2021 half-year results

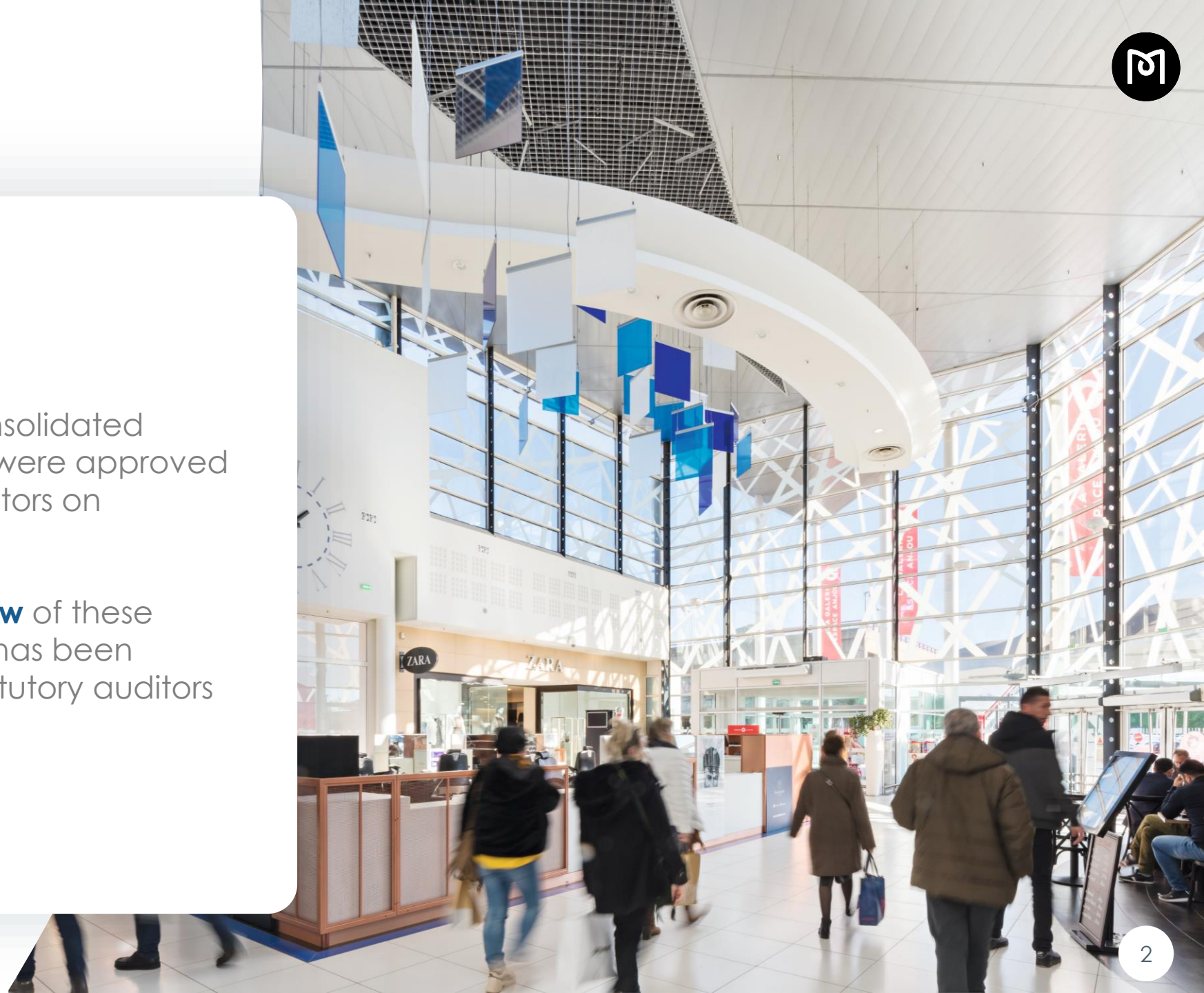
July 29, 2021

MERCIALYS

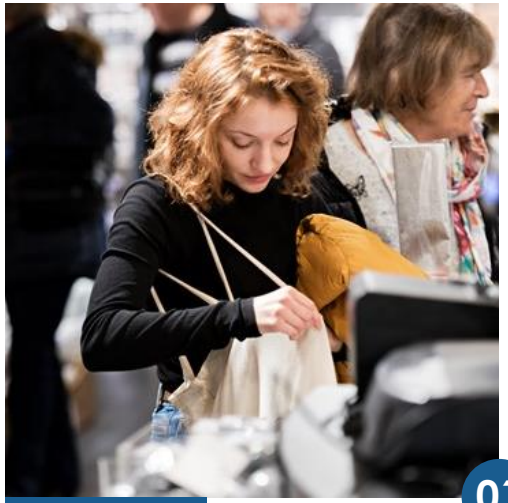
Preliminary remarks

The 2021 first-half consolidated financial statements were approved by the Board of Directors on July 28, 2021

A limited scope review of these financial statements has been performed by the statutory auditors



Contents



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Resilient and value-accretive business model over the cycles

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Moving forward with Mercialys' adaptation to evolving consumer trends

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Mercialys firmly convinced that its evolving business model strong past performance will endure in a post-Covid world

Sites anchored in **day-to-day purchases** and powerful enough to fund **reputation and loyalty strategies** delivering strong **outperformance** in terms of both footfall and retailer sales

These capabilities enable retailers to **ensure the profitability of their stores** through a balanced occupancy cost ratio of 10.4% on a normalized basis, reflecting **structurally sustainable rents (€222/sq.m on average, at end-June 2021)**

Geographical positioning continuously enhanced through disposals, redevelopments and extensions, paving the way for an outstanding regional footprint in terms of both purchasing power and demographics

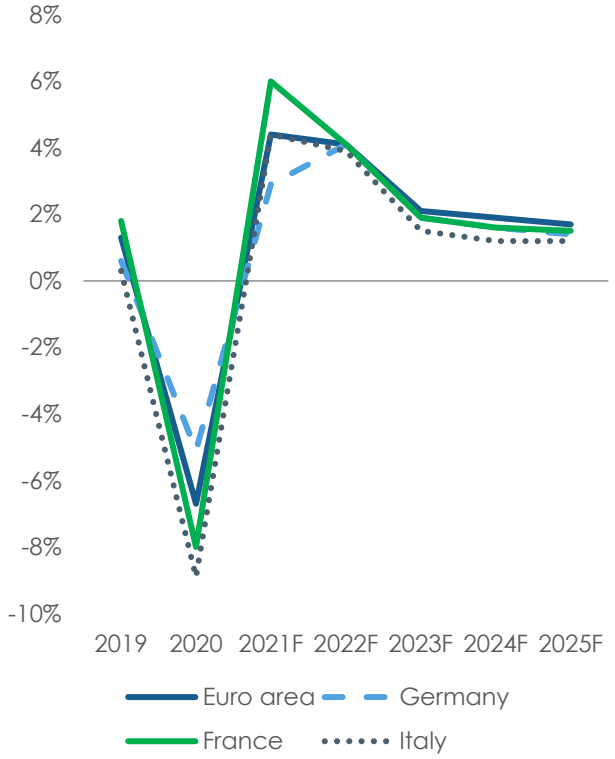
Sites with an operating resilience and individual value adapted to a wide range of investor profiles, as reflected in the strong liquidity proven throughout the cycles, with disposal values aligned as a minimum with the appraisals, which are at **reasonable levels (€3,644/sq.m on average, excluding transfer taxes, at end-June 2021)**

Continuous adaptation of both assets and the commercial offering in line with end-customers' needs:

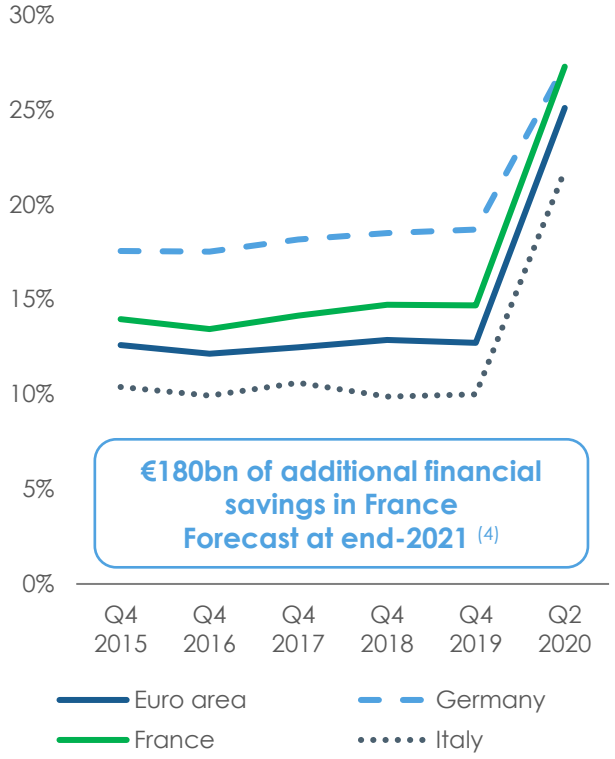
- Casual leasing and reduction of hypermarket size since 2014, work on the retail mix and particularly the price positioning
- Development of the **Ocitô first and last-mile delivery platform** since 2019 to create a link between physical retail real estate and a digital customer approach supporting retailer sales and rental reversion potential
- Capacity to **maximize site value and revenues** through multi-usage (coworking and healthcare)

Mercialys well positioned to benefit from the strong recovery expected in France from 2021 onwards, with retail likely to be boosted by the exceptional level of "forced savings"

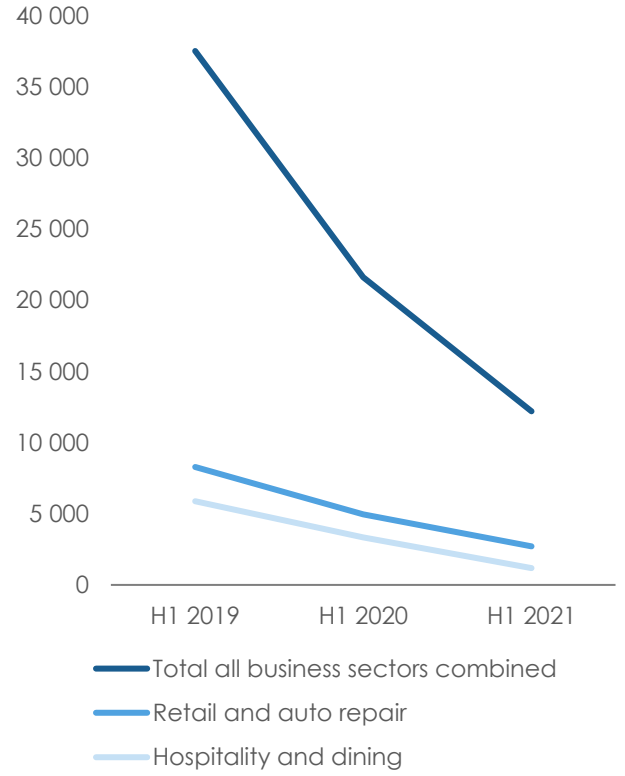
FRENCH GDP GROWTH FORECASTS (1)



GROSS HOUSEHOLD SAVINGS RATE (2)



CHANGE IN NUMBER OF COLLECTIVE PROCEEDINGS (3)



(1) Source: Société Générale, Global Economic Outlook, June 2021
(2) Source: Eurostat, Gross household saving rate - Seasonally and calendar adjusted data – Quarterly, May 2021
(3) Source: Observatoire statistique national du Conseil National des Greffiers des Tribunaux de Commerce – number of safeguard, receivership and liquidation proceedings
(4) Source: Banque de France, Macroeconomic projections France, June 2021

Resilient and value-accretive business model over the cycles

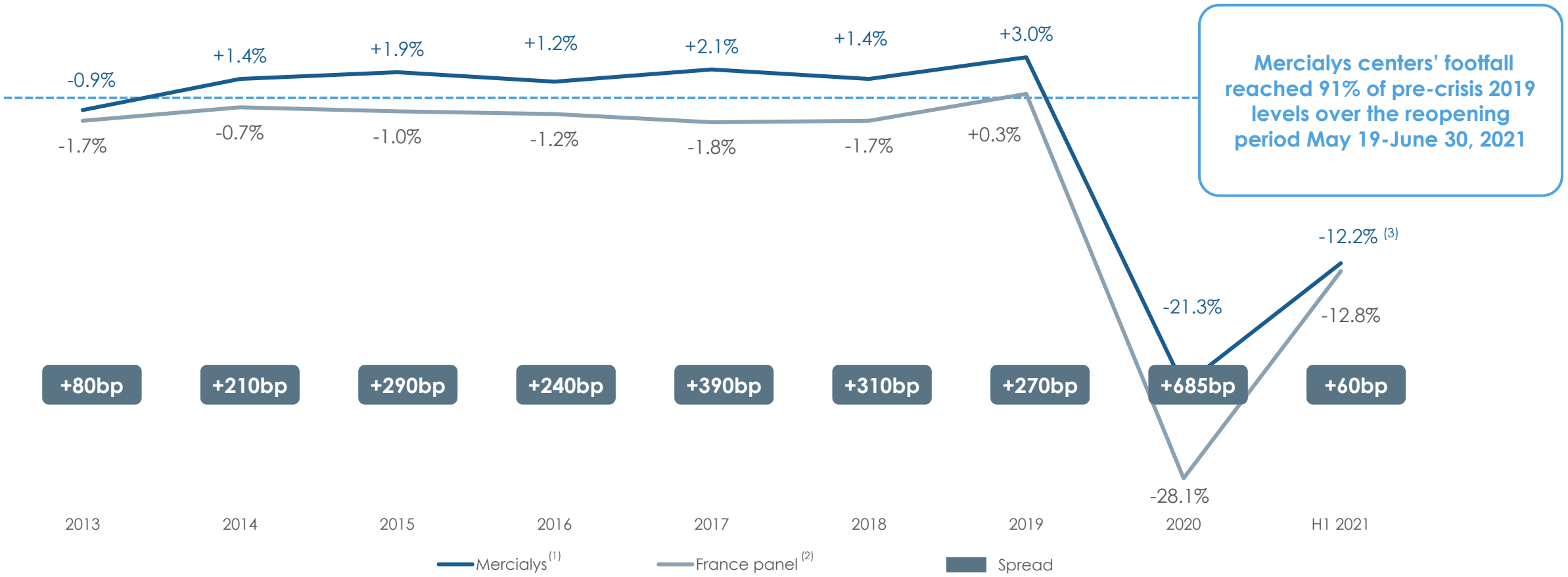
Vincent Ravat
Chief Executive Officer

Élizabeth Blaise
Deputy Chief Executive Officer
& Chief Financial Officer

MERCIALYS

Structural outperformance for footfall at Mercialys sites vs. the national shopping center market, independently from cycles

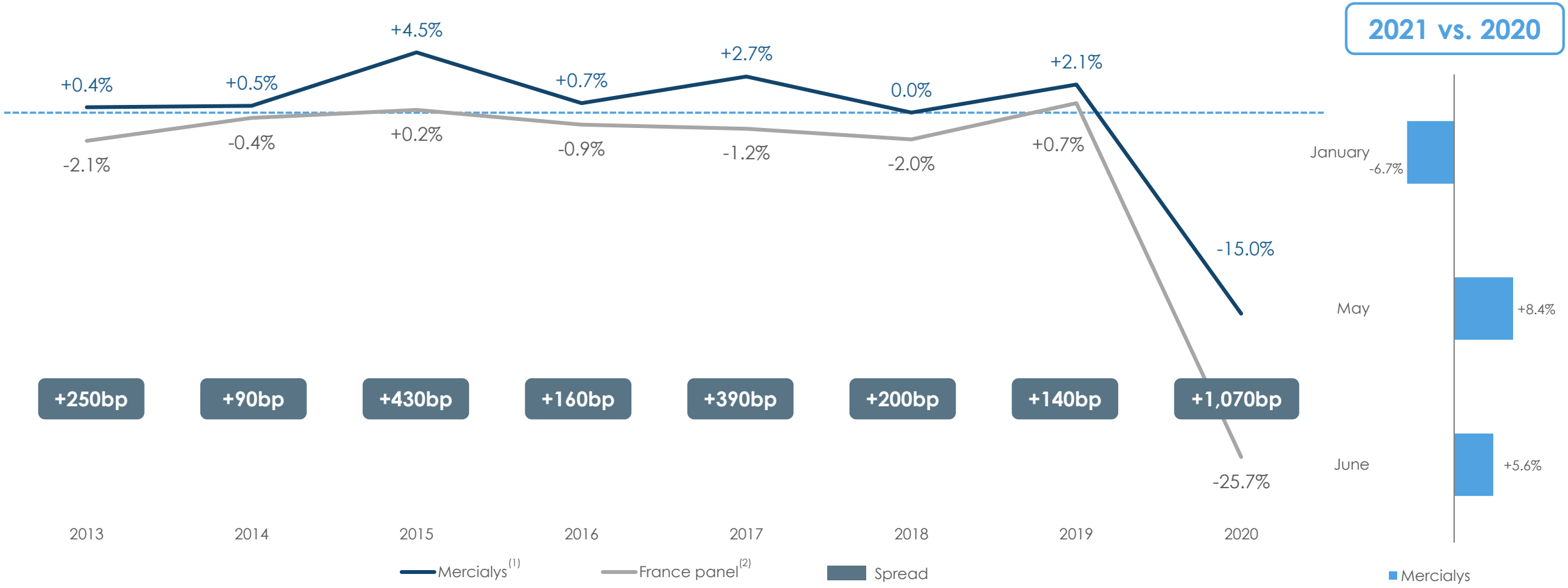
Mercialys' year-on-year change in footfall outperforming the France panel despite a challenging basis for comparison



(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
(3) An additional eight days of closure for the entire portfolio in May 2021 vs. May 2020, and additional closures of up to 1.5 months for part of the portfolio in January and February 2021 vs. January and February 2020

Efficient and recurrent shopping translating into retailer sales with a structurally positive trend

Year-on-year change in retailer sales



(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

Strong upturn in footfall levels supported by BtoC marketing actions capitalizing on the Company's powerful proprietary digital ecosystem

Large-scale communication across multiple media for the centers

- Reopening and Mother's Day
- Specific commercial offering for the sites

Center events / activities and loyalty program

- Ramping up of cashback systems
- Distribution of vouchers, retailer challenge, games, etc.

