Change (IPCC), in order to ensure that these targets effectively limit the increase in global temperatures to 2°C by 2050 compared with 1990

Mercialys renews its ambition, with 4 priority commitments and 12 goals looking ahead to 2030

Determined following an extensive in-house and external consultation process

FAIR IMPACTS 2030
EMPOWERING A RESPONSIBLE FUTURE

>900 stakeholders consulted to draw up the materiality matrix

Finance industry, retailers, non-profits, suppliers, experts, economic stakeholders, public authorities, partners, employees and visitors

Being an engaged employer

- Maintaining best practices in terms of equality, inclusion and ethics
- Developing employee engagement and satisfaction

Promoting more responsible retail

- **100%** of strategic assets certified
- **100%** of centers with a responsible retail offering and services
- **100%** of tenants engaged in our "responsible landlord / tenant" commitments

Partnering for regional development

- **100%** of centers committed to robust regional development
- **100%** of centers with multi-functional spaces
- **100%** "local" and responsible purchases
- Promoting and supporting alternative forms of mobility to individual thermal vehicles

Building a carbon neutral future

- Net zero emissions
- **100%** of waste recovered
- Zero pesticides

Resilient indicators and results, supporting a healthy balance sheet structure

Vincent Ravat

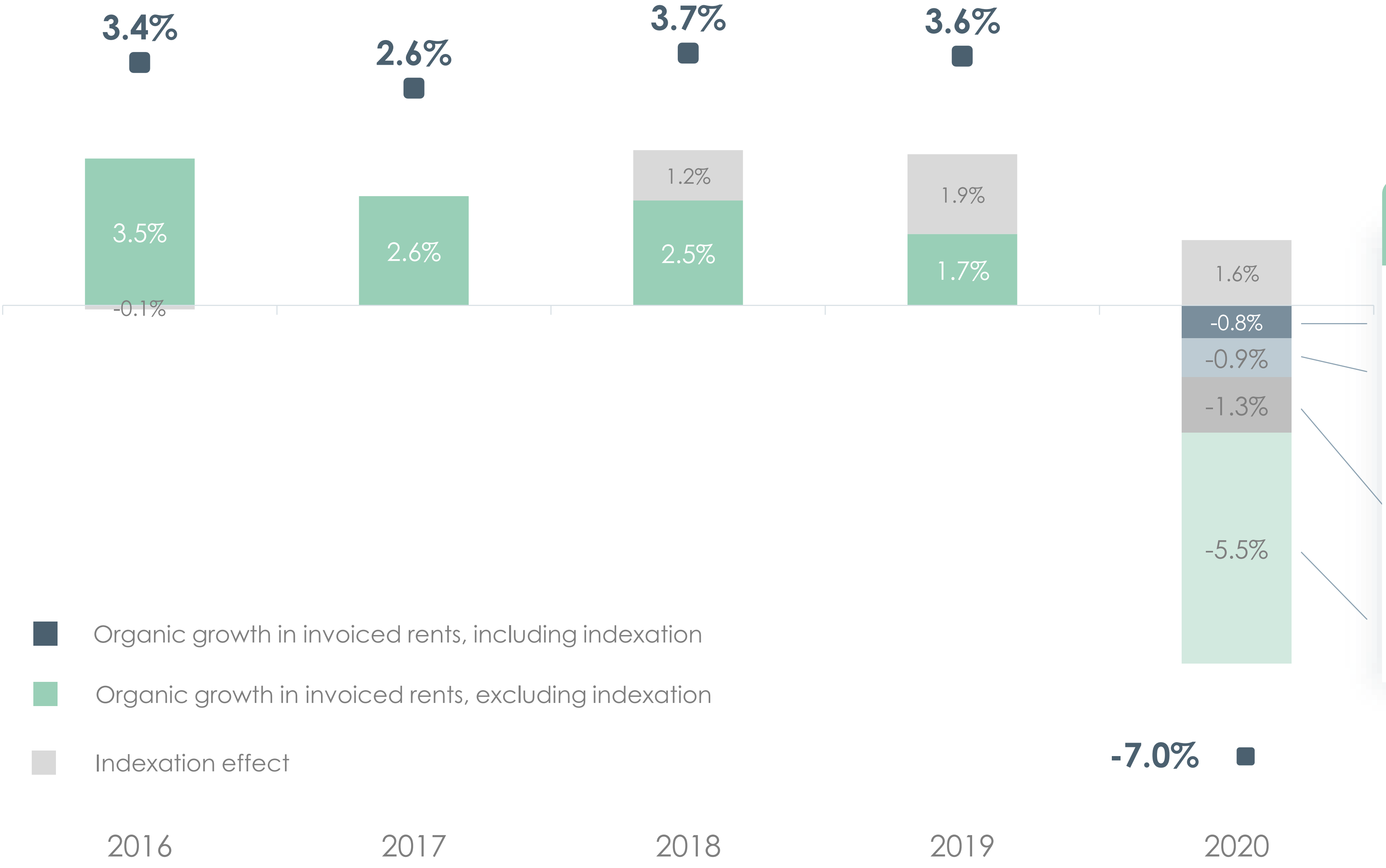
Chief Executive Officer

Élizabeth Blaise

Deputy Chief Executive Officer
& Chief Financial Officer

MERCIALYS

Impacts of the health crisis reflected in organic growth (1)



Impacts linked to the health crisis

Lower contribution by Casual Leasing, following the order to close stores

Contraction in variable rents, following the order to close stores

Actions carried out on the portfolio, including the deferral of rental measures resulting from the lockdown

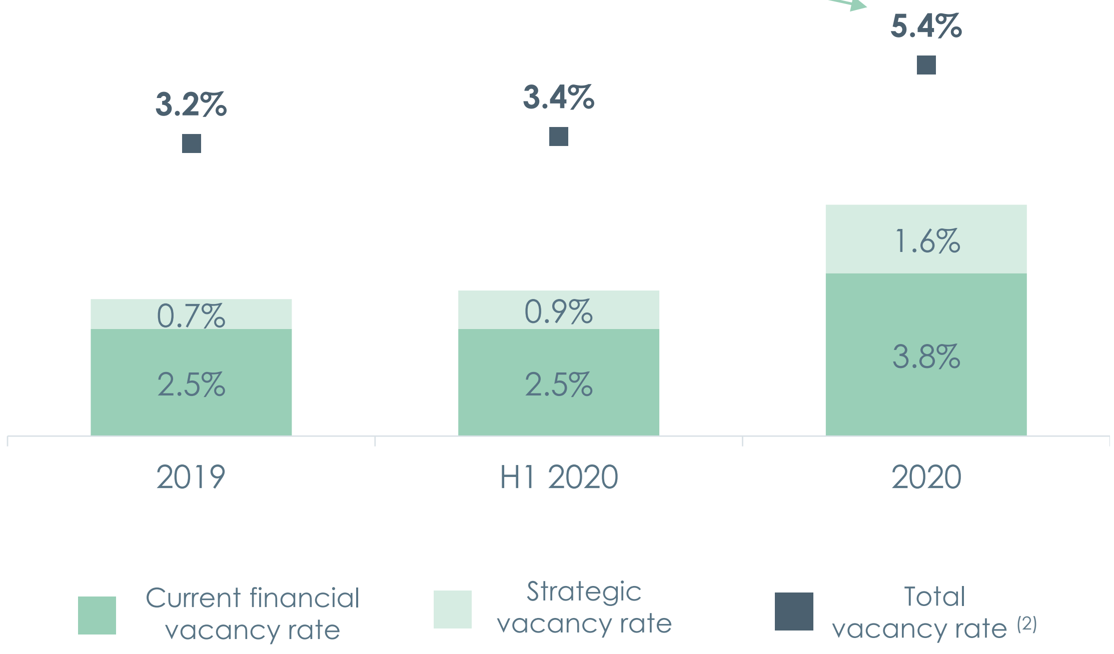
Accounting impact of covid-19 rent relief granted to retailers

(1) Assets enter the like-for-like scope used to calculate organic growth once they have been held for 12 months

Encouraging reletting trends, which are expected to drive up occupancy levels

Change in vacancy rate (1)

The impact of asset rotation in 2020 accounts for +97bp of the increase in the total vacancy rate



(1) Mercialys' vacancy rates do not include agreements relating to the Casual Leasing business
(2) In accordance with the EPRA calculation method: rental value of vacant units/(annualized minimum guaranteed rent on occupied units + rental value of vacant units)

