



# ESG PROFILE

May 2021

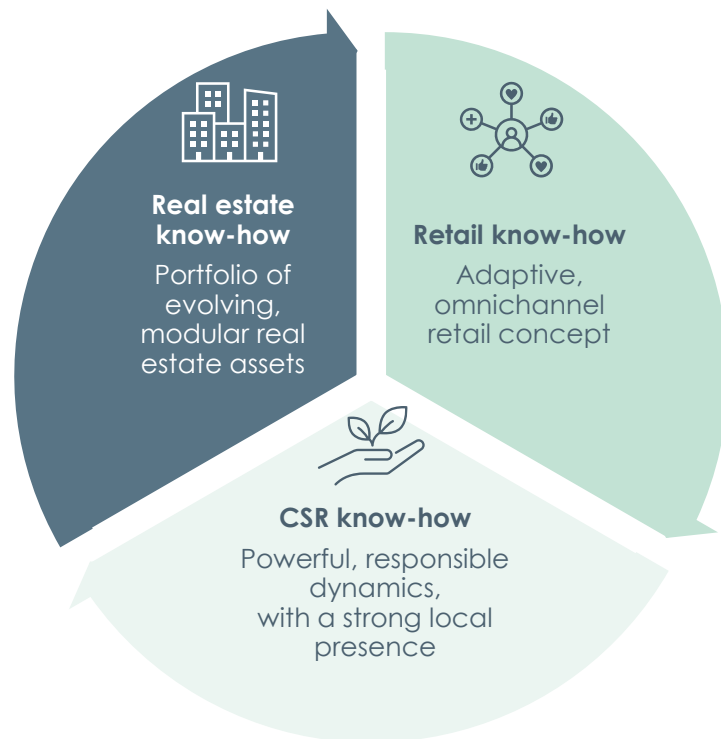
**MERCIALYS**

# Merrialys: a leading French real estate company



Merrialys is specialized in the holding, management and transformation of retail spaces, anticipating consumer trends, on its own behalf and for third parties

The success of our model is based on three competitive advantages:



## Our values

Proximity  
Agility  
Commitment  
Innovation

## Our mission

Making customers' lives easier each day

## Our vision

Offering shopping centers that are on a human scale, have close links with their communities and create sustainable value for all our stakeholders

# Portfolio focused on high-potential assets

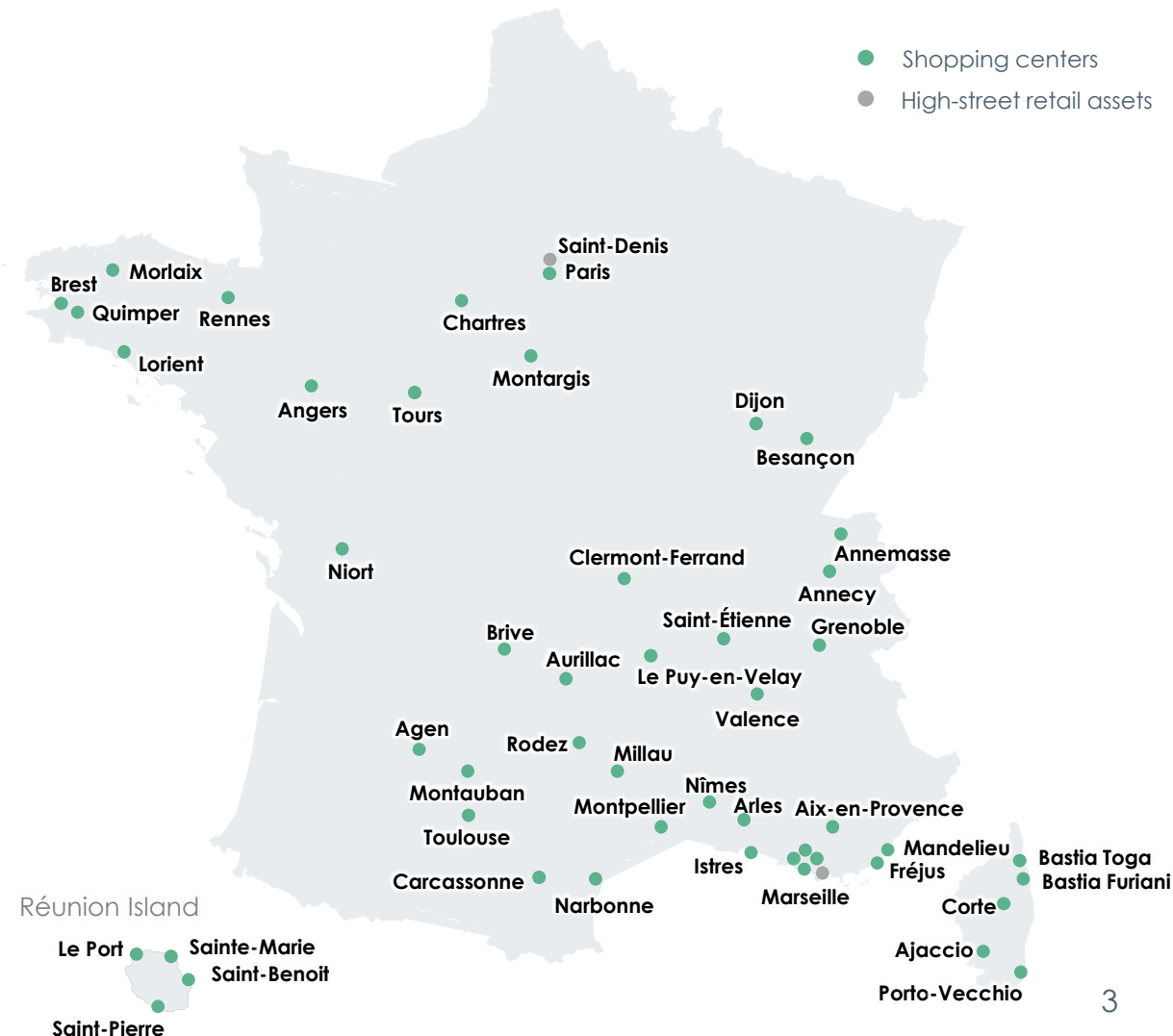


- › Mercialys' portfolio is focused on **large and neighborhood shopping centers**, as well as **high-street retail assets** that are **leaders in their areas**
- › Assets are concentrated in the most **dynamic French regions**
- › **51** shopping centers and city-center sites <sup>(1)</sup>
- › Leasable area: **822,000** sq.m
- › Appraised asset value (including transfer taxes): **€3,258.3m** at December 31, 2020
- › Annualized rental income: **€174m**

(1) In addition to four dispersed assets

(2) Excluding the four dispersed assets

## Breakdown of the portfolio by region <sup>(2)</sup>










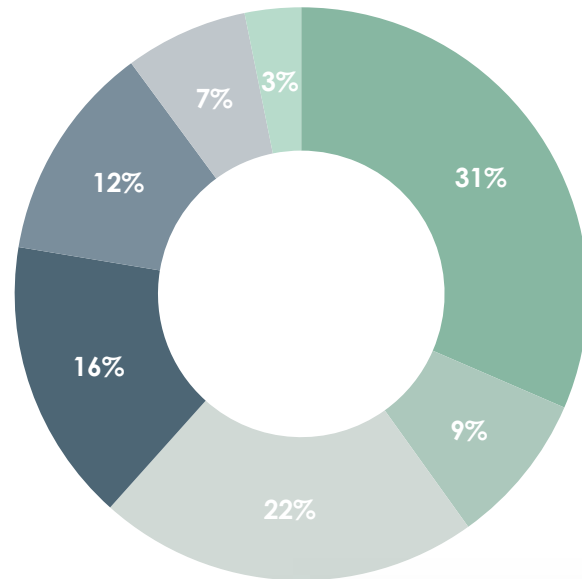
# Rental income structure



## Breakdown of Mercialys' rental income by business sector

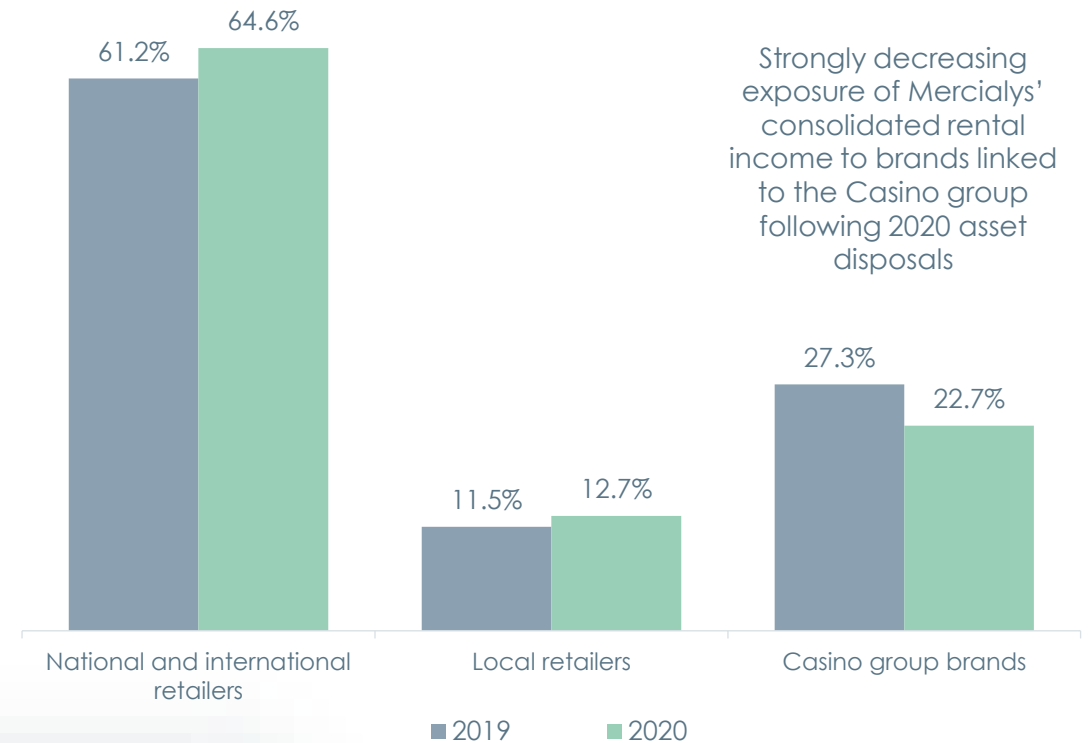
(% of annualized rental income at December 31, 2020 – including exposure to the Casino group)

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



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

(% of annualized rental income at December 31, 2020 and December 31, 2019)

