Bond investor presentation

June 2020

MERCIALYS

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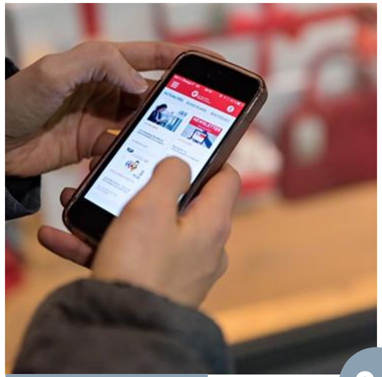
Optimizing operations in a shifting paradigm for the retail market



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A resilient company profile

MERCIALYS

Company profile

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

- Mercialys' 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): €3,634.4m at December 31, 2019

€191.9m
in rental revenues

85%
EBITDA margin

€20.01
NNNAV per share

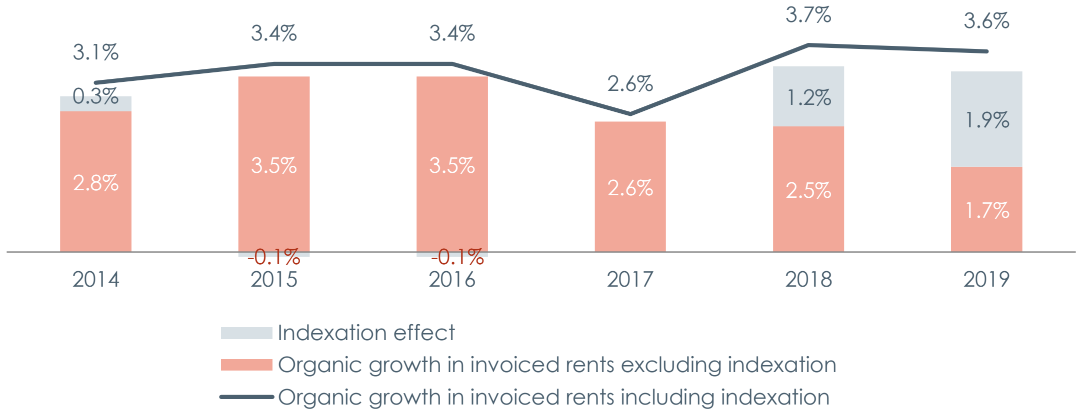
39.5%
LTV (excluding transfer taxes)

BBB rating
Negative outlook

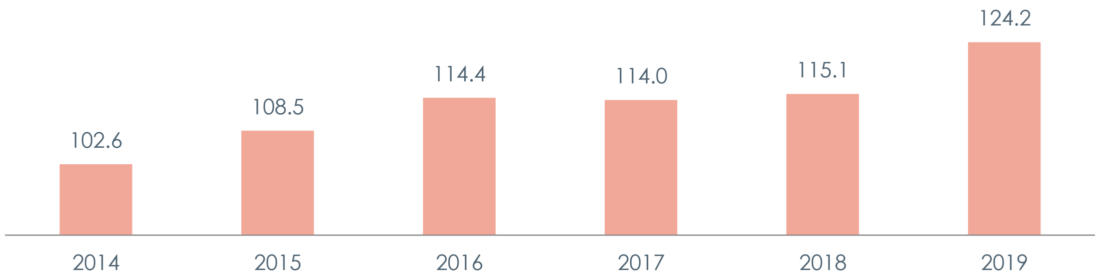
(1) In addition to five geographically dispersed assets

Strong revenue, asset value and financial profile over the long term

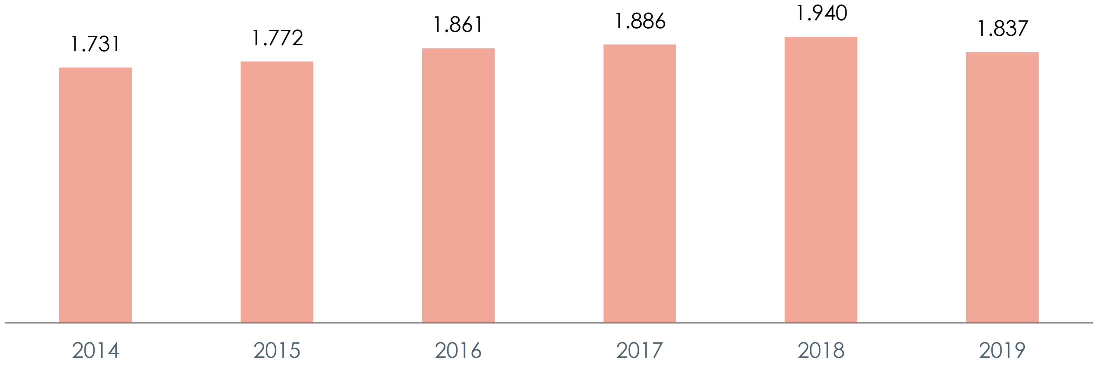
Organic growth (%)



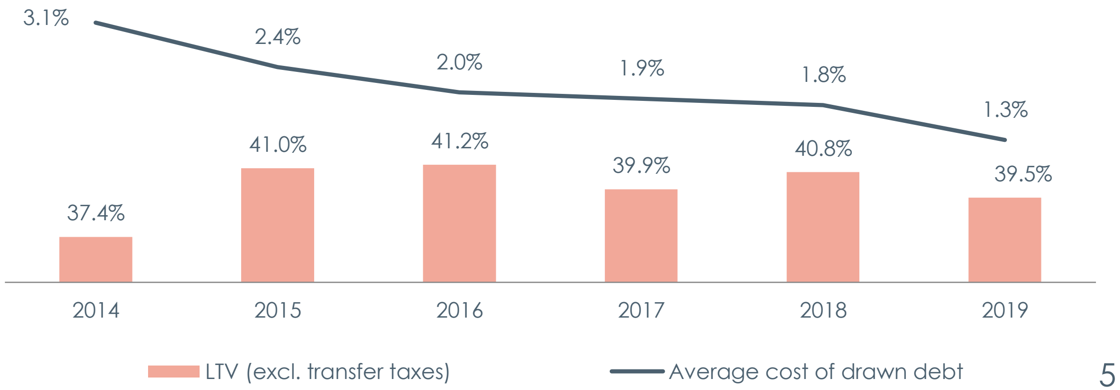
FFO (€mn)



EPRA NNNAV (€mn)



LTV and average cost of drawn debt (%)



Selective asset base in an increasingly polarized retail market

Concentration on a limited number of sites in dynamic medium-sized cities

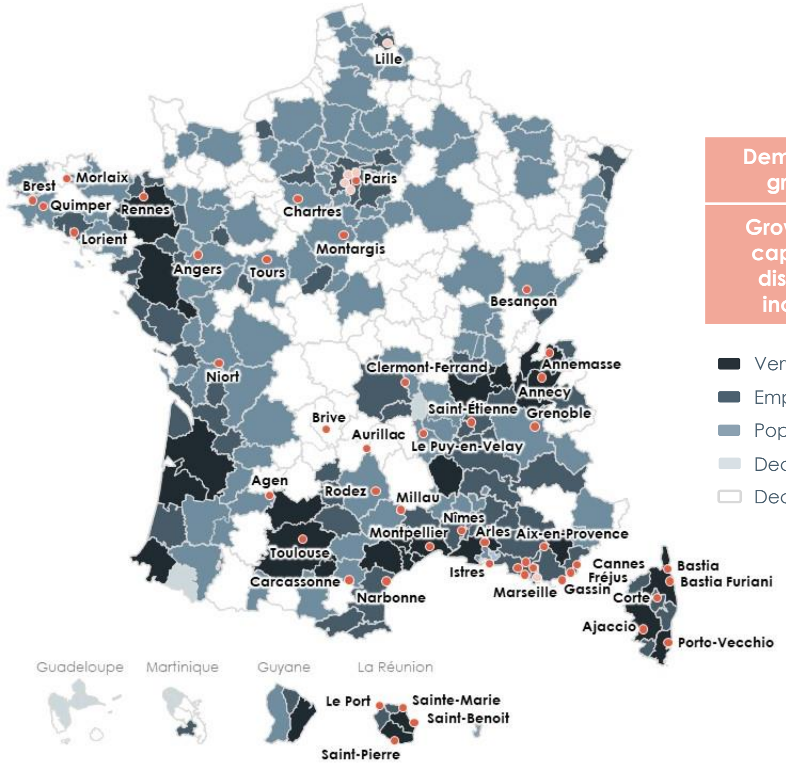
Restructuring and expansion of assets with winning positions within local "master zones"

Optimized letting and asset management

Strategic geographical positioning on a maturing market

- Polarization of retail in out-of-town areas in provincial cities
- Polarization of retail around master zones within these peripheral areas

Socioeconomic trends per French region (1)

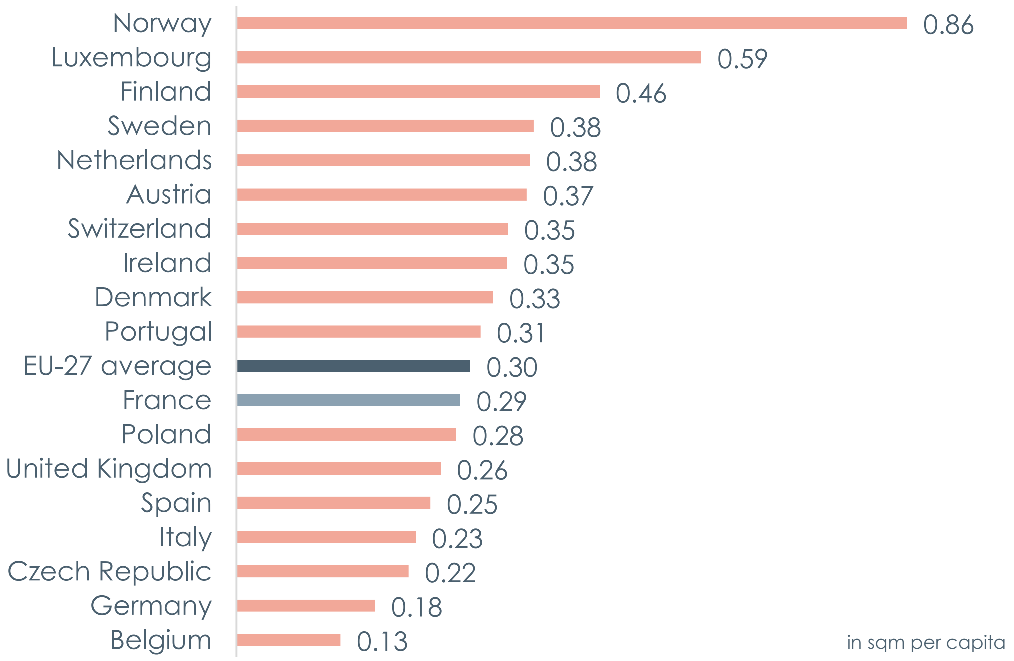


	Mercialys sites outperformance vs Metropolitan France (3)
Demographic growth (2)	195 bp
Growth in per capita gross disposable income (2)	237 bp

- Very strong employment and population growth
- Employment and population growth
- Population growth and decreasing employment
- Decreasing population and employment growth
- Decreasing population and employment

- Shopping centers
- High-street retail assets

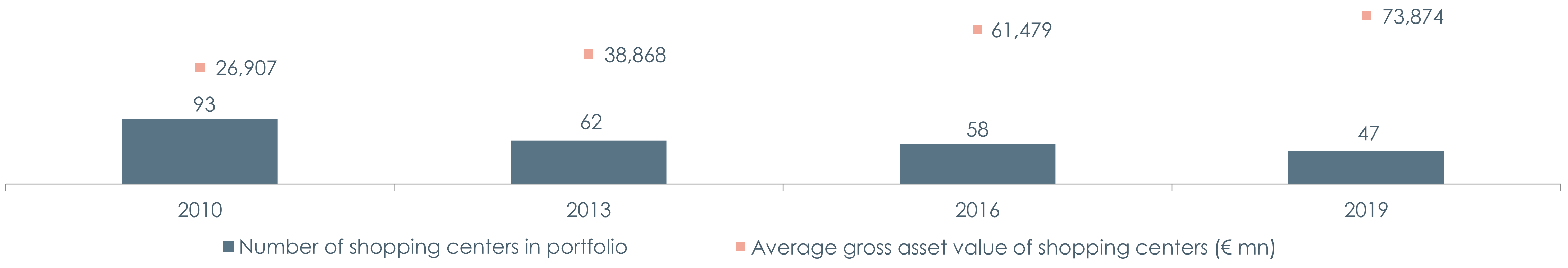
Shopping center density per European country (4)



(1) Source: Insee (2) For 2005-2015, latest data fully available from Insee (3) Weighted by center surface area (4) Source: Cushman & Wakefield

