



2020 half-year results

July 28, 2020

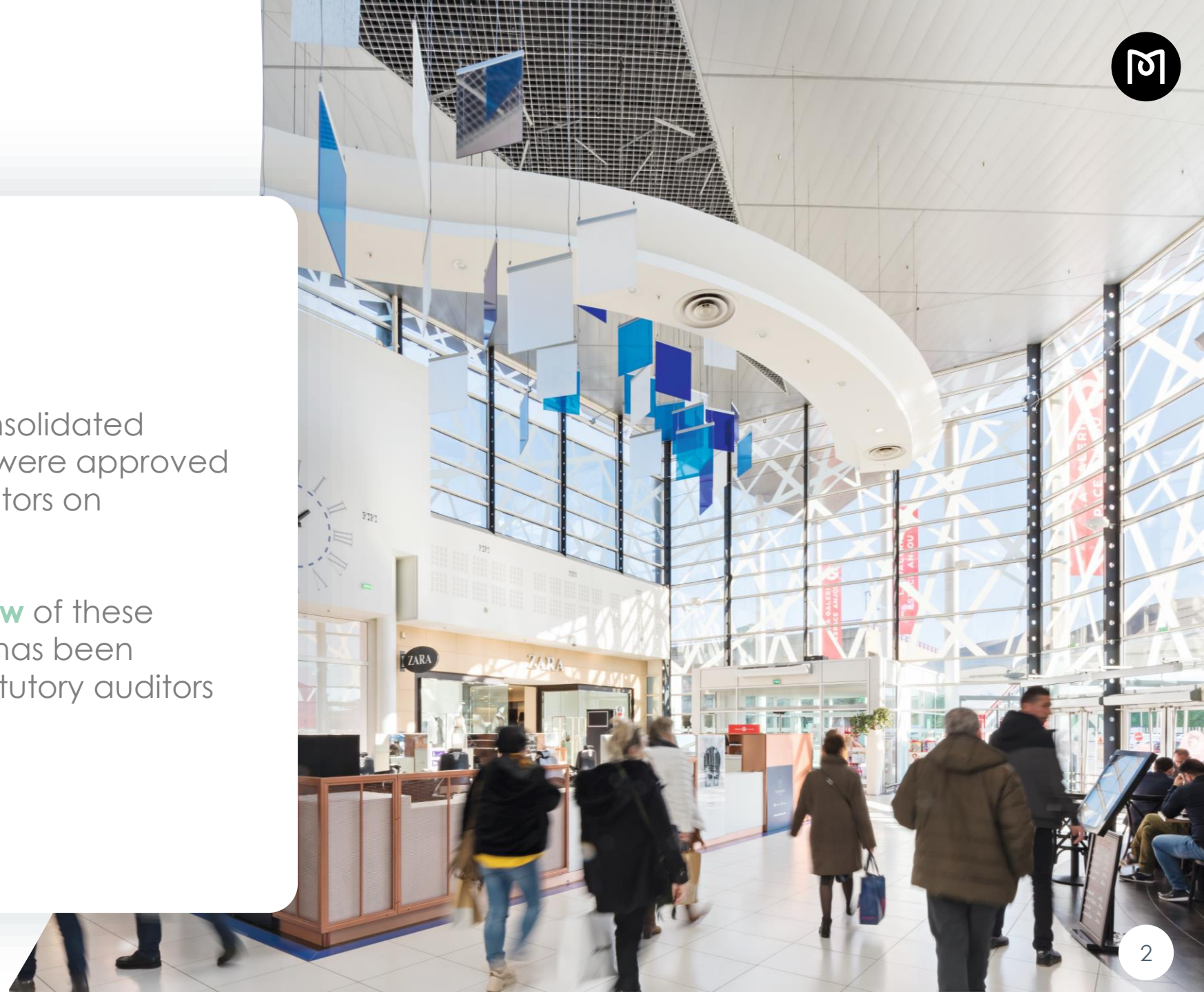
MERCIALYS

Preliminary remarks



The 2020 first-half consolidated financial statements were approved by the Board of Directors on July 27, 2020

A limited scope review of these financial statements has been performed by the statutory auditors





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Model that is
proving its
relevance in the
context of an
unprecedented
crisis

Vincent Ravat
Chief Executive Officer

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First half of the year marked by restrictive health measures



Announcement of a cluster of "viral pneumonia" cases in China

Official appearance of the first cases of covid-19 in France

Closure of all non-essential stores
Start of the public lockdown

End of the public lockdown and reopening of stores (excluding leisure venues, cafes, bars and restaurants, except for their takeout and delivery activities)

Reopening of most leisure venues and sit-down restaurants

December 2019

January 2020

March 15 & 17, 2020

May 11, 2020

June 2, 2020

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100% of retail sites open throughout the lockdown period

Authorization to open maintained for "essential" activities linked to the following sectors:

- › Food
- › Mobility
- › Information
- › Healthcare
- › Hygiene
- › Press
- › Tobacco
- › Construction
- › Financing

~40% of Mercialys' rental base authorized to operate:

- › ~26% linked to food distribution activities
- › ~14% linked to other various essential activities

Shopping centers authorized to reopen, with the exception of centers > 40,000 sq.m in the Paris Region and certain other regions as decided by their prefects

~97% of Mercialys' rental base authorized to operate:

- › Remaining ~3% linked to sit-down restaurants and leisure venues

Certain restrictions maintained in "orange zone" (1):

- › Venues reopened exclusively for outdoor dining
- › Reopening of certain leisure venues put back to June 22, 2020, then brought forward to June 15, 2020 in the Paris Region (theaters, swimming pools, restaurants' indoor areas, etc.)

Certain leisure venues reopened on June 22, 2020 throughout France

- › Cinemas, casinos

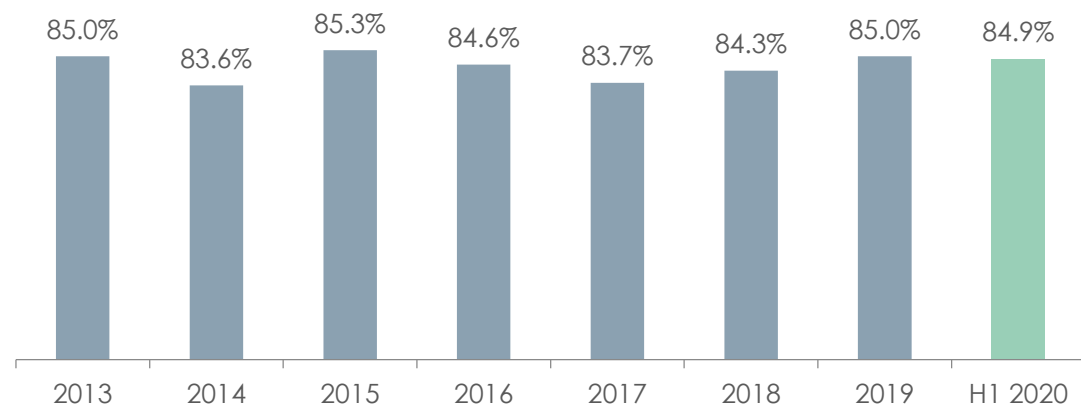
100% of Mercialys' rental base authorized to operate

(1) Ile-de-France, Guyana and Mayotte

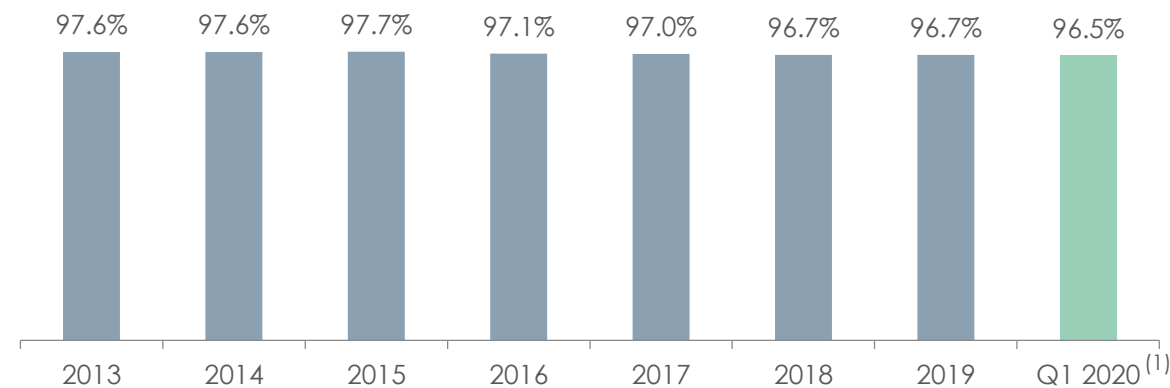
Operational indicators resilient despite the crisis