Ocitô first and last-mile logistics platform

- Free delivery
- Stock clearance campaigns, specific promotions for restaurants, etc.

> 30m MESSAGES POSTED ON DIGITAL MEDIA

€8 OF SALES GENERATED FOR EACH EURO OF VOUCHERS SPENT

OPERATIONAL RESTART OF THE OCITÔ SERVICE AFTER CLICK & COLLECT WAS ORDERED TO STOP

The accounts at end-June 2021 reflect the impact of the support measures for the 2 lockdowns in 2020

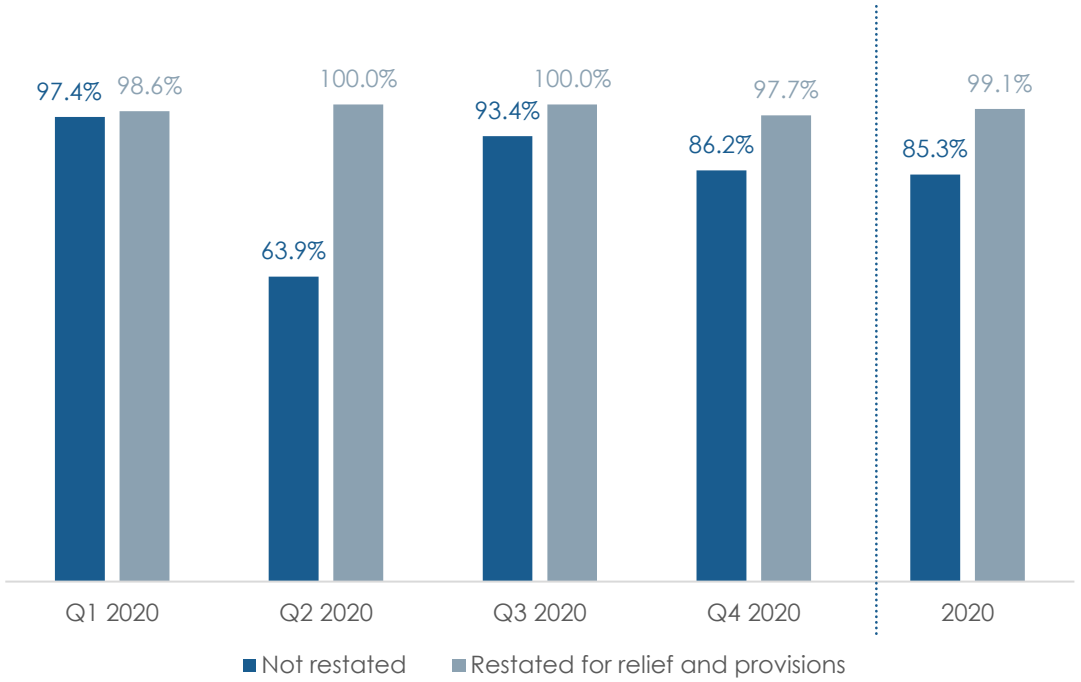
No rent relief granted for the 2021 lockdown in view of government commitments to provide support covering rent and charges

			EFFECTS RECOGNIZED at June 30, 2020		EFFECTS RECOGNIZED at Dec 31, 2020		EFFECTS RECOGNIZED at June 30, 2021	
IMPACTS	**CORRESPONDING 2020 LOCKDOWN**	**PROFIT AND LOSS HEADING**	**Amount before potential deferral (€m)**	**P&L (€m)**	**Amount before potential deferral (€m)**	**P&L (€m)**	**Amount before potential deferral (€m)**	**P&L (€m)**
Negotiations finalized	1st	Invoiced rents / Provisions for relief to be granted	-4.7	-1.2	-9.4	-4.1	-1.7	-2.4
Negotiations finalized associated with the documentation to be received from tenants	2nd	Invoiced rents / Provisions for relief to be granted	na	na	-6.3	-6.3	+0.5	+0.5
Subtotal			**-4.7**	**-1.2**	**-15.7**	**-10.4**	**-1.2**	**-2.0**
Arrears relating to the 2nd and 3rd quarters of 2020	1st	Provisions for doubtful receivables	0.0	0.0	-13.2	-13.2	+5.4	+5.4
Arrears for November 2020 relating to sit-down restaurants	2nd	Provisions for doubtful receivables	na	na	-0.5	-0.5	+0.5	+0.5
Subtotal			**0.0**	**0.0**	**-13.7**	**-13.7**	**+5.9**	**+5.9**
Tax credit	2nd	Net rental income	na	na	No recognition	No recognition	+0.5	+0.5
TOTAL			**-4.7**	**-1.2**	**-29.4**	**-24.1**	**+5.2**	**+4.5**

Normalization of collection significantly affected by the lack of visibility over the reopening date for stores following the 3rd lockdown

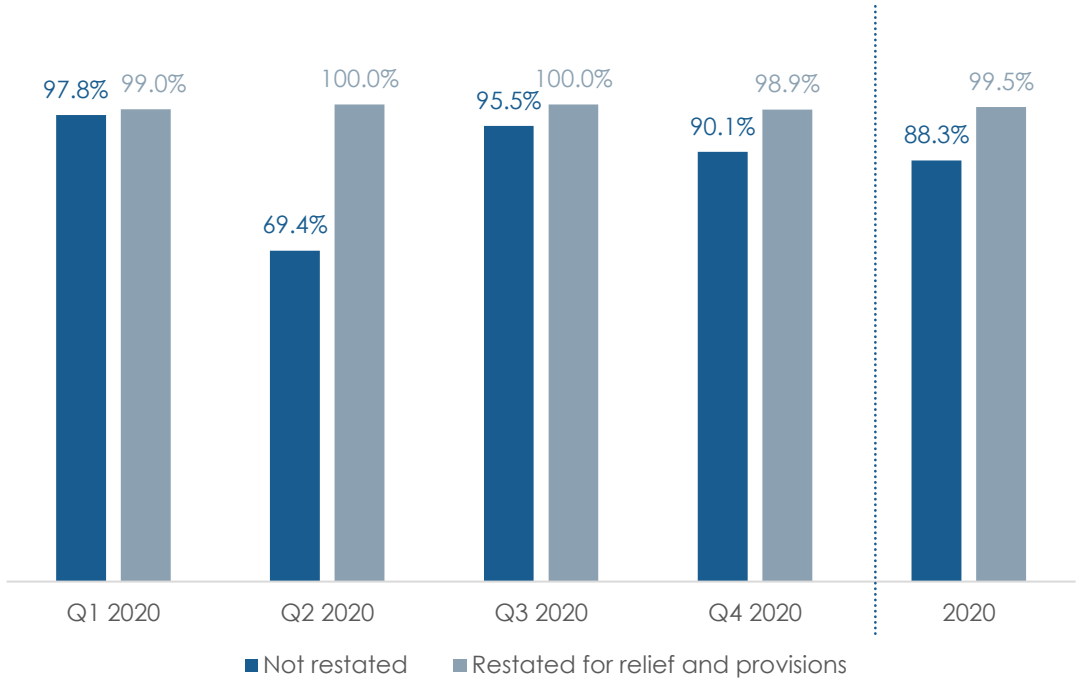
COLLECTION FOR 2020

(at December 31, 2020)



COLLECTION FOR 2020

(at June 30, 2021)



Additional €0.6m collected for 2020 since June 30, 2021, reaching an 88.6% collection rate

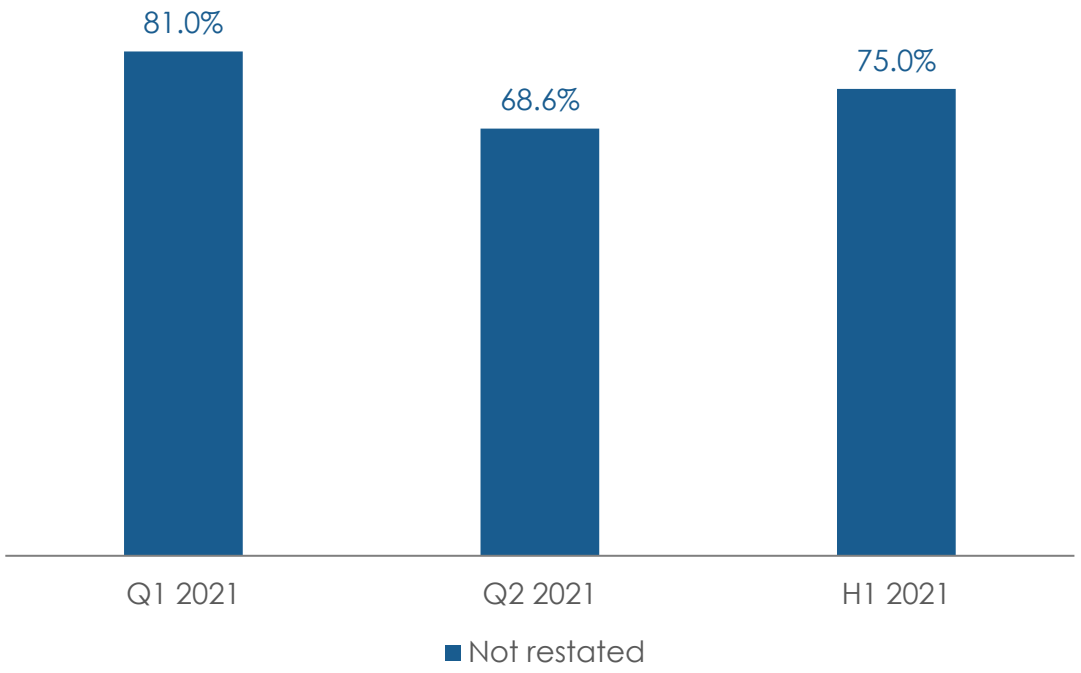
Non-restated ratios: without any adjustment, i.e. calculated on the full amount invoiced for the period

Restated ratios: deducting from arrears the relief granted and to be awarded to retailers as well as provisions for impairment of doubtful receivables

As the full amounts invoiced are due, Mercialys has not recorded any provisions pending the rollout schedule for government support packages

COLLECTION FOR 2021

(at June 30, 2021)



RESIDUAL ARREARS

- Additional €2.3m collected for H1 2021 vs. June 30, 2021, reaching a 76.9% collection rate
- No provisions recorded at this stage for unrecovered receivables, as the French government has made a commitment to put in place support packages aimed specifically at enabling tenants that were ordered to close to honor their rent payments

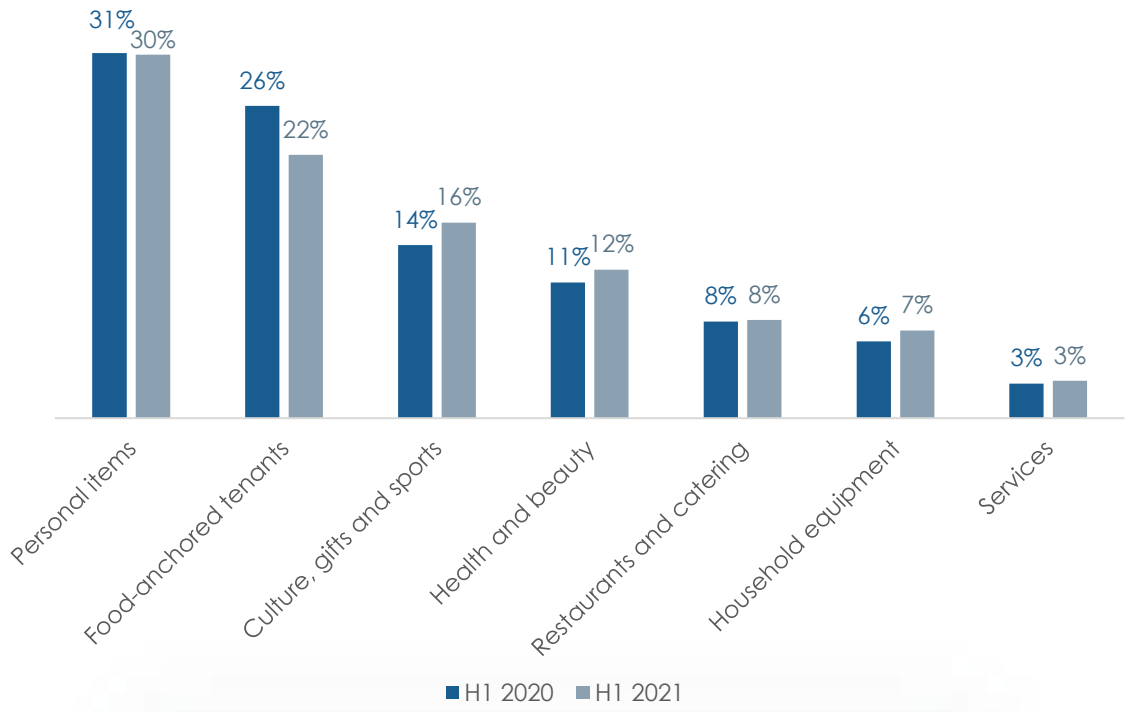
IN MILLION OF EUROS (at June 30, 2021)	Q1 2021	Q2 2021	H1 2021
Not restated	10.3	16.3	26.6

Non-restated ratios: without any adjustment, i.e. calculated on the full amount invoiced for the period

Mercialys benefits from a resilient revenue profile, built around a food offering that drives recurrence and an attractive mix that combines international, national and local retailers

BREAKDOWN OF MERCIALYS' RENTAL INCOME BY BUSINESS SECTOR

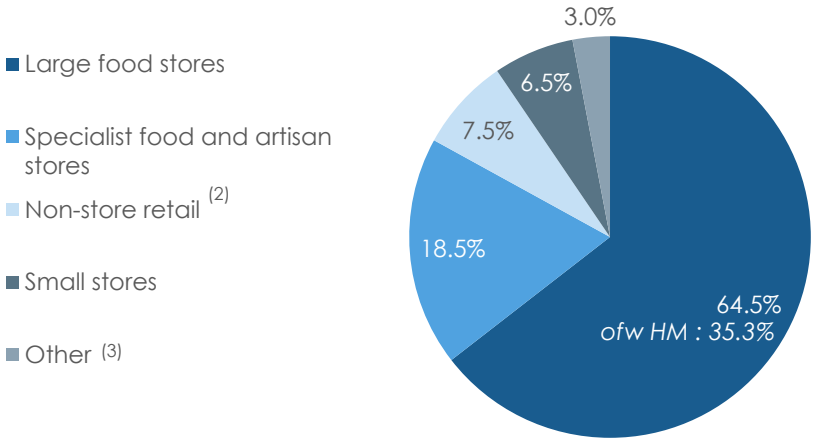
(% of annualized rental income)