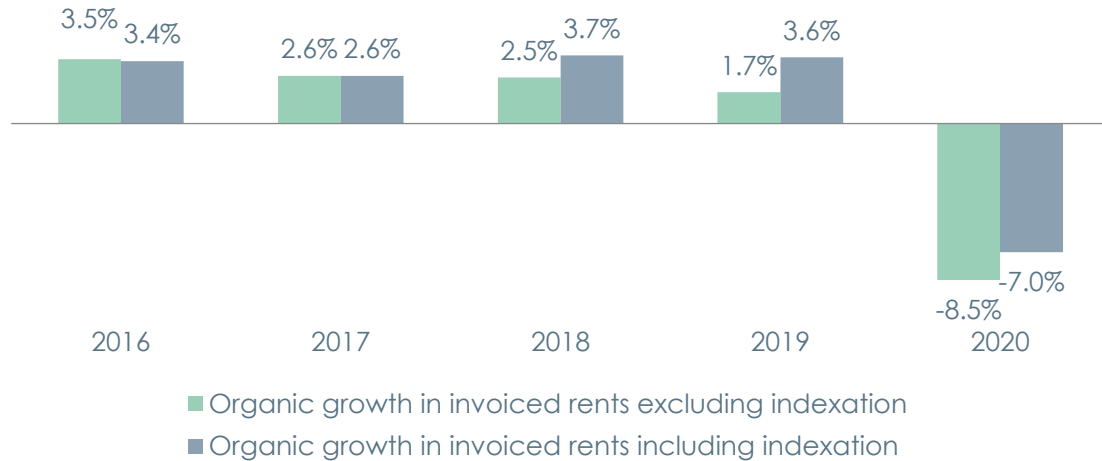


Over 900 retailers and 2,138 leases

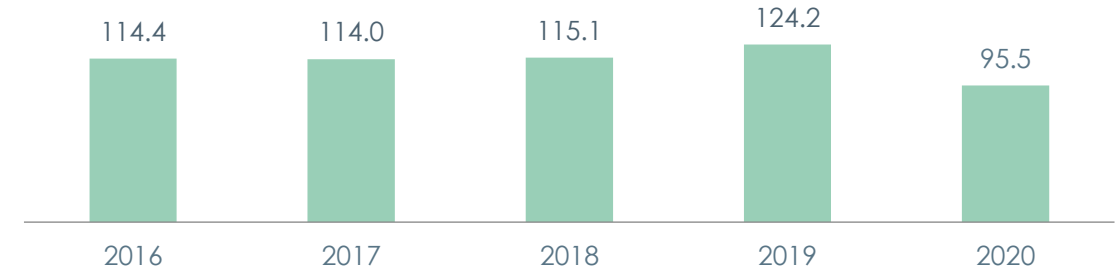
# Resilient indicators over the years, and in 2020's unparalleled context as well, proving the relevance of Mercialys' model



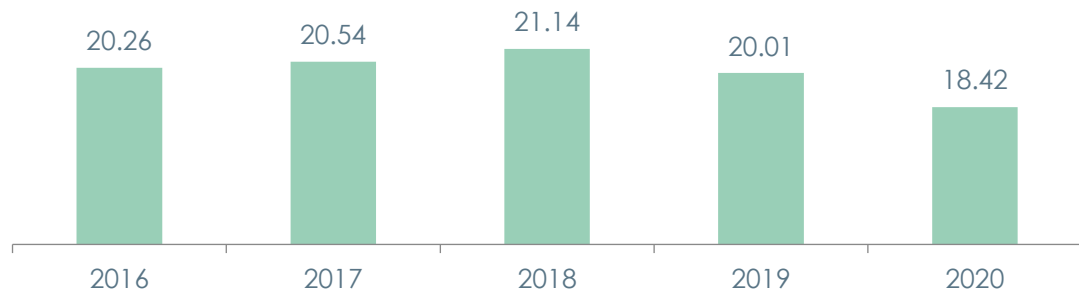
## Organic growth



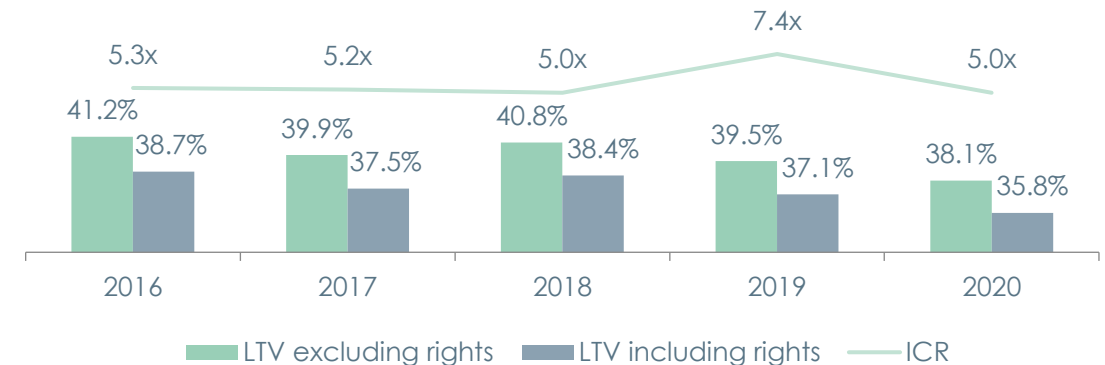
## FFO (€m)



## EPRA NNAV / NDV (€ per share) <sup>(1)</sup>



## LTV and ICR



(1) Mercialys' EPRA NNAV and EPRA NDV are equal, as the Company's balance sheet does not carry any goodwill



# 2020, a year marked by drastic and long-lasting health measures and store closures in France



## March 15 to May 10, 2020

### 1<sup>st</sup> lockdown

National lockdown and closure of “non-essential” stores

- › Geographic scope: nationwide, including overseas territories
- › Activities classed as essential:
  - ▼ Food
  - ▼ Mobility
  - ▼ Information
  - ▼ Healthcare
  - ▼ Hygiene
  - ▼ Press
  - ▼ Tobacco
  - ▼ Construction
  - ▼ Financing

Restrictions eased until end-September 2020

## October 30 to November 27, 2020

### 2<sup>nd</sup> lockdown

National lockdown and closure of “non-essential” stores

- › Narrower geographic scope affected than in the 1<sup>st</sup> lockdown: Mainland France and Martinique. Réunion Island not concerned by the closure of stores in particular
- › Same activities classed as essential as during the 1<sup>st</sup> lockdown

Series of restrictive and localized health measures (curfew, no reopening of certain stores)

## January 31, 2021 to date

### 3<sup>rd</sup> lockdown

Local then national lockdown and closure of non-food stores, based on their surface area, then all “non-essential” stores

- › Geographic scope: Mainland France and certain overseas territories, including Réunion Island
- › Closure of all non-food stores with a GLA of over 20,000 sq.m and non-food stores in centers with a GLA of over 20,000 sq.m, then 10,000 sq.m. Then, closure of all “non-essential” stores regardless of their size
- › Broader scope for activities classed as essential (e.g. book stores and hair salons authorized to open)

Provisional timeline for lockdown to be lifted in France, announced on April 29, 2021

#### May 3

End of daytime travel restrictions

#### May 19

Reopening of stores and terraces in particular (with minimum space ratios and protocols), curfew put back to 9pm

#### June 9

Reopening of indoor dining venues in particular (with minimum space ratios and protocols), curfew put back to 11pm

#### June 30

End of curfew and restrictions on space ratios

100% of Mercialys' retail sites open throughout 2020 and 2021, including during the lockdown periods

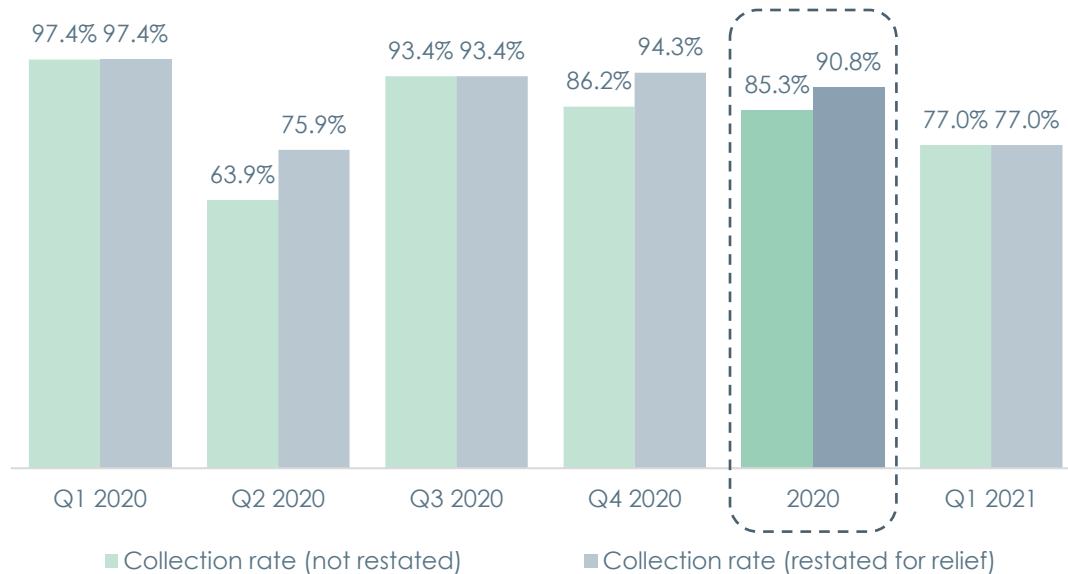
# Strong focus in 2020 on maintaining constructive dialogue and a mutually beneficial relationship with tenants



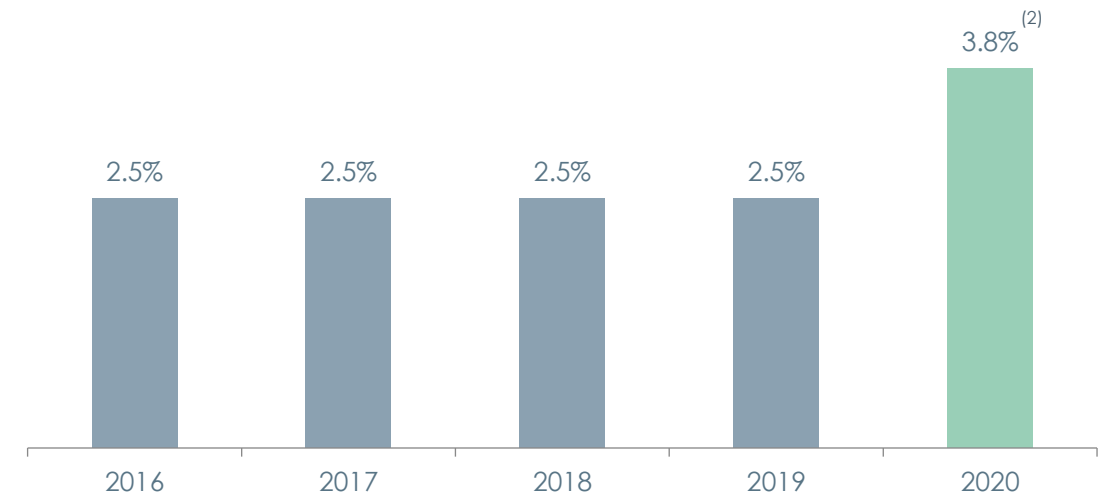
**Rent relief measures, enabling the lockdown burden to be shared and optimizing collection rates**