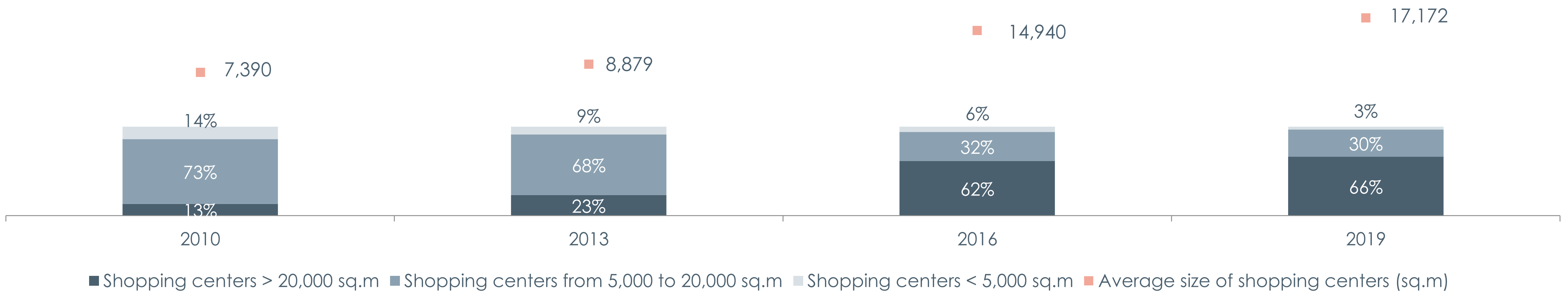
Shopping center portfolio refocus on regional dominant assets

Number of shopping centers and average value



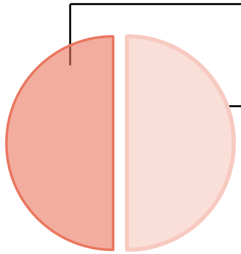
Shopping center breakdown by size

(% of portfolio gross asset value including rights at December 31, 2019)

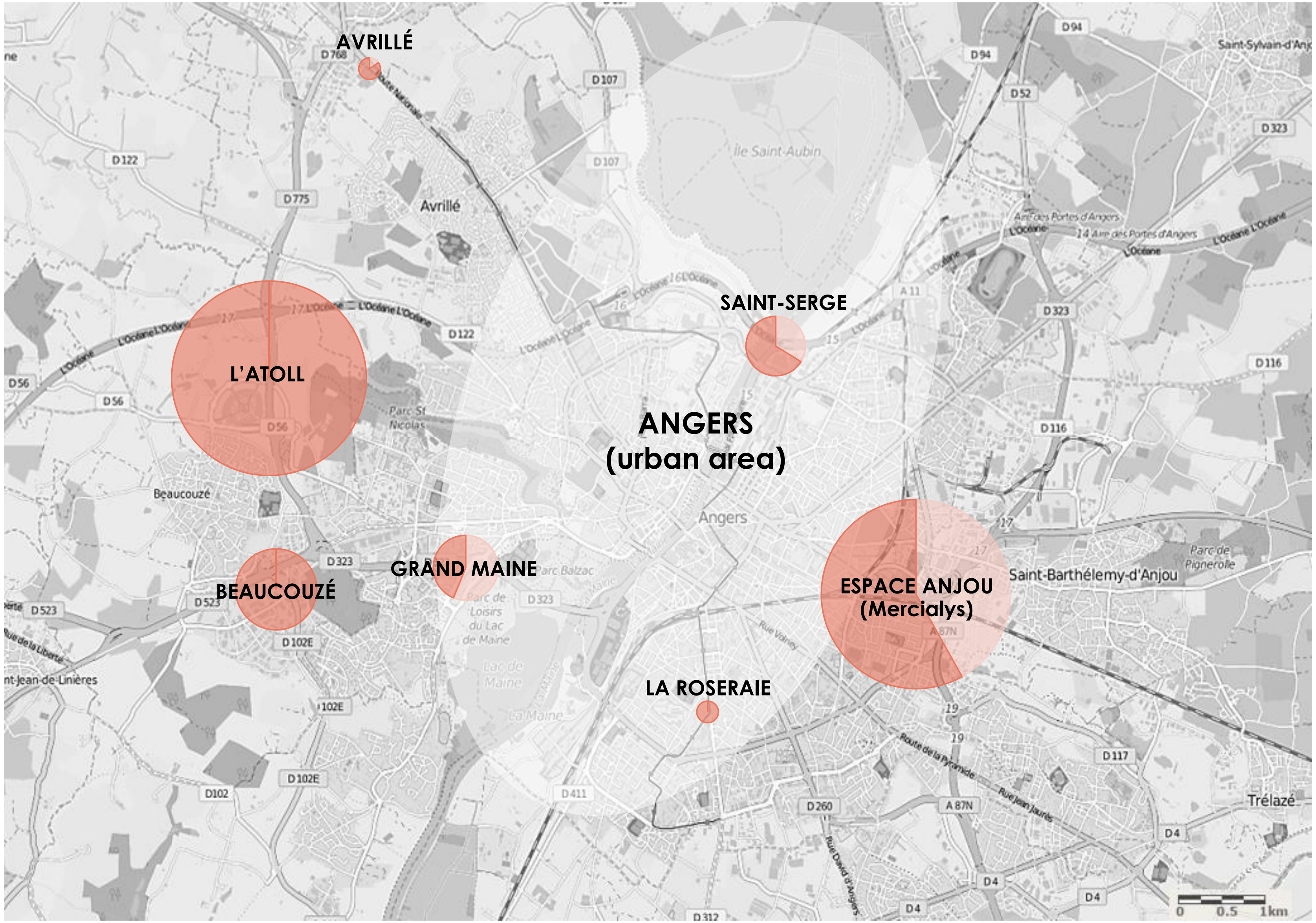


Example of polarization of local retail in dominant master-zones: Angers

Key



The size of the circles is proportional to the total volume of turnover generated by the hub



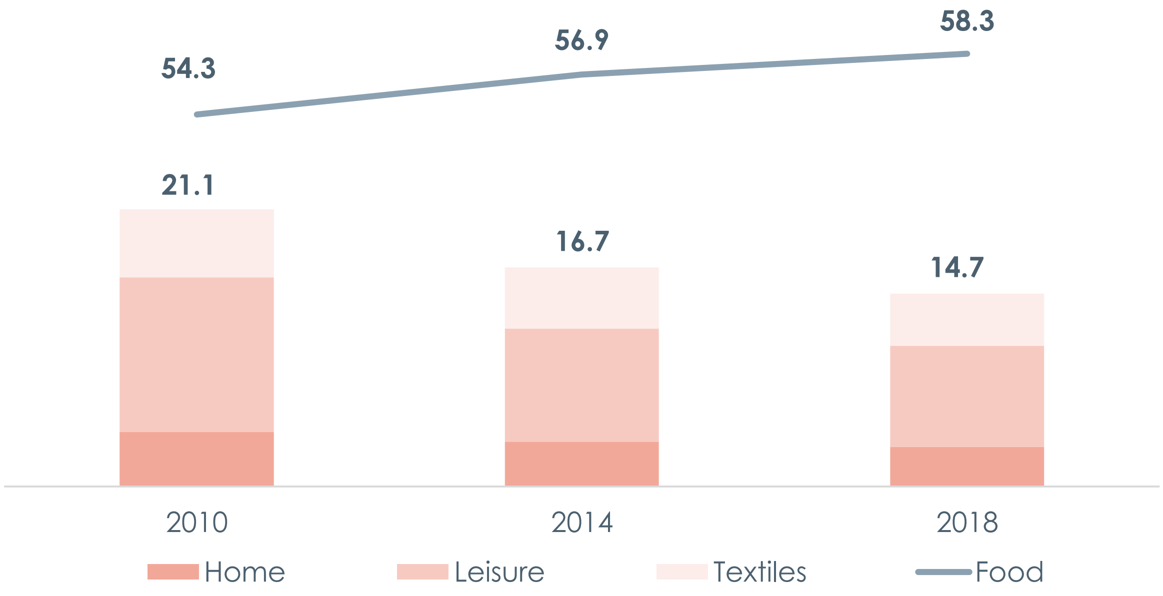
Source: Procos - Les pôles marchands de périphérie d'Angers - 2017

Hypermarkets still driving consumption in the regions, within a model that is however specializing in food

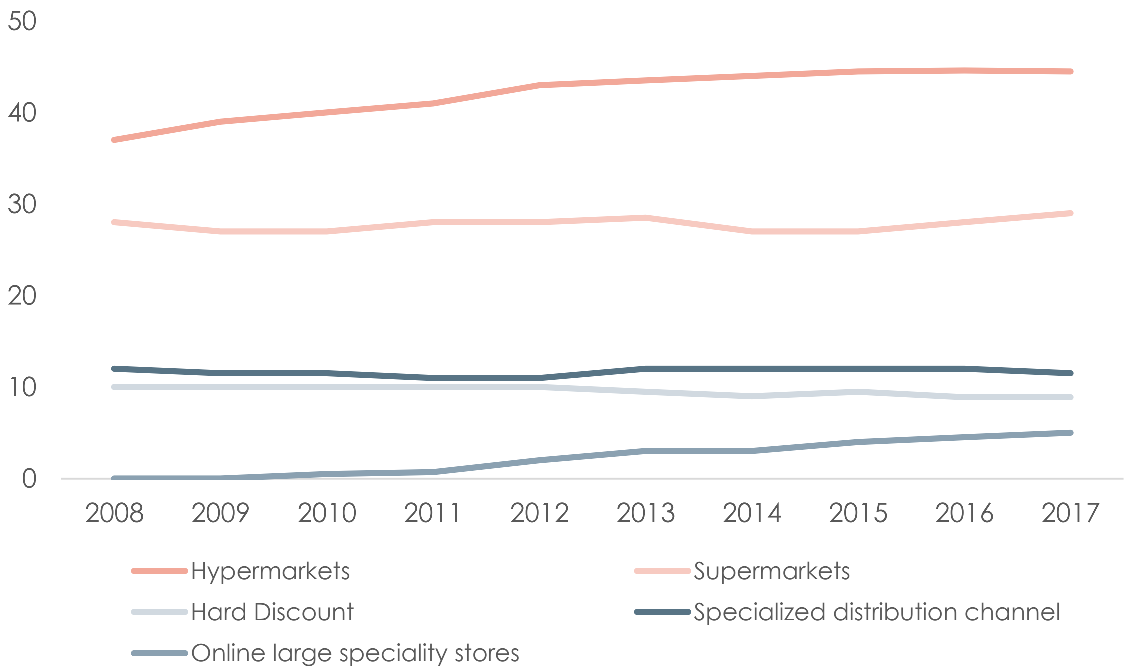
- Massive decline in non-food turnover for hypermarkets over the past 8 years, across all product categories
- Non-food offer increasingly covered by specialized retailers
- Growing market share of decentralized retailers, in line with consumers' interest in local sourcing, away from standardized offers

- 94% of French people visited a hypermarket at least once during the year [(2)]
- 52% of convenience goods were consumed in hypermarkets in 2019 [(3)]
- Increase in food turnover over the same period and hypermarket market share gain in total household food expenditure

Change in hypermarket food and non-food turnover in France [(1)] (in Euro billion)



Household food expenditure by distribution channel [(4)] (in Euro billion)



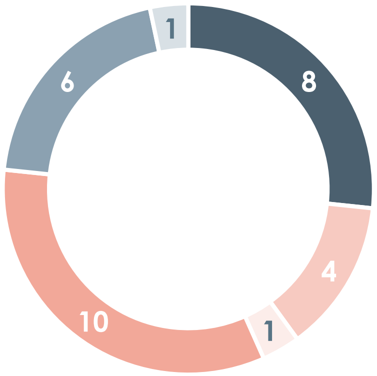
(1) Source: Nielsen - 2019 (2) Source: L'ObSoCo - 2019 (3) Source: Kantar - Worldpanel 2019 (4) Source: FranceAgriMer - September 2018

Hypermarkets' rightsizing to support their realignment around food

- 58 assets held by Mercialys at year-end 2019:
  - 47 shopping centers
  - 6 city-center sites
  - 5 isolated units
- Within these 47 shopping centers, Mercialys holds:
  - 22 hypermarkets (of which, only 8 are 100% owned)
  - 1 supermarket
  - 1 Monoprix
- All operated by the Casino group to date

Breakdown of the 30 food stores owned by Mercialys

- Géant hypermarkets 100% owned
- Géant hypermarkets 60% owned (Corsica)
- Casino supermarket 60% owned (Corsica)
- Géant hypermarkets 51% owned (BNP JVs)
- Monoprix city-center assets
- Leader Price supermarket



- In the 23 shopping centers where Mercialys does not own the anchoring food store, they are operated today by:
  - Casino at 17 sites
  - Carrefour at 3 sites (1)
  - Leclerc at 1 site
  - Système U at 1 site
  - Intermarché at 1 site (1)

13,263 sqm GLA
Average size of the 22 hypermarkets owned by Mercialys

Ongoing discussions to further adapt the size of hypermarkets within Mercialys' portfolio, making it possible to:

1. Continue allocating the sites' non-food offer to specialized retailers
2. Adapt the hypermarkets' space to new consumer habits and facilitate their liquidity