Over 900 retailers and 2,102 leases

HYPERMARKET REMAINS A DOMINANT FORMAT IN FOOD DISTRIBUTION AND AN EFFICIENT SHOPPING CENTER ANCHOR

Food product market share per channel in France (1)



- Wide range of products
- Many brands and references
- Competitive price positioning
- Capacity to integrate changes in consumer trends (more than half of organic product sales are through large-scale food retailers (4))
- Loyalty programs and attractive discounts
- Fast product rotations
- Convenient location in mid-size cities, with extensive regional coverage
- Services (drive, delivery) and proximity of other complementary shops (all the rest of the adjacent center and/or retail park)

(1) Source: Insee, "Les hypermarchés n° 1 des ventes de produits alimentaires", April 2020
(2) Distance sales (including online), stall / market sales
(3) Other retail sales, specialist non-food stores, large-scale retailers and convenience stores
(4) Source: French agency for the development and promotion of organic farming, "2019 figures for the organic sector", July 2020

Local retailers in particular represent a category of tenants strongly incentivized to develop and grow the value of their store over time

Tenants for whom their store has strong value, in terms of the asset itself and on a personal level

- Embedding of professional and personal assets, highlighting the importance of the right to a lease and the value of their business
- Retailers who can make it through crisis periods by accepting more flexibility on their personal income to keep their business afloat
- Retailers not faced with policies to rationalize store networks, contrasting with major retailers (choosing between different locations at national level or between countries)
- Pool of buyers for businesses supported by the extensive development of entrepreneurship, consolidating the interest in creating value through these activities
- Frequent cases of businesses taken over directly by store employees, a situation that is not possible for networks owned by integrated large chains
- Strong knowledge of local customers and an ability to activate local networks, supporting increased customer loyalty and sales generation

Tenants showing great flexibility and benefiting in particular from financial and human resources

- More comprehensive government support measures in the context of the crisis linked to Covid-19
- More extensive bank support measures, with the networks of regional banks and the interest-free loan arrangements offered by semi-public financing banks
- Ability to work with family or close friends, ensuring a more flexible cost structure
- In the event of difficulties with a franchise, real mobility to transition to other more successful

OUT OF THE 13.0% OF LOCAL RETAILERS AT MERCIALYS:

3.1% Personal items
(clothing, shoes, leatherwear, accessories, etc.)

2.9% Food, restaurants and catering
(bakeries, food outlets, take-out, sit-in, etc.)

2.5% Culture, gifts and sports
(fitness, jewelry, goodies, bookstores, stationery, tobacco, press, etc.)

3.0% Health and beauty
(optical, medicine, pharmacy, hairdressing, nails, etc.)

1.0% Services
(dry-cleaning, clothing / shoe / other repairs, tailor, laundromat, photo booth, estate agencies, insurance, etc.)

0.4% Household equipment
(decoration, white goods, brown goods, hardware, telephony, etc.)

This diversification of the rental base and the quality of the asset portfolio limit exposure to closures and network rationalization

MERCIALYS' TOP 10 TENANTS

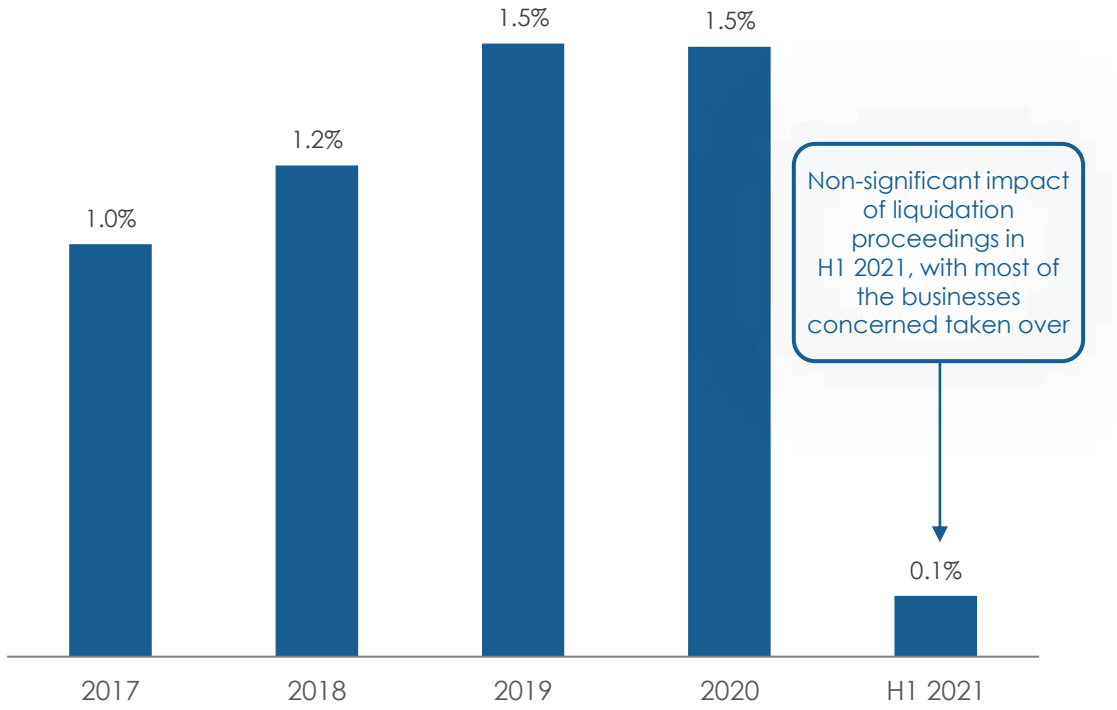
(excl. brands linked to Casino group)

13.4% of annualized rental income	
H&M	Personal items
ARMAND THIERY	Personal items
Feu Vert	Services
NOCIBÉ la beauté libérée	Health and beauty
fnac.com	Culture, gifts and sports
jules	Personal items
orange	Services
MANGO	Personal items
MICROMANIA	Culture, gifts and sports
SEPHORA	Health and beauty

Significant reduction in consolidated rental exposure to the Casino group following the asset sales carried out at end-December 2020:
22.6% at June 30, 2021 vs. **27.5%** at June 30, 2020

IMPACT ON MERCIALYS RENTAL BASE OF RETAILERS IN LIQUIDATION PROCEEDINGS

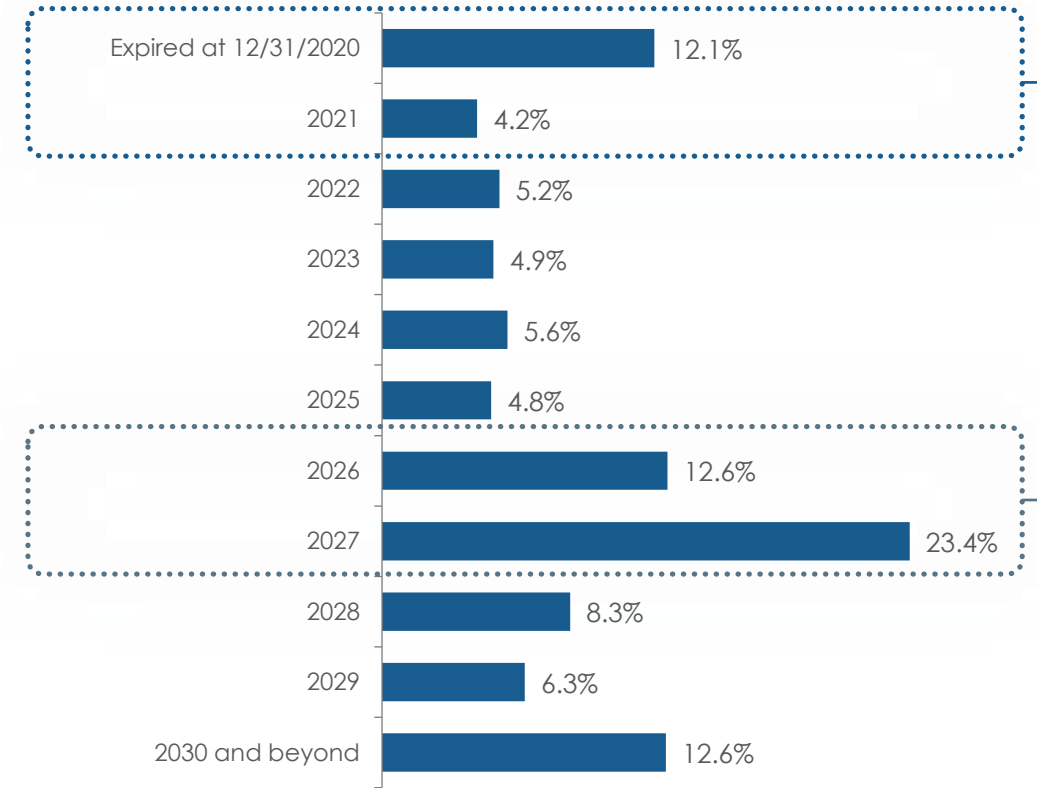
(% of annualized rental income)



Lease expiry schedule effectively staggered over time and benefiting from new signatures and ongoing deals

LEASE EXPIRY SCHEDULE

(percentage of leases expiring / guaranteed minimum rent at June 30, 2021)



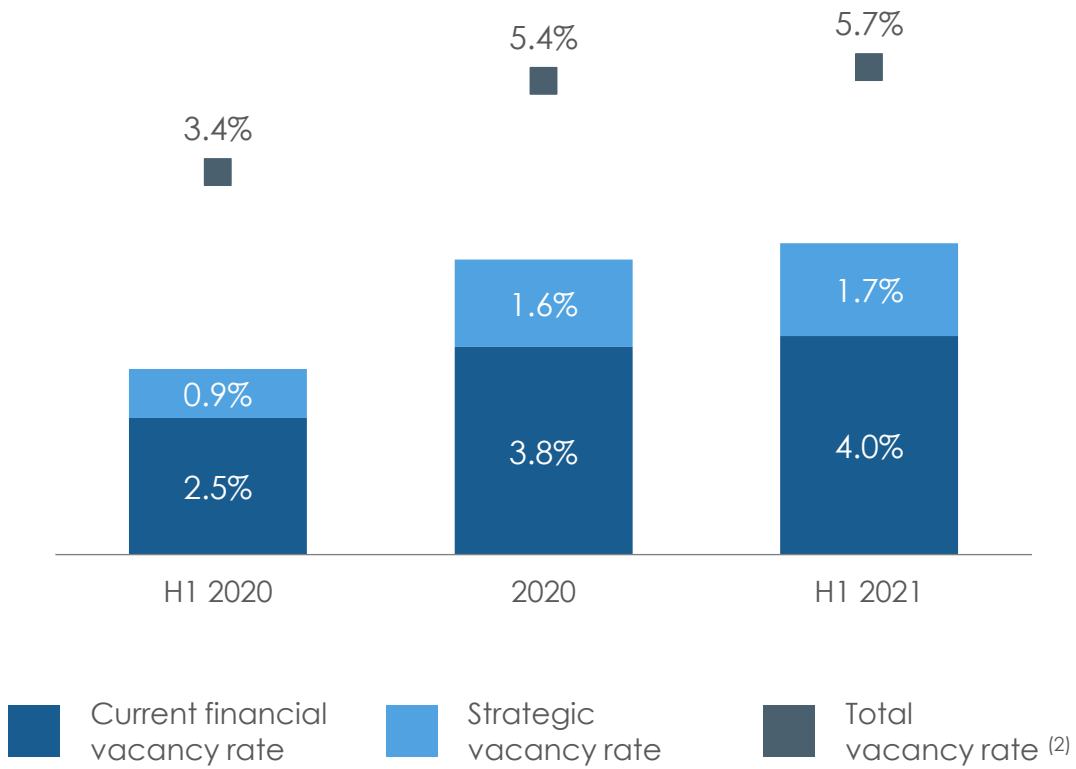
- **149 renewals and relettings completed in H1 2021** for €8.6m, i.e. 5% of the total rental base, with limited average negative reversion of -6.5% (-5.4% excluding the retailer Camaïeu [1]), i.e. €-0.7m
- Including all the renewals, relettings and approvals from January 1, 2021 to date, **leases expired at December 31, 2020 or expiring in 2021 represent just 10.9% of the annualized rental base**, while the rent adjustments granted by Mercialys are limited to €-1.2m
- Since the start of the health crisis, 669 lease amendments have been signed, covering the relief measures granted in connection with the two lockdowns in 2020. Circa 5% of them resulted in a negative impact on headline rent, showing that **the vast majority of retailers have not opened fundamental negotiations concerning rent levels**
- Moreover, in exchange for the relief granted in connection with the two lockdowns in 2020, Mercialys has achieved an **average extension of 8.8 months for the firm term of leases across its portfolio**, helping secure its rent profile

Term of most of the Casino group leases

(1) The textiles retailer Camaïeu, whose legal position led to specific negotiations in connection with the group's takeover by a new owner, on its own represents nearly 200bp of the negative reversion recorded on renewals

With these actions, vacancy levels are effectively under control

CHANGE IN VACANCY RATE (1)



- Scope impact vs. H1 2020 with the assets acquired and divested in Q4 2020 representing c. +100bp of total vacancy
- Tenants left in H1 2021 vs. end-2020 also represent +100bp of additional vacancy, partially netted by the new signatures over the period
- More than half of these +100bp of new vacancies are already under advanced reletting negotiations, with the vacancy rate expected to gradually normalize
- Mercialys' significant redevelopment pipeline also involves a strategic vacancy of 1.7% at end-H1 2021

(1) Mercialys' vacancy rates do not include agreements relating to the Casual Leasing business
(2) In accordance with the EPRA calculation method: rental value of vacant units/(annualized minimum guaranteed rent on occupied units + rental value of vacant units)