**These support measures, combined with good reletting trends, limited tenant departures and the increase in vacancy**

Change in collection rate <sup>(1)</sup>



Change in current financial vacancy rate <sup>(1)</sup>



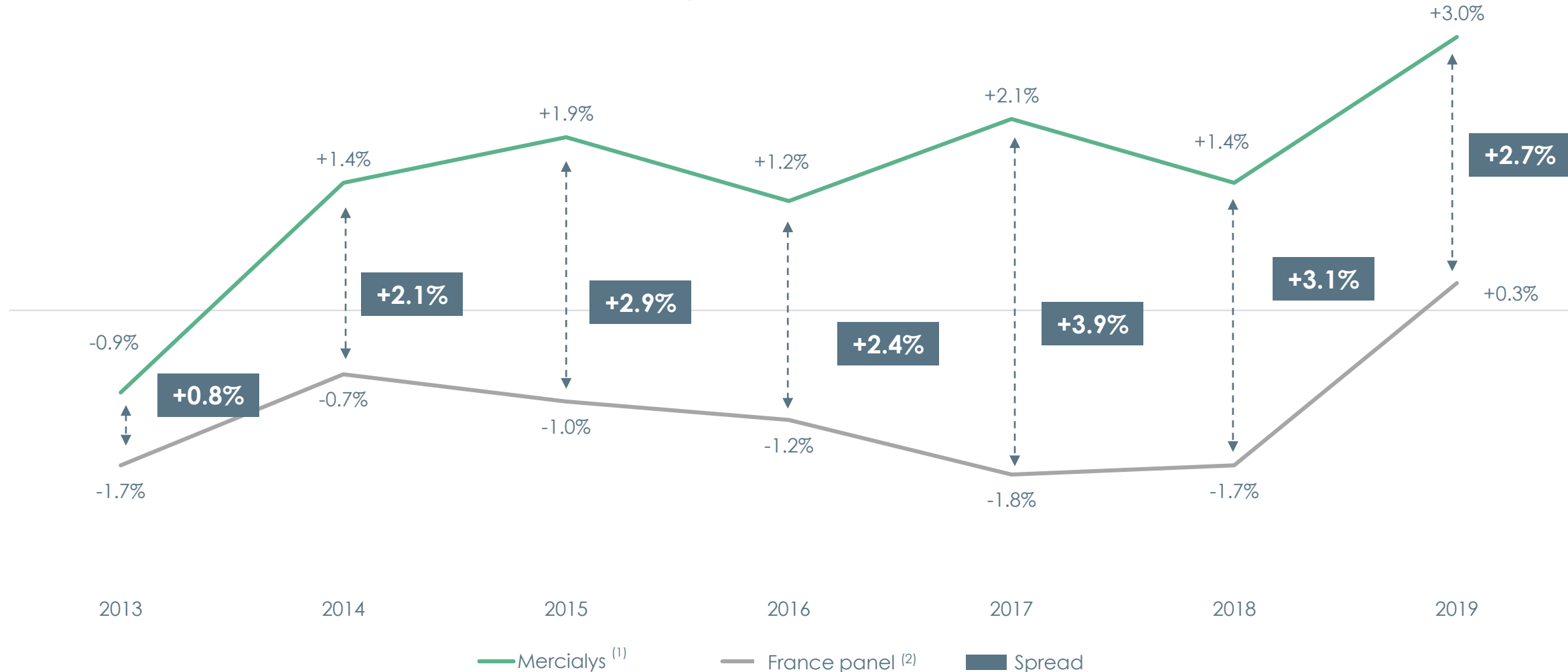
(1) Rent + charges excluding taxes invoiced by Mercialys to its tenants  
 Non-restated ratio: all rent and charges  
 Restated ratio: after relief measures issued and to be awarded in connection with the two lockdowns  
 2020 figures as at end-December 2020 / Q1 2021 figures as at April 15, 2021

(1) Mercialys' vacancy rate does not include agreements relating to the Casual Leasing business  
 (2) Notably due by the integration within Mercialys' portfolio of the Dijon Chenôve shopping center, acquired at the end of December 2020 with a view to relaunching this asset

# Mercialys' operations resilient across the cycles and outperforming the shopping center sector in France



## Center footfall



(1) Mercialys' large centers and main convenience shopping centers based on a constant surface area, representing more than 85% of the value of the Company's shopping centers  
 (2) CNCC index - all centers, comparable scope



# Robust financial structure and high level of liquidity



## Drawn debt at end-March 2021: €1,487.2m including

- › €1,307.2m of bond debt
- › €180.0m of commercial paper

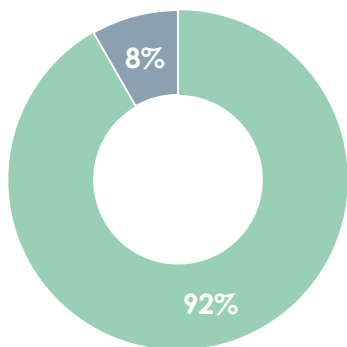
Cash and equivalents: €324.5m

Undrawn committed credit lines: €405m

## Standard & Poor's rating:

- › BBB/negative outlook renewed on June 9 and December 1, 2020

2020



LTV  
excluding rights

38.1%

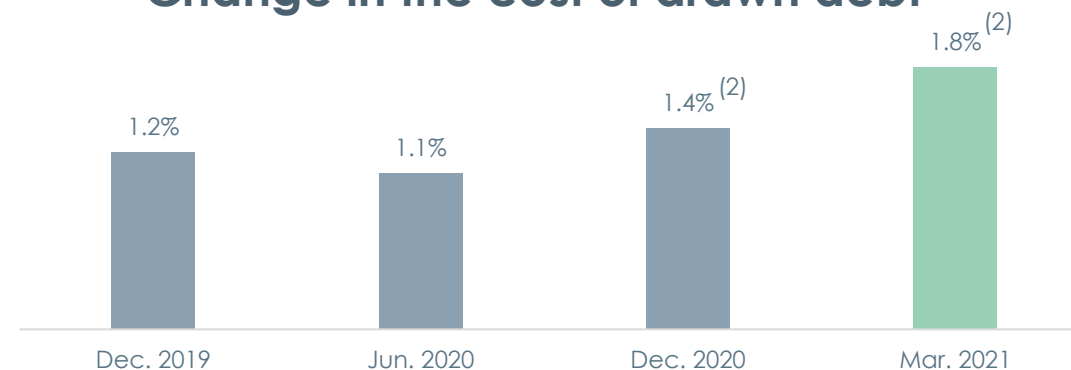
ICR  
5.0x

Net debt/EBITDA

9.1x

■ Fixed-rate debt ■ Variable-rate debt

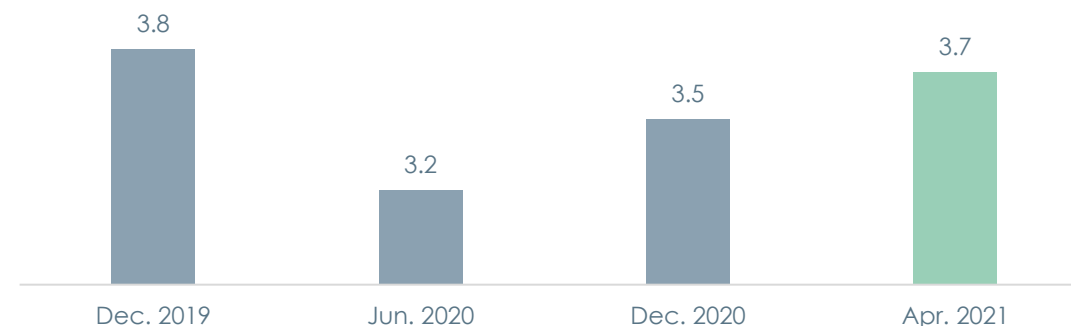
## Change in the cost of drawn debt <sup>(1)</sup>



(1) Including commercial paper program

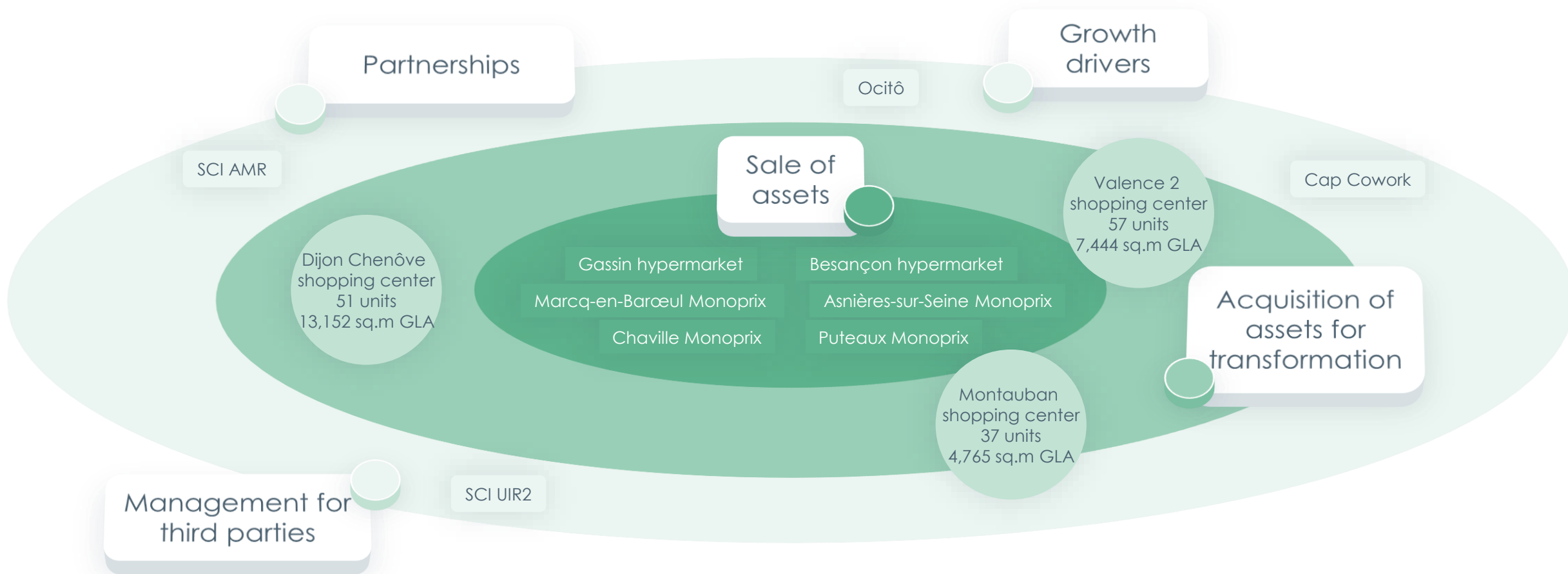
(2) This rate does not include the positive impact of net proceeds linked to the bond redemption premium, the bond redemption costs, the proceeds from unwinding swaps and the exceptional amortization relating to the partial redemption of the 2023 issue

## Change in debt maturity (in years) <sup>(1)</sup>



(1) Including commercial paper program

# Asset rotation, underpinning the development of Mercialys' activities and the financing of its new growth drivers



**€407m** project portfolio looking ahead to 2027,  
concerning **32** of Mercialys' 51 sites  
and with **€28.9m** of potential additional rental income

# Ocitô, integrated first- and last-mile logistics services to support unified multi-local retail



Health measures from 2020 have helped legitimize this service and accelerate its adoption



## Ocitô offers a response to 3 challenges

1

Support retailers with their digital transformation

2

Offer end customers a fluid omni-channel buying experience

3

Address the issue of last-mile logistics

29

Shopping centers equipped

>200

Retailers integrated on ocito.net

+20%

Average weekly growth for September 2020 and February 2021 in the volume of business generated on ocito.net

€1.2m

Investments since 2019

# Further strengthening the appeal of sites by aggregating uses



Flexible office services, tailored to specific local demands, already developed and to follow