(1) Brand change subject to the competition authority's decision

Strong operating levers to face the health crisis

MERCIALYS

Mercialys' portfolio amplified positive national dynamics

Favorable basis for comparison in 2019

› As medium-sized cities were impacted by social tensions in Q4 2018 and Q1 2019

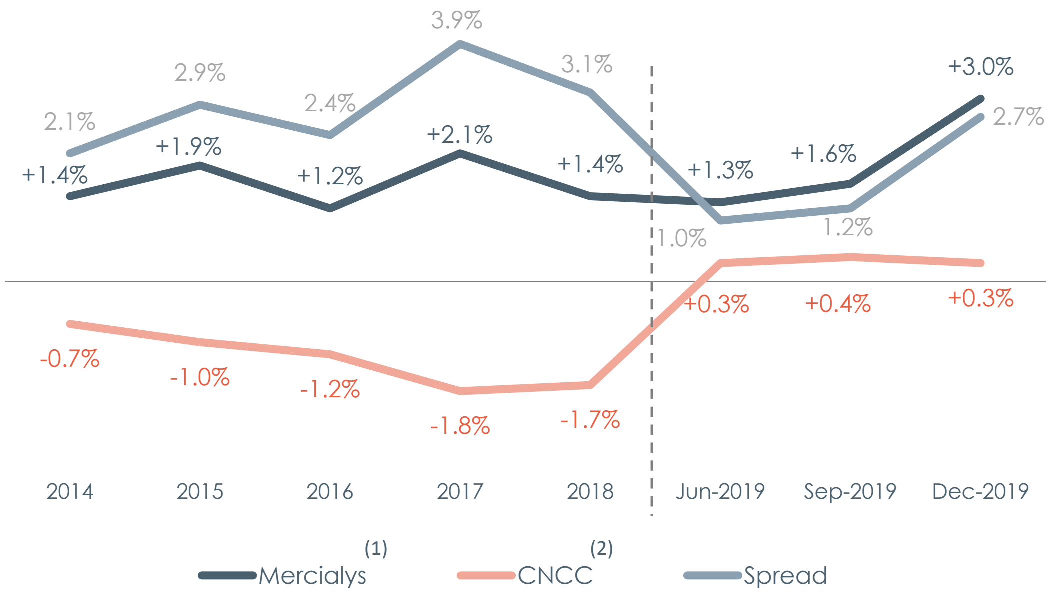
Supportive geographic positioning

› Strong underlying trend for Mercialys sites, which benefit from higher than average purchasing power and demographics, thus amplifying the overall positive consumption dynamics in France

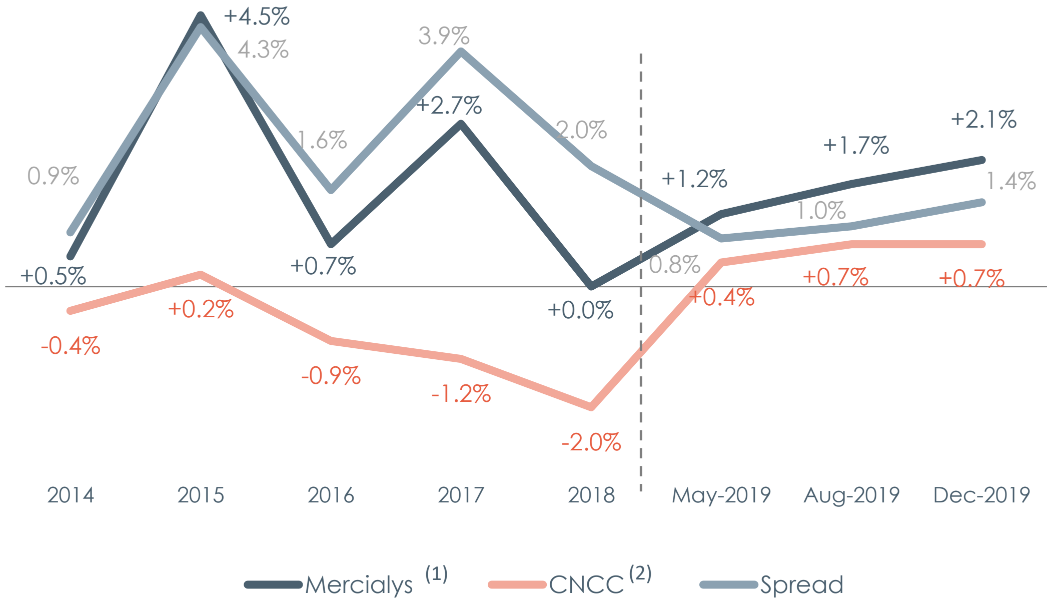
Client approach boosting local customer engagement

› Improved knowledge of our visitors thanks to enhanced digital tools, leading to dedicated commercial offers and targeted events

Cumulative change in footfall at end-December 2019



Cumulative change in retailer sales at end-December 2019



(1) Mercialys' large centers and main neighborhood shopping centers based on a constant surface area, representing close to 90% of the value of the Company's shopping centers
(2) CNCC index – all centers, comparable scope

Mercialys' anchorage in essential businesses allowed them to weather the health crisis

Mercialys' sites continued to serve their communities throughout the lockdown

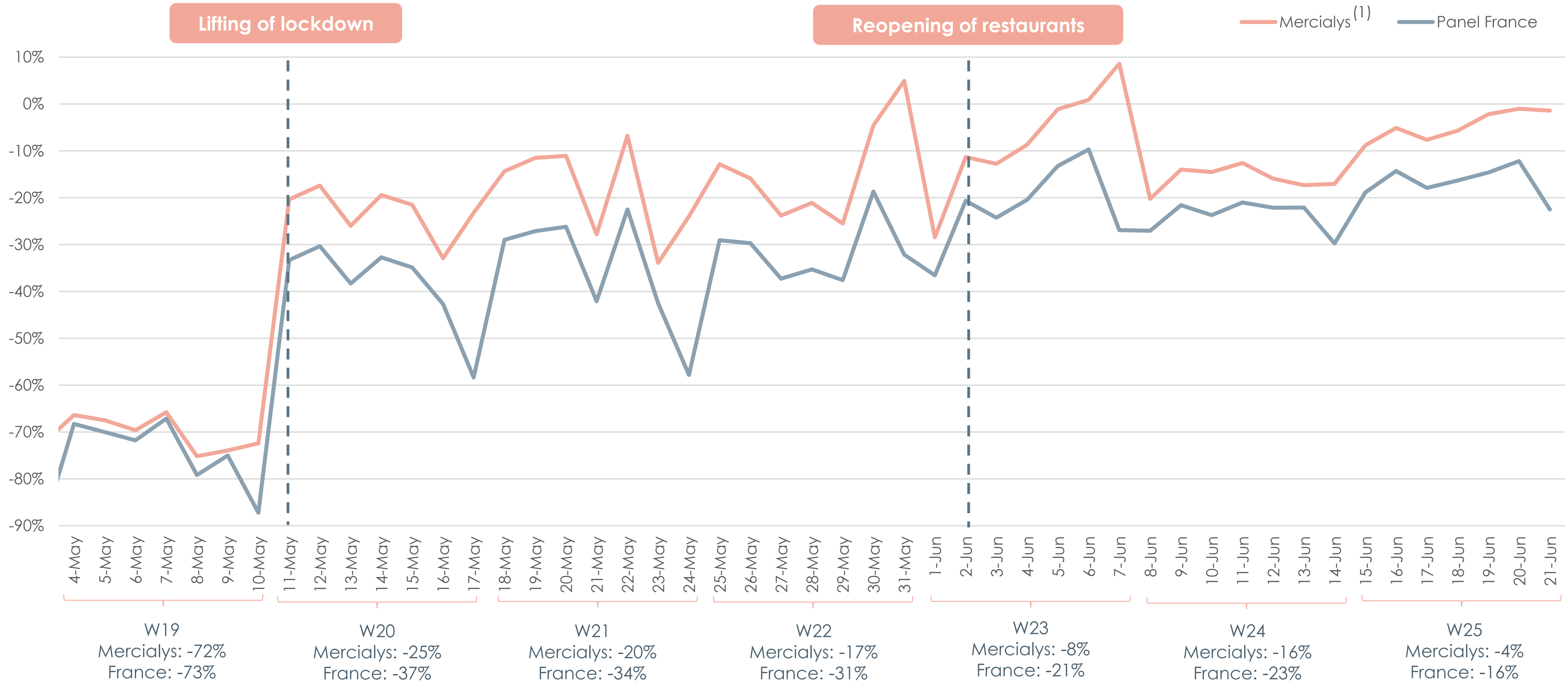
- Mercialys' shopping centers and high-street retail assets have all continued to operate since the March 15 decree (closure of all non-essential stores) came into force
- Indeed, this decree allowed certain categories of stores, representing almost 40% of the Company's total rental base, to continue trading. While certain retailers have not been able to or have not wanted to remain open, the food-anchored tenants, which represent 26% of the Company's annualized rental income, have systematically continued to operate
- Actions were deployed to support the retailers that opened: dedicated customer pathways for pharmacies, Casual Leasing spaces made available to chocolate makers on hypermarket concourses during the Easter period, home delivery service set up with Ocitô, etc.

All of Mercialys' shopping centers reopened since May 11, 2020

- Rigorous health management was deployed, with each of Mercialys' shopping centers taking exceptional steps to ensure the safety of its customers, retailers and staff
- Encouraging trends on global footfall, with health & beauty, sports, leisure, DIY and children textile performing especially well

Footfall progressively improving since May 11

Mercialys' portfolio is outperforming the France panel and progressing steadily



(1) Mercialys' large centers and main neighborhood shopping centers based on a constant surface area, representing close to 90% of the value of the Company's shopping center

National mediation process that will help guide the support measures to be offered to retailers

Charter supported by the French Ministry of Finance

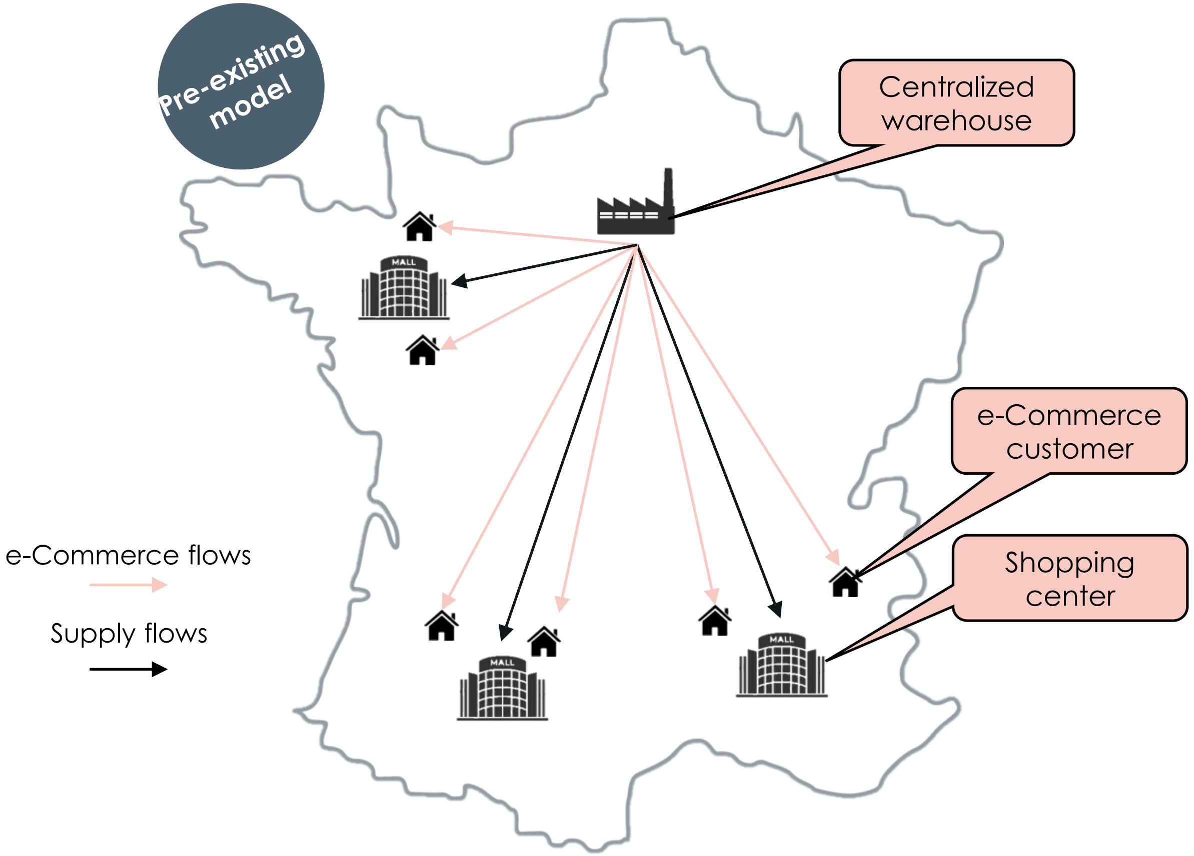
- A mediation process was considered necessary by the French government, which appointed a mediator in April 2020
- This mediation process, completed in May 2020, was signed up to by all the landlord federations, including the ones Mercialys is part of (CNCC, FSIF), as well as certain retailer federations (Confédération des Commerçants de France, Commerçants et Artisans des Métropoles de France, Fédérations de l'habillement, de l'équipement du foyer, des détaillants de la chaussure), but not by the main tenant representatives