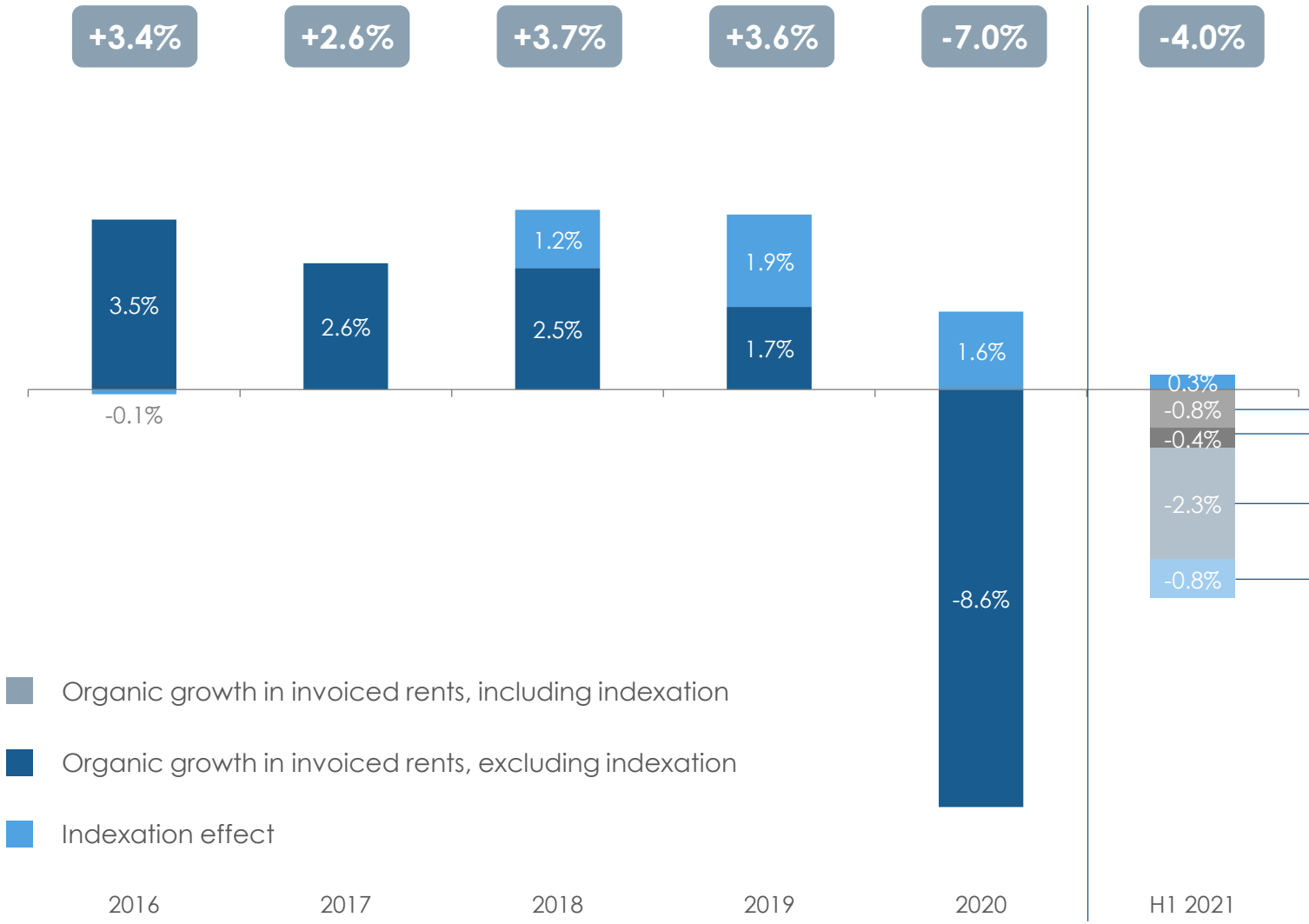
Financial results at end-June 2021

Vincent Ravat
Chief Executive Officer

Élizabeth Blaise
Deputy Chief Executive Officer
& Chief Financial Officer

MERCIALYS

Organic growth [1] impacted by the Covid-19 crisis

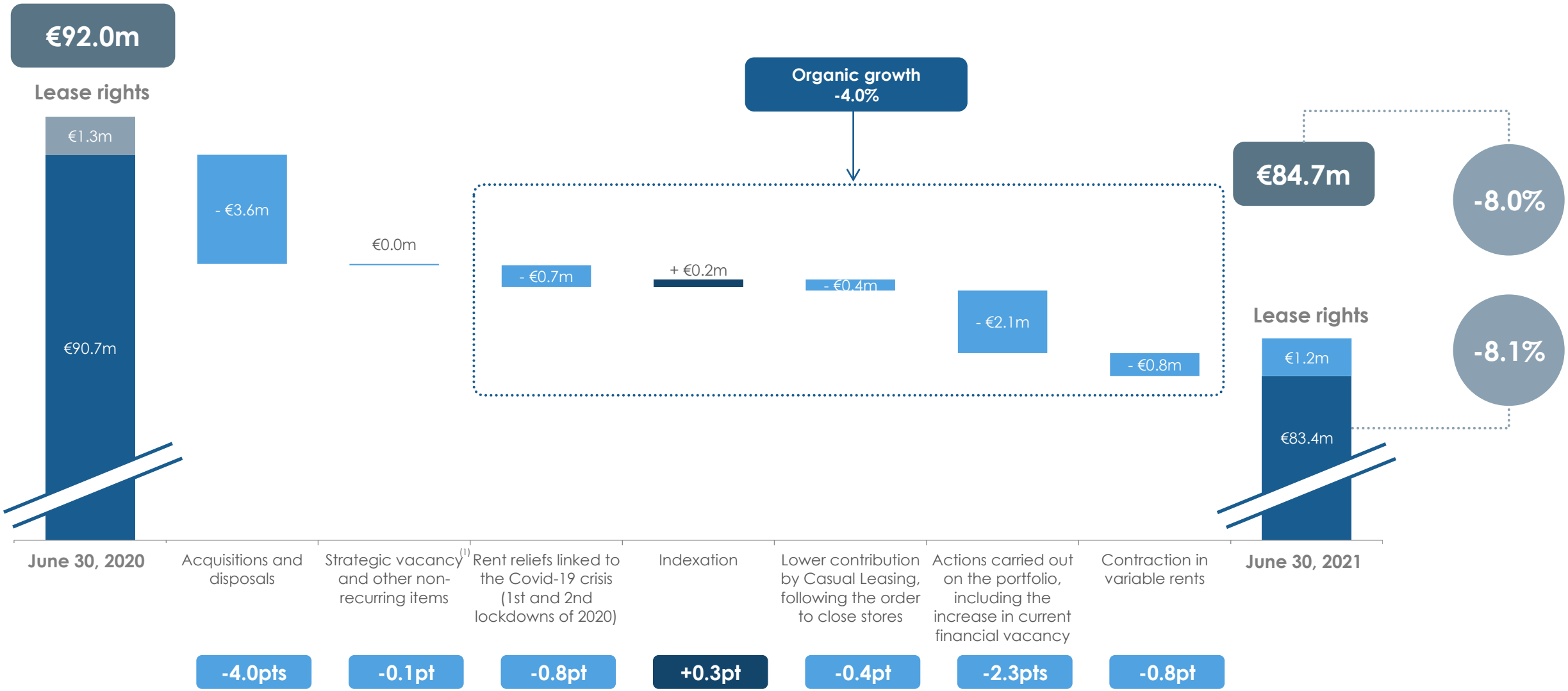


IMPACTS LINKED TO THE HEALTH CRISIS

- Covid-19 impacts linked to the 2020 lockdowns
- Lower contribution by Casual Leasing, following the order to close stores
- Actions carried out on the portfolio, including the deferral of rental measures resulting from the lockdown
- Contraction in variable rents

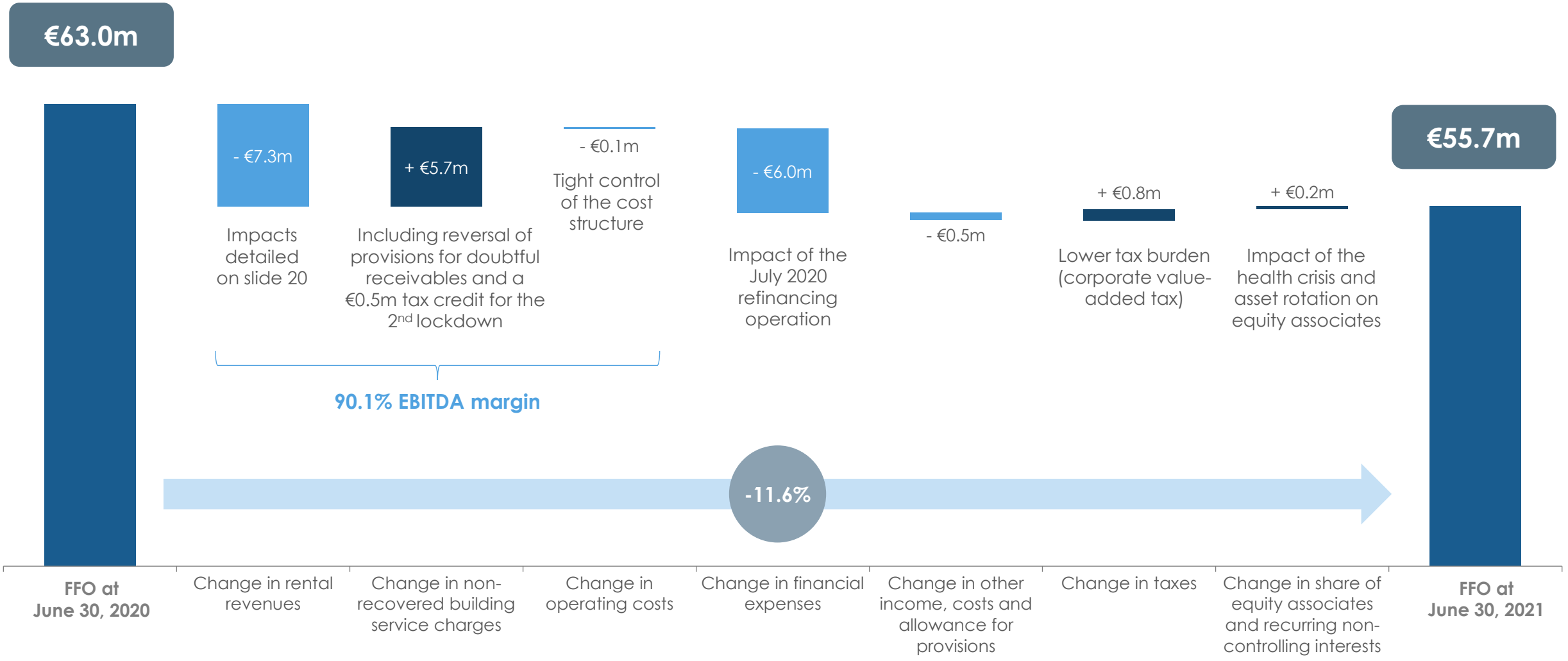
(1) Assets enter the like-for-like scope used to calculate organic growth once they have been held for 12 months

Rental revenues down -8.0%



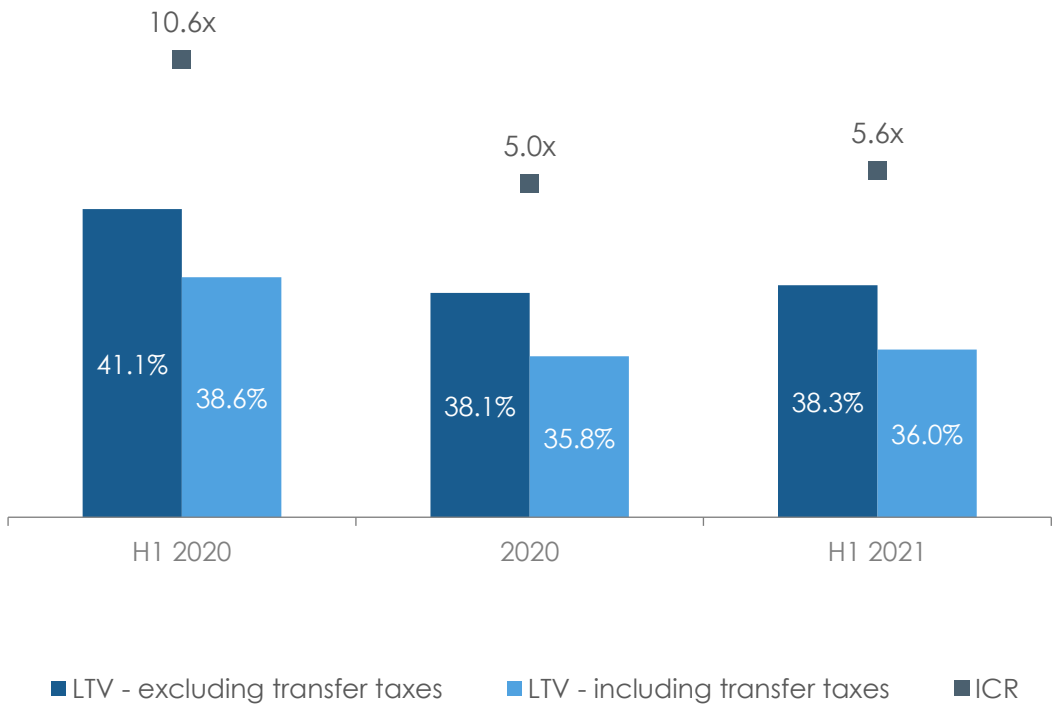
(1) Linked to the development program – units left vacant to facilitate future developments

FFO at €55.7m

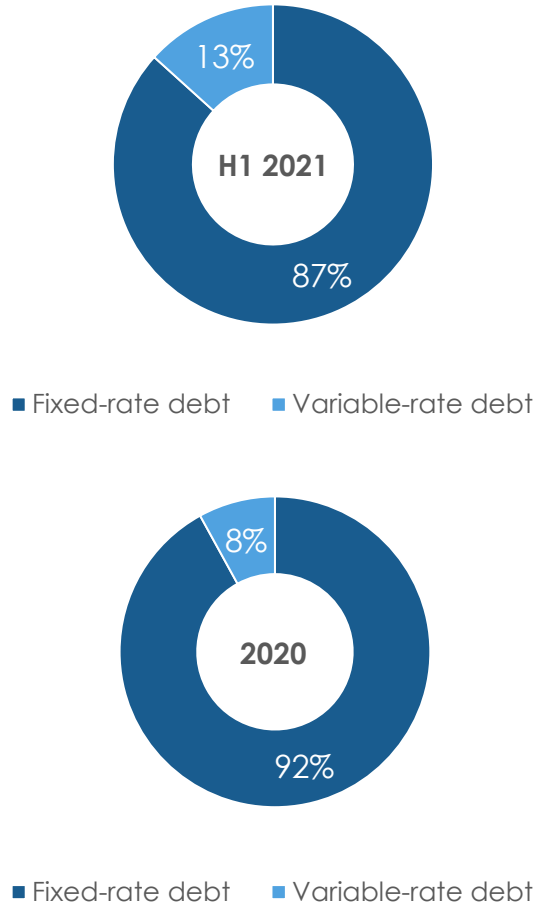

€63.0m
- €7.3m
Impacts detailed on slide 20
+ €5.7m
Including reversal of provisions for doubtful receivables and a €0.5m tax credit for the 2nd lockdown
- €0.1m
Tight control of the cost structure
90.1% EBITDA margin
- €6.0m
Impact of the July 2020 refinancing operation
- €0.5m
+ €0.8m
Lower tax burden (corporate value-added tax)
+ €0.2m
Impact of the health crisis and asset rotation on equity associates
€55.7m
-11.6%
FFO at June 30, 2020
Change in rental revenues
Change in non-recovered building service charges
Change in operating costs
Change in financial expenses
Change in other income, costs and allowance for provisions
Change in taxes
Change in share of equity associates and recurring non-controlling interests
FFO at June 30, 2021

Sound financial structure

CHANGE IN LTV AND ICR



DEBT: FIXED VS. FLOATING RATE EXPOSURE (1)



(1) Including commercial paper program

Strong level of liquidity

DRAWN DEBT: €1,449.5m INCLUDING

- **€1,299.5m** of bond debt
- **€150m** of commercial paper

CASH AND EQUIVALENTS: €287.8m

UNDRAWN COMMITTED CREDIT LINES: €405m

H1 2021 renegotiations

- €25m bilateral credit line extended by 1 year to July 2023
- €30m bilateral credit line extended by 2 years to June 2024
- 80% of the Revolving Credit Facility (€180m) extended by 1 year to December 2023

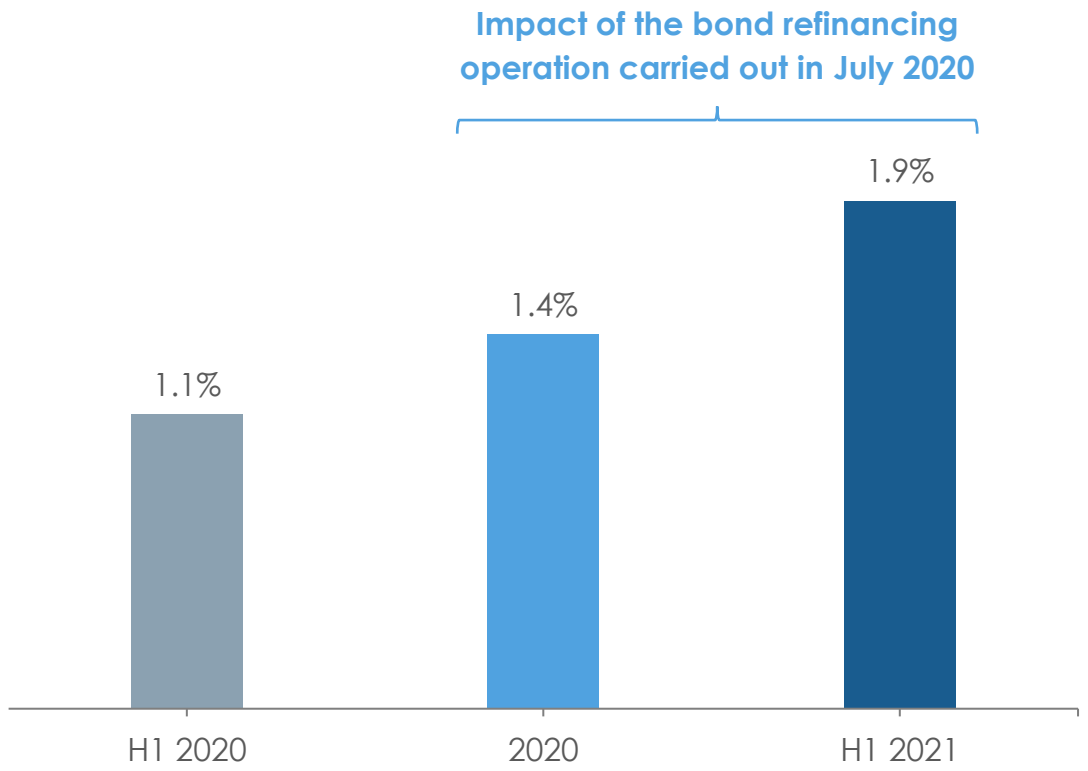
July 2021 renegotiation

- Changes to another €30mn bilateral credit line, with the inclusion of 2 ESG criteria and a 3-year firm period through to July 2024