60

Workspaces available at the Angers and Grenoble sites

90%

Average occupancy rate for closed offices

<€500k

Amount of investments per site

>13,000 sq.m

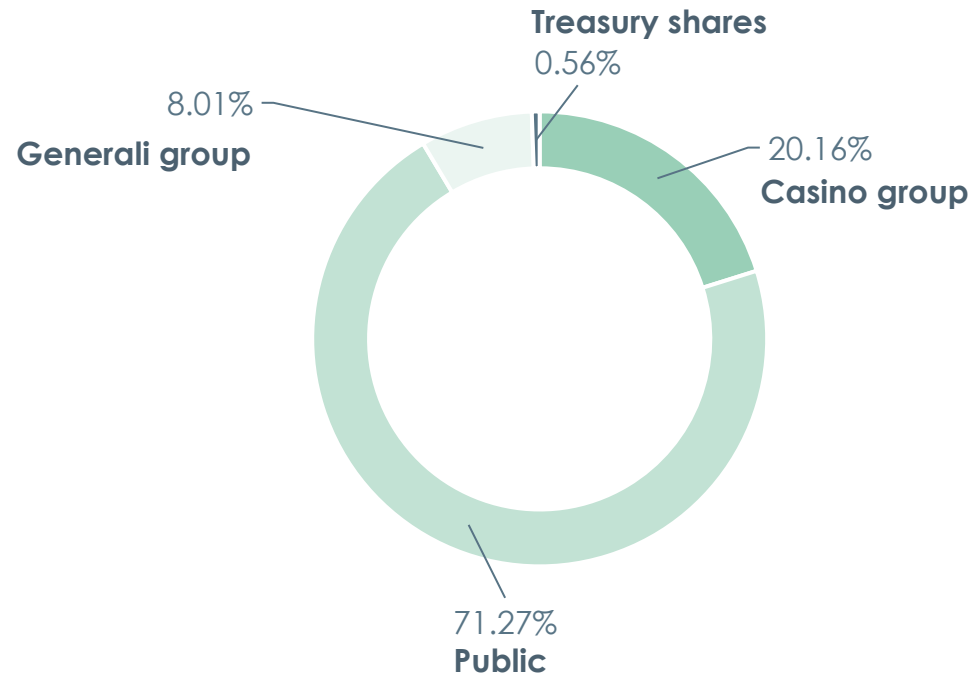
Being looked into at 16 sites



# Balanced shareholder base engaged in regular dialogue

Enabling Mercialys to deploy a strategy aligned with the sector's long timeframes

## Shareholding structure at December 31, 2020



92,049,169 outstanding shares and voting rights

1 share = 1 vote

#1

On the SBF 120 for financial and sustainability reporting transparency

Over **900** investors and analysts in our CRM base

17

Roadshows organized with **11** brokers in 2020

**Top 100**

Shareholders contacted before each General Meeting

# Governance aligned with the best international standards, leading the strategy



## Separation of the positions of Chairman and Chief Executive Officer since February 2019



**Éric Le Gentil**

**Vincent Ravat**

**Élisabeth Blaise**

Chairman of the Board of Directors

Chief Executive Officer

Deputy Chief Executive Officer

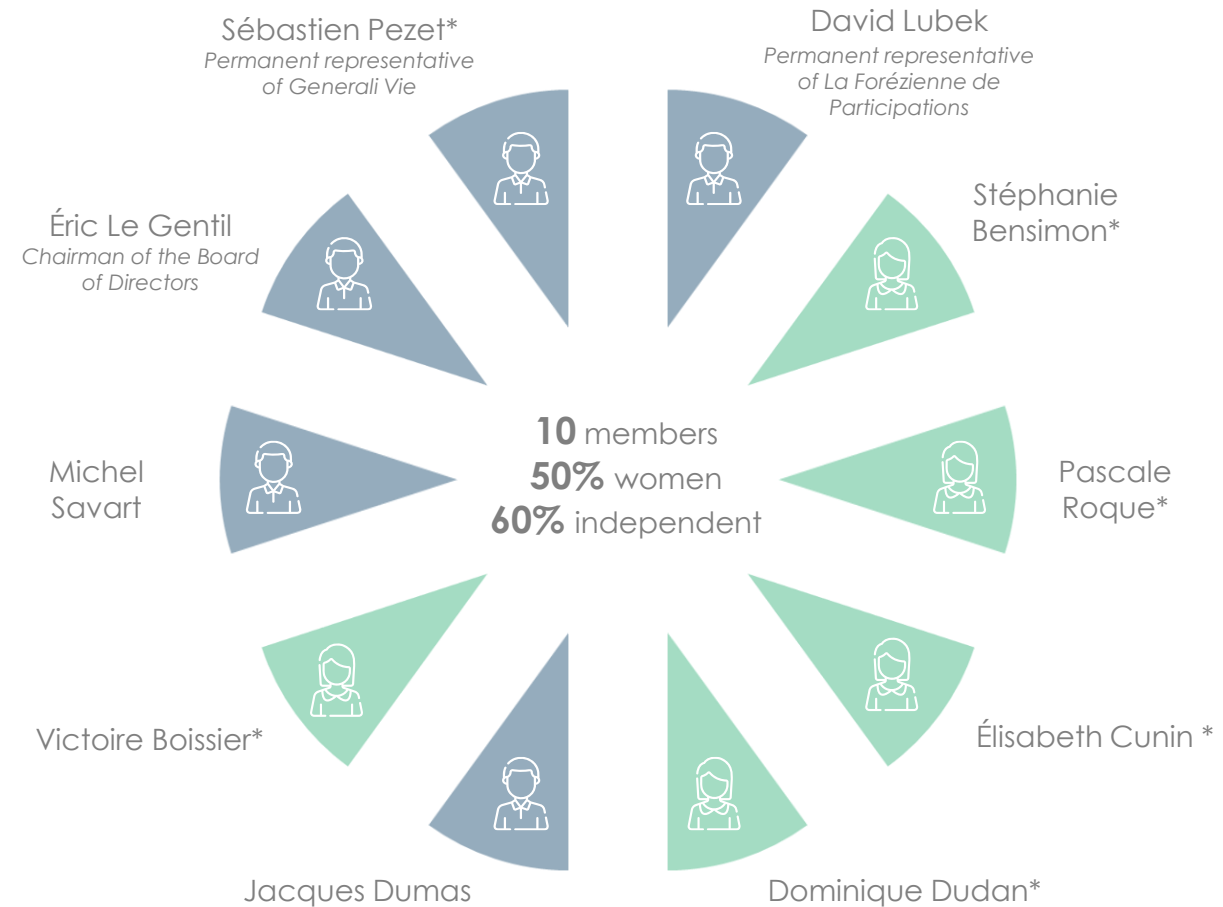
**Very reasonable 2020 average equity ratios, contributing to social cohesion within Mercialys**

4.3x

12.6x

7.0x

## Board of Directors' composition at April 22, 2021



\*Independent Director



# Continuous improvement dynamics to effectively cover the Company's needs at all times



Change in the composition and remit of 2 of the 3 specialized Committees in 2021, ensuring better alignment with sector challenges and stakeholders' expectations

## Audit, Risks and Sustainable Development Committee

### 4 members

Ms Stéphanie Bensimon (Chairwoman and Director in charge of CSR)  
Ms Victoire Boissier  
Ms Pascale Roque  
Mr Michel Savart

75% independent Directors

## Strategy and Transformation Committee

### 6 members

Ms Élisabeth Cunin (Chairwoman)  
Ms Stéphanie Bensimon  
Ms Dominique Dudan  
Mr Éric Le Gentil  
Mr Michel Savart  
Mr Sébastien Pezet  
1 permanent guest: Mr Vincent Ravat (CEO)

67% independent Directors

## Appointments, Compensation and Governance Committee

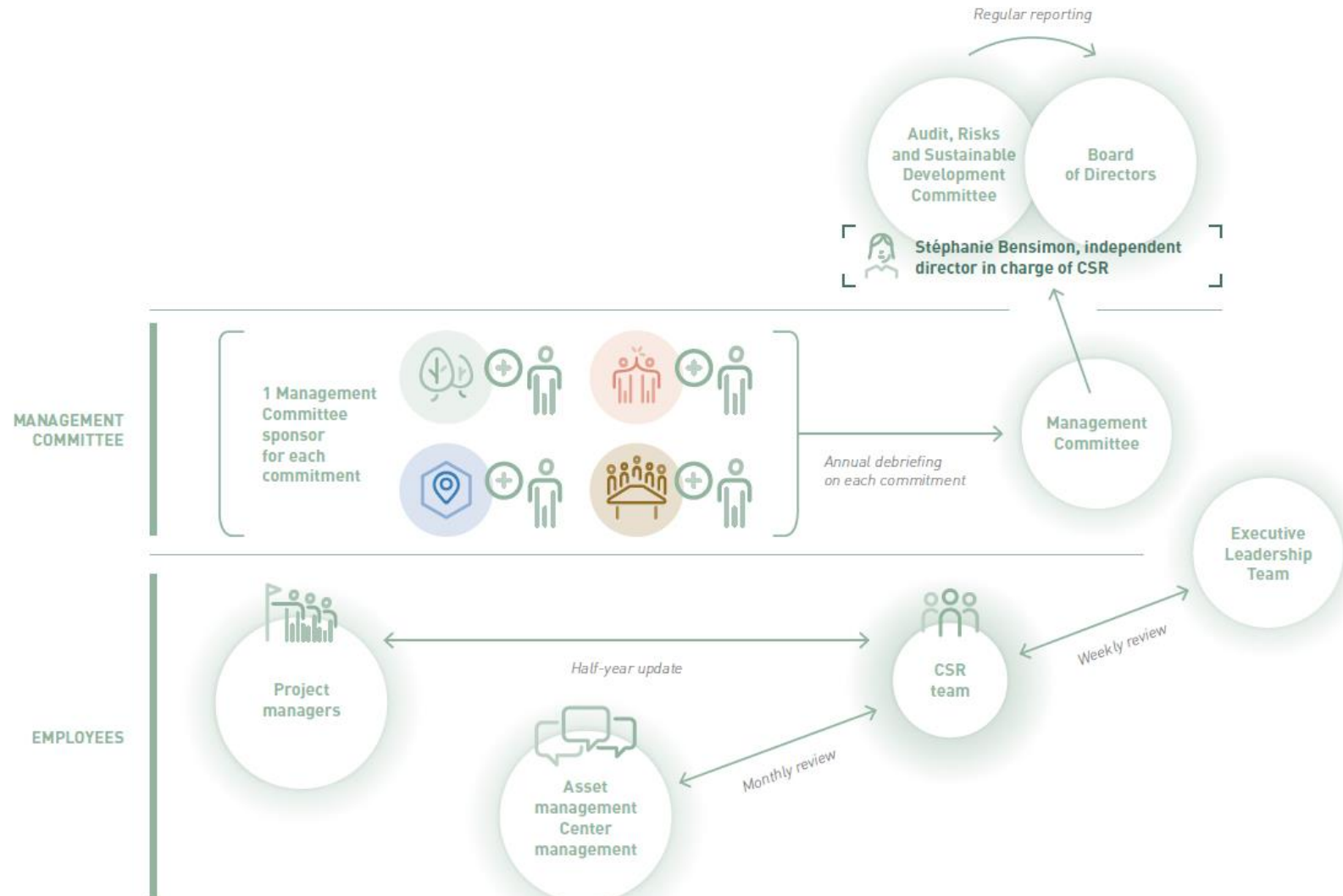
### 5 members

Ms Dominique Dudan (Chairwoman)  
Ms Victoire Boissier  
Ms Élisabeth Cunin  
Mr Jacques Dumas  
Mr Éric Le Gentil

60% independent Directors





















# CSR governance also further strengthened, at all levels

Sponsoring of the 4 commitments within the Management Committee and appointment of an independent Director in charge of CSR within the Board of Directors