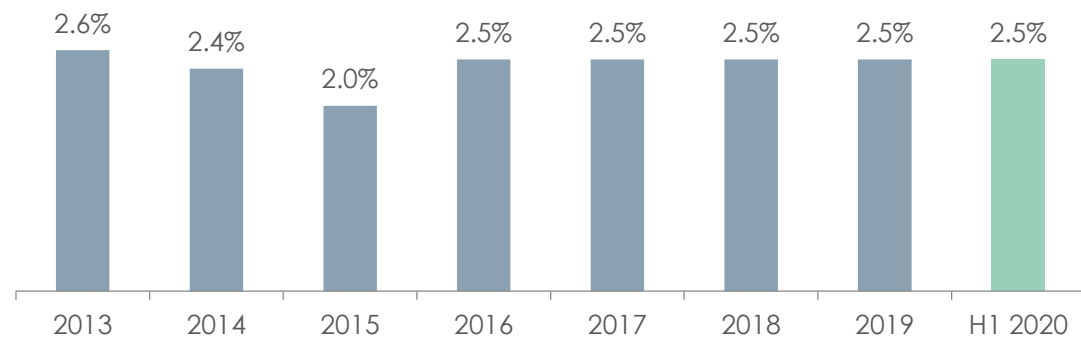
EBITDA margin



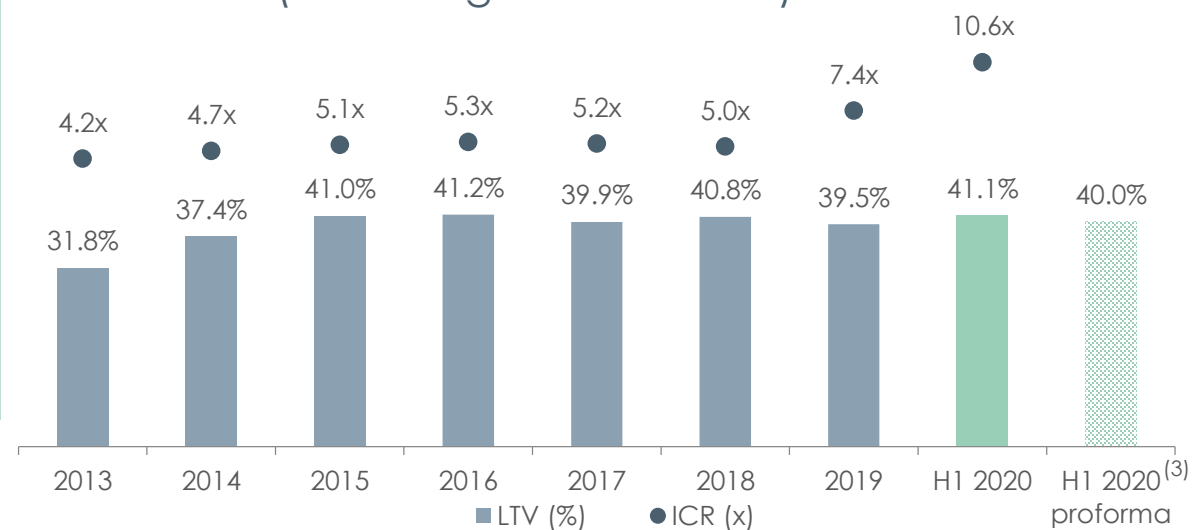
Recovery rate



Current financial vacancy rate ⁽²⁾



LTV (excluding transfer taxes) and ICR



(1) 12 months to end-March 2020

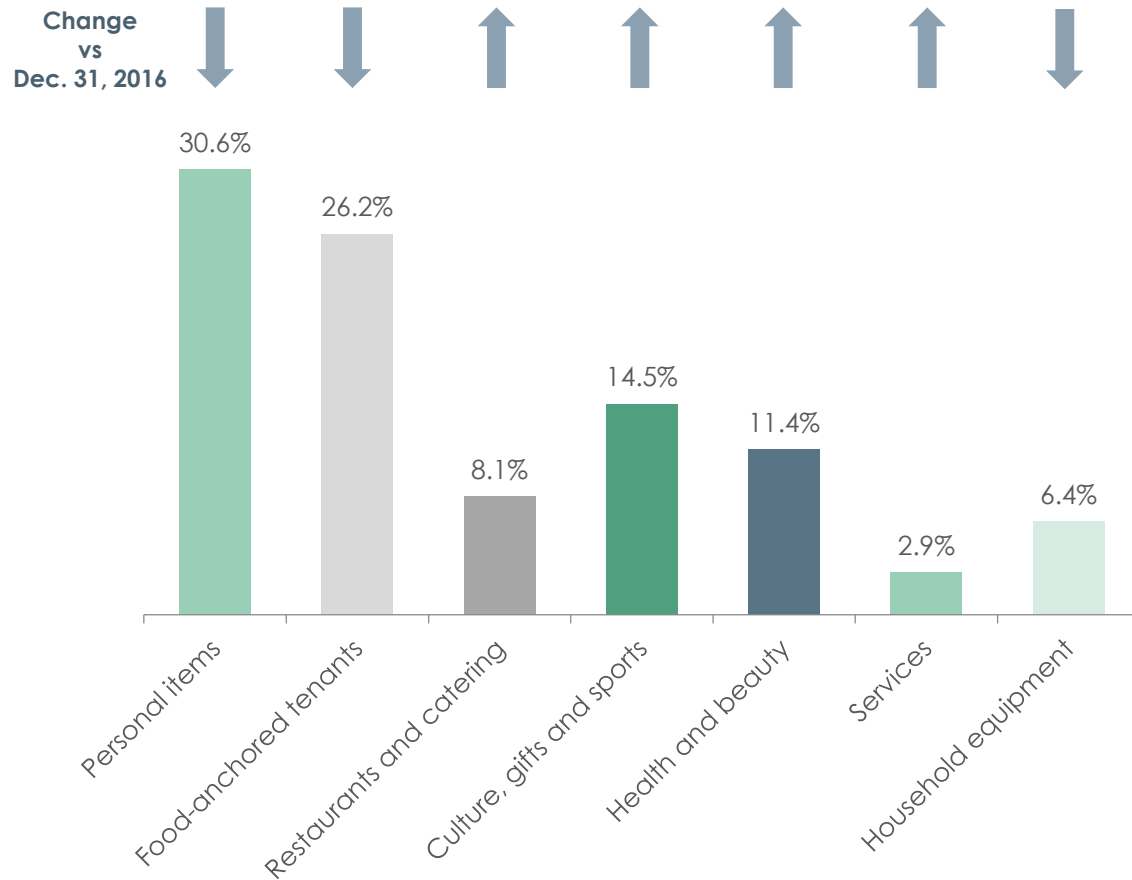
(2) Mercialis' vacancy rate does not include agreements relating to the Casual Leasing activity

(3) Proforma for the payment of the full amount billed for the second quarter of 2020

Retail mix deeply anchored in the habits of our retail sites' communities



Diverse retail mix



Strong focus on serving essential needs

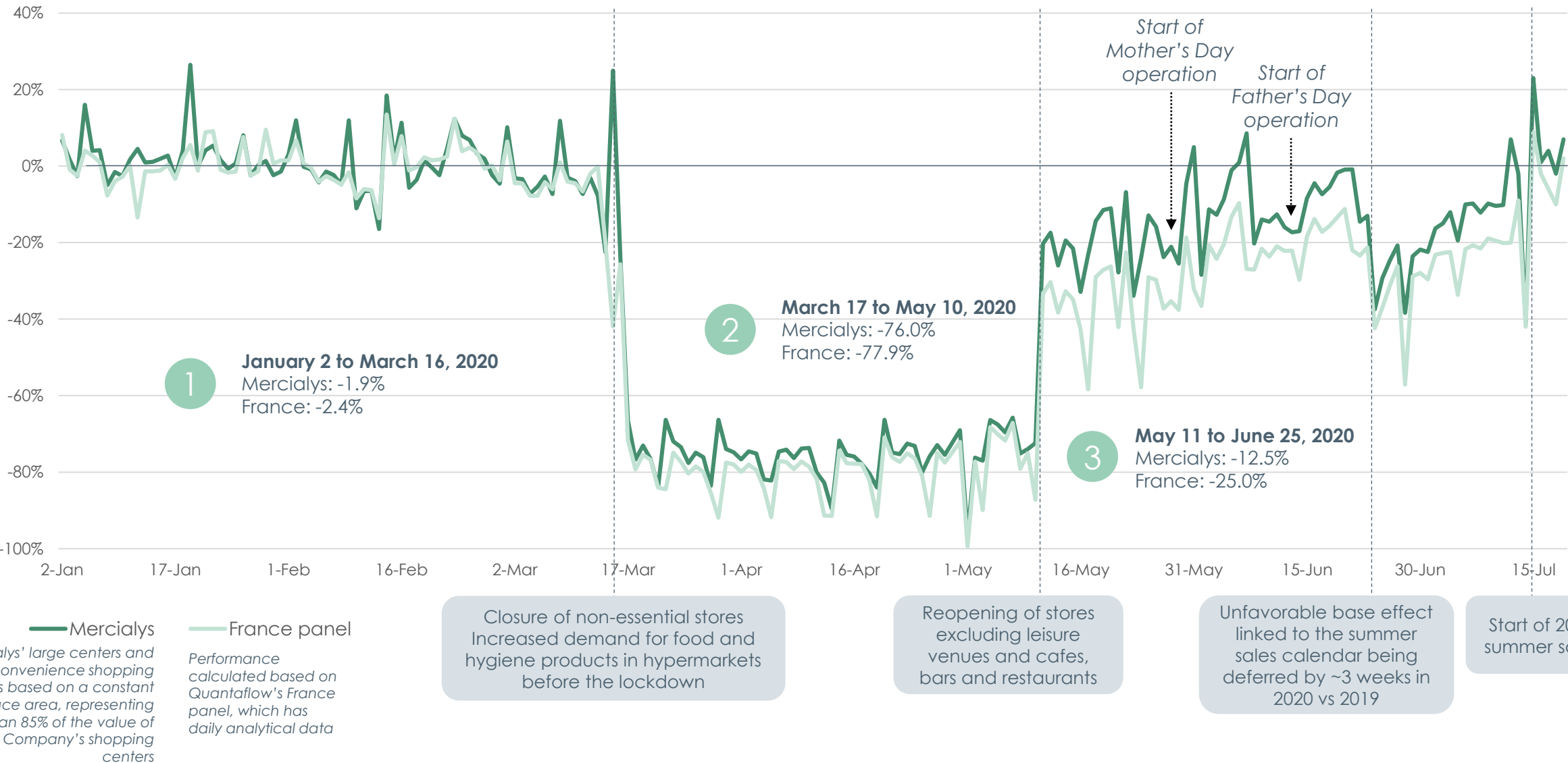
2,111 leases representing an annualized rental base of €182.3m, with:

- › 29% for food stores and dining
- › 4% for healthcare
- › 3% for information and communication products and services
- › 2% for mobility-related products and services
- › 2% for other services, including banking networks, insurance, postal services, dry cleaners
- › 1% for tobacco and press
- › 1% for construction and home improvement activities

Rapid return to normal footfall levels thanks to the relevance of our retail offering



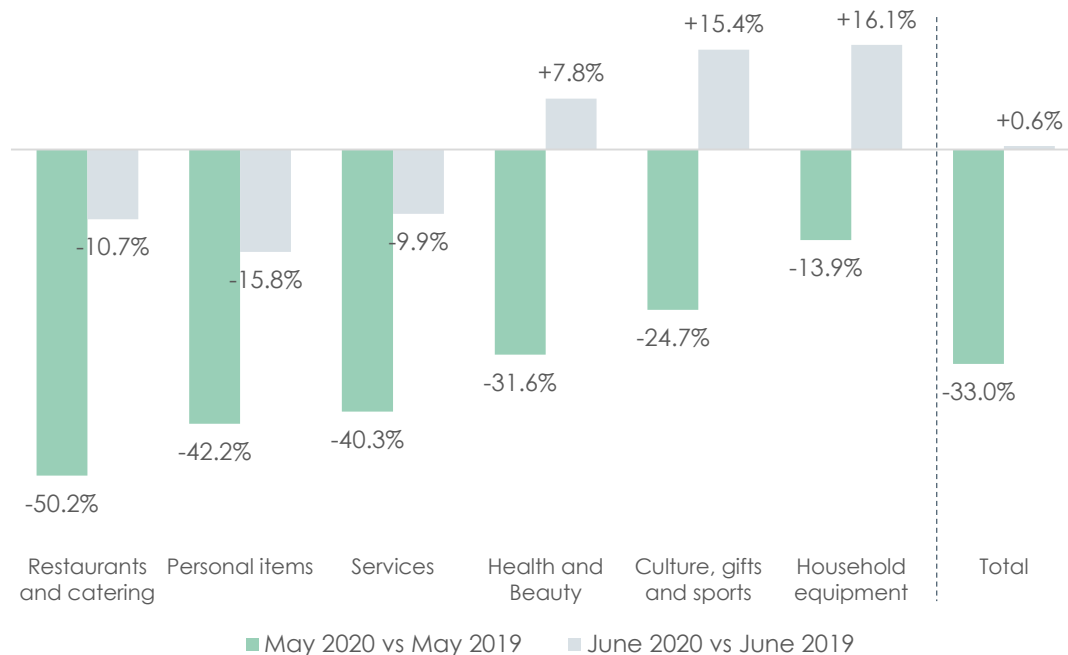
Extremely robust upturn in footfall following the lockdown, until the deferred summer sales period



Retailers' activity supported by the economic recovery and, with time, the potential mobilization of high savings levels



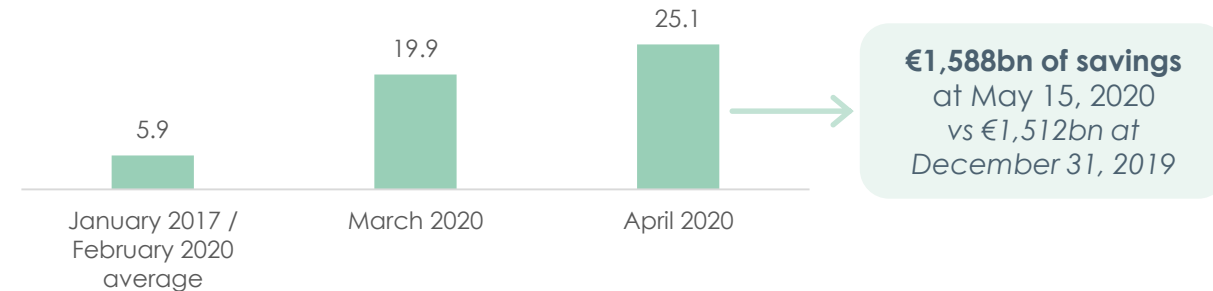
Change in Mercialys' retailer sales



→ Retailer's sales virtually flat in May restated from the 10 days of closure, and slightly up in June despite the deferred summer sales period

Strong increase in household savings during the lockdown

Monthly change in households' bank deposits (in billions of euros) ⁽¹⁾



Encouraging trends for an economic recovery

"More than one month after starting the gradual lifting of the lockdown measures, the losses of economic activity should be almost three times less than those estimated at the start of the lockdown." ⁽²⁾

"After the recovery seen in May following the lifting of the lockdown, activity levels are continuing to pick up in June more quickly than forecast." ⁽³⁾

"Hiring intentions returned to their pre-crisis level in June." ⁽⁴⁾

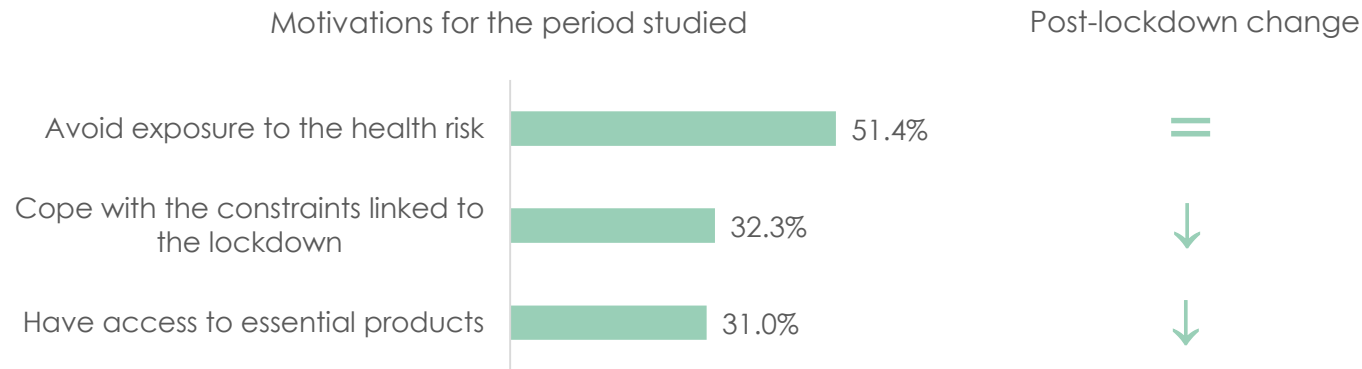
(1) Source: Banque de France – May 2020
(2) Source: INSEE – June 2020
(3) Source: Banque de France – July 2020
(4) Source: Randstad SmartData – July 2020

