MERCIALYS

PRESS RELEASE

FULL YEAR TARGET REVISED UPWARD
HALF-YEAR EARNINGS GROWTH OF +4%

Paris, July 24, 2025

Full year guidance revised upward with net recurrent earnings (NRE) expected in a range of Euro 1.24 to 1.27 per share.
The target for a dividend of at least Euro 1.00 per share is confirmed.

- **2025 first-half NRE of Euro 61.6 million (+3.9%), with Euro 0.66 per share (+4.0%)**
- **Euro 174 million invested in two major real estate acquisitions, with an average yield of 9%**
  Selective investments in assets improving the portfolio's overall quality and offering an attractive combination of immediate yields and value creation potential.
- **Portfolio focused on France's leading retail areas**
  Realignment around sites with formats that are continuously adapted to the retail sector's polarization and changes in the depth of the rental market, ensuring broad rental risk diversification.
- **Unique ability to restructure sites to improve operational performance**
  The transformation of food spaces at the Brest and Niort sites highlights the underlying rental value of Mercialys' assets and its expertise to continue building on robust operational performance levels by introducing new anchor retailers to consolidate the strong positions of its sites.
- **Organic rental income growth up +2.7%**
  +3.4% increase in footfall, with retailer sales up +1.7%[1], very high occupancy rate of 97.8%[2], a highly controlled level of occupancy cost ratio for retailers at 10.9% (excluding hypermarkets), and positive reversion of +2.6%.
- **Continued turnaround in the portfolio value: +1.6% like-for-like and year-on-year**
- **Credit profile supporting the growth trajectory**
  Financial structure, incorporating the resumption of investments, still very solid, with a loan to value ratio (LTV including transfer taxes) of 39.6%[3] and an ICR of 5.7x.

	At June 30, 2025 % change year-on-year
Organic growth in invoiced rents	+2.7%
Change in net recurrent earnings per share (€)	**+4.0%**
Portfolio appraisal value (incl. transfer taxes, €m)	+1.6%
EPRA NTA (€/share)	**15.63**

	June 30, 2025
LTV (including transfer taxes)	39.6%[2]
Average cost of drawn debt	1.9%

[1] Change including a negative calendar effect (29 days in February 2024) estimated at -0.5%
[2] On the scope of the Company's 34 strategic sites (representing more than 95% of the total portfolio value)
[3] This ratio does not include the lease financing for the Saint-Genis asset for Euro 71.4 million, with this item not recognized as net financial debt; including this item, the LTV (including transfer taxes) came to 42.0%.

I. High-quality portfolio further strengthened through high-return investments

1. Real estate fundamentals driving strong value creation

The shopping center sector in France has solid fundamentals in place, built around a very limited pipeline of new space, which supports the value of existing sites (when located in "prime" areas) in relation to both tenant retailers and investors, while physical retail continues to be very attractive for consumers.

Mercialys' network of 34 strategic sites, which represent more than 95% of its total portfolio value, is perfectly configured to capitalize on the sector's strengths, thanks to the realignment and redevelopment work carried out.

First of all, through its **locations**, centered around the most dynamic regional hubs across western France, along the Mediterranean coast and in the Center-East region, all characterized by growing populations and sustained purchasing power levels.

Secondly, through its **real estate characteristics**. The vast majority of Mercialys' sites across its portfolio **stand out** from those of many listed peers **thanks to their specific positioning**, established midway between:

- on the one hand, the complex structures and often substantial scale (200 stores or more) of urban Shopping Malls,
- and on the other hand, the configuration of Retail Parks, with a less deep and more basic offering typically not including a food anchor, where the non-covered shopping experience is not heated or air-conditioned.

Mercialys' sites, which could be defined as "Shopping Parks", a hybrid between Shopping Malls and Retail Parks, all include a food anchor, free open-air parking for optimal accessibility, a partly enclosed (heated and air-conditioned) and partly open center, and a simple single-level real estate structure with **low operating costs**.
Their **diverse selection of 50 to 150 stores**, significantly more than hypermarket service malls (usually around 20 stores), offers an adapted dimension with access to a wide range of the best retailers across all product categories. This hybrid model is built around **"right-sized" sites, within a rental market that is already highly consolidated,** except in the textiles sector, where this consolidation trend is underway[4].

This particularly strong positioning supports **a structurally high occupancy rate over the long term, while ensuring critical mass with a sufficiently diverse product offering to attract recurring visitor flows** within the catchment areas of the Company's assets.