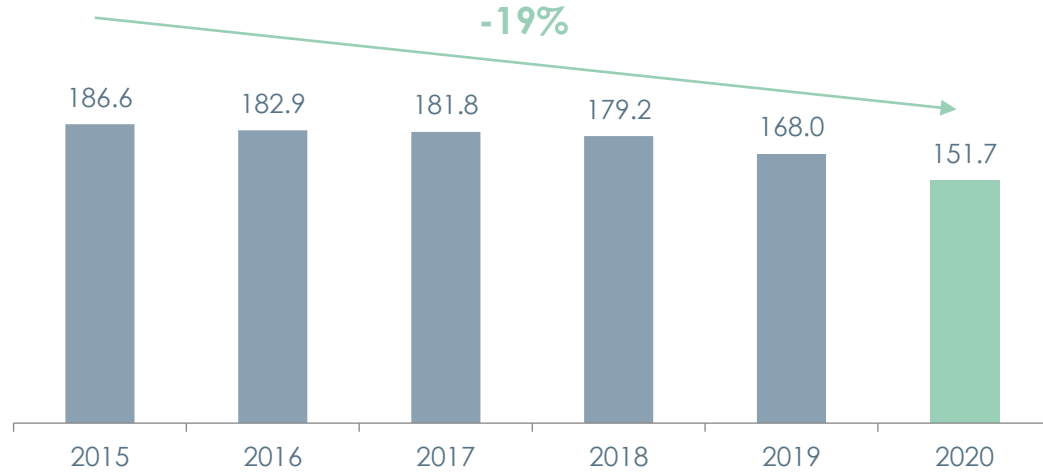
# Mery'21 key results



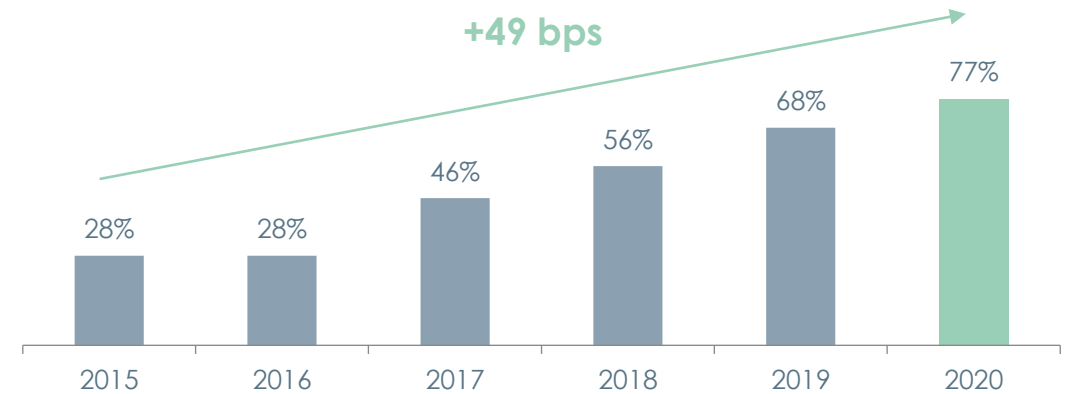
CSR STRATEGY PRIORITY STAKES	ACHIEVEMENT	2020 KEY PERFORMANCE INDICATORS
 Energy and GHG		-19% reduction in energy consumption per sq.m
 Asset resilience and adaptability		77% of assets BREEAM In-Use certified 89% have progressed by at least one level
 Circular economy		51% of waste recovered -26% reduction in water consumption
 Biodiversity		+45pt increase in the BREEAM In-Use Land Use and Ecology score
 Accessibility and connectivity		100% of centers close to public transport links 47% of parking lots equipped with charging stations for electric and hybrid vehicles
 Customer wellbeing, health and safety		92/100 average safety audit score +2% increase in visitor satisfaction 76% of centers rolled-out the Ôcito service
 Community life and economic development		>19,500 local jobs induced by centers' activities 93% of centers welcomed at least one non-profit organization
 Responsible value chain		85% of center purchases covered by CSR clauses 93% green leases signed during the year 79% of in-center teams carried out CSR reviews with their tenants
 Talents and diversity		100% of employees provided with training 96/100 workplace gender equality index
 Organization and quality of life at work		0 occupational accident since 2015 81% participation in the engagement survey

# Performance supported by solid foundations and built with a lasting focus

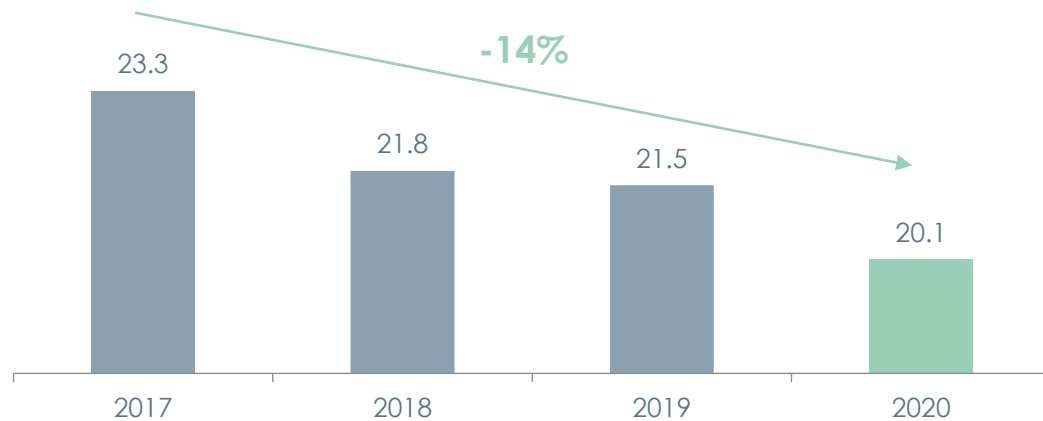
**Change in energy intensity per square meter**  
in KWh/sq.m – like-for-like basis



**Change in the percentage of the portfolio with BREEAM In-Use certification**  
% of the portfolio's total value including transfer taxes

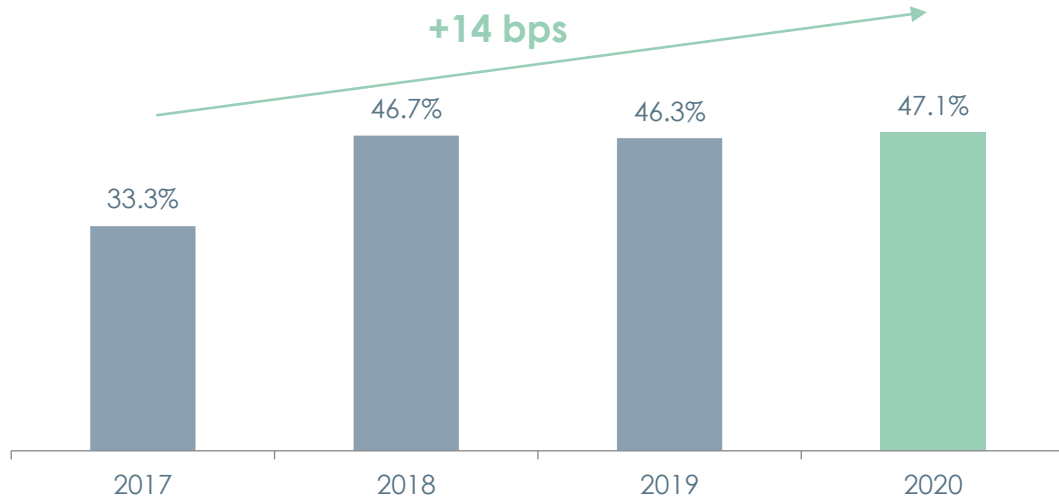


**Change in direct and indirect carbon emissions**  
scopes 1 and 2 – in kg of CO<sub>2</sub> eq/sq.m – market-based method – current basis

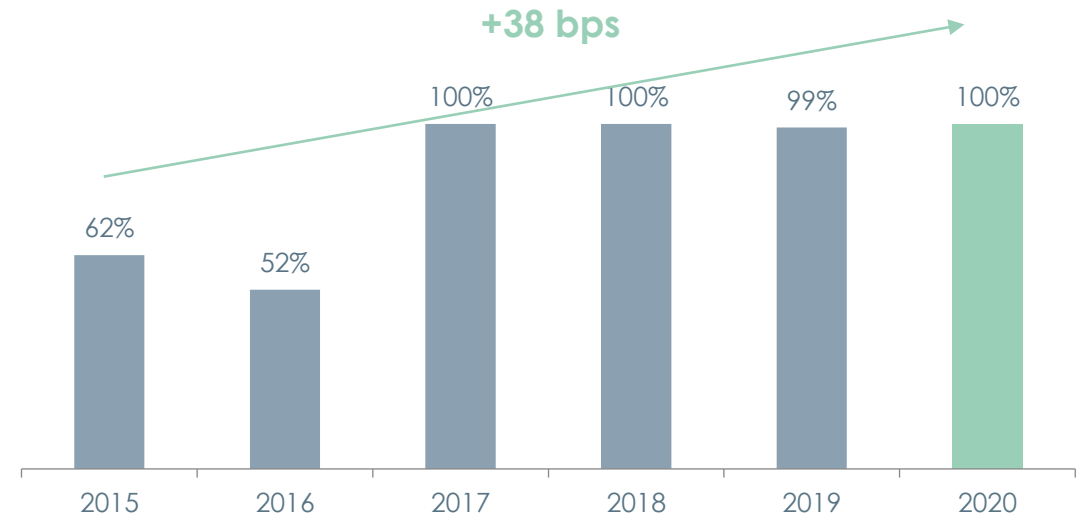


# Performance supported by solid foundations and built with a lasting focus

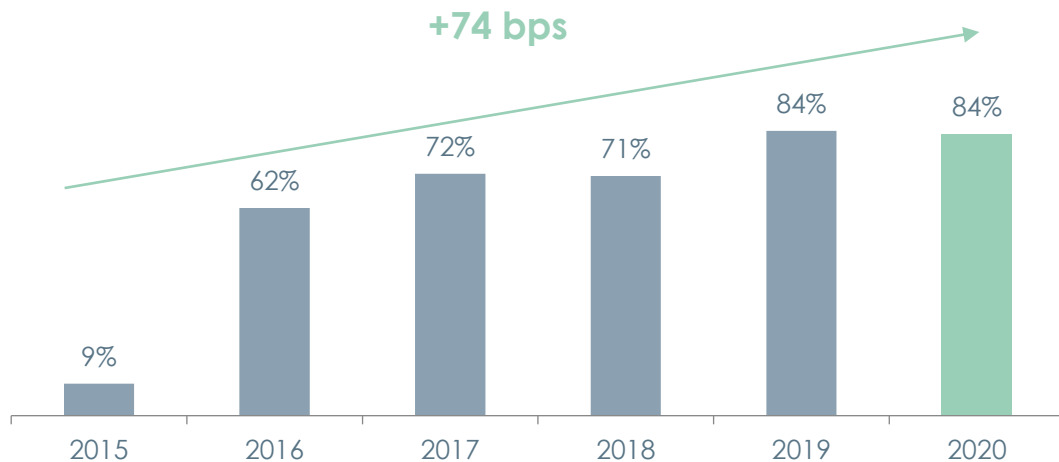
### Change in the percentage of parking lots equipped with charging stations for electric and hybrid vehicles