STANDARD & POOR'S RATING:

- BBB/negative outlook renewed on May 19, 2021

CHANGE IN THE COST OF DRAWN DEBT (1)

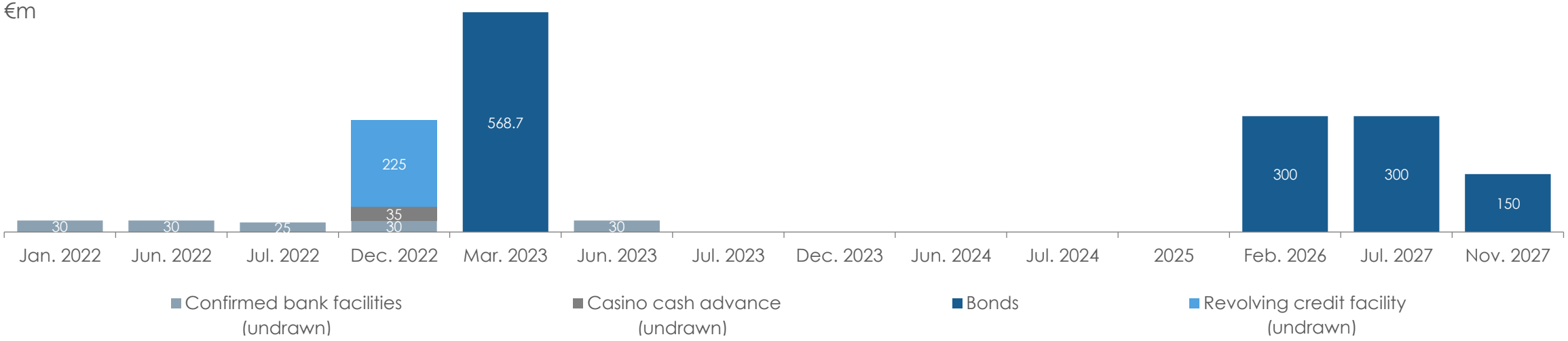


(1) Including commercial paper program

Rolled debt schedule

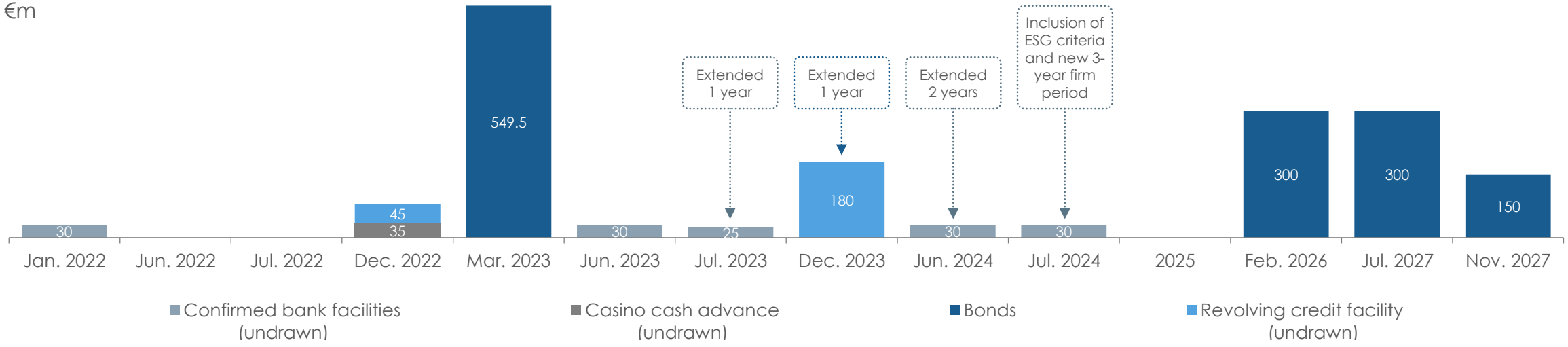
DEBT SCHEDULE AT END-DECEMBER 2020 (1)

In €m



DEBT SCHEDULE TO DATE (1)

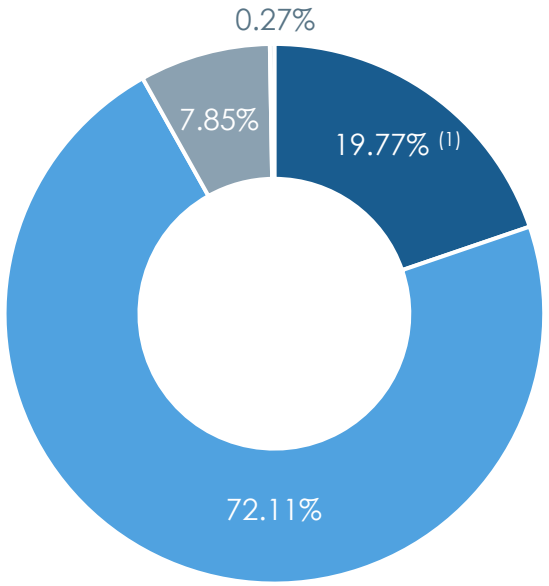
In €m



(1) Excluding commercial paper program

Limited impact of the share dividend on the shareholding structure

At June 30, 2021



■ Casino Group ■ Public ■ Generali Group ■ Treasury shares

Results of the option for the 2020 dividend paid in shares

- **43.3%** of rights exercised
- **1,837,332** new shares issued on May 21, 2021, taking the total capital up to **93,886,501 shares**
- **€22.4m** of cash dividends paid out

	DECEMBER 31, 2019	DECEMBER 31, 2020	JUNE 30, 2021
Number of shares outstanding at the end of the period	92,049,169	92,049,169	93,886,501
Average number of shares outstanding	92,049,169	92,049,169	92,457,465
Average number of shares (basic)	91,789,610	91,532,357	92,136,487
Average number of shares (diluted)	91,789,610	91,532,357	92,136,487

(1) In accordance with the disclosure threshold report no.221C1241 filed with the AMF on May 31, 2021

Change in portfolio value

At June 30, 2021

€2,996.6m excluding transfer taxes

-2.3% over 6 months (1)

-9.6% over 12 months (1)

	OVER 6 MONTHS	
Total change on a like-for-like basis (2)	**-2.3%**	**-€69m**
of which rent effect	-1.9%	-€58m
of which yield effect	-0.4%	-€11m
of which other effects	ns	ns

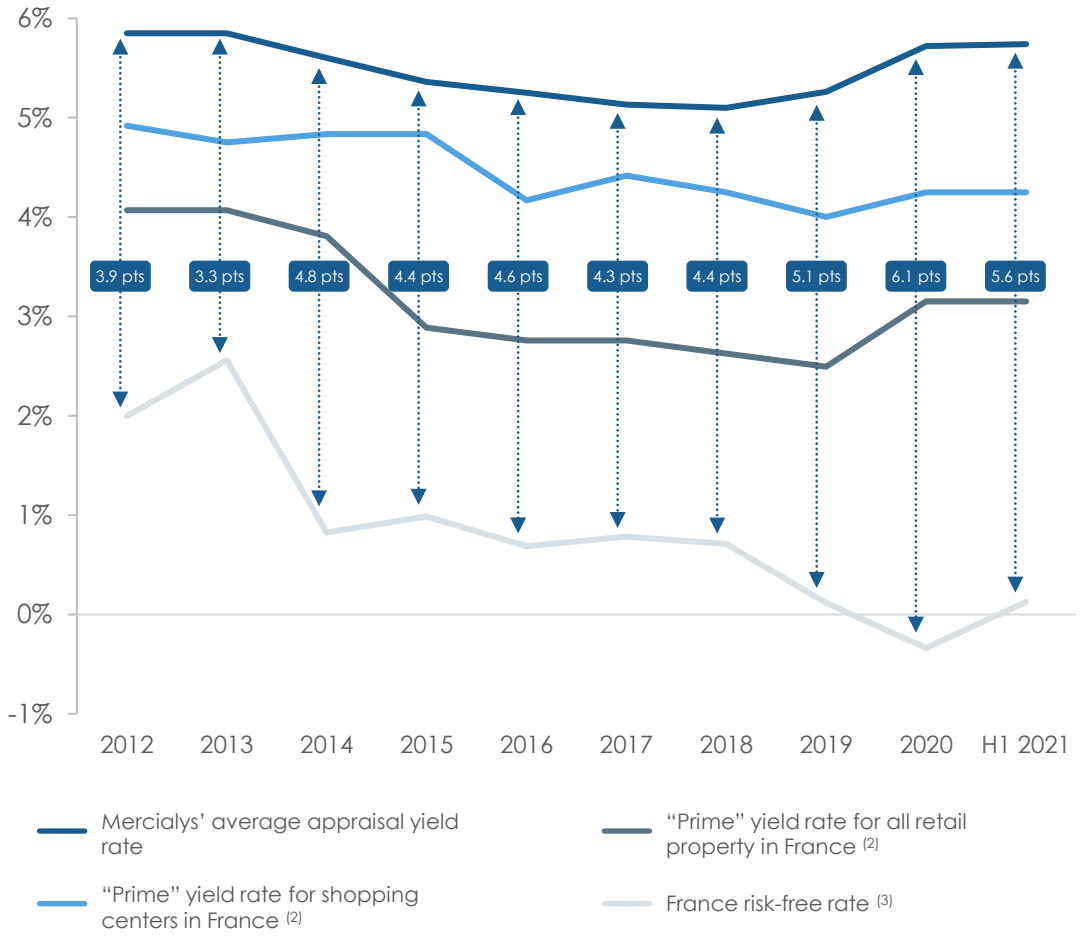
AVERAGE APPRAISAL YIELD RATE	06/2018	12/2018	06/2019	12/2019	06/2020	12/2020	06/2021
	5.07%	**5.10%**	**5.20%**	**5.26%**	**5.49%**	**5.72%**	**5.74%**
Of which regional / large shopping centers	4.82%	4.93%	5.04%	5.07%	5.32%	5.44%	5.44%
Of which neighborhood shopping centers and city-center assets	5.88%	5.78%	5.84%	6.12%	6.25%	7.31%	7.45%

(1) Change on a current basis, including scope effects
(2) Sites on a constant scope and a constant surface area basis

Appraisers' assumptions underlying portfolio values at end-June 2021

	MERCIALYS
Average annual rent (€/sq.m)	222
Net rental income CAGR (10-year)	2.1% (1)
Average valuation (€/sq.m, excl. transfer taxes)	3,644
Net Initial Yield (EPRA, incl. transfer taxes)	5.26%

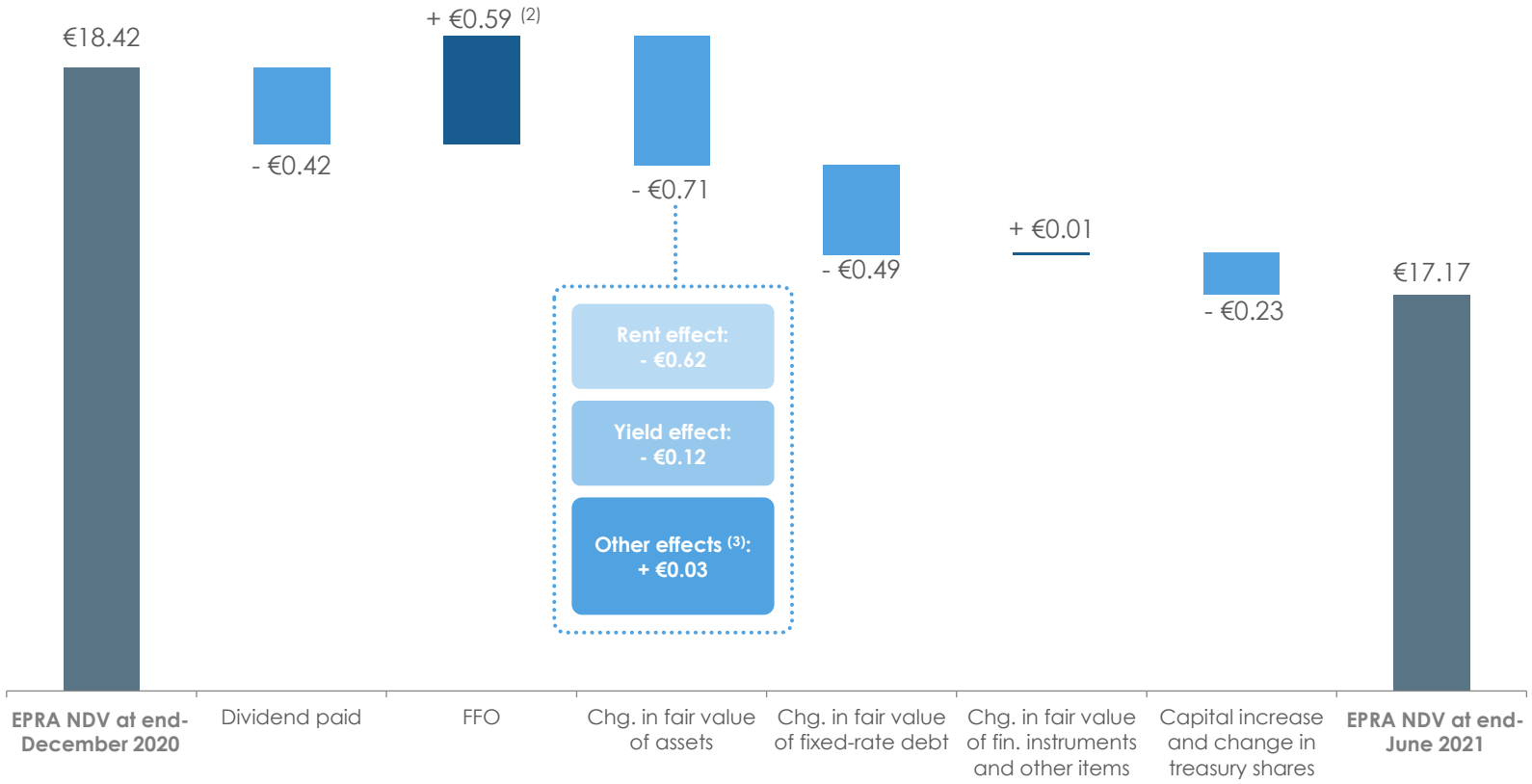
SPREAD BETWEEN RISK FREE RATE AND MERCIALYS AVERAGE APPRAISAL YIELD RATE



(1) 2021-2030 CAGR, including indexation, used by Mercialys' main real estate appraiser, BNP Paribas Real Estate, which handles 56% of the Company's asset appraisals
(2) Source: BNP Paribas Real Estate
(3) Source: Bloomberg

Change in EPRA NDV per share (1)