These real estate fundamentals are regularly strengthened through **Mercialys' ability to transform spaces** in hypermarkets and centers, making it possible to effectively adjust the stores with formats that are best positioned to enhance the performance and appeal of its various assets.

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[4] In the EY/Parthenon study "How to win the hearts of French consumers" (Comment gagner le cœur des français) from April 2025 – survey of more than 12,000 adults representing the overall population to measure the anchoring of retailers in the hearts of French consumers: nearly 30 personal items retailers are cited (versus an average of 11 in other consumer segments) with a "fan" rate of 8.3% for the leading retailer (Zara), compared with an average "fan" rate of 26% for leading brands in other segments.

Three restructuring operations launched in 2025 illustrate this expertise. On the one hand, the subdivision of the space previously occupied by a Géant Casino hypermarket in **Brest** into two large food stores, which will be operated by Leclerc and Grand Frais, and two mid-size units for a drugstore and toy store. On the other hand, the reallocation of space previously occupied by a Géant Casino hypermarket in **Niort** between a Lidl store and three new well-known retailers. Lastly, the restructuring of the older section of the **Toulouse** shopping center, with the installation of two key mid-size stores, including the home furnishings and decoration brand B&M, as well as a fitness center, which will further strengthen the sports and leisure dimension of this site, which was already deeply transformed with the expansion of its food court in 2021.

Alongside this, Mercialys' **rental strategy** ensures a broad diversification of retailers in order to limit its exposure to the cyclical effects experienced by all retailers (food and non-food). Mercialys has set itself a target to ensure that no single retailer accounts for more than 3% of its rental income, and that its portfolio continues to be - as it currently is - anchored by a diverse range of mid-size units and large food stores.

The attractive positioning of sites across the portfolio and the expertise built up by the teams enabled Mercialys to significantly strengthen its retail mix during the first half of 2025 by signing 118 renewal and remarketing leases (33% more than the same period the previous year), including some first leases with very attractive retailers such as Aroma-Zone, Biotech, The North Face and Le Paradis du Fruit.

The solidity of this model is illustrated by the very satisfactory operational indicators recorded for the first half of 2025:

- For the year to end-June 2025, **footfall**[5] at Mercialys shopping centers is up +3.4%, outperforming the Quantaflow national index by +240bp;
- For the year to end-June 2025, **retailer sales** in the Company's shopping centers saw +1.7% growth, 50bp higher than the FACT national index +1.2% at end-May. In addition to the difference in the cumulative comparison period, it should be noted that this indicator is negatively impacted by an unfavorable calendar effect estimated at -0.5% over six months (leap year in 2024);
- The **occupancy cost ratio**[6] **(excluding food banners)** came to 10.9%, a highly controlled level following a period of sustained indexation;
- The **current financial vacancy rate** - which excludes strategic vacancies following decisions to facilitate the deployment of extension and redevelopment plans - came to 2.9% for the first half of 2025, stable compared with end-June 2024 (3.0%) and December 31, 2024 (2.9%). The total vacancy rate (current + strategic) across the 34 strategic sites (representing more than 95% of the total portfolio value) shows a very low level of 2.2%;
- The **reversion rate** associated with renewals and relettings was +2.6% for the period.

[5] Scope representing more than 80% of the value of the Company's shopping centers

[6] Ratio between rent, charges (included marketing funds) and invoiced work (including tax) paid by retailers and their sales revenue (including tax), excluding large food stores

2. Investments relaunched through highly accretive acquisitions

Mercialys has resumed an active investment policy in 2025, with notably three operations representing a combined total of Euro 188 million and an average yield of close to 9%.

They meet the Company's strict criteria: enabling Mercialys to improve the portfolio's overall quality and durability generating an immediate yield of over 7%, ensuring that the real estate fundamentals are aligned with Mercialys' geographic and format positioning, and offering value creation potential over the medium term.

In March 2025, Mercialys acquired the **remaining 70% stake in the investment management company ImocomPartners**. In addition to the fees generated by the fund already under management (Euro 650 million, dedicated to retail parks), this investment management company aims to develop new vehicles that would be focused in priority on retail real estate. Mercialys could subscribe to such funds in order to benefit from additional investment opportunities, in compliance with the regulations preventing conflicts of interest.

In June 2025, Mercialys acquired the **Saint-Genis 2 shopping center**, a leading site in western Lyon, with a catchment area of 700,000 inhabitants. This site meets Mercialys' requirements thanks to its size (90 stores and 10 restaurants spread over more than 18,000 sq.m), its excellent rental diversification, built around high-profile retailers, and its potential for optimizing the retail mix and the corresponding real estate formats.