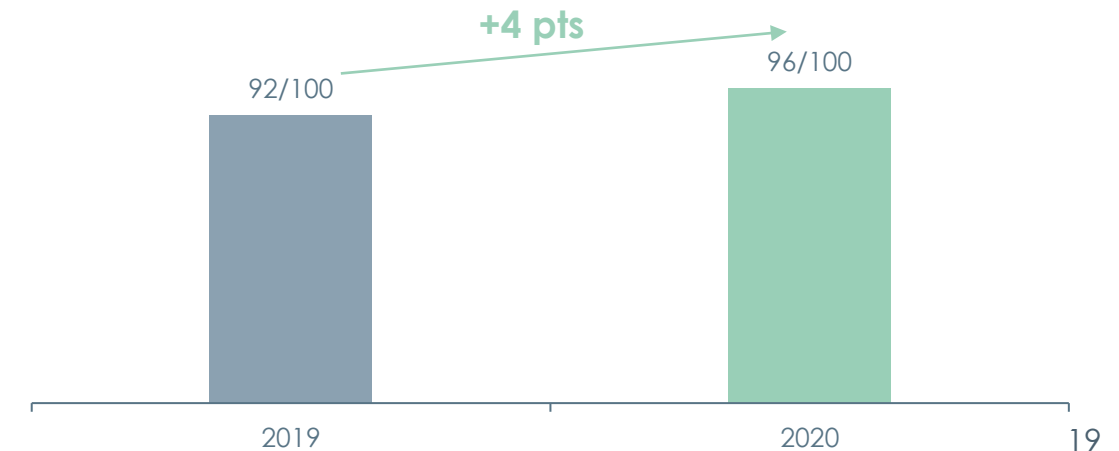
### Change in the share of trained employees



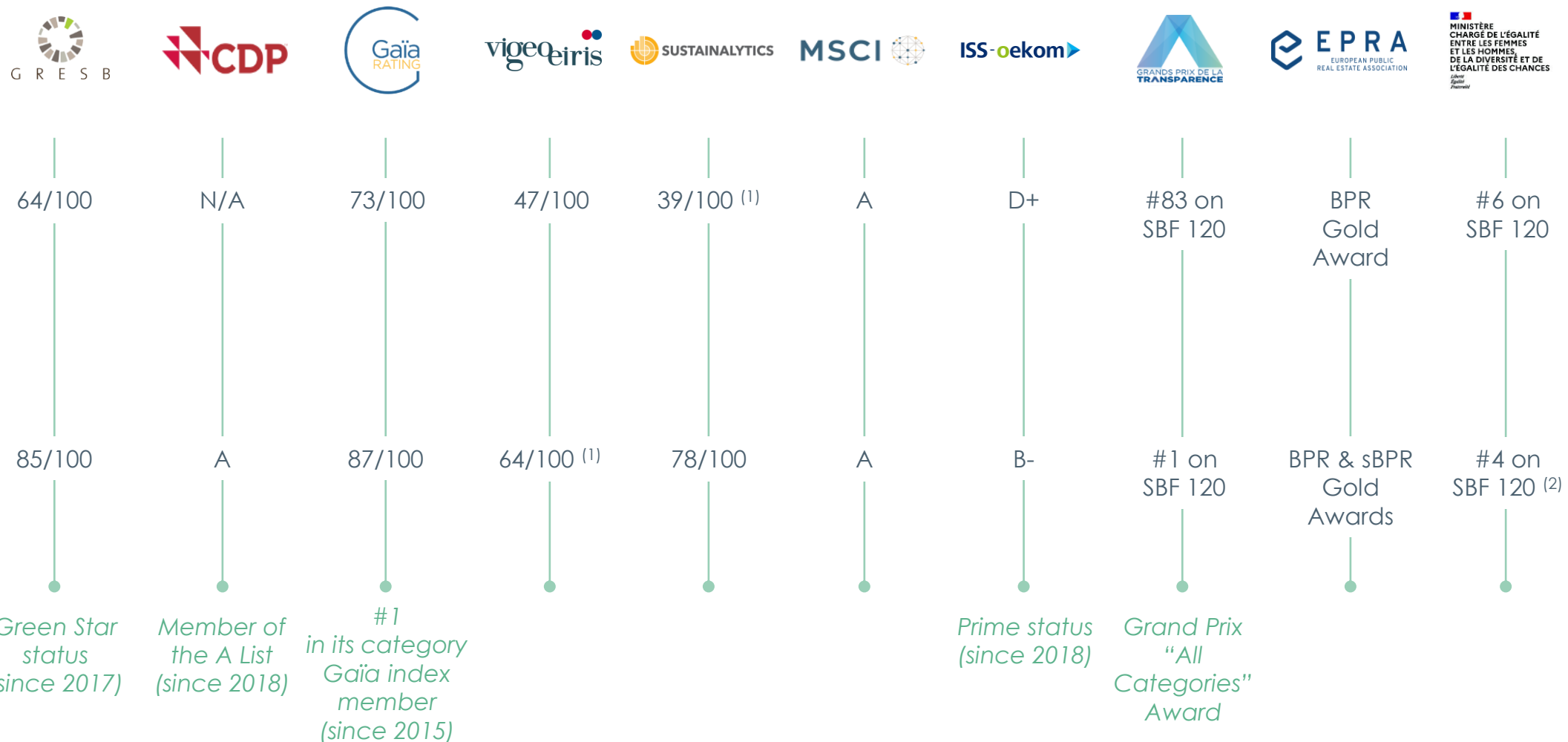
### Change in the percentage of the portfolio with a loyalty program



### Change in the workplace gender equality index



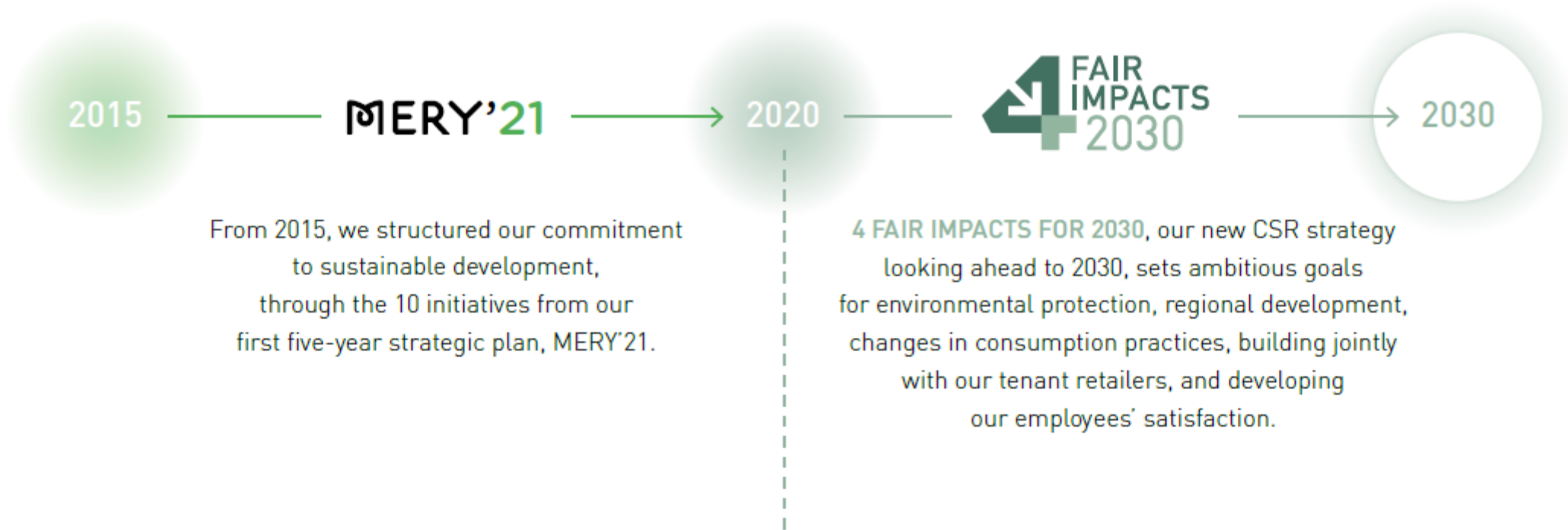
# Increasing recognition from leading industry benchmarks and rating agencies, with particularly exceptional results in 2020