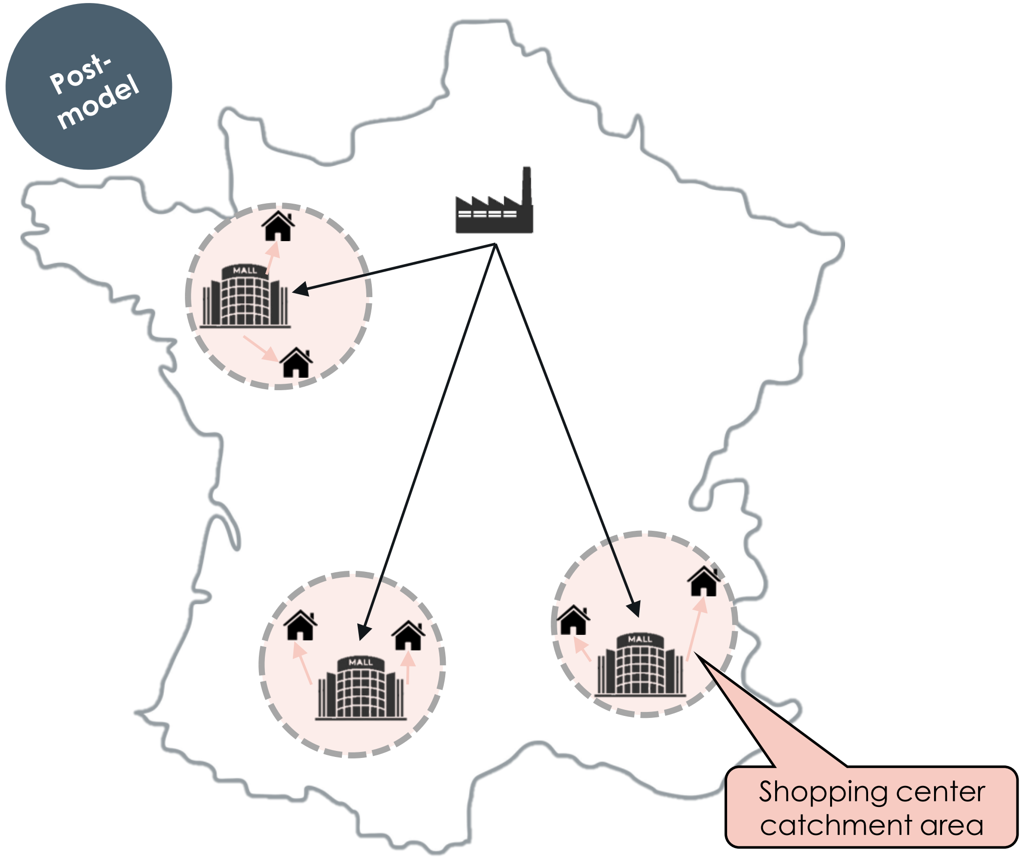
Mediation process' key outcomes

- 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 will align itself with the core principles from this mediation process for discussions with its tenants**

Health crisis driving changes in the regional logistics organization





From supra-territorial e-commerce…

- **Prohibitive actual cost per order**
- **Complex economic equation linked to**
  - Peri-urban sprawl in the regions
  - High social costs

…to multi-local e-commerce from stores

- **Reduced logistics costs for retailers**
- **Increased staff productivity and points of sale that are now standalone logistics units**
- **Stronger links for end customers with their local community**

Major steps forward with innovative projects in 2019 at the heart of the expansion of retail asset use

5 strategic drivers to further enhance
Mercialys sites' local leadership and feed their future performance

- Regular personalized interactions with end-customers and retailers
- Merchandising mixes and services shaped to precisely address customers needs
- Multi-functionality
- Integration within the local logistics chain
- Local anchoring and legitimacy within communities

→ **Current retail developments are incremental, not disruptive, embedding more bottom-up approaches and client focus**

Driving footfall and winning client insights through powerful digital tools …

Database of 1 million clients enabling interaction with visitors, efficient marketing action metrics and selection of appropriate retailers

Antoine

Loyalty program	He shows his phone to the sales advisor to validate his purchase and access benefits
Wifi	He enters information on a portal to access the wifi (like at an airport)
Services	He uses his G La Galerie account to order food for dinner
Digital terminals	He uses his account to win 2 tickets for a leisure activity
Events	He takes part in the "chocolate day" marketing event at the center

Profiles	41 years old – 3 children Lives in Saint-Etienne
Visit frequency	3.2 times per month
Favorite retailers and average basket	fnac: 6 purchases: €114, Average price: €19 NEW YORKER: 4 purchases: €108, Average price: €27 TAPE À L'OEIL: 3 purchases: €36, Average price: €12
ROI	€1 spent on marketing → €5.5 of sales on site
Satisfaction	4.3/5

- Marketing support
- Across X sites, Z retailers share 80% of their identified clientele
- Strengthening of marketing actions
- He never goes to a restaurant in the center
- Support for targeted marketing

Customers… …interact with us through the various channels… …which transmit information to a centralized database… …where the identification of consumer journeys and profiles is refined to improve sales performance… Customer knowledge shared with the retailers internally

Ambition to consolidate product distribution channels within our ecosystem

Product collection

Marie

Customer visits and buys directly in store

Click & Collect: customer collects their order in store

Product collection lockers: 24/7

Drive-in: customer collects their order in the car park

Immediate food delivery: delivered to the customer's home by an Ocitô delivery provider

Mailing: the store prepares the order, which is sent to the customer with Colissimo within 1 to 2 days

Product promotion

Physical shopping center

Ocitô marketplace

Other marketplaces

Retailer e-commerce sites

Customers…

…benefit from a comprehensive range of solutions for collecting products…

…purchased through their preferred channel

Projects adding distinctive convenience services to our sites

Furiani healthcare center

1st healthcare center in a shopping center in Corsica, let to 12 practitioners under usual commercial leases

Project structured to integrate an extension of the existing pharmacy, making it possible to offer sustainable rent levels to practitioners while generating an 8.3% value accretive YOC

Cap Cowork structuring the local shared office market with a profitable margin

Completion and ongoing letting of co-working space in Angers

Letting managed in-house by Mercialys' local teams in order to internalize the profit margin

Next openings at Brest, Grenoble, Quimper and Marseille Sainte-Anne

€468.6mn pipeline of meaningful projects on current scope

(in millions of euros)	Total investment	Investment still to be committed	Target net rental income	Target net yield on cost	Completion date
COMMITTED PROJECTS	11.3	5.7	0.8	7.1%	2020
Le Port Retail Park	11.3	5.7	0.8	7.1%	2020
CONTROLLED PROJECTS	218.9	214.3	10.9[1]	6.8%[1]	2021 / 2025
Redevelopments and requalifications	42.3	42.0	3.0	7.0%	2021 / 2022
Extensions and retail parks	118.0	114.1	7.9	6.7%	2021 / 2023
Mixed-use high-street projects	58.5	58.1	na	na	2024 / 2025
IDENTIFIED PROJECTS	238.4	237.6	15.1[1]	7.0%[1]	2022 / 2026
TOTAL PROJECTS	**468.6**	**457.6**	**26.7[1]**	**6.9%[1]**	**2020 / 2026**

COMMITTED
Projects fully secured in terms of land management, planning and related development permits

CONTROLLED
Projects effectively under control in terms of land management, with various points to be finalized for regulatory urban planning (constructability), planning or administrative permits

IDENTIFIED
Projects currently being structured, in emergence phase

Value accretive investment opportunities also existing outside of Mercialys' current scope

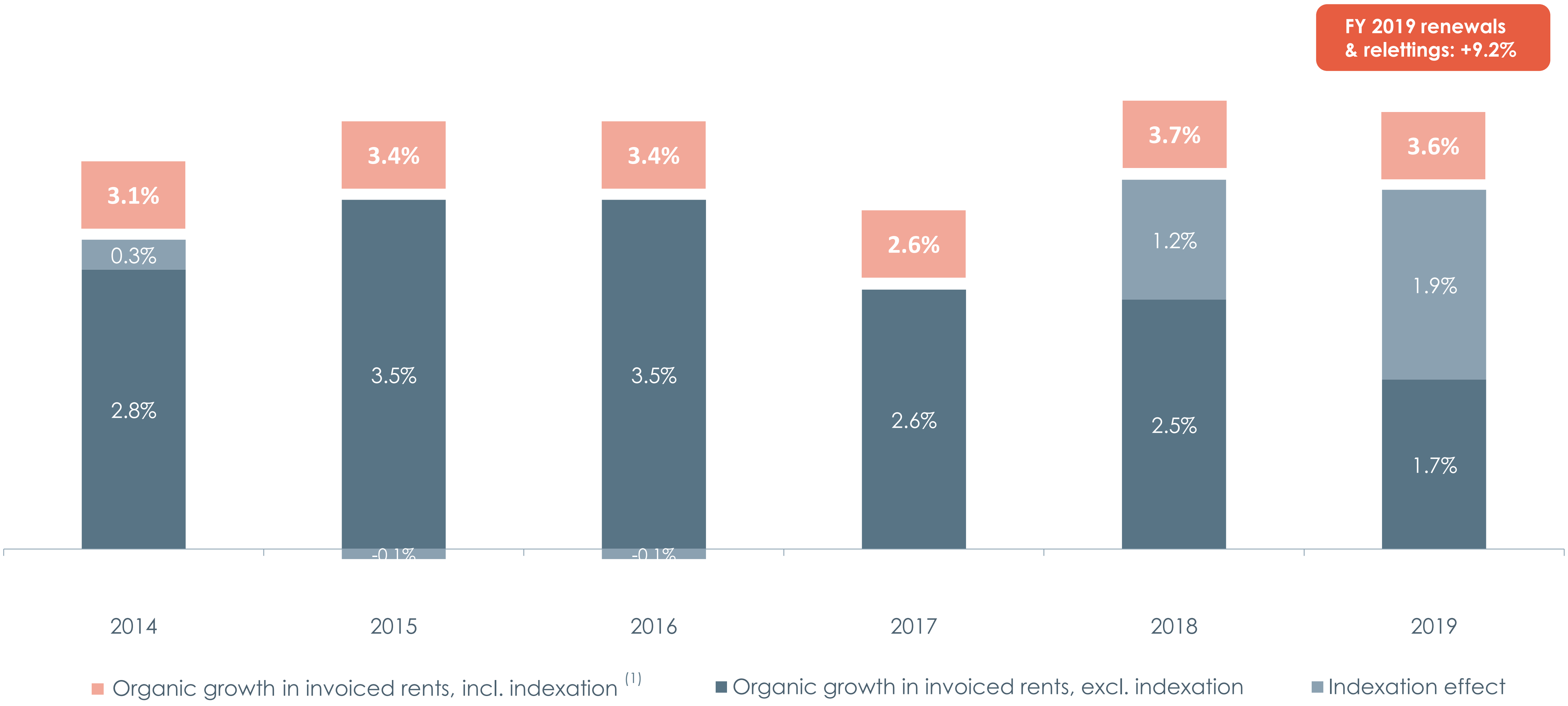
Mercialys can adapt its "stop & go" for projects, in line with its investment capacity, with projects currently put on hold

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

Earnings & financial profile

MERCIALYS

Another year of sustained organic growth



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

Q1 2020 activity

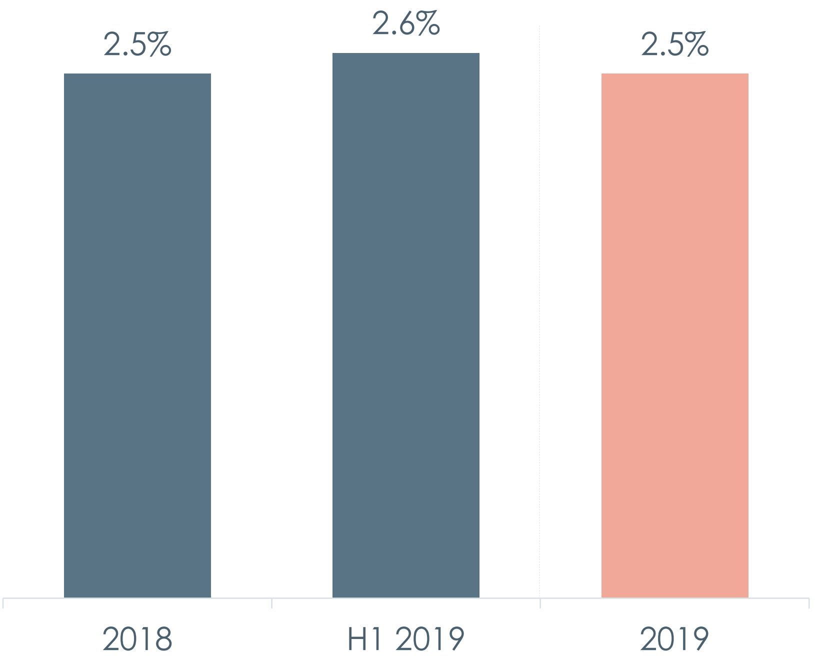
Organic growth of +3.1% in Q1 2020

(in thousands of euros)	End-March 2019	End-March 2020	Change at current scope (%)	Change at constant scope (%)
Invoiced rents	46,312	46,518	+0,4%	+3,1%
Lease rights	820	632	-22,9%	
Rental revenues	**47,132**	**47,150**	**0,0%**	