The health crisis has highlighted a default online shopping reflex among consumers

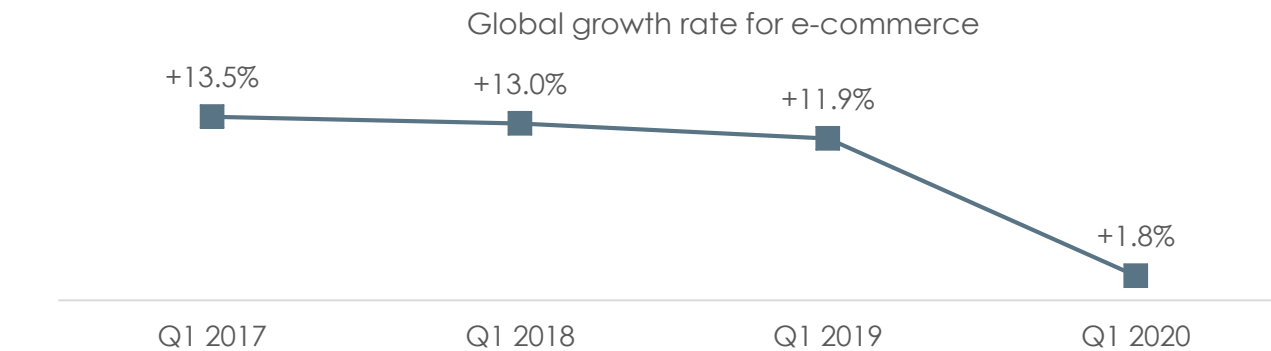
Indicating that the majority of online purchases are very sector-specific



Online purchases linked closely to the health context ⁽¹⁾



Unprecedented slowdown in growth for e-commerce revenues in Q1 2020 ⁽²⁾



→ Reflecting a significant drop in online consumption for the tourism, transport and leisure segments and for certain non-food products ⁽²⁾

76%

E-commerce sites saw their sales fall in March 2020 ⁽³⁾

22%

Online retailers closed one or more sites in March 2020 ⁽³⁾

66%

Online retailers used furlough measures in March 2020 ⁽³⁾

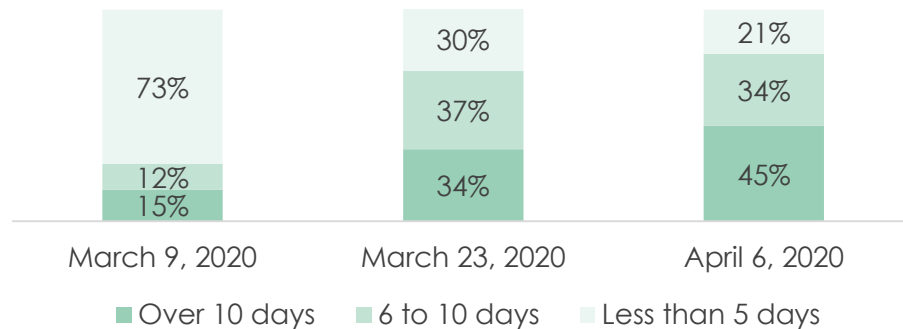
(1) Sources: Fevad – May and July 2020, research conducted from May 4 to 11, 2020 and from May 14 to 22, 2020
(2) Sources: Fevad – May 2020; Fevad – May 2019; Fevad – May 2018; Fevad – May 2017
(3) Source: Fevad – March 2020

The health crisis has revealed the need for unified multichannel logistics



E-commerce models ("just-in-time", very remote production sites) faced with restrictions on movement and distribution, source of customer dissatisfaction

Breakdown of the volume of items depending on their delivery time ⁽¹⁾



Consumers, support for local stores during the lockdown period

85%

of French people said that buying in-store is more aligned with their needs than e-commerce (+2 pts vs Feb 2020) ⁽²⁾

45%

of French people show loyalty to their local stores if products are out of stock (+11 pts vs pre-lockdown period) ⁽²⁾

Ship-from-store paradigm



(1) Source: LSA Conso – April 2020
(2) Source: Harris Interactive – June 2020
(3) Source: Procos – June 2020

Ocitô: ecosystem centered around the shopping center offering a rich range of solutions for customers to buy and collect products



Ocitô ecosystem provides retailers with access to a range of bespoke services to facilitate ship-from-store

To offer an e-commerce site for points of sale that do not have one or to boost their local presence online

Local marketplace



Food and non-food products



Services / booking appointments



Connection to retailer stock

To prepare to send packages within Mercialys' shopping centers

Local logistics consolidation



Pooled logistics unit



Provision of consumables for packaging



Postage franking for packages



Centralized collection of packages (OneStock partnership)

To ship products locally to consumers from Mercialys' centers

Local delivery



Click & Collect on site



24-7 collection lockers



Dedicated drive-through parking spaces



Immediate takeout food delivery



Posting with Colissimo

Pipeline able to adapt to market circumstances



Projects illustrating the modularity of Mercialys' sites: different forms of retail (redevelopments, extensions, retail parks), dining and leisure, and tertiary activities (coworking, healthcare, housing)

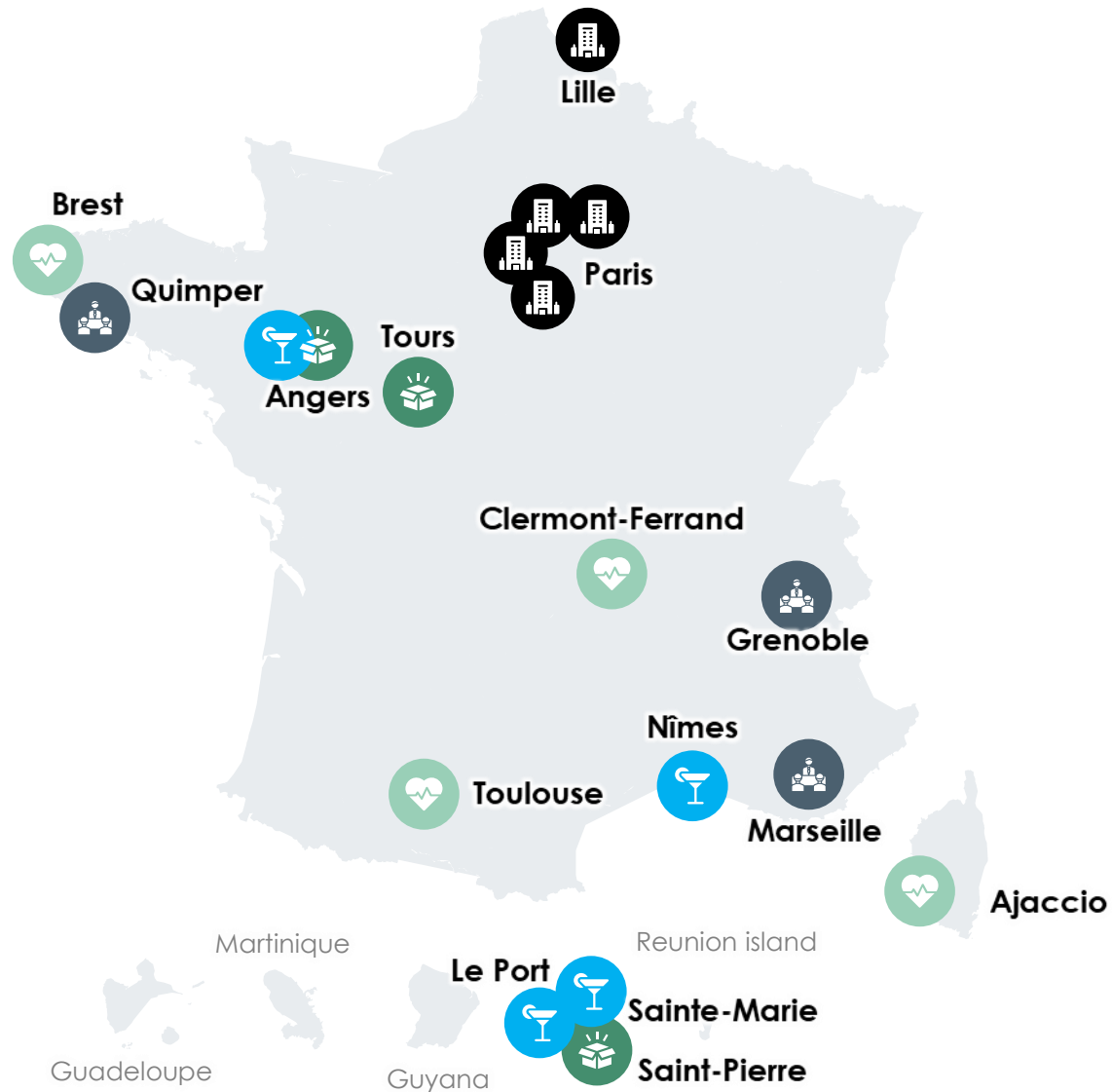
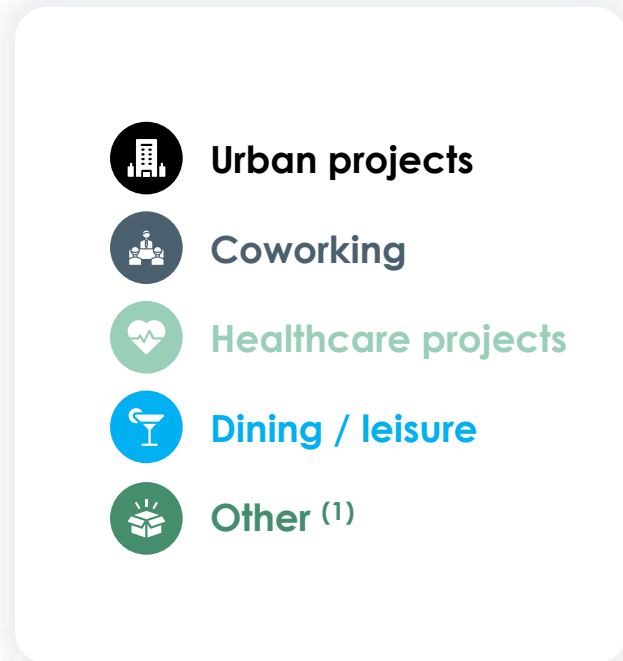
(in millions of euros)	Total investment	Investment still to be committed	Target net rental income	Target net yield on cost	Completion date
COMMITTED PROJECTS	12.1	5.9	0.8	6.8%	2020
Retail (Retail Park – Le Port)	12.1	5.9	0.8	6.8%	2020
CONTROLLED PROJECTS	245.9	241.3	11.6⁽¹⁾	7.0%⁽¹⁾	2022 – 2026
Retail	138.4	134.3	9.7	7.0%	2022 – 2024
Dining and leisure	27.5	27.5	1.9	6.9%	2023
Tertiary activities	80.0	79.5	na ⁽¹⁾	na ⁽¹⁾	2026
IDENTIFIED PROJECTS	222.6	221.8	15.6⁽¹⁾	7.0%⁽¹⁾	2023 – 2027
Retail	72.4	72.3	5.1	7.0%	2023 – 2027
Dining and leisure	70.0	70.0	4.9	7.0%	2024
Tertiary activities	80.2	79.5	5.6 ⁽¹⁾	7.0% ⁽¹⁾	2024 – 2027
TOTAL PROJECTS	480.7	469.0	28.0⁽¹⁾	7.0%⁽¹⁾	2020 – 2027

- › Mercialys has control over initiating 75% of the pipeline
- › 27 sites concerned out of the 53 shopping centers and high-street assets
- › Opportunities also identified outside of the company's current scope

Investments considered exclusively if asset sales have been completed beforehand and satisfactory profitability conditions are met

(1) Excluding the impact of mixed-use high-street projects, which may also generate property development margins

Acceleration of tertiary projects across diverse regions and one third of Mercialys' sites



(1) Outlet, hotel, etc.