No significant increase in the number of retailers serving notice

57 at end-December 2020 **VS** 41 at end-December 2019

Limited exposure to retailers facing difficulties or rationalizing their physical store network

- 9 stores closed in 2020 by 4 retailers
  €0.9m impact on annualized rental income
- 6 retailers potentially further rationalizing their store network in 2021

Good resilience for rent levels, confirming the portfolio's value

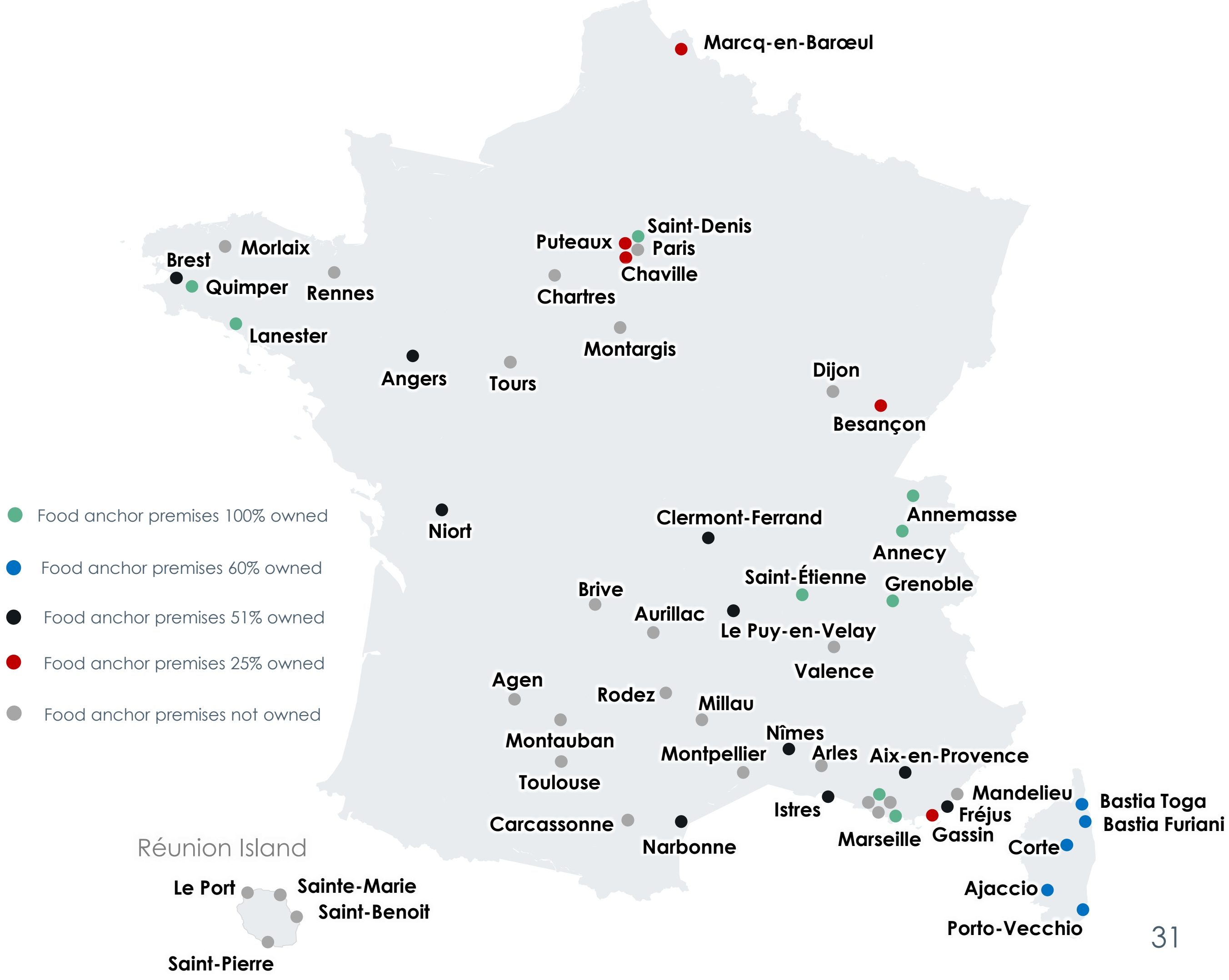
- 71 relettings in 2020, excluding negotiations linked to the health crisis
- +5% reversion on average

Reletting approach that remains focused on day-to-day needs, reducing exposure to both textiles and Mercialys' main tenant

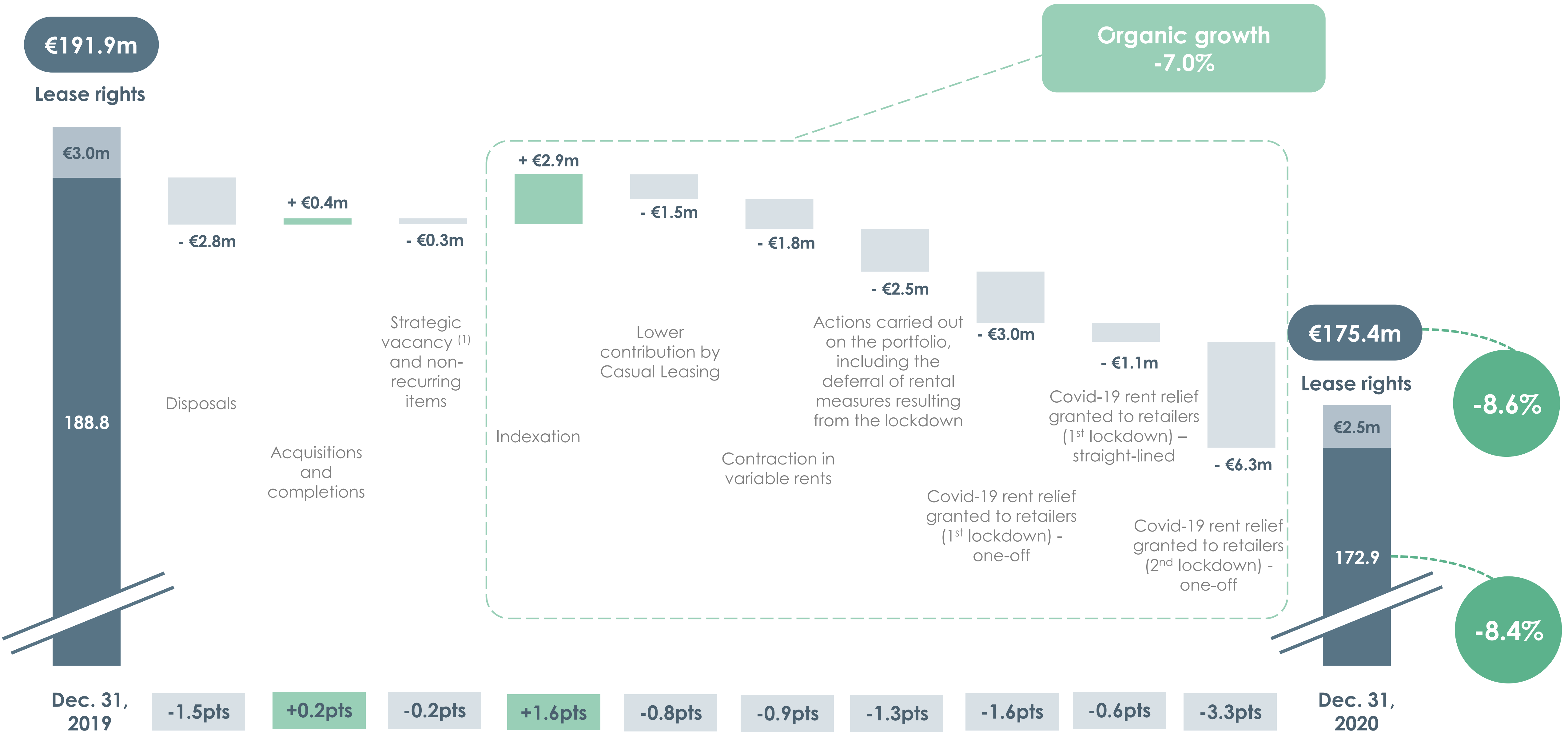
Examples of retailer rotation in 2020

Site	Previous retailer		New retailer
Saint-Étienne	OLLYGAN FRANCE – Textiles	→	BODY minute – Health and Beauty
Nîmes	GUESS – Textiles	→	Normal – Health and Beauty
Arles	Jennyfer – Textiles	→	SFR – Services
Lanester	MORGAN (MORGAN DE TOI) – Textiles	→	LA CHAISE LONGUE – Culture, gifts and sports
Mandelieu	CAMAÏEU – Textiles	→	HUBSIDE.Store – Services