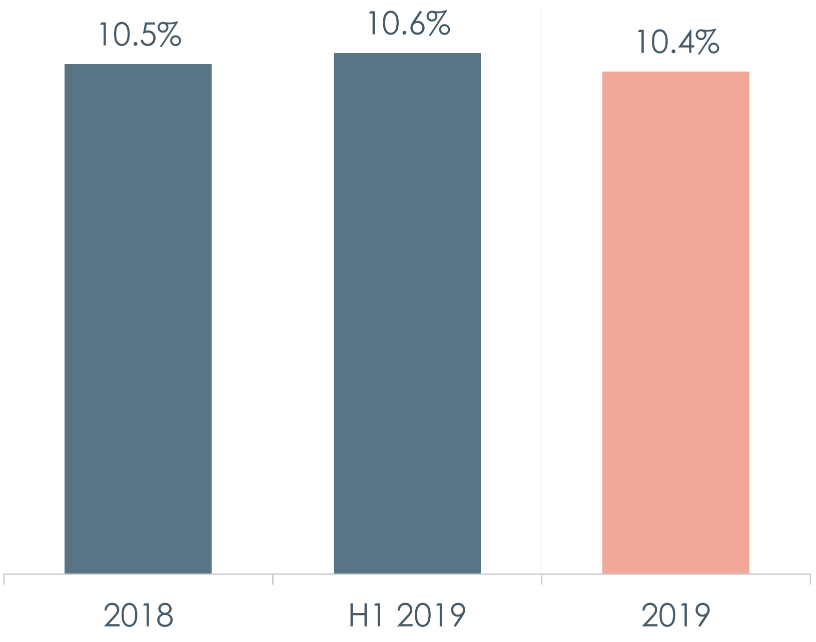
The guidance announced when the 2019 full-year results were published in February 2020 is therefore no longer applicable and will be updated once the outlook for the health context has become clearer

Durably sound vacancy rates and occupancy cost ratio on the back of Mercialys' sensible lettings strategy

Change in recurring financial vacancy rate (1)



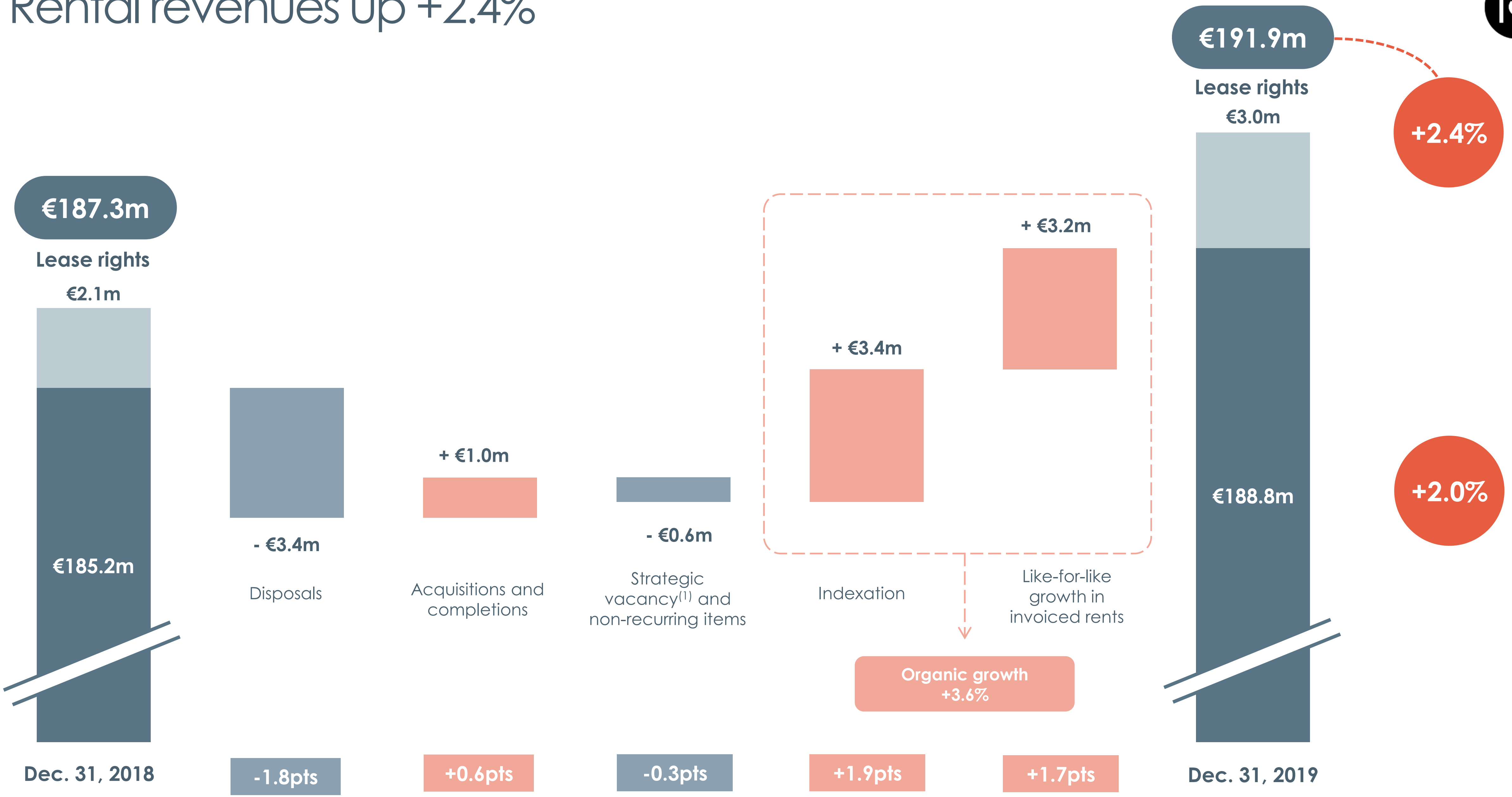
Change in occupancy cost ratio



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

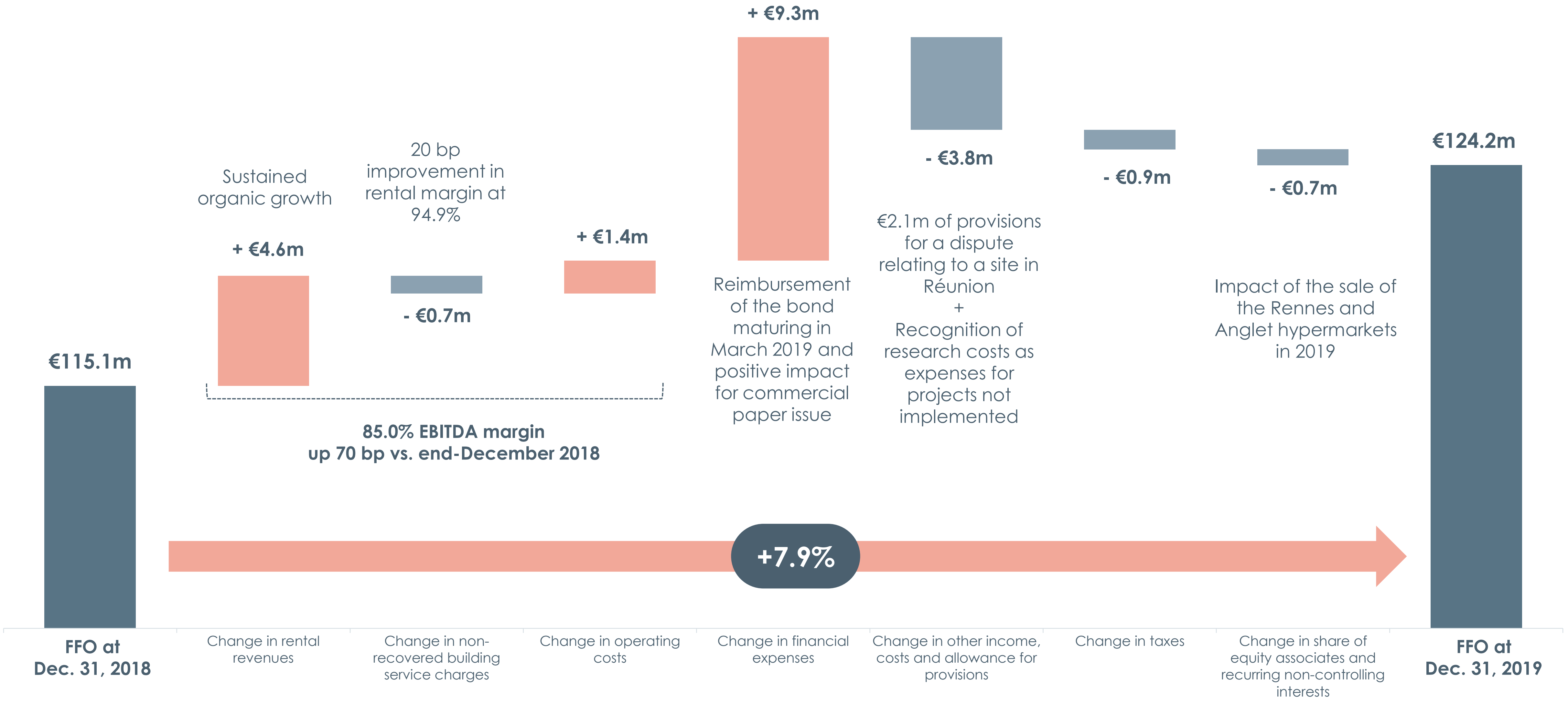
(1) Mercialys' occupancy rate and vacancy rate do not include agreements relating to the Casual Leasing business

Rental revenues up +2.4%



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

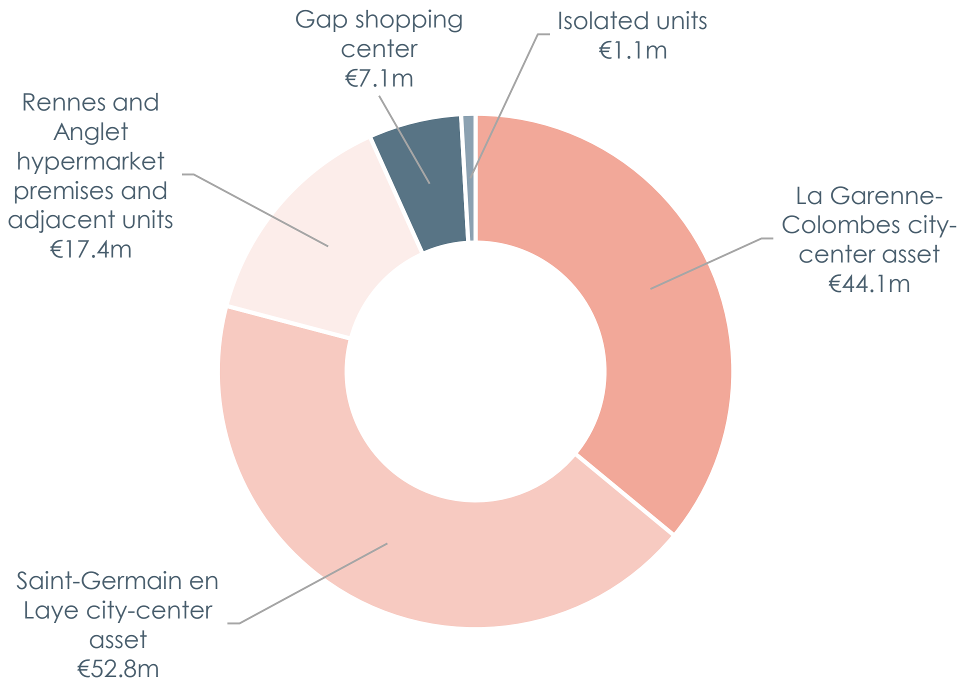
FFO up +7.9%



€115.1m
FFO at Dec. 31, 2018
Sustained organic growth
+ €4.6m
Change in rental revenues
20 bp improvement in rental margin at 94.9%
- €0.7m
Change in non-recovered building service charges
+ €1.4m
Change in operating costs
85.0% EBITDA margin up 70 bp vs. end-December 2018
+ €9.3m
Reimbursement of the bond maturing in March 2019 and positive impact for commercial paper issue
Change in financial expenses
- €3.8m
€2.1m of provisions for a dispute relating to a site in Réunion
+
Recognition of research costs as expenses for projects not implemented
Change in other income, costs and allowance for provisions
- €0.9m
Change in taxes
- €0.7m
Impact of the sale of the Rennes and Anglet hypermarkets in 2019
Change in share of equity associates and recurring non-controlling interests
€124.2m
FFO at Dec. 31, 2019
+7.9%

€122.4m of asset sales including transfer taxes, significantly above appraisal values

