

MERCIALYS

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A *Société anonyme* with capital of Euro 93,886,501
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ANSWERS TO ORAL QUESTIONS

FROM THE ANNUAL GENERAL MEETING OF APRIL 25, 2024

The Annual Shareholders General Meeting of Mercialys was held on Thursday April 25, 2024 at 10:00 am CET. The oral questions asked by shareholders as well as the answers and clarifications provided during the meeting are summarized below. This non exhaustive report, summarizes the discussions held during the meeting and is not intended to replace the minutes of the Annual Shareholders General Meeting.

"Are Mercialys shopping centers attractions for urban renewal, do they contribute to the development of cities?"

Mercialys actively cooperates with all the local authorities concerned, notably in the context of the "Zero Artificialisation Nette"¹ (ZAN) objective and the second phase of the "Action Cœur de Ville" program. Both are long-term initiatives. Mercialys seeks to align the improvement of its operational performance with the expectations of local stakeholders. One of Mercialys' projects has been selected, with its national interest being recognized.

"What is your vision for asset values in the coming years?"

There are two main criteria that will determine the change of the appraisal values of our assets: monetary policies influencing capitalization rates and rent increases through indexation. Furthermore, Mercialys continues to pursue an active policy of managing its portfolio of assets, which can be sold if necessary, depending on market opportunities, investment maturity and development prospects. In this way, Mercialys has reduced its portfolio from 150 assets to 50 over twelve years, while increasing the average size of its assets.

"How do you compare with other commercial real estate companies?"

Mercialys has a different positioning compared to other real estate companies: its offer is widely diversified, with a multi-anchored focus on food retail. The diversification of its offer is still in progress and should enable it to mitigate the effects of cycles. In addition, unlike other real estate companies, Mercialys targets a peri-urban offer in dynamic large and medium-sized French cities, which are enjoying good trends thanks to the return of pre-Covid consumption habits in shopping centers. Mercialys is particularly active in urban areas undergoing renovation, with strong development potential.

"What are the consequences of the restructuring of the Casino group especially regarding default?"

The Casino group, one of Mercialys's tenants, has sold some of its businesses to other brands. These sales have had no significant financial impact on Mercialys. Furthermore, to date the Casino group is paying its rents in accordance with its contractual commitments. Mercialys also considers that these sales of businesses to other companies outside the Casino group could have a positive impact on the risk premium applicable to these assets as determined by the appraisers.

¹ Zero Net Artificialization

"Are there any plans to merge with other real estate companies?"

To date, no merger with another player in the sector is planned or has been announced. Mercialys aims to pursue a cautious external growth strategy. In addition, Mercialys has the opportunity to pursue its stand-alone development strategy, giving priority to agility. However, the Board of Directors is attentive to growth opportunities, and Mercialys is constantly reflecting on its strategic options. To this end, the "Strategy and Transformation Committee" has been renamed the "Sustainable Investment Committee", reflecting the Board's desire to take full ownership of strategic issues, with the participation of all directors.

"Could you be led to expand beyond France?"

The possibility of Mercialys expanding internationally would target portfolios of assets with local teams in place, rather than isolated assets. However, no such project is currently under consideration.

"Do you take safety measures against urban rodeo phenomena?"

Mercialys is committed to the safety of its shopping centers and mobilizes all its resources and all the local relevant stakeholders (town councils and law enforcement agencies) on these issues. Mercialys takes appropriate measures to ensure the safety of its employees, customers and other users of its shopping centers.

"Could you give details of the investments made in ImocomPartners and the Depur group?"

Mercialys' investment in ImocomPartners will enable the development of a partnership between the two companies, while respecting ImocomPartners' independence in the management of its OPPCI. For Mercialys, this transaction will give it greater visibility vis-à-vis tenant retailers and greater capacity to intervene in development projects. Mercialys will also be able to offer its broad range of expertise to institutional investors via this vehicle.

The acquisition of a stake in the Depur group is part of a partnership that will enable Mercialys to support them with its own service offerings while benefiting from the Depur group's expertise. The Depur group provides advice on leisure and catering activities. In particular, it works with major groups to overhaul their catering areas and redevelop their shopping centers.