Economic exposure to the food anchor tenant

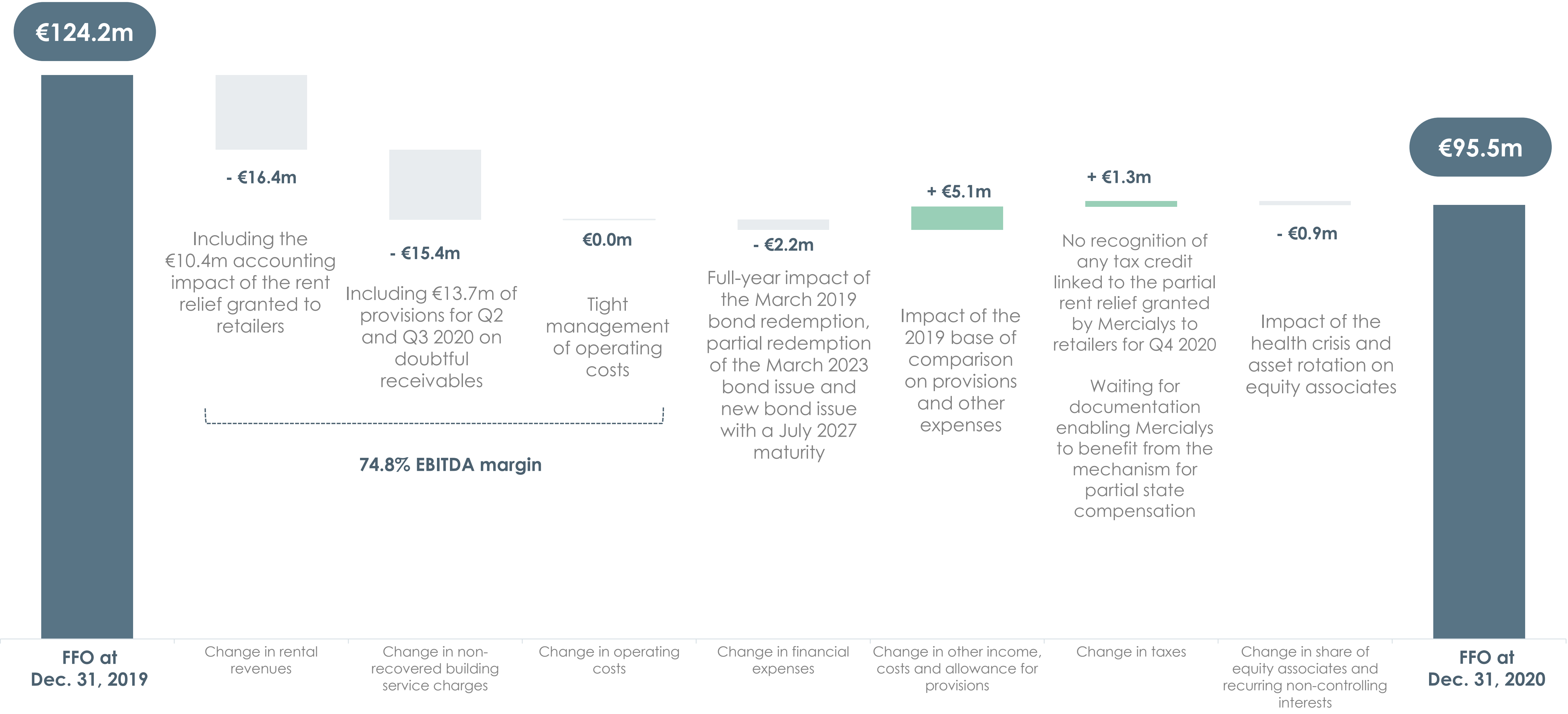


Rental revenues down -8.6% on the back of the health crisis



(1) Linked to the development program – units left vacant to facilitate future developments

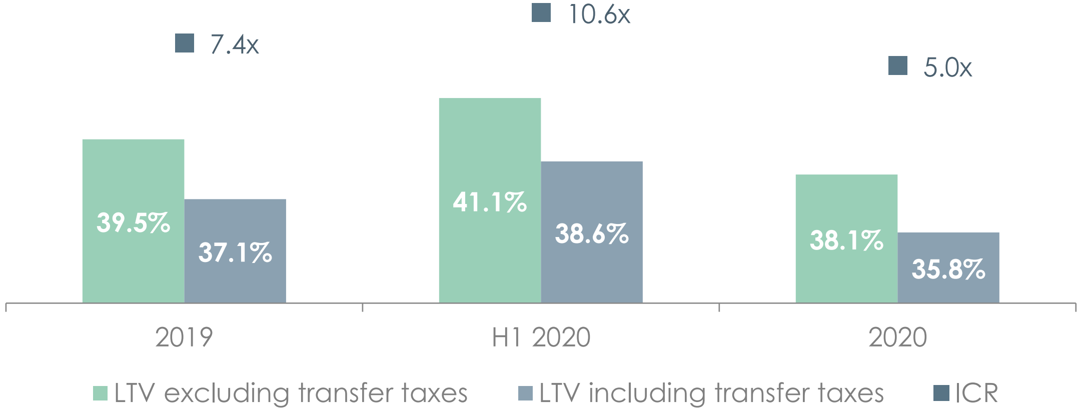
FFO down -23.1%



€124.2m
- €16.4m
Including the €10.4m accounting impact of the rent relief granted to retailers
- €15.4m
Including €13.7m of provisions for Q2 and Q3 2020 on doubtful receivables
€0.0m
Tight management of operating costs
74.8% EBITDA margin
- €2.2m
Full-year impact of the March 2019 bond redemption, partial redemption of the March 2023 bond issue and new bond issue with a July 2027 maturity
+ €5.1m
Impact of the 2019 base of comparison on provisions and other expenses
+ €1.3m
No recognition of any tax credit linked to the partial rent relief granted by Mercialys to retailers for Q4 2020
Waiting for documentation enabling Mercialys to benefit from the mechanism for partial state compensation
- €0.9m
Impact of the health crisis and asset rotation on equity associates
€95.5m
FFO at Dec. 31, 2019
Change in rental revenues
Change in non-recovered building service charges
Change in operating costs
Change in financial expenses
Change in other income, costs and allowance for provisions
Change in taxes
Change in share of equity associates and recurring non-controlling interests
FFO at Dec. 31, 2020

Financial structure under control despite the adverse context

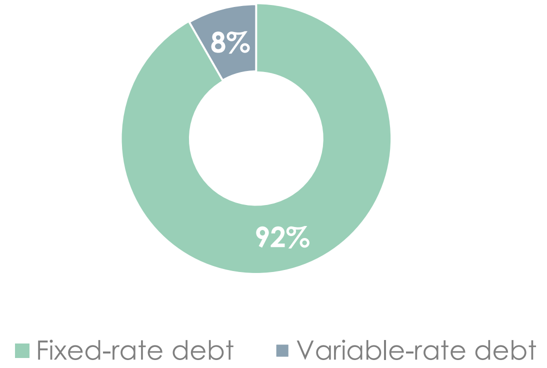
Change in LTV and ICR



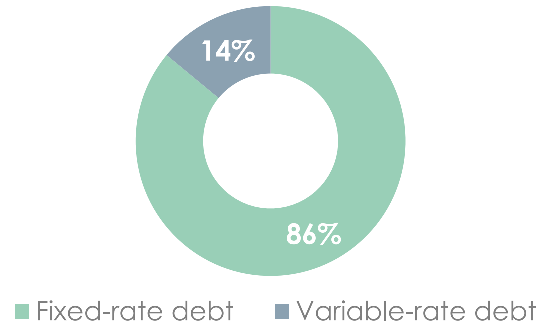
Change in net debt to EBITDA ratio

Debt: fixed vs. floating rate exposure (1)