(1) Estimated  
(2) 2019 score / no 2020 review to date

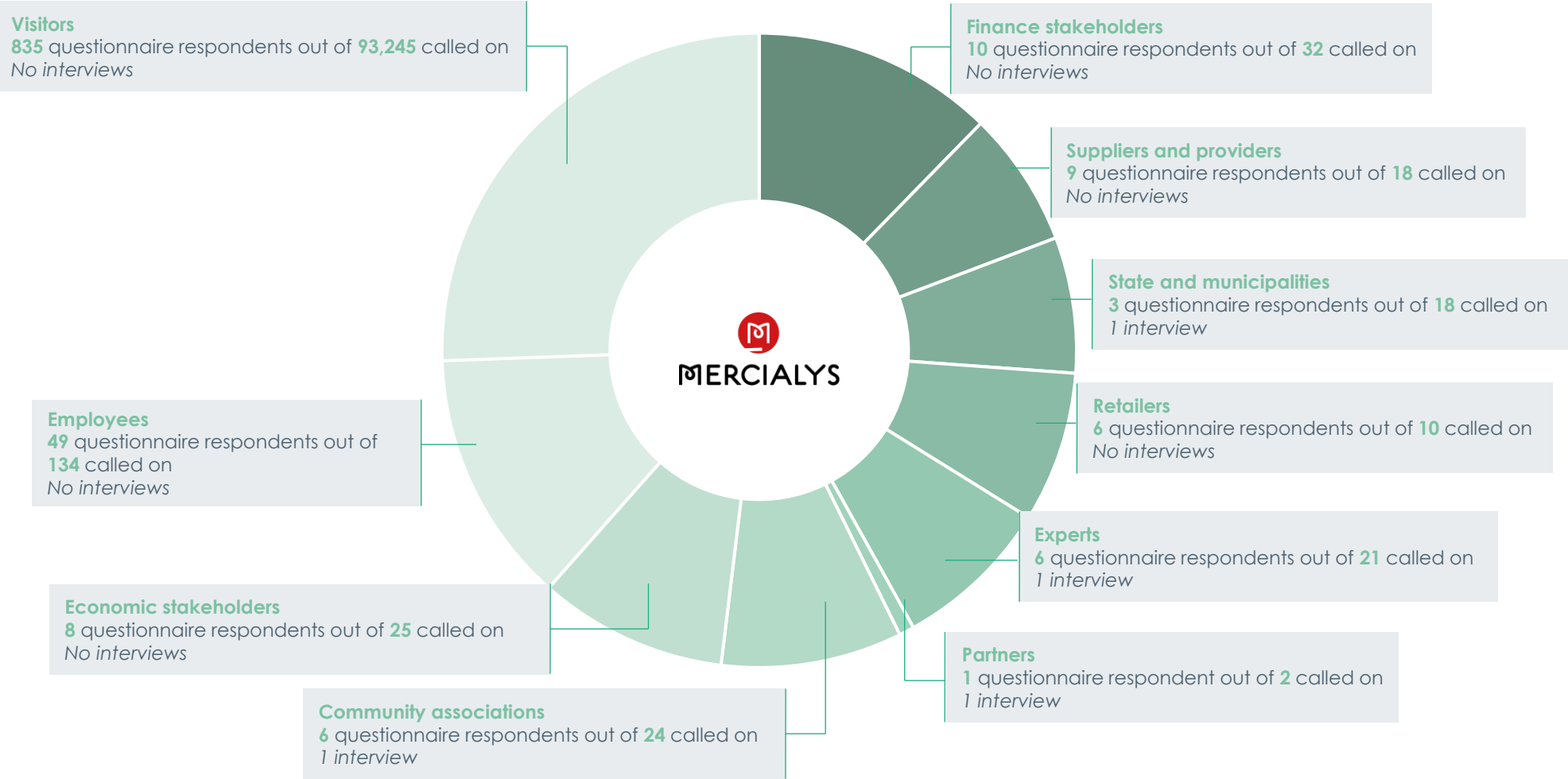


# 4 FAIR IMPACTS FOR 2030: Mercialys' new CSR strategy



# Extensive in-house and external consultation process

More than 900 stakeholders shared their views on the 33 stakes identified



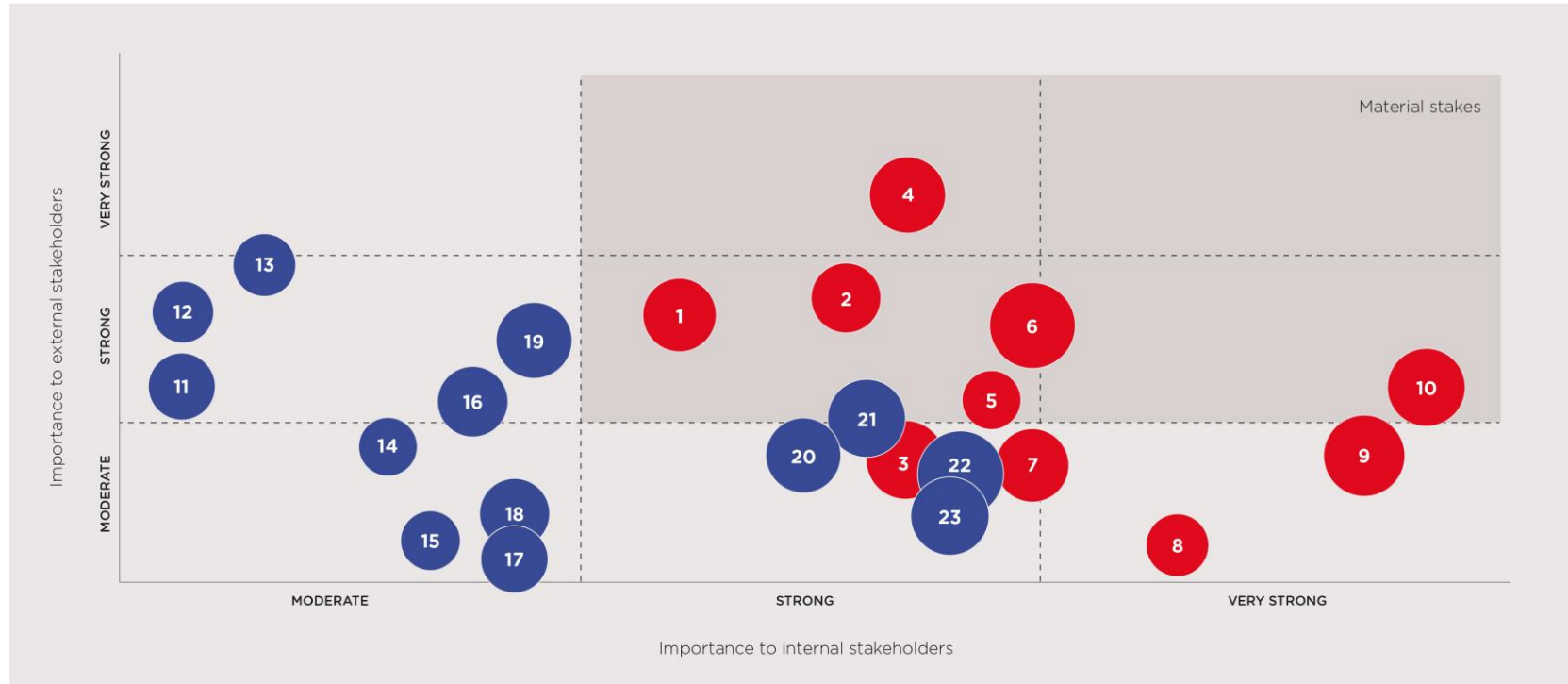
  
**105** respondents took part in the questionnaire  
56 internal stakeholders / 49 external stakeholders

**835** visitors answered the questionnaire

  
**4** phone-based interviews carried out with external stakeholders

# Mercialys materiality matrix

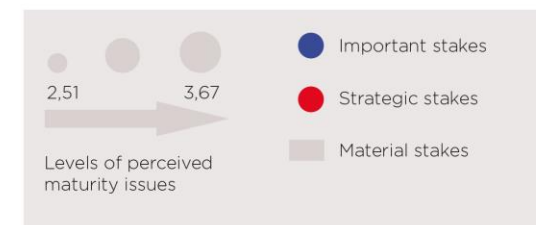
10 strategic stakes + 13 important stakes identified



- 1/ Waste management
- 2/ Development of multifunctional shopping centers
- 3/ Relations with retailers
- 4/ Energy and greenhouse gas emissions
- 5/ New selection of responsible retailers or products
- 6/ Business ethics
- 7/ Wellbeing and quality of life at work
- 8/ Employee engagement
- 9/ Diversity and anti-discrimination
- 10/ New services offered through collaboration with retailers

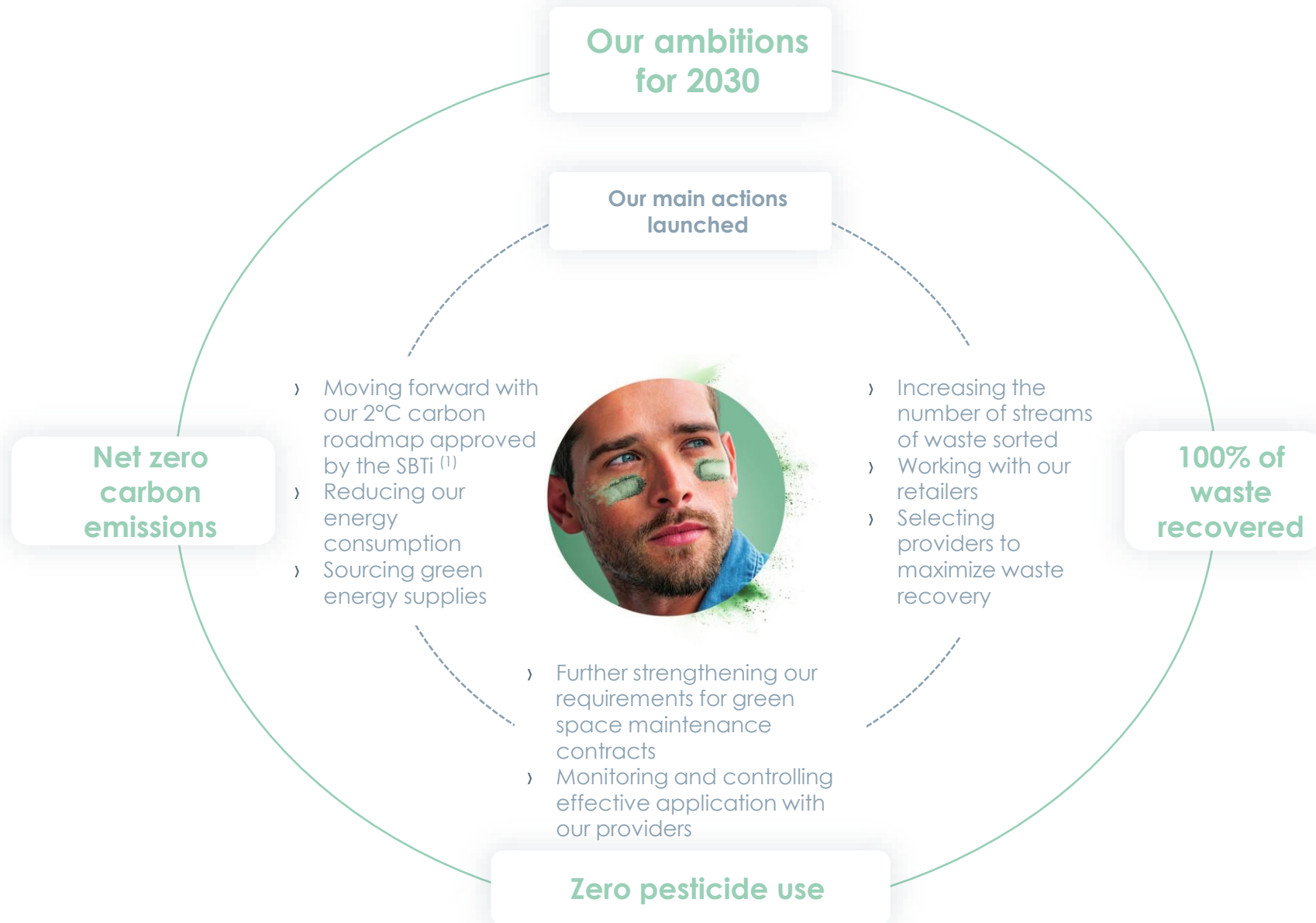
- 11/ Support for local economic development and job creation
- 12/ Asset adaptation and resilience to climate change
- 13/ Sustainable regional development
- 14/ Talent management and attraction
- 15/ Promotion of new more responsible business models
- 16/ Consultation and collaboration with local and national stakeholders and public institutions
- 17/ Social dialogue
- 18/ Responsible transport and mobility
- 19/ Accessibility for people with impaired mobility

- 20/ Visitor and retailer health, safety and security
- 21/ Working conditions
- 22/ Simpler, more welcoming and attractive visitor journeys
- 23/ Personalization and digitalization of offering and services