Breakdown of Mercialys' asset sales in 2019

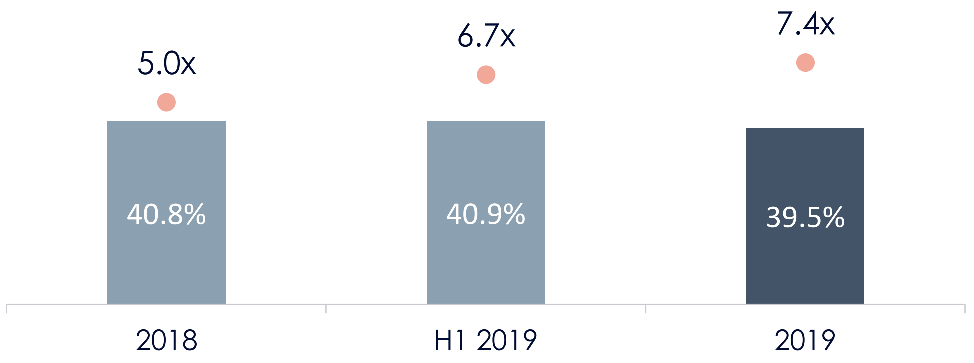


→ **Investors interested in all three types of assets owned by Mercialys**

→ **Disposals completed on average 8.4% above appraisal values**

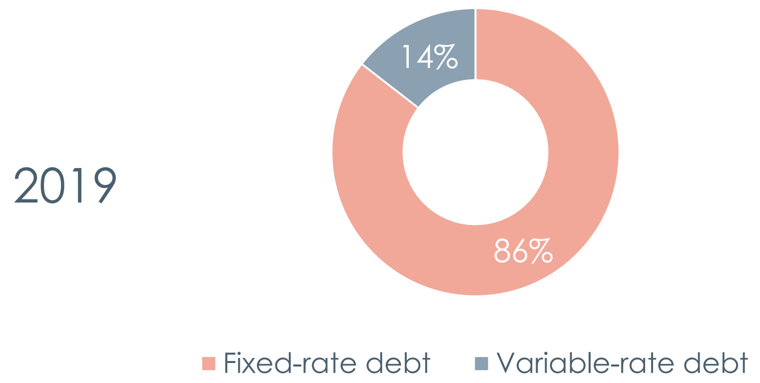
Sound financial structure

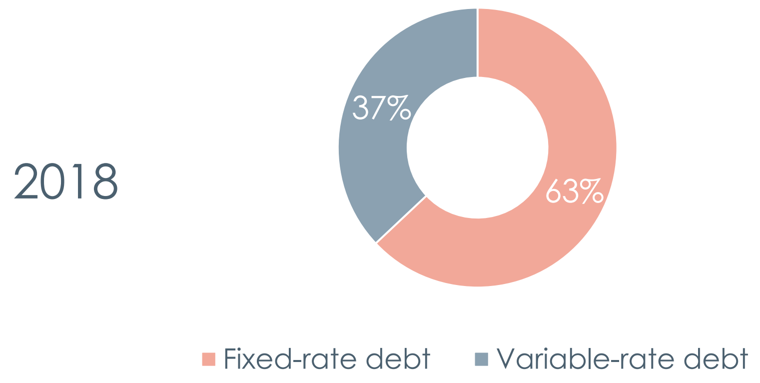
Change in LTV (excluding transfer taxes) **and ICR**



Change in net debt to EBITDA ratio

Debt: fixed vs. floating rate exposure (1)





(1) Including commercial paper program

Optimized financing costs following the reimbursement of the March 2019 bond

Net debt at end-2019: €1,373.2m including

- €1,200.0m of bond debt
- €250.0m of commercial paper

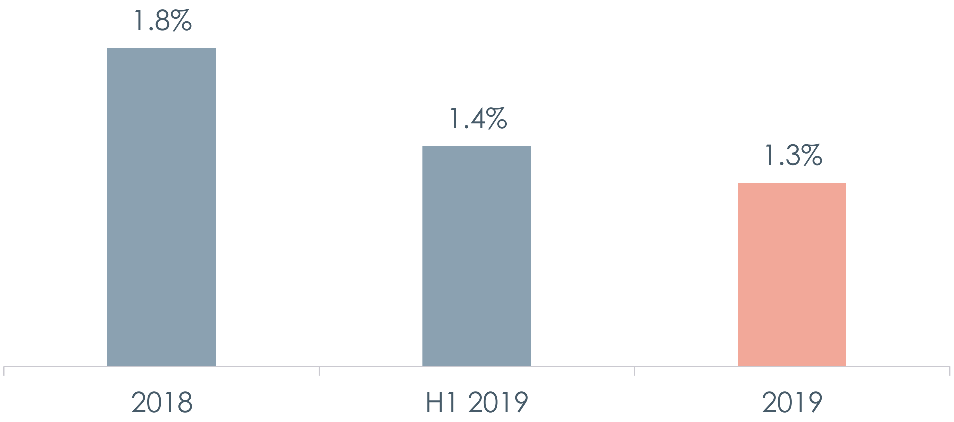
Undrawn committed credit lines: €410m

- Level unchanged to date in 2020

Standard & Poor's rating:

- BBB/negative outlook renewed on June 9, 2020

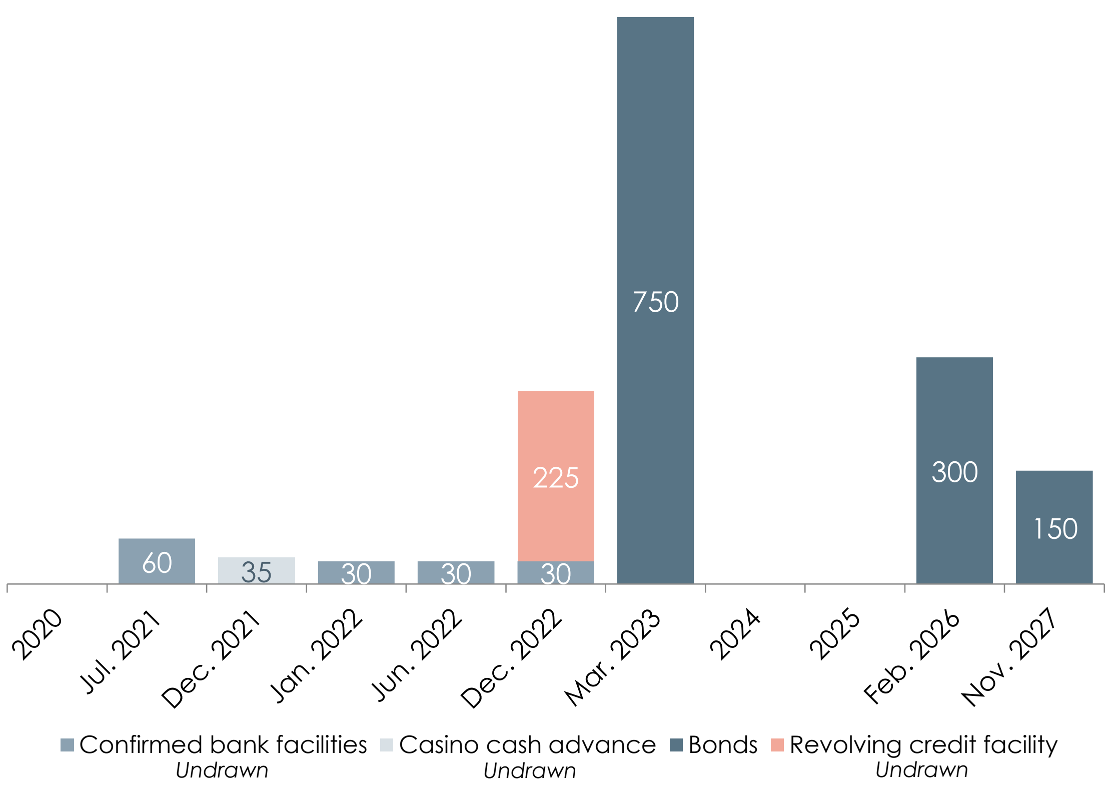
Change in the cost of drawn debt (1)



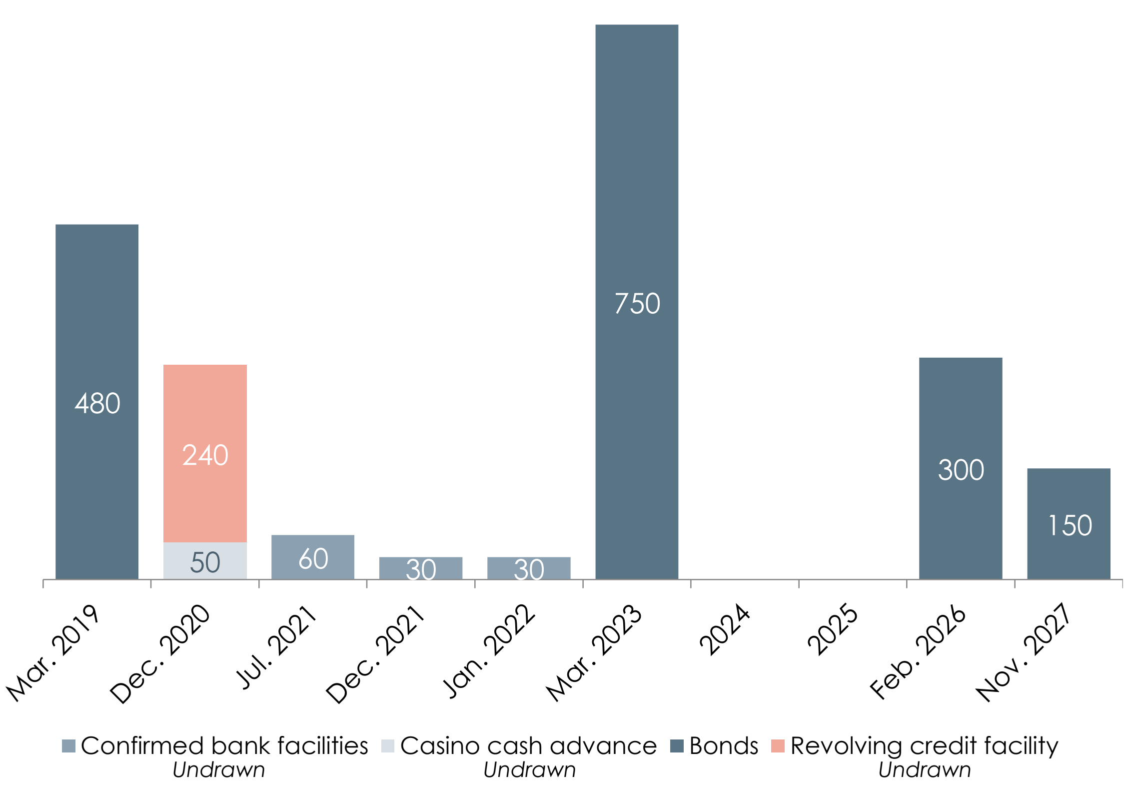
(1) Including commercial paper program

Financing structure and debt schedule

Debt schedule at end-2019[(1)]
in €m



Debt schedule at end-2018[(1)]
in €m

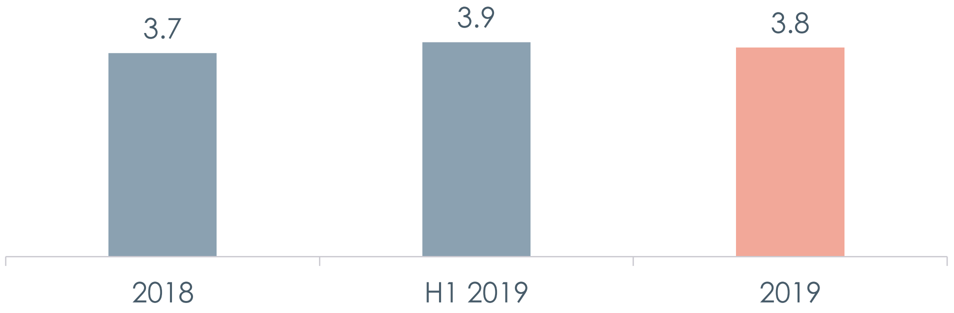


(1) Excluding commercial paper program

Current contemplated transaction: proactively managing the debt schedule

- Debt maturity at end-2019 reflects the impact of both the redemption of the €480m inaugural bond from 2012 maturing in March 2019 and the €750m bond maturity in 2023
- First: early partial refinancing process for the 2023 bond through a tender offer on the €750m bond maturing in 2023
- Second: extension of the group debt maturity profile with a €300m new bond issuance

Change in debt maturity
(in years) (1)



(1) Including commercial paper program

Change in portfolio value

€3,420m excluding transfer taxes

-3.1% over 6 months

-3.9% over 12 months

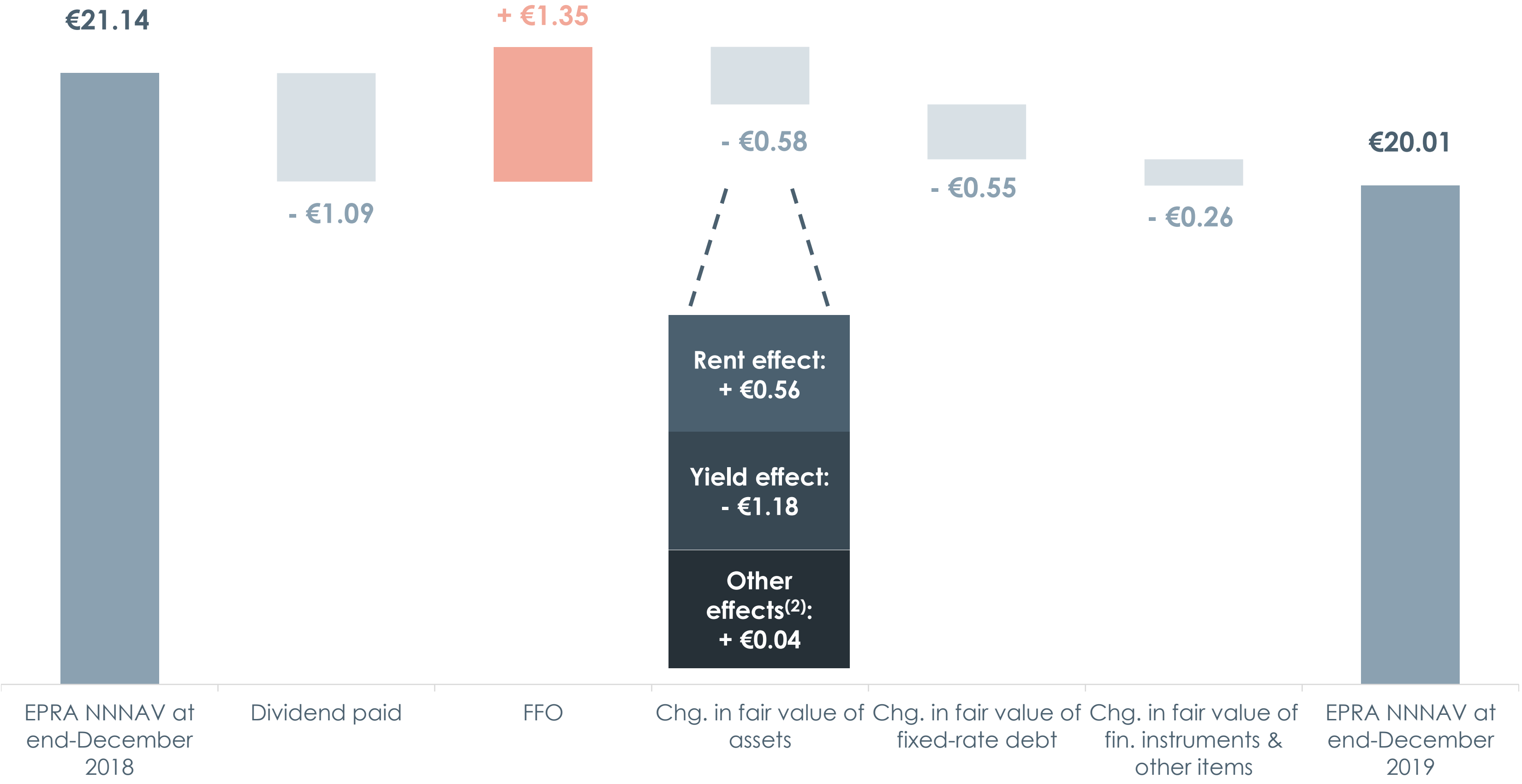
	Over 12 months	
Total change on a like-for-like basis (1)	**- 1.4%**	**- €48m**
of which rent effect	+ 1.4%	+ €51m
of which yield effect	- 3.0%	- €108m
of which other effects	+ 0.2%	+ €9m