2020



2019



(1) Including commercial paper program

High level of liquidity

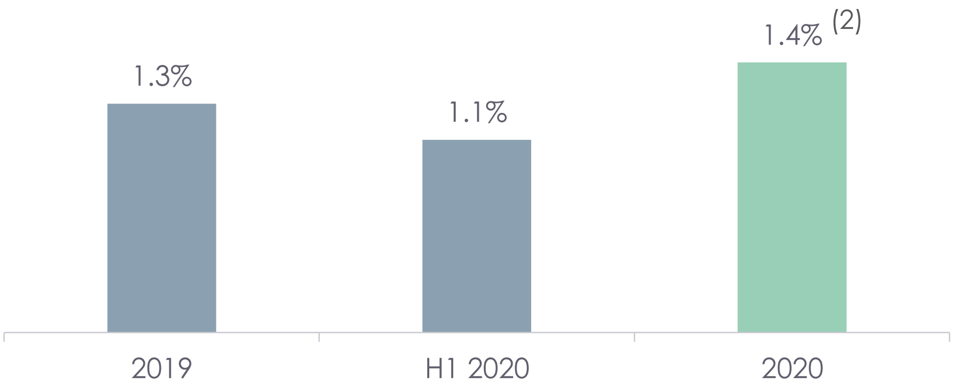
Drawn debt: €1,651.2m including
- €1,318.7m of bond debt
- €332.5m of commercial paper

Cash and equivalents: €464.6m

Undrawn committed credit lines: €405m

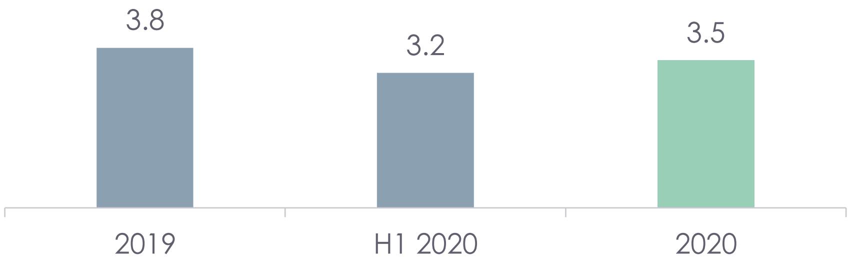
Standard & Poor's rating:
- BBB/negative outlook renewed on June 9 and December 1, 2020

Change in the cost of drawn debt (1)



(1) Including commercial paper program
(2) This rate does not include the positive impact of net proceeds linked to the bond redemption premium, the bond redemption costs, the proceeds from unwinding swaps and the exceptional amortization relating to the partial redemption of the 2023 issue

Change in debt maturity (in years) (1)



(1) Including commercial paper program

Sales at valuations in line with their appraisals, highlighting the liquidity of Mercialys' portfolio

Disposal of the Asnières-sur-Seine Monoprix on December 21, 2020

Sale to a major institutional investor advised by Picture Asset Management
Operation carried out at a value excluding transfer taxes of **€30.8m**

Disposal of 3 Monoprix in Chaville, Puteaux and Marcq-en-Barœul and 2 hypermarkets in Besançon and Gassin on December 23, 2020

Sale to SCI AMR, owned jointly by Mercialys and Amundi Immobilier, based on a value excluding transfer taxes at 100% of the assets of **€198m**

Acquisition of 3 shopping centers to be redeveloped in Dijon Chenôve, Valence and Montauban on December 23, 2020

Acquisition from SCI AMR of the shares not held by Mercialys in the Valence 2 and Montauban centers
Acquisition of the Dijon Chenôve center directly from Amundi Immobilier
Value excluding transfer taxes based on 100% of these 3 assets of **€42m**

Non-proportional capital increase for SCI AMR to finance these operations, resulting in a dilution of Mercialys' interest in this vehicle from 39.9% to **25.0%**

~€150m total net cash-in for Mercialys

Sales prices aligned with the end-June 2020 appraisal values

Yield rates on assets sold significantly below the portfolio's average rate at end-June 2020 (5.49%)

Change in portfolio value

€3,066 m excluding transfer taxes

-7.5% over 6 months

-10.3% over 12 months

	Over 12 months	
Total change on a like-for-like basis (1)	**-5.5%**	**-€177m**
of which rent effect	+0.9%	+€27m
of which yield effect	-6.6%	-€212m
of which other effects	+0.2%	+€7m

Average appraisal yield rate	06/2018	12/2018	06/2019	12/2019	06/2020	12/2020
	5.07%	**5.10%**	**5.20%**	**5.26%**	**5.49%**	**5.72%**
Of which Regional / Large shopping centers	*4.82%*	*4.93%*	*5.04%*	*5.07%*	*5.32%*	*5.44%*
Of which neighborhood shopping centers and city-center assets	*5.88%*	*5.78%*	*5.84%*	*6.12%*	*6.25%*	*7.31%*

(1) Sites on a constant scope and a constant surface area basis

Change in EPRA NDV / EPRA NNNAV per share (1) (2)

€18.42/share, -7.4% over 6 months, -7.9% over 12 months

EPRA NRV

- €21.18/share
- **Down -3.7%** over 6 months
- **Down -7.4%** over 12 months

EPRA NTA

- €19.04/share
- **Down -3.3%** over 6 months
- **Down -7.1%** over 12 months

EPRA NAV

- €19.08/share
- **Down -3.3%** over 6 months
- **Down -7.1%** over 12 months

(1) EPRA NDV (Net Disposal Value) is equivalent to EPRA NNNAV (Triple Net Asset Value) in the specific case of Mercialys, as the Company's balance sheet does not carry any goodwill
(2) Calculated on average diluted number of shares, following EPRA guidelines
(3) Including impact of revaluation of assets outside of organic scope and associates, maintenance capex and capital gains on asset disposals

Conclusion

Vincent Ravat

Chief Executive Officer

Élizabeth Blaise

Deputy Chief Executive Officer
& Chief Financial Officer

MERCIALYS

The health crisis is continuing to have an impact in 2021

- From January 2: gradual nationwide rollout of a **curfew from 6pm to 6am** affecting footfall at Mercialys centers
- From January 31 and for an indefinite period: **order to close all non-food stores with a GLA of over 20,000 sq.m and non-food stores in centers with a GLA of over 20,000 sq.m** in Mainland France and some of the overseas territories
- **No click and collect or order collection services allowed**

January 2

15 departments concerned by the curfew

2 Mercialys shopping centers impacted:

- Besançon
- Mandelieu

January 10 then 12

+ 10 departments concerned by the curfew

+ 10 Mercialys shopping centers impacted:

- Marseille Delprat
- Marseille La Valentine
- Marseille Michelet
- Marseille Plan de Campagne
- Aix-en-Provence
- Arles
- Dijon
- Fréjus
- Istres
- Valence 2

January 16

Whole of Mainland France concerned by the curfew

All Mercialys shopping centers impacted, excluding Réunion Island

January 31

Whole of Mainland France concerned by the order to close non-food stores

Reunion island also concerned

27 Mercialys sites closed (excluding food retail and pharmacies in particular)

28 fully open (except for the activities already closed, namely leisure venues, cafes, bars and sit-down restaurants)

Collection rate to date for Q1 2021 rent and charges excluding tax: 64%

Dividend payment

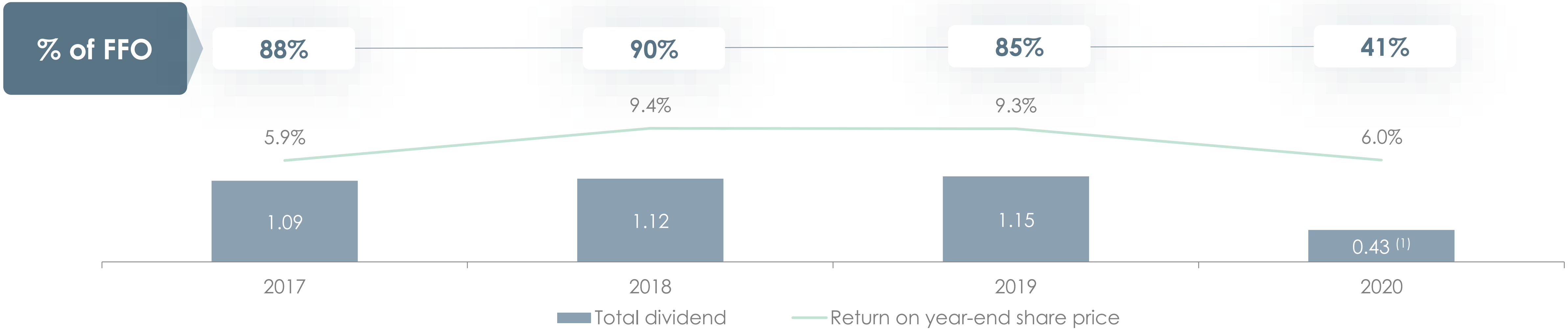
Proposed dividend corresponding to **41%** of 2020 FFO