Lastly, in July 2025, Mercialys acquired the **49% stake that it did not previously hold in the company Hyperthetis, which owns 66,000 sq.m** of rental space across five sites. This operation gives Mercialys full real estate control over these sites, which will be able to be restructured in line with the model applied for the operations carried out in Brest and Niort as described previously.

II. Very positive trends for half-year results

Good trend for **organic growth**[7], up **+2.7%** during the first half of 2025. However, invoiced rents are down -3.1% to Euro 88.5 million due to the *prorata temporis* impact of the asset sales completed, primarily in July 2024, while the acquisition of the Saint-Genis 2 shopping center in June 2025 did not yet have a significant positive effect during the first-half period.

EBITDA came to Euro 72.7 million, down 4.4% from June 30, 2024. The EBITDA margin represents 82.0% (vs. 82.0% at December 31, 2024 and 83.1% at June 30, 2024).

Net recurrent earnings (NRE) are up +3.9% from June 30, 2024 to Euro 61.6 million, with a +4.0% increase to Euro 0.66 per share[8].

[7] Assets enter the like-for-like scope used to calculate organic growth after being held for 12 months
[8] Calculated based on the average undiluted number of shares (basic), i.e. 93,308,989 shares.

(In thousands of euros)	June 30, 2024	June 30, 2025[9]	Change (%)
Invoiced rents	**91,385**	**88,509**	**-3.1%**
Lease rights and despecialization indemnities	175	226	+29.0%
Rental revenues	**91,560**	**88,735**	**-3.1%**
Non-recovered building service charges and property taxes and other net property operating expenses	-4,152	-5,309	+27.9%
Net rental income	**87,408**	**83,426**	**-4.6%**
Management, administrative and other activities income	1,526	3,205	+110.0%
Other income and expenses	-3,380	-3,402	+0.7%
Personnel expenses	-9,496	-10,486	+10.4%
EBITDA	**76,059**	**72,743**	**-4.4%**
EBITDA margin (% of rental revenues)	*83.1%*	*82.0%*	*na*
Net financial items (excluding non-recurring items [10])	-14,441	-13,959	-3.3%
Reversals of / (Allowances for) provisions	761	3,534	na
Other operating income and expenses (excluding capital gains or losses on disposals and impairment)	1,152	1,855	+61.0%
Tax expense	-203	-451	na
Share of net income from associates and joint ventures (excluding capital gains or losses on disposals, amortization and impairment)	1,730	1,736	+0.3%
Non-controlling interests (excluding capital gains or losses on disposals, amortization and impairment)	-5,737	-3,850	-32.9%
Net recurrent earnings (NRE)	**59,322**	**61,608**	**+3.9%**
Net recurrent earnings (NRE) per share (in euros)	***0.63***	***0.66***	***+4.0%***

III. Continued turnaround in the portfolio value and healthy financial structure

The **portfolio value** came to Euro 2,926.9 million including transfer taxes at end-June 2025, up +0.7% during the first half of the year on a like-for-like basis and +1.6% compared with the end of June 2024. The change in the portfolio value on a current basis during the first half of the year (+6.0%) primarily reflects the acquisition of the Saint-Genis 2 shopping center.

The appraisal value excluding transfer taxes is up +0.3% like-for-like for the period and +1.0% over 12 months, with this change taking into account the increase in transfer duties, as well as the positive impact of rents (+1.7%), which offset a limited yield effect.

	Appraisal value at Jun 30, 2025	Current basis		Like-for-like [11]	
		Change over last 6 months	Change over last 12 months	Change over last 6 months	Change over last 12 months
Value excluding transfer taxes	2,734.0	+5.8%	+1.3%	**+0.3%**	+1.0%
Value including transfer taxes	2,926.9	+6.0%	+1.6%	**+0.7%**	+1.6%

[9] Following the March 2025 acquisition of the remaining 70% stake in the investment management company ImocomPartners, this entity was consolidated on an equity basis in 2024 and through to March 2025, then on a full consolidation basis. This change increased both personnel expenses and management income, while reducing the share of net income from associates and joint ventures.

[10] Impact of hedging ineffectiveness, banking default risk, premiums, non-recurring amortization and costs relating to bond redemptions, proceeds and costs from unwinding hedging operations

[11] Sites on a constant scope and a constant surface area basis

The **average appraisal yield rate** was 6.79% at June 30, 2025, showing a limited increase of +14bp compared with end-December 2024 (6.65%). This trend reflects the impact, within the discounted cash flow methodology, of the experts' review of indexation levels on discount rates. This average yield rate shows a positive yield spread of nearly 350 bp compared with the risk-free rate (10-year OAT) at end-June.