Average appraisal yield rate	**12/2018**	**06/2019**	**12/2019**
	5.10%	5.20%	5.26%

(1) Sites on a constant surface area basis

Change in NNNAV per share (1)

€20.01/share, -1.9% over 6 months, -5.4% over 12 months



EPRA NAV at end-December 2019

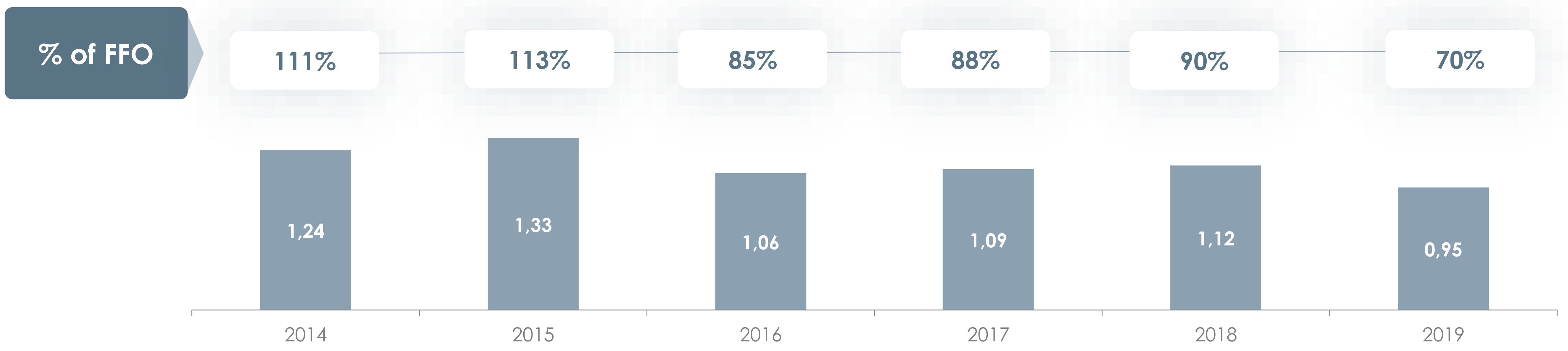
- €20.53/share
- **Down -1.6%** over 6 months
- **Down -1.6%** over 12 months

(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

Dividend payment

- The 2020 General Meeting approved a dividend of **€0.95 per share**, including the interim dividend of €0.47 per share paid in October 2019, corresponding strictly to SIIC regulation

Change in dividend



Appendices

MERCIALYS

Organizational structure

111 employees at end-December 2019

- 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)

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

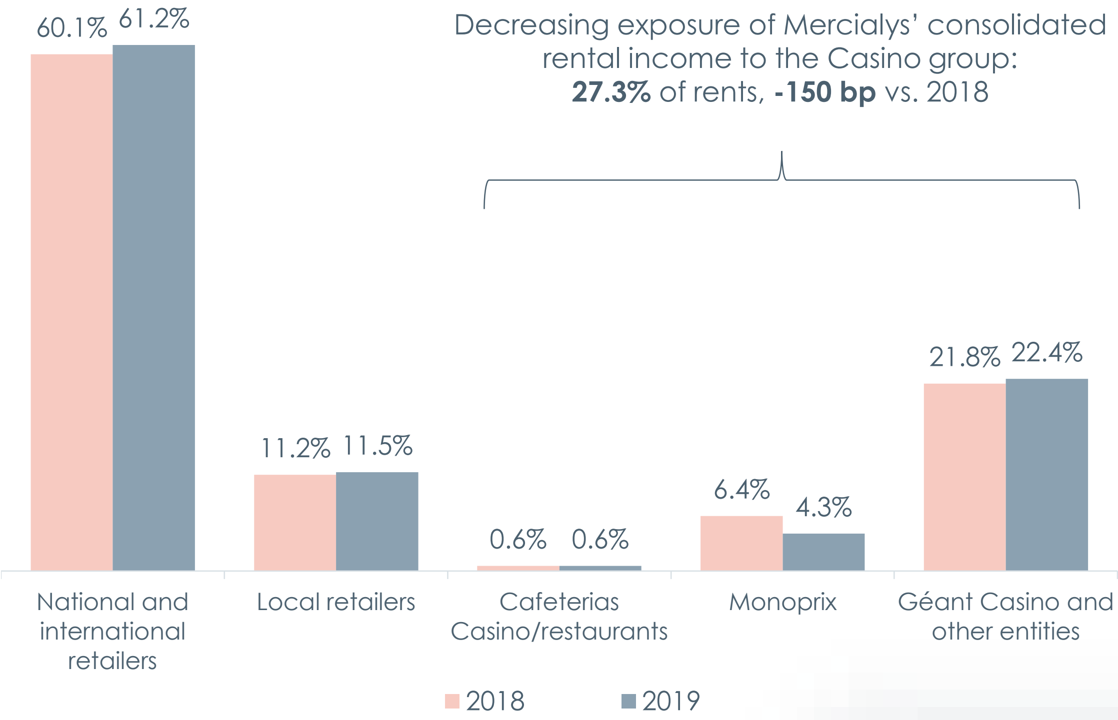
Outsourced functions				
Corporate Legal	Tax	Insurance	Accounting Support	Corporate Finance

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

Rental income structure

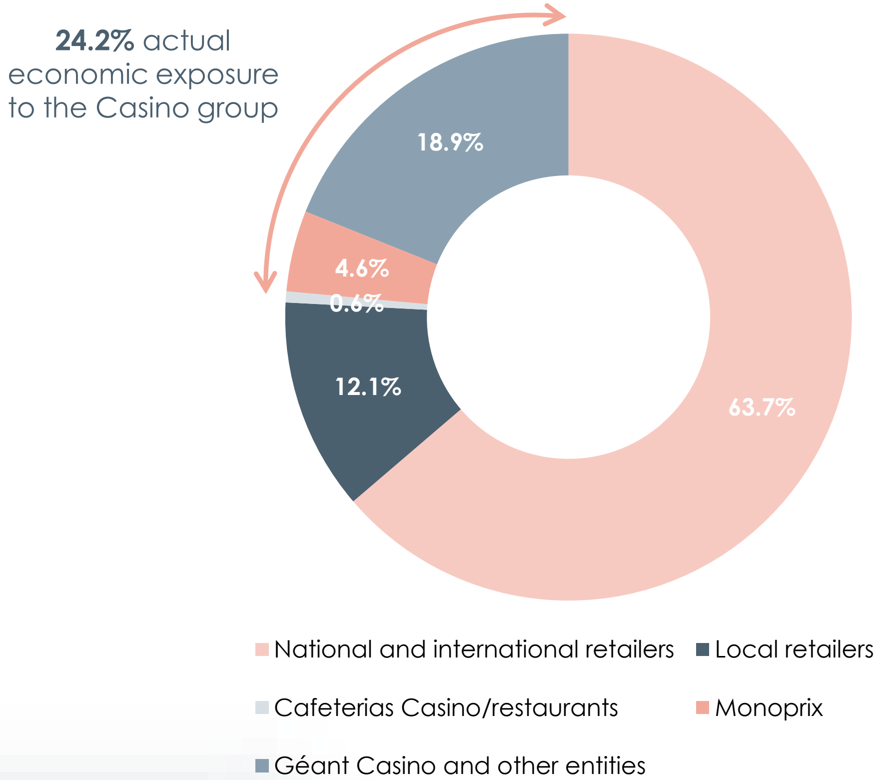
Breakdown of Mercialys' rental income by type of retailer – Consolidated vision

(% of annualized rental income at December 31, 2019 and December 31, 2018)



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

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



Over 900 retailers and 2,144 leases

Rental income structure

Casino group lease schedule

(main leases: hypermarkets, supermarkets & Monoprix stores)

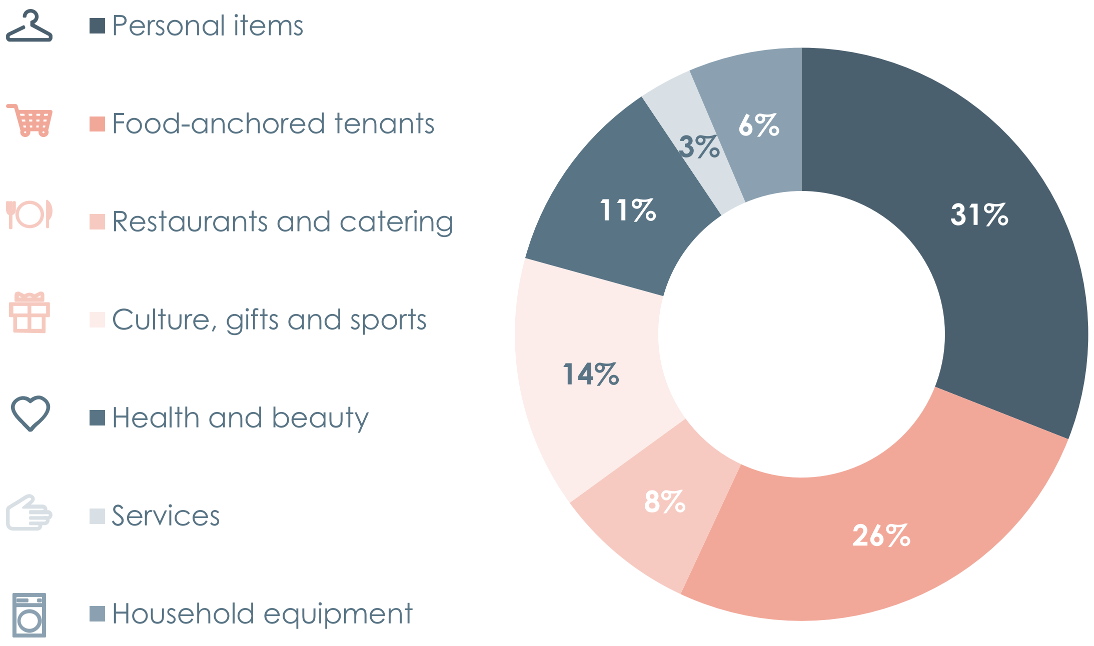
Site	% held by Mercialys	Type	Lease start date	Lease end date	Lease characteristics
Saint-Denis	100%	Supermarket	01/2000	12/2008	3 - 6 - 9 commercial lease
Grenoble	100%	Monoprix	02/2010	02/2022	3 - 6 - 9 - 12 commercial lease
Saint-Étienne	100%	Hypermarket	07/2014	06/2026	3 - 6 - 9 - 12 commercial lease
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
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
Marseille Canebière	100%	Monoprix	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
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