- Mercialys will propose a dividend of **€0.43 per share** at the 2021 General Meeting corresponding to the recurrent taxable profit available for distribution
- In order to protect Mercialys' balance sheet against a backdrop of continued economic and sanitarian uncertainty, this amount does not include the **€0.39 per share** of capital gains on asset sales available for distribution. This will be distributed in 2022 at the latest, in accordance with fiscal rules
- Subject to approval by the General Meeting, an **option will be offered for share-based payments**
- If the health and economic environment improves in 2021, the Board of Directors could decide to **pay out an interim dividend in the 2nd half of 2021 corresponding to part of the 2020 capital gains**

Ex-dividend right date:
April 29, 2021

Payment date:
May 21, 2021

Change in dividend



(1) Distribution subject to approval by the General Meeting on April 22, 2021

2021 objectives

The latest restriction measures linked to the health crisis are significantly limiting visibility over activities due to the closure of a large part of Mercialys' shopping centers and the curfew

As a result, the Company is not in a position at this stage to publish specific full-year objectives for 2021

Mercialys is reaffirming its priorities:

- focusing its efforts on its operational management
- deploying its last-mile delivery platform
- protecting its balance sheet positions

Appendices

MERCIALYS

Financial calendar

2021

April 19	April 22	July 28	July 29	October 18
Activity at March 31, 2021 (after market close)	**2021 Annual Shareholders' Meeting**	**Press release on 2021 half-year results** (after market close)	**Conference call on 2021 half-year results**	**Activity at September 30, 2021** (after market close)

Organizational structure

129 employees at end-December 2020

- All core business functions carried out in-house, excluding specific mandates
- Certain support functions brought back in-house, others still outsourced

Support functions brought back in-house					
Real Estate Legal (reintegrated at Dec 31, 2019)	Real Estate Development (reintegrated at Dec 31, 2019)	Fund Management (reintegrated at Dec 31, 2019)	IT (reintegrated at Jun 30, 2020)	Real Estate Management Control (reintegrated at Jun 30, 2020)	Human Resources Support (reintegrated at Dec 31, 2020)

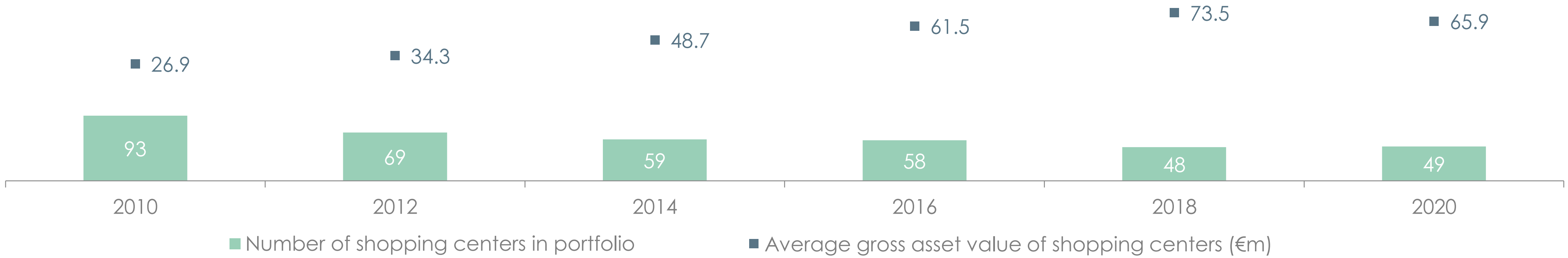
Support functions currently being brought back in-house	
Corporate Legal (under reintegration at Dec 31, 2021)	Insurance (under reintegration at Dec 31, 2021)

Outsourced functions		
Tax	Accounting Support	Corporate Finance

Specific mandates outsourced	
Technical and Administrative Management	Management of Rent and Arrears

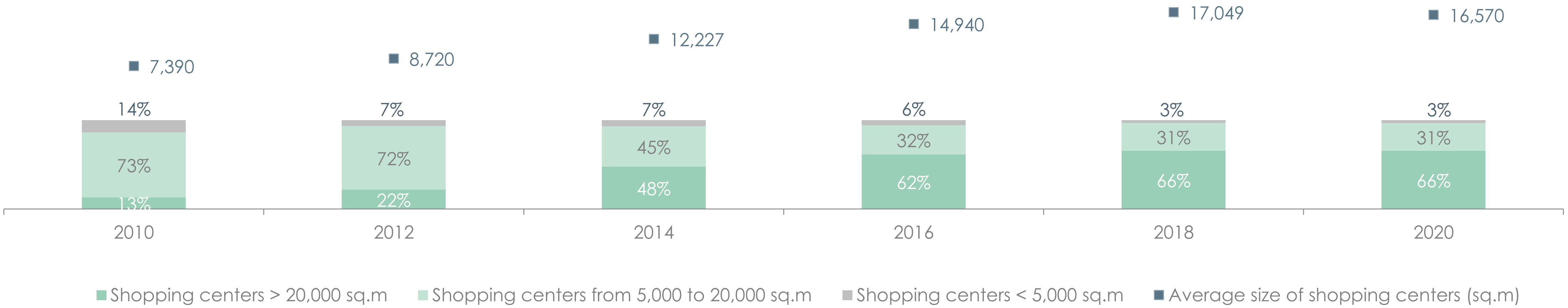
Shopping center portfolio structure

Number of shopping centers and average value



Shopping center breakdown by size

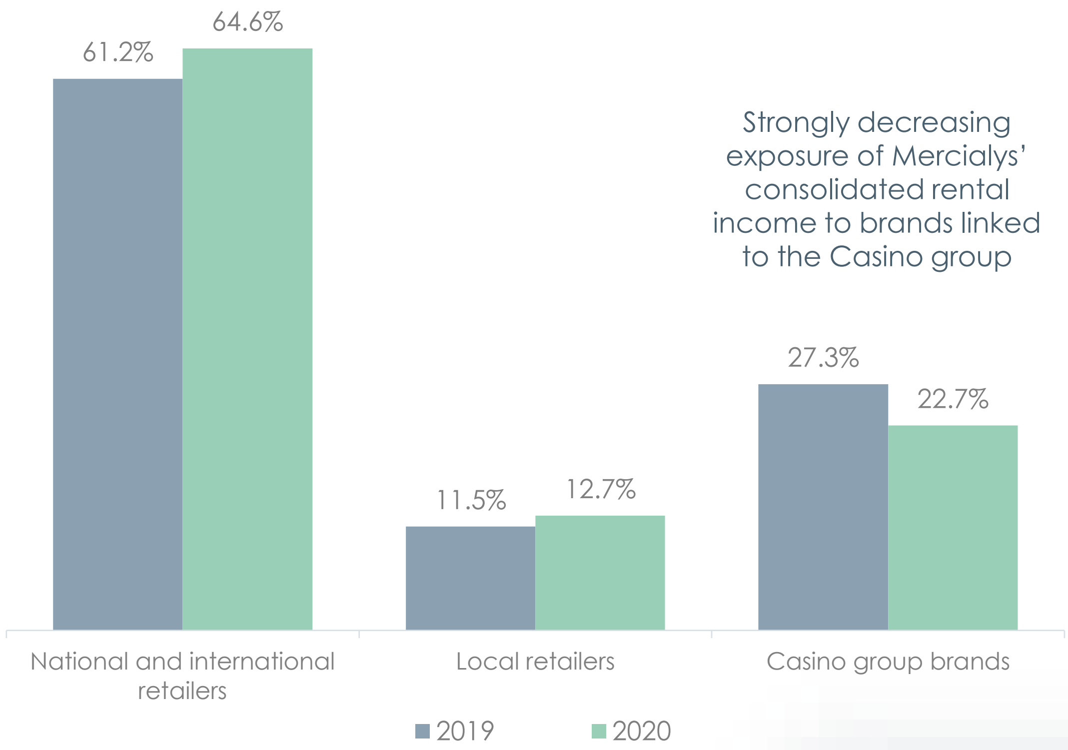
(% of portfolio gross asset value including rights at December 31, 2020)



Rental income structure

Breakdown of Mercialys' rental income by type of retailer – Consolidated vision

(% of annualized rental income at December 31, 2020 and December 31, 2019)

