MERCIALYS

French limited company (société anonyme) with capital of Euro 93,886,501
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 27, 2023

Mercialys' Ordinary and Extraordinary General Shareholders' Meeting was held on Thursday April 27, 2023 from 10:00am CET. The Board of Directors answered the written questions submitted to the Company for this General Meeting:

I. Question relating to the dividend

- **How do you justify this distribution of Euro 0.96 per share?**

Mercialys is subject to the tax system for French listed real estate investment trusts (SIIC) introduced by French finance bill no.2002-1575 of December 30, 2002. Under this system, SIIC real estate investment trusts are exempt from corporate income tax in exchange for distributing a significant percentage of their revenues (95% of recurrent income, as determined through parent company profits, and 70% of capital gains from asset disposals). In 2023, the proposed dividend of Euro 0.96 per share for 2022 factors in:

1/ property rental or sub-letting operations (including dividends paid by the subsidiaries subject to the SIIC system), i.e. Euro 0.71 per share;

2/ the distribution based on 70% of exempt profits for 2022 from the disposal of properties and investments in real estate companies, i.e. Euro 0.05 per share;

3/ the distribution of exempt income recorded on the Company's balance sheet for Euro 0.20 per share.

The Euro 0.20 per share included in the dividend to be proposed at the General Meeting, exceeding the legal distribution requirement, contributes to a distribution corresponding to 85% of consolidated funds from operations (FFO), in line with the annual target range set by the Company of 85% to 95%. This target ensures balanced profitability for shareholders, which is reflected in particular in a 4.6% yield on the net disposal value (NDV) for 2022.

II. Question relating to earnings

- **How do you plan to improve your earnings per share?**
- **1/ Through a strong increase in 2023 earnings?**

Your Company, as a listed retail property company, tracks and publishes relevant indicators to reflect its performance. These widely recognized indicators are notably set by the European Real Estate Association and are published by Europe's leading listed real estate companies.

The most relevant indicator for your Company's performance is funds from operations or FFO, which determines its recurrent income, excluding non-recurring items.

Net income attributable to owners of the parent per share includes non-recurring items (capital gains or losses on disposals, changes in value of non-cash items or linked to refinancing operations, etc.), which involves sometimes significant volatility from one year to another.

Mercialys' dividend policy refers to the FFO, which is both more relevant and less subject to non-recurring items.

When publishing its full-year results on February 14, 2023, Mercialys announced a target for at least +2% growth in funds from operations (FFO), with this target repeated in the Universal Registration Document published on March 15, 2023 (page 4).

- **2/ Through a large-scale buyback of shares followed by a cancellation of securities?**

Your Company has never carried out share buybacks with a view to canceling them as it considers that the corresponding accretive impact does not create long-term value. In terms of the use of its cash and its borrowing capacity, Mercialys has indicated that it prefers an effectively controlled and managed resumption of investments in order to build its future growth. Based on strict profitability requirements, and while maintaining its key financial balances, this would be carried out through the implementation of its development pipeline or through targeted acquisitions.

It is also important to note that the increase in the number of shares in 2021 (+2%) resulted from the option that had been offered to shareholders for the dividend to be paid in shares with a view to preserving the Company's cash position in a very disrupted health and economic context.

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Paris, April 27, 2023