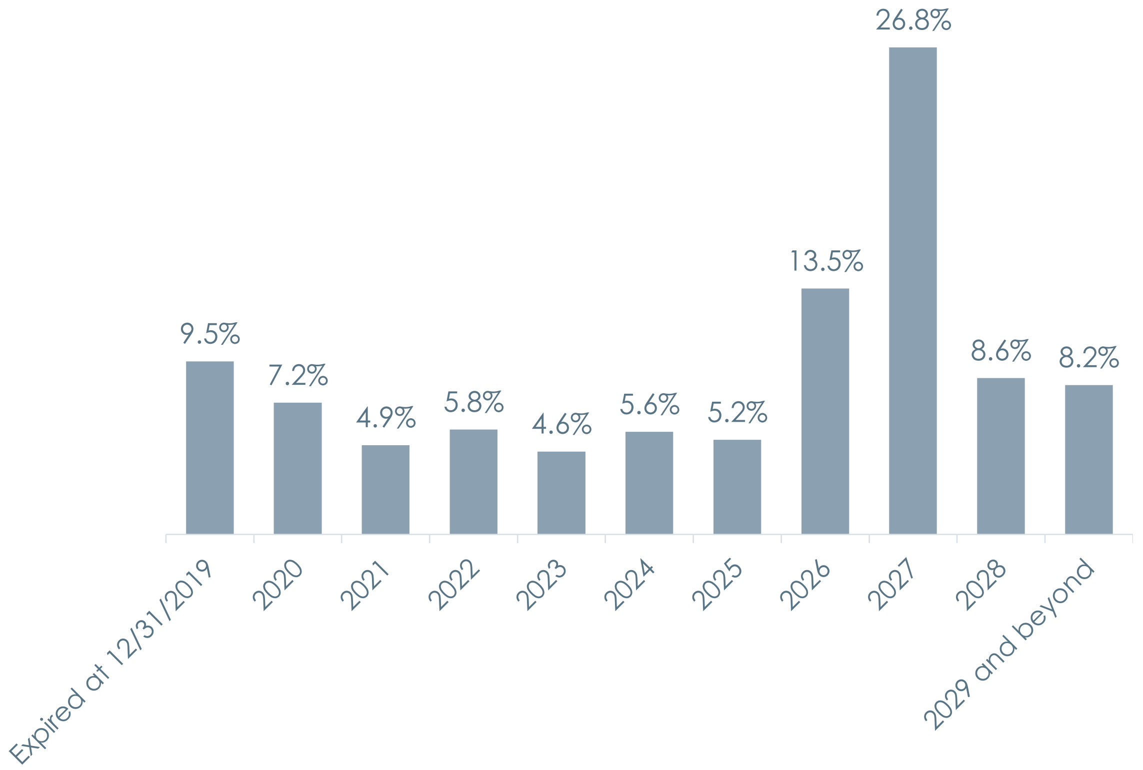
Site	Lease start date	Lease end date	Lease characteristics
Grenoble	05/2010	05/2020	3 - 6 - 9 - 10
Marseille	04/2011	04/2021	3 - 6 - 9 - 10
Angers	07/2011	07/2021	3 - 6 - 9 - 10
Clermont-Ferrand	08/2013	08/2023	3 - 6 - 9 - 10
Mandelieu	01/2016	01/2028	12-year commercial lease, 6-year firm period
Brest	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, 2019 – including exposure to the Casino group)



Lease expiry schedule
(percentage of leases expiring / guaranteed minimum rent)



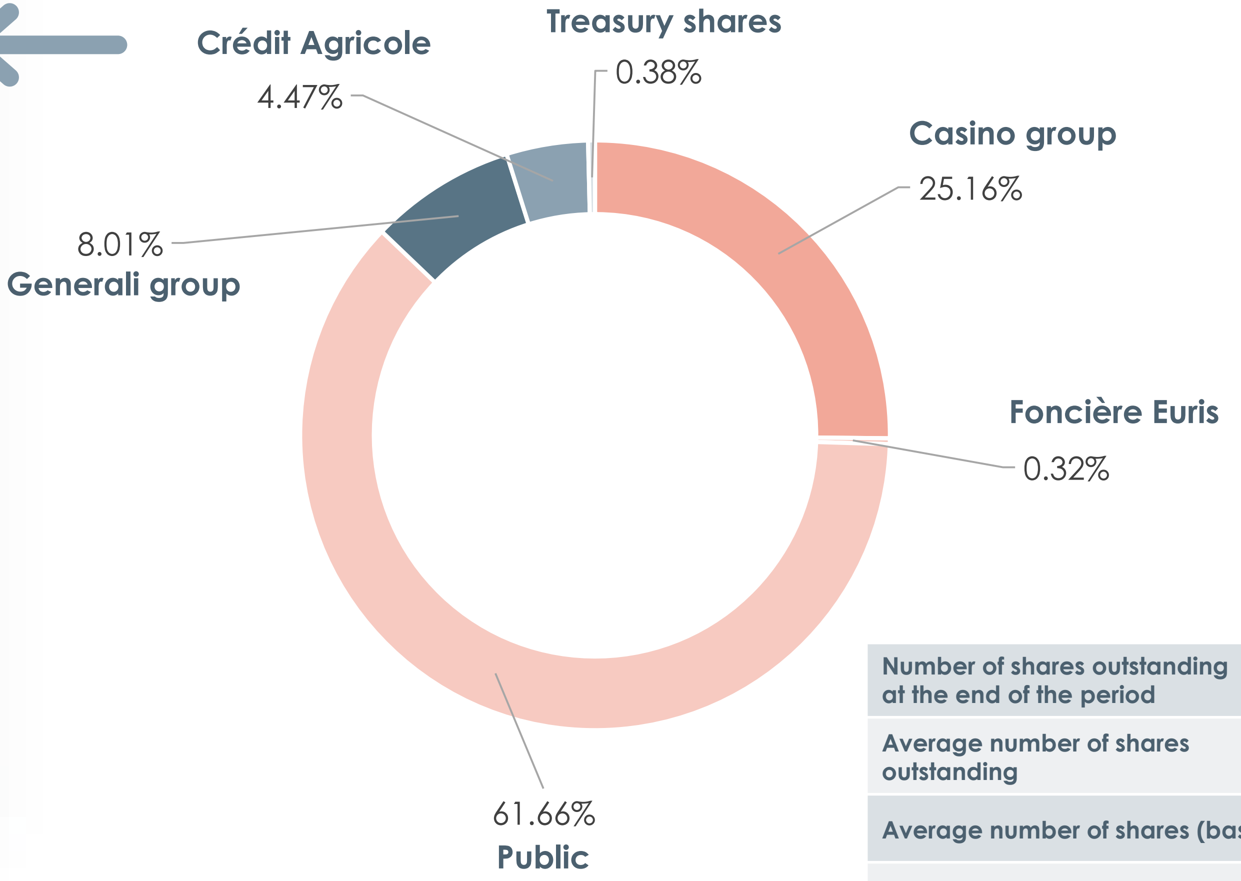
Shareholding structure

Mercialys' shareholding structure based on latest public declarations with the French regulator (AMF)

Crédit Agricole's position includes the Casino group's definitive sale of 15% of Mercialys' capital through a total return swap agreement

On January 14, 2020, the Crédit Agricole group reported a disclosure threshold to the AMF, with a position representing 4.99% of Mercialys' shares

The 4.47% position shown on this chart is based on the AMF disclosure threshold filing from January 31, 2020 by the concert structure comprising Mr. Jean-Charles Naouri and companies that he directly or indirectly controls



	December 31, 2017	December 31, 2018	December 31, 2019
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)	91,830,447	91,733,866	91,789,610
Average number of shares (diluted)	91,830,447	91,733,866	91,789,610

Sainte-Marie

Selective investment in an area with development potential

€25.0m investment

Target net yield on cost: >7.0%

Completion: 2023

Gassin Saint-Tropez

Consolidating local leadership with a modernized architecture aligned with new practices

€25.7m investment

Target net yield on cost: >7.0%

Completion: 2023

Nîmes

Diversifying the retail mix by developing a comprehensive dining and leisure offering

€27.5m investment

Target net yield on cost: >7.0%

Completion: 2022

High-street retail

Saint-Denis project

- Building permit submitted
- Dedicated company created with the developer Panhard, with a 30% stake held by Mercialys
- Project metrics
  - Circa €17.0m investment
  - Target IRR: >8%
  - Program scheduled for delivery: 2024

ASTUY MERCIALYS & PANHARD GROUPE

Architect: Ateliers 2/3/4/

High-street retail

Three additional building permit applications expected for 2020 and 2021

Mercialys aims to continue building its expertise in mixed-use urban developments, capitalizing on the development projects that are underway

Architect: Agence d'Architecture A Béchu et Associés

ASTUY MERCIALYS & VINCI IMMOBILIER

PUTEAUX

- Building permit to be submitted: Q4 2020
- Program scheduled for delivery: 2024
- Target IRR: >8%

ASTUY MERCIALYS

CHAVILLE

- Building permit to be submitted: Q4 2020
- Program scheduled for delivery: 2025
- Target IRR: >8%

ASTUY MERCIALYS & ACAPACE

ASNIÈRES

- Building permit to be submitted: ~2021
- Program scheduled for delivery: 2025
- Target IRR: >8%

EPRA performance indicators

	December 31, 2018	June 30, 2019	December 31, 2019
EPRA earnings - € per share	1.25	0.69	1.35
EPRA NAV - € per share	20.86	20.86	20.53
EPRA NNNAV - € per share	21.14	20.40	20.01
EPRA net initial yield	4.81%	4.89%	4.94%
EPRA “topped-up” net initial yield	4.88%	4.95%	5.00%
EPRA vacancy rate	3.0%	3.0%	3.2%
EPRA cost ratio (including direct vacancy costs)	17.3%	16.7%	16.8%
EPRA cost ratio (excluding direct vacancy costs)	16.2%	15.6%	15.6%

FFO & EPRA earnings

In thousands of euros	December 31, 2018	December 31, 2019
Invoiced rents	185,213	188,849
Lease rights	2,074	3,003
Rental revenues	**187,287**	**191,853**
Property taxes	-14,339	-14,608
Rebilling to tenants	13,480	13,325
Non-recovered property taxes	**-860**	**-1,283**
Service charges	-31,329	-33,202
Rebilling to tenants	27,188	28,911
Non-recovered service charges	**-4,141**	**-4,291**
Management fees	-6,688	-6,888
Rebilling to tenants	3,921	4,530
Losses on and impairment of receivables	-2,586	-3,342
Other expenses	-1,567	-1,376
Property operating expenses	**-6,920**	**-7,076**
Net rental income	**175,367**	**179,202**
Management, administrative and other activities income	3,076	3,229
Other income and expenses	-8,050	-7,006
Personnel expenses	-12,581	-12,413
EBITDA	**157,812**	**163,012**
Net financial items (excluding the impact of hedging ineffectiveness and banking default risk)	-32,790	-23,512
Reversals of / (allowance for) provisions	-1,481	-1,252
Other operating income and expenses (excluding capital gains on disposals and impairment)	91	-3,978
Tax expense	-2,402	-3,270
Share of net income from equity associates (excluding amortization and impairment)	4,201	3,631
Non-controlling interests (excluding capital gains and amortization)	-10,371	-10,462
FFO	**115,060**	**124,168**
FFO per share (based on average diluted number of shares)	1.25	1.35
EPRA earnings	**115,060**	**124,168**

Net income group share

In thousands of euros	December 31, 2018	December 31, 2019
FFO	115,060	124,168
Depreciation and amortization	-37,016	-40,440
Other operating income and expenses	4,780	7,682
Impact of hedging ineffectiveness and banking default risk	-387	-1,334
Non-controlling interests: capital gains, amortization and impairment	-1,585	264
Net income, group share	**80,851**	**90,340**

Balance sheet

In thousands of euros		December 31, 2018	December 31, 2019
ASSETS	Intangible assets	2,710	3,588
	Property, plant and equipment	8	857
	Investment property	2,322,755	2,222,452
	Rights-of-use assets	0	9,981
	Investments in associates	35,160	36,355
	Other non-current assets	46,773	51,867
	Deferred tax assets	1,727	1,200
	Non-current assets	**2,409,134**	**2,326,300**
	Trade receivables	22,341	20,532
	Other current assets	49,448	36,594
	Cash and cash equivalents	377,106	72,024
	Investment property held for sale	3,753	111
	Current assets	**452,648**	**129,262**
	TOTAL ASSETS	**2,861,781**	**2,455,562**
EQUITY AND LIABILITIES	Share capital	92,049	92,049
	Additional paid-in capital, treasury shares and other reserves	587,551	565,909
	Equity Group share	**679,601**	**657,958**
	Non-controlling interests	199,944	202,072
	Equity	**879,545**	**860,030**
	Non-current provisions	1,063	1,128
	Non-current financial liabilities	1,208,999	1,234,944
	Deposits and guarantees	22,081	21,502
	Non-current lease liabilities	0	9,640
	Other non-current liabilities	3,580	12,939
	Non-current liabilities	**1,235,723**	**1,280,154**
	Trade payables	14,769	13,839
	Current financial liabilities	690,939	261,643
	Current lease liabilities	0	959
	Current provisions	7,538	10,920
	Other current liabilities	33,218	27,542
	Current tax liabilities	49	474
	Current liabilities	**746,513**	**315,378**
	TOTAL EQUITY AND LIABILITIES	**2,861,781**	**2,455,562**

Breakdown of assets

Average appraisal yield rate: 5.26% at December 31, 2019

Type of property	Number of assets at December 31, 2019	Appraisal value (excl. transfer taxes) at December 31, 2019		Appraisal value (incl. transfer taxes) at December 31, 2019		Gross leasable area at December 31, 2019		Appraised net rental income	
		In €m	%	In €m	%	Sq.m	%	In €m	%
Regional / large shopping centers	25	2,798.5	81.8%	2,970.7	81.7%	654,852	77.6%	150.8	78.9%
Neighborhood shopping centers and city-center assets	28	609.5	17.8%	651.4	17.9%	186,637	22.1%	39.8	20.9%
Sub-total	**53**	**3,408.0**	**99.7%**	**3,622.0**	**99.7%**	**841,489**	**99.7%**	**190.6**	**99.8%**
Other sites	5	11.5	0.3%	12.3	0.3%	2,359	0.3%	0.5	0.2%
Total portfolio	**58**	**3,419.5**	**100.0%**	**3,634.4**	**100.0%**	**843,848**	**100.0%**	**191.1**	**100.0%**

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