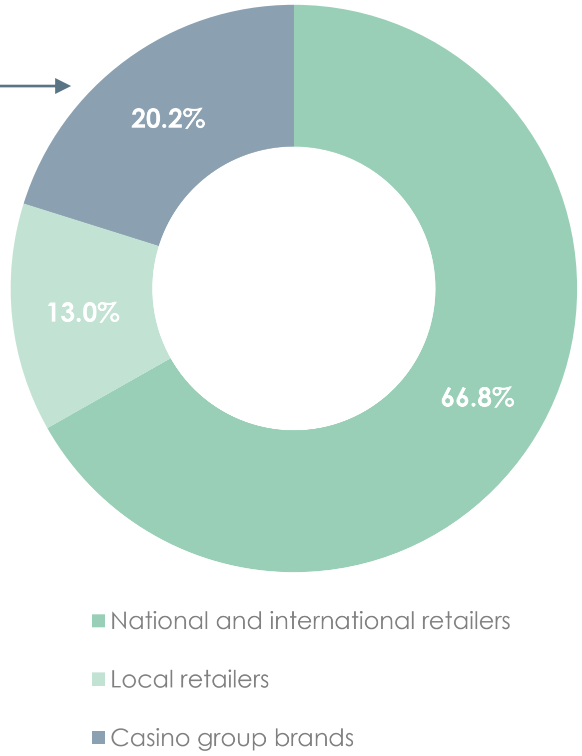


Strongly decreasing exposure of Mercialys' consolidated rental income to brands linked to the Casino group

Breakdown of Mercialys' rental income by type of retailer – Economic exposure

(% of annualized rental income at December 31, 2020)

Actual economic exposure to the Casino group brands



Restated for:

- the 49% held by BNPP REIM France in SAS Hyperthetis Participations and Immosiris (owning 10 Géant hypermarkets)
- the 25% minority stake held by Mercialys in SCI AMR (owning 3 Monoprix and 2 Géant hypermarkets)

Over 900 retailers and 2,138 leases

Rental income structure

Casino group lease schedule

(main leases: hypermarkets, supermarkets & Monoprix stores)

Site	% held by Mercialys	Type	Lease start date	Lease end date	Lease characteristics
Saint-Denis	100%	Supermarket	01/2000	12/2008	3 - 6 - 9 commercial lease
Grenoble	100%	Monoprix	02/2010	02/2022	3 - 6 - 9 - 12 commercial lease
Saint-Étienne	100%	Hypermarket	07/2014	06/2026	3 - 6 - 9 - 12 commercial lease
Quimper	100%	Hypermarket	12/2014	12/2026	3 - 6 - 9 - 12 commercial lease
Annecy	100%	Hypermarket	12/2014	12/2026	3 - 6 - 9 - 12 commercial lease
Aix-en-Provence	51%	Hypermarket	06/2015	06/2027	3 - 6 - 9 - 12 commercial lease
Marseille	100%	Hypermarket	06/2015	06/2027	3 - 6 - 9 - 12 commercial lease
Brest	51%	Hypermarket	06/2015	06/2027	3 - 6 - 9 - 12 commercial lease
Nîmes	51%	Hypermarket	06/2015	06/2027	3 - 6 - 9 - 12 commercial lease
Angers	51%	Hypermarket	06/2015	06/2027	3 - 6 - 9 - 12 commercial lease
Lanester	100%	Hypermarket	06/2015	06/2027	3 - 6 - 9 - 12 commercial lease
Niort	51%	Hypermarket	06/2015	06/2027	3 - 6 - 9 - 12 commercial lease
Fréjus	51%	Hypermarket	06/2015	06/2027	3 - 6 - 9 - 12 commercial lease
Narbonne	51%	Hypermarket	11/2015	11/2027	3 - 6 - 9 - 12 commercial lease
Istres	51%	Hypermarket	11/2015	11/2027	3 - 6 - 9 - 12 commercial lease
Le Puy	51%	Hypermarket	11/2015	11/2027	3 - 6 - 9 - 12 commercial lease
Clermont-Ferrand	51%	Hypermarket	11/2015	11/2027	3 - 6 - 9 - 12 commercial lease
Annemasse	100%	Hypermarket	12/2015	12/2027	3 - 6 - 9 - 12 commercial lease
Marseille Canebière	100%	Monoprix	12/2015	12/2027	3 - 6 - 9 - 12 commercial lease
Ajaccio	60%	Hypermarket	07/2018	06/2030	12-year commercial lease, 9-year firm period
Corte	60%	Supermarket	07/2018	06/2030	12-year commercial lease, 9-year firm period
Furiani	60%	Hypermarket	07/2018	06/2030	12-year commercial lease, 9-year firm period
Porto-Vecchio	60%	Hypermarket	07/2018	06/2030	12-year commercial lease, 9-year firm period
Toga	60%	Hypermarket	07/2018	06/2030	12-year commercial lease, 9-year firm period

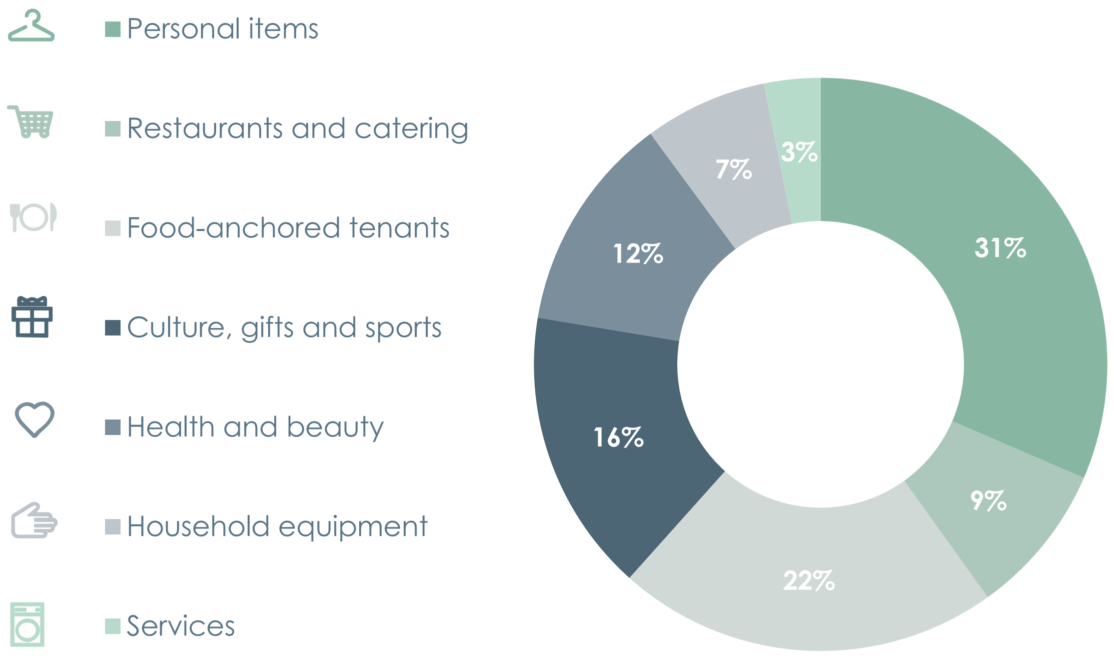
H&M group lease schedule

Site	Lease start date	Lease end date	Lease characteristics
Grenoble	05/2010	05/2020	3 - 6 - 9 - 10
Marseille	04/2011	04/2021	3 - 6 - 9 - 10
Angers	07/2011	07/2021	3 - 6 - 9 - 10
Clermont-Ferrand	08/2013	08/2023	3 - 6 - 9 - 10
Mandelieu	01/2016	01/2028	12-year commercial lease, 6-year firm period
Brest	02/2016	02/2028	12-year commercial lease, 6-year firm period
Lanester	07/2016	07/2028	12-year commercial lease, 6-year firm period
Toulouse	07/2016	07/2028	12-year commercial lease, 6-year firm period
Aix-en-Provence	08/2016	08/2028	12-year commercial lease, 6-year firm period
Besançon	12/2016	12/2028	12-year commercial lease, 6-year firm period
Quimper	05/2017	05/2029	3 - 6 - 9 -12
Morlaix	07/2017	07/2029	12-year commercial lease, 6-year firm period
Narbonne	07/2017	07/2029	12-year commercial lease, 6-year firm period
Nîmes	08/2017	07/2029	12-year commercial lease, 6-year firm period

Rental income structure

Breakdown of Mercialys' rental income by business sector

(% of annualized rental income at December 31, 2020 – including exposure to the Casino group)