€17.17/SHARE, -6.8% OVER 6 MONTHS, -13.7% OVER 12 MONTHS



€1,608.1m at end-June 2021
-4.6% vs. end-December 2020
-11.8% vs. end-June 2020

EPRA NRV

- €20.32/share
- **Down -4.1%** over 6 months
- **Down -7.6%** over 12 months

EPRA NTA

- €18.26/share
- **Down -4.1%** over 6 months
- **Down -7.2%** over 12 months

(1) Calculation based on the diluted number of shares at the end of the period, in accordance with the EPRA methodology regarding NDV
(2) Calculation based on the diluted number of shares at the end of the period, as this concerns the impact of FFO on the change in NDV per share
(3) Including impact of revaluation of assets outside of organic scope and associates, maintenance capex and capital gains on asset disposals

Moving forward with Mercialys' adaptation to evolving consumer trends

Vincent Ravat
Chief Executive Officer

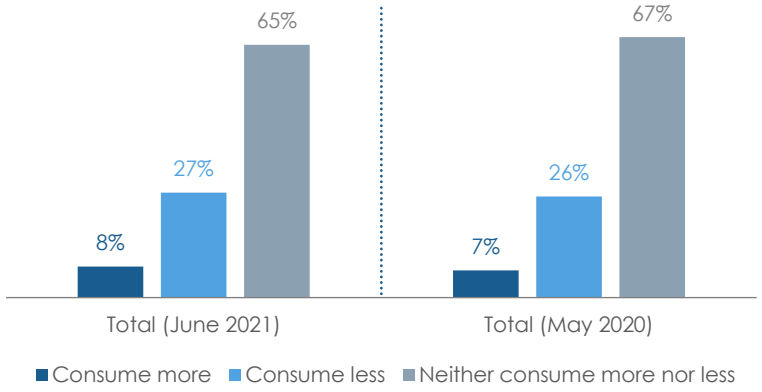
Élizabeth Blaise
Deputy Chief Executive Officer
& Chief Financial Officer

MERCIALYS

Opinion polls revealing that the crisis may not have resulted in significant changes to previous consumption habits or desires…

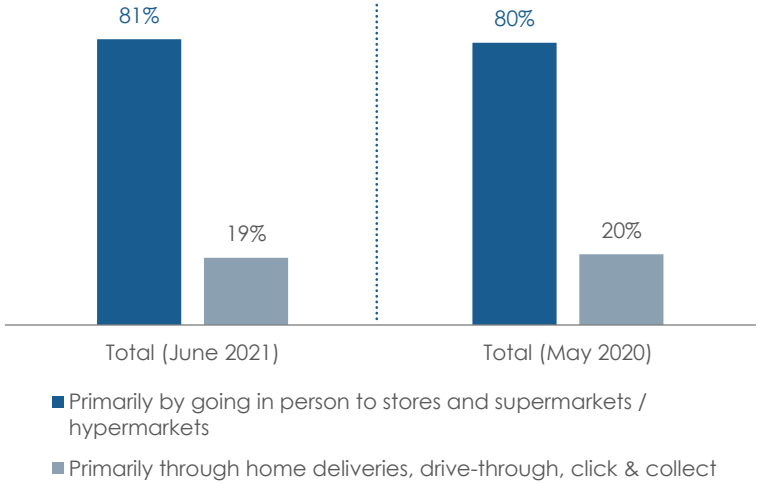
73% of respondents want to consume at least as much as before the crisis (1)

Question: Compared with what you used to do in your day-to-day life before the first lockdown, would you say that now you want to…?



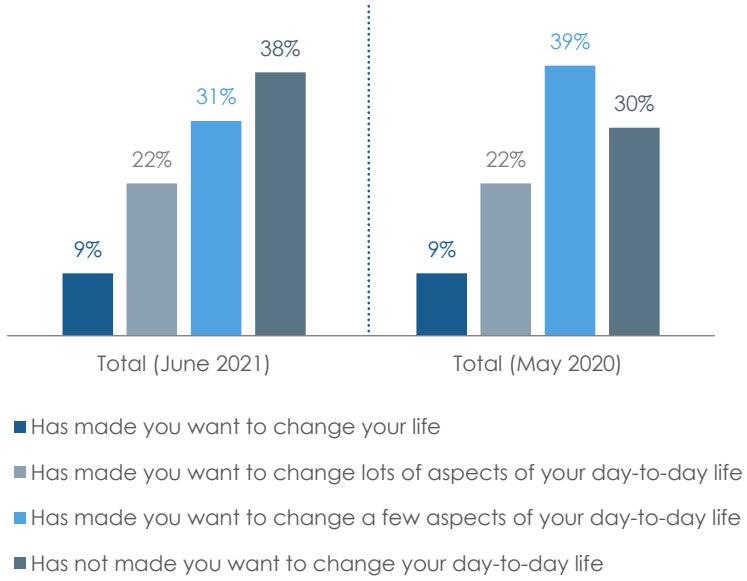
81% of respondents do their shopping in-store (1)

Question: Today, what is your preferred way of shopping?



Nearly 70% of respondents say that their experience of the health crisis has not led them to want to change their day-to-day life, or only certain aspects (1)

Question: More generally, would you say that your experience of the lockdowns and the crisis faced…?



Over the long term, the health crisis does not seem to have revolutionized the consumption trends that were already underway in a pre-Covid world

(1) Source: IFOP for Equancy, June 2021

… but more where to live, benefiting mid-size cities

Particularly significant increase in volumes of sales of existing houses and apartments in mid-size cities, with many people from larger cities, and especially the Paris Region, looking for "more greenery", benefiting the mid-size cities where Mercialys' shopping centers are located

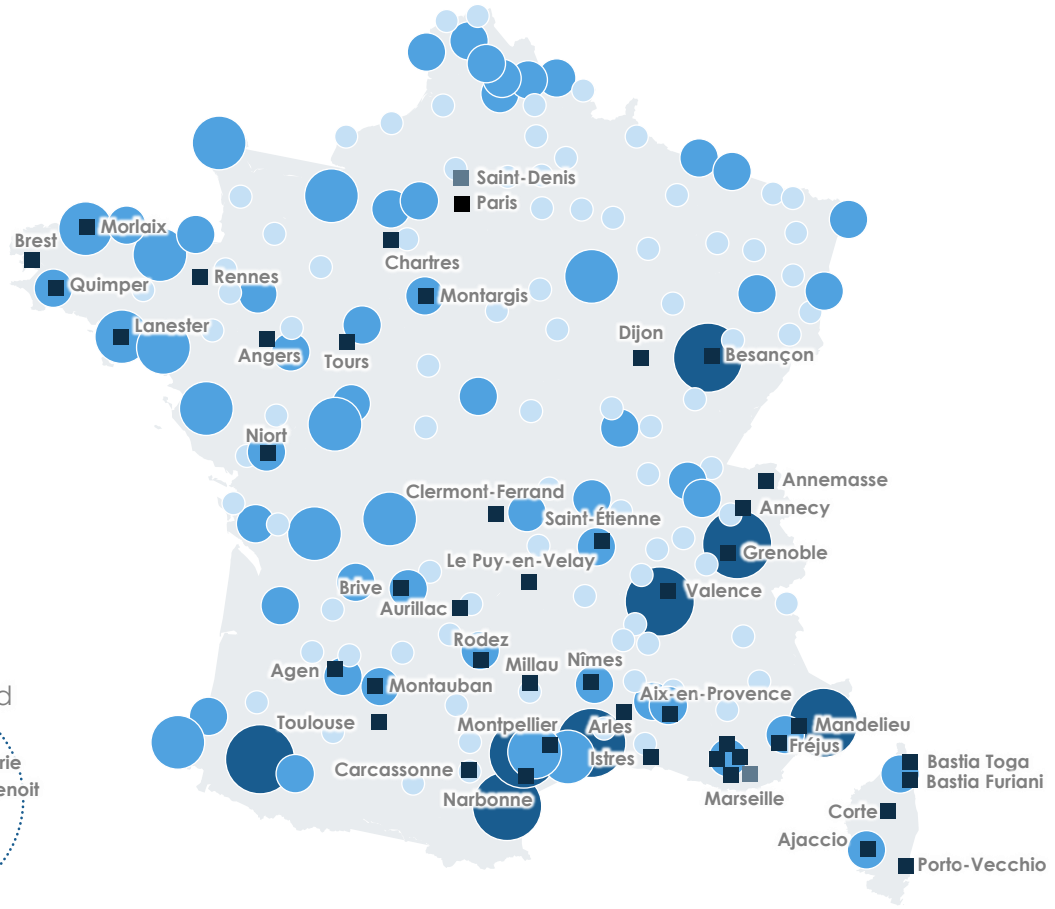
VOLUMES OF EXISTING HOUSE AND APARTMENT SALES VS. MERCIALYS' PORTFOLIO (1)

Volume of sales
(in 2020)

- 5,000
- 1,000
- 500
- 100

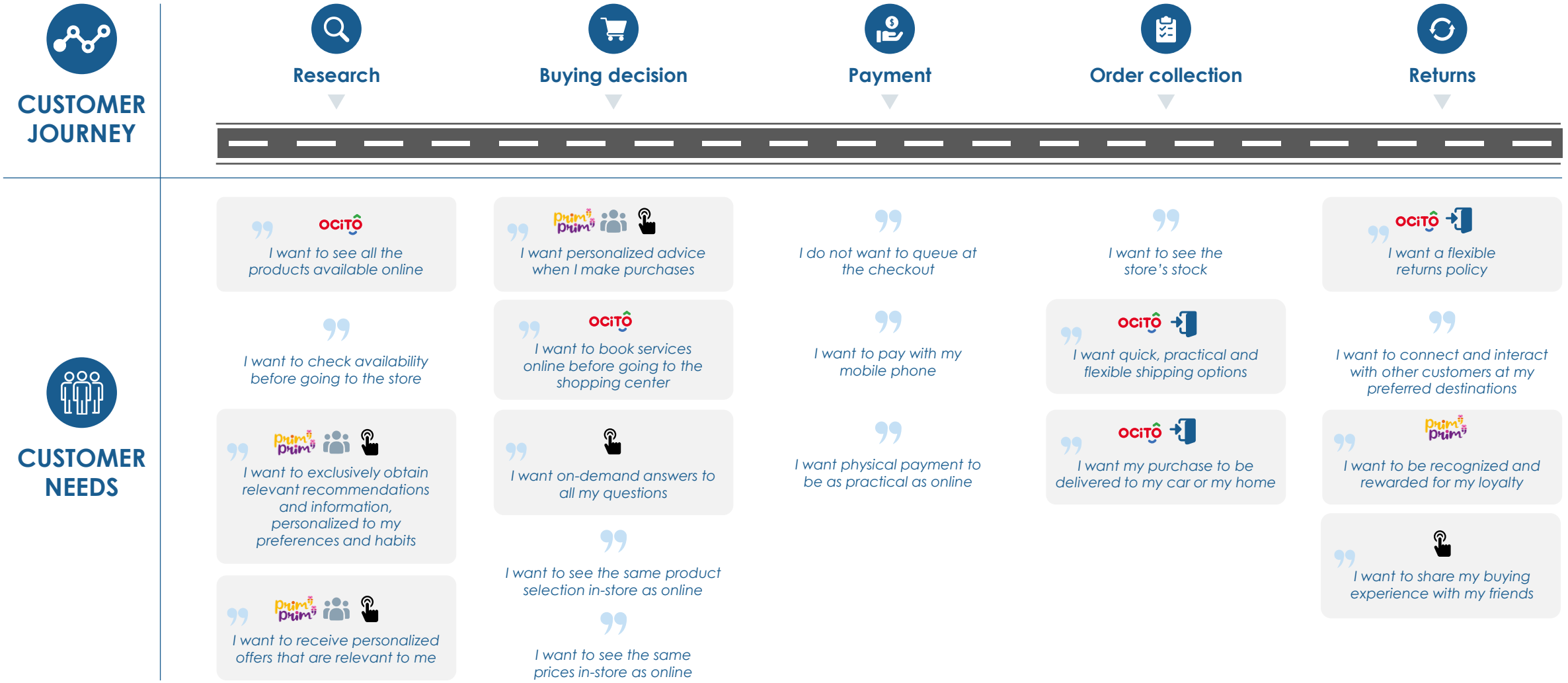
Breakdown of Mercialys' portfolio

- Shopping centers
- High-street retail assets



(1) Source: Notaires de France/Action Cœur de Ville, "Baromètre de l'immobilier des villes moyennes", June 2021

In these cities, consumers' hunger for omni-channel buying experiences is clear and driving meaningful initiatives at Mercialys



Services rolled out or currently being deployed across Mercialys' portfolio

Ocitô logistics platform

Prim'Prim' loyalty program

Single floor, easy to park, easy to access centers

Powerful database of 1.2m unique customers

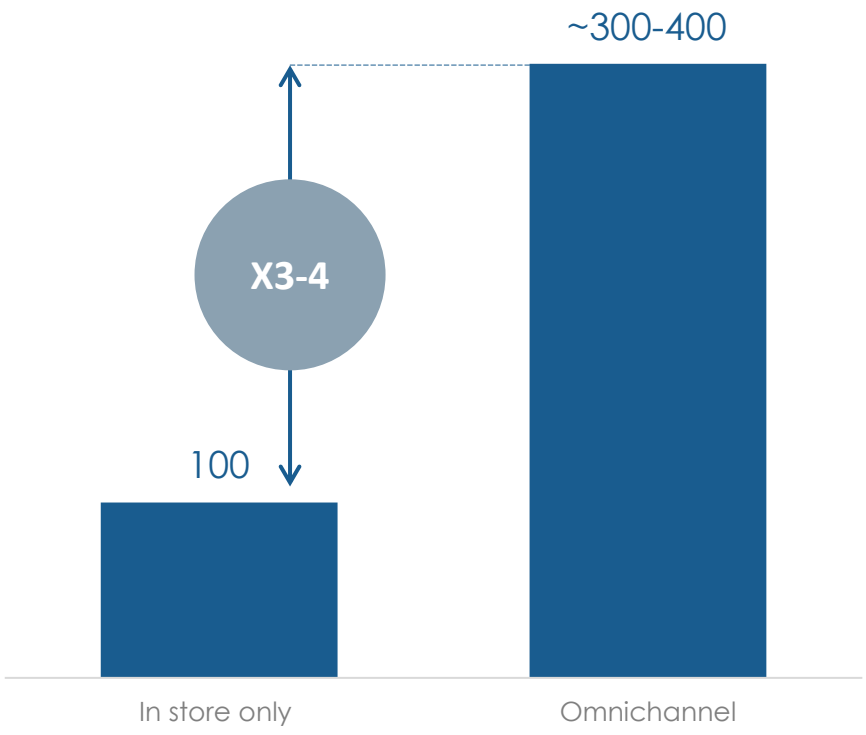
Proprietary digital and physical communications tools, adapted locally

Clear incentives for Mercialys to support its retailer base's omnichannel transition

Omnichannel consumers spend 3 to 4x more

AVERAGE CUSTOMER SPEND (1)

(base 100, 2020)



EXAMPLE OF promod (2)

Extensive national store network: 80% of the French population is <15mn from a Promod store

- Integration of digital in the business model, with online communication becoming the main instrument to capture market share: 60% of purchases achieved in stores are prepared online
- Continuous customer interaction helps to anticipate sales and manage inventory tightly

Stores drain proportionally more and more skilled flows and less and less passage flows: stores are contributing more and more to loyalty, but less and less to the acquisition of new customers

OMNICHANNEL CONSUMERS:

Are less price-sensitive

Have higher than average purchasing power

Are ready to spend:

- 28% of "e-buyers" took the opportunity, when collecting an order from a relay point or from a store, to buy additional items in that same place or store (3)
- 80% of "e-retailers" see an impact of the website on their store, with 79% seeing an increase in their store's footfall and 60% an increase in their store's turnover (4)

(1) Source: LSA, "L'omnicanalité au secours de la fermeture des magasins", April 2020
(2) Source: Business Immo, "N'enterrons pas trop vite le prêt-à-porter, il est en train de se retrousser les manches", March 2021
(3) Source: Fevad/CSA, "Les perspectives d'achats sur Internet en 2019", January 2019
(4) Source: Fevad/Oxatis, "Le Profil du e-commerçant", February 2019

Ocitô, now widely deployed and supporting the omni-channel anchoring of the stores…

TEST & LEARN APPROACH FROM THE OUTSET, MAKING IT POSSIBLE TO CONSOLIDATE THE BUSINESS MODEL TODAY BY ANCHORING IT AS CLOSELY AS POSSIBLE TO THE REGIONS

Test

Pilot launched in 2019, and **acceleration of the rollout** nationwide since the start of the health crisis in 2020, through the opportunity to **maintain retailer sales** and **links** with their customers

Learn

Analysis of the many technical, operational and promotional operations carried out since then, and integration of **customer feedback**

Strategic focus for developing service in the short term

Operational resources focused on the centers and retailers **creating the most value**, through a positioning as a local business generator
E.g.: outlet operation in Toulouse, generating an average spend of €30

NUMBER OF PHYSICAL AND DIGITAL MARKETING OPERATIONS SUPPORTING AWARENESS OF THE SERVICE PROVIDED

250
Retailers integrated on ocito.net

30
Shopping centers equipped

+40,000
Products available

… generating very positive feedback from user-retailers

CHARLOTTE, Manager
(Besançon)

Ocitô enables you to create your own online store at no cost, while benefiting from the shopping center's reputation and awareness levels. Customers benefit from a varied logistics service, and during this period, Ocitô enables us to keep in contact with them.