The **EPRA net asset value** indicators are as follows:

	EPRA NRV			EPRA NTA			EPRA NDV		
	June 30, 2024	Dec 31, 2024	June 30, 2025	June 30, 2024	Dec 31, 2024	June 30, 2025	June 30, 2024	Dec 31, 2024	June 30, 2025
€/share	17.80	18.23	17.94	15.85	16.29	15.63	16.53	16.45	15.79
Change over 6 months	-2.5%	+2.4%	-1.6%	-2.7%	+2.7%	-4.0%	-3.3%	-0.5%	-4.0%
Change over 12 months	-6.5%	-0.1%	+0.8%	-6.7%	+0.0%	-1.4%	-12.0%	-3.8%	-4.5%

The Euro -0.66 per share change in the NTA compared with end-2024 is linked primarily to the impacts of the dividend payment and the yield effect mentioned previously on the change in unrealized capital gains.

Alongside this, Mercialys continues to benefit from a very solid financial structure, with an **LTV ratio excluding transfer taxes**[12] of 42.5% at June 30, 2025 (compared with 38.2% at December 31, 2024 and 40.0% at June 30, 2024) and an **LTV ratio including transfer taxes** of 39.6% (versus 35.7% at December 31, 2024 and 37.4% at June 30, 2024).
These ratios do not include the lease financing for the Saint-Genis asset for Euro 71.4 million, with this item not recognized as net financial debt. Taking into account this item, the LTV represents 42.0% (including transfer taxes) and 45.1% (excluding transfer taxes).
Note that the LTV at June 30, 2025 already included the commitment by Mercialys to acquire the 49% interest in the company Hyperthetis (operation carried out in July 2025) for a gross total of Euro 36 million[13].

The **ICR** was 5.7x [14] at June 30, 2025, compared with 5.5x at December 31, 2024 and June 30, 2024.

Mercialys optimized its financial structure during the first half of 2025 through a successful Euro 300 million bond issue with a 7-year maturity and 4.0% coupon. Specifically, this additional liquidity will help refinance the Euro 300 million bond issue due to mature in February 2026 (with the following drawn debt maturity not before November 2027, excluding Euro 42 million of commercial paper), while supporting the Company's investment policy.

Alongside this, Mercialys has Euro 385 million of **undrawn financial resources**, enabling it to benefit from a very satisfactory level of liquidity. So far the maturity of 65% of these lines was extended in 2025.

IV. Net recurrent earnings objective revised upward for 2025

On the back of a solid first half performance, Mercialys has **raised its full-year guidance and now expects net recurrent earnings (NRE) in a range of Euro 1.24 to Euro 1.27 per share**.

The target for a dividend of at least Euro 1.00 per share is confirmed.

12 LTV (Loan To Value): net financial debt / (market value of the portfolio excluding transfer taxes + market value of investments in associates)
13 Amount not adjusted for dividend payments
14 ICR (Interest Coverage Ratio): EBITDA / net finance costs

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Analysts and investors
Olivier Pouteau
Tel: +33 (0)6 30 13 27 31
Email: opouteau@mercialys.com

About Mercialys
Mercialys is one of France's leading real estate companies. It is specialized in the holding, management and transformation of retail spaces, anticipating consumer trends, on its own behalf and for third parties. At June 30, 2025, Mercialys had a real estate portfolio valued at Euro 2.9 billion (including transfer taxes). Its portfolio of 1,985 leases represents an annualized rental base of Euro 180.4 million. Mercialys has been listed on the stock market since October 12, 2005 (ticker: MERY) and has "SIIC" real estate investment trust (REIT) tax status. Part of the SBF 120 and Euronext Paris Compartment A, it had 93,886,501 shares outstanding at June 30, 2025.

IMPORTANT INFORMATION
This press release contains certain forward-looking statements regarding future events, trends, projects or targets. These forward-looking statements are subject to identified and unidentified risks and uncertainties that could cause actual results to differ materially from the results anticipated in the forward-looking statements. Please refer to Mercialys' Universal Registration Document available at www.mercialys.com for the year ended December 31, 2024 for more details regarding certain factors, risks and uncertainties that could affect Mercialys' business. Mercialys makes no undertaking in any form to publish updates or adjustments to these forward-looking statements, nor to report new information, new future events or any other circumstances that might cause these statements to be revised.