Saint-Denis: sale of building rights expected for 2021

- › Creation of 271 apartments
- › Resizing of the store and creation of a second retail unit next to the canal
- › Replacement of the existing ground-floor car park with underground parking

Projected building permit award date:
November 2020 (post covid-19)

Preliminary property development agreement signed with
Panhard on July 3, 2020
Price: €5.6m

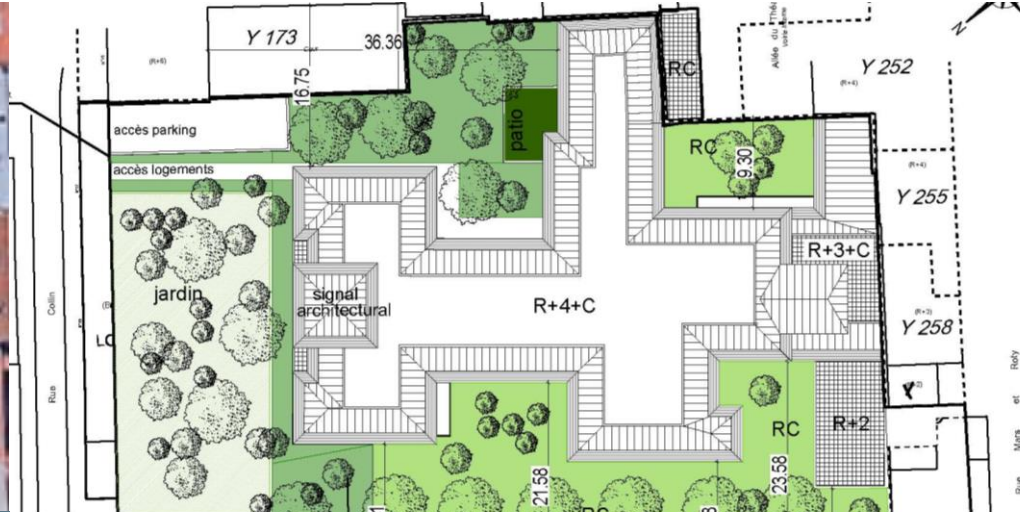
Reiteration of the definitive sale of building rights (€8.4m)
between Mercialys and Panhard: mid-2021
Projected cash flow: €2.8m, net of the amount of the
property development agreement



Puteaux: new project approved by public officials



Before



After

- › Creation of 90 apartments
- › Supermarket redevelopment and extension
- › Creation of a garden over 600 sq.m

Building permit submitted: Q4 2020

Estimated investment: €19m

Expected IRR: 9%



Financial structure and results

Élizabeth Blaise
Deputy Chief Executive Officer

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National mediation process, pivotal to discussions underway with our tenants

Charter supported by the French Ministry for the Economy

- › A mediation process was considered necessary by the French government, which appointed a mediator in April 2020
- › This mediation process, completed in May 2020, was signed up to by all the landlord federations, including the ones Mercialys is part of (CNCC, FSIF), as well as certain retailer federations, but not by representatives from the main retailers

Mediation process' key outcomes

- › **Maximum budget for relief per landlord representing 50% of rent invoiced in Q2 2020** to retailers that were ordered to close during the lockdown (however, service charges will still be payable)
 - ▼ The **maximum amount of relief includes the 3 rent-free months** offered to very small businesses who were forced to close, a measure that the French Ministry for the Economy called for in April 2020 and that the leading landlords, including Mercialys, adopted
 - ▼ Service charges will be payable for Q2 2020
 - ▼ Tenants with rental arrears before the lockdown are excluded from these support measures
- › **Various arrangements may be adopted in exchange for this relief** (extending leases, renewing leases early, signing new leases, etc.)
- › **The collection of rent for Q2 2020 has been suspended until September 30, 2020** for retailers that were ordered to close



Mercialys aligns itself with the core principles from this mediation process for discussions with its tenants

~11%

Exposure of Mercialys' rental base to very small businesses

~60%

Mercialys' rental base forced to close during the lockdown period

Estimated impacts for Mercialys: maximum budget of €13.5m

3-months rent-relief for very small businesses: estimated maximum of €4,7m ⁽¹⁾

→ In accordance with the accounting rules applicable: impact spread over the remaining firm term of leases

€1.2m impact in the accounts at June 30, 2020

Impacts for the second half of 2020 and for 2021, 2022 and 2023 are expected to represent €1.3m, €1.4m, €0.6m and €0.2m respectively

Maximum amount of relief including the 3 rent-free months offered to very small businesses estimated at €13.5m

→ The potential impacts of the discussions with retailers excluding very small businesses are **not reflected in the accounts at June 30, 2020** as these negotiations have not been finalized. These will be spread over the remaining firm term of the corresponding leases, if appropriate

Arrangements in exchange for this relief (extending the firm period of leases, renewing leases, opening new points of sale, registering for the Ocitô platform, etc.) are systematically included in the discussions

(1) This amount may change depending on the legal elements to be submitted by the retailers concerned qualifying their very small business status



96.5%

Full recovery rate for
the 12 months to end-March
2020

45.8%

Full recovery rate for
the second quarter of 2020

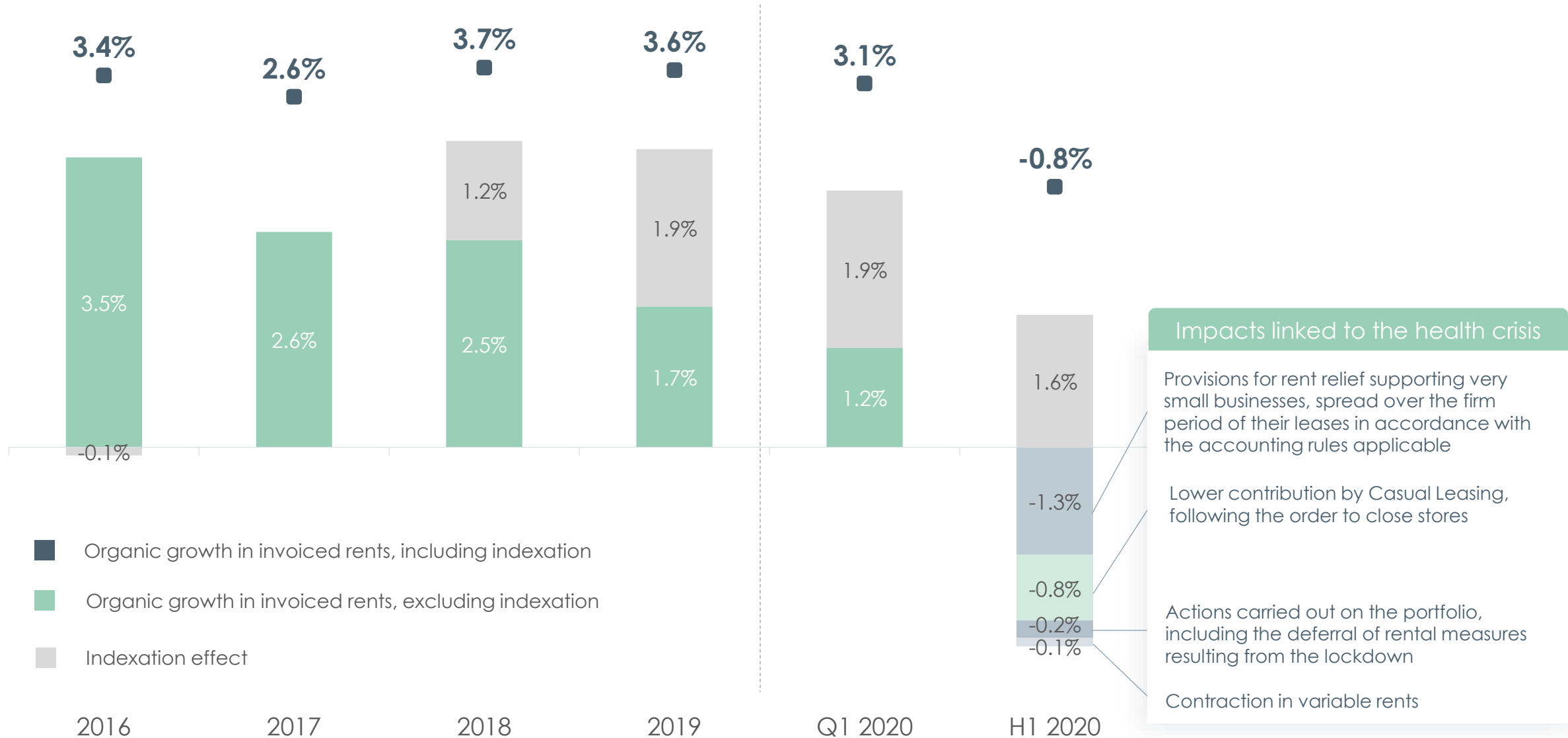
70.2%

Service charges recovery rate
for the second quarter of 2020

63.1%

Full recovery rate
for the third quarter of 2020

Organic growth ⁽¹⁾ impacted by the covid-19 crisis

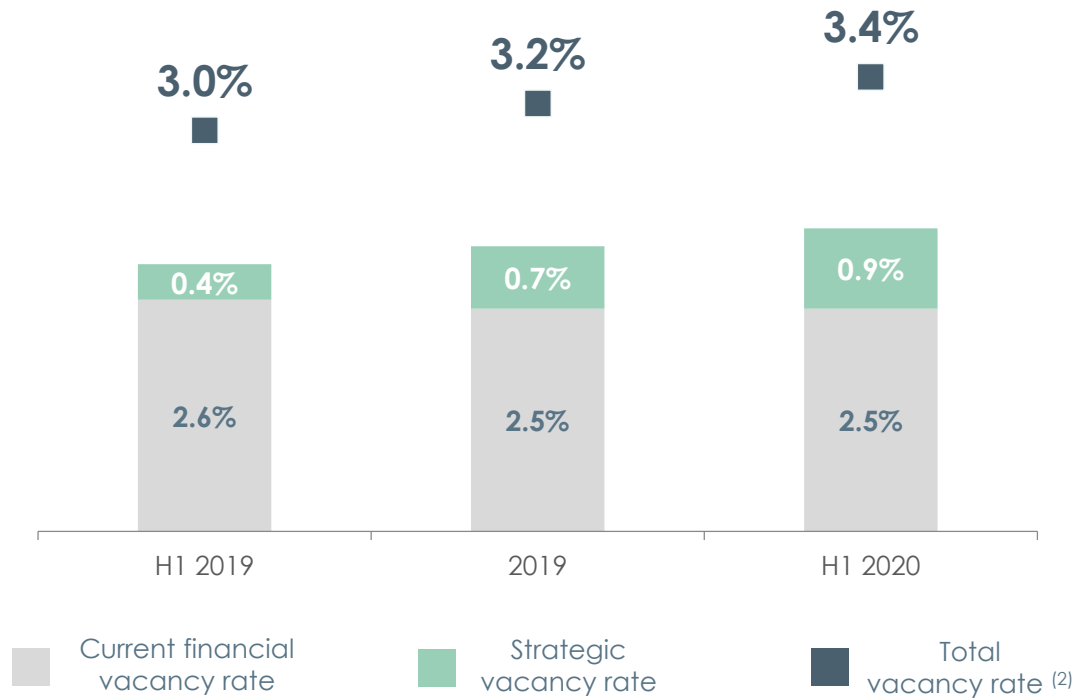


(1) Assets enter the like-for-like scope used to calculate organic growth once they have been held for 12 months

Sustainably low vacancy rates – ineffective OCR analysis in H1 2020



Change in vacancy rate ⁽¹⁾



(1) Mercialis 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)

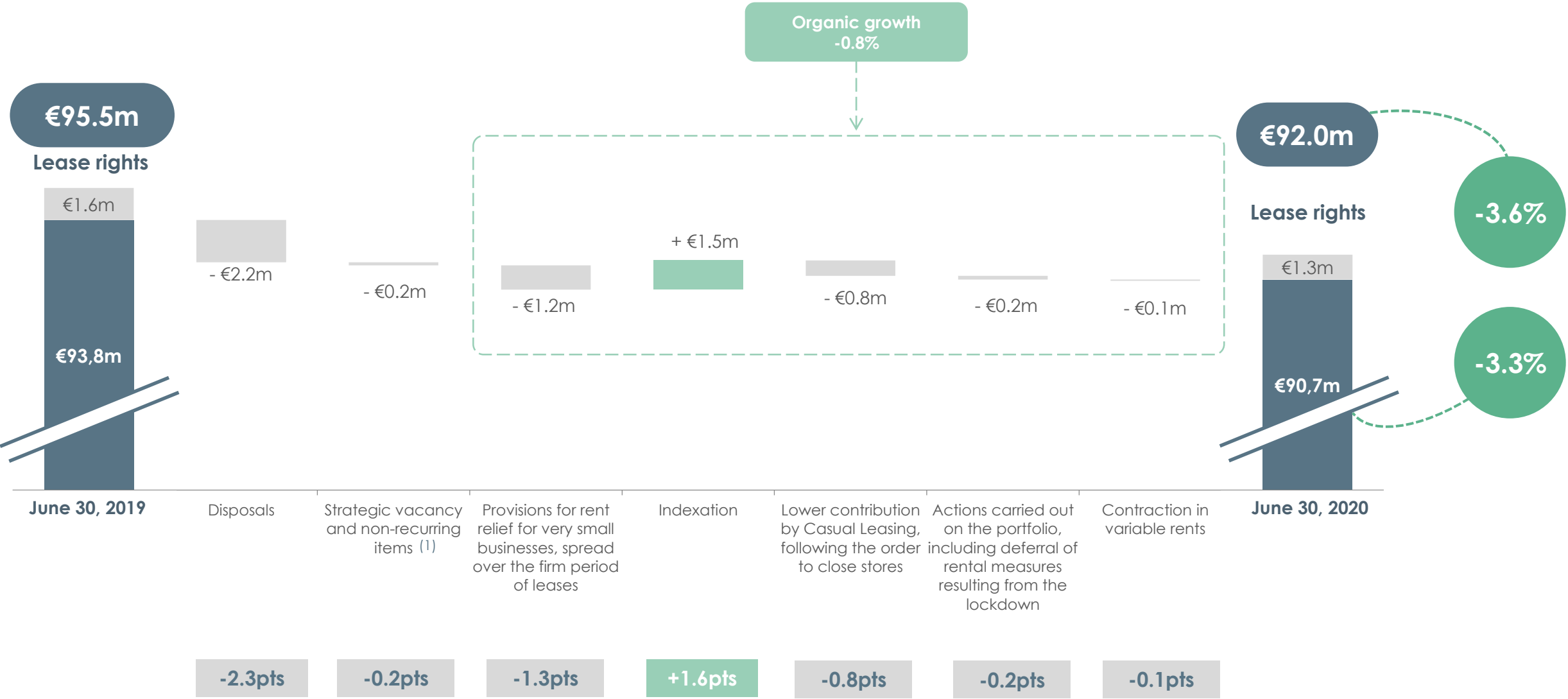
Occupancy cost ratio

As the majority of stores were closed between March 15 and May 11, 2020, the occupancy cost ratio analysis is ineffective, as it is based on retailer sales