CÉLINE, Manager
(Lanester)

We are very satisfied about our collaboration with Ocito.net, everything is brought together to ensure that retailers and their customers are happy.

ONDER, Director
(Clermont-Ferrand)

A big THANK YOU! We have been using Ocitô for three months and it works really well! With support to get things online, the Manager is very responsive to offer solutions to our questions. I would recommend Ocitô for all retailers, there are lots of benefits.

CHARLEN, District Manager
(Marseille)

In just one click, Ocitô does exactly what it says it will... Don't wait any longer to get started! A local platform making it possible to keep connected to our customers and offer customer discounts without losing money, while developing their average spend.

ALEXIS, Advisor
(Nîmes)

The platform is very practical and easy to use, and enables us to manage our catalogue effectively. Another benefit, the materials are provided for preparing your packages. Our customers are delighted because they have a number of delivery options with Ocitô!

Same Test & Learn approach applied to continue developing Cap Cowork spaces

Projects in 2021 have benefited from the success of the first spaces in Grenoble and Angers and feedback on them

TYPICAL CUSTOMER PROFILE OF PROFESSIONALS, SHOWING A PREFERENCE FOR FIXED AND CLOSED OFFICES, WITH REDUCED CAPACITY

ANGERS - JULY 2021

- 200 sq.m extension, with 54 workspaces spread over 500 sq.m
- Reorganization of the existing space to promote individual closed offices

TOULOUSE - JULY 2021

- New 450 sq.m space (45 workspaces)
- 90% closed offices
- Large terrace with 250 sq.m of space

NÎMES - Q3 2021

- New 260 sq.m space (28 workspaces)
- Capitalizing on a space not initially intended for letting (previously center management offices)

+9 projects being looked into across Mercialys' portfolio

Credits: Robin Alliel

Pipeline with a strong multi-usage focus alongside constant monitoring of opportunities for acquisitions outside of the current asset portfolio

(€m)	TOTAL INVESTMENT	INVESTMENT STILL TO BE COMMITTED	TARGET NET RENTAL INCOME	TARGET NET YIELD ON COST	COMPLETION DATE
COMMITTED PROJECTS	**27.0**	**24.9**	**0.8** (1)	**na** (1)	**2021 – 2026**
Dining and leisure	5.3	4.2	0.1 (1)	na (1)	2021 – 2022
Tertiary activities	21.7	20.7	0.7 (1)	na (1)	2021 – 2026
CONTROLLED PROJECTS	**131.7**	**127.3**	**9.2**	**7.0%**	**2022 – 2024**
Retail	86.9	82.7	6.1	7.0%	2022 – 2024
Tertiary activities	44.8	44.7	3.1	7.0%	2022 – 2023
IDENTIFIED PROJECTS	**315.9**	**315.9**	**22.1**	**7.0%**	**2023 – 2027**
Retail	88.5	88.5	6.2	7.0%	2023 – 2025
Dining and leisure	79.0	79.0	5.5	7.0%	2024
Tertiary activities	148.5	148.4	10.4	7.0%	2023 – 2027
TOTAL PROJECTS	**474.6**	**468.1**	**32.1** (2)	**7.0%** (2)	**2021 – 2027**

In a market that is being restructured, many accretive investment opportunities will also take shape outside of the Company's current scope

(1) In the 2021 pipeline, the investments to be committed, for the dining and leisure section, correspond to an advance for work by Mercialys at the Annecy site, which will be reimbursed to it in full, as well as the creation of two restaurants in the parking area at the Angers site and a food court at the Sainte-Marie site on Reunion Island. The tertiary activities primarily include the Saint-Denis mixed-use urban project, north of Paris, with an expected IRR of over 8%, as well as coworking spaces

(2) Excluding the impact of mixed-use high-street projects, which could also generate property development margins

Multi-local real estate and commercial expertise deployed across more than 60% of the portfolio

TOURS
Mixed-use reconfiguration of the shopping center around coworking spaces, services and leisure, dining and logistics

SAINT-DENIS
Requalification of a high-street asset, including resizing of the ground-floor retail unit, creation of a student residence and a canal-side restaurant

ANNECY
Creation of a first-floor car park and installation of a 9-screen multiplex and cinema-cafe

Views to date, subject to change

2021 objectives

- The first half of 2021 was marked by a particularly long period of government-ordered closures affecting shopping centers for more than 3.5 months
- However, the Company maintained its strong letting trends, securing a sustained balance between providing support for retailers, ensuring the sustainability of its rental flows and moving forward with its collection efforts
- The context accompanying the reopening of stores since May 19, 2021 seems encouraging, and the forced savings built up by French people during this health crisis period could be gradually freed up to benefit consumption
- Nevertheless, there is still significant uncertainty surrounding the coming months due to changes in the health situation, as well as the potential enforcement of the "health pass" in shopping centers
- This decision to require visitors to show proof of full vaccination, a negative PCR test or a recent Covid-19 infection certificate at the entrance to sites will be entrusted by the government from August 5, 2021 to prefects in the various French departments, which may therefore lead to local applications of the "health pass" on a case-by-case basis

In this context, excluding the impacts of a further deterioration in the health situation, including the potential impacts of the measures relating to the "health pass" (reduced footfall, further weakening of retailers, likely drop in variable rents and the contribution from Casual Leasing, and increase in additional operating expenses), **Mercialys expects its funds from operations (FFO) per share to be at least stable in 2021 compared with 2020**

Appendices

MERCIALYS

Financial calendar

2021

October 18

Activity at September 30, 2021
(after market close)

Company profile

Leading listed French real estate company that is a pure player for shopping centers

- 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

Portfolio focused on high-potential assets

- 51 shopping centers and high-street sites (1)
- Leasable area: 822,336 sq.m
- Appraised asset value (including transfer taxes): €3,185.6m at June 30, 2021

€169.8m
Annualized rental basis

1.9%
Average cost of drawn debt

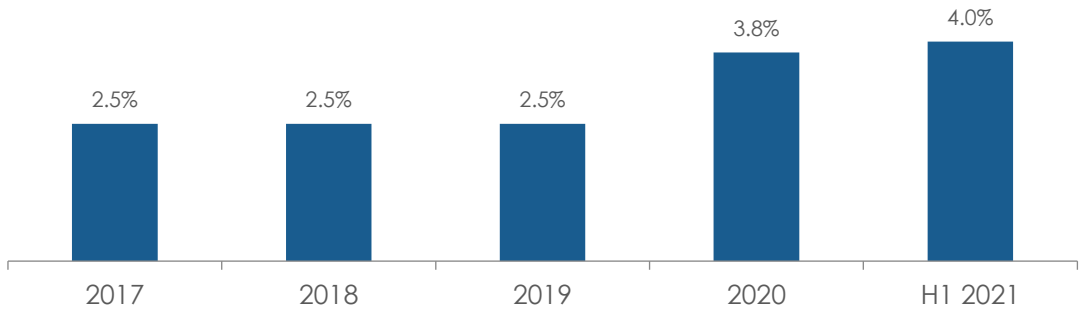
€17.17
EPRA NDV per share

38.3%
LTV (excluding transfer taxes)

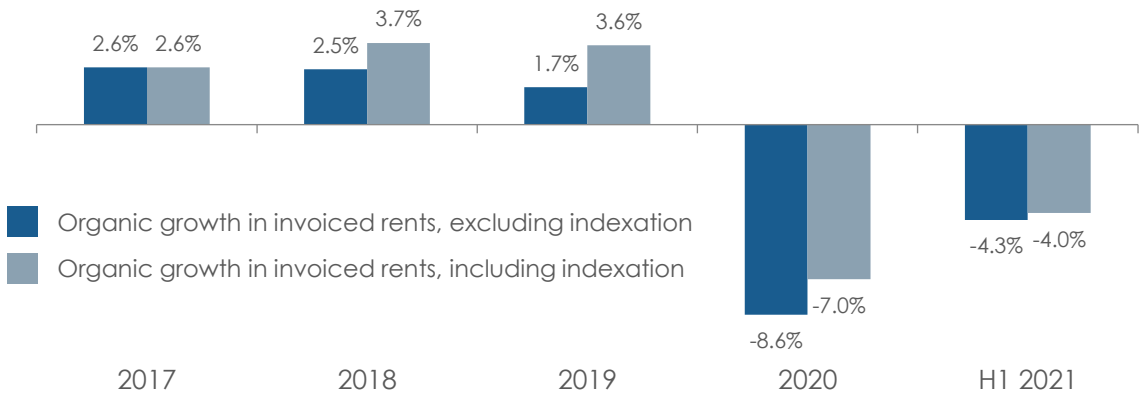
(1) In addition to four geographically dispersed assets

Historical indicators

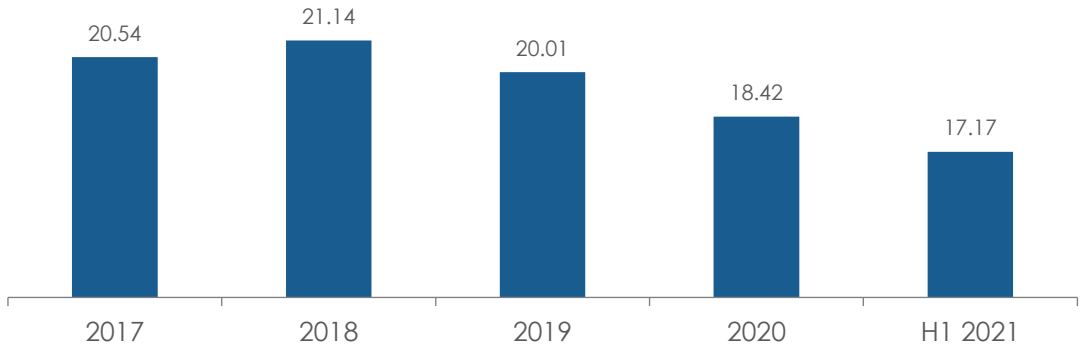
CURRENT FINANCIAL VACANCY RATE (1)



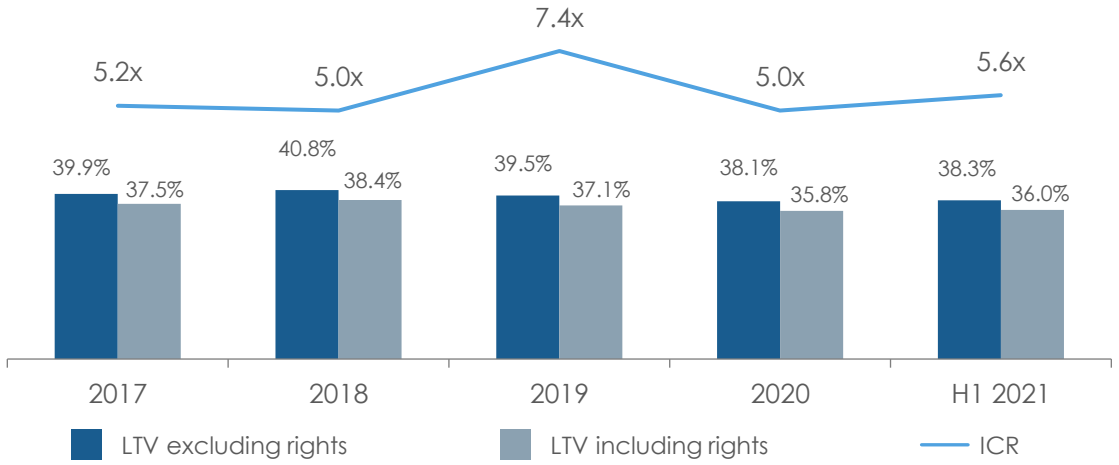
ORGANIC GROWTH



EPRA NNNAV / NDV (€ PER SHARE) (2)



LTV AND ICR



(1) Mercialys' vacancy rate does not include agreements relating to the Casual Leasing business
(2) Mercialys' EPRA NNNAV and EPRA NDV are equal, as the Company's balance sheet does not carry any goodwill

Organizational structure

131
employees
at **end-June 2021**

- All core business functions carried out in-house, excluding specific mandates
- All support functions brought back in-house or currently being brought back in-house

SUPPORT FUNCTIONS BROUGHT BACK IN-HOUSE

Real Estate Legal (reintegrated at Dec 31, 2019)	Real Estate Development (reintegrated at Dec 31, 2019)	Fund Management (reintegrated at Dec 31, 2019)	IT (reintegrated at Jun 30, 2020)	Real Estate Management Control (reintegrated at Jun 30, 2020)	Human Resources Support (reintegrated at Dec 31, 2020)

SUPPORT FUNCTIONS CURRENTLY BEING BROUGHT BACK IN-HOUSE

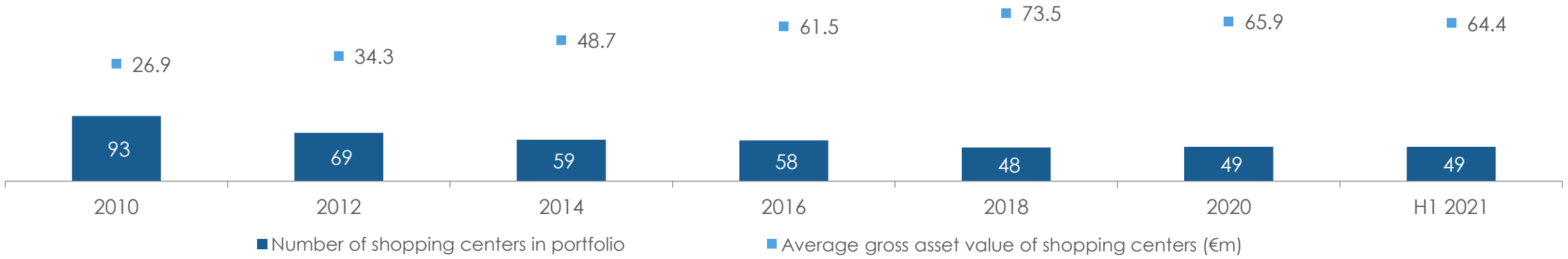
Corporate Legal (reintegration in Jan 2022)	Insurance (reintegration in Jan 2022)	Tax (reintegration in Apr 2022)	Accounting support (reintegration in Apr 2022)	Corporate Finance (reintegration in Apr 2022)

SPECIFIC MANDATES OUTSOURCED

Technical and Administrative Management (mandate ending Dec 2022)	Management of Rent and Arrears (mandate ending Dec 2022)