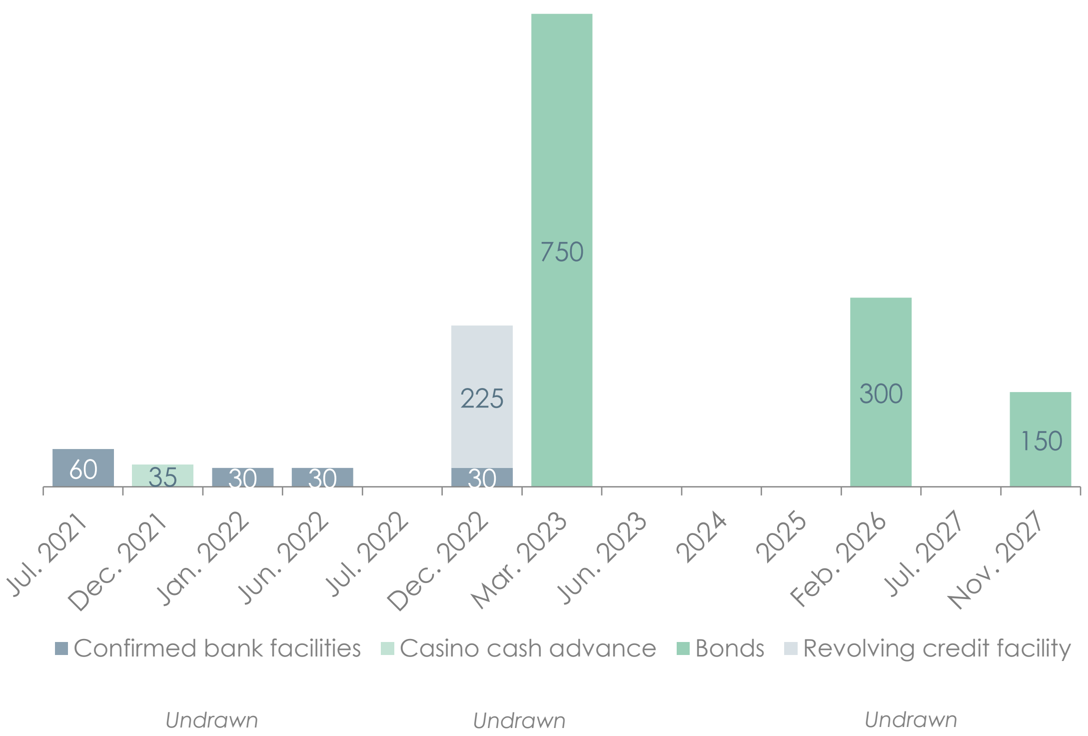


Lease expiry schedule

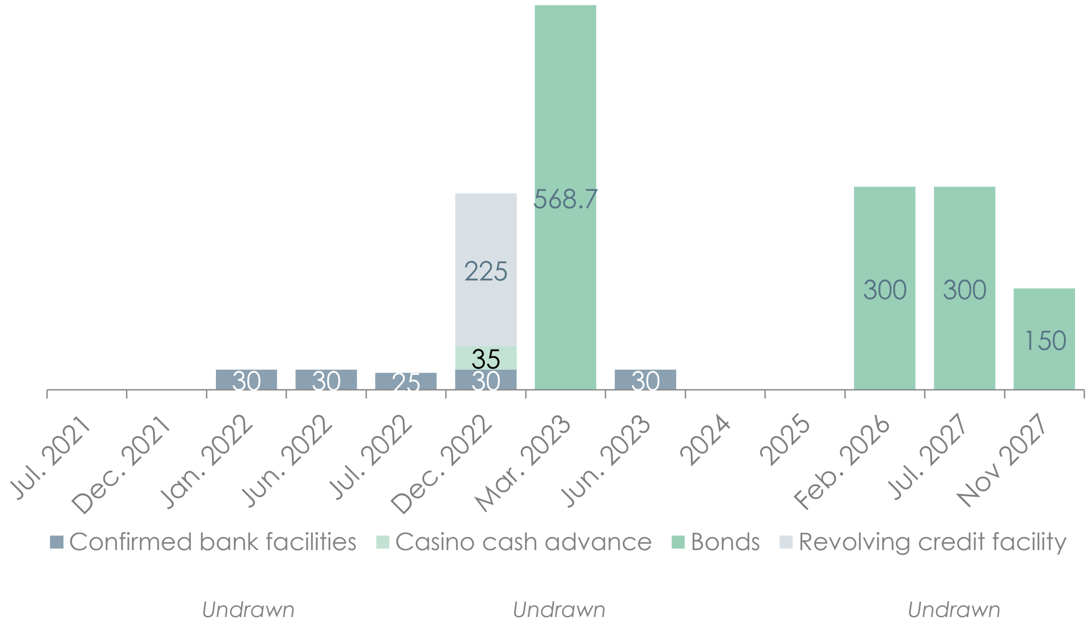
(percentage of leases expiring / guaranteed minimum rent)

Financing structure and debt schedule

Debt schedule at end-2019 (1)
in €m



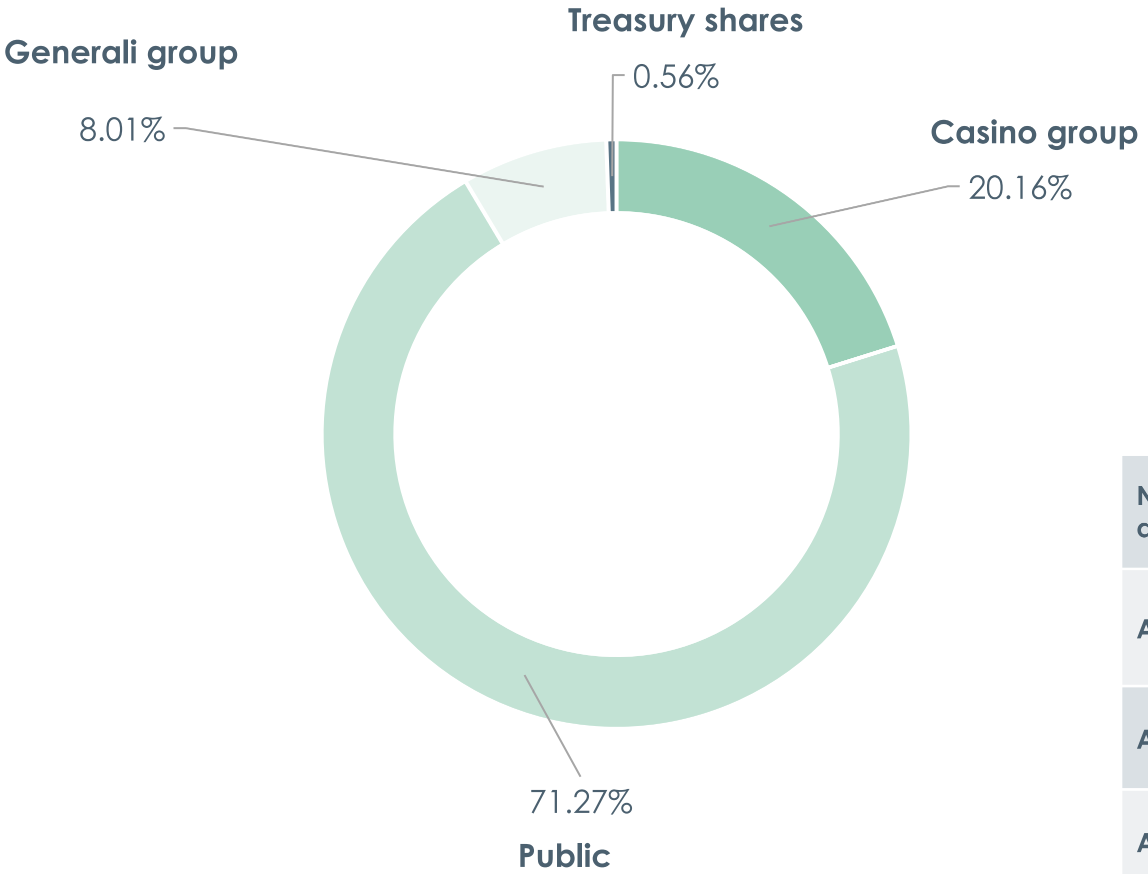
Debt schedule at end-2020 (1)
in €m



(1) Excluding commercial paper program

Shareholding structure

At December 31, 2020



	December 31, 2018	December 31, 2019	December 31, 2020
Number of shares outstanding at the end of the period	92,049,169	92,049,169	92,049,169
Average number of shares outstanding	92,049,169	92,049,169	92,049,169
Average number of shares (basic)	91,733,866	91,789,610	91,532,357
Average number of shares (diluted)	91,733,866	91,789,610	91,532,357