Very moderate occupancy cost ratio at December 31, 2019: **10.4%** ⁽³⁾

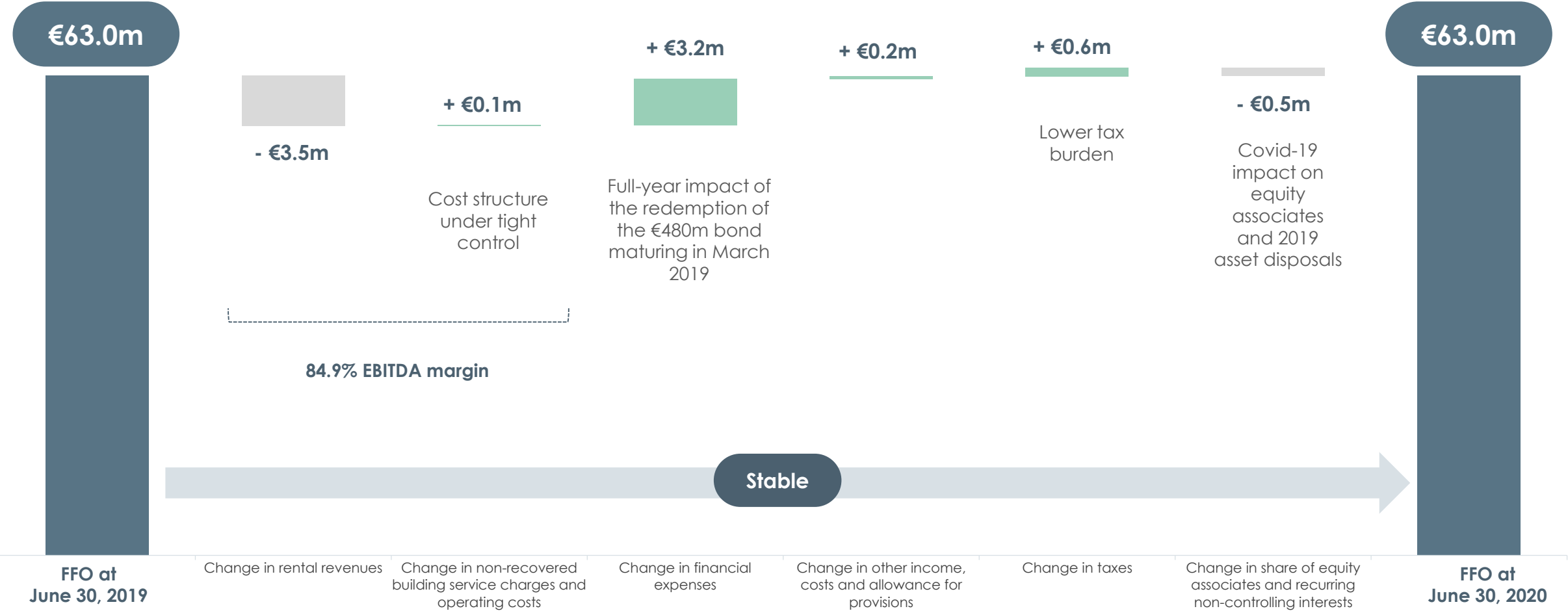
(3) (rents + charges including marketing costs + work charged back to tenants, including tax) / tenants' sales including tax, excluding large food stores

Rental revenues down -3.6%

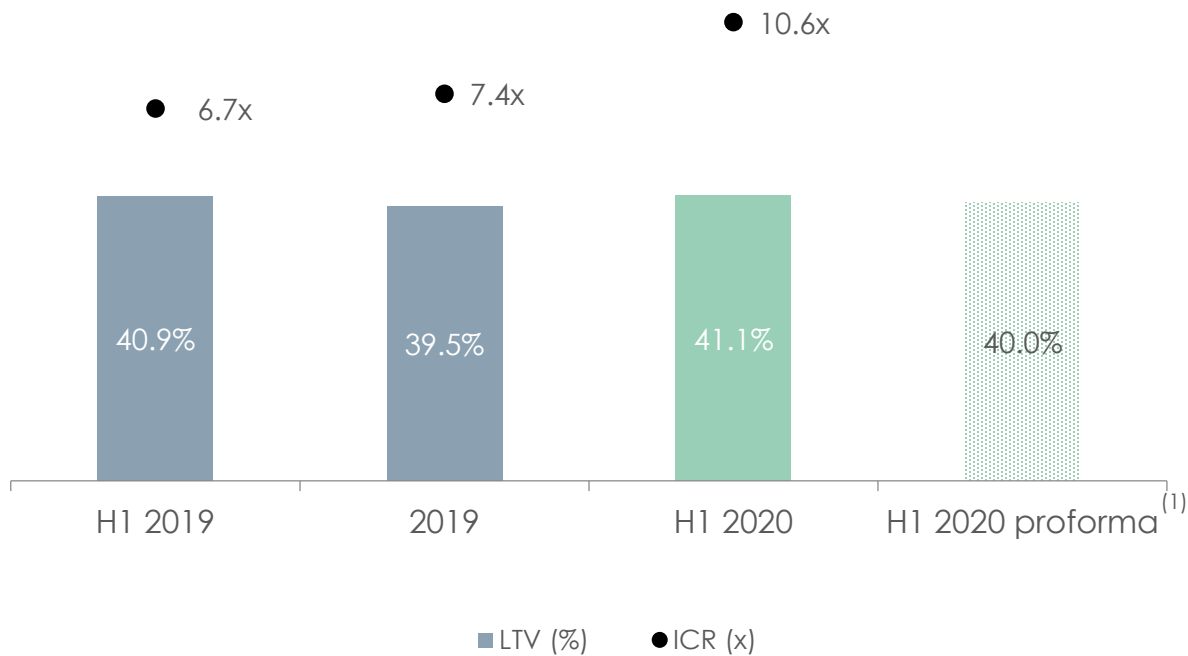


(1) Linked to the development program – units left vacant to facilitate future developments

FFO stable at €63.0m

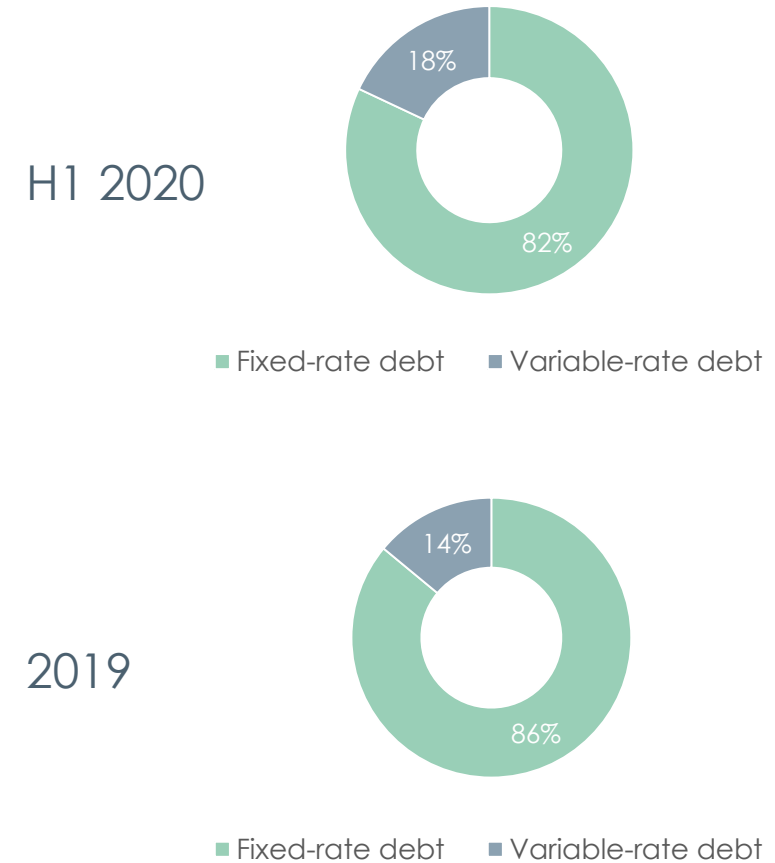


Change in LTV (excluding transfer taxes) and ICR



(1) Proforma for the payment of the full amount billed for the second quarter of 2020
(2) Including commercial paper program

Debt: fixed vs. floating rate exposure ⁽²⁾



Strong level of liquidity



Net debt at June 30, 2020: €1,385.2m including

- › €1,200.0m of bond debt
- › €372.0m of commercial paper

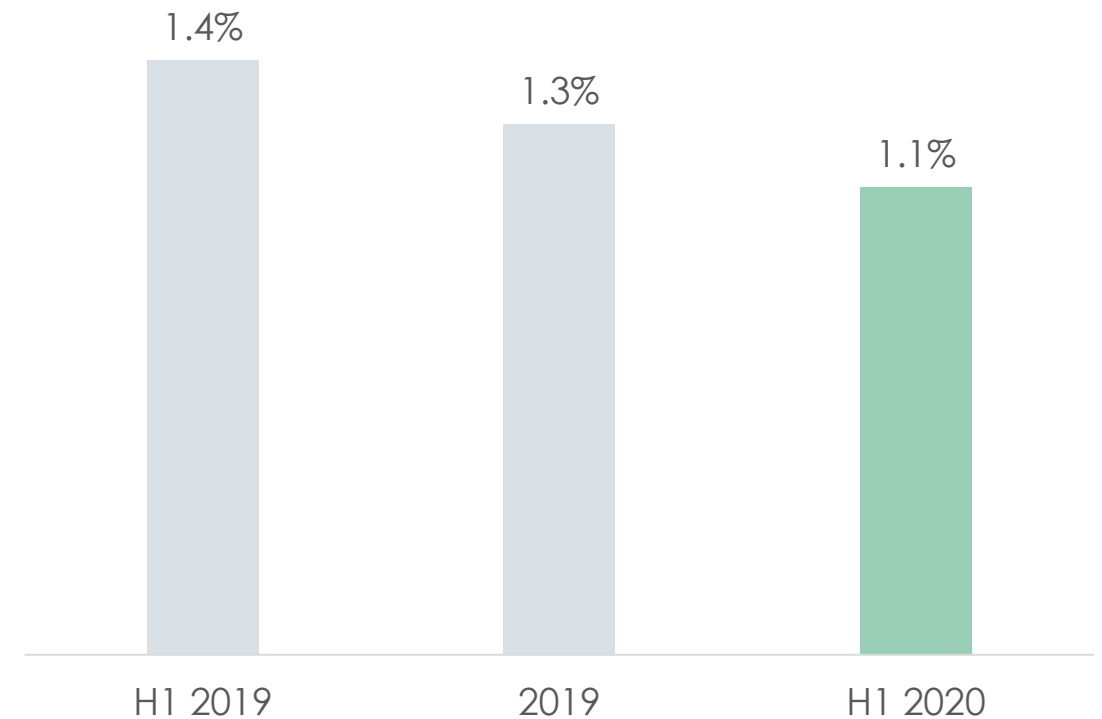
Cash position at June 30, 2020: €180.5m

Undrawn committed credit lines at June 30, 2020: €410m

Standard & Poor's rating:

- › BBB/negative outlook renewed on June 9, 2020

Change in the cost of drawn debt ⁽¹⁾



(1) Including commercial paper program

Refinancing operation completed in July 2020 to extend debt maturity



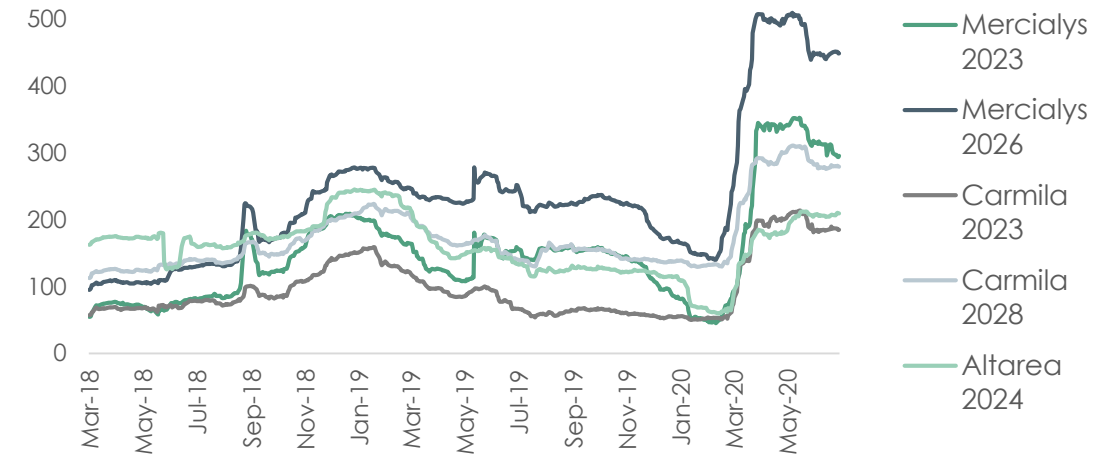
Extension of the group's debt maturity profile through a €300m new bond issue with 7-year maturity and 4.625% coupon

- › The new issue's pricing reflects limited liquidity on secondary bond levels for Mercialys
- › The company secured new funding in a volatile macroeconomic context, enabling the early refinancing of part of one of its major debt maturities

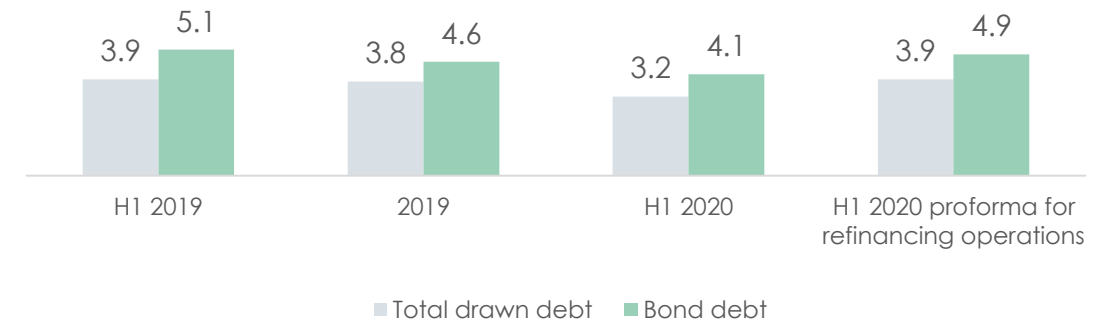
Tender offer for the €750m bond maturing in March 2023 (1.787% coupon)

- › Nominal amount tendered for the offer: €181.3m
- › Extension of the bond debt maturity to 4.9 years (vs 4.1 years) and overall debt maturity to 3.9 years (vs 3.2 years)

Change in Mercialys bond debt spreads vs. benchmark ⁽¹⁾



Change in debt maturity (in years) ⁽²⁾



(1) Source: Bloomberg
(2) Including commercial paper program

Change in portfolio value

Portfolio value reflecting an assessment of each site's letting potential



€3,314.6m excluding
transfer taxes

-3.1% over 6 months

-6.1% over 12 months

	Over 6 months	
Total change on a like-for-like basis ⁽¹⁾	- 3.1%	- €105m
of which rent effect	+ 1.2%	+ €40m
of which yield effect	- 4.3%	- €147m
of which other effects	+ 0.1%	+ €2m

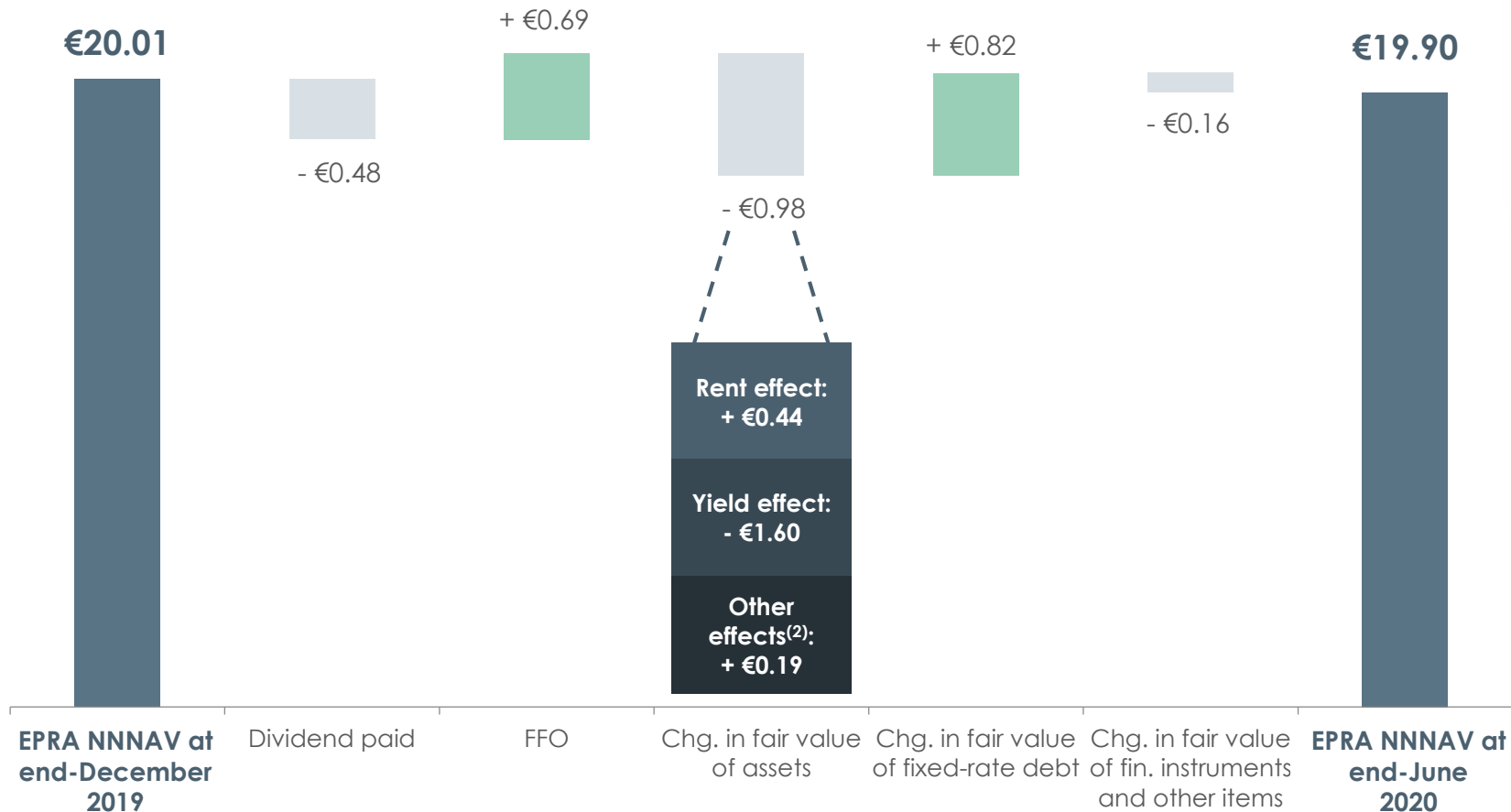
Average appraisal yield rate	06/2019	12/2019	06/2020
	5.20%	5.26%	5.49%

(1) Sites on a constant surface area basis

Change in NNNNAV per share ⁽¹⁾



€19.90/share, -0.5% over 6 months, -2.4% over 12 months



EPRA NNNAV at end-June 2020 is higher than EPRA NAV, benefiting from a positive contribution for the marking to market of Mercialys' fixed-rate debt, with the 2023, 2026 and 2027 bonds trading below par

EPRA NAV at end-June 2020

- › €19.72/share
- › **Down -3.9%** over 6 months
- › **Down -5.5%** over 12 months

(1) Calculated on average diluted number of shares, following EPRA guidelines

(2) Including impact of revaluation of assets outside of organic scope and associates, maintenance capex and capital gains on asset disposals

On March 23, 2020, Mercialys indicated that the objectives published with its 2019 full-year results, in February 2020, were no longer applicable

The Company has updated its objectives to reflect the impact of the health crisis linked to covid-19

These objectives exclude the impacts of a reoccurrence of episodes linked to the health crisis

- › **Organic growth in rents** no longer seems to be a relevant indicator for 2020 due to the continued uncertainty regarding the macroeconomic and health context

Mercialys will provide specific details concerning the various factors behind changes in its rental income in its future publications in order to ensure the utmost clarity for analysis for its stakeholders

- › **FFO per share:** 10% to 15% contraction in 2020 compared with 2019

- › **Dividend:** dividend within a range of 70% to 95% of 2020 FFO. The Company's Board of Directors decided, during its meeting on July 27, 2020, to defer to the fourth quarter of 2020 its decision concerning a potential interim dividend payment before the end of the year



Appendices

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2020

October 19



**Activity at
September 30,
2020**
(after market
close)



Leading listed French real estate company that is a pure player for shopping centers

- › Mercialis' portfolio is focused on large and neighborhood shopping centers, as well as high-street retail assets that are leaders in their areas
- › Assets are concentrated in the most dynamic French regions

Portfolio focused on high-potential assets

- › 53 shopping centers and high-street sites ⁽¹⁾
- › Leasable area: 843,848 sq.m
- › Appraised asset value (including transfer taxes): €3,522.6 m at June 30, 2020

(1) In addition to five geographically dispersed assets

€92.0m

rental revenues

84.9%

EBITDA margin

€19.90

NNNAV per share

41.1%

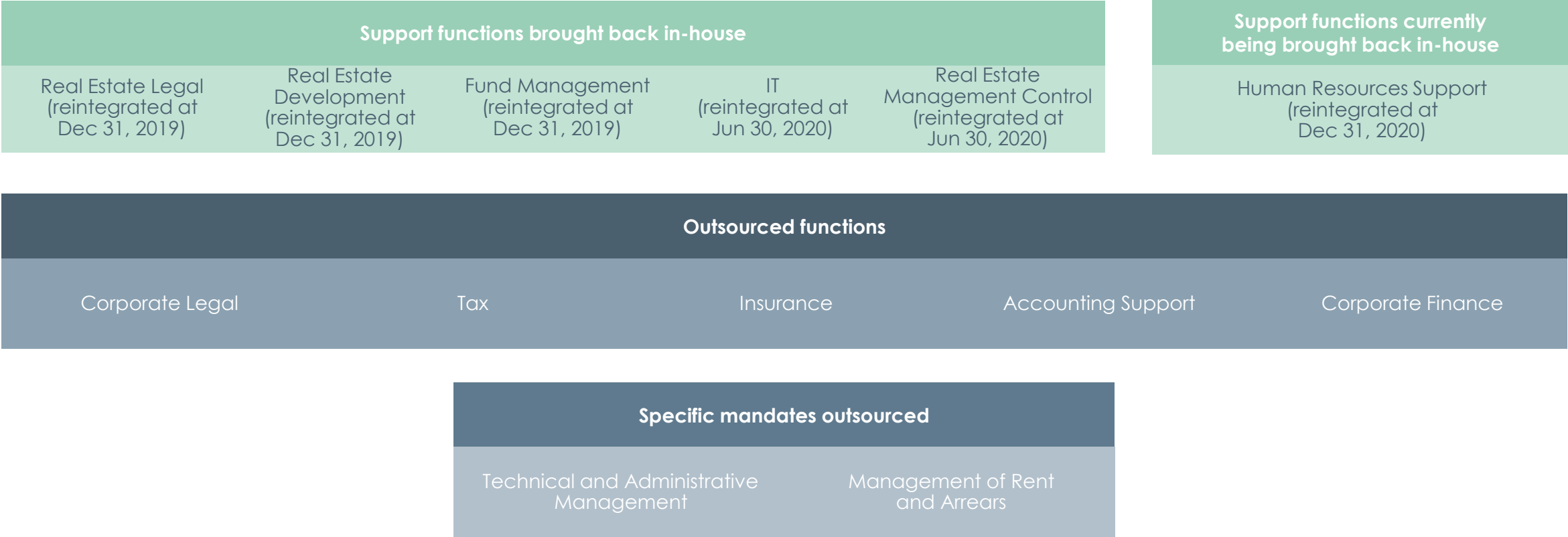
LTV (excluding transfer taxes)