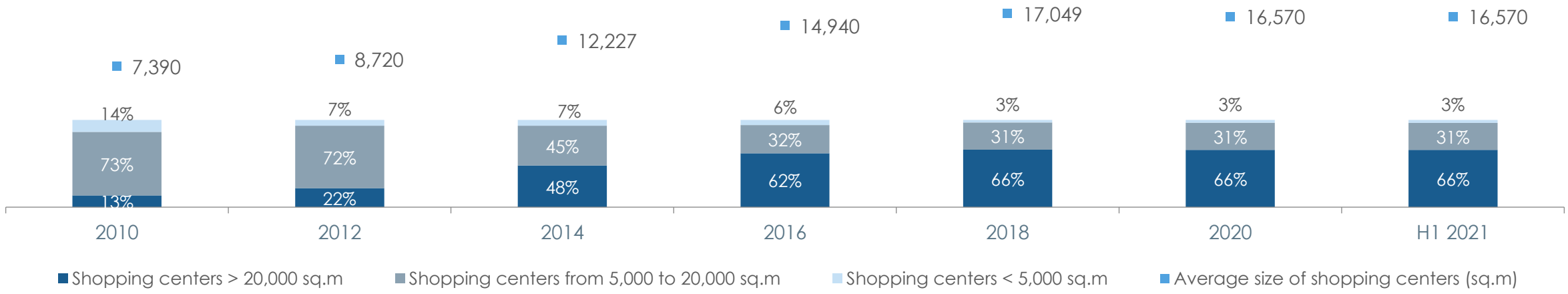
Shopping center portfolio structure

NUMBER OF SHOPPING CENTERS AND AVERAGE VALUE



SHOPPING CENTER BREAKDOWN BY SIZE

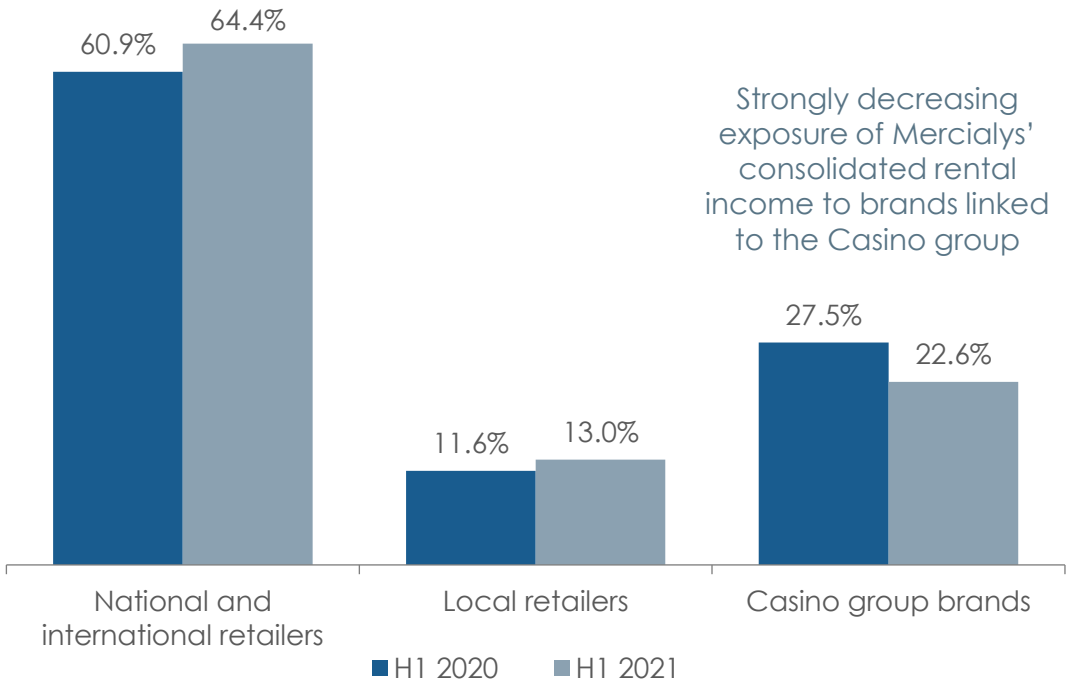
(% of portfolio gross asset value including rights)



Rental income structure

BREAKDOWN OF MERCIALYS' RENTAL INCOME BY TYPE OF RETAILER – CONSOLIDATED VISION

(% of annualized rental income)



Strongly decreasing exposure of Mercialys' consolidated rental income to brands linked to the Casino group

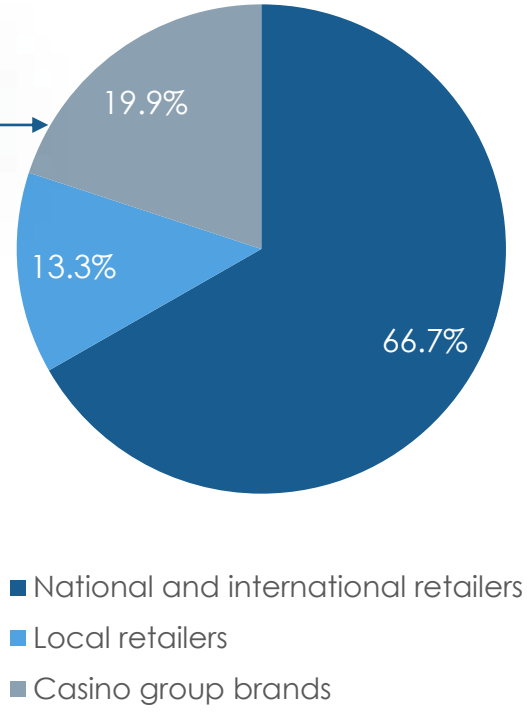
BREAKDOWN OF MERCIALYS' RENTAL INCOME BY TYPE OF RETAILER – ECONOMIC EXPOSURE

(% of annualized rental income at June 30, 2021)

Actual economic exposure to the Casino group brands

Restated for:

- The 49% held by BNPP REIM France in SAS Hyperthetis Participations and Immosiris (owning 10 Géant hypermarkets)
- The 25% minority stake held by Mercialys in SCI AMR (owning 3 Monoprix and 2 Géant hypermarkets)



Rental income structure

CASINO GROUP LEASE SCHEDULE

(main leases: hypermarkets, supermarkets & Monoprix stores)

SITE	% HELD BY MERCIALYS	TYPE	LEASE START DATE	LEASE END DATE	LEASE CHARACTERISTICS
Grenoble	100%	Monoprix	02/2010	02/2022	3 - 6 - 9 - 12 commercial lease
Saint-Étienne	100%	Hypermarket	07/2014	06/2026	3 - 6 - 9 - 12 commercial lease
Quimper	100%	Hypermarket	12/2014	12/2026	3 - 6 - 9 - 12 commercial lease
Annecy	100%	Hypermarket	12/2014	12/2026	3 - 6 - 9 - 12 commercial lease
Aix-en-Provence	51%	Hypermarket	06/2015	06/2027	3 - 6 - 9 - 12 commercial lease
Marseille	100%	Hypermarket	06/2015	06/2027	3 - 6 - 9 - 12 commercial lease
Brest	51%	Hypermarket	06/2015	06/2027	3 - 6 - 9 - 12 commercial lease
Nîmes	51%	Hypermarket	06/2015	06/2027	3 - 6 - 9 - 12 commercial lease
Angers	51%	Hypermarket	06/2015	06/2027	3 - 6 - 9 - 12 commercial lease
Lanester	100%	Hypermarket	06/2015	06/2027	3 - 6 - 9 - 12 commercial lease
Niort	51%	Hypermarket	06/2015	06/2027	3 - 6 - 9 - 12 commercial lease
Fréjus	51%	Hypermarket	06/2015	06/2027	3 - 6 - 9 - 12 commercial lease
Narbonne	51%	Hypermarket	11/2015	11/2027	3 - 6 - 9 - 12 commercial lease
Istres	51%	Hypermarket	11/2015	11/2027	3 - 6 - 9 - 12 commercial lease
Le Puy	51%	Hypermarket	11/2015	11/2027	3 - 6 - 9 - 12 commercial lease
Clermont-Ferrand	51%	Hypermarket	11/2015	11/2027	3 - 6 - 9 - 12 commercial lease
Annemasse	100%	Hypermarket	12/2015	12/2027	3 - 6 - 9 - 12 commercial lease
Marseille Canebière	100%	Monoprix	12/2015	12/2027	3 - 6 - 9 - 12 commercial lease
Ajaccio	60%	Hypermarket	07/2018	06/2030	12-year commercial lease, 9-year firm period
Corte	60%	Supermarket	07/2018	06/2030	12-year commercial lease, 9-year firm period
Furiani	60%	Hypermarket	07/2018	06/2030	12-year commercial lease, 9-year firm period
Porto-Vecchio	60%	Hypermarket	07/2018	06/2030	12-year commercial lease, 9-year firm period
Toga	60%	Hypermarket	07/2018	06/2030	12-year commercial lease, 9-year firm period

H&M GROUP LEASE SCHEDULE

SITE	LEASE START DATE	LEASE END DATE	LEASE CHARACTERISTICS
Grenoble	05/2010	05/2020	3 - 6 - 9 - 10
Marseille	04/2011	04/2021	3 - 6 - 9 - 10
Angers	07/2011	07/2021	3 - 6 - 9 - 10
Clermont-Ferrand	08/2013	08/2023	3 - 6 - 9 - 10
Mandelieu	01/2016	01/2028	12-year commercial lease, 6-year firm period
Brest	02/2016	02/2028	12-year commercial lease, 6-year firm period
Lanester	07/2016	07/2028	12-year commercial lease, 6-year firm period
Toulouse	07/2016	07/2028	12-year commercial lease, 6-year firm period
Aix-en-Provence	08/2016	08/2028	12-year commercial lease, 6-year firm period
Besançon	12/2016	12/2028	12-year commercial lease, 6-year firm period
Quimper	05/2017	05/2029	3 - 6 - 9 -12
Morlaix	07/2017	07/2029	12-year commercial lease, 6-year firm period
Narbonne	07/2017	07/2029	12-year commercial lease, 6-year firm period
Nîmes	08/2017	07/2029	12-year commercial lease, 6-year firm period

Outstanding CSR strategy regularly recognized since its launch in 2015

	GRESB	CDP	Gaïa Rating	vigeo eiris	SUSTAINALYTICS	MSCI	ISS-oekom	Grands Prix de la Transparence	EPRA	Ministère chargé de l'égalité entre les femmes et les hommes, de la diversité et de l'égalité des chances
2021	No review to date	No review to date	No review to date	Score: 68/100	No review to date	No review to date	No review to date	No review to date	No review to date	No review to date
2020	Score: 85/100 (1) Green Star status	Rating: A A List status maintained	Score: 87/100 #1 in its category Member of the Gaïa index	Score: 64/100	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 A List status maintained	Score: 83/100 Member of the Gaïa index	Score: 63/100	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 (2) (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 (2)	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 (2)	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) Not comparable due to a change in the assessment methodology
(2) Estimated

EPRA performance indicators

	JUNE 30, 2020	DECEMBER 31, 2020	JUNE 30, 2021
EPRA earnings - € per share	0.69	1.04	0.60
EPRA NRV - € per share	22.00	21.18	20.32
EPRA NTA - € per share	19.68 (1)	19.04	18.26
EPRA NDV - € per share	19.90	18.42	17.17
EPRA net initial yield - %	5.16%	5.28%	5.26%
EPRA "topped-up" net initial yield - %	5.20%	5.33%	5.32%
EPRA vacancy rate - %	3.4%	5.4%	5.7%
EPRA cost ratio (including direct vacancy costs) - %	17.0%	27.0%	11.7%
EPRA cost ratio (excluding direct vacancy costs) - %	15.7%	25.6%	9.8%
EPRA capital expenditure - in millions of euros	6.0	61.6	6.6

(1) Value adjusted from Euro 19.72 per share, as published in the 2020 Half-Year Financial Report, to Euro 19.68 per share, in order to more accurately reflect the new methodology for calculating EPRA NTA

FFO & EPRA earnings

IN THOUSANDS OF EUROS	JUNE 30, 2020	JUNE 30, 2021
Invoiced rents	90,732	83,419
Lease rights and despecialization indemnities	1,271	1,246
Rental revenues	**92,003**	**84,665**
Property tax	-14,327	-13,775
Reinvoiced to tenants	13,004	12,170
Non-recovered property tax	**-1,323**	**-1,606**
Service charges	-16,103	-16,373
Reinvoiced to tenants	13,949	13,760
Non-recovered service charges	**-2,153**	**-2,613**
Management fees	-2,261	-2,646
Reinvoiced to tenants	2,237	2,103
Losses on and impairment of receivables	-2,467	4,216
Other expenses	-410	-153
Net property expenses	**-2,901**	**3,520**
Net rental income	**85,626**	**83,966**
Management, administrative and other activities income	1,698	1,292
Other income and expenses	-2,384	-2,042
Personnel expenses	-6,860	-6,900
EBITDA	**78,079**	**76,317**
Net financial income (excluding non-recurring items)	-10,087	-16,101
Reversals of / (allowance for) provisions	1,272	-346
Other operating income and expenses (excluding capital gains on disposals and impairments)	-1,268	-199
Tax expenses	-1,215	-423
Share of net income from equity associates and joint ventures (excluding capital gains, amortization and impairments)	1,402	1,745
Non-controlling interests (excluding capital gains, amortization and impairments)	-5,188	-5,300
FFO	**62,993**	**55,694**
FFO per share (based on average basic number of shares)	*0.69*	*0.60*
EPRA EARNINGS	**62,993**	**55,694**

Net income attributable to owners of the parent

IN THOUSANDS OF EUROS	JUNE 30, 2020	JUNE 30, 2021
FFO	62,993	55,694
Depreciation and amortization	-20,236	-19,557
Other operating income and expenses	-11,112	-5,579
Hedging ineffectiveness, banking default risk and partial redemption of the 2023 issue	1,394	683
Equity associates, joint ventures and non-controlling interests (amortization, impairments and capital gains)	177	148
NET INCOME, ATTRIBUTABLE TO OWNERS OF THE PARENT	**33,215**	**31,388**

Balance sheet

	IN THOUSANDS OF EUROS	DECEMBER 31, 2020	JUNE 30, 2021
ASSETS	Intangible assets	4,052	3,968
	Property, plant and equipment other than investment property	1,605	2,465
	Investment property	2,050,907	2,031,973
	Right-of-use assets	8,902	8,392
	Investments in associates	38,918	38,412
	Other non-current assets	73,865	61,796
	Deferred tax assets	1,728	1,517
	Non-current assets	**2,179,976**	**2,148,523**
	Trade receivables	38,217	55,825
	Other current assets	40,660	30,638
	Cash and cash equivalents	464,611	287,958
	Investment property held for sale	111	111
	Current assets	**543,599**	**374,533**
	TOTAL ASSETS	**2,723,575**	**2,523,056**
EQUITY AND LIABILITIES	Share capital	92,049	93,887
	Additional paid-in capital, treasury shares and other reserves	600,875	614,520
	Equity attributable to owners of the parent	**692,925**	**708,407**
	Non-controlling interests	202,193	201,266
	Equity	**895,118**	**909,673**
	Non-current provisions	1,207	1,224
	Non-current financial liabilities	1,355,914	1,326,618
	Deposits and guarantees	22,295	22,705
	Non-current lease liabilities	8,655	8,071
	Other non-current liabilities	15,311	10,404
	Non-current liabilities	**1,403,381**	**1,369,022**
	Trade payables	15,394	20,660
	Current financial liabilities	348,553	166,677
	Current lease liabilities	985	1,080
	Current provisions	9,942	10,018
	Other current liabilities	50,193	45,820
	Current tax liabilities	9	106
	Current liabilities	**425,076**	**244,361**
	TOTAL EQUITY AND LIABILITIES	**2,723,575**	**2,523,056**

Breakdown of assets

Average appraisal yield rate: 5.74% at June 30, 2021

TYPE OF PROPERTY	NUMBER OF ASSETS at June 30, 2021	APPRAISAL VALUE (excl. transfer taxes) at June 30, 2021		APPRAISAL VALUE (incl. transfer taxes) at June 30, 2021		GROSS LEASABLE AREA at June 30, 2021		APPRAISED NET RENTAL INCOME	
		In €m	%	In €m	%	Sq.m	%	In €m	%
Regional / large shopping centers	25	2,540.6	84.8%	2,698.4	84.7%	643,691	78.3%	146.9	80.3%
Neighborhood shopping centers and city-center assets	26	446.3	14.9%	476.9	15.0%	176,691	21.5%	35.5	19.4%
Sub-total	**51**	**2,986.9**	**99.7%**	**3,175.2**	**99.7%**	**820,382**	**99.8%**	**182.4**	**99.8%**
Other sites	4	9.7	0.3%	10.4	0.3%	1,954	0.2%	0.4	0.2%
TOTAL PORTFOLIO	**55**	**2,996.6**	**100.0%**	**3,185.6**	**100.0%**	**822,336**	**100.0%**	**182.8**	**100.0%**

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