

# MERCIALYS

French limited company (société anonyme) with capital of Euro 92,049,169  
Registered office: 16-18, rue du Quatre-Septembre, 75002 Paris, France  
Paris trade and companies register: 424 064 707

## **ANSWERS TO WRITTEN QUESTIONS FOR THE ORDINARY AND EXTRAORDINARY GENERAL MEETING ON APRIL 22, 2021**

Mercialys held its Ordinary and Extraordinary General Shareholders' Meeting as a closed session, without shareholders or their representatives attending in person, on Thursday April 22, 2021 from 10:30am CET. The Board of Directors answered the written questions submitted to the Company for this General Meeting:

### **I. Question concerning the option for the dividend to be paid in shares**

- **Why is the Board of Directors proposing an option for the dividend to be paid in shares at a time when the share is significantly discounted compared with its latest net asset value?**

The economic and health context is still extremely disrupted, and its impacts on Mercialys' activity, its collection of rent and charges, and its key balance sheet positions were significant in 2020 and have continued into 2021.

Faced with this adverse environment, the Company has drawn up an active policy to optimize its loan to value ratio and liquidity, by notably rolling out an ambitious asset divestment strategy.

To help safeguard this liquidity, the Board of Directors is inviting Mercialys' General Meeting to moderate the level of the distribution exclusively to the requirement for 95% of exempt profits from property rental or sub-letting operations in accordance with its SIIC real estate investment trust status, and to offer an option for the dividend to be paid in shares.

The discount in relation to the net asset value on Mercialys' share reflects a strong level of risk aversion in relation to retail property. It is this same context that may continue to weigh on the asset rotation strategies that the Company needs to continue moving forward with. It is this same message that is encouraging the Company's governance to focus on safeguarding the balance sheet again in 2021. Shareholders will be able to judge this balance between dilution and safeguarding financial balances, as the payment of their dividend in shares is simply an option.

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Paris, April 21, 2021