Organizational structure



**122 employees
at end-June 2020**

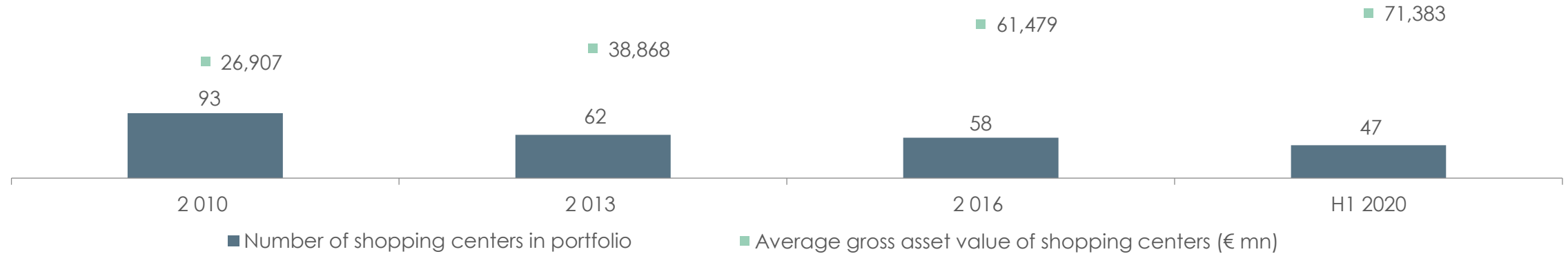
- › All core business functions carried out in-house, excluding specific mandates
- › Certain support functions brought back in-house, others still outsourced



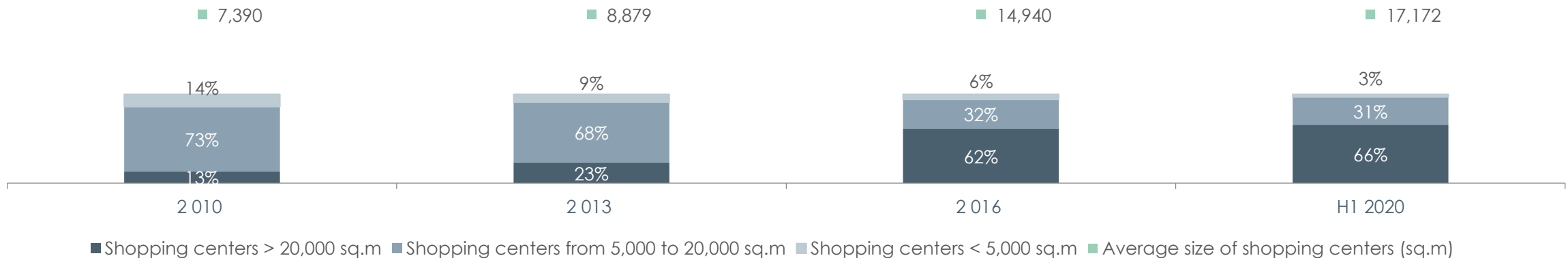
Shopping center portfolio structure



Number of shopping centers and average value



Shopping center breakdown by size (% of portfolio gross asset value including rights at June 30, 2020)

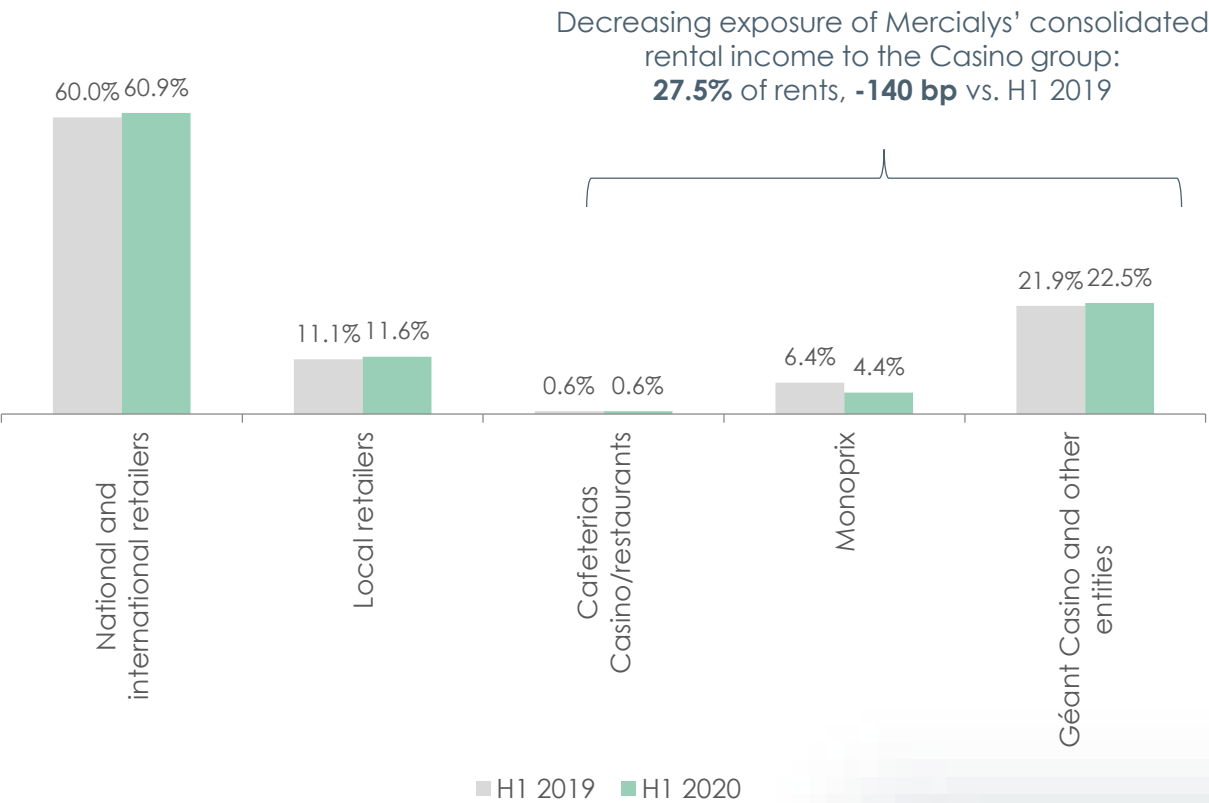


Rental income structure



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

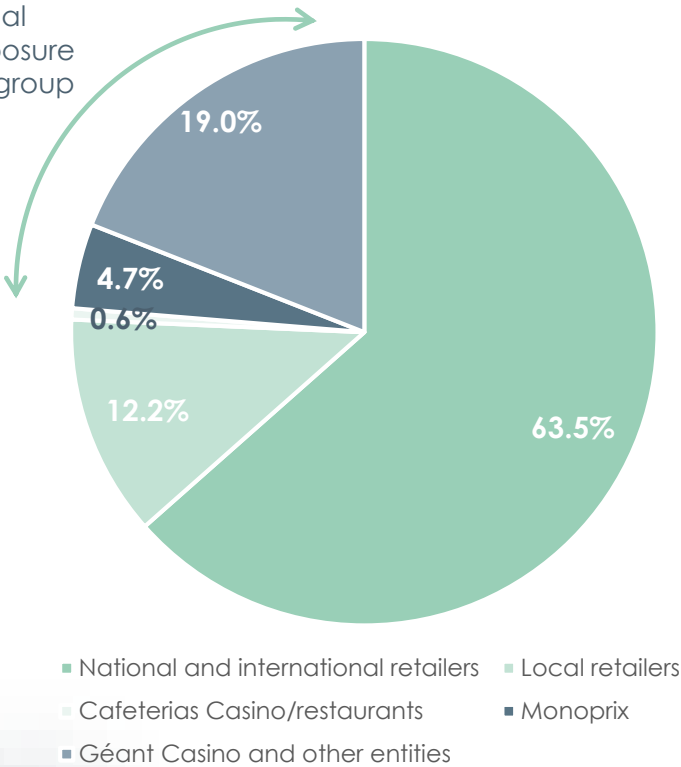
(% of annualized rental income at June 30, 2020 and June 30, 2019)



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

(% of annualized rental income at June 30, 2020)

24.3% actual economic exposure to the Casino group



Over 900 retailers and 2,111 leases

Rental income structure



Casino group lease schedule

(main leases: hypermarkets, supermarkets & Monoprix stores)

Site	% held by Mercivalys	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
Saint-Tropez	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
Besançon	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
Puteaux	100%	Monoprix	12/2015	12/2027	3 - 6 - 9 - 12 commercial lease
Chaville	100%	Monoprix	12/2015	12/2027	3 - 6 - 9 - 12 commercial lease
Asnières	100%	Monoprix	12/2015	12/2027	3 - 6 - 9 - 12 commercial lease
Marcq-en-Baroeul	100%	Monoprix	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

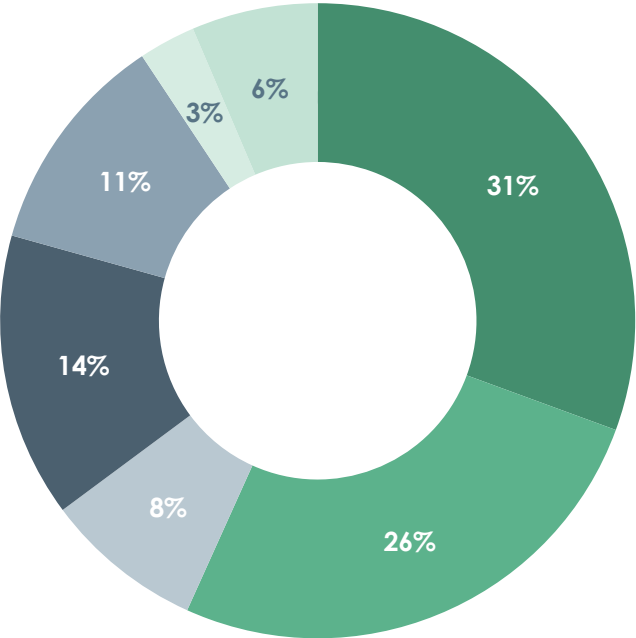
Rental income structure



Breakdown of Mercialys' rental income by business sector

(% of annualized rental income at June 30, 2020 – including exposure to the Casino group)

-  Personal items
-  Food-anchored tenants
-  Restaurants and catering
-  Culture, gifts and sports
-  Health and beauty
-  Services
-  Household equipment



Lease expiry schedule

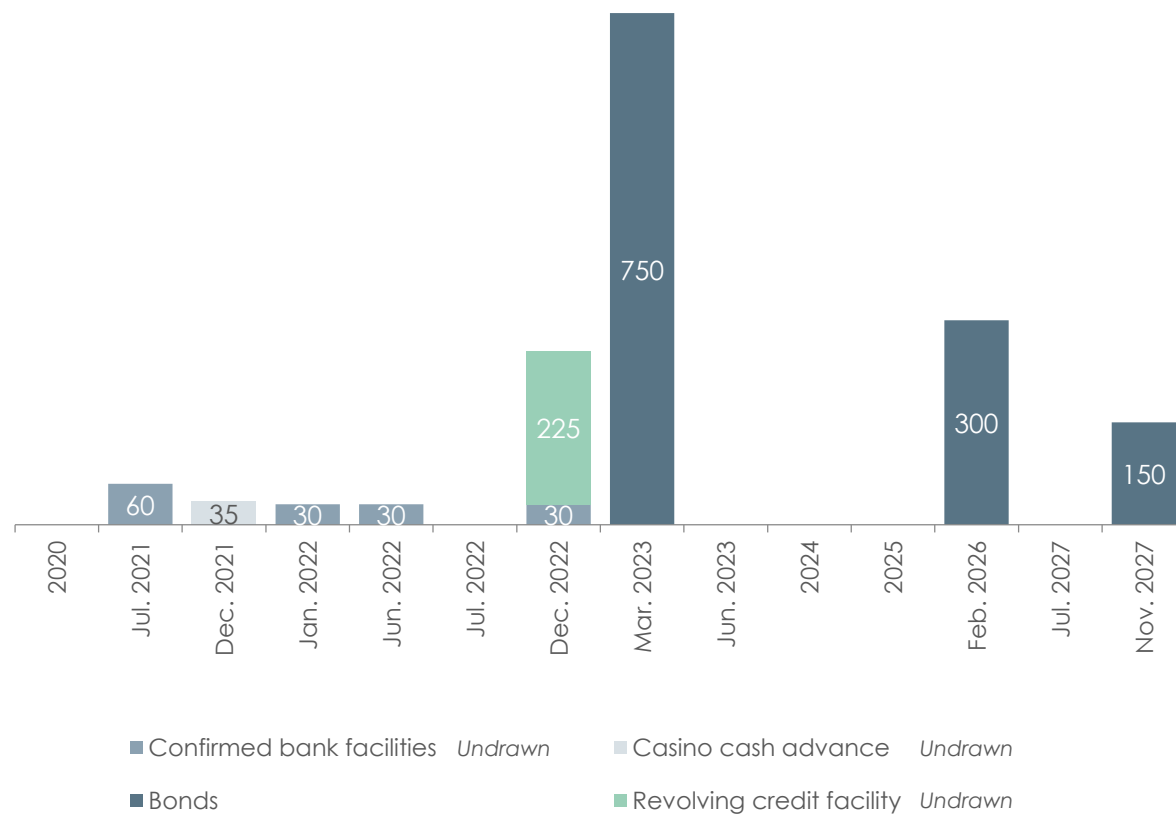
(percentage of leases expiring / minimum guaranteed rent)