# 4 FAIR IMPACTS FOR 2030

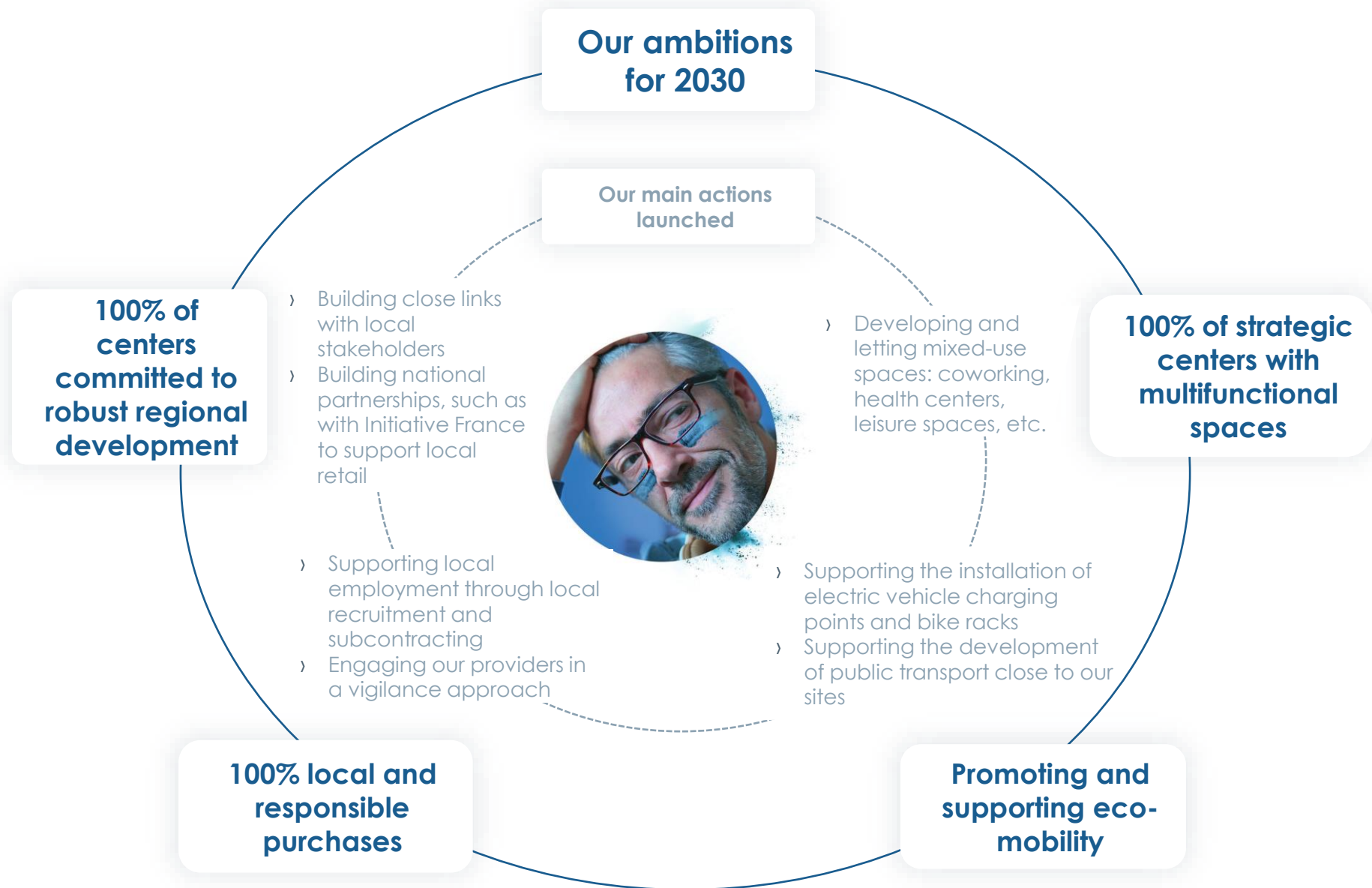


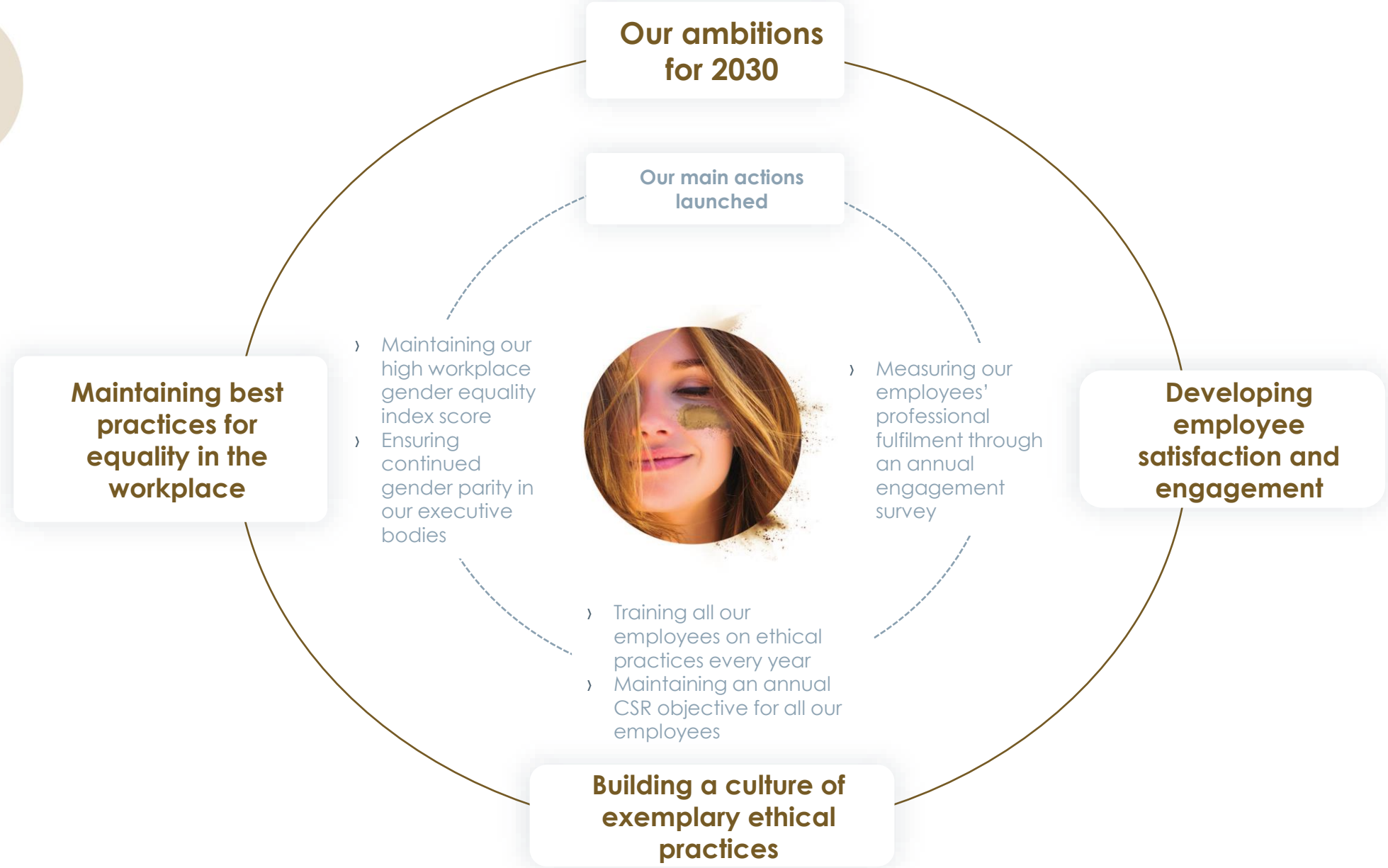


(1) The Science Based Targets initiative (SBTi) is a non-profit organization that assesses the alignment between the greenhouse gas emission reduction targets set by companies and the recommendations made by scientists in order to effectively limit the increase in global temperatures to 2°C by 2100











# Appendices

MERCIALYS



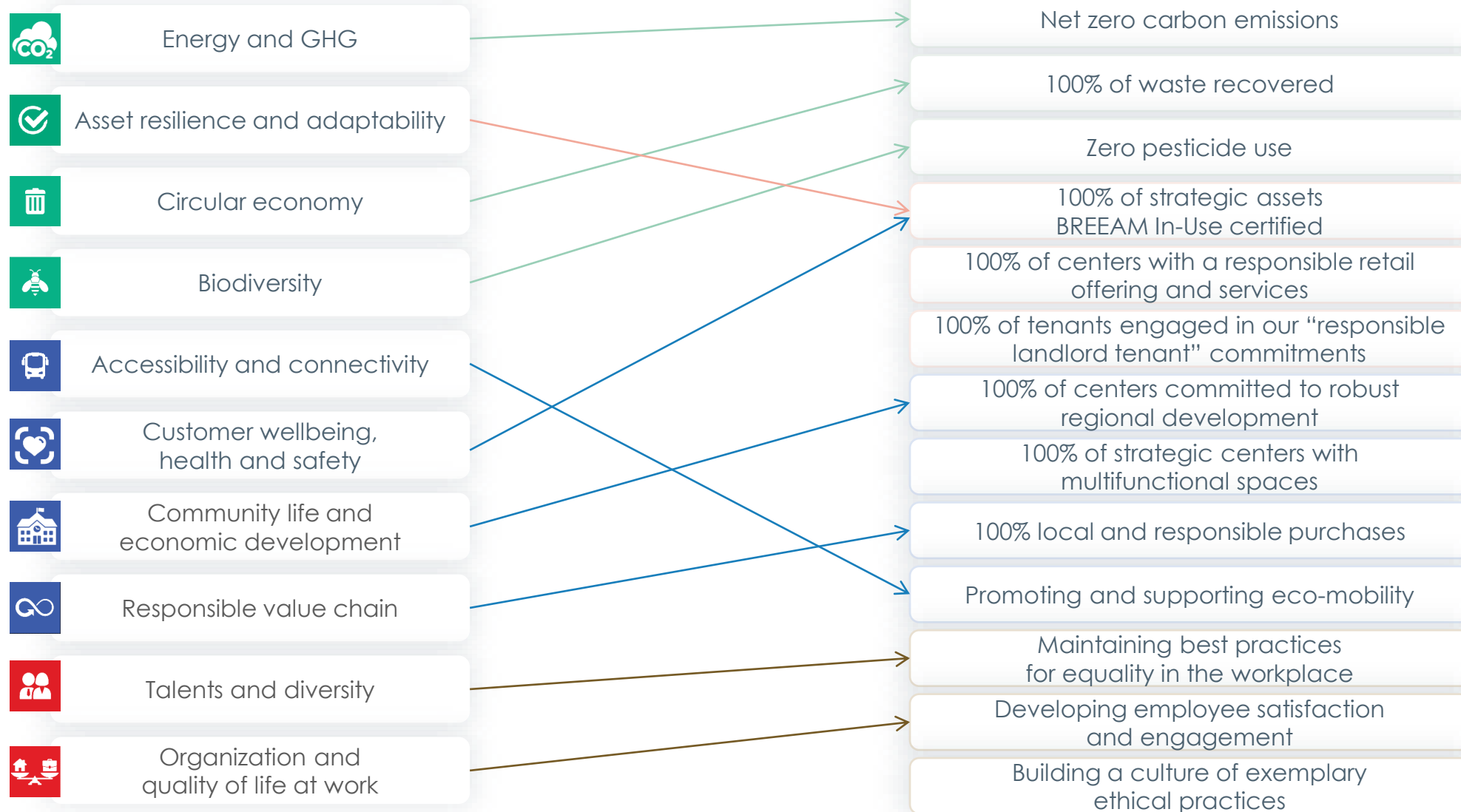
# Link between MERY'21 and 4 FAIR IMPACTS FOR 2030



New goals that are aligned with and build on Mercialys' commitment

## CSR 2015-2020 priority stakes

## 2030 ambitions



# Mercialys' ESG ratings history



										
2020	Score: 85/100 <sup>(1)</sup> Green Star status	Rating: A Member of the A List	Score: 87/100 #1 in its category Member of the Gaïa index	Score: 64/100 <sup>(2)</sup>	Score: 78/100	Rating: A	Rating: B- Prime status maintained	#1 on SBF 120 Grand Prix "All Categories" Award	BPR Gold Award sBPR Gold Award	No review to date
2019	Score: 90/100 Green Star status	Rating: A Member of the A List	Score: 83/100 Member of the Gaïa index	Score: 63/100 <sup>(2)</sup>	Score: 75/100	Rating: A	Rating: B- Prime status maintained	Classified out of category Registration Document Award	BPR Gold Award sBPR Gold Award	#4 on SBF 120
2018	Score: 87/100 Green Star status	Rating: A Inclusion in the A List	Score: 82/100 Member of the Gaïa index	Score: 51/100 (no review in 2018)	Score: 67/100 <sup>(2)</sup> (no review in 2018)	Rating: BBB	Rating: B- Prime status achieved	#1 on SBF 120 Grand Prix "All Categories" Award	BPR Gold Award sBPR Gold Award	#4 on SBF 120
2017	Score: 84/100 Green Star status achieved	Rating: A-	Score: 79/100 Member of the Gaïa index	Score: 51/100	Score: 67/100 <sup>(2)</sup>	Rating: A	Rating: C-	#3 on SBF 120 Year's Most Improved Award	BPR Gold Award sBPR Gold Award	#12 on SBF 120
2016	Score: 64/100	-	Score: 73/100 Member of the Gaïa index	Score: 47/100 (no review in 2016)	Score: 39/100 <sup>(2)</sup>	Rating: A	Rating: D+	#83 on SBF 120	BPR Gold Award	#6 on SBF 120
2015	-	-	Score: not comparable Member of the Gaïa index	Score: 47/100	-	Rating: A	Rating: D+	#79 on SBF 120	BPR Gold Award	#10 on SBF 120

(1) Score not comparable due to a change in the methodology

(2) Estimated



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