Outstanding CSR strategy Mery'21 regularly recognized since its launch

	GRESB	CDP	Gaïa Rating	vigeo eiris	Sustainalytics	MSCI	ISS-oekom	Grands Prix de la Transparence	EPRA European Public Real Estate Association	Ministère chargé de l'égalité entre les femmes et les hommes, de la diversité et de l'égalité des chances
2020	Score: 85/100(1) Green Star status	Rating: A A List status maintained	Score: 87/100 #1 in its category Member of the Gaïa index	Score: 64/100(2)	No review to date	Rating: A	No review to date	#1 on SBF 120 Grand Prix "All Categories" Award	BPR Gold Award sBPR Gold Award	No review to date
2019	Score: 90/100 Green Star status	Rating: A A List status maintained	Score: 83/100 Member of the Gaïa index	Score: 63/100(2)	Score: 75/100	Rating: A	Rating: B- Prime status maintained	Classified out of category Registration Document Award	BPR Gold Award sBPR Gold Award	#4 on SBF 120
2018	Score: 87/100 Green Star status	Rating: A Inclusion in the A List	Score: 82/100 Member of the Gaïa index	Score: 51/100 (no review in 2018)	Score: 67/100(2) (no review in 2018)	Rating: BBB	Rating: B- Prime status achieved	#1 on SBF 120 Grand Prix "All Categories" Award	BPR Gold Award sBPR Gold Award	#4 on SBF 120
2017	Score: 84/100 Green Star status achieved	Rating: A-	Score: 79/100 Member of the Gaïa index	Score: 51/100	Score: 67/100(2)	Rating: A	Rating: C-	#3 on SBF 120 Year's Most Improved Award	BPR Gold Award sBPR Gold Award	#12 on SBF 120
2016	Score: 64/100	-	Score: 73/100 Member of the Gaïa index	Score: 47/100 (no review in 2016)	Score: 39/100(2)	Rating: A	Rating: D+	#83 on SBF 120	BPR Gold Award	#6 on SBF 120
2015	-	-	Score: not comparable Member of the Gaïa index	Score: 47/100	-	Rating: A	Rating: D+	#79 on SBF 120	BPR Gold Award	#10 on SBF 120

(1) Not comparable due to a change in the assessment methodology
(2) Estimated

EPRA performance indicators

	December 31, 2019	June 30, 2020	December 31, 2020
EPRA earnings - € per share	1.35	0.69	1.04
EPRA NAV - € per share	20.53	19.72	19.08
EPRA NNNAV - € per share	20.01	19.90	18.42
EPRA NRV - € per share	22.87	22.00	21.18
EPRA NTA - € per share	20.49	19.68 (1)	19.04
EPRA NDV - € per share	20.01	19.90	18.42
EPRA net initial yield - %	4.94%	5.16%	5.28%
EPRA "topped-up" net initial yield - %	5.00%	5.20%	5.33%
EPRA vacancy rate - %	3.2%	3.4%	5.4%
EPRA cost ratio (including direct vacancy costs) - %	16.8%	17.0%	27.0%
EPRA cost ratio (excluding direct vacancy costs) - %	15.6%	15.7%	25.6%
EPRA capital expenditure - in millions of euros	26.4	6.0	61.6

(1) Value adjusted from €19.72/share, as published in the 2020 Half-Year Financial Report, to €19.68/share, in order to more accurately reflect the new methodology for calculating EPRA NTA

FFO & EPRA earnings

In thousands of euros	December 31, 2019	December 31, 2020
Invoiced rents	188,849	172,911
Lease rights	3,003	2,529
Rental revenues	**191,853**	**175,440**
Property taxes	-14,608	-14,248
Rebilling to tenants	13,325	12,684
Non-recovered property taxes	**-1,283**	**-1,564**
Service charges	-33,202	-30,142
Rebilling to tenants	28,911	25,871
Non-recovered service charges	**-4,291**	**-4,271**
Management fees	-6,888	-5,860
Rebilling to tenants	4,530	4,585
Losses on and impairment of receivables	-3,342	-19,694
Other expenses	-1,376	-1,279
Net property operating expenses	**-7,076**	**-22,248**
Net rental income	**179,202**	**147,357**
Management, administrative and other activities income	3,229	3,035
Other income and expenses	-7,006	-6,096
Personnel expenses	-12,413	-13,121
EBITDA	**163,012**	**131,174**
Net financial items (excluding non-recurring elements [(1)])	-23,512	-25,748
Reversals of / (allowance for) provisions	-1,252	1,343
Other operating income and expenses (excluding capital gains on disposals and impairment)	-3,978	-1,480
Tax expense	-3,270	-2,019
Share of net income from associates and joint ventures (excluding capital gains, amortization and impairment)	3,631	2,203
Non-controlling interests (excluding capital gains, amortization and impairment)	-10,462	-9,932
FFO	**124,168**	**95,541**
FFO per share (based on average diluted number of shares)	1.35	1.04
EPRA earnings	**124,168**	**95,541**

(1) Impact of hedging ineffectiveness, banking default risk, bond redemption premium, bond redemption costs, proceeds from unwinding swaps and exceptional amortization relating to the partial redemption of the 2023 issue

Net income attributable to owners of the parent

In thousands of euros	December 31, 2019	December 31, 2020
FFO	124,168	95,541
Depreciation and amortization	-40,440	-40,777
Other operating income and expenses	7,682	34,223
Impact of hedging ineffectiveness, banking default risk and partial redemption of the 2023 issue	-1,334	1,127
Share of net income from associates, joint ventures and non-controlling interests (amortization, depreciation and capital gains)	264	-4,282
Net income, attributable to owners of the parent	**90,340**	**85,833**

Balance sheet

In thousands of euros		December 31, 2019	December 31, 2020
ASSETS	Intangible assets	3,588	4,052
	Property, plant and equipment other than investment property	857	1,605
	Investment property	2,222,452	2,050,907
	Right-of-use assets	9,981	8,902
	Investments in associates	36,355	38,918
	Other non-current assets	51,867	73,865
	Deferred tax assets	1,200	1,728
	Non-current assets	**2,326,300**	**2,179,976**
	Trade receivables	20,532	38,217
	Other current assets	36,594	40,660
	Cash and cash equivalents	72,024	464,611
	Investment property held for sale	111	111
	Current assets	**129,262**	**543,599**
	TOTAL ASSETS	**2,455,562**	**2,723,575**
EQUITY AND LIABILITIES	Share capital	92,049	92,049
	Additional paid-in capital, treasury shares and other reserves	565,909	600,875
	Equity attributable to owners of the parent	**657,958**	**692,925**
	Non-controlling interests	202,072	202,193
	Equity	**860,030**	**895,118**
	Non-current provisions	1,128	1,207
	Non-current financial liabilities	1,234,944	1,355,914
	Deposits and guarantees	21,502	22,295
	Non-current lease liabilities	9,640	8,655
	Other non-current liabilities	12,939	15,311
	Non-current liabilities	**1,280,154**	**1,403,381**
	Trade payables	13,839	15,394
	Current financial liabilities	261,643	348,553
	Current lease liabilities	959	985
	Current provisions	10,920	9,942
	Other current liabilities	27,542	50,193
	Current tax liabilities	474	9
	Current liabilities	**315,378**	**425,076**
	TOTAL EQUITY AND LIABILITIES	**2,455,562**	**2,723,575**

Breakdown of assets

Average appraisal yield rate: 5.72% at December 31, 2020

Type of property	Number of assets at December 31, 2020	Appraisal value (excl. transfer taxes) at December 31, 2020		Appraisal value (incl. transfer taxes) at December 31, 2020		Gross leasable area at December 31, 2020		Appraised net rental income	
		In €m	%	In €m	%	Sq.m	%	In €m	%
Regional / large shopping centers	25	2,596.7	84.7%	2,758.0	84.6%	643,691	78.3%	150.1	80.6%
Neighborhood shopping centers and city-center assets	26	458.6	15.0%	489.2	15.0%	176,691	21.5%	35.8	19.2%
Sub-total	**51**	**3,055.3**	**99.7%**	**3,247.2**	**99.7%**	**820,382**	**99.8%**	**185.9**	**99.8%**
Other sites	4	10.4	0.3%	11.1	0.3%	1,954	0.2%	0.4	0.2%
Total portfolio	**55**	**3,065.6**	**100.0%**	**3,258.3**	**100.0%**	**822,336**	**100.0%**	**186.3**	**100.0%**

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