Financing structure and debt schedule

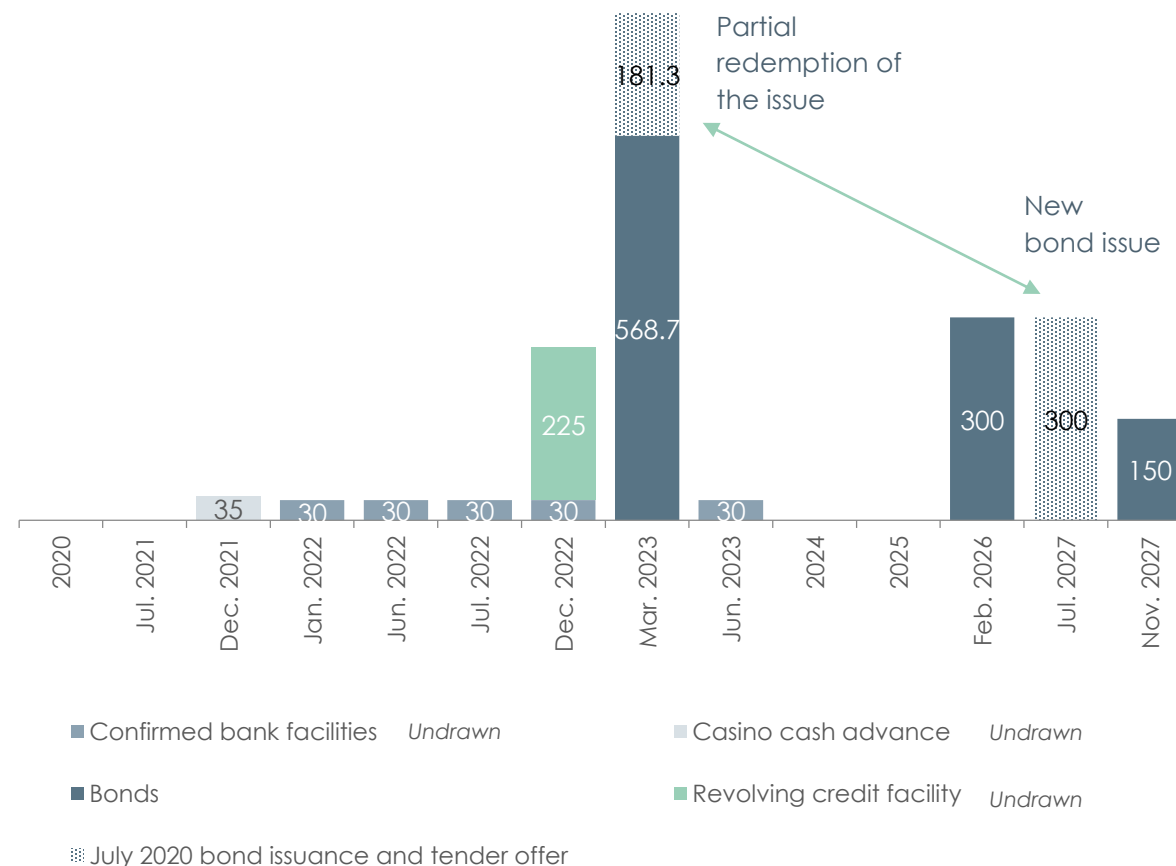


Debt schedule at end-December 2019 ⁽¹⁾
in €m



Debt schedule at end-June 2020 ⁽¹⁾
in €m

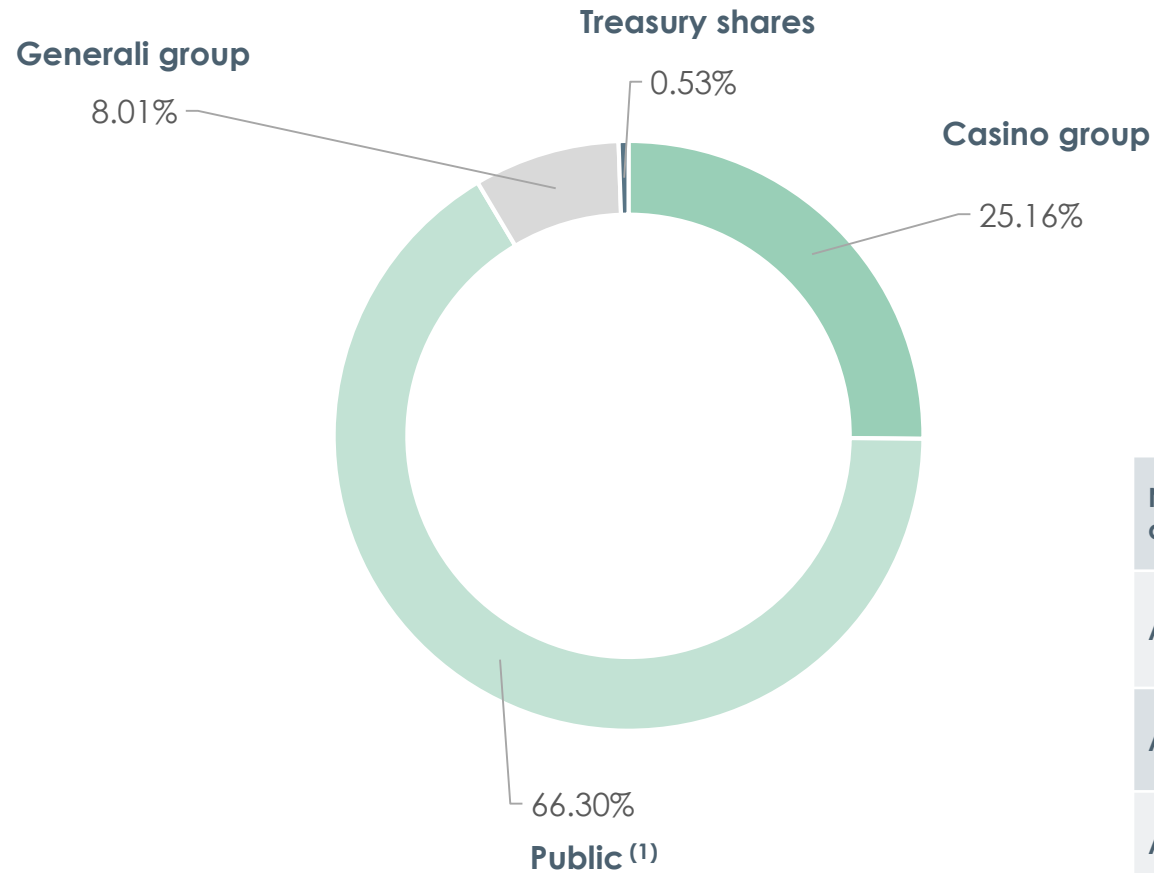
Proforma for refinancing operations closed in July 2020



(1) Excluding commercial paper program

Shareholding structure

At June 30, 2020



	December 31, 2018	December 31, 2019	June 30, 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	91,609,039
Average number of shares (diluted)	91,733,866	91,789,610	91,609,039

(1) Including the remaining shares that may be held by CACIB under the equity swap agreement set up in 2018 with the Casino Group

EPRA performance indicators



	June 30, 2019	December 31, 2019	June 30, 2020
EPRA earnings - € per share	0.69	1.35	0.69
EPRA NAV - € per share	20.86	20.53	19.72
EPRA NNNAV - € per share	20.40	20.01	19.90
EPRA NRV - € per share	23.29	22.87	22.00
EPRA NTA - € per share	20.86	20.53	19.72
EPRA NDV - € per share	20.40	20.01	19.90
EPRA net initial yield	4.89%	4.94%	5.16%
EPRA “topped-up” net initial yield	4.95%	5.00%	5.20%
EPRA vacancy rate	3.0%	3.2%	3.4%
EPRA cost ratio (including direct vacancy costs)	16.7%	16.8%	17.0%
EPRA cost ratio (excluding direct vacancy costs)	15.6%	15.6%	15.7%
EPRA capital expenditure (in millions of euros)	11.3	26.4	6.0

FFO & EPRA earnings



In thousands of euros	June 30, 2019	June 30, 2020
Invoiced rents	93,843	90,732
Lease rights and despecialization indemnities	1,644	1,271
Rental revenues	95,487	92,003
Property taxes	-15,031	-14,327
Rebiling to tenants	13,971	13,004
Non-recovered property taxes⁽¹⁾	-1,060	-1,323
Service charges	-15,887	-16,103
Rebiling to tenants	13,932	13,949
Non-recovered service charges	-1,956	-2,153
Management fees	-3,351	-2,261
Rebiling to tenants	2,185	2,237
Losses on and impairment of receivables	-1,662	-2,467
Other expenses	-581	-410
Property operating expenses	-3,408	-2,901
Net rental income	89,063	85,626
Management, administrative and other activities income	1,690	1,698
Other income and expenses	-2,977	-2,384
Personnel expenses	-6,294	-6,860
EBITDA	81,482	78,079
Net financial items (excluding the impact of hedging ineffectiveness and banking default risk)	-13,252	-10,087
Reversals of / (allowance for) provisions	-172	1,272
Other operating income and expenses (excluding capital gains on disposals and impairment)	-32	-1,268
Tax expense	-1,795	-1,215
Share of net income from equity associates (excluding amortization and impairment)	1,955	1,402
Non-controlling interests (excluding capital gains and amortization)	-5,211	-5,188
FFO	62,975	62,993
FFO per share (based on average diluted number of shares)	0.69	0.69
EPRA earnings	62,975	62,993

(1) In accordance with IFRIC 21, the annual property tax expense not charged back to tenants is recognized prospectively at January 1. The amount of this tax recorded at June 30, 2020, for the full year in 2020, is stable compared with 2019

Net income group share



In thousands of euros	June 30, 2019	June 30, 2020
FFO	62,975	62,993
Depreciation and amortization	-20,201	-20,236
Other operating income and expenses	-4,862	-11,112
Impact of hedging ineffectiveness and banking default risk	-127	1,394
Non-controlling interests: capital gains, amortization and impairment	192	177
Net income, group share	37,977	33,215

Balance sheet



In thousands of euros		December 31, 2019	June 30, 2020
ASSETS	Intangible assets	3,588	4,297
	Property, plant and equipment	857	1,247
	Investment property	2,222,452	2,196,285
	Rights-of-use assets	9,981	9,411
	Investments in associates	36,355	36,650
	Other non-current assets	51,867	61,400
	Deferred tax assets	1,200	1,303
	Non-current assets	2,326,300	2,310,593
	Trade receivables	20,532	61,610
	Other current assets	36,594	30,066
	Cash and cash equivalents	72,024	180,547
	Investment property held for sale	111	111
	Current assets	129,262	272,334
	TOTAL ASSETS	2,455,562	2,582,929
EQUITY AND LIABILITIES	Share capital	92,049	92,049
	Additional paid-in capital, treasury shares and other reserves	565,909	547,065
	Equity Group share	657,958	639,114
	Non-controlling interests	202,072	202,107
	Equity	860,030	841,221
	Non-current provisions	1,128	1,038
	Non-current financial liabilities	1,234,944	1,245,863
	Deposits and guarantees	21,502	22,058
	Non-current lease liabilities	9,640	9,155
	Other non-current liabilities	12,939	16,312
	Non-current liabilities	1,280,154	1,294,425
	Trade payables	13,839	16,983
	Current financial liabilities	261,643	375,472
	Current lease liabilities	959	968
	Current provisions	10,920	10,389
	Other current liabilities	27,542	42,637
	Current tax liabilities	474	833
	Current liabilities	315,378	447,282
	TOTAL EQUITY AND LIABILITIES	2,455,562	2,582,929

Breakdown of assets



Average appraisal yield rate: 5.49% at June 30, 2020

Type of property	Number of assets at June 30, 2020	Appraisal value (excl. transfer taxes) at June 30, 2020		Appraisal value (incl. transfer taxes) at June 30, 2020		Gross leasable area at June 30, 2020		Appraised net rental income	
		In €m	%	In €m	%	Sq.m	%	In €m	%
Regional / large shopping centers	25	2,701.8	81.5%	2,868.0	81.4%	654,852	77.6%	152.6	79.0%
Neighborhood shopping centers and city-center assets	28	601.4	18.1%	642.4	18.2%	186,637	22.1%	40.2	20.8%
Sub-total	53	3,303.1	99.7%	3,510.4	99.7%	841,489	99.7%	192.7	99.8%
Other sites	5	11.4	0.3%	12.2	0.3%	2,359	0.3%	0.5	0.2%
Total portfolio	58	3,314.6	100.0%	3,522.6	100.0%	843,848	100.0%	193.2	100.0%

Capitalization rate grid

Applicable under the Partnership Agreement with Casino



**Rates
applicable
for the
second half
of 2020**

Type of property	Shopping centers		Retail parks		City center
	Mainland France	Corsica and overseas depts. & territories	Mainland France	Corsica and overseas depts. & territories	
> 20,000 sq.m	5.9%	6.5%	6.5%	6.8%	5.7%
5,000 to 20,000 sq.m	6.4%	6.8%	6.8%	7.2%	6.0%
< 5,000 sq.m	6.8%	7.2%	7.2%	7.9%	